arcadyan

Create a Better Future Through Networking

2025

Sustainability Report

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About This Report

Arcadyan Technology Corporation ("Arcadyan") published its inaugural Corporate Social Responsibility (CSR) Report in 2018, underscoring its commitment to integrity and transparency in disclosing the company's sustainability performance. In response to global ESG trends and the "Corporate Governance 3.0 - Sustainable Development Roadmap" mandated by the Taiwan Financial Supervisory Commission (FSC), the publication was renamed the Sustainability Report (the "Report") in 2021. This Report highlights Arcadyan's sustainability strategies and achievements for the 2025 fiscal year (from January 1 to December 31, 2025), spanning key pillars such as corporate governance, business operations, green innovation, environmental sustainability, and social inclusion. Arcadyan publishes both Mandarin and English editions of the report annually, which are available for download on the Arcadyan Corporate Sustainability Website to ensure seamless access for all stakeholders.

Disclose scope of the report

This Report is based on Arcadyan's 2025 organizational structure and operations, with primary disclosures covering our core sites: Taiwan Headquarters and Vietnam Manufacturing Center. To strengthen GHG inventory coverage and environmental data integrity, we have incorporated key indicators from the Shanghai and Guangzhou offices, as well as TTI. Certain consolidated subsidiaries (US, UK, Germany, Brazil, India, and Russia) are not yet fully included. We will continue optimizing data collection mechanisms and progressively expand the reporting boundary according to data availability and materiality, advancing global sustainability transparency.

Reporting guidelines and External assurance

This Report is prepared in accordance with the GRI 2021 Sustainability Reporting Standards, adhering to its eight core principles: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. Independent third-party body AFNOR Asia verified this Report against the AA1000 Accountability Principles, SASB Standards, and GRI Standards. The Report achieved a Type 1 Moderate Assurance level. The independent assurance statement is included in the Appendix for stakeholder reference. Relevant verification and certification details are summarized below:

- 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 a cross-functional "Sustainability Report Task Force" in accordance with its internal "Sustainability Report Compilation and Verification Process" and "Sustainability Information Management Process." Composed of department heads and designated representatives, the Task Force consolidates performance data, drafts content, and conducts materiality assessments.

The report undergoes departmental review, followed by oversight from the Corporate Sustainability Office, and independent third-party assurance to verify accuracy, reasonableness, and compliance. The final version is approved by the Board of Directors before public release on the Arcadyan Corporate Sustainability Website and designated platforms.

Report Published

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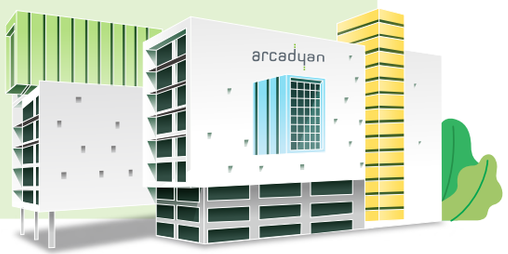


Joint Statement from the Chairman and President

Amid accelerating global digital transformation and a shifting low-carbon economy, the networking industry forms the vital backbone of connectivity, bearing core responsibilities for innovation, supply chain resilience, and sustainability. In 2025, geopolitical and economic shifts, including US tariff updates and subsequent supply chain restructuring, alongside rapid AI growth that drove component price increases and supply imbalances, have heightened operational uncertainties. Faced with these challenges, Arcadyan remains anchored in its core values: "Innovation, Harmony, Transcendence, and Service." We continue to strengthen our operational resilience and sustainable governance, moving forward steadily with our global partners.

To mitigate tariff and supply chain volatility, Arcadyan continues to optimize its global manufacturing and procurement footprint. Through reinforced supply chain management, strategic stockpiling, and deepened long-term partnerships, we enhance regional production flexibility and effectively diversify operational risks. Furthermore, our long-standing adherence to the ISO 22301 Business Continuity Management System since 2012 has enabled us to build robust risk contingency mechanisms, ensuring operational stability and consistent service quality under any disruptive scenario.

Environmental: Accelerating Low-Carbon Transition to Build Sustainable Supply Chains

In response to global net-zero trends and rising customer demand for eco-friendly products, Arcadyan continues to deepen its climate action. Our carbon reduction targets were approved by the Science Based Targets initiative (SBTi) in 2024. Following this established pathway, in 2025 Arcadyan reinforced its GHG inventories, energy management, and product carbon footprint tracking, fully embedding low-carbon mindsets into R&D and manufacturing.

Operationally, the Vietnam Manufacturing Center is continuously expanding its solar photovoltaic (PV) systems to optimize energy efficiency. Meanwhile, the Taiwan Headquarters is on track to launch its new solar power system by the end of 2026, further increasing our renewable energy share and strengthening our low-carbon foundation.

Furthermore, through our "Go Green with Arcadyan" supplier initiative launched in 2023, we focus on high-emission components like PCBs, power supplies, and housing. We assist suppliers with carbon inventories, target setting, and reduction measures. In 2025, we continue to expand this participation by promoting ISO 14064, ISO 14067, and Product Life Cycle Assessments (LCA) to collaboratively drive down Scope 3 emissions.

Social: Human Rights Protection and Living Wage Implementation

Arcadyan is dedicated to cultivating a diverse, equitable, and inclusive (DEI) work environment. In 2025, we formally launched our Living Wage policy and established a structured management mechanism. Through annual assessments, we review local wage levels against living costs to continuously optimize our compensation system. Furthermore, we pledge to achieve a 100% living wage rate across the global Group by 2028, ensuring all employees receive fair and dignified compensation.

Arcadyan adheres to the Responsible Business Alliance (RBA) Code of Conduct, continuously advancing human rights due diligence and supplier audits. Despite rising cost pressures, we uphold responsible procurement, ensuring operational challenges do not compromise worker welfare. We remain dedicated to building a resilient, sustainable supply chain.

Governance: Deepening Sustainable Governance to Elevate International Competitiveness

Demonstrating excellence in sustainable governance, Arcadyan has secured the EcoVadis Platinum rating for three consecutive years. This achievement places us in the top 1% of assessed companies globally, underscoring our outstanding performance across key pillars: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement.

In 2025, Arcadyan participated in the S&P Global Corporate Sustainability Assessment (CSA) for the first time and won the prestigious "Industry Mover" award. This accolade highlights our rapid progress and alignment with international standards across core areas, including sustainability strategy, climate action, information disclosure, and supply chain management.

Moving forward, Arcadyan will reinforce transparency and business integrity by deepening risk management, cybersecurity governance, and customer privacy to build long-term stakeholder trust. Sustainability remains an ongoing commitment. Faced with shifting global trade dynamics and supply chain challenges, we anchor our strategy in technological innovation, robust governance, and sustainable supply chain management. Together with our global partners, we will embed ESG values to achieve a vision that balances economic growth, social value, and environmental stewardship.

Chairman

President

1 Sustainability Development Management

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

1.1Sustainability Vision and Strategy

To navigate macro challenges like climate change, supply chain restructuring, digital transformation, talent competition, and social inclusion, Arcadyan embeds sustainability across governance, operations, product design, supply chain collaboration, and social engagement. Driven by a structured governance framework and cross-departmental collaboration, we advance our sustainability roadmap across ESG pillars—translating management targets into concrete actions and performance to reinforce corporate resilience and long-term competitiveness.

1.1.1 Vision and Policy

Guided by our vision of "Creating a Better Future Through Networking," Arcadyan is anchored in the core values of EPI (Equilibrium, Prosperity & Inclusivity). Through technological innovation and R&D, we integrate supply chain resources to deliver high-quality services. Rooted in our philosophy—"Technological Innovation, Human-Centricity, Continuous Excellence, and Customer-Centricity"—we prioritize human rights, sound labor relations, and workplace safety, while fulfilling our economic, social, and environmental responsibilities.

To operationalize these commitments, Arcadyan structures its ESG strategy around three primary pillars—Environmental Sustainability, Social Inclusion, and Corporate Governance—and executes Eight Sustainability Action Plans to guide our strategy and annual planning: Low-Carbon & Energy Saving, Green Circularity, Innovative R&D, Diversity & Inclusion, Well-being Workplace, Integrity Governance, Partner Collaboration, and Social Engagement.

Vision

Creating a Better Future Through Networking

Value

- Equilibrium
- Prosperity
- Inclusivity

Sustainability Policy	Action Plan
· Driving low-carbon transition to minimize climate impacts across operations and the value chain. · Developing eco-friendly products and green designs to enhance sustainability value throughout the product life cycle. · Maximizing resource efficiency and circularity to reduce environmental degradation and natural resource consumption.	Low-Carbon & Energy Saving Green Circularity Innovative R&D
· Upholding human and labor rights to foster a fair, diverse, and inclusive (DEI) workplace. · Accelerating talent development and employee care to drive mutual growth for our people and the business. · Enforcing occupational health and safety management to construct a healthy and secure work environment.	Diversity & Inclusion Well-being Workplace
· Practicing business integrity and regulatory compliance to enhance corporate governance transparency. · Deepening collaboration with customers, suppliers, and stakeholders to drive a responsible value chain. · Investing in social engagement and community initiatives to create shared value for business and society.	Integrity Governance Partner Collaboration Social Engagement

1.1.2 2025 Key Sustainability Actions

In 2025, Arcadyan advanced its ESG initiatives across eight sustainability action plans aligned with the UN SDGs. A summary of representative achievements is outlined below, with full details on management frameworks and performance metrics available in the respective chapters.

Value	Action Plan	2025 Sustainability Highlights	Aligned with the Sustainable Development Goals	Corresponding Section
Equilibrium	Low-Carbon & Energy Saving	• Arcadyan achieved its interim SBTi targets ahead of schedule, reducing absolute Scope 1 and Scope 2 emissions by 67.6% and Scope 3 intensity by 32.9% against the base year. • Vietnam manufacturing center reached a 50.3% renewable energy utilization rate by utilizing 5.49 million kWh of self-generated solar energy and purchasing 16.35 million kWh of I-RECs. • The "Go Green" program drove cumulative supply chain carbon reductions, saving 95,302 metric tons of CO_2e in operations and 11,106 metric tons at the product level.	7 Affordable and Clean Energy 12 Responsible Consumption and Production 13 Climate Action	2.6.3 Go Green with Arcadyan Carbon Reduction Project 4.2 Climate Risk Management 4.3 Energy and Greenhouse Gas Management
	Green Circularity	• Integrated recycled plastics into 71% of product models and achieved 96.5% recycled content in packaging, while pioneering the use of PCR recycled aluminum for key customer models. • Recycled 4,915 kg of plastics to cut 35.4 metric tons of CO_2e, achieving a 70% refurbishment and reuse rate for accessories. • Expanded LCA and PCF carbon footprint assessments to 66% of products, adding 36 new low-carbon materials to the Eco-friendly Materials Cloud Library.	9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production 13 Climate Action	Chapter 3 Green Innovation
	Innovative R&D	• Arcadyan invested NT$3.01 billion in R&D in 2025, representing a 9.9% year-on-year increase and raising its revenue share to 5.7%. • We filed 55 patent applications and secured 29 certifications, focusing on pioneering fields such as communication technology, green design, and smart Connected Vehicles. • Five products integrated one-touch easy-open covers and Snap-Fit easy-disassembly designs, while the AIPM smart power management system achieved a 4.3% adoption rate among key customers, cutting endpoint energy consumption by 20–30%.	9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production	Chapter 3 Green Innovation
Prosperity	Diversity & Inclusion	• Women account for 48.8% of Arcadyan's global workforce, 22.7% of management roles, and 57.3% of employees in business-related departments. • We employ eight staff members with disabilities and reserve 60% of our summer internship positions for underprivileged youth. • Arcadyan's total expenditure on diverse procurement reached NT$13.74 million. • Local managers account for 100% of leadership roles at our Vietnam manufacturing center and 99.1% at our headquarters. • Vietnam manufacturing center successfully achieved the RBA VAP Gold Recognition and the JAC Class A audit certification.	5 Gender Equality 8 Decent Work and Economic Growth 10 Reduced Inequalities	2.6.4 Supply Chain Human Rights Policy and Diversity & Inclusion 5.1 Human Rights Management and Compliance

Value	Action Plan	2025 Sustainability Highlights	Aligned with the Sustainable Development Goals	Corresponding Section
Prosperity	Well-being Workplace	• Arcadyan maintained zero occupational accidents globally, accumulating 21.41 million accident-free working hours. • Our headquarters earned the Health Promotion Badge from the Ministry of Health and Welfare. • We provided a NT$66,000 birth allowance per child, benefiting 27 newborns with a 100% parental leave retention rate. • The group completed 300,954 total training hours, averaging 53.5 hours per person with a 95.2% participation rate. • Our retention rate for key technical talent reached 95.7%, demonstrating strong workforce stability.	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	5.2 Talent Attraction and Retention 5.3 Talent Cultivation and Development 5.4 Occupational Health and Safety
Inclusivity	Integrity Governance	• In 2025, Arcadyan completed 3,918 employee business integrity training sessions with a 95.2% completion rate, while board members and senior executives achieved 100% training rate across 63 cumulative hours. • We achieved a 100% completion rate for integrity due diligence across 86 high-risk positions and 35 medium-to-high-risk suppliers, with zero violations discovered. • Arcadyan recorded no complaints or reports regarding ethics or corruption in 2025, nor did it face any legal actions or fines related to anti-competitive or anti-trust practices.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	2.3 Risk Management 2.5 Business Integrity
	Partner Collaboration	• Arcadyan secured signed Corporate Social Responsibility (CSR) Commitments from all 384 suppliers in 2025, achieving a 100% completion rate. • We completed CSR audits for 26 Tier 1 and 2 Tier 2 suppliers, while successfully guiding 39 suppliers to improve and rectify related deficiencies. • Arcadyan received an "A" rating in the CDP Supplier Engagement Rating (SER), successfully encouraging 60 suppliers to complete the CDP questionnaire in 2025.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	2.6 Sustainable Partnerships
	Social Engagement	• Arcadyan's 2025 social donations totaled NT$5.51 million, comprising NT$4.19 million from the corporate level and NT$1.32 million from employees, with 1,083 employee sessions benefiting 4,181 individuals. • The Arcadyan "Smart & Easy English" project expanded to 15 elementary and junior high schools to support 364 rural student sessions, while the 2nd Philippines Overseas Study Summer Camp welcomed 16 student participants. • We allocated NT$1.35 million to emergency relief and supported underprivileged children, seniors, and orphanages through the "Fly with Your Dreams" initiative, "Together We Group Buy" campaigns, and the "Happy Rice Field" project.	1 NO POVERTY 4 QUALITY EDUCATION 10 REDUCED INEQUALITIES	5.5 Social Engagement

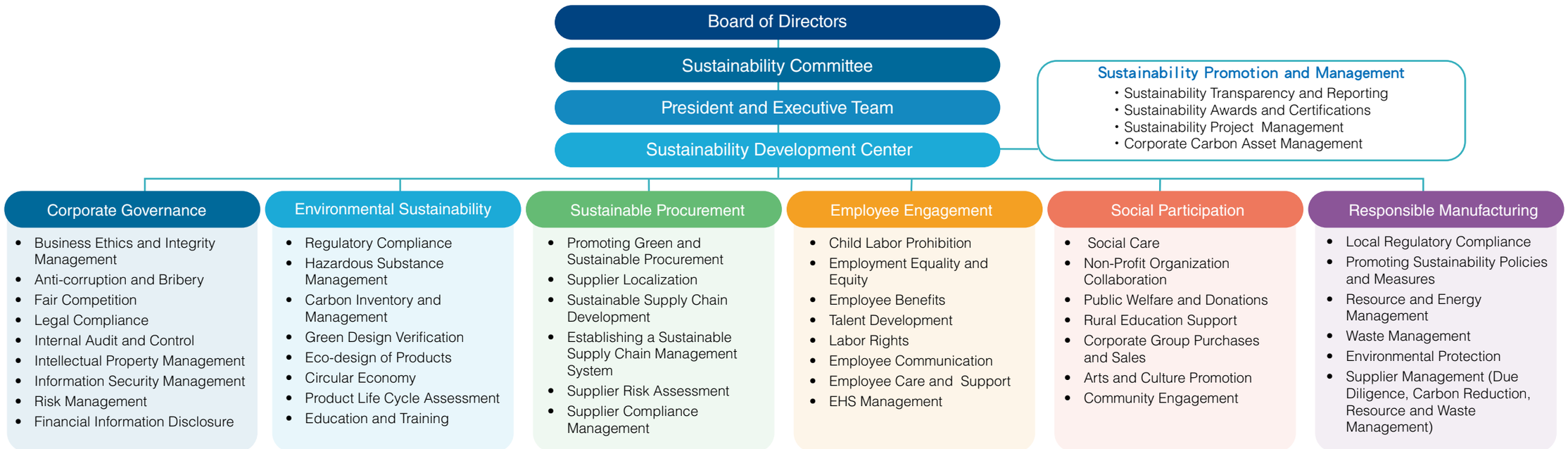
1.2 Sustainability Governance

1.2.1 Sustainability Committee and Governance Structure

To strengthen sustainability governance, Arcadyan established the CSR Committee in 2016, upgraded it to the Board-level Sustainability Development Committee in 2020, and approved the "Organizational Regulations of the Sustainability Development Committee" in 2022. The Committee, chaired by the general manager and including one Independent Director, oversees ESG strategies, mid-to-long-term targets, and action plans.

The Company also set up the Sustainability Development Office to coordinate cross-departmental efforts, track progress, and report key metrics to the Committee and Board.

Under the four EESG pillars—Economy, Environment, Society, and Governance—the Committee supervises six functional groups, including Corporate Governance, Environmental Sustainability, Sustainable Procurement, Employee Engagement, Social Participation, and Responsible Manufacturing. These groups drive strategy execution and performance management. This multi-tiered governance framework effectively integrates sustainability into daily operations and the entire value chain.



The responsibilities of the Sustainability Development Committee are as follows:

- Formulate sustainability development policies.
- Plan annual strategic directions and action plans.
- Track and review sustainability performance, and report to the Board of Directors.
- Resolve other major sustainability-related matters.

2025 Sustainability Development Committee Membership and Operations:

Title	Name	Actual Attendance	Attendance by Proxy	Actual Attendance Rate (%)
Director	Chao-Peng Tseng	3	0	100%
Director	Chung-Pao Liu	3	0	100%
Independent Director	Ing-Jen Lee	3	0	100%

1.2.2 2025 Sustainability Governance Performance

The Arcadyan Board of Directors regularly receives execution reports from the Sustainability Development Committee. It oversees the Company's sustainability strategies, material issues, and annual action plans, ensuring alignment with overall business strategy. In 2025, Arcadyan held three Sustainability Development Committee meetings with 100% attendance. The Chairperson reported sustainability progress and future plans to the Board, underscoring the Board's strong commitment to sustainability governance.

The major matters reviewed and approved by the 2025 Sustainability Development Committee are as follows:

1. Approval of the 2025 sustainability material topics, development targets, and annual action plans.
2. Approval of the 2024 Sustainability Report.
3. Approval of the amendments to the "Sustainability Practices Code."

Through regular meetings, material issue reviews, and Board reporting mechanisms, Arcadyan continuously strengthens the transparency and effectiveness of its sustainability governance. The Company integrates sustainability strategies into key operational areas, including environmental management, corporate governance, supply chain management, employee care, and social engagement.

1.2.3 Internal Control and Audit Execution Status for Sustainability Information Preparation

To ensure the accuracy, completeness, and reliability of sustainability information, Arcadyan incorporated sustainability information management into its internal control system in 2024, establishing the "Sustainability Report Preparation and Verification Procedures" and "Sustainability Information Management Procedures" to govern the collection, preparation, review, verification, and disclosure of such information.

The Sustainability Report is compiled and prepared by the cross-departmental "Sustainability Report Preparation Team," reviewed initially by department heads and consolidated by the Sustainability Development Office, then externally assured by an independent third party, and finally disclosed after approval by the Sustainability Development Committee and the Board of Directors.

Arcadyan also regularly performs internal control self-assessments and audits, covering applicable regulations, materiality assessment, information management and disclosure, third-party assurer competence, personnel handover, and disclosure approval. The 2025 audit found all controls effectively implemented, with no material deficiencies.

1.3 Performance, Certification and Advocacy

Arcadyan uses international sustainability standards, management systems, and external benchmarks to drive governance and operational excellence. Through participation in international evaluations, management system certifications, and external initiatives, the Company assesses its ESG management maturity and continuously improves disclosure transparency and sustainable competitiveness.

1.3.1 Key Achievements and External Accolades

In 2025, Arcadyan continued to receive accolades from international sustainability ratings, key customers, and professional organizations, showcasing its strong performance in sustainability governance, climate action, supply chain management, information disclosure, and corporate social responsibility.

EcoVadis Platinum Rating for Sustainability

S&P Global Sustainability Yearbook Industry Mover Award

2025 CDP Climate Change and Water Security Questionnaire Management Level

2025 18th TCSA Taiwan Corporate Sustainability Awards Top 100 Sustainable Companies in Taiwan

Gold Award – Environmental Improvement (Carbon Reduction Category)

TIME Magazine World's Best Companies in Sustainable Growth 2025

Financial Times 2025 Asia-Pacific Climate Leaders Ranking – Top Position

Responsible Business Alliance (RBA) Validated Assessment Program (VAP) Gold Recognition

2025 18th TCSA Taiwan Corporate Sustainability Awards Gold Award for Sustainability Report

Asia-Pacific Stevie Awards Bronze Award

1.3.2 Management Systems and Certifications

Arcadyan has built a solid operational management foundation through management systems for quality, environment, energy, information security, occupational health and safety, and business continuity. Third-party certifications enhance management effectiveness and credibility. These systems cover headquarters and major manufacturing sites, supporting sustainable operations, risk control, and continuous improvement.

Item	Management System	Arcadyan Headquarters	Vietnam Manufacturing Center	Certification Coverage Rate
Environment	ISO 14001：2015 Environmental Management System	o	o	95.8%
	ISO 50001：2018 Energy Management System	o	o	95.8%
	GHG Protocol Greenhouse Gases Inventory	o	o	99.0%[Note1]
	ISO 14006：2011 Eco-design Management System	o		NA
	IECQ-QC080000：2017 Hazardous Substances Process Management		o	78.4%
	FSC-STD-40-004 FSC Chain of Custody Certification Standard		o	78.4%
	BS 8001：2017 Circular Economy	o		NA
Social	ISO 45001：2018 Occupational Health and Safety Management System	o	o	95.8%
Governance	ISO 9001：2015 Quality Management System	o	o	95.8%
	TL 9000 Telecommunication Quality Management System	o	o	95.8%
	IATF 16949 Automotive Quality Management System	o	o	95.8%
	ISO 22301：2019 Business Continuity Management System	o	o	95.8%
	ISO 27001：2017 Information Security Management System	o	o	95.8%
	ISO 27005：2011 Information Risks Management	o	o	95.8%
	C-TPAT Customs Trade Partnership Against Terrorism		o	78.4%
Others	ANSI / ESD S20.20 Electrostatic Discharge Control		o	78.4%

Note1：The 2025 inventory scope covers Arcadyan Headquarters, Vietnam Manufacturing Center, China Operations Office, Shanghai Guangzhou Office, and TTI, accounting for 99.0% of Arcadyan Group's total workforce.

1.3.3 Association Memberships and External Initiatives

To stay abreast of industry trends, foster technological exchange, and meet global sustainability expectations, Arcadyan actively participates in relevant industry associations, technology alliances, and sustainability initiatives. In 2025, the Company engaged with the following organizations as a member or participating enterprise, using these platforms to strengthen technological development, supply chain collaboration, climate action, and transparent disclosure:

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

External Initiative/ Organization	Participation Approach and Management Focus	Corresponding Chapter
JAC COOPERATION BEYOND COMPETITION	**Joint Alliance for CSR（JAC）** Participates in ICT industry supply chain CSR audits and supplier improvement coaching to help suppliers respond to customers' sustainability management requirements.	2.6 Sustainable Partnerships
Supplier Engagement Leader CDP 2025	**CDP (formerly the Carbon Disclosure Project)** Responds to Climate Change and Water Security questionnaires and encourages suppliers to participate in CDP disclosure to enhance information transparency.	2.6 Sustainable Partnerships 4.3 Energy and Greenhouse Gas Management 4.5 Water Resource Management
SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION	**Science Based Targets initiative (SBTi)** Sets science-based carbon reduction targets aligned with the 1.5° C global warming scenario as the basis for driving operational and value-chain decarbonization.	4.2 Climate Risk Management 4.3 Energy and Greenhouse Gas Management
ecovadis Business Sustainability Ratings	**EcoVadis** Participates in corporate social responsibility ratings to assess management maturity in Environment, Labor & Human Rights, Ethics, and Sustainable Procurement.	1.3.1 Key Achievements and External Accolades

External Initiative/ Organization	Participation Approach and Management Focus	Corresponding Chapter
Responsible Business Alliance Advancing Sustainability Globally	**Responsible Business Alliance (RBA)** Follows the RBA Code of Conduct to promote supplier CSR audits and strengthens management of labor, human rights, environment, health and safety, and business ethics at manufacturing sites through RBA VAP audits.	2.6 Sustainable Partnerships 5.1 Human Rights Management and Compliance
TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	**Task Force on Climate-Related Financial Disclosures (TCFD)** Discloses climate-related governance, strategy, risk management, metrics, and targets in accordance with the TCFD framework to strengthen climate risk and opportunity management.	4.2 Climate Risk Management
United Nations Global Compact	**United Nations Global Compact (UNGC)** Supports and adheres to the UNGC's Ten Principles on human rights, labor, environment, and anti-corruption, and incorporates them as references for sustainability governance and supply chain management.	1.3.4 Implementation of the UN Global Compact's Ten Principles
SASB STANDARDS Now part of IFRS Foundation	**Sustainability Accounting Standards Board (SASB)** Referencing SASB Industry-Specific Disclosure Standards to enhance the disclosure of financially material sustainability information.	Appendix ／ Index

1.3.4 Implementation of the UN Global Compact's Ten Principles

Arcadyan supports the ten principles of the United Nations Global Compact (UNGC) and incorporates requirements related to human rights, labor, environment, and anti-corruption into its corporate governance, operational management, and supply chain management processes. The implementation status is as follows:

UNGC Ten Principles		Report Content and Description	Corresponding Page
Human Rights	Support and respect the protection of internationally proclaimed human rights	Arcadyan supports and respects internationally recognized human rights and has established the "Arcadyan Human Rights Policy Statement." For related implementation, please refer to Section 5.1 "Human Rights Management and Compliance."	104-114
	Make sure that they are not complicit in human rights abuses	Arcadyan reduces the risk of human rights violations in its operations and supply chain through its human rights policy, supplier sustainability management, and responsible procurement mechanisms. For related implementation, please refer to Section 5.1 "Human Rights Management and Compliance" and Section 2.6 "Sustainable Partnerships."	104-114, 53-56, 59
Labor	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 consultation meetings. For related implementation, please refer to Section 5.1 "Human Rights Management and Compliance."	111-114
	The elimination of all forms of forced and compulsory labor	Arcadyan prohibits any form of forced or compulsory labor and incorporates related requirements into its human rights policy and supplier management processes. For related content, please refer to Section 5.1 "Human Rights Management and Compliance" and Section 2.6.4 "Supply Chain Human Rights Policy and Diversity & Inclusion."	108-111, 52-55
	The effective abolition of child labor	Arcadyan prohibits the employment of child labor. For related content, please refer to Section 5.1 "Human Rights Management and Compliance" and the "Arcadyan Human Rights Policy Statement."	108
	The elimination of discrimination in respect of employment and occupation	Arcadyan prohibits any form of discrimination and promotes a diverse, equal, and inclusive workplace. For related content, please refer to Section 5.1 "Human Rights Management and Compliance.	108, 110
Environment	Support a precautionary approach to environmental challenges	Arcadyan has established an environmental management system and implements measures covering climate risk management, energy and GHG management, water resources, waste, and pollution prevention. For related content, please refer to Chapter 4 "Sustainable Environment."	80, 82, 88, 96, 98, 100
	Undertake initiatives to promote greater environmental responsibility	Arcadyan advances SBTi science-based carbon reduction targets, energy management, GHG Protocol greenhouse gas inventory, product eco-design, and circular economy management. For related content, please refer to Chapter 3 "Green Innovation" and Chapter 4 "Sustainable Environment."	65-73, 86-91
	Encourage the development and diffusion of environmentally friendly technologies	Arcadyan promotes green design, low-carbon materials, product energy efficiency improvement, and recyclability design based on product life cycle thinking to reduce environmental impacts across all life cycle stages. For related content, please refer to Chapter 3 "Green Innovation."	65-73
Anti-Corruption	Work against corruption in all its forms, including extortion and bribery	Arcadyan implements integrity management, prohibits any form of corruption, has established the "Business Ethics Policy," and regularly conducts internal and supplier integrity due diligence. For related content, please refer to Section 2.5 "Business Integrity."	49-50

1.4 Stakeholder Engagement and Materiality Topics

Arcadyan highly values stakeholder feedback and the impact of sustainability topics on its operations and value chain, establishing a rigorous stakeholder communication and materiality assessment process in accordance with the GRI Standards and the AA1000 Stakeholder Engagement Standard. Through systematic topic collection, stakeholder engagement, impact assessment, and prioritization, Arcadyan identifies high-impact material sustainability topics across economic, environmental, social, and human rights dimensions, serving as the strategic foundation for this report's disclosures, management targets, and long-term sustainability initiatives.

1.4.1 Stakeholder Identification

Following the five core principles of the AA1000 Stakeholder Engagement Standard (dependency, responsibility, influence, diverse perspectives, and tension), Arcadyan identified eight major stakeholder groups: shareholders, customers, employees, suppliers, government agencies, non-profit organizations, local communities, and business-related institutions. The Company has established tailored communication channels to understand their needs and expectations through regular and ad-hoc engagements, integrating this feedback into sustainability strategies, material topic assessments, and operational decisions.

2025 Stakeholder Communication and Responses

Shareholders

- Investors
- Shareholders
- Banks

2025 Key Concerns

- Risk Management
- Innovation and R&D
- Integrity Management and Anti-Corruption
- Information Security and Privacy Protection
- Customer Relationship Management

Significance to Arcadyan

Shareholder and investor support drives Arcadyan's sustainable growth through sound operations and transparent communication.

2025 Communication Results	Main Communication Channels	Frequency
Held 1 Annual General Meeting of Shareholders	Annual General Meeting of Shareholders	Annually
Held 10 investor conferences	Investor Conferences	Annually
• Participated in 31 investor meetings with 69 domestic and overseas institutional investors (face-to-face or online) • Issued 26 material information announcements and responded promptly to investor inquiries	Annual General Meeting of Shareholders	Annually

Customers

- Domestic customers
- Overseas customers

2025 Key Concerns

- Innovation and R&D
- Customer Relationship Management
- Sustainable Supply Chain Management
- Climate Change and Carbon Management
- Green Products

Significance to Arcadyan

Customer satisfaction is at the core of Arcadyan's operations, driving long-term partnerships and shared success.

Employees

- Local employees
- Foreign employees
- Student part-time workers

2025 Key Concerns

- Talent Attraction and Retention
- Occupational Safety and Health
- Human Rights and Labor Relations
- Talent Development
- Diversity, Equity, and Inclusion

Significance to Arcadyan

Employees are Arcadyan's most important asset. Through effective communication and support systems, the Company enhances satisfaction and retention.

2025 Communication Results	Main Communication Channels	Frequency
• Held approximately 45 Quarterly Business Reviews (QBR) with key customers • Conducted ongoing visits and weekly meetings with major customers to address quality issues • Customer Satisfaction Score: 85.5	Investor Conferences	Annually
	Email, business visits, customer audits	As needed
• Arcadyan Headquarters: 4 labor-management meetings • Vietnam Manufacturing Center: 2 labor-management meetings and employee forums	Labor-management meetings, employee forums	Quarterly
Welfare Committee: 6 meetings, 15 proposals approved	Welfare Committee	Quarterly
Annual performance appraisals: 2 times	Performance and development discussions	Quarterly / Semi-annually
62 education and training sessions and 12 health seminars	Training courses	As needed
59 lifestyle and health promotion announcements posted	Internal BBS platform	As needed
Employee grievance cases: 0	Internal suggestion box and grievance hotline	As needed

	2025 Communication Results	Main Communication Channels	Frequency
Suppliers • Suppliers • Contractors • Outsourced **2025 Key Concerns** • Sustainable Supply Chain Management • Information Security and Privacy Protection • Occupational Safety and Health • Human Rights and Labor Relations • Customer Relationship Management **Significance to Arcadyan** Collaborating with suppliers to build a stable and resilient sustainable supply chain enhances overall competitive advantage.	• Approximately 500 suppliers used the Green Component Platform, processing about 4,000 documents • Conducted CSR audits on 26 suppliers and quality audits on 35 suppliers • Held 28 sustainability project meetings • Held 66 carbon reduction project meetings	Green Component Platform	Updated as needed
		Document and on-site audits	Annually
		Project / carbon reduction meetings	Monthly
Government Agencies • Police departments • Fire departments • County/city governments • Labor authorities **2025 Key Concerns** • Water Resource Management • Diversity, Equity, and Inclusion • Energy Management • Biodiversity • Human Rights and Labor Relations **Significance to Arcadyan** Arcadyan operates in compliance with laws and maintains good interaction with the government as the foundation for stable operations.	• Ranked in the top 21–35% of listed companies in the 2025 Corporate Governance Evaluation • Completed GHG inventory and verification in accordance with the FSC's "Sustainable Development Roadmap for TWSE/TPEx Listed Companies" • No regulatory violations or related penalties	Official documents, regulatory briefings, seminars, and proactive visits	As needed
Non-Profit Organizations • Social welfare groups • Foundations **2025 Key Concerns** • Social Participation • Biodiversity • Diversity, Equity, and Inclusion • Green Products • Water Resource Management **Significance to Arcadyan** Expanding social impact through public welfare collaboration to fulfill corporate social responsibility.	In 2025, public welfare donations reached NT$5.51 million; 1,083 employee donations benefited 4,181 people.	Email, public welfare activities or meetings	As needed

	2025 Communication Results	Main Communication Channels	Frequency
Local Communities • Community residents **2025 Key Concerns** • Social Participation • Water Resource Management • Waste Management **Significance to Arcadyan** Arcadyan proactively communicates with communities to minimize potential operational impacts.	Following resident feedback on construction noise, Arcadyan adjusted the construction schedule, and no further complaints were received.	Meetings with community leaders and residents	As needed
Business-Related Organizations • Industry alliances • Trade associations • Third-party verification bodies **2025 Key Concerns** • Information Security and Privacy Protection • Green Products • Integrity Management and Anti-Corruption • Risk Management • Sustainable Supply Chain Management **Significance to Arcadyan** Participating in industry dialogues and standard-setting helps Arcadyan stay abreast of trends and create collective impact.	• Approximately 30 industry exchange meetings • Participated in 18 trade association activities and third-party verification sessions	Online meetings, newsletters	As needed
		Annual audits and verifications	Annually

1.4.2 Materiality Assessment Process

Arcadyan conducts annual materiality assessments in accordance with GRI 3: Material Topics of the GRI Universal Standards 2021. The process integrates a three-dimensional materiality analysis to evaluate the impact of sustainability issues on stakeholders, the external economic, environmental, and social context, as well as the Company's operations. The 2025 materiality assessment results were verified by a third-party assurance provider and approved by the Board of Directors, serving as the basis for the disclosure content and sustainability management targets in this report.

Materiality Analysis Process:

Step 1
Inventory of Sustainability

Compiled 18 sustainability-related issues

Inventories operations and value chain with reference to industry trends, peer practices, international frameworks, and stakeholder concerns to identify relevant sustainability issues.

Step 2
Inventory of Sustainability Issues

Identified 8 major stakeholder categories

Applies the five AA1000 principles (dependency, responsibility, influence, diverse perspectives, and tension) to identify eight major stakeholder categories closely related to operations and sustainability performance.

Step 3
Collection of Concern Levels

Collected 279 questionnaires with a response rate of over 95%

Collects stakeholder feedback via questionnaires, emails, and interviews to assess levels of concern on sustainability issues.

Step 4
Assessment of Impact Levels

Evaluated “Sustainability Impact” and “Operational Impact”

The Sustainability Execution Team and senior management assess the positive/negative and actual/potential impacts of each issue on economic, environmental, social, and operational aspects.

Step 5
Confirmation of Material Topics

Identified 9 material topics, corresponding to 16 GRI topic-specific standards and 2 self-defined topics

Integrates stakeholder concern, sustainability impact, and operational impact to select high-concern and high-impact material topics as the core of this report’s disclosure and management.

Step 6
Setting Management Targets and Tracking

Established 19 ESG management targets

Responsible departments set short-, medium-, and long-term targets and action plans. Progress is tracked in quarterly Sustainability Execution Team meetings and reported to the Board of Directors.

Sustainability Topic Identification and Optimization

Centered on the GRI Standards, Arcadyan's 2025 sustainability topic sourcing reviewed ESG issues across its operations and value chain, incorporating benchmarks from RBA, CDP, EcoVadis, DJSI, SASB, peer reports, and internal best practices. Compared to the previous year, the Company optimized topic classification and questionnaire design by consolidating regulatory and standard disclosure items. Examples include merging Product Information Security into Information Security and Privacy Protection, Geopolitics into Risk Management, and Circular Economy into Green Products, while adding Talent Attraction and Retention as a new topic.

Following this consolidation, the number of sustainability topics for the 2025 materiality analysis was streamlined from 27 to 18, creating a more focused framework that better reflects Arcadyan's operations and stakeholder priorities.

Three-Dimensional Materiality Analysis

In 2025, Arcadyan enhanced its materiality analysis by adopting a three-dimensional framework—"Stakeholder Interest," "Sustainability Impact," and "Business Impact"—for a more comprehensive assessment of how sustainability topics affect external society and corporate strategies.

Stakeholder Interest: Feedback was collected via paper and online questionnaires from eight major stakeholder groups on their level of concern regarding the 18 sustainability topics, serving as the basis for external stakeholder assessment.

Sustainability Impact: The Sustainability Execution Team evaluates the positive and negative impacts of each ESG issue on the external economy, environment, and society, covering areas such as industry technology, customer data protection, green product benefits, renewable resources, supply chain human rights risks, and occupational safety.

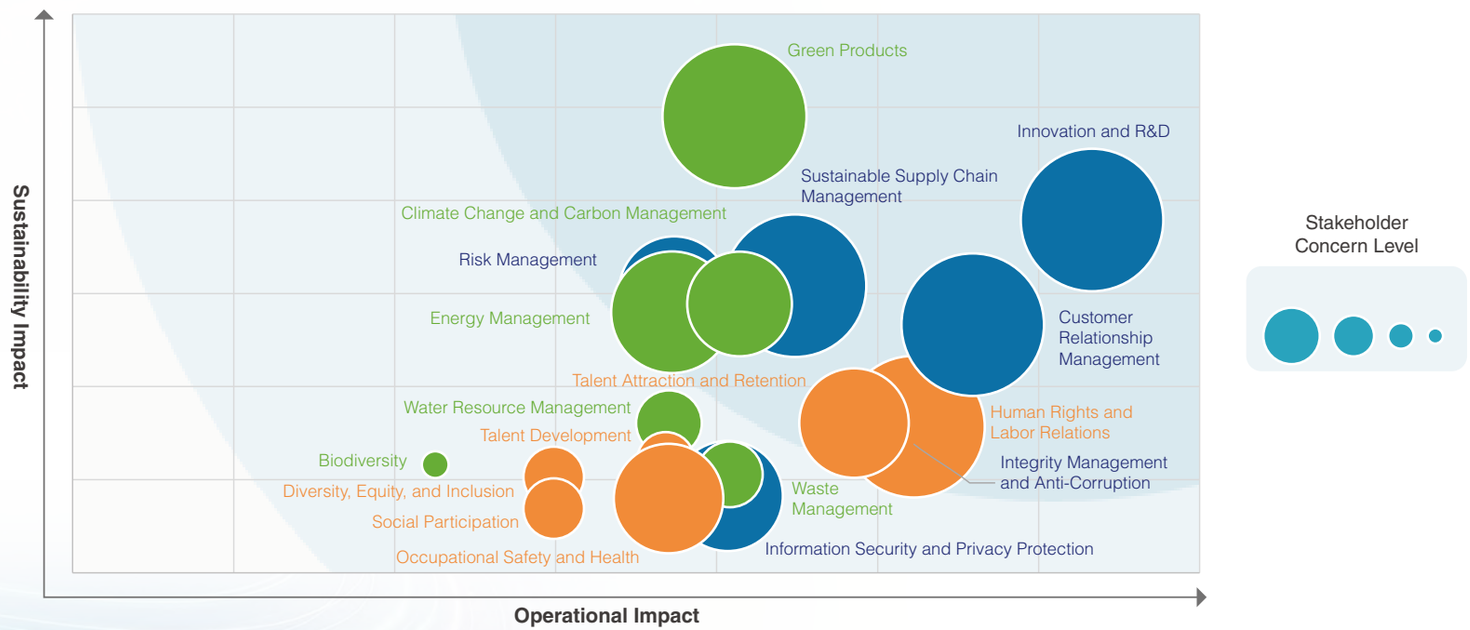
Business Impact: Senior executives assess the influence of each sustainability topic on Arcadyan's four key operational factors—revenue growth, operational risk, customer satisfaction, and employee engagement—to better align materiality analysis with business strategy and risk management.

Material Topic Prioritization and Disclosure

Based on the three-dimensional materiality analysis of Stakeholder Interest, Sustainability Impact, and Business Impact, Arcadyan identified nine material topics for 2025. These include Innovation and R&D, Customer Relationship Management, Risk Management, and Sustainable Supply Chain Management in the Economic dimension; Green Products, Climate Change and Carbon Management, and Energy Management in the Environmental dimension; and Human Rights and Labor Relations along with Talent Attraction and Retention in the Social dimension. These topics map to 16 GRI disclosures and two Arcadyan-specific topics, forming the core focus of this report.

Compared to 2024, the number of material topics was reduced from 11 to 9. Eight topics remained material, while Talent Attraction and Retention was newly added to address talent competition in the tech industry. Topics such as Corporate Integrity, Information Security, and Occupational Health and Safety no longer met the materiality threshold but continue to be managed and disclosed in relevant chapters.

Responsible departments have established short-, medium-, and long-term targets and action plans for each material topic. These are monitored in quarterly meetings and reported regularly to the Board. In 2025, the Company streamlined its sustainability targets from 35 to 19 items to strengthen alignment with material topics, business strategy, and performance management. Items not included in the material topic targets continue to be managed by the respective functional units through daily operations, regulatory compliance, internal audits, or ongoing disclosures in relevant chapters according to their topic attributes.



Material Sustainability Topics Impact Assessment Matrix

Operational Impact				Material Sustainability Topic	Sustainability Impact															
					Economic Aspect					Environmental Aspect						Social (Human Rights) Aspect				
Revenue Increase	Customer Satisfaction	Operational Risk	Employee engagement		Industry Technology Development	Create Upstream Value	Increase Investor Financial Capital	Customer Information Leakage	Green Products Promote Environmental Benefits	Renewable Energy	Resource Consumption	Extreme Climate	Procurement Causes Environmental Impact	Create Job Opportunities	Enhance Employee Employability	Supply Chain Human Rights Risks	Occupational Injuries of Workers
		O	O	Integrity Management and Anti-Corruption				O						O			
O	O			Innovation and R&D	O	O			O				O	O	O		
	O			Customer Relationship Management	O	O	O	O									
		O		Risk Management			O	O				O				O	
		O		Information Security and Privacy Protection				O									
	O	O		Sustainable Supply Chain Management												O	
	O			Green Products	O	O			O	O	O	O	O				
	O			Climate Change and Carbon Management					O	O		O	O				
	O			Energy Management						O	O	O					
	O			Water Resource Management						O	O	O					
	O			Waste Management							O						
				Biodiversity								O					
			O	Human Rights and Labor Relations												O	
			O	Talent Attraction and Retention										O	O		
			O	Talent Development											O		
			O	Diversity, Equity, and Inclusion										O			
			O	Occupational Safety and Health													O
			O	Social Participation										O			

Arcadyan Material Topics Prioritization and Value Chain Impact Analysis

Based on the three-dimensional materiality analysis, Arcadyan prioritized its 2025 material sustainability topics and assessed the impacts of each topic on upstream suppliers, the Company's own operations, and downstream customers. These topics are mapped to relevant GRI and SASB disclosures, serving as the foundation for the structure and information disclosure of this report.

Rank	Material Topic	Stakeholder Concern Level	Sustainability Impact Level	Operational Impact Level	Impact on Value Chain			GRI Topic-Specific Standards	SASB Topic-Specific Standards
					Upstream Suppliers	Arcadyan	Downstream Customers		
1	Innovation and R&D	●●●	●●●	●●●	○	○	○	(Arcadyan self-defined topic)	
2	Green Products	●●●	●●●	●●	○	○	○	Materials (301)	TC-HW-410a.1/ TC-HW-410a.2/ TC-HW-410a.3/ TC-HW-410a.4 TC-HW-440a.1
3	Customer Relationship Management	●●●	●●	●●●			○	Economic Performance (201), Customer Health and Safety (416), Customer Privacy (418)	
4	Sustainable Supply Chain Management	●●●	●●●	●●	○			Procurement Practices (204), Supplier Environmental Assessment (308), Supplier Social Assessment (414)	TC-HW-430a.1/ TC-HW-430a.2
5	Climate Change and Carbon Management	●●	●●●	●●	○	○	○	Emissions (305), Economic Performance (201)	
6	Risk Managemen	●●	●●●	●●	○	○	○	(Arcadyan self-defined topic)	TC-HW-230a.1
7	Human Rights and Labor Relations	●●●	●●	●●●		○		Labor/Management Relations (402), Non-discrimination (406), Child Labor (408), Forced or Compulsory Labor (409)	TC-HW-330a.1
8	Energy Management	●●	●●●	●●		○		Energy (302)	
9	Talent Attraction and Retention	●●	●●	●●		○		Employment (401), Training and Education (404), Diversity and Equal Opportunity (405)	

1.4.3 Impact and Management Approach of Material Sustainability Topics

Based on the materiality assessment, Arcadyan identified nine material sustainability topics. For each topic, the Company has outlined its materiality, impacts, policy commitments, management actions, and evaluation methods. Responsible units execute the management approaches, with progress regularly tracked by the Sustainability Development Committee and related meetings. These serve as the foundation for the Company's sustainability strategy and disclosure.

Economic Aspect	Innovation and R&D	Customer Relationship Management	Risk Management
Materiality Description	Technological innovation and R&D capability are key for Arcadyan to enhance product value, consolidate market position, and drive low-carbon product development.	Customer service plays a vital role in strengthening market competitiveness and fostering long-term customer relationships. High-quality products and timely technical support help build trust and enhance customer satisfaction.	Business continuity and geopolitics are core to ensuring stable operations and supply chain resilience, relating to global layout and risk management capabilities.
Corresponding GRI Topics	Self-defined material topic	GRI 201: Economic Performance GRI 416: Customer Health and Safety GRI 418: Customer Privacy	Self-defined material topic
Impacts	Intensifying market competition may affect product competitiveness, market response speed, and operational growth if R&D capacity is insufficient.	Failure of product quality or services to meet expectations may affect customer satisfaction, order stability, and long-term partnerships.	Risks such as business continuity, geopolitical developments, supply chain disruption, information security, and regulatory changes may impact supply stability, customer service, and corporate reputation.
Policies or Commitments	Continue investing in R&D resources to strengthen R&D capabilities, technology platforms, and product innovation.	Establish comprehensive customer communication and service processes, and continuously enhance pre-sales, in-sales, and after-sales service quality.	Establish the "Risk Management Policy and Procedures" and implement risk identification, response, and recovery strategies to reduce operational impacts.
Management Actions and Systems	Strengthen R&D collaboration with customers and suppliers; introduce new technology platforms and rapid development processes; focus on low-carbon, high-performance, and smart application products; implement ISO 9001 and TL 9000 quality management systems.	Conduct regular customer satisfaction surveys, establish complaint handling processes and KPI tracking mechanisms, and use Quarterly Business Reviews (QBR) to monitor customer needs and improvements.	An Operations Management Committee has been established to conduct regular risk assessments and Business Impact Analyses (BIA). An ISO 22301 Business Continuity Management System has been implemented, and an Incident Management Plan (IMP) and a Business Continuity Plan (BCP) have been developed.
Evaluation Methods	Regularly hold business management and technical meetings to track R&D investment, patent outcomes, and new product development progress.	Conduct annual customer satisfaction surveys and track improvement progress through management reviews and customer feedback.	Regularly review major risks, simulate operational disruption scenarios, and have relevant committees review implementation effectiveness.

Economic / Environmental Aspect	Sustainable Supply Chain Management	Green Products	Climate Change and Carbon Management
Materiality Description	Supply chain management ensures sustainable procurement, product quality, and supply resilience through supplier collaboration.	Green product development drives life cycle management, reduces environmental impacts, and improves resource efficiency through eco-design and circular economy principles.	Arcadyan addresses climate risks through carbon management, energy efficiency, and low-carbon initiatives to support the transition to a low-carbon future.
Corresponding GRI Topics	GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	GRI 301: Materials	GRI 305: Emissions GRI 201: Economic Performance
Impacts	Failure of suppliers to meet quality, environmental, human rights, regulatory, or customer requirements may cause supply disruptions, compliance risks, and reputational damage.	Failure to implement green design may lead to regulatory restrictions, customer loss, and brand risks. Ineffective recycling and reuse will increase environmental burden and operating costs.	Climate risks, carbon pricing policies, and customer decarbonization requirements will affect operating costs, supply chain management, and market competitiveness.
Policies or Commitments	Establish the "Sustainable Procurement Policy," requiring suppliers to comply with Supplier Management Guidelines, RBA Code of Conduct, and the "Supplier Corporate Social Responsibility Commitment.	Follow RoHS, REACH, WEEE, ErP, and halogen-free regulations to promote low-carbon, high-efficiency, compliant, and environmentally friendly product design.	Follow SBTi science-based targets to drive operational and value-chain decarbonization and strengthen climate resilience.
Management Actions and Systems	Established mechanisms for supplier evaluation, risk classification, CSR audits, corrective action tracking, and responsible minerals management. Advanced the Go Green with Arcadyan supply chain decarbonization program while promoting local sourcing and supply chain diversification.	Introduce eco-design, life cycle assessment, low-carbon and recycled materials, packaging optimization, and easy-to-disassemble design to enhance energy efficiency and recyclability.	Conduct Scope 1, 2, and 3 GHG inventories and third-party verification. Implement climate risk management, energy-saving improvements, renewable energy use, and supply chain carbon reduction projects.
Evaluation Methods	Annually compile supplier evaluation, audit, commitment sign-back, corrective action, and responsible minerals results, and report regularly to the Sustainability Development Committee	Product R&D and Green Product departments regularly review design specifications, hazardous substance controls, material adoption, and product carbon footprint results.	Continuously review carbon reduction progress through annual inventories, external verification, CDP disclosure, and Sustainability Development Committee review.

Environmental / Social Aspect	Energy Management	Human Rights and Labor Relations	Talent Attraction and Retention
Materiality Description	Effective energy and resource management helps improve efficiency, reduce operating costs, and achieve environmental sustainability goals.	Respect for human rights is fundamental to Arcadyan, which is committed to an inclusive, equitable, and discrimination-free workplace.	Talent is the foundation of Arcadyan's innovation, growth, and competitiveness. The Company attracts, develops, and retains talent to build a resilient, high-performing workforce.
Corresponding GRI Topics	GRI 302: Energy	GRI 406: Non-discrimination GRI 408: Child Labor GRI 409: Forced or Compulsory Labor GRI 402: Labor/Management Relations	GRI 401: Employment GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity
Impacts	Energy use efficiency directly affects carbon emissions and operating costs, and is also related to the Company's low-carbon operations and customer expectations for a low-carbon supply chain.	Human rights violations, discrimination, or labor disputes may affect employee trust, corporate reputation, and compliance risks.	Failure to effectively attract and retain key talent may affect innovation capability, customer service, and organizational knowledge transfer.
Policies or Commitments	Improve energy and water efficiency, adopt energy- and water-saving technologies, and establish a digital resource management platform. Energy Management Policy: 1. Comply with EHS and energy regulations and implement effective management systems. 2. Engage employees in eco-design, environmental protection, and energy management to drive continuous improvement. 3. Improve resource circularity and energy efficiency to reduce supply chain carbon emissions. 4. Promote awareness and training on EHS, energy management, and eco-design.	Arcadyan's Human Rights Policy prohibits child labor, forced labor, discrimination, and improper treatment while promoting fair employment and an inclusive workplace.	Provide a fair, diverse, and competitive talent development environment that supports employees' capability enhancement and long-term career development.
Management Actions and Systems	Arcadyan Headquarters and the Vietnam Manufacturing Center implement ISO 50001, promoting energy reviews, smart metering, equipment upgrades, waste heat recovery, solar power, and I-REC procurement.	Conduct human rights education and training, regularly hold labor-management meetings, establish grievance channels, and promote diversity and inclusion, gender-friendly measures, accessible employment, and fair compensation management.	Promote diversified recruitment, campus recruitment, internship programs, internal development, professional competency training, supervisor leadership development, compensation and benefits optimization, and career development mechanisms.
Evaluation Methods	Regularly track energy intensity, energy-saving performance, renewable energy usage ratio, energy management system effectiveness, and water resource performance.	Review management effectiveness through education and training records, labor-management meetings, grievance handling results, and employee communication channels.	Regularly review talent management effectiveness through recruitment results, turnover rates, key talent retention rates, training participation rates, and performance appraisal results.

Performance Metrics and Target Achievement for Material Topics:

Arcadyan sets short-, medium-, and long-term management targets based on material topics, with respective departments regularly tracking execution performance to deliver the 2025 material topic achievement status outlined below.

Aspect	Material Topic	Short-term Targets (2025–2027)	2025 Performance	Achievement Status	Long-term Targets (2028–2032)
Economic	Innovation and R&D	R&D expenditure increases by 5% compared with the previous year	R&D expenditure increased by 9.9% compared with 2024	●	R&D expenditure increases steadily by 5% annually
	Customer Relationship Management	Customer satisfaction ≥ 85%	Customer satisfaction: 85.5%	●	Maintain customer satisfaction ≥ 85%
	Risk Management	Conduct business impact analysis and risk assessment annually, and formulate improvement plans for major risk items	Completed 2025 business impact analysis and risk assessment	●	Continue annual business impact analysis and risk assessment, and track improvement plans for major risks
	Sustainable Supply Chain Management	Supplier CSR Commitment Letter completion rate: 100%	Supplier CSR Commitment Letter completion rate: 100%	●	Continuously maintain Supplier CSR Commitment Letter completion rate at 100%
		Supplier Integrity Survey completion rate: 100%	Distributed 35 Supplier Integrity Surveys; completion rate 100%; no integrity violations found	●	Supplier Integrity Survey completion rate: 100%
		Local procurement ratio at Vietnam Manufacturing Center reaches 22% in 2025; reaches 25% by 2027	Local procurement ratio at Vietnam Manufacturing Center: 23.2%	●	Local procurement ratio at Vietnam Manufacturing Center reaches 30% by 2032
		Gradually increase responsible minerals audit coverage	Collected 370 CMRT and EMRT reports in 2025; recovery rate 97%	●	Complete conflict minerals audits for 100% of metal material suppliers by 2030
Environmental	Green Products	Green product certification achievement rate: 100%	Green product certification achievement rate: 100%	●	Green product certification achievement rate: 100%
		Halogen-free part number introduction rate: 80%	Halogen-free part number introduction rate: 88%	●	Halogen-free part number introduction rate: 90%
		100% of products comply with hazardous substance controls and customer requirements	100% of products comply with hazardous substance controls and customer requirements; no related customer complaints	●	100% of products comply with hazardous substance controls and customer requirements
	Climate Change and Carbon Management	Achieve SBTi interim targets: Absolute reduction of Scope 1 and 2 emissions by 18.75% compared with base year; Intensity reduction of Scope 3 by 31.54%	Scope 1 and 2 absolute reduction: 67.64% compared with 2022 base year; Scope 3 intensity reduction: 32.92%	●	Achieve SBTi Scope 1, 2, and 3 targets: Absolute reduction of Scope 1 and 2 GHG emissions by 50% by 2030; Intensity reduction of Scope 3 by 66%
		Comply with competent authority requirements and disclose information in accordance with IFRS Sustainability Disclosure Standards	Established IFRS Sustainability Disclosure Standards Project Team in September 2025	●	Complete introduction of IFRS Sustainability Disclosure Standards according to the competent authority's timeline
	Energy Management	Energy intensity decreases by 1% compared with the previous year	Energy intensity decreased by 3.7% compared with the previous year	●	Energy intensity decreases by 1% compared with the previous year
		Establish solar power generation system at Arcadyan Headquarters	Solar power system construction at Headquarters commenced in September 2025	●	100% renewable energy use at all Arcadyan operational sites by 2030, supporting the parent company Compal Group's RE100 initiative
Social	Human Rights and Labor Relations	0 child labor employment cases	Child labor employment cases: 0	●	Child labor employment cases: 0
		0 forced labor complaint cases	Forced labor complaint cases: 0	●	Forced labor complaint cases: 0
		New employee human rights awareness and onboarding training rate: 100%	New employee human rights awareness training rate: 100%	●	Continuously promote human rights awareness training and workplace equality
		Hold four labor-management meetings annually to address employee-related issues	Held four labor-management meetings in 2025	●	Continuously promote diversified communication channels to strengthen labor-management mutual trust
	Talent Attraction and Retention	Key R&D talent retention rate ≥ 95%	Key R&D talent retention rate: 95.7%	●	Activate R&D team organization and develop reserve talent

● Indicates the 2025 short-term target was achieved.

The following table outlines the key risks, response strategies, and opportunities for each material topic, with detailed results and quantifiable metrics available in the respective chapters.

Aspect	Risk Type	Impacts	Response Strategies	Opportunities	Corresponding Chapter
Economic	**Innovation and R&D**	Insufficient R&D and innovation capabilities could lead to reduced product competitiveness and fewer customer collaboration opportunities, ultimately hindering corporate operational growth.	• Capture market trends through customer engagement and technical exchanges. • Deliver customized solutions with strong R&D and system integration capabilities. • Enhance product performance through software-hardware integration and innovation. • Drive R&D efficiency through cross-functional collaboration and knowledge sharing.	Strengthen R&D and software-hardware integration to advance low-carbon, high-performance, customized products.	Chapter 3 Green Innovation
	Customer Relationship Management	Failure to meet customer expectations regarding product quality or service could depress customer satisfaction, prompt order losses, and severely damage corporate reputation.	• Implement ISO 9001 and TL 9000 quality management systems. • Monitor quality performance through QuEST Forum and TQM reporting. • Improve customer satisfaction through surveys and corrective actions. • Respond to customer needs through QBRs and regular engagement. • Deliver customized solutions to enhance quality and reliability.	Strengthen customer trust through quality management and continuous improvement.	2.6.1 Customer Relationship and Satisfaction Management
	Risk Management	Inadequate management of natural disasters, supply chain disruptions, cybersecurity threats, and geopolitical risks could trigger operational disruptions, compromised deliveries, and delayed customer service.	• Establish the "Risk Management Policy and Procedures" covering strategy, operations, finance, information, compliance, and emerging risks. • Implement risk identification, assessment, and monitoring processes. • Implement ISO 22301 Business Continuity Management System. • Maintain Incident Management and Business Continuity Plans. • Strengthen operational resilience through diversified manufacturing. • Conduct regular risk assessments and monitor key risks.	Enhance operational resilience through risk and business continuity management.	2.3 Risk Management
	Sustainable Supply Chain Management	Substandard supply chain management or a supplier's failure to meet ESG, regulatory, and customer requirements could lead to supply disruptions, product compliance risks, and compromised corporate reputation.	• Establish supplier evaluation, management, audit, and coaching mechanisms in accordance with the "Arcadyan Sustainable Procurement Policy" and "Supplier Sustainability Survey Guidelines." • Require suppliers to sign the "Supplier Corporate Social Responsibility Commitment," covering labor, human rights, environment, safety, and ethical standards. • Conduct supplier sustainability risk assessments and due diligence. • Perform RBA-based supplier CSR/ESG audits. • Promote responsible minerals management through CMRT/EMRT. • Support supplier decarbonization through Go Green with Arcadyan. • Promote local sourcing and supply chain diversification.	Enhance supply chain transparency and resilience through supplier risk assessment, sustainable procurement, responsible minerals management, and supply chain decarbonization.	2.6 Sustainable Partnerships

Aspect	Risk Type	Impacts	Response Strategies	Opportunities	Corresponding Chapter
Environmental	Green Products	Failure to comply with international environmental regulations, energy efficiency standards, and customer demands for low-carbon products could escalate product compliance risks and erode market competitiveness.	• Implement ISO 14006 eco-design to advance sustainable product design. • Conduct product carbon footprint and life cycle assessments (ISO 14040/14044). • Adopt recycled plastics, FSC-certified materials, and recycled paper packaging. • Promote design for disassembly, repairability, and hazardous substance compliance. • Develop the Arcadyan Intelligent Power Management (AIPM) system to reduce product energy consumption.	Seize green product opportunities and enhance low-carbon competitiveness through product life cycle management and circular economy design.	Chapter 3 Green Innovation
	Climate Change and Carbon Management	Inadequate greenhouse gas and energy management failing to align with regulatory policies and customer carbon reduction demands could drive up carbon costs, elevate climate transition risks, and impair corporate image.	• Disclose climate governance through the CDP Climate Change questionnaire. • Conduct and verify Scope 1, 2, and 3 GHG inventories. • Implement SBTi-validated science-based carbon reduction targets. • Implement ISO 50001 and improve energy efficiency. • Expand solar power generation and renewable energy use. • Integrate climate action into sustainability governance.	Drive low-carbon transition and climate resilience through climate risk management.	4.2 Climate Risk Management 4.3 Energy and Greenhouse Gas Management
	Energy Management	Suboptimal energy efficiency could inflate operational costs and carbon emissions, while failing to meet customer expectations for low-carbon supply chains.	• Implement ISO 50001 at Headquarters and Vietnam Manufacturing Center. • Conduct regular energy reviews and assessments. • Track energy and carbon emission performance. • Optimize energy efficiency through smart energy management. • Strengthen energy monitoring and management with real-time systems.	Improve energy efficiency and reduce carbon emissions through energy management and renewable energy.	4.4 Decarbonization Initiatives and Performance
Social	Human Rights and Labor Relations	Failure to enforce human rights and labor management measures could spark labor disputes, erode employee trust, trigger talent attrition, and severely damage corporate reputation.	• Uphold the UNGC Ten Principles and SDGs in human rights management. • Protect human and labor rights, including freedom of association, collective bargaining, non-discrimination, prohibition of child labor, and prevention of forced labor. • Maintain accessible grievance and whistleblowing channels. • Strengthen employee engagement through regular dialogue. • Provide fair compensation and promote living wages. • Enhance employee well-being through comprehensive benefits.	Build a friendly workplace and strengthen employee trust through human rights, grievance mechanisms, labor-management communication, and diversity & inclusion.	5.1 Human Rights Management and Compliance
	Talent Attraction and Retention	Inadequate recruitment, development, and retention mechanisms could trigger key talent attrition or labor shortages, thereby compromising R&D capacity, operational stability, and long-term corporate competitiveness.	• Attract talent through diverse recruitment channels. • Strengthen talent development and succession planning. • Provide competitive compensation and performance incentives. • Support career development through internal and global mobility. • Continuously optimize talent management through performance and retention reviews.	Enhance talent attraction and organizational competitiveness through diversified recruitment, training, compensation and benefits, and career development.	5.2 Talent Attraction and Retention

2 Corporate Operations and Development

2.1 About Arcadyan
2.2 Corporate Governance
2.3 Risk Management
2.4 Information Security System Implementation and Management
2.5 Business Integrity
2.6 Sustainable Partnerships

2025 Performance Results

NT$ **12.60**
Earnings Per Share (EPS)

Includes **1** female director
Board Members

97.2%
Board Attendance Rate

6 hours
Average Board Training Hours

0
Major Violations / Information Security Incidents

100%
Internal and External Integrity Investigation Rate

100%
Supplier CSR Commitment Letter Sign-back Rate

23.2%
Local Procurement Ratio at Vietnam Manufacturing Center

Foreword

Following its established strategies, Arcadyan Group has steadily advanced product R&D, manufacturing expansion, and global market presence while strengthening operational resilience amid supply chain challenges. In response to the rapidly changing environment, the Company collaborates with stakeholders and leverages digital tools to optimize workflows and enhance governance effectiveness.

This chapter outlines Arcadyan's management strategies and 2025 achievements in operational footprint, technological R&D, corporate governance, risk management, business integrity, customer relationships, cybersecurity, and supply chain management.

2.1 About Arcadyan

2.1.1 Company Overview

Founded in 2003, Arcadyan is Taiwan's pioneering company specializing in intelligent network terminal equipment that integrates broadband, multimedia, wireless, and Internet communication protocols. The Company focuses on user-end access and routing technologies, providing integrated solutions for digital home, mobile broadband, wireless audio-video, and multimedia gateways to meet diverse global market demands.

Company Name	Arcadyan Technology Corporation
Date of Establishment	May 9, 2003
Headquarters	No. 8, Sec. 2, Guangfu Rd., East Dist., Hsinchu City, Taiwan
Chairman	Chen Jui-Tsung
President	Tseng Chao-Peng
Number of Employees	Approximately 5,874 worldwide
Capital	Authorized capital: NT$3 billion Paid-in capital: NT$2.204 billion
Main Business	• Wireless LAN products • Integrated digital home and mobile office solutions • Multimedia gateways • Wireless audio-visual products • Automotive electronics
Group Affiliation	Compal Group
Revenue and Costs	2025 consolidated operating revenue: NT$52.975 billion 2025 consolidated operating costs: NT$44.889 billion

2.1.2 Vision, Mission, and Core Values

Vision

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

Mission

- Focus on clients' needs by delivering excellent products and services that enhance quality of life, strengthen clients' competitiveness, and drive profitability.
- Centered on "Four Screens and One Cloud" and the convergence of three networks, Arcadyan is committed to introducing and developing advanced technologies to lead industry trends. We aim to grow together with our customers and address future needs and challenges.
- We strive to provide employees with a fair environment for self-growth and learning, while delivering satisfactory returns to our investors.

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.

arcadyan

Harmony

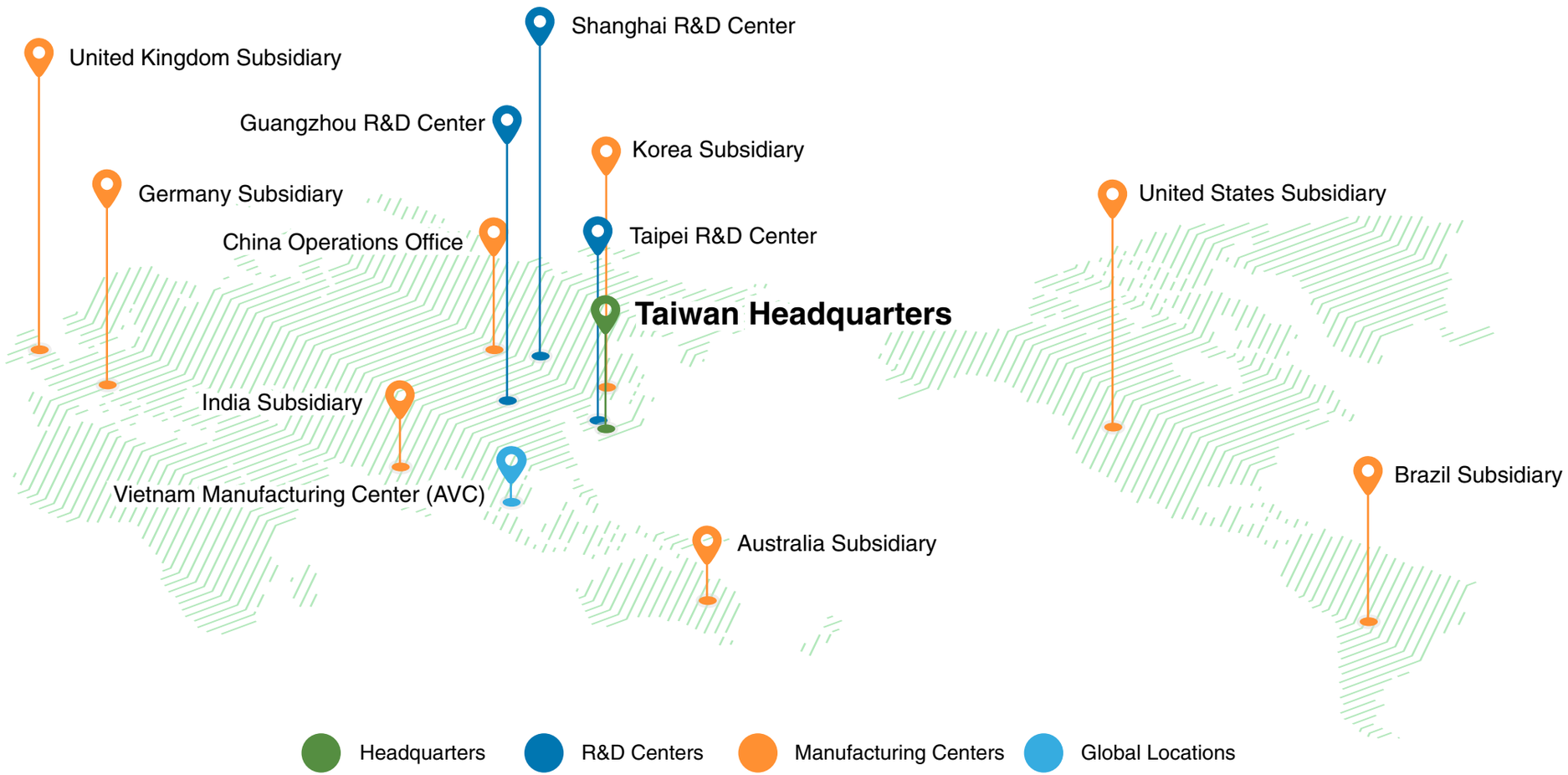
We emphasize "people-oriented", trust and respect individuals. Everyone is honest, committed, collaborative, united, and efficient, to integrate corporate resources toward shared development goals. In this environment, everyone can make contributions and continue to grow, forming a culture of division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

Service

We drive our competitiveness through continuous improvement enabled by upstream and downstream collaboration. By understanding and meeting the needs of internal clients and suppliers, we enhance our competitiveness and fuel ongoing transformation.

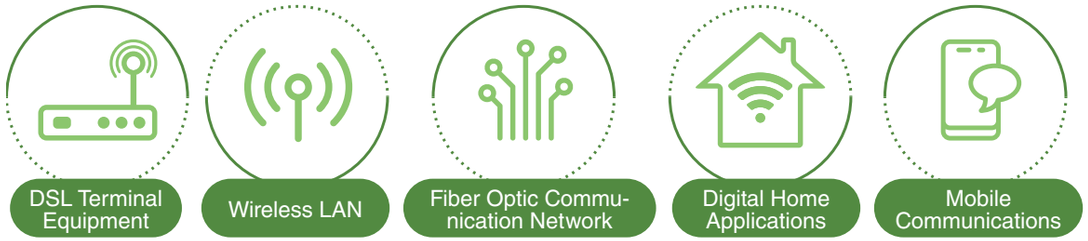
2.1.3 Global Operations

With products sold worldwide, Arcadyan delivers rapid, localized services through its global operational network. Headquartered in Hsinchu, Taiwan, the company maintains its primary manufacturing base in Vietnam and operates R&D centers in Taiwan and China to continuously advance innovation. Furthermore, sales offices across Europe and the Americas provide real-time technical support, deepening customer collaboration and expanding Arcadyan's global market presence.

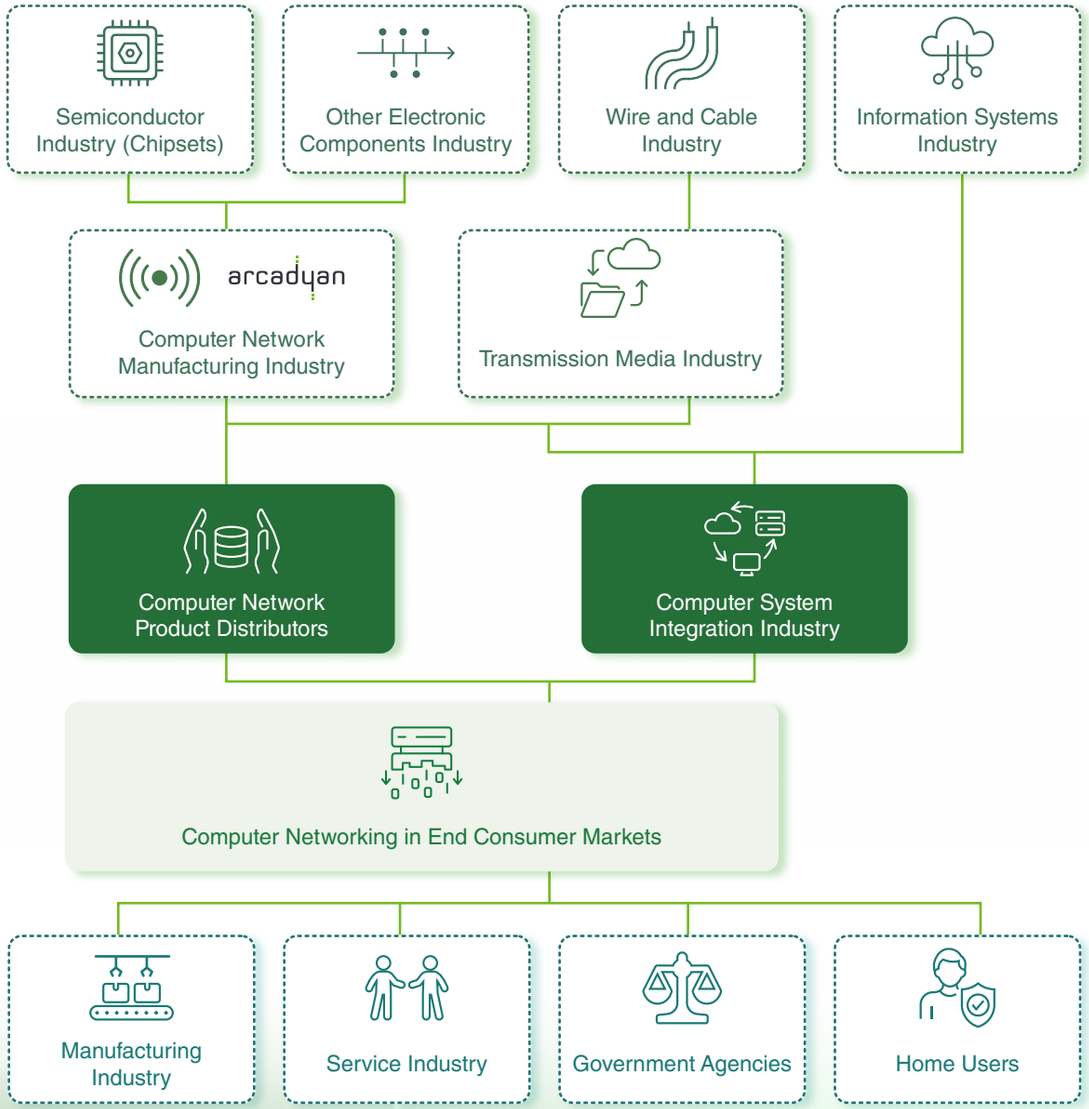


2.1.4 Products, Services, and Core Technologies

Arcadyan provides advanced design capabilities and comprehensive solutions, utilizing technology integration and standardized platforms to help customers develop differentiated, high-value products that satisfy diverse digital home and communications needs while enhancing market competitive advantages, spanning the following product lines.



Industry Value Chain

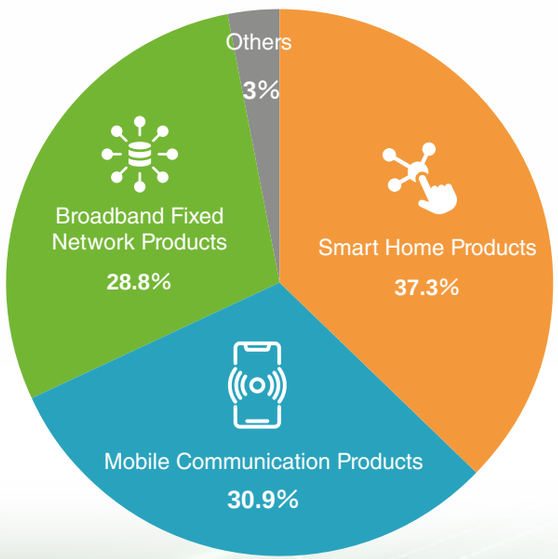


Driven by the rapid advancement of 5G, edge computing, AI, and machine learning, Arcadyan continues to invest in next-generation R&D, successfully completing multiple forward-looking product developments in 2025:

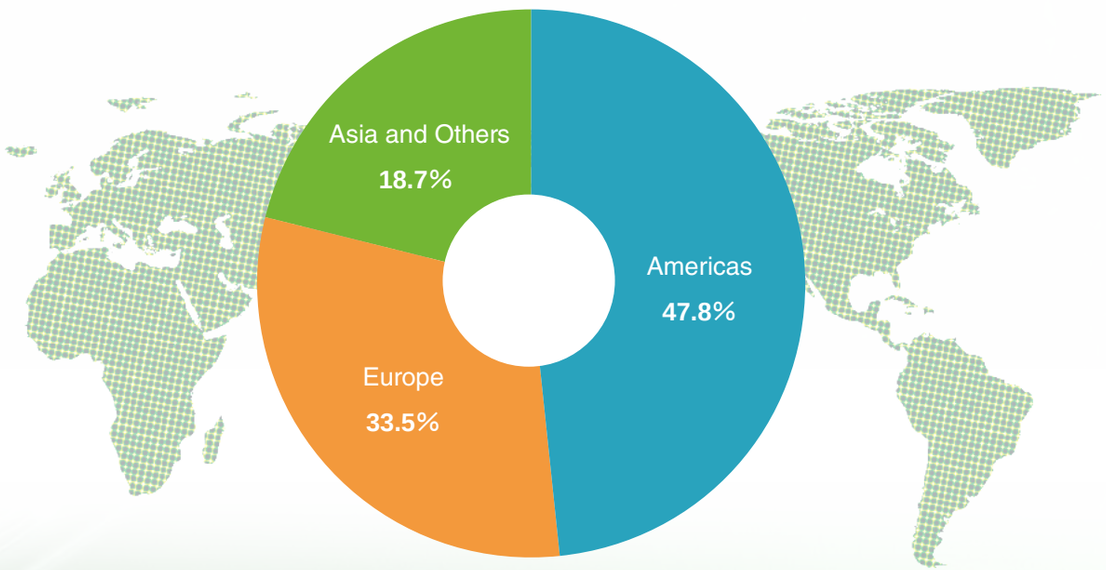
- **Next-Generation Network Equipment:** 5G FWA CPE, Whole Home Wi-Fi Mesh solutions, 4G/LTE small cells with SON, indoor/outdoor LTE routers/gateways, and Wi-Fi routers supporting 802.11be (Wi-Fi 7), 802.11ax, and 802.11ac standards, plus VDSL routers and repeaters.
- **High-Quality Audio-Video and AI Devices:** Android TV OTT/IP set-top boxes with 4K UHD and HDR, Edge AI Boxes, GPON/XGSPON/ONT terminals, and DOCSIS 4.0/3.1/3.0 Cable Modems.
- **Functional Integration and Platform Optimization:** Enhanced Integrated Access Devices (IAD) integrating ZigBee, Z-Wave, BLE, DECT ULE, NFC, AI intelligent repair, IEEE 1905.1, Easy Mesh™ R1–R5, and big data cloud analytics.
- **Forward-Looking Technology Development:** Next-generation enterprise switches, 5G CPE and Small Cells, MEC switches, smart home/IoT gateways, 76-80GHz automotive BSD radar, Antenna Integrated PCB anti-theft systems, and AI/big data integration.

Arcadyan's products are sold globally. The 2025 revenue breakdown is as follows:

2025 Product Revenue Ratio



2025 Regional Sales Ratio by Major Products



2.1.5 Operational Performance

Arcadyan maintained steady operations in 2025, achieving consolidated net revenue of NT$52.975 billion, representing an 8.2% year-on-year increase. Driven by a higher proportion of high-value-added products and improved operational efficiency, overall profitability continued to grow steadily. Earnings per share (EPS) reached NT$12.60, an 11.7% increase from 2024.

Financial Performance

Arcadyan's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). For complete financial information, including liability and equity structure, asset position, earnings retention policy, dividend policy, and its implementation, please refer to Arcadyan Technology's 2025 Annual Report.

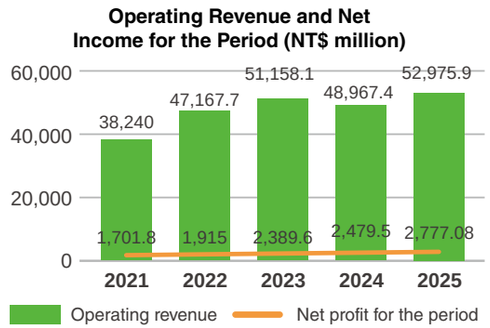
The Company's key financial performance in 2025 is as follows:

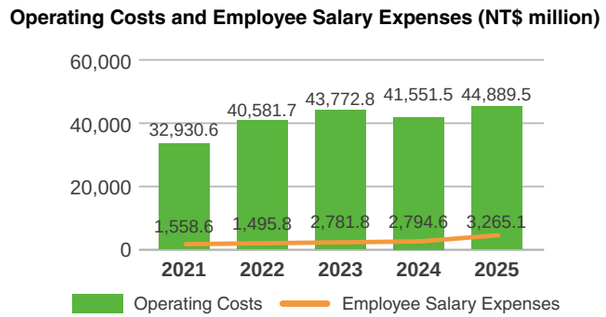
- Earnings Per Share (EPS): NT$12.60
- Consolidated Revenue: NT$52,975,952 thousand
- Net Profit After Tax: NT$2,777,080 thousand

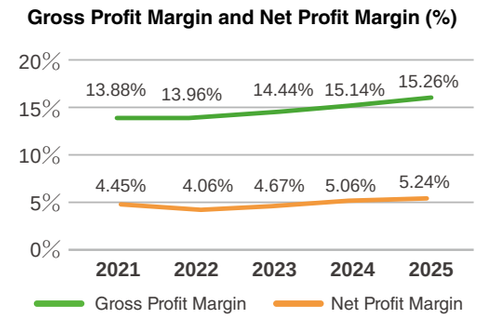
Business Strtegy

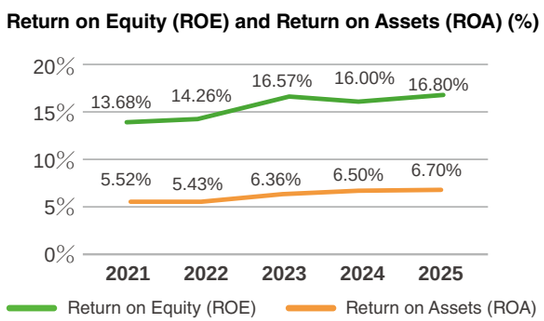
Arcadyan continues to expand its global telecommunications market presence by deepening existing customer relationships and exploring emerging markets. Extending from traditional fixed networks to fiber and mobile broadband, the Company provides agile customization and competitive products to help customers achieve market differentiation. Looking ahead, Arcadyan will focus on video platforms, edge AI products, multiple system operator (MSO) markets, smart applications, cutting-edge technologies, smart manufacturing, and global production deployment to strengthen operational resilience and product competitiveness.

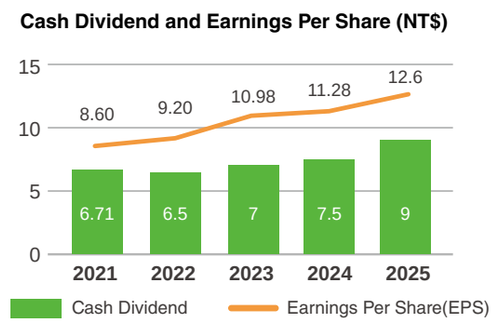
- **Enhancement of Video Platforms and Edge AI Products:** Continuously upgrading Android TV OTT and IP set-top boxes while expanding the Edge AI Box product line to explore new markets and optimize profitability.
- **Deepening Multiple System Operator (MSO) Markets:** Actively expanding the MSO market, strengthening the Cable Modem product line, and introducing value-added services to increase market penetration and competitiveness.
- **Smart Applications and Forward-Looking Technologies:** Investing in enterprise-grade switches, smart home/IoT solutions, AI, V2V applications, 76–80GHz automotive BSD radar, Antenna Integrated PCB anti-theft systems, and next-generation 5G CPE.
- **Smart Manufacturing and Global Production Layout:** Expanding Vietnam manufacturing capacity, optimizing production efficiency, and collaborating with overseas partners to enhance multi-site resilience. The Company is also promoting smart factory initiatives with automation, lights-out production, solar power, and real-time monitoring to improve efficiency and green manufacturing.

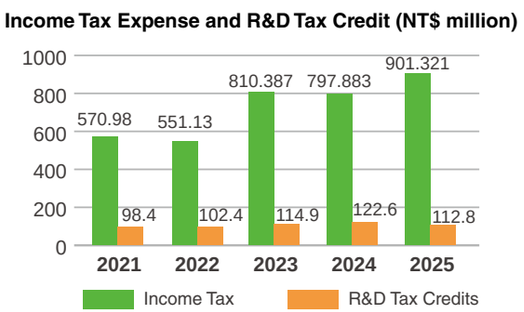








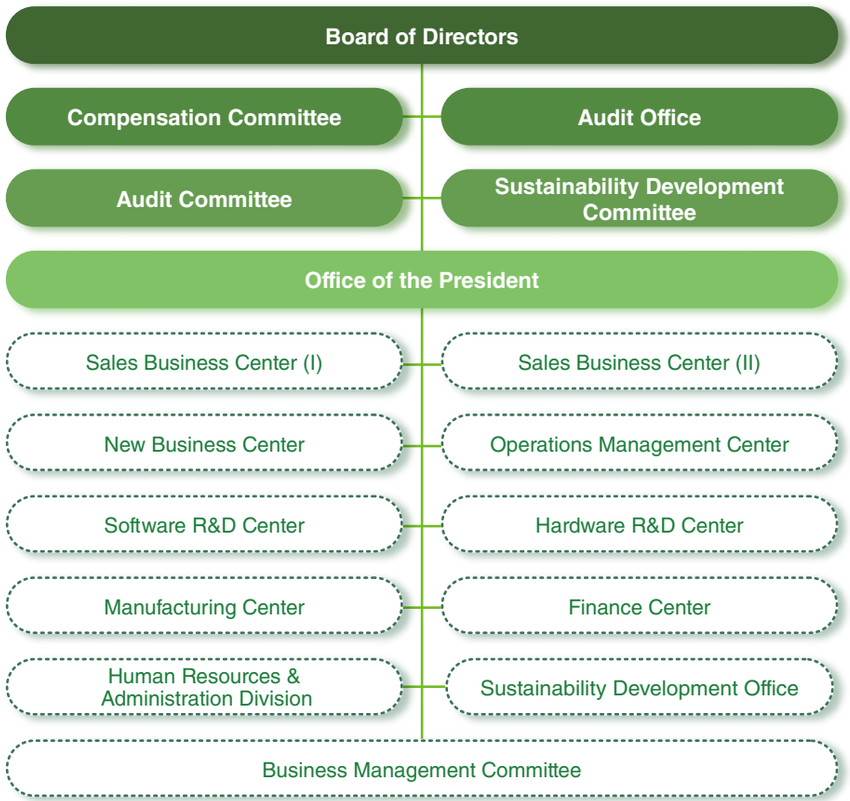




2.2 Corporate Governance

2.2.1 Governance Structure and Functional Committees

Arcadyan upholds integrity and transparent governance. In compliance with the Company Act, Securities and Exchange Act, and relevant regulations, the Company has established its Articles of Incorporation, governance framework, and management policies to strengthen corporate governance. The Board of Directors, as the highest governing body, oversees operational strategy, management supervision, risk management, internal control, sustainability, and shareholder rights. To enhance governance effectiveness, the Board has established functional committees to support professional supervision and improve decision-making quality.



Governance Organization and Main Responsibilities

Department	Main Responsibilities
Board of Directors	Oversees the Company's overall operational strategy, major decisions, and internal control supervision, and continuously reviews corporate governance and operational performance.
Compensation Committee	Assists the Board in reviewing performance evaluation and compensation policies, systems, standards, and structures for directors and managers, and assesses the reasonableness of compensation.
Audit Committee	Assists the Board in supervising financial statements, internal controls, internal audit, regulatory compliance, independence of the certified public accountant, and risk management mechanisms.
Sustainability Development Committee	Responsible for formulating sustainability development policies, annual plans, and strategic directions, and tracking the implementation and effectiveness of sustainability initiatives.
Audit Office	Responsible for planning, executing, and tracking the effectiveness of improvements in internal audit activities.
Office of the President	Formulates the Company's operational objectives and oversees the overall execution of business activities.
Sales Business Center (I) Sales Business Center (II)	Responsible for sales development, customer relationship management, marketing strategy, business management, and the planning and execution of marketing projects.
New Business Center	Responsible for the development and introduction of new technologies and products, including feasibility assessment of new products and technology integration.
Operations Management Center	Responsible for project progress management, production and pilot run coordination, procurement and import/export management, product engineering, quality verification, information systems, legal and intellectual property, cost control, and outsourced factory management.
Software R&D Center	Responsible for the development of software technologies and testing programs for the Company's various products.
Hardware R&D Center	Responsible for the development and integration of hardware technologies for the Company's various products.
Manufacturing Center	Oversees product manufacturing, capacity allocation, and manufacturing-related matters at the Vietnam Manufacturing Center.
Finance Center	Responsible for accounting, taxation, financial statements, budget management, fund allocation, cost analysis, and inventory planning.
Human Resources & Administration Division	Responsible for the Company's management systems, performance appraisal, promotion and retirement systems, education and training, compensation and benefits, and general administrative affairs.
Sustainability Development Office	Responsible for promoting and executing the Company's sustainability development matters, and assisting the Sustainability Development Committee in tracking the progress of various sustainability initiatives.
Business Management Committee	Responsible for planning, executing, and supervising risk management related affairs.

Functional Committees – 2025 Performance

To strengthen oversight, Arcadyan's Board operates Audit, Remuneration, and Sustainability Committees to supervise financial controls, compensation systems, and sustainable development. In 2025, these functional committees met regularly with high attendance rates, ensuring the effective operation of corporate governance mechanisms.

Committee	2025 Performance
Audit Committee	Held 4 meetings in 2025. Independent directors' attendance rate: 100.0%.
Remuneration Committee	Held 4 meetings in 2025.Committee members' attendance rate: 100.0%.
Sustainability Development Committee	Held 3 meetings in 2025. Committee members' attendance rate: 100.0%.

2.2.2 Board of Directors Operation and Diversification

Chaired by the Chairman, Arcadyan's Board of Directors operates in accordance with the Rules of Procedure for Board Meetings. The Board convenes at least quarterly to guide strategy, supervise management, evaluate risks, and protect shareholder rights. In 2025, the Board held 4 meetings with an average attendance rate of 97.2%.

The Board, elected through the candidate nomination system in accordance with the Rules for the Election of Directors and after qualification review based on the Corporate Governance Best Practice Principles, currently comprises nine directors, including three independent directors (33%), two employee-directors (22%), and one female director. All directors serve a three-year term (June 15, 2023 – June 14, 2026).

Arcadyan promotes Board diversity in expertise, industry experience, gender, age, and cultural background in accordance with the Corporate Governance Best Practice Principles and the Company's business characteristics and sustainability needs to support operational and sustainable development requirements. The Company also monitors directors' concurrent positions to avoid conflicts of interest, with detailed information disclosed in the 2025 Annual Report.

Board Diversity Management Targets

Management Target	Description	Achievement Status
The number of directors who concurrently serve as company managers shall not exceed one-third of the total board seats.	Directors concurrently serving as company managers account for 22%.	Achieved
The Board shall include at least one director of a different gender.	The Company elected one female director at the 2023 Annual General Meeting of Shareholders.	Achieved
More than half of the Board members possess networking and industry expertise to strengthen Board effectiveness and sustainable competitiveness.	Directors with expertise in networking communications and relevant industry experience account for 78%.	Achieved

The composition of Arcadyan's Board of Directors incorporates, but is not limited to, the following two major aspects:

- **Professional Knowledge and Skills:** Directors possess diverse professional backgrounds and industry experience in law, accounting, finance, marketing, technology R&D, and business operations to strengthen the Board's overall expertise and governance effectiveness.
- **Basic Qualifications and Values:** The Board considers gender, age, nationality, and cultural background to foster diverse perspectives and inclusiveness in decision-making.

Board Diversity

Title	Name	Key Education & Experience	Core Competencies									Gender	Age Group
			Business Group 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. Corporate Governance and Accounting Officer, Compal Electronics 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	Former Judge and Prosecutor; qualified attorney 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, Bioptik 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, Durbun Information Platform M.B.A., National Taiwan University	O	O	O	O		O	O	O	O	Male	70~79

2.2.3 Board Enhancement, Performance Evaluation, and Remuneration Policy

Director Training and Competence Enhancement

To strengthen directors' competencies and align with international governance trends, Arcadyan provides training programs in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies. In 2025, the training covered corporate governance, sustainability, risk management, digital transformation, and global economic changes. All directors completed the annual requirements, with an average of 6 training hours per director. This reflects Arcadyan's strong commitment to enhancing directors' professional capabilities and responsibility.

Course Title	Total Training Hours
New U.S. Tariff Storm – Supplier Survival Strategies	9
Corporate Digital Transformation – AI and Emerging Technology Application Cases	9
21st (2025) Corporate Governance International Summit – The Role of the Board in Shaping Corporate Strategy amid Global Environmental Changes	12
Practice of Sustainable Governance: Integrity and Decision-Making (IFRS S1)	6
How the Board Responds to 12 ESG Risk Issues	3
Challenges and Responses to the New Global Economic and Trade Landscape	3
Taiwan Listed Companies Association Directors and Supervisors Training Courses	3
Marketing Trends and Data Privacy Rights in the Digital Era	3
AI and Digital Blueprint	3
Key Financial and Tax Issues for 2025	3

Board Performance Evaluation

In accordance with the Regulations Governing the Performance Evaluation of the Board of Directors and Functional Committees amended in August 2023, Arcadyan conducts annual internal performance evaluations for the Board, individual directors, and functional committees, while mandating an external evaluation by independent experts at least every three years. In 2025, the internal self-evaluations all achieved the highest ratings, demonstrating excellent operational efficiency in strategic oversight, risk management, and sustainability initiatives. Arcadyan will continuously leverage these regular assessments to strengthen Board functions and governance quality.

Remuneration Policy and Sustainability Linkage

Under the Articles of Incorporation, Arcadyan allocates up to 2% of pre-tax net profit as director remuneration. The actual amount is evaluated by the Remuneration Committee based on operations, individual contributions, Board evaluation results, and peer benchmarks before Board approval.

Executive compensation follows Arcadyan's compensation policy, based on job level, competence, responsibilities, and company performance. Financial indicators account for 70%, mainly reflecting individual performance and contribution to operations. Non-financial indicators account for 30%: 20% for ESG performance—covering integrity, compliance, supply chain, information security, green products, circular economy, energy/carbon management, human rights, labor relations, and occupational safety—and 10% for managerial performance. Weightings are reviewed annually and assessed at mid-year and year-end to guide compensation and bonus decisions.

All compensation is reviewed by the Remuneration Committee and approved by the Board. Arcadyan will continuously optimize its executive compensation structure to align with long-term financial performance, risk controls, and sustainable development goals, with detailed disclosures available in the Arcadyan Technology 2025 Annual Report.

2.2.4 IFRS Sustainability Disclosure Roadmaps and Actions

In response to the FSC's implementation of IFRS Sustainability Disclosure Standards (IFRS S1 and S2) and related regulatory updates, Arcadyan is classified as a Phase 3 company due to its paid-in capital being under NT$5 billion. The company is scheduled to formally adopt IFRS Sustainability Disclosure Standards starting in fiscal year 2028 and will disclose sustainability-related financial information in a dedicated section of its annual report beginning in 2029.

To align with parent company Compal Electronics and regulatory compliance, Arcadyan has initiated internal risk assessments and engaged external consultants for gap analysis. Arcadyan will systematically enhance its governance mechanisms, data collection systems, internal control processes, and third-party assurance readiness to ensure a seamless alignment with international standards while improving information transparency and comparability.

2.3Risk Management

2.3.1 Risk Governance Framework and Process

To navigate diverse operational uncertainties, Arcadyan established the Risk Management Policy and Procedures in 2022 to build an Enterprise Risk Management (ERM) framework that integrates risk mitigation into daily operations and decision-making. Concurrently, Arcadyan has implemented the ISO 22301:2019 Business Continuity Management System to proactively plan for potential disruptions, ensuring critical products and services recover within established timelines to minimize operational impact and maintain business stability.

Risk Management Policy and Procedures

Risk Management Policy and Procedures

Purpose: Establish a comprehensive risk management system to ensure stable business operations and advance toward corporate sustainability goals.

Enterprise Risk Management Objectives

1. Achieve corporate objectives
2. Enhance management effectiveness
3. Provide reliable information
4. Effectively allocate resources

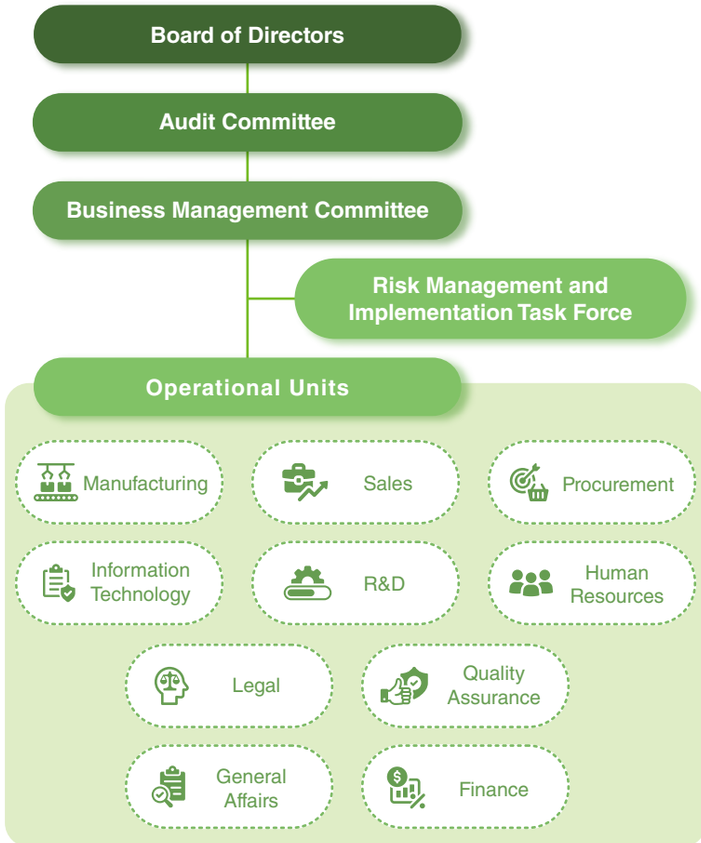
Please refer to the official website for the full Risk Management Policy and Procedures.

ISO 22301:2019 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.

Risk Management Organization

To implement the risk management mechanism, Arcadyan has established a risk governance framework jointly composed of the Board of Directors, the Audit Committee, and the Management Committee. The Board of Directors serves as the highest governing body for risk management, responsible for reviewing and supervising the overall risk management principles and strategies; the Audit Committee assists the Board in supervising the effectiveness of the risk management system and reviews risk management policies, systems, and implementation statuses; the Management Committee is responsible for coordinating risk identification, assessment, and response, chaired by the General Manager and executed by designated departments. The relevant implementation statuses are reported regularly to the Board of Directors every year to ensure that material risks have been integrated into the governance and oversight mechanisms.



Board of Directors	The highest governance body for risk management, responsible for reviewing and supervising overall risk management guidelines and strategies.
Audit Committee	Assists the Board in supervising the effectiveness of the risk management system, reviewing risk management policies, systems, and implementation status, and overseeing risk levels and resource allocation.
Business Management Committee	Coordinates risk identification, assessment, and response. Chaired by the President, the Committee assigns departments to implement risk management. Members from Procurement, Finance, Legal, IT, R&D, Quality Assurance, and overseas operations integrate risk management into daily work. The Business Management Committee regularly reviews major risks, develops preventive and contingency measures and BCPs, and minimizes operational impacts while ensuring business continuity.

Risk Management Procedures

Under the Risk Management Policy and Procedures, Arcadyan established five core processes: risk identification, analysis, evaluation, response, and monitoring and review. Each unit systematically identifies potential risks impacting operational objectives, financial performance, reputation, and stakeholders, prioritizing them based on likelihood, impact, and tolerance. For significant risks, Arcadyan formulates preventive measures, emergency response mechanisms, business continuity plans, and tracking mechanisms to minimize operational impact and maintain business stability.

Risk Identification

Identify potential risks by integrating past experience, the latest information, internal and external risk factors, and stakeholder concerns to assess impacts on Arcadyan's operations, financial performance, and reputation.

Risk Analysis

Conduct quantitative or qualitative risk assessments to evaluate likelihood and impact, determine risk levels, and develop corresponding management strategies.

Risk Assessment

Compare risk assessment results with risk tolerance to prioritize high-risk items and implement appropriate response measures for effective risk management and resource allocation.

Risk Response

Develop response plans based on risk assessments and continuously monitor implementation to ensure effective and cost-efficient risk management aligned with business objectives.

Monitoring and Review

The Business Management Committee and Risk Management Task Force regularly review risks, with audit results integrated into performance evaluations and core processes to strengthen risk governance.

Risk Information Management and Disclosure

Within its risk management system, Arcadyan incorporates risk reporting and information disclosure policies to enhance the transparency of risk governance and respond to stakeholders' needs for risk management information. Specific practices include:

Item	Management Approach
Risk Recording	Complete records, reviews, and reporting are maintained for the entire risk management process, including risk identification, assessment, response, and ongoing monitoring. All records are properly retained for future audits and continuous improvement.
Risk Reporting	Risk reporting mechanisms are established based on the concerns and information needs of different stakeholder groups, covering reporting frequency, timeliness, and methods. Disclosure ensures high relevance to Arcadyan's operational objectives and decision-making processes.
Information Disclosure	Material risk management information is disclosed through Arcadyan's official website or the Market Observation Post System (MOPS) and updated in a timely manner to ensure external stakeholders have access to accurate and up-to-date risk information.

Risk Management Process Audit

The Audit Committee is responsible for reviewing Arcadyan's risk management policies, systems, and execution status. It regularly assesses their applicability and effectiveness, supervises risk prioritization and resource allocation, and ensures that material risks are incorporated into management mechanisms and daily operations. The Audit Committee also receives regular reports on risk management execution, provides improvement recommendations, and serves as the basis for the Board's risk management decisions.

Risk Culture Building

To strengthen employees' risk awareness, Arcadyan incorporates risk management courses into new employee orientation and annual company-wide training, primarily based on the ISO 22301 Business Continuity Management policy. In 2025, a total of 3,918 participants completed the training with a 95.2% completion rate, continuously enhancing employees' risk management awareness and response capabilities.

Additionally, directors undertake ESG risk and global economic and trade change courses during their annual training to strengthen senior management's risk governance capabilities and promote a risk management culture from the top down.

Course Topic	Target Audience	Training Hours	Number of Trainees	Completion Rate
ISO 22301 Business Continuity Management Policy	New employees and all employees	0.5	3,918	95.2%
How the Board Responds to 12 ESG Risk Issues	Directors	3	1	100%
Challenges and Responses to the New Global Economic and Trade Landscape	Directors	3	1	100%

2.3.2 Material Risks and Mitigation Strategies

Through risk identification and evaluation, Arcadyan manages strategic, operational, compliance, integrity, and financial risks based on materiality, likelihood, and impact. In 2025, Arcadyan identified 5 key risks across strategic, operational, and compliance dimensions, formulating corresponding response strategies. Responsible units continuously track these risks and improvement actions, reporting regularly to the Audit Committee and the Board of Directors to enhance operational resilience.

2025 Major Risks and Response Strategies

Risk Type	Risk Issue	Risk Description	Potential Impacts	Response Measures
Strategic	Geopolitical and Global Economic Conditions	Global regime changes, tariff policy shifts, trade tensions, or regional conflicts may destabilize the international political and economic landscape.	Increased tariff costs and heightened policy uncertainty may raise operational pressure and affect supply chain configuration.	1. Expand overseas production, including the Vietnam Manufacturing Center, to diversify geographic risks. 2. Diversify outsourcing partners and expand cross-border manufacturing to reduce the impact of policy changes.
Operational	Outsourcing Partner Management	Financial instability or poor production management at outsourced factories may lead to capacity constraints, quality issues, or delivery delays.	May affect the fulfillment of customer orders and give rise to payment recovery or financial risks.	1. Sign outsourcing contracts that clearly define each party's responsibilities and obligations. 2. Require letters of credit or parent company guarantees, based on the outsourced factory's financial condition, to protect the Company's interests.
Operational	Supply Chain Stability Management	Supply interruptions of critical raw materials or electronic components may cause production line shutdowns or shipment delays.	May result in inability to deliver products on time, thereby affecting revenue and damaging customer trust.	1. Regularly assess market supply and demand and adjust safety stock for critical components. 2. Diversify supply sources to reduce reliance on single suppliers and ensure supply stability.
Operational	Memory Price Increases and Supply Shortages	Imbalances in market supply and demand may cause sharp fluctuations in memory prices or severe shortages, affecting shipments and product profit structure.	Price changes or material shortages may result in order losses or shipment delays.	1. Attach market data to support price adjustments and establish transparent cost pass-through mechanisms with customers. 2. Evaluate alternative memory specs or design changes to relieve cost pressure and secure supply.
Compliance	Patent Infringement and Intellectual Property Protection	With the expansion of product lines and overseas markets, the Company may face infringement claims from patent holders or Non-Practicing Entities (NPEs), or demands for high royalties.	May incur additional royalty payments, damages, or litigation costs, and affect cooperation with major customers.	1. Set aside patent royalty provisions for potential costs. 2. Conduct licensing negotiations or pursue patent invalidity or non-infringement defenses. 3. Incorporate patent costs and legal risks into product pricing.

2.3.3 Emerging Risks

Amid rapid external changes in 2025, Arcadyan monitored emerging risks affecting mid-to-long-term operational resilience and competitiveness, referencing the World Economic Forum's Global Risks Report 2025. Among these, "talent shortages" and "AI-driven cybersecurity threats" have been classified as high-priority issues due to their impacts on technological development, digital governance, organizational resilience, and global operational capabilities.

Arcadyan mitigates the potential impacts of these emerging risks on operations, brand trust, and digital governance effectiveness through initiatives such as talent cultivation, succession planning, critical competency transfer, cybersecurity defense, AI governance, and business continuity management.

Risk Issue	Risk Description	Potential Impacts on Arcadyan	Response Strategies	Opportunities
Talent Resource Shortage	Aging populations, declining birth rates, and labor force shifts have made talent attraction and retention a key risk to long-term competitiveness. Rapid advances in AI, cloud computing, Wi-Fi 7, and smart connectivity continue to drive demand for highly skilled, cross-disciplinary talent in the networking industry.	As Arcadyan expands its global operations, demand for talent in R&D, product development, project management, and cross-border operations continues to grow. Talent shortages or turnover may affect R&D, product launches, customer service, operational efficiency, and knowledge transfer.	• Strengthen succession planning by identifying key positions and developing core talent. • Promote professional skills, cross-functional collaboration, and leadership development. • Provide diversified learning platforms to enhance professional, cross-disciplinary, and innovation capabilities. • Recruit international talent, particularly in technology and engineering, to address talent gaps.	Addressing talent shortages strengthens organizational resilience, knowledge transfer, and cross-border capabilities. Diversified talent development also enhances innovation and employer branding to attract top talent.
AI-Driven Cybersecurity Threats	Rapid advances in generative AI have increased the risks of misinformation, deepfakes, data misuse, AI-assisted attacks, and digital trust issues. Failure to manage these risks may affect customer trust, information security, and operational stability.	Failure to promptly address misinformation, AI-generated content, or cybersecurity incidents may damage Arcadyan's brand, customer trust, and investor confidence while increasing reputation management costs. Inadequate governance of AI tools may also affect decision quality, information accuracy, and operational stability.	• Provide training on digital literacy, information verification, and responsible AI use. • Establish real-time monitoring and rapid response mechanisms for misinformation. • Implement AI content review to ensure accuracy, reliability, and business relevance. • Conduct risk drills for misinformation, deepfakes, AI misuse, and reputational crises.	Establishing AI governance and information management mechanisms enhances information quality, brand transparency, stakeholder trust, and digital governance.

Note: Emerging risk issues are identified with reference to the World Economic Forum Global Risks Report 2025 and Arcadyan's internal risk assessment results.

2.4 Information Security System Implementation and Management

Amid digital operations, supply chain collaboration, and escalating cyber threats, information security is critical to operational resilience, customer trust, and service quality. Guided by "Information security is a shared responsibility across the organization," Arcadyan implemented an ISMS aligned with ISO 27001:2017 and ISO 27005:2011 standards, establishing mechanisms across governance, risk assessment, incident handling, access control, data protection, product security, and training to ensure the confidentiality, integrity, and availability of operational, customer, product, and personal data.

Through institutionalized management, Arcadyan regularly reviews security policies and control measures, embedding requirements into daily operations, product development, supply chain collaboration, and customer service. Through employee participation, system defense, risk monitoring, and cross-departmental collaboration, Arcadyan continuously mitigates security risks to strengthen operational resilience and stakeholder trust.

ISO 27001:2017 Information Security Management Policy

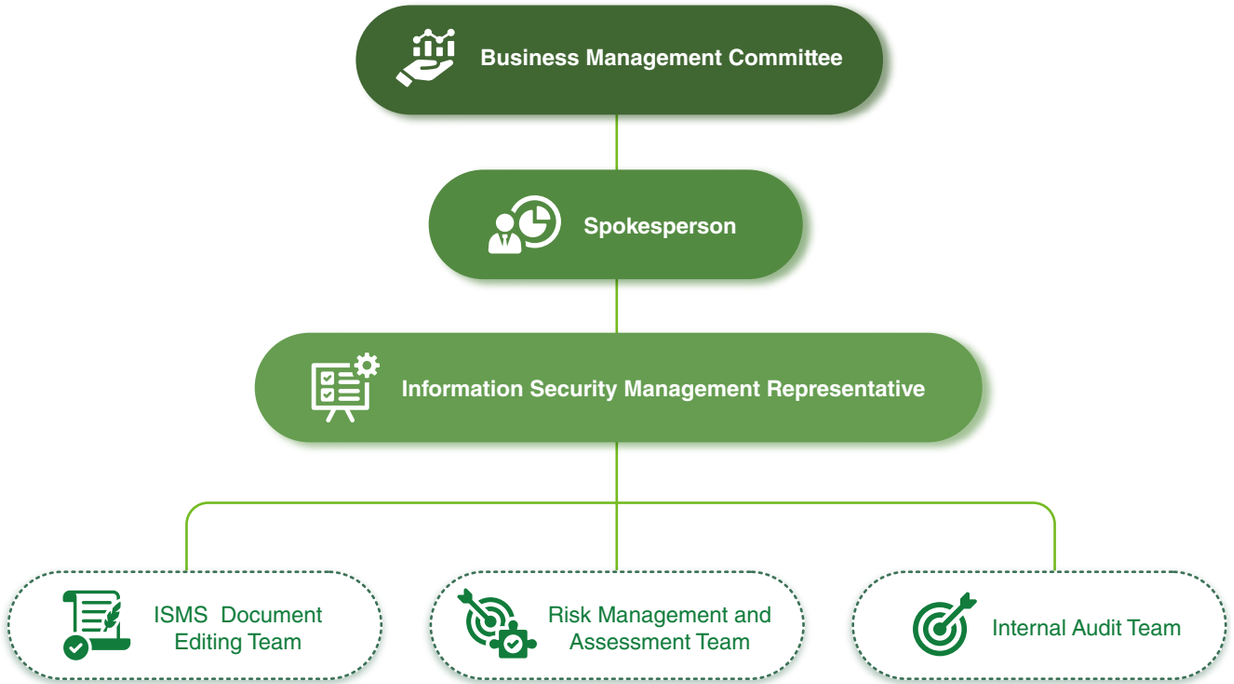
- Ensure the confidentiality of business information to prevent the leakage or loss of sensitive company data and personal information.
- Ensure the integrity and availability of business information to guarantee the accurate execution of operations and business activities.

2.4.1 Information Security Governance Structure

Arcadyan established the Information Security Management Committee to coordinate and supervise information security, responsible for reviewing policies, objectives, risk assessments, incident handling, and improvement plans while regularly assessing control measure implementation.

Under this committee, three dedicated groups—Document Editing, Risk Management and Assessment, and Internal Audit—are responsible for maintaining documentation, tracking asset risks, and conducting internal audits to confirm deficiency rectifications, strengthening governance through a clear division of labor.

Organizationally, dedicated security units drive policy, risk assessment, monitoring, training, incident response, and improvement tracking, while departments implement data protection, system access, and customer privacy requirements based on operational characteristics. This top-down governance integrates security into daily operations; furthermore, Arcadyan convenes security management review meetings twice a year to consolidate risks, audit results, and performance across locations, reviewing system compliance, adequacy, and effectiveness to guide future policy adjustments and resource allocation.



2.4.2 Information Security Management Mechanisms

Following the ISO/IEC 27001 standard, Arcadyan enhances its information security system and internal control framework to ensure the confidentiality, integrity, and availability of information assets. Through regular internal and external audits, risk ratings, vulnerability scans, asset inventory updates, and tracking, Arcadyan implements systematic management and continuous improvement to effectively respond to a rapidly changing threat environment.

To enhance operational resilience, Arcadyan deepens controls including business impact analyses, disaster recovery drills, privilege management, firewall monitoring, penetration testing, training, and social engineering drills to mitigate unauthorized access, data leakage, malicious attacks, and system interruptions. Since 2020, Arcadyan has maintained cyber insurance to mitigate the financial impact of potential cyber security incidents., with the 2025 insured amount reaching 3 million USD, demonstrating proactive risk planning.

To mitigate risks from external ICT service providers, Arcadyan has required relevant suppliers to sign the Information Security Cooperation Statement and Obligation Confirmation since 2025, applicable to contracts, purchase orders, and written collaborations. This statement defines supplier responsibilities in data protection, confidentiality, transmission, remote operation, incident notification, audit improvement, and outsourcing, prohibiting unauthorized access, copying, leakage, or retention of Arcadyan data. Incidents must be reported within 2 hours of discovery, with full cooperation in investigations and rectifications. In 2025, 23 ICT service providers completed the signing, reducing leakage, disruption, and compliance risks while enhancing supply chain resilience.

Regular Information Security Risk Review

Annually conducts ISO 27001 Information Security Management System audits to prevent security vulnerabilities. In 2025, 2 internal audits and 1 external audit were conducted.

Data Sharing and Privacy Management

Implements a confidentiality policy requiring employees to protect electronic data, documents, and communications. The Company also publishes a Privacy Policy and obtains user consent for cookies.

Establishment of Information Security Incident Reporting and Management Procedures

Incidents are classified into four severity levels, with corresponding procedures established for subsequent reporting and handling.

Information Security Management Program

Network Security Detection

Implements the Deep Discovery Inspector (DDI) for network threat monitoring, analyzing threat intelligence to detect attacks, advanced threats, and ransomware while continuously improving detection capabilities.

Confidential Data Management

Conducts third-party information security due diligence and requires external parties to sign Non-Disclosure Agreements (NDAs) before information exchange.

Complaints and Whistleblowing

An information security-related complaint and whistleblowing channel (security@arcadyan.com) is available for stakeholders to communicate issues related to information security.

2.4.3 Information Security Training and Education

To strengthen information security awareness and enforce behavior codes, Arcadyan promotes diversified security advocacy and training mechanisms, helping employees master latest security trends, raise protective consciousness, and build the organization's first line of defense. Through security announcements, social engineering phishing email tests, and awareness training, Arcadyan continuously enhances employee capabilities to identify phishing emails, ransomware, fake links, information vulnerabilities, and other emerging security threats.

Item	Implementation Method	2025 Performance
Information Security Awareness Promotion	Irregularly issue security announcements and news covering anti-fraud, phishing emails, hacker attacks, information vulnerabilities, ransomware, and fake links to enhance employees' ability to identify and respond to emerging cybersecurity threats.	• Arcadyan Headquarters: 65 awareness sessions • Vietnam Manufacturing Center: 12 awareness sessions
Social Engineering Phishing Email Testing	Conduct regular simulated social engineering phishing email tests to strengthen employees' ability to identify suspicious emails. Employees who fail the test receive additional training to enhance their cybersecurity awareness.	• Arcadyan Headquarters: 8 phishing simulation exercises • Vietnam Manufacturing Center: 2 phishing simulation exercises
Information Security Awareness Training	Quarterly information security awareness training for employees at Arcadyan Headquarters and Vietnam Manufacturing Center. New employees receive dedicated security briefings upon onboarding.	• Arcadyan Headquarters: 4 online training sessions • Vietnam Manufacturing Center: 10 training sessions

2.4.4 Information Security Incident Handling and Response

Arcadyan strengthens its monitoring by implementing a centralized Security Information and Event Management (SIEM) system. Integrating logs from various equipment and systems, SIEM leverages real-time correlation and alerting to enhance anomaly detection, improve response efficiency, and mitigate operational impacts.

Regarding incident management, Arcadyan established a structured process to ensure rapid response and damage control. The Information Security Management Representative coordinates incident authorization and damage control, regularly reporting statistics, analysis, and recommendations to the Information Security Management Committee to strengthen governance and decision-making.

The Risk Management and Evaluation Team (RMET) executes actual incident handling, covering notification receipt, severity classification, impact analysis, cross-departmental coordination, and tracking. All employees must follow notification mechanisms, reporting anomalies immediately to ensure early identification and handling.

Arcadyan implements classified management based on incident impacts, taking corresponding measures. When an incident reaches a specified threshold, the Business Continuity Plan (BCP) is activated to ensure critical continuity; furthermore, digital evidence, including system logs and audit trails, must be retained to support subsequent analysis.

Upon closure, RMET confirms the impact scope, analyzes root causes, and plans improvements and patching, rebuilding system environments if necessary. Outcomes are regularly reviewed to optimize response capabilities, reduce recurrence, and build a proactive, resilient security defense system.

Detection	Reporting	Classification	Activate Response Procedure		Analysis and Remediation	Track Improvement
Identify suspicious incidents	Report to the Risk Management and Evaluation Team (RMET)	Determine the type, level, and impact scope of the incident	Activate response: • Damage control • Corrective and preventive actions • Preserve digital evidence	For Level 3 or above incidents: • Activate Business Continuity Plan (BCP) • Notify the Information Security Management Representative and the Management Committee	Incident analysis and recovery: • Identify impact scope • Patch vulnerabilities • System recovery and monitoring	Statistical analysis and improvement: • Compile cybersecurity incident data semi-annually • Review and strengthen cybersecurity management

2.4.5 Data Protection, Privacy Management, and Access Control

Arcadyan safeguards the privacy and integrity of its data assets by enforcing stringent access controls and protection mechanisms tailored to classification levels and business needs. These safeguards ensure comprehensive security for all operational, customer, product, and personal data across every stage of the lifecycle, spanning collection, processing, transmission, storage, and destruction. This robust defense is maintained through practical technical controls and policies, including account privilege management, Multi-Factor Authentication (MFA), continuous log monitoring, secure remote access, defined data retention, and strict employee confidentiality obligations, effectively eliminating the risks of unauthorized access, data leakage, and privacy misuse.

Access Control and Network Security Management Measures

Mobile Device and Remote Access Controls

- External device connections require approval and must comply with security standards.
- Remote access uses tiered authorization and real-time control; permissions are revoked immediately after use.
- Confidential data can only be accessed and stored in controlled secure environments to prevent data leakage.
- Multi-factor authentication is required for mobile devices and remote logins.

Server and Database Log Management

- Establish centralized log management for systems and databases, recording access activities with defined retention periods.
- Introduce Security Information and Event Management (SIEM) for centralized monitoring and analysis to strengthen anomaly detection and early warning.
- Logs support cybersecurity incident investigation and audits, ensuring traceability and integrity.
- Implement automatic logout and idle session controls to reduce unauthorized access risks.

Anonymous and Guest Account Restrictions

- Prohibit anonymous and guest account logins; all operations must be traceable to named users.
- Forbid unauthorized encryption/decryption tools and system access methods to prevent potential vulnerabilities.
- Shared accounts are strictly controlled, monitored, and audited to reduce risks of unaccountable responsibility.

Account and Access Rights Management

- Establish full lifecycle management for accounts, covering application, approval, activation, modification, and deactivation processes.
- Users must change default passwords upon first login and update passwords regularly to meet security and complexity requirements.
- Immediately adjust or disable account permissions upon employee resignation or job transfer to prevent misuse.
- Implement multi-factor authentication (MFA) and OTP for enhanced identity verification.
- Privilege accounts require approval and periodic review, enforcing the principle of least privilege.

Network Usage and Cybersecurity Management

- Prohibit unauthorized software, downloading unknown files, or accessing inappropriate websites.
- Establish real-time network behavior monitoring and auditing to detect abnormal traffic, usage, and data transmission.
- Deploy Web Application Firewall (WAF) for external systems to filter and block application-layer attacks.
- Network and account operation records are managed and retained to ensure traceability and compliance.

Customer Data and Confidential Information Protection

Arcadyan has established a comprehensive data governance framework covering the entire data lifecycle—including storage, use, sharing, and destruction. Supported by robust data retention and log management policies, the framework ensures full traceability of system access activities and defines appropriate retention periods in accordance with regulatory and operational requirements, providing strong support for security investigations and internal audits.

To safeguard confidential information, Arcadyan strictly manages employee non-disclosure obligations. All new hires are required to sign confidentiality agreements and comply with information security policies. This is reinforced through targeted training and regular audits to enhance employee awareness and accountability. Additionally, Arcadyan's privacy policy is publicly disclosed on the official website to ensure transparency and full regulatory compliance in data processing activities.

Data and Privacy Protection

In response to international data protection trends and local regulations, Arcadyan has established a privacy policy in accordance with the EU General Data Protection Regulation (GDPR) and applicable local privacy laws. This policy serves as the highest guiding principle for protecting personal data of internal and external stakeholders. The Information Security Department oversees the collection, processing, and storage of personal data to ensure compliance with regulations and the Company's code of conduct.

Arcadyan provides a privacy complaint channel at security@arcadyan.com. In 2025, the Company received no privacy complaints, penalties, or incidents of customer privacy infringement or leakage. These measures continue to reduce data leakage and misuse risks while strengthening information security and operational resilience.

2.4.6 Product Information Security and Vulnerability Management

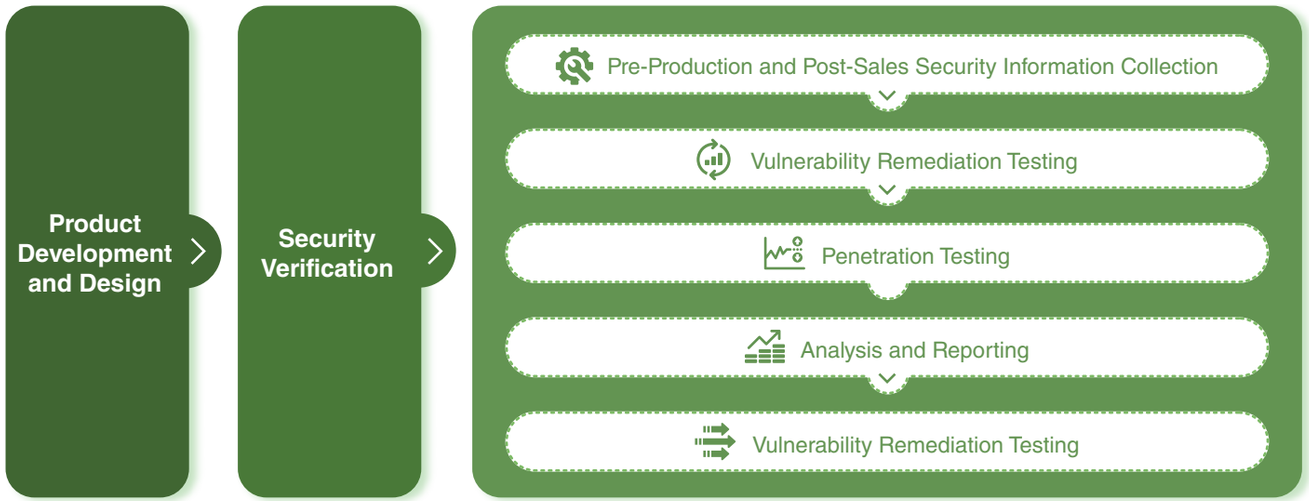
Arcadyan adheres to high information security standards throughout product design, manufacturing, delivery, and after-sales stages. The R&D team actively collaborates with security research institutions, academia, and cybersecurity communities to identify and address potential vulnerabilities proactively. For externally reported issues, the Company promptly initiates investigation, works with customers on solutions, and tracks remediation progress.

To strengthen vulnerability management, Arcadyan has published the Product Security Vulnerability Disclosure Policy, establishing clear processes for reporting, assessment, handling, and responsible disclosure. External parties can report via security@arcadyan.com with relevant details for assessment.

In 2025, Arcadyan received 43 product software vulnerability reports, including 2 high-risk and 17 medium-risk cases (2 of which were unrelated to product functionality), with 24 having no public risk rating. All material risks were promptly remediated within the year with customer consent. This reflects Arcadyan's rapid response and strong responsibility in managing information security risks. The Company also strengthens cybersecurity across the full product lifecycle and requires supply chain partners to comply with information security standards to prevent risks such as counterfeiting, malware, and system tampering.

Arcadyan's product information security management encompasses three key stages: design and development, shipment inspection, and after-sales maintenance.

- **Product Design and Development Stage:** Through internal training and cybersecurity incident sharing, relevant departments enhance their awareness of potential vulnerabilities and external attack risks during product development, reducing the likelihood of products being exploited as attack targets.
- **Shipment Inspection Stage:** A comprehensive software/firmware testing process is established. Products must pass full testing before shipment to ensure all functions and versions meet specifications and to minimize cybersecurity vulnerability risks.
- **After-Sales Product Maintenance Stage:** A dedicated team monitors software/firmware vulnerabilities, analyzes and assesses suspicious issues. If a major security vulnerability is confirmed, immediate remediation and mitigation actions are initiated.



StageContentProduct Development and Design

Through internal education and training as well as sharing of information security incidents, prevent relevant departments from becoming attack targets due to security vulnerabilities during the product development process.

Pre-Shipment Product Testing

Arcadyan has established a comprehensive software/firmware testing process. Products must pass complete testing before shipment to ensure that all functions and versions meet specifications and that there are no concerns regarding information security vulnerability risks.

Post-Sales Product Protection

A dedicated department is established to monitor software/firmware vulnerabilities and analyze and assess potential security issues.

2.5 Business Integrity

Rooted in integrity and compliance, Arcadyan maintains an ethical governance framework encompassing corporate policies, risk prevention, training, and grievance mechanisms. This framework is reinforced through internal audits, integrity due diligence, and comprehensive employee training to foster a culture of compliance. By embedding fair competition and anti-corruption measures into daily operations, Arcadyan ensures that all business activities strictly adhere to commercial ethics and regulatory requirements.

2.5.1 Business Integrity Policies and Training

Approved by the Board of Directors and aligned with TWSE/TPEx principles, Arcadyan has formulated and publicly disclosed its Code of Conduct for Ethical Corporate Management, Procedures and Guidelines for Ethical Corporate Management, and Code of Ethical Conduct for Directors and Managers. Furthermore, a Business Ethics Policy is embedded within personnel regulations. These policies strictly govern all personnel—including full-time, contract, dispatched, and intern staff—across domestic and overseas subsidiaries and entities under substantive control.

To enforce rigorous ethical risk prevention, the Business Ethics Policy explicitly prohibits the following behaviors:

- Bribery and acceptance of bribes, or providing/receiving any form of improper benefits, including kickbacks, commissions, and brokerage fees.
- Facilitation payments or expediting fees are prohibited, except in situations where there is an immediate threat to personal safety.
- Illegal political donations, as well as improper charitable donations or sponsorships; all political donations, charitable donations, or sponsorships require written approval from the Board of Directors.
- Unreasonable gifts, hospitality, or other improper benefits with a single value exceeding NT$3,000. Cash, gift vouchers, and securities are strictly prohibited. During sensitive periods such as bidding, negotiation, evaluation, or acceptance, non-essential hospitality is forbidden. Any gifts exceeding the limit must be turned over to the Human Resources Administration Department within three days for centralized handling.
- Conflicts of interest, including concurrent employment, misappropriation of corporate opportunities, investment or financial relationships, and related-party transactions. Family members refer to spouses, siblings, parents, in-laws, and children. Employees must proactively disclose any conflicts of interest, and appropriate measures such as job adjustment, recusal from decision-making, or dual review shall be implemented as needed.
- Infringement of intellectual property rights or improper use of company assets and confidential information.
- Unfair competition practices, including price manipulation, bid rigging, market allocation, production or quota restrictions.
- Products or services that harm the rights and interests of stakeholders.

To foster a culture of integrity, Arcadyan replaced its 2007 Code of Conduct with a revised Business Ethics Policy in 2021, covering personal integrity, conflict of interest, gift guidelines, resource utilization, intellectual property and confidential data protection, fair trade, and anti-money laundering. Employees must avoid business dealings with unethical parties, proactively report such incidents, and terminate transactions immediately. Any material violations will result in immediate dismissal or termination according to applicable laws and personnel regulations.

Arcadyan integrates its Business Ethics Policy into onboarding training for new hires and mandates annual compliance awareness training for all employees. The curriculum covers business ethics, ethical conduct guidelines, risk management, insider trading prevention, and material information handling to reinforce a culture of compliance. In 2025, 3,918 participants completed the training, achieving a 95.2% completion rate. Furthermore, external professional development is arranged for board members, corporate governance officers, internal auditors, and relevant functional personnel—covering integrity regulations, financial systems, information security, and internal controls—with cumulative training hours reaching 63 hours in 2025.

Course	Target Audience	Number of Trainees	Completion Rate	Total Training Hours
Integrity Management, Corporate Governance, and Internal Control Courses	Board members	6	100.0%	27
	Integrity Management, Corporate Governance, and Internal Control Courses	3	100.0%	60
Company-wide Awareness Training, including Integrity Management, Prevention of Insider Trading, and Risk Management	Arcadyan employees	3,918	95.2%[Note]	1,959

Note: Company-wide awareness training was required for 983 employees at Arcadyan Headquarters and 3,143 at the Vietnam Manufacturing Center. A total of 966 and 2,952 employees, respectively, completed the training.

2.5.2 Prevention Mechanisms and Integrity Due Diligence

To proactively prevent fraud, corruption, and unethical conduct, Arcadyan has established a comprehensive internal control system, with the Internal Audit Office integrating integrity governance into its annual audit plans, conducting periodic reviews, and reporting directly to the Board of Directors to ensure continuous operational transparency. Internally, the Finance and Accounting Department enforces a regular job rotation policy to enhance operational flexibility while mitigating the risks of fraud and collusion. Furthermore, for high-value transactions and critical decision-making processes, the "Four-eye Principle" is implemented through multi-layered reviews and segregation of duties, strengthening mutual checks and balances to guarantee that major business decisions are made with the utmost legitimacy and prudence.

To strengthen integrity management within high-risk functions, Arcadyan conducts integrity due diligence targeting executives, sales, procurement, and finance departments. In 2025, 86 personnel holding high-risk positions completed internal anti-corruption questionnaires, achieving a 100% response rate with zero instances of commercial ethics violations, corruption, or other unlawful activities identified.

Arcadyan integrates anti-corruption, anti-bribery, anti-kickback, improper gift, and conflict of interest requirements into its supplier management process, utilizing integrity due diligence to identify potential compliance risks. In 2025, the procurement department targeted medium- and high-risk suppliers based on evaluation outcomes, with 35 suppliers completing the integrity questionnaires, achieving a 100% response rate. The investigations identified zero instances of commercial ethics violations, kickbacks, cash acceptances, or improper entertainment. Moving forward, Arcadyan will continuously deepen its supply chain integrity controls through institutionalized due diligence and transparent assessment processes.

2.5.3 Anti-Competitive Behavior and Regulatory Compliance

Guided by business integrity, Arcadyan complies with global competition laws and fair trade regulations under its Code of Conduct for Ethical Corporate Management and Business Ethics Policy. The Company strictly prohibits any form of anti-competitive behavior, including price-fixing, bid-rigging, production or quota restrictions, market or customer allocation, and any other activities that undermine fair market competition.

Arcadyan strictly prohibits the improper acquisition or misuse of intellectual property, trade secrets, and confidential data, including patent theft, unauthorized use of transaction info, or inducing employees to disclose previous employers' secrets. Upholding integrity, transparency, and fairness, the Company equitably protects the rights of customers, suppliers, competitors, and employees. Accordingly, personnel are strictly banned from manipulating information, abusing authority, concealing facts, or using any unlawful means to profit themselves or third parties.

Regulatory compliance serves as the cornerstone of Arcadyan's operational management, guiding the continuous refinement of internal policies aligned with local laws and international standards. The management and the Board of Directors actively monitor global regulatory shifts to periodically review and update internal codes. This proactive oversight spans critical areas—including environmental protection, occupational health and safety, anti-bribery and corruption, anti-harassment and discrimination, fair competition, information security, and intellectual property—ensuring all business activities strictly adhere to legal requirements and ethical standards.

To strengthen regulatory compliance, Arcadyan implements ISO 14001 and ISO 45001 management systems, establishing robust frameworks for regulatory identification, risk assessment, and enforcement to safeguard the environment and occupational safety. In 2025, the Company recorded zero lawsuits or legal penalties involving anti-competitive, antitrust, monopoly, or market manipulation laws. Furthermore, no material violations occurred regarding corruption, bribery, fraud, insider trading, or local regulations. Arcadyan also faced no material litigation concerning product transactions or involving amounts exceeding NT$2 million, demonstrating its concrete achievements in ethical governance and absolute compliance.

In accordance with public disclosure requirements, Compal Electronics, Inc., a corporate director of the Company and a major shareholder holding more than 10% of the Company's shares, is involved in a litigation case. For further details, please refer to the section "VI. Special Disclosures" in Arcadyan Technology Corporation's 2025 Annual Report.

2.5.4 Grievance Mechanisms, Whistleblowing, and Political Contributions

To promote integrity and transparent communication, Arcadyan provides dedicated reporting channels for internal and external stakeholders through an independent whistleblowing email (ethics@arcadyan.com), a CSR mailbox (csr@arcadyan.com), and a stakeholder grievance address (hr_hq@arcadyan.com). The Company encourages individuals to proactively raise concerns and provide supporting evidence along with contact information to facilitate swift investigation and processing.

To ensure confidential and safe reporting, Arcadyan strictly protects the whistleblower's identity and report contents while prohibiting any form of retaliation. If an investigation confirms a violation, the Company will take disciplinary action and, when necessary, escalate the matter to judicial or anti-corruption authorities, reinforcing its zero-tolerance approach toward corruption and unethical conduct.

Furthermore, Arcadyan integrates business integrity into performance evaluations and HR management, establishing clear reward, disciplinary, and grievance protocols. Material violations will trigger severe disciplinary actions under applicable laws and company regulations. In 2025, the Company recorded zero integrity or corruption reports, zero internal non-compliance, and zero regulatory fines, demonstrating the stable operation and consistent risk control of Arcadyan's governance systems.

Case Category	Complaint Channel	Number of Reports	Number of Cases Accepted	Number of Cases Closed
Improper acceptance of gifts, entertainment, bribery, or conflicts of interest	Integrity and Anti-Corruption Mailbox (ethics@arcadyan.com)	0	0	0
	Corporate Social Responsibility Mailbox (csr@arcadyan.com)	0	0	0
	Stakeholder Complaint Mailbox (hr_hq@arcadyan.com)	0	0	0
	Direct reporting to supervisors	0	0	0

Political Contributions

Upholding political neutrality, Arcadyan refrains from political activities, lobbying, or donations, recording zero political contributions in 2025. Any essential political contributions must comply with Article 9 of the Procedures for Ethical Management and Guidelines for Conduct, requiring approval from the President and Chairman, and final endorsement from the Board of Directors. Arcadyan also respects employees' civic rights, encouraging active democratic participation—such as voting or supporting preferred candidates and public causes—to reflect its commitment to personal freedom and social engagement.

2.6 Sustainable Partnerships

Based on mutual benefit, responsible governance, and shared growth, Arcadyan fosters long-term partnerships across its value chain, including customers and suppliers. The Company strengthens its resilience and sustainable competitiveness through key mechanisms, including two-way communication, satisfaction management, sustainable procurement, supplier risk assessment, and responsible minerals management. Furthermore, Arcadyan integrates environmental protection, labor human rights, occupational safety, business ethics, information security, and responsible sourcing into its supply chain management, partnering with suppliers to drive low-carbon transition and responsible supply chain development.

2.6.1 Customer Relationship and Satisfaction Management

Centered on customer satisfaction, Arcadyan leverages innovative R&D and technical expertise to quickly respond to market needs and build win-win strategic partnerships. The Company maintains close engagement with customers through various channels, including emails, phone calls, and Quarterly Business Reviews (QBR).

Customer satisfaction is a key management metric. Arcadyan conducts annual surveys to evaluate performance across four dimensions: technical capability, product quality, responsive service, and on-time delivery. Based on customer feedback, the Company implements improvement plans through its Quality Management System (QMS). Results are incorporated into departmental performance indicators, with progress regularly tracked to continuously enhance customer satisfaction.

Arcadyan also places high priority on customer data and product information security. For details on related management mechanisms, product vulnerability reporting, and data privacy protections, please refer to Section 2.4"Information Security System Implementation and Management".

ISO 9001:2015 Quality Management Policy

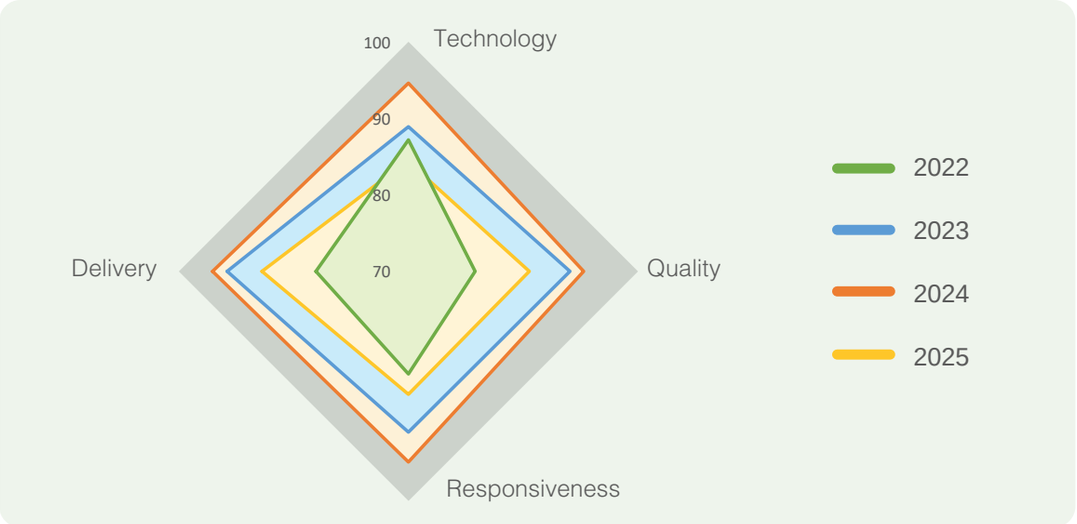
All employees shall take part in achieving the quality and satisfy customers' needs effectively and economically.

Historical Customer Satisfaction Results

As global supply chains stabilize and customer demands advance, Arcadyan continuously enhances resilience, logistics, and technology to elevate service efficiency. Since 2020, the Company has consistently received sustainable supply chain best practice awards from multiple telecom clients, recognizing its outstanding performance in product quality, service efficiency, and sustainable governance.

In 2025, Arcadyan's customer satisfaction score was 85.5. This year-over-year decline stemmed from change notification immediacy, issue analysis timeliness, responsiveness, and delivery flexibility during a specific client's new product development. In response, Arcadyan executed all corrective actions within the requested timeframe, ensuring on-schedule mass production without affecting the final market launch. This project was designated as an internal case study to optimize quality control, change management, cross-departmental communication, product testing, and supply chain responsiveness, successfully preventing recurrence and elevating execution quality.

Year	2022	2023	2024	2025
Average Satisfaction	82.9	91.1	94.4	85.5



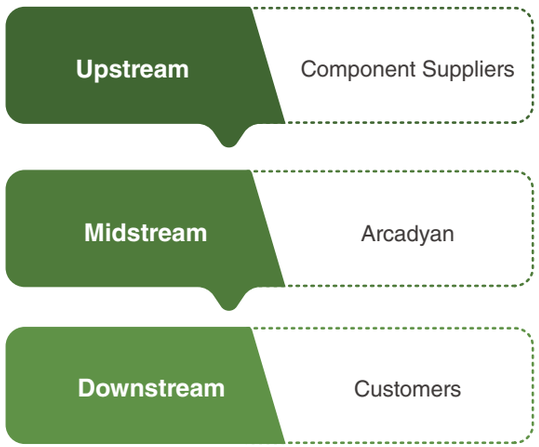
2.6.2 Sustainable Supply Chain Management

To enhance operational efficiency and market competitiveness, Arcadyan views supplier management as a core strategy for corporate social responsibility and sustainable development. Beyond requiring continuous improvements in quality, delivery, service, and cost, the Company actively promotes supplier compliance with standards in six key areas: environmental protection, labor and human rights, occupational safety, business ethics, information security, and responsible minerals. Aligned with UN SDG 12 (Responsible Consumption and Production), Arcadyan is committed to building a resilient and responsibly governed sustainable supply chain.

Global Supply Chain Profile

As a global provider of broadband and wireless networking products, Arcadyan operates in the midstream of the industry chain, focusing on electronic product R&D, design, manufacturing, and assembly. Its upstream sector comprises component and module suppliers, while the downstream includes international telecom operators, system integrators, and brand customers. By integrating these upstream and downstream resources, Arcadyan delivers innovative, competitive solutions that enhance value chain synergy and market competitiveness.

Arcadyan's Tier-1 suppliers span electronic components, mechanical parts, and equipment, located mainly in Taiwan, Mainland China, and the Asia-Pacific. In 2025, the Company transacted with 377 suppliers. Based on procurement share and criticality from the previous year, Arcadyan identified 37 Tier-1 critical suppliers as primary targets for prioritized management and risk assessment.



Memory, chipsets, circuit boards, passive components, antennas, mechanical parts, power supplies

Design, manufacturing, and assembly of networking products

International telecom operators and brand customers

2025 Supplier Distribution by Region

Region	Number of Suppliers	Procurement Amount Percentage (%)
China	251	56.7%
Asia-Pacific	90	27.4%
Taiwan	32	15.5%
Americas	3	0.1%
Europe	1	0.3%
Total	377	100%

2025 First-Tier Supplier Classification

Category	Number of Suppliers	Procurement Amount Percentage (%)
Mechanical Parts	208	39.4%
Electronic Components	123	59.3%
Instruments and Equipment	46	1.3%
Total	377	100.0%

2025 Arcadyan Supplier Classification

Category	Number of Suppliers	Procurement Amount Percentage
Tier-1 Suppliers Note1	377	100%
Tier-1 Critical Suppliers Note2	37	63.8%
High-Risk Suppliers Note3	1	0.4%
Medium-Risk Suppliers Note4	36	63.4%

Note 1: Tier-1 suppliers refer to suppliers that directly supply goods, materials, or services to Arcadyan.
Note 2: Tier-1 critical suppliers refer to suppliers identified as having significant ESG risks or high business relevance, and whose procurement amount accounts for more than 0.3%.
Note 3: High-risk suppliers refer to suppliers whose risk level is rated as "High" in the risk identification and assessment form.
Note 4: Medium-risk suppliers refer to suppliers whose risk level is rated as "Medium" in the risk identification and assessment form.

Sustainable Procurement Policy

Arcadyan updated its Sustainable Procurement Policy at the end of 2025. Based on supply chain due diligence, the policy integrates UNGC, RBA, OECD, UNGP, and ISO 20400 guidelines. It applies to Arcadyan's headquarters, R&D centers, and overseas manufacturing, extending to suppliers, contractors, and business partners. The Sustainability Office plans and reviews the policy, the Sustainability Executive Taskforce tracks implementation, and the Sustainability Development Committee reports progress to the Board of Directors for ultimate oversight.

Arcadyan integrates its Sustainable Procurement Policy into new supplier evaluations, regular performance appraisals, and audit processes, implementing risk-tiered management based on location, industry, procurement value, and ESG risks. For high-risk or non-compliant suppliers, the Company intensifies oversight through Supplier Self-Assessment Questionnaires (SAQ), document reviews, on-site or remote audits, and Corrective Action Plan (CAP) tracking. In cases of material violations, Arcadyan reserves the right to enforce time-bound remediation, suspend transactions, or terminate partnerships.

Sustainable Procurement Commitments

Environmental Sustainability

- Comply with RoHS, WEEE, and customer environmental requirements
- Implement hazardous substance management and material compliance
- Promote resource circularity, energy efficiency, and carbon reduction
- Encourage suppliers to conduct greenhouse gas inventories and disclose information

Social Responsibility

- Comply with labor laws and ILO standards
- Prohibit forced labor, child labor, discrimination, and harassment
- Provide a safe, healthy, respectful, and inclusive working environment
- Promote human rights risk assessment and management

Corporate Governance

- Adhere to business ethics and prohibit bribery and corruption
- Establish reporting and grievance mechanisms
- Strengthen information security and personal data protection
- Require suppliers to sign the "Corporate Social Responsibility Commitment"

Responsible Minerals

- Prohibit conflict minerals
- Require suppliers to disclose the sources of Au/Ta/W/Sn/Co
- Complete CMRT reporting and trace back to smelters
- Conduct due diligence in accordance with OECD guidelines

Implementation Mechanisms

Supplier risk classification → Self-Assessment Questionnaire (SAQ) / document review → On-site or remote audits → Corrective Action Plan (CAP) and follow-up → Deadline for improvement, suspension of transactions, or termination of cooperation when necessary

Management Indicators

Supplier Corporate Social Responsibility Commitment	Supplier Integrity Survey response	Prohibit the procurement of conflict minerals	Achieve 100% conflict minerals audits for metal material suppliers by 2030
sign-back rate: **100%**	rate: **100%**		

Supplier Sustainability Codes and Commitment Management

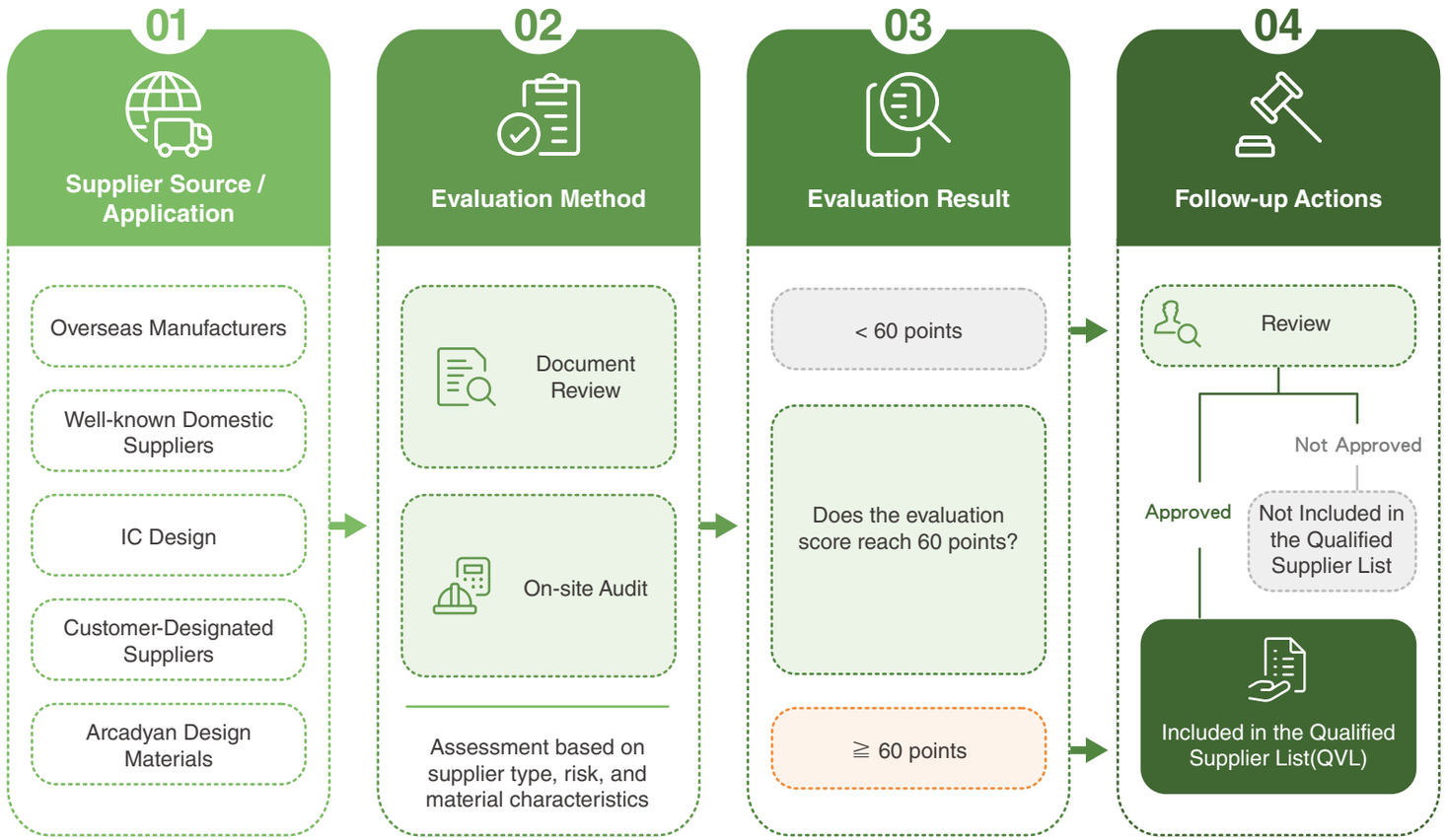
Since 2021, Arcadyan has embedded environmental and social clauses into purchase orders, mandating supplier compliance with local and international standards. All products and services must strictly comply with relevant laws, treaties, and directives, including the Montreal Protocol, WEEE, RoHS, REACH, conflict minerals regulations, and general product safety standards. Concurrently, suppliers must adhere to the information security, anti-bribery, and corporate social responsibility requirements outlined in Arcadyan's supplier policies.

By linking sustainability to transactional terms, Arcadyan embeds environmental compliance, human rights, ethics, and information security into supplier performance obligations, strengthening procurement risk control. To enhance supplier ESG resilience, the Company added information security clauses to its updated Supplier CSR Commitment Letter, which spans seven dimensions: governance, labor rights, occupational health and safety, environmental protection, management systems, ethics, and grievance mechanisms. In 2025, Arcadyan achieved a 100% completion rate, with all 384 suppliers signing and returning the commitment.

New Supplier Onboarding and Assessment

To ensure new suppliers meet Arcadyan's quality, technical, compliance, and sustainability standards, the Company has established a rigorous new supplier selection process. The Supplier Evaluation Form integrates four primary dimensions: quality, environment, engineering technology, and Corporate Social Responsibility (CSR). Additionally, candidate suppliers must provide relevant supporting documentation and sign the Supplier Corporate Social Responsibility Commitment Letter as mandatory prerequisites for admission.

Arcadyan progressively elevates ESG weight in procurement decisions, with ESG metrics accounting for 23% of the total evaluation across five dimensions: environment, labor rights, safety, ethics, and grievances. Only suppliers meeting the designated score threshold are placed on the Qualified Vendor List (QVL). In 2025, the Company evaluated 23 new suppliers; among them, three were deferred due to insufficient documentation and required to submit supplementary evidence.



Supplier Sustainability Risk Assessment

To strengthen risk control, Arcadyan implements risk-tiered management based on supplier location, industry, procurement value, and ESG risks. Integrating audit records from the past two years, the comprehensive evaluation spans nine dimensions: geographic location, product category, transaction scale, sales model, conflict minerals, hazardous substances, business continuity, labor rights, and CSR performance. Arcadyan applies differentiated measures, intensifying reviews, audits, and corrective tracking for medium- and high-risk suppliers, while utilizing these outcomes to guide subsequent supplier coaching, procurement decisions, and partnership management.

During its 2025 assessment of 377 suppliers, Arcadyan identified 1 high-risk (0.27%) and 36 medium-risk vendors, completing all reviews per standard procedures. The high-risk vendor, a customer-directed material supplier, exhibited quality and ESG vulnerabilities that threatened product stability and supply chain sustainability. Consequently, Arcadyan immediately suspended transactions with this supplier to mitigate operational and sustainability risks.

Arcadyan aligns incoming inspections with customer green requirements. In 2025, the Company evaluated the environmental performance of 515 suppliers—spanning electronic, mechanical, consumable, and packaging materials—by collecting green component lists and material test reports. This initiative achieved a 92% response rate, ensuring material compliance with environmental regulations, customer specifications, and product sustainability standards.

Aspect	Assessment Items
Geographic Location	Whether the supplier is located in a high-risk region, such as conflict mineral sourcing areas or countries/regions with forced labor risks.
Product Category	Whether the supplied products involve high environmental risk processes, such as printed circuit boards, painting, chemical plating, or other processes that may cause pollution.
Transaction Scale	Annual transaction amount and volume with the supplier; larger transaction scales indicate higher impact.
Sales Type	The supplier's sales channels and relationship types (e.g., direct sales, agency, distribution), which affect their control and response capabilities.
Conflict Minerals Risk	Whether minerals such as tin, tantalum, tungsten, or gold originating from armed conflict regions are used.
Hazardous Substances Risk	Whether the supplied products may contain or use hazardous substances that affect Arcadyan's environmental compliance (e.g., RoHS, REACH).
Business Continuity Risk	Whether the supplier faces operational disruption risks, including financial health, geopolitical interference, unstable production capacity, and other factors.
Labor and Human Rights Risk	Whether issues such as excessive working hours, unfair wages, or improper working conditions exist.
CSR-Related Performance	The supplier's CSR-related audit results over the past two years, completion rate of corrective actions for non-conformities, and overall sustainability performance.

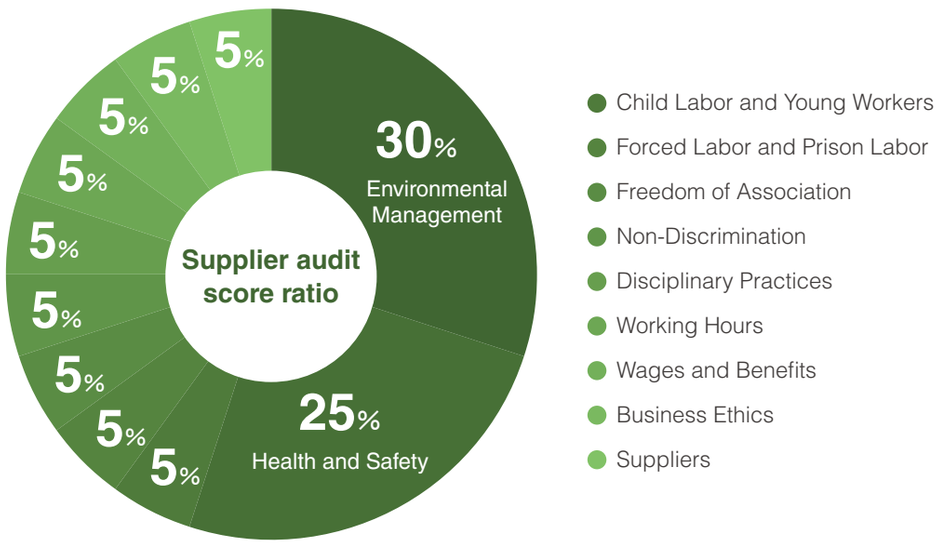
Supplier Auditing

In alignment with the Responsible Business Alliance (RBA) Code of Conduct, Arcadyan has developed a Supplier CSR Audit Checklist to perform document reviews and on-site audits for high-risk or key suppliers. The audit covers labor, health and safety, environment, ethics, management systems, and grievance mechanisms. Environmental management and occupational health and safety account for 55% of the total score, with the remaining categories making up 45%.

In 2025, Arcadyan conducted audits on 26 Tier 1 suppliers selected from the medium-risk list, achieving a 100% completion rate. To meet customer requirements, the Company also completed on-site audits and corrective guidance for 2 Tier 2 suppliers, further strengthening supply chain sustainability, compliance, and risk management.

Since 2016, Arcadyan has actively participated in the Joint Alliance for CSR (JAC), collaborating with global telecom operators to promote CSR in the ICT supply chain. In 2025, the Company arranged JAC audits for 6 suppliers and assisted non-compliant vendors in setting remediation targets and timelines to continuously improve supply chain sustainability performance.

2025 Key Sustainable Supply Chain Initiatives



2025 Sustainable Supply Chain Measures	Planned Quantity	Actual Completed Quantity	Completion Rate
New Supplier CSR Evaluation	23	20	87%
Supplier Corporate Social Responsibility Commitment	384	384	100%
Tier-1 Supplier Audit	26	26	100%
Tier-2 Supplier Audit	2	2	100%
JAC Supplier Audit	6	6	100%
Supplier CSR Non-conformity Improvement Coaching	39	39	100%
Green Component and Material Testing Data Collection	515	474	92%

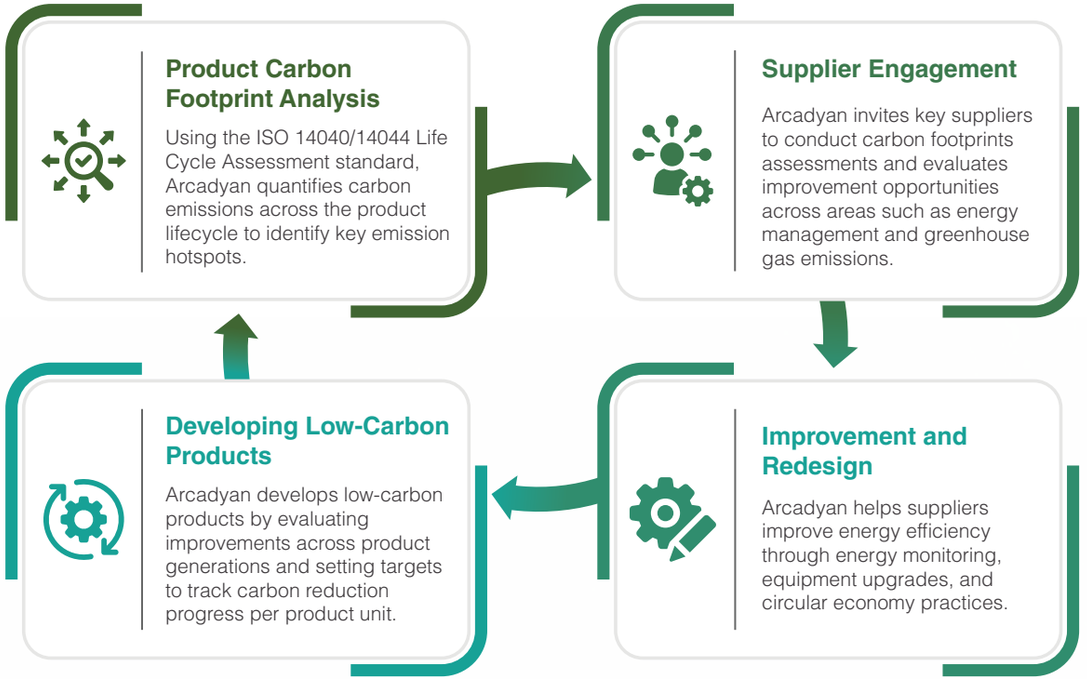
Supplier Coaching

Arcadyan regards supplier coaching as a key measure to enhance sustainable performance across the supply chain. The Company provides regular follow-up and improvement guidance for non-conformities identified during Corporate Social Responsibility (CSR) audits. In 2025, Arcadyan assisted 39 suppliers in resolving CSR-related issues, with the main improvement areas being "Health and Safety," "Environmental Management," and "Working Hours and Overtime," accounting for approximately 70% of total non-conformities. Through this tracking and coaching mechanism, Arcadyan helps suppliers strengthen their sustainable management capabilities and reduce potential risks in occupational safety, environmental compliance, and labor rights.

In environmental management, Arcadyan has developed a professional green information platform that provides the latest international environmental regulations and compliance information. This helps suppliers track regulatory changes, maintain compliance, and monitor document uploads and updates, thereby enhancing supply chain compliance and sustainable management effectiveness.

Arcadyan actively participates in customer-initiated Sustainable Development Programs (SDP), guiding suppliers to adopt Responsible Business Alliance (RBA) standards. The two-year program covers 10 ESG dimensions—including sustainable strategy, management systems, stakeholder engagement, resource and environmental management, lifecycle thinking, labor practices, human rights, and supplier development—to help suppliers build comprehensive sustainable management systems. In 2025, five suppliers achieved "Silver Grade" certification, while all six suppliers that underwent JAC audits successfully completed corrective actions, further strengthening supply chain capabilities in labor, health and safety, environment, business ethics, and management systems.

Arcadyan also incorporates low-carbon transformation into supplier coaching, helping key suppliers build capabilities in product carbon footprint calculation, energy management, and carbon reduction. For details on product carbon footprint analysis, supplier carbon inventory, low-carbon design, and reduction achievements, please refer to Section 2.6.3 "Go Green with Arcadyan Carbon Reduction Project."



Sustainable Procurement Training

To strengthen procurement personnel's sustainable supply chain management capabilities, Arcadyan continues to provide training on sustainable procurement. The courses cover the RBA Code of Conduct, Responsible Minerals Initiative (RMI), sustainable procurement policy, supplier due diligence, and supply chain risk management. These trainings help procurement staff integrate ESG factors into supplier selection, procurement decisions, and supplier communication, enhancing the implementation of sustainable procurement.

In 2025, 22 procurement staff completed sustainable procurement training with a 100% completion rate. ESG targets were incorporated into procurement performance indicators to strengthen sustainable supply chain management. Additionally, two procurement personnel completed RBA auditor certification training (16 hours), enhancing their supplier audit and risk identification capabilities.

Outstanding Supplier Recognition

Arcadyan encourages partners to continuously improve in quality, delivery, service, environmental protection, and social responsibility through its Outstanding Supplier Recognition program. The evaluation criteria encompass incoming material quality, customer complaints, improvement of non-conformities, service coordination, CSR performance, ESG on-site audits, JAC audits, and supply chain carbon reduction results.

In 2025, Arcadyan presented the "Outstanding Supplier" and "Best Carbon Reduction" awards to a total of 11 outstanding partners. This recognition encourages suppliers to continuously enhance their quality, service, and sustainable management capabilities, working together with Arcadyan to build a resilient and sustainably competitive supply chain.

2.6.3 Go Green with Arcadyan Carbon Reduction Project

In response to the global net-zero transformation, the EU Carbon Border Adjustment Mechanism (CBAM), and escalating customer demands for supply chain decarbonization, Arcadyan views supplier carbon reduction as a pivotal strategy for achieving its SBTi and Scope 3 targets. Given that upstream supply chains and product lifecycles represent the primary drivers of Arcadyan's carbon footprint, effective supplier carbon management is paramount to realizing its net-zero ambitions.

To drive low-carbon transformation across the value chain, Arcadyan launched the "Go Green with Arcadyan" supply chain decarbonization project in 2023. The initiative helps key suppliers build capabilities in greenhouse gas inventories, product carbon footprints, and carbon reduction strategies through training, guidance, technical exchanges, and progress tracking, thereby enhancing supplier carbon management maturity and expanding decarbonization impact across the value chain.

Go Green 1.0 Achievements

Launched in October 2023, the Go Green 1.0 project initially invited 14 key high-carbon suppliers across six major component categories—adapters, cables, casings, connectors, heat sinks, and printed circuit boards. Through systematic coaching, these suppliers have built carbon management capabilities and implemented reduction actions. The cumulative achievements are as follows:

Aspect	2025 Cumulative Achievements
Organizational Level (Scope 1+2)	11 suppliers completed ISO 14064 verification; 7 installed solar power systems; and 4 purchased green electricity certificates, achieving cumulative carbon reductions of 95,302 tCO_2e through equipment upgrades, smart energy management, and waste heat recovery.
Product Level (Scope 3)	5 suppliers obtained ISO 14067 product carbon footprint certification. Product lightweighting, miniaturization, PCR materials, and optimized packaging and logistics achieved cumulative carbon reductions of 11,106 tCO_2e.
Strategic Impact	2 suppliers formally joined SBTi, demonstrating the supply chain's commitment to science-based carbon reduction targets.

Through Go Green 1.0, Arcadyan has helped suppliers build foundational carbon management capabilities while driving meaningful actions in renewable energy adoption, energy efficiency, product carbon footprint management, and low-carbon materials. These efforts provide a strong foundation for Arcadyan's Scope 3 emission reduction and support customers' low-carbon product needs.

Go Green 2.0 Focus Areas

To further strengthen supply chain decarbonization, Arcadyan launched the "Go Green with Arcadyan 2.0" project in October 2025. The program expands coaching from basic carbon inventory to target setting, energy efficiency improvement, renewable energy adoption, low-carbon material application, and product carbon footprint management. Suppliers will be guided through four phases, with regular tracking and improvement plans to establish sustainable carbon management mechanisms.

Project Implementation Schedule

Initiation and Inventory Phase (Oct 2025 – May 2026)	Capability Building and Target Setting Phase (Jun–Jul 2026)	Action Implementation and Optimization Phase (Jul–Dec 2026)	Results Tracking and Rolling Review Phase (From Jan 2027)
Select five key suppliers based on procurement value, criticality, and carbon emissions. After assessments, suppliers sign reduction commitment letters and form internal teams to launch organized carbon management and reduction actions.	Deliver ISO 14064 and ISO 14067 training to help suppliers establish GHG inventory and product carbon footprint assessment capabilities as the foundation for reduction management and improvement actions.	Suppliers create specific reduction plans based on inventory results. Arcadyan provides strategies to support target setting, pathway planning, and implementation of energy efficiency, low-carbon materials, and process optimization measures.	Compile energy-saving and carbon reduction achievements through regular tracking, monitoring, and reviews to continuously optimize management practices and drive long-term low-carbon transformation across the supply chain.

Project Implementation Steps

Through the Go Green with Arcadyan project, Arcadyan supports suppliers in building carbon reduction capabilities through system development, technical support, and external partnerships.

01 Carbon Commitment

Supplier senior management signs a Carbon Management Commitment Statement to demonstrate support for carbon reduction targets. A cross-functional project team is established to plan and implement carbon reduction strategies.

02 Carbon Awareness

Climate change and carbon management training is provided to enhance suppliers' understanding of global trends, the Science Based Targets initiative (SBTi), and GHG inventory methodologies, building a shared commitment to sustainable development.

03 Carbon Inventory

Suppliers are guided to conduct organizational GHG inventories in accordance with ISO 14064 and product carbon footprint assessments based on ISO 14067, enabling identification of emission hotspots and third-party verification.

04 Carbon Reduction

Suppliers are required to conduct annual GHG inventories, set organization-level carbon reduction targets of 3–5% per year, and develop improvement plans to continuously advance energy-saving and low-carbon transition initiatives.

05 Carbon Tracking

Carbon reduction progress and target achievement are monitored through monthly follow-up meetings and performance reviews. Gaps are addressed through feedback and adjustment to ensure effective implementation.

06 Carbon Management

Medium- and long-term carbon management roadmaps are jointly developed with suppliers to expand carbon reduction partnerships, supported by annual performance reviews and a rolling improvement mechanism for continuous improvement.

Future Outlook

After the official launch of Go Green 2.0, Arcadyan plans to conduct a mid-year review in June 2026 to evaluate project progress and suppliers' carbon reduction performance. The Company will continue enhancing suppliers' carbon management capabilities, expanding participation, and deepening supply chain decarbonization. Through data management, technical coaching, and customer collaboration, Arcadyan will drive reduction actions and work with value chain partners toward low-carbon transformation and net-zero goals.

2.6.4 Supply Chain Human Rights Policy and Diversity & Inclusion

Arcadyan emphasizes supply chain human rights risk management and incorporates requirements on labor rights, occupational safety, working hours and wages, prohibition of forced labor, child labor, and anti-discrimination into supplier management mechanisms. Through commitment letters, risk assessments, audits, and improvement tracking, the Company promotes human rights protection and diversity & inclusion, encouraging partners to build a responsible business environment that respects human rights and embraces diversity.

Supply Chain Human Rights Management

Arcadyan requires suppliers to comply with local labor laws and international human rights standards. The Supplier Corporate Social Responsibility Commitment Letter explicitly prohibits child labor, forced labor, human trafficking, discrimination, and mistreatment, while ensuring employees' rights to freedom of association, reasonable working hours, fair wages and benefits, and a safe and healthy working environment. To address international supply chain human rights regulations and strengthen forced labor risk management, Arcadyan incorporated the U.S. Uyghur Forced Labor Prevention Act (UFLPA) requirements into the Commitment Letter since 2024. Suppliers are prohibited from using materials, products, or services involving forced labor, human rights violations, or high-risk sources. The Company mitigates these risks through supplier questionnaires, declaration documents, supply chain traceability, and risk identification mechanisms.

Arcadyan incorporates human rights risks into its supplier sustainability risk assessment and audit processes. Enhanced scrutiny is applied to high-risk regions, industries, or supplier types. If any supplier is found to violate labor rights, engage in forced labor, or fail to comply with Arcadyan's supplier code of conduct, the Company requires the supplier to submit an improvement plan and continuously monitors progress. In serious cases, measures such as suspension of transactions or termination of cooperation may be implemented to strengthen supply chain human rights risk control.

Diverse and Inclusive Procurement Practices

Arcadyan is committed to fostering a safe, inclusive, and respectful workplace that values diversity across gender, nationality, ethnicity, age, sexual orientation, and other backgrounds. This commitment extends beyond our internal culture to supply chain and outsourcing practices. When selecting service providers, we prioritize partners that champion diversity and social impact. For example, 50% of our employee cafeteria vendors are small local businesses owned by Indigenous women. Our cleaning services partner with companies that provide employment opportunities for middle-aged and senior women, and we collaborate with social welfare organizations and sheltered workshops to support job opportunities for people with disabilities.

In 2025, Arcadyan's specific cooperation information on diversity and equality outsourcing projects is as follows:

Type	Enterprise Characteristics	2025 Transaction Amount
Employee Cafeteria Suppliers	• Enterprises operated by small and disadvantaged group • Women-owned enterprises • Enterprises operated by ethnic minorities or indigenous peoples	TWD 9,479,031
Cleaning Company Contractors	• Enterprises operated by small and disadvantaged groups • Women-owned enterprises • Providing employment opportunities for relatively disadvantaged workers such as middle-aged and older women	TWD 3,950,397
Public Welfare Organizations	• Social welfare organizations or sheltered workshops • Providing employment opportunities for disadvantaged groups such as persons with disabilities	TWD 313,013
Total		TWD 13,742,441

Through responsible procurement, Arcadyan supports diverse and socially contributive businesses to build a fairer, more inclusive, and socially responsible supply chain, creating shared value and sustainable development for the Company and society.

2.6.5 Local Procurement

With its Vietnam manufacturing center as a key production base, Arcadyan actively implements a localized procurement strategy to improve production efficiency, ensure supply stability, and reduce transportation-related environmental impacts. In response to growing product applications and customer demand, the Company is developing new local suppliers in Vietnam and neighboring regions while encouraging existing partners to establish production and service sites in Vietnam or Southeast Asia. This approach shortens transit distances, lowers logistical risks, improves delivery flexibility, and reduces carbon emissions from cross-border transportation.

In addition to optimizing packaging design, improving loading efficiency and space utilization, and adopting recyclable packaging materials, Arcadyan actively explores opportunities with local suppliers to increase the proportion of localized sourcing. In 2025, the local procurement ratio at Arcadyan's Vietnam manufacturing center reached 23.2%, successfully achieving the annual target of 22%. Moving forward, Arcadyan will continue to promote supplier localization, regionalization, and diversification. Through supplier evaluation, quality management, and sustainability risk assessment mechanisms, the Company ensures that local suppliers meet its standards for quality, delivery, and sustainable management.

Historical Local Procurement Amount Ratio at Vietnam Manufacturing Center

Year	Local Procurement Amount Ratio
2022	11.5%
2023	14.0%
2024	20.3%
2025	23.2%

2.6.6 Responsible Minerals Management

Arcadyan places strong emphasis on responsible minerals management. In line with the Responsible Minerals Initiative (RMI) and customer requirements, the Company has established supply chain sourcing investigation and risk management mechanisms. Suppliers are required to disclose the origins of tin (Sn), tantalum (Ta), tungsten (W), cobalt (Co), and gold (Au) used in their products. Using Responsible Minerals Assurance Process tools, Arcadyan collects smelter and refiner information to ensure compliance with responsible minerals procurement standards.

At the end of 2025, Arcadyan revised its Sustainable Procurement Policy to incorporate responsible minerals management and supply chain due diligence into procurement decisions and supplier management. The Company also requires suppliers to extend responsible minerals requirements to their upstream supply chains, tracing back to smelters and refiners, to minimize risks of conflict minerals, human rights violations, or illegal mining.

Arcadyan Conflict Minerals Management Policy:

1. Prohibit the use of conflict minerals from the Democratic Republic of the Congo (DRC) and adjoining countries.
2. Require suppliers to sign a Declaration of Non-Use of Conflict Minerals.
3. Require suppliers to disclose sources of Ta, Sn, W, Co, and Au and complete the Conflict Minerals Reporting Template (CMRT).
4. Require upstream due diligence to the smelter level before procurement.

Management Targets:

1. Ban the purchase or supply of products containing conflict minerals mined in the Democratic Republic of the Congo (DRC).
2. Conduct conflict mineral audits on 100% of metal material suppliers by 2030.

Responsible Minerals Management Mechanism and Implementation Process

Arcadyan conducts annual responsible minerals due diligence surveys with its suppliers using the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) developed by the Responsible Minerals Initiative (RMI). These surveys gather detailed information on the use of regulated minerals, upstream smelters and refiners, countries of origin, and whether the smelters/refiners conform to the Responsible Minerals Assurance Process (RMAP). In 2025, Arcadyan received 370 completed CMRT and EMRT reports, achieving a 97% response rate. The Company thoroughly reviewed the submissions for data completeness and potential risks, and followed up with suppliers that had high-risk sources or insufficient information. These efforts aim to enhance transparency in minerals sourcing and strengthen responsible procurement practices.

The Arcadyan Green Product Team conducts regular conflict minerals analysis on key products by disassembling them to the smallest components to verify whether any metals originate from high-risk sources. Investigation results are recorded in the supplier conflict minerals management system. The Green Product Department reviews submitted data and supporting documents to improve transparency, completeness, and traceability of responsible minerals information. Since implementing responsible minerals management, Arcadyan has not encountered any product returns, customer complaints, or reputational risks related to non-compliance.

Furthermore, Arcadyan incorporates responsible minerals performance into regular supplier evaluations, covering incoming material quality, customer complaint handling, environmental and social responsibility, conflict minerals management, and hazardous substance control. Evaluation results guide procurement strategy and supplier management—excellent performers are prioritized, while those with poor results, incomplete data, high-risk sources, or insufficient improvement are required to provide additional information, update questionnaires, or submit improvement plans. In severe cases, they may be subject to the supplier exit mechanism. The Company has set a target to complete conflict minerals audits for 100% of metal material suppliers by 2030, further expanding responsible minerals management coverage.

Responsible Minerals Education and Training

To enhance understanding of responsible minerals management, Arcadyan conducts annual awareness training for internal staff and holds online briefing sessions for suppliers to strengthen value chain awareness of responsible procurement and conflict minerals risks. The training covers international regulations, OECD Due Diligence Guidance, RMI standards, definitions of conflict minerals, regulated types, high-risk regions, and related issues including armed conflict, human rights violations, and environmental damage.

In 2025, Arcadyan incorporated conflict minerals overview into company-wide training, with 3,921 employees completing the course. For suppliers, the Company provided training to 328 vendors, covering policy, CMRT/EMRT completion, smelter/refiner traceability, RMI standards, and regulatory trends. These efforts improve suppliers' understanding of certification and compliance requirements, enhancing responsible procurement capabilities and minerals sourcing information quality across the supply chain.

Reporting Channels and Traceability Mechanisms

Arcadyan has established a dedicated reporting mailbox (ethics@arcadyan.com) to encourage suppliers, employees, and other stakeholders to report any suspected issues related to conflict minerals, human rights violations, illegal mining, or inaccurate information. Upon receiving such reports, the Company promptly initiates investigations and follow-up actions. Suppliers are required to provide improvement explanations or alternative sources. Where necessary, Arcadyan may adjust procurement strategies or terminate cooperation with high-risk suppliers to uphold responsible procurement principles.

3 Green Innovation

3.1 Technological Innovation and Patent Portfolios
3.2 Sustainable Product Design and Circular Economy
3.3 Raw Material Hazardous Substance Control and Regulatory Compliance
3.4 Customer Health and Safety

Issue	Strategy	2025 Target	2025 Performance	2026 Target	2030 Target
Technology and R&D	Strengthen R&D resource investment	R&D expenditure increases by 5% compared with the previous year	R&D expenditure increased by 9.9% compared with the previous year, achieving the annual target	R&D expenditure increases by 5% compared with the previous year	Continuously increase R&D expenditure to strengthen key technologies and product innovation capabilities
	Improve retention of key R&D talent	Key R&D talent retention rate ≥ 97%	Key R&D talent retention rate: 95.7%, target not achieved	Key R&D talent retention rate ≥ 97%	Maintain key R&D talent retention rate ≥ 97%
Green Products	Obtain green product label certification	Green product certification achievement rate: 100%	Green product certification achievement rate: 100%, achieving the annual targe	Green product certification achievement rate: 100%	Maintain green product certification achievement rate at 100%
	Increase the proportion of halogen-free parts	Halogen-free part number introduction rate ≥ 80%	Halogen-free part number introduction rate: 88%, exceeding the annual target	Halogen-free part number introduction rate ≥ 88.5%	Halogen-free part number introduction rate ≥ 90%
	Hazardous Substances Free (HSF)	100% of products comply with hazardous substance controls and customer requirements	100% of products comply with hazardous substance controls and customer requirements, with no related customer complaints	100% of products comply with hazardous substance controls and customer requirements, with no related customer complaints	100% of products comply with hazardous substance controls and customer requirements, with no related customer complaints
Circular Economy	Promote low-carbon and green materials	Promote more than 22 biodegradable or low-carbon materials	Promoted a total of 36 biodegradable or low-carbon materials, exceeding the annual target	Promote a total of 38 biodegradable or low-carbon materials	Promote a total of 40 biodegradable or low-carbon materials
	Use low-carbon materials in products	Percentage of product models adopting recycled plastics ≥ 75%	Percentage of product models adopting recycled plastics: 71%, target not achieved	Percentage of product models adopting recycled plastics ≥ 75%	Percentage of product models adopting recycled plastics ≥ 78%
	Use environmentally friendly packaging materials	Percentage of recycled materials used in product packaging ≥ 95%	Percentage of recycled materials used in product packaging: 96.5%, achieving the annual target	Percentage of recycled materials used in product packaging ≥ 96%	Percentage of recycled materials used in product packaging ≥ 96%

Note 1: Green product certification achievement rate refers to the percentage of products meeting customer or regulatory requirements and completing relevant green product label, carbon footprint, or environmental declaration verification.
Note 2: Halogen-free part number introduction rate is calculated as the number of halogen-free compliant part numbers divided by the total number of applicable part numbers.
Note 3: Hazardous Substances Free (HSF) means products comply with relevant regulations, customer requirements, and Arcadyan's internal hazardous substance management requirements.
Note 4: The percentage of product models adopting recycled plastics is calculated as the number of models introducing recycled plastics divided by the total number of applicable models.

3.1 Technological Innovation and Patent Portfolios

Arcadyan has long dedicated itself to innovation and R&D in broadband network access technologies. Leveraging its deep expertise and technical experience in wireless and broadband communications, the Company is committed to providing efficient, stable, and diverse broadband access solutions to global customers, thereby continuously reinforcing its pivotal position within the global broadband equipment supply chain.

R&D innovation is the foundation of Arcadyan's industrial competitiveness and long-term sustainable development. To respond to rapid market and technological changes, the Company has established R&D centers in Taipei, Hsinchu, Shanghai, and Guangdong. Technical support nodes have also been set up in Taiwan, the UK, Spain, Germany, the US, Canada, Australia, and India to provide real-time technical consultation and localized after-sales services, building a flexible global R&D and support network.

3.1.1 Historical R&D Investment

In 2025, Arcadyan's R&D investment accounted for 5.7% of total revenue, demonstrating its strong commitment to innovation-driven growth. Additionally, R&D personnel made up approximately 73.7% of the headquarters workforce, underscoring the critical role of the research team in driving operations and product innovation.

In response to rapid technological and industry changes, Arcadyan leverages R&D investments, cross-regional collaboration, and global technical support to accelerate product development and commercialization. Through systematic R&D management, the Company converts innovations into market value, strengthens technical competitiveness, and establishes a foundation for sustainable product design, low-carbon technologies, and green product development

R&D Investment	2022	2023	2024	2025
R&D Expenditure (NT$ million)	2,510	2,887	2,742	3,013
R&D Expenditure as a Percentage of Revenue (%)	5.3%	5.6%	5.6%	5.69%
Number of R&D Personnel	646	666	687	750
R&D Personnel as a Percentage of Employees (%)	73.5%	73.2%	72.9%	73.7%
Key R&D Talent Retention Rate (%)	85.5%	96.7%	96.4%	95.7%

3.1.2 Historical Emerging Technologies and Patent Achievements

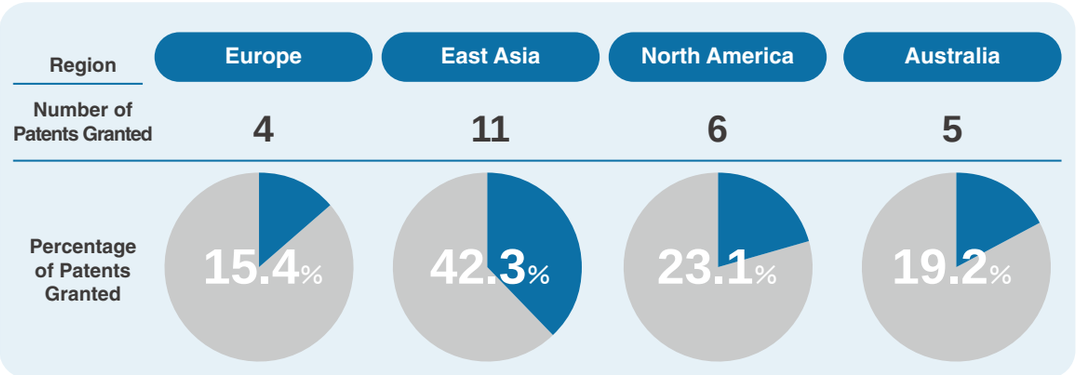
Arcadyan emphasizes both patent quality and quantity, continuously fostering technological innovation and improving patent application quality and intellectual property management efficiency. The Company focuses its patent strategy on emerging technologies, new products, and business developments, building high-value IP assets through strategic, market-oriented patent layouts to strengthen its technical competitiveness.

Rather than focusing solely on patent quantity, Arcadyan prioritizes technical depth, market applicability, and enforcement value. By building a competitive patent portfolio, the Company drives product differentiation and innovation, offering customers reliable technical protection and establishing a solid foundation for future expansion.

Historical Patent Applications and Grants	2022	2023	2024	2025
Number of Patent Applications Filed	20	33	52	55
Number of Patents Granted	31	44	59	29

Note: Patent examination procedures typically take 1 to 4 years, depending on the system of each country. Therefore, most currently granted patents are issued from applications filed in previous years.

2025 Granted Patents by Region and Percentage



Note: East Asia refers to Taiwan and Japan, while North America refers to the United States and Canada. The three granted patents in China are excluded from the East Asia total but included in the denominator when calculating the granted patent ratio.

3.1.3 Technology and Product Development Achievements Over the Past Three Years

Over the past three years, Arcadyan has expanded its R&D depth and breadth in wireless communications and smart mobility. The Company has developed several new technologies and products with strong market potential and environmental sustainability value, applying these innovations to communications equipment, smart devices, and vehicle networking to enhance product performance, stability, and eco-friendliness.

- **Stable and High-Performance Communication Technologies:** Arcadyan focuses on wireless communication and networking technologies to enhance data transmission efficiency, network coverage, and connection stability. These solutions are applied in home networking equipment, base stations, and various smart devices to meet demands for high-speed and reliable data transmission.
- **Energy-Efficient and Environmentally Friendly Mechanical Design:** In product design, Arcadyan balances durability, stability, production efficiency, and environmental friendliness. Through structural optimization and careful material selection, the Company extends product lifespan, improves ease of maintenance, and reduces resource consumption and environmental impact throughout the product lifecycle.
- **Smart Mobility and Connected Vehicle Technologies:** Arcadyan independently develops vehicle-related technologies, covering in-vehicle communication systems, sensors, radar equipment, and integrated design of vehicle exteriors or devices. These technologies support the development of smart vehicles and autonomous driving, and enhance driving safety, information integration, and the value of future smart mobility applications.

Stable and High-Performance Communication Technologies

Patent Publication Nos.:

JP 7525456、EP3975340B1

US 11569581、TW I731792

These patented technologies focus on wireless communications and network connectivity, enabling terminal devices to achieve high efficiency with low power consumption through improved transmission efficiency, optimized network coverage, and enhanced connection stability. These innovations support the development of smart homes, IoT, and high-speed broadband applications, while strengthening product performance and Arcadyan's technical competitive advantage.

Energy-Efficient and Eco-Friendly Mechanical Design

Patent Publication / Grant No(s).:

TWI832290B、EP4293919A1

US20230413488A1、AU2023203689B2

These patented technologies focus on product structure and manufacturing design. Through heat dissipation optimization, material application, and improved assembly methods, they enhance product durability, stability, and energy efficiency while extending product lifespan. These achievements help reduce resource consumption and electronic waste, demonstrating Arcadyan's commitment to environmentally friendly design and product responsibility.

Smart Mobility and Connected Car Technologies

Patent Publication Nos.:

TWM661780U

These patented technologies encompass in-vehicle communication, sensing, radar systems, and vehicle device integration, focusing on improving information processing and driving safety. By integrating smart and connected technologies, these innovations support intelligent transportation and electric vehicle development, showcasing Arcadyan's strengths in safety applications, technology integration, and future mobility solutions.

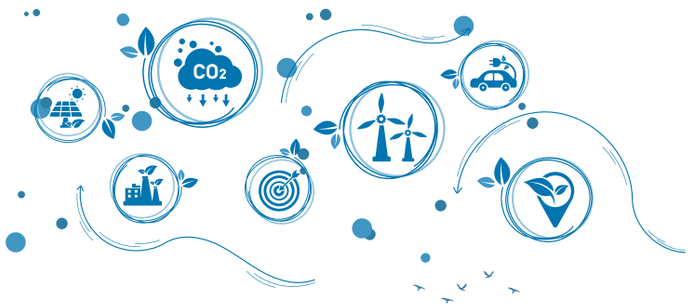
3.2Sustainable Product Design and Circular Economy

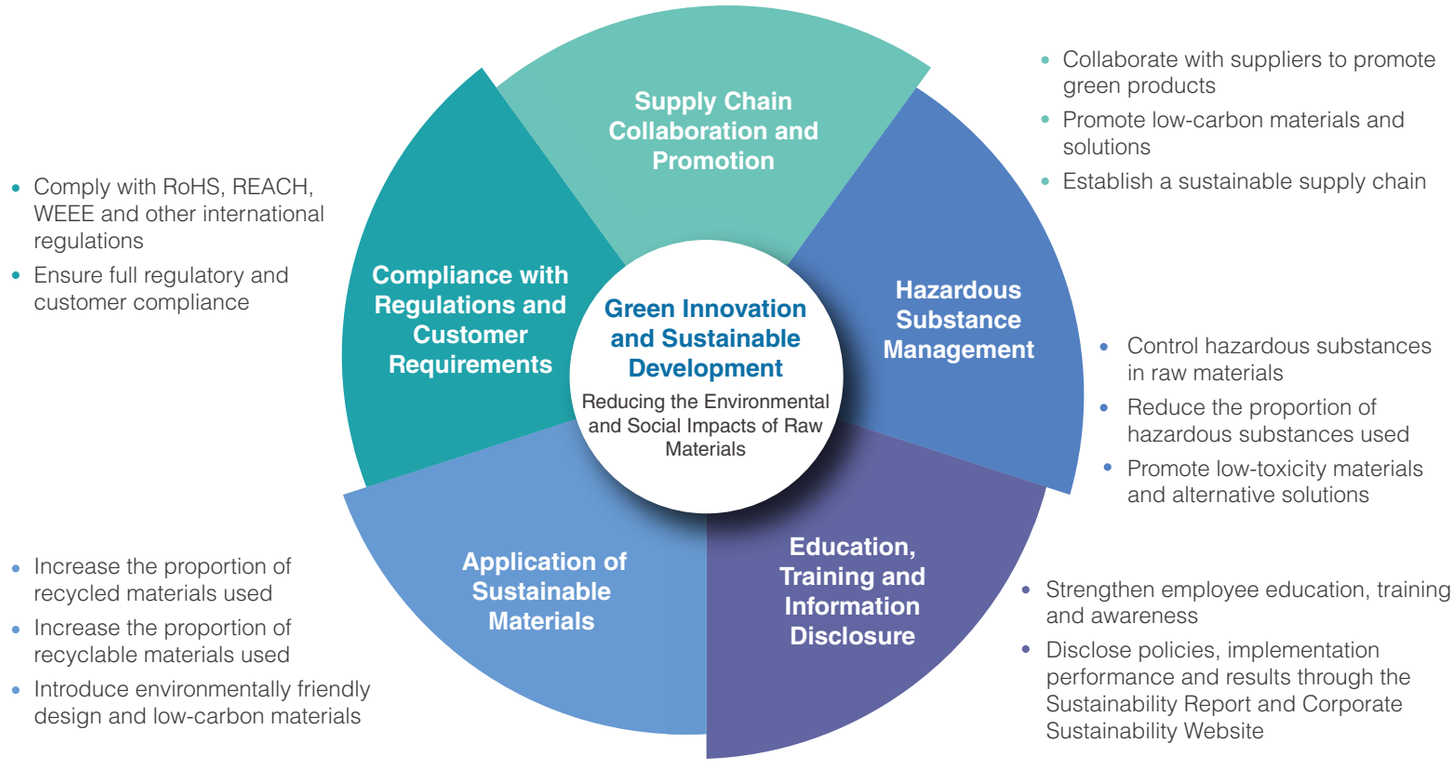
Arcadyan actively assesses climate-related risks and opportunities for its operations and products, integrating green design principles into the development process. Focusing on the Product Life Cycle (PLC), the Company evaluates environmental impacts across five key stages—raw material procurement, manufacturing, packaging and transportation, product use, and end-of-life recycling—to minimize resource consumption and carbon emissions. By adopting "Cradle to Cradle" (C2C) principles and circular economy concepts, Arcadyan promotes a "make, use, and recycle" model, enhancing resource efficiency and reducing pollution and waste from the design stage. Through Eco-Design, Life Cycle Assessment (LCA), and technological innovation, the Company lowers product environmental footprints while increasing sustainability value and market competitiveness.

At the early product design stage, Arcadyan integrates customer needs, functionality, energy efficiency, and regulatory requirements while strictly adhering to international standards such as the Energy-related Products Directive (ErP), RoHS, REACH, and WEEE. These requirements are implemented throughout design, development, verification, and operations to mitigate compliance risks and meet market demands. Arcadyan has maintained a flawless record with zero non-compliance on product information, labeling, or voluntary codes since 2006. In 2025, the Company had no product-related legal violations or major litigation exceeding NT$2 million related to health and safety, demonstrating its strong commitment to product compliance, environmental regulations, and customer responsibility.

3.2.1 Green Product Raw Material Policy

In 2025, Arcadyan published its Green Product Raw Material Policy. Guided by the principles of "Green Innovation and Sustainable Development," the policy seeks to minimize environmental and social impacts of raw materials across the product lifecycle through compliant, transparent, and continuously improving methods. Built on five core principles—regulatory and customer compliance, hazardous substance control and reduction, sustainable material applications, supply chain collaboration, and training and information disclosure—the policy serves as the strategic foundation for advancing low-carbon, recycled, and recyclable materials while promoting the circular economy.





3.2.2 Sustainable Product Design Strategies and Management Achievements

Arcadyan's product design is guided by four core pillars: using low-toxicity materials, achieving high energy efficiency with low power consumption, enabling easy disassembly and recycling, and extending product lifespans. In response to international sustainability trends, stakeholder expectations, and customer needs, the Company integrates eco-friendly design into product development to minimize environmental impacts and enhance overall product sustainability and market competitiveness.

2003
- Founded Arcadyan, laying the foundation for broadband communication product R&D and manufacturing.

2004
- Required supplier RoHS (Restriction of Hazardous Substances Directive) compliance declarations.
- Provided WEEE (Waste Electrical and Electronic Equipment Directive) recycling and disassembly reports, including third-party independent testing and verification.

2006
- Initiated PCR (Post-Consumer Recycled) material development.
- Adopted RoHS- and REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)-compliant materials.

2009
- Disclosed full material composition.

2010
- Launched the first halogen-free products.
- Began conflict minerals disclosure.

2013
- Continued WEEE (Waste Electrical and Electronic Equipment Directive) recycling reporting.

2014
- Established the Green Information Platform.

2015
- Implemented ISO 14006 eco-design.
- Initiated product carbon footprint assessment.
- Introduced PCR (Post-Consumer Recycled) plastics.

2016
- Completed ISO 14040/14044 Life Cycle Assessment (LCA) training.
- Conducted product LCAs.
- Began low-carbon material evaluation.

2017
- Achieved first ISO 14067 product carbon footprint verification and TÜV Green Product Mark.
- Began phasing out plastic packaging.

2019
- Obtained external verification for ISO 14006 and ISO 14040/14044.

2020
- Implemented BS 8001 circular economy framework.
- Established SCIP (Substances of Concern In articles as such or in complex objects (Products)) database.

2021
- Achieved BS 8001 Best Practice verification.
- Reduced barium oxide usage.
- Adopted lead-free AC pins.

2022
- Promoted mineral oil-free requirements across the supply chain.
- Eliminated plastic packaging.

2023
- Required suppliers to declare mineral oil-free materials.
- Used primary data for Taiwan Carbon Footprint Label.

2024
- Completed PFAS (Per- and Polyfluoroalkyl Substances) survey.
- Obtained the first Taiwan Carbon Label for telecom customer products.

2025
- Developed ocean-bound plastics and recycled metals.
- Incorporated Washington State WAC 173-337 (Safer Products for Washington) requirements into product management.

Product Compliance and Green Mark Certifications

All Arcadyan products comply with the design and energy efficiency requirements of the Energy-related Products Directive (ErP 2009/125/EC). The ErP Directive seeks to improve energy efficiency of energy-related products, with emphasis on eco-design during the use phase. Compliant products must meet minimum energy efficiency standards and ErP conformity requirements, including CE marking, before being placed on the market.

In addition to meeting CE and ErP requirements, Arcadyan has obtained various energy efficiency compliance markings for different markets, including UKCA, CE-CVA, and SNE. The Company also fulfills the energy efficiency standards and testing protocols of countries such as Germany, Switzerland, France, the UK, and Canada. This comprehensive certification ensures all products meet the energy efficiency and compliance requirements of its major consumer markets.

To enhance product environmental transparency and the credibility of third-party verification, Arcadyan has adopted the TÜV Green Product Mark since 2018. These third-party verifications focus on energy efficiency, energy-saving performance, carbon footprints, and eco-friendly characteristics. Verified products not only comply with relevant directives but also receive green product labels and carbon footprint certificates, demonstrating the Company's achievements in low-carbon design and environmental responsibility.In 2025, eco-designed product models accounted for 31.3% of total revenue, highlighting Arcadyan's ongoing commitment to advancing green product design and expanding its low-carbon portfolio.

Product Carbon Footprint Inventory and Low-Carbon Management

Arcadyan continues to strengthen product and service compliance with environmental and energy regulations while actively reducing the environmental impacts of its products and operations. In 2025, the Company assisted brand customers with Life Cycle Assessment (LCA) calculations and Product Carbon Footprint (PCF) inventories. Products that completed these assessments reached 66%, demonstrating Arcadyan's progress in green design and low-carbon transformation.

Through LCA calculations and PCF inventories, Arcadyan identifies product carbon emission hotspots. These insights serve as the basis for low-carbon design, material selection, and energy-saving improvements, enhancing environmental transparency and low-carbon competitiveness. Select products also undergo third-party verification according to customer or market needs. Relevant details are provided in Section 3.2.3, "Product Life Cycle Assessment and Carbon Footprint Management."

Type	Number of Product Projects Inventoried in 2025	Number of Product Projects Obtaining Eco-Labels in 2025
ISO 14040/14044 Product Life Cycle Assessment	57	2
ISO 14067 Product Carbon Footprint Assessment	32	6
TÜV Rheinland's Green Product Mark	12	12

Eco-Material Platforms and Product Sustainability Training

To effectively manage component carbon emission data, Arcadyan's Green Product Team collaborated with the IT Department to develop the "Environmental Material Cloud Library" platform. This platform integrates primary carbon emission data for raw materials, enabling R&D teams to quickly access material information, perform carbon footprint calculations, and conduct life cycle analyses during the design stage. In 2025, the Company introduced 36 biodegradable and low-carbon materials into the platform, exceeding the annual target of 22 or more and accelerating the shift toward sustainable materials.

Arcadyan regularly conducts dedicated training programs to strengthen its R&D teams' sustainable product design and innovation capabilities, embedding green design concepts and technologies into the product development process. In 2025, the Company held four physical and online courses with a total of 4,043 participant-times, effectively enhancing employees' green design expertise and improving product development capabilities.

Course Title	Hours (Hrs)	Number of Participants
Introduction to Carbon Footprint Software: System Operation and Carbon Emission Data Management Applications	2	21 people
Sharing of Closed-Loop Systems: Resource Recycling and Reuse Models – Practical Cases and Benefit Analysis	2	53 people
[Arcadyan Group Company-wide Awareness Training Series] Low-Carbon Sustainable Carbon Management, Arcadyan Hazardous Substance Management, and Arcadyan Climate Action Comprehensive Guide	1.5	3,921 people
Introduction to Low-Carbon Aluminum Coil Industry: Application of Low-Carbon Materials and Practical Decarbonization in the Supply Chain	2	48 people

3.2.3 Product Life Cycle Assessment

Arcadyan has institutionalized product environmental performance management in its development workflow. The Company conducts Life Cycle Assessments (LCA) in accordance with ISO 14040 and ISO 14044 standards, referencing the EU Product Environmental Footprint (PEF) and IT Equipment Product Category Rules (PCR) to establish consistent and comparable environmental baselines. These assessments cover 27 ecological impact categories, including climate change, human toxicity, freshwater ecotoxicity, mineral resource depletion, and fossil resource depletion. Cross-departmental reviews of the results feed insights back into material selection, energy-efficient design, manufacturing improvements, and end-of-life recycling, forming the foundation for low-carbon design and product environmental optimization.

In 2025, products for which Arcadyan conducted full Life Cycle Assessments (LCA) and obtained third-party verification at customer request accounted for approximately 7% of total shipping volume. This figure represents LCA calculations that have completed external verification and uses a different statistical scope from the LCA and PCF inventory coverage mentioned in Section 3.2.1. Through product life cycle assessment and third-party verification, Arcadyan improves product environmental transparency and supports low-carbon development and sustainable design.

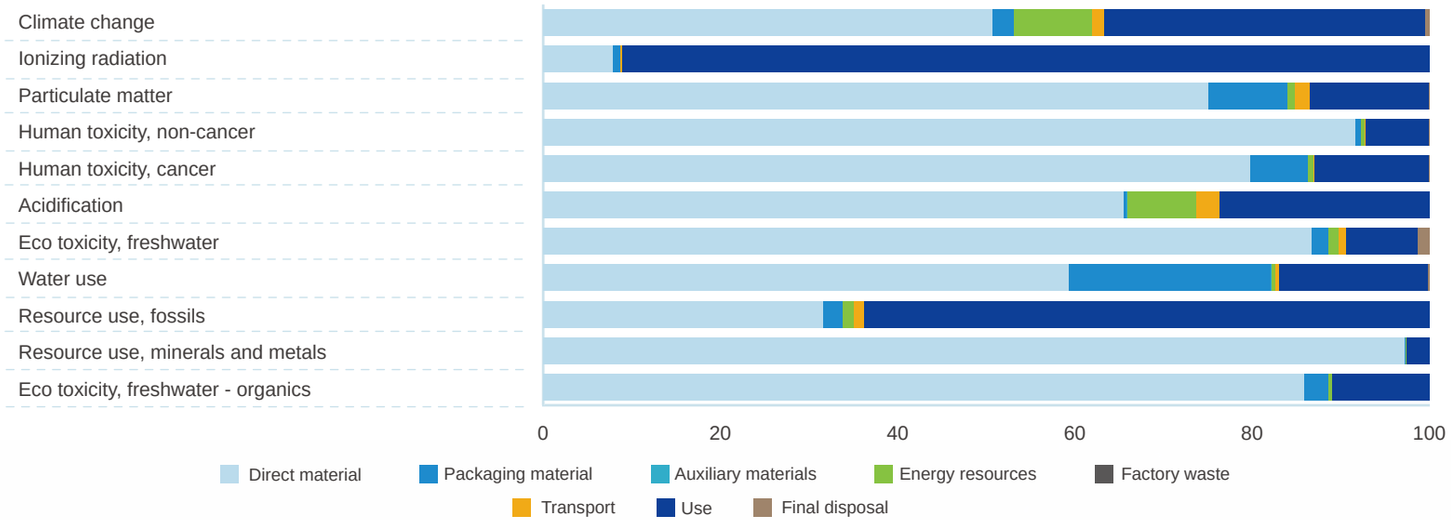
Product Carbon Footprint by Life Cycle Stage (Example: Products Sold to Europe)

Life Cycle Stage	Climate change %
Direct material	39%
Manufacturing (Electricity)	1.4%
Transport	0.5%
Use	59%
Final disposal	0.1%

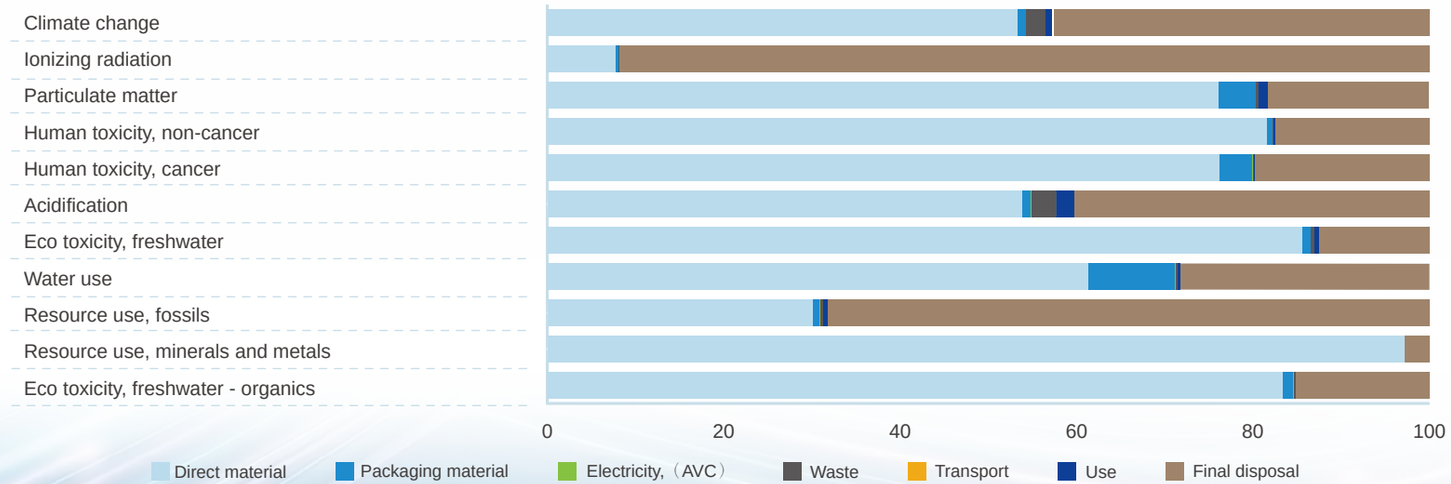
Product Life Cycle Environmental Impact Assessment (Example: Set-Top Box (STB) & Gateway Products)

Impact Category	Impact Category	STB (Set-Top Box) Product	Gateway Product
Climate change	kg CO_2 eq	14.69	59.72
Ionizing radiation	kBq U-235 eq	9.22	43.76
Particulate matter	kg PM2.5 eq	<0.001	<0.001
Human toxicity, non-cancer	CTUh	<0.001	<0.001
Human toxicity, cancer	CTUh	<0.001	<0.001
Acidification	mol H+ eq	0.16	0.45
Eco toxicity, freshwater	CTUe	61.82	202.2
Water use	m^3 depriv.	4.6	13.23
Resource use, fossils	MJ	293.81	1315.26
Resource use, minerals and metals	kg Sb eq	<0.01	0.01
Eco toxicity, freshwater - organics	CTUe	19.41	66.88

Life Cycle Assessment Results of Set-Top Box (STB) Product



Life Cycle Assessment Results of Gateway Products



3.2.4 Product Eco-Design

In 2018, Arcadyan obtained the ISO 14006 certification for incorporating ecodesign into its Environmental Management System. Following the four key steps of goal and scope definition, life cycle inventory analysis, impact assessment, and interpretation, the Company systematically collects product environmental and carbon emission data to optimize design and manage environmental performance. For example, router design optimizations reduced product carbon emissions by 2% to 5% compared to the previous generation, earning the TÜV Green Product Mark. Similarly, set-top box products achieved a carbon reduction of approximately 2 kg CO_2e (2% to 5% decrease) and also secured carbon footprint verification.

Going forward, Arcadyan will continue strengthening ecodesign and expanding low-carbon design practices to advance more sustainable products.

Material Selection Stage

- Prioritize renewable, low-toxicity, and recyclable materials, including PCR and bio-based materials.
- Use FSC-certified packaging materials.
- Select high-recyclability, low-impact materials to improve recycling efficiency.

Product DesignStage

- Integrate eco-design principles to improve environmental performance.
- Adopt easy-to-disassemble and modular designs for repair and recycling.
- Use mono-material and simplified designs to improve recyclability.
- Optimize product design to extend product lifespan.

Product DesignStage

- Improve production efficiency through automation and process optimization.
- Reduce energy consumption through energy-saving manufacturing and resource management.
- Obtain FSC certification to support green manufacturing and responsible supply chains.

Production Process Stage

- Develop energy-efficient products with the AIPM intelligent power management system.
- Optimize power management to reduce energy use and carbon emissions.

Product Use Stage

- Establish repair and refurbishment mechanisms. Through part replacement, testing, and refurbishment, returned products are restored to function, extending lifespan and reducing resource use.

Product DesignStage

- Promote product take-back, disassembly, and material recovery.
- Expand the use of PCR materials to advance resource circularity and reduce virgin material use.

3.2.5 Sustainable Materials and Eco-Friendly Packaging

Sustainable Material Initiative

Arcadyan's main product materials include plastics, metals, printed circuit boards, and packaging. Plastics, primarily used for chassis, covers, and structural components, are currently the main focus for sustainable material integration. The Company prioritizes replacing high-volume materials that offer significant carbon reduction potential while maintaining performance standards, actively adopting Post-Consumer Recycled (PCR) plastics and introducing PCR aluminum. Going forward, Arcadyan will expand the use of recycled materials in enclosures, structural parts, and cooling modules through performance validation, quality checks, and supply chain assessment, reducing reliance on virgin resources and advancing low-carbon and circular applications.

Mitigating the Environmental and Social Impacts of Raw Materials

To mitigate environmental and social impacts of raw materials, Arcadyan integrates sustainability considerations into material management and procurement through its "Green Product Raw Material Policy" and "Master List of Green Components." The Company requires suppliers to comply with environmental regulations, hazardous substance restrictions, and customer green product specifications, while providing necessary compliance evidence and testing documentation. Arcadyan also collaborates with suppliers on hazardous substance reduction, material substitution, and low-carbon material adoption to minimize impacts across the material acquisition, manufacturing, and use phases, thereby strengthening overall supply chain sustainability.

Sustainable Material Traceability and Certification Mechanisms

To enhance reliability and transparency, Arcadyan is establishing a comprehensive traceability and certification system for recycled materials. For Post-Consumer Recycled (PCR) materials used in products, suppliers must provide verifiable sources, recycled content declarations, and third-party validation. Currently, the focus is on PCR plastics in product chassis, covers, and components. High-proportion PCR ABS and PC/ABS have been introduced in select enclosures and certified by TÜV Rheinland under ISO 14021, ISO 14040, and ISO 14044 standards. Going forward, Arcadyan will expand traceability to include more PCR plastics, PCR aluminum, and low-carbon materials to improve sustainable material disclosure.

Advancing material circularity and reuse is a key priority for Arcadyan. The Company actively develops high-recyclability materials and increases the proportion of recycled content in its products. Since 2015, Arcadyan has incorporated Post-Consumer Recycled (PCR) plastics into product components, achieving recycled content levels of 65% to 99% in select parts. For ABS and ABS+PC materials, the Company has adopted interlocking snap-fit designs in place of traditional screws, which reduces screw usage while enhancing structural integrity and recycling efficiency.

In 2025, Arcadyan integrated recycled plastics into 71% of its shipped products, slightly below the 75% target. The shortfall was mainly due to regional differences in recycled material acceptance, shifting product mixes, and evolving customer requirements. Arcadyan is strengthening recycled plastic validation, quality management, and customer engagement while promoting the benefits of Post-Consumer Recycled (PCR) materials to gradually increase the proportion of recycled content across markets.

Historical Use of PCR Recycled Plastics	2020	2021	2022	2023	2024	2025
Recycled Plastic Specification	65~99% ABS、65~99% ABS+PC					
Customer Introduction Rate	9.8%	25%	50%	65%	72%	71%

To reduce reliance on virgin metals and promote resource circularity, Arcadyan is actively evaluating Post-Consumer Recycled (PCR) metal materials. In 2025, the Company incorporated PCR aluminum into a specific customer's product model. This PCR aluminum accounted for approximately 3.7% of total aluminum consumption, marking the first pilot implementation. Arcadyan will continue to validate material performance, quality, supply availability, and cost-effectiveness, while strengthening supply chain collaboration to improve the stability and consistency of recycled metal sourcing.

Raw Material	Total Usage (Ton)	Percentage of Recycled Materials Used (%)
Plastic	5,376	65.2%
Aluminum	3,050.5	3.7%
Steel / Iron	767.7	0
Copper	1,553.2	0
Cobalt	0.03	0
Nickel	15.7	0
Lithium	0.0006	0
Titanium	0.06	0

To minimize packaging material consumption and optimize shipping efficiency, Arcadyan focuses on reducing carbon emissions in the logistics phase. The Company prioritizes recycled materials, recycled paper, and Forest Stewardship Council (FSC) certified resources, along with vegetable-based inks. In 2025, recycled materials in product packaging reached 96.5%, recycled paper packaging exceeded 88% of shipped products, and FSC-certified products accounted for approximately 78% of total shipping volume, reflecting progress in low-carbon packaging and responsible sourcing.

Arcadyan strengthens packaging material traceability and responsible sourcing through global certifications at its manufacturing centers. The Vietnam manufacturing center has successfully obtained FSC® Chain of Custody (CoC) certification, covering paper-based packaging materials such as packaging paper, gummed paper, adhesive labels, and user manuals. This certification enhances material sourcing governance, supply chain traceability, and quality control, ensuring compliance with responsible forest management and recycled material requirements.

Arcadyan is evaluating the feasibility of biodegradable materials—such as industrial starch, plant fibers, and eco-friendly paper foams—for internal packaging to enhance compostability and circular recycling. However, adoption has been limited by packaging specifications, material availability, cost, and customer requirements, leading the Company to primarily shift to paper-based alternatives since 2024 for better availability and cost-effectiveness. Going forward, Arcadyan will continue monitoring advancements in low-carbon and degradable packaging to identify solutions that balance environmental benefits, quality, and economic viability, further promoting circular economy practices.

Historical Percentage of Renewable Materials Used	2022	2023	2024	2025
Biodegradable Packaging Materials	0.3%	0.3%	0%	0%
PCR Recycled Paper Packaging Materials	80%	82%	84.7%	88%
Percentage of Recycled Materials Used in Product Packaging	90%	93%	95%	96.5%

3.2.6 Design for Disassembly, Repairability, and Resource Efficiency

Arcadyan integrates eco-design strategies—such as material simplification, component reduction, PCB optimization, and design for disassembly (DfD)—into the R&D stage to improve product recycling efficiency and resource utilization while minimizing raw material consumption and life-cycle environmental impacts.

Material Simplification and Recycling Efficiency Optimization

Arcadyan proactively streamlines product composition by prioritizing mono-material designs and minimizing mixed substrates, directly optimizing downstream disassembly, sorting, and recycling efficiency. Packaging innovations include printing user manuals directly onto outer boxes to eliminate paper waste, alongside replacing conventional plastic cable ties with paper twist ties to secure accessories, successfully driving single-use plastic reduction.

Label Stickers → Raised Lettering on the Housing Surface

Component Count Optimization Strategies

Arcadyan optimizes product components in the design phase by refining thermal conductivity structures to reduce the use of heatsinks and cooling elements. This lowers overall product weight, raw material consumption, and simplifies the Bill of Materials (BOM). The approach also reduces carbon emissions in material sourcing, manufacturing, and logistics, with potential reductions of up to 3%. Additionally, it improves disassembly and recycling efficiency, minimizing lifecycle environmental impacts and enhancing product sustainability.

Printed Circuit Board Panelization Efficiency Strategies

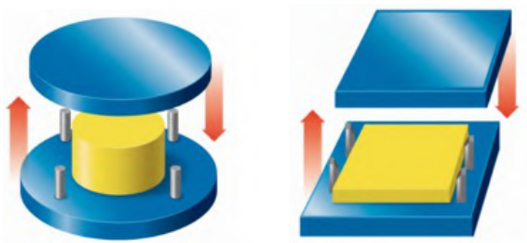
Arcadyan optimizes printed circuit board (PCB) designs by reducing the component-to-edge distance to 1 millimeter, increasing board utilization to over 85%. This approach lowers raw material consumption, manufacturing carbon emissions, and procurement costs. Despite challenges such as fixture leverage and mechanical stress, the Company ensures quality through rigorous verification and process assessments. Preliminary calculations show a carbon reduction of approximately 0.03%, supporting resource efficiency and low-carbon product design.

Design for Disassembly Featuring One-Click Easy-Open Enclosures

Arcadyan integrates disassembly and refurbishment considerations into product structural design. By adopting snap-fit structures, low-screw designs, and specialized disassembly fixtures, the Company minimizes disassembly complexity and enables quick, damage-free housing removal during maintenance and refurbishment. This approach reduces labor hours, component sorting efforts, and the risk of damage from excessive force. Depending on product aesthetics and mechanical constraints, Arcadyan applies various solutions such as snap-fit release through ventilation holes, specialized tools, and spring-loaded ejection mechanisms to improve disassembly efficiency and refurbishment throughput.

These advanced structural designs and custom fixtures drastically shorten disassembly, repair, and refurbishment times without compromising structural strength or cosmetic integrity, making the reuse of returned products highly viable. To maximize recycling yields, the entire housing architecture prioritizes mono-plastic materials over mixed substrates, completely removing the recycling bottlenecks of composite materials and accelerating downstream sorting and recovery efficiency.

In 2025, Arcadyan applied this circular design to five product mechanical structures. By incorporating low-screw counts, snap-fit mechanisms, and customized disassembly fixtures, the Company enhances repair, refurbishment, and recycling potential from the R&D stage, extending product lifespans and reducing resource consumption to advance eco-design and circular economy principles.



3.2.7 Intelligent Power Management

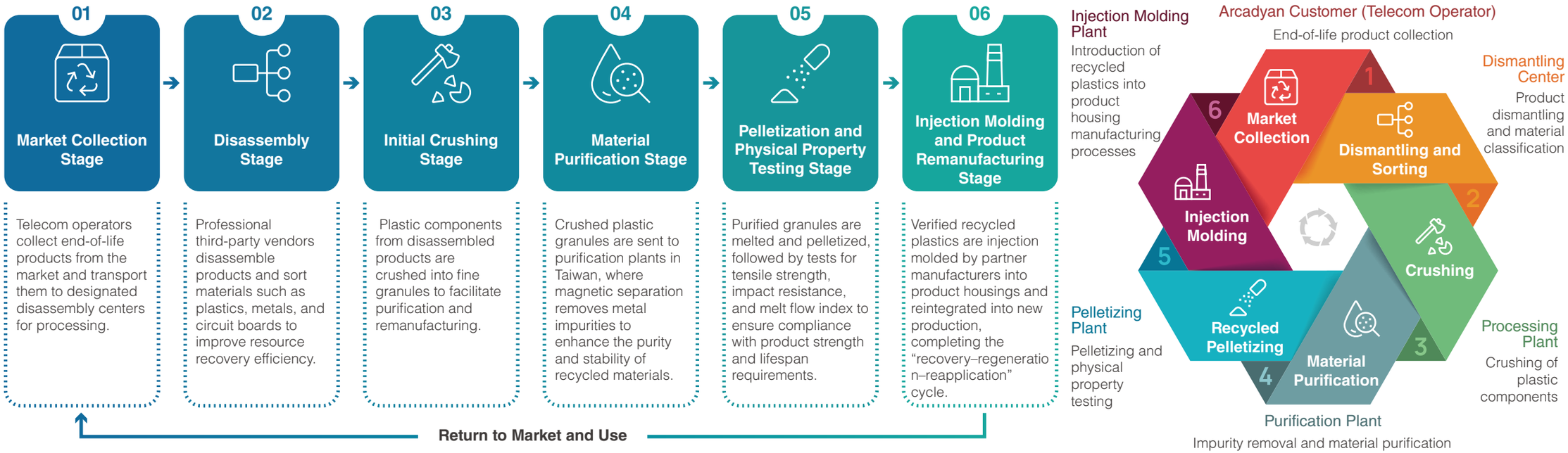
During the product use phase, Arcadyan's proprietary Arcadyan Intelligent Power Management (AIPM) system utilizes intelligent microcontrollers (MCUs) to precisely control product operating modes. By automatically detecting load conditions, AIPM dynamically adjusts power output and optimizes energy efficiency. In 2025, approximately 4.3% of products supplied to key customers incorporated the AIPM solution. Test results indicate that products equipped with AIPM can reduce overall energy consumption by approximately 20%–30%, helping improve energy efficiency during product use and reduce carbon emissions across the product life cycle.

3.2.8 Closed-Loop Material Recovery and Product Lifecycle Optimization

Arcadyan collaborates with customers and supply chain partners to build a closed-loop recycling model for post-consumer products. The process includes disassembly, sorting, crushing, purification, pelletization, and reintegration into new products. In 2025, this system recovered 4,915 kilograms of waste plastics, producing high-quality Post-Consumer Recycled (PCR) resin and achieving a carbon reduction of approximately 35.4 metric tons of CO_2e. This approach reduces reliance on virgin plastics and lowers greenhouse gas emissions from raw material extraction and processing.

Arcadyan's closed-loop recycling framework covers seven key stages: market collection, disassembly, crushing, material purification, pelletization with property testing, injection molding, and product remanufacturing. This " recovery–regeneration–reapplication" process maximizes resource circulation and accelerates green transformation across the supply chain.

Six Stages of Closed-Loop Recycling and Reuse Process:



Arcadyan's dedicated return management unit handles comprehensive repair and refurbishment operations to extend product lifespan and reduce resource consumption. In 2025, the unit refurbished 17,008 products through component repair, functional testing, and reassembly, achieving a carbon reduction of approximately 1,020.5 metric tons of CO_2e.

Arcadyan also refurbishes power supply units (PSUs) and cables to maximize accessory resource efficiency. In 2025, over 22,600 accessory units were refurbished, achieving a 70% reuse rate and reducing approximately 23.8 metric tons of CO_2e emissions. These reuse workflows minimize environmental impacts across raw material procurement, manufacturing, and packaging, embedding circular economy and low-carbon product stewardship.

3.3 Raw Material Hazardous Substance Control and Regulatory Compliance

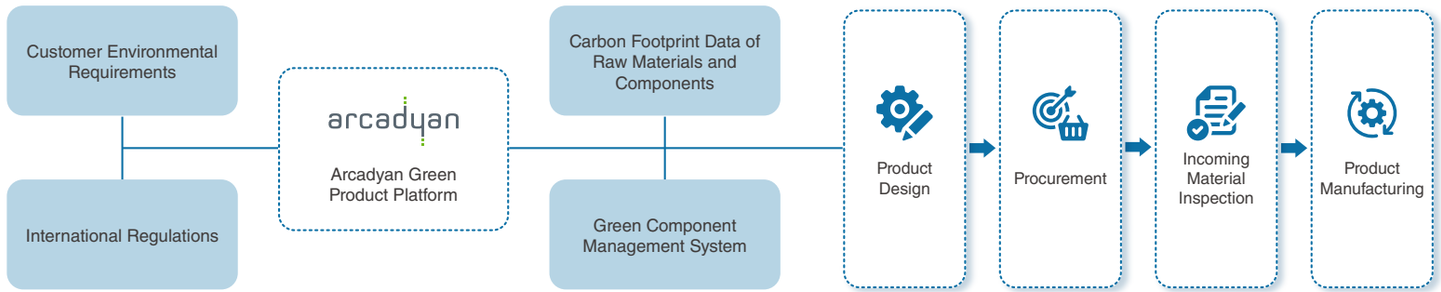
Arcadyan tracks global regulatory trends in product eco-design, chemical substances, packaging, waste recycling, and low-carbon management. The Company integrates EU, French, US, Japanese, Canadian, Australian, and other international standards into its green product management framework. Hazardous substance control is embedded in the design phase through restricted substance management, supplier surveys, Technical Documentation for Compliance (TDC), and Green Component Lists (GCL) to ensure full compliance across design, procurement, manufacturing, and sales.

Arcadyan advances halogen-free product development, conflict-free mineral sourcing, and hazardous substance reduction to minimize risks to human health and the environment. The Vietnam Manufacturing Center has implemented the IECQ QC 080000 Hazardous Substance Process Management (HSPM) system to strengthen raw material screening and in-process monitoring. In 2025, the Company achieved 100% compliance with hazardous substance controls and customer specifications, with zero complaints or major regulatory violations related to restricted materials or product environmental compliance.

3.3.1 Restricted Substance Control Mechanisms

Arcadyan continuously monitors global environmental, chemical safety, and hazardous substance regulations—including the EU's RoHS, REACH, WEEE, and POPs directives, the U.S. California Proposition 65, and French mineral oil restrictions—to mitigate compliance risks. The Company ensures all product lines fully align with these international standards and customer requirements.

To enforce restrictions on hazardous substances in raw materials, Arcadyan requires suppliers to sign the "2025 Arcadyan Hazardous Substance Free (HSF) Declaration (HSF Level 1 and HF Level 2)". In 2025, the Company collected 442 declarations and delivered 460 training and guidance sessions through phone calls, emails, and on-site support, achieving 100% coverage with key suppliers. These initiatives strengthen supply chain management of restricted substances, enhance product compliance, and improve overall risk mitigation.



Arcadyan aligns all product lines with international environmental regulations and customer requirements through robust hazardous substance management and eco-friendly design. This is supported by internal material management systems and close supply chain collaboration to ensure regulatory compliance and help customers achieve their sustainable supply chain goals.

Country / Region	Regulation / Directive	Main Management Scope	Arcadyan Product Compliance
European Union (EU)	EU Restriction of Hazardous Substances Directive (RoHS), including Directive (EU) 2015/863	Restricts the use of hazardous substances such as lead, cadmium, mercury, hexavalent chromium, PBB, PBDE, and phthalates in electrical and electronic equipment.	100% compliant
	EU Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)	Manages Substances of Very High Concern (SVHC), Annex XVII restricted substances, and Annex XIV substances subject to authorisation to ensure chemical compliance in products.	100% compliant
	EU Waste Electrical and Electronic Equipment Directive (WEEE)	Regulates the collection, recycling, reuse, and treatment of end-of-life electrical and electronic equipment to promote resource circularity at the end of the product life cycle.	100% compliant
	EU Persistent Organic Pollutants Regulation (POPs Regulation (EU) 2019/1021)	Controls persistent organic pollutants to reduce their long-term harm to human health and the environment.	100% of products entering the EU market are compliant
	EU CLP Regulation and related chemical classification and labeling requirements	Manages the classification, labeling, and packaging of chemicals to strengthen hazard information management.	Managed according to product applicability
	C9-C14 PFCAs and Per- and Polyfluoroalkyl Substances (PFAS) related controls	Manages the use of specific perfluorinated compounds and PFAS to reduce risks of persistent chemicals to the environment and health.	Managed according to product applicability
France	French mineral oil regulations, including Mineral Oil Aromatic Hydrocarbons (MOAH) and Mineral Oil Saturated Hydrocarbons (MOSH) controls	Manages the use of mineral oil components in packaging, printing inks, and related materials to reduce contamination risks in recycled paper and packaging materials.	100% of products entering the French market are compliant
	Endocrine Disrupting Chemicals (EDCs) Product Disclosure requirements	Manages and discloses chemical substances in products that may have endocrine-disrupting properties.	Managed according to product applicability
United States (USA)	California Proposition 65 (CA65	Manages warning requirements for chemical substances in products that may cause cancer, reproductive toxicity, or other health risks.	100% of products entering the U.S. market are compliant
	U.S. Toxic Substances Control Act (TSCA) and PBT substance controls	Manages persistent, bioaccumulative, and toxic chemical substances to reduce chemical risks in products.	Managed according to product applicability
	U.S. EPA LCPFAC and related PFAS controls	Manages the use of long-chain perfluorocarboxylic acids and related chemicals.	Managed according to product applicability
	Toxics in Packaging Clearinghouse (TPCH)	Manages the content of heavy metals such as lead, cadmium, mercury, and hexavalent chromium in packaging materials.	Managed according to product applicability
	Consumer Product Safety Improvement Act (CPSIA)	Manages lead, phthalates, and other safety-related requirements in consumer products.	Managed according to product applicability
Japan	Chemical Substances Control Law (CSCL) Class 1 / Class 2	Manages the use of specific chemical substances to reduce long-term toxicity, environmental persistence, and bioaccumulation risks.	Managed according to product applicability
Canada	C9-C20 PFCAs and Prohibition of Toxic Substances Regulations	Controls the use of specific perfluorinated compounds and toxic chemical substances.	Managed according to product applicability
Australia	Australia-wide ban on all types of asbestos	Prohibits the use of all types of asbestos in products and materials.	Managed according to product applicability
	Expanded Polystyrene Products and Packaging restrictions	Manages the use of expanded polystyrene products and packaging materials to reduce the impact of single-use plastics and waste.	Managed according to product applicability
Global / International	Global Battery Regulatory Standards	Manages battery safety, labeling, recycling, and hazardous substance restriction requirements.	Managed according to product applicability
	Montreal Protocol on Substances that Deplete the Ozone Layer	Manages the use of ozone-depleting substances to reduce related environmental impacts from products and processes.	Managed according to product applicability
	Greenhouse Gas (GHG) related management requirements	Manages product carbon emissions, carbon footprint assessment, and low-carbon material application requirements.	Managed according to product applicability

3.3.2 Product Environmental Regulatory Compliance Management

Arcadyan incorporates waste reduction, resource circulation, and product recyclability into the design phase to comply with the EU Waste Electrical and Electronic Equipment (WEEE) Directive. This helps minimize end-of-life environmental impacts. The WEEE Directive requires evaluation of disassembly, recovery, and reuse efficiency during initial design and manufacturing, while eliminating obstacles to reuse and recycling.

Arcadyan integrates WEEE requirements into product development by applying design principles such as ease of disassembly, repairability, recyclability, material compatibility, and recycling label verification. Key management areas include recycling label verification, disassembly design, identification of selective treatment materials and components, and assessment of theoretical recycling and recovery rates. By optimizing product architecture, material selection, and disassembly accessibility, the Company improves efficiency in downstream sorting, dismantling, recovery, and reuse processes. For detailed methodologies, please refer to Section 3.2.6, "Design for Disassembly, Repairability, and Resource Efficiency."

In 2025, recyclable materials—including paper, cardboard, wood, and plastics used in primary product manufacturing and packaging—totaled 21,473 metric tons, representing approximately 67% of overall material consumption. Arcadyan continues to improve product and packaging recyclability through mono-material selection, recycled content integration, modular design, and easy-to-disassemble structures, in full alignment with the Waste Electrical and Electronic Equipment (WEEE) Directive's recycling and resource circulation requirements.

To continuously strengthen resource efficiency and circular economy-oriented product design, Arcadyan implements the following green design principles:

- Prohibit or reduce hazardous chemical substances to comply with the EU RoHS Directive and related restricted substance requirements.
- Adopt mono-material plastic designs to minimize mixed materials and improve sorting and recycling efficiency.v
- Prioritize recycled and biodegradable plastics to promote resource circulation and low-carbon material use.
- Ensure compatibility between plastic materials and surface treatments to reduce recycling barriers and improve reusability.
- Use structures that enable easy disassembly, repair, and recycling to simplify end-of-life processing.
- Promote modular product design to facilitate replacement, repair, and upgrading of key components, extending product lifespan and reducing electronic waste.

In 2025, all Arcadyan products shipped to the European Union fully complied with WEEE requirements. The Company continues to optimize product architecture, disassembly processes, and recycling label verification to improve end-of-life recycling efficiency and support circular economy goals. Selected products also received third-party environmental label certifications to enhance transparency and market credibility.

3.3.3 Material Substance Restrictions and High-Concern Chemical Controls

RoHS Hazardous Substance Restriction Management

Arcadyan integrates the EU RoHS Directive into product design, material selection, component qualification, and production processes to mitigate risks of hazardous substances in electrical and electronic products. For EU-bound products, the Company ensures compliance with the concentration limits of RoHS Directive 2011/65/EU and Directive (EU) 2015/863 through supplier declarations, material surveys, component reviews, and third-party testing.

Arcadyan requires supply chain partners to manage RoHS-regulated substances in raw materials and components. The Company conducts systematic risk identification and compliance verification for key categories such as plastics, rubber, labels, cables, PCBs, and electronic components to prevent hazardous substances at the source. In 2025, 100% of products shipped to the European Union complied with RoHS thresholds, with zero customer complaints or returns due to non-compliance.

REACH Compliance and SVHC Governance

Arcadyan integrates the European Union's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation into its green product management framework to meet international regulations and customer green procurement requirements. Its internal "Management Guidelines for Environmentally Hazardous Chemical Substances" define restrictions on hazardous substances in components, packaging, and auxiliary materials, supported by regulatory lists, supplier surveys, material composition verification, and compliance review processes to reduce environmental and regulatory risks.

Arcadyan continuously monitors updates to the Substances of Very High Concern (SVHC) Candidate List published by the European Chemicals Agency (ECHA) and incorporates SVHC requirements into raw material and component review processes to ensure uninterrupted access to the EU market. Through supplier declarations, material data collection, composition surveys, and third-party testing as needed, Arcadyan verifies that SVHC concentrations comply with the 0.1% w/w disclosure threshold under REACH Article 33.

Arcadyan ensures full compliance with the European Union's SCIP framework by conducting rigorous SVHC disclosure and database registration for all applicable products, maintaining complete data traceability since 2020. In 2025, every Arcadyan product shipped to the EU adhered strictly to REACH and SVHC regulations, resulting in no customer complaints or product returns. Of total shipments, 2.4% were confirmed to contain no SVHCs above the 0.1% w/w threshold and were therefore exempt from SCIP registration, while all remaining applicable products completed required disclosures and registrations in full accordance with REACH and SCIP protocols.

Arcadyan will continue to monitor ECHA Candidate List updates and EU chemical regulations while strengthening raw material management and supplier oversight to mitigate chemical risks and ensure product compliance.

3.3.4 Mineral Oil and Halogen-Free Materials Management

Mineral Oil Management

Arcadyan complies with EU regulations governing Mineral Oil Aromatic Hydrocarbons (MOAH) and Mineral Oil Saturated Hydrocarbons (MOSH). Since 2023, we have required suppliers to sign a Declaration of Non-Use of Mineral Oils and incorporated these requirements into our material, packaging, and printed-material management processes. These measures ensure that all applicable products meet market regulatory obligations while strengthening green product governance and sustainable supply chain management.

Halogen-Free Materials Management

Halogen-containing materials may release toxic substances during combustion or improper disposal, posing risks to human health and the environment. Arcadyan addresses global halogen-free requirements by integrating controls into product design and material selection. Environmental substance management standards define limits for chlorine, bromine, and other halogens, with compliance verified through supplier declarations, material reviews, component audits, and testing.

Since launching its halogen-free material review and substitution program in 2010, Arcadyan has steadily increased the use of halogen-free materials. By 2025, over 88% of materials used in its products were halogen-free, while the remainder complied with applicable environmental regulations. Arcadyan will continue expanding halogen-free material adoption to reduce environmental impact and potential health risks.

2021

- Reviewed halogen-free products and introduced environmentally friendly materials in two projects.
- Qualified for tax reductions under Sweden's electrical and electronic equipment tax regulations.
- Implemented barium oxide and RoHS exemption lead reduction projects.

2022

- Initiated supplier awareness on mineral oil-free requirements.
- Eliminated plastic packaging.
- Over 88% of materials were halogen-free (HF).

2023

- Investigated EU endocrine disruptor requirements based on customer requests.
- Collected third-party certification for PCR materials and FSC-certified packaging.
- Vietnam Manufacturing Center achieved TÜV SÜD FSC certification.

2024

- Reviewed existing products and introduced halogen-free materials in five projects.
- Qualified for tax reductions under Sweden's electrical and electronic equipment tax regulations.

2025

- Developed ocean-bound plastic and recycled metal materials.
- Integrated Washington State WAC 173-337 OFR restrictions for electronic enclosures into management requirements.

3.3.5 Hazardous Substance Reduction Initiatives

Arcadyan integrates hazardous substance reduction into its green product and supply chain management by updating restricted-substance lists, promoting lower-risk materials, and strengthening supplier compliance to reduce hazardous substances from the design and sourcing stages.As an electronics design and assembly company, Arcadyan does not use or generate substances classified as Persistent Organic Pollutants (POPs). Through material specification reviews and supply chain controls, Arcadyan also manages mercury and other chemicals of concern to minimize environmental and human health impacts throughout the product life cycle.

Arcadyan regularly reviews its environmental procedures and conducts third-party monitoring as needed to ensure regulatory compliance. In 2025, no violations related to POPs, mercury, or other hazardous substance regulations were reported.Arcadyan will continue reducing hazardous substances and adopting low-toxicity materials to strengthen green product design, ensure regulatory compliance, and meet evolving sustainability expectations.

3.4 Customer Health and Safety

Arcadyan integrates health and safety, regulatory compliance, and risk controls into product development. Through design reviews, material management, manufacturing controls, and pre-market verification, Arcadyan minimizes potential health and safety risks during product use.

Arcadyan conducts product safety and conformity assessments in accordance with international standards for product safety, electromagnetic compatibility, and environmental compliance. In 2025, all mass-produced products for the European and U.S. markets were certified to IEC 62368 and met all applicable environmental compliance requirements.

Arcadyan reported no incidents affecting consumer health or safety in 2025. The company will continue strengthening product safety design and risk management to deliver safe and reliable products.

3.4.1 Customer Health and Safety Management Mechanisms

During product development, Arcadyan works with customers to assess product risks, safety, operational hazards, and regulatory requirements. The results are incorporated into user manuals, safety instructions, and product labeling to support safe operation.

Arcadyan verifies material composition, conformity, and testing to ensure products meet regulatory and customer requirements. Products with major quality or design issues that may affect consumer health, safety, or customer interests are handled in accordance with the Return and Repair Management Procedure.

3.4.2 Electromagnetic Compatibility and Radio Exposure Safety Management

Arcadyan prioritizes user health and operational safety in wireless communication products. EMC testing and EMF/Radio Exposure assessments are incorporated into product development and validation to ensure compliance under normal use and to reduce risks associated with electromagnetic interference and radio-frequency exposure.

Arcadyan performs EMI and EMS testing in line with international standards for each target market. These tests verify that products do not emit electromagnetic disturbances beyond regulatory limits and can maintain stable operation under external electromagnetic conditions

- Electromagnetic Interference (EMI) — Ensures emission levels during operation meet regulatory limits and do not disrupt nearby devices.
- Electromagnetic Susceptibility (EMS) — Simulates electrostatic discharge, surge events, radio-frequency fields, and other disturbances to confirm product stability and safety.

For wireless-enabled products, Arcadyan conducts RF exposure assessments and EMC testing to verify compliance across expected usage distances and transmission modes. Third-party testing confirms that 2.4 GHz, 5 GHz, and 6 GHz WLAN, Bluetooth LE, IEEE 802.15.4, and DECT all meet applicable RF safety limits, ensuring regulatory compliance and product safety across global markets.

3.4.3 Product Safety Standards and Certification

Arcadyan embeds a rigorous safety validation framework at the product design and development stage. In alignment with international standards such as IEC 62368 and EN IEC 63000:2018, the company conducts comprehensive assessments covering product structure, materials, components, and anticipated usage conditions. These evaluations ensure that all products meet the safety and environmental regulatory requirements of their target markets prior to commercial release.

To safeguard users against potential hazards, including electric shock, energy discharge, fire, mechanical injury, radiation, chemical exposure, and thermal risks, Arcadyan engages accredited third-party laboratories to conduct product testing and on-site verification. In 2025, all newly developed products passed the required safety evaluations and obtained applicable certifications for their target markets. Through pre-market safety validation, third-party testing, and regulatory compliance management, Arcadyan ensures product safety and regulatory compliance.

3.4.4 Product Recall and Return/Repair Management

Arcadyan has established a product return and repair management mechanism to address quality and safety issues. Products with significant quality defects, major design issues, or potential impacts on consumer safety or customer rights are evaluated and handled in accordance with the Return and Repair Management Process.

During recall evaluations, sales and product managers review customer feedback and product issues to determine the affected product scope and whether on-site support or a formal recall is required. All actions are managed under the Return and Repair Management Process to ensure proper handling of affected products and protect user safety and customer rights.

In 2025, all Arcadyan products complied with applicable safety standards and regulations, and no product recalls were initiated due to safety or regulatory violations. Arcadyan will continue improving its return, repair, and recall management processes to strengthen product responsibility.

4 Sustainable Environment

4.1 Environmental Sustainability
4.2 Climate Risk Management
4.3 Energy and Greenhouse Gas Management
4.4 Decarbonization Initiatives and Performance
4.5Water Resource Management
4.6Waste and Resource Circularity
4.7Air Emissions Control and Mitigation
4.8Noise Mitigation and Boundary Control
4.9Biodiversity and Ecological Impact Assessment

Issue	Strategy	2025 Target	2025 Performance	2026 Target	2030 Target
Energy and Greenhouse Gas Management	Greenhouse gas emissions (Scope 1, 2, 3) follow the SBTi 1.5° C carbon reduction pathway	Scope 1 and 2 GHG emissions: absolute reduction of 18.8% compared with the 2022 base year	Absolute reduction of 67.6%, exceeding the target. Total Scope 1 and 2 GHG emissions: 10,139.13 tCO_2e	Scope 1 and 2 GHG emissions: absolute reduction of 25% compared with the 2022 base year	Scope 1 and 2 GHG emissions: absolute reduction of 50% compared with the 2022 base year
		Scope 3 GHG emissions: intensity reduction (emissions / NT$ million gross profit) of 31.5% compared with the 2022 base year	Intensity reduction (emissions / NT$ million gross profit) of 32.9%, exceeding the target. Total Scope 3 GHG emissions: 2,855,924.54 tCO_2e	Scope 3 GHG emissions: intensity reduction (emissions / NT$ million gross profit) of 40.4% compared with the 2022 base year	Scope 3 GHG emissions: intensity reduction (emissions / NT$ million gross profit) of 66.47% compared with the 2022 base year
	Improve energy efficiency and progressively reduce energy intensity	Energy intensity reduced by 1% compared with 2024	Energy intensity reduced by 3.7% compared with 2024 Energy consumption: 43,406.5 MWh	Energy intensity reduced by 1% compared with 2025	Energy intensity reduced by 1% compared with the previous year (2029)
	Energy transition and 100% renewable energy targeti	Renewable energy ratio reaches 50%	Renewable energy ratio reaches 50.3%, exceeding the target Self-generated solar power for self-use: 5.49 million kWh Renewable Energy Certificates (I-REC): 16.35 million kWh	Renewable energy ratio reaches 60%	Renewable energy ratio reaches 100%
Water Resource Management	Implement water recycling and wastewater management	Water use per capita reduced by 1% compared with 2024	Water use per capita increased by 7.5% compared with 2024	Water use per capita reduced by 1% compared with 2025	Water use per capita reduced by 1% compared with the previous year (2029)
	Domestic wastewater discharge compliance	Comply with local regulatory standards	Total water withdrawal: 155,200 m^3	Comply with local regulatory standards	Comply with local regulatory standards
Waste Management	Improve waste recycling and reuse rates, and progressively reduce waste intensity	Waste intensity reduced by 1% compared with 2024	Waste intensity increased by 41.7% compared with 2024 Waste generation (including landfill and incineration without energy recovery): 2,705.8 tonnes	Waste intensity reduced by 1% compared with 2025	Waste intensity reduced by 1% compared with the previous year (2029)
	Air emission compliance	Comply with local regulatory standards	2025 air emission testing complied with local regulatory standards	Comply with local regulatory standards	Comply with local regulatory standards

4.1 Environmental Sustainability

Recognizing the finite nature of global resources and the importance of sustainable development, Arcadyan has implemented the ISO 14001 Environmental Management System across its major operating sites since 2005 to reduce the environmental impacts of its operations and product life cycles.

In 2025, Arcadyan initiated a revision of its Environmental Policy to strengthen environmental governance based on the ISO 14001 framework. The policy applies to the company's operations, product life cycles, suppliers, and partners, and establishes key management priorities, performance indicators, and monitoring mechanisms. It focuses on environmentally friendly design, climate change, energy and resource management, and waste management to improve environmental performance, reduce greenhouse gas emissions, resource consumption, and waste generation, and support sustainable development.

Arcadyan's Sustainability Office oversees environmental policy and monitors progress toward environmental targets. Progress is regularly reported to the Board of Directors and the Sustainability Development Committee to support effective oversight and continuous improvement. Through sustainable procurement, supplier evaluations, audits, and improvement programs, Arcadyan promotes environmental compliance and strengthens carbon and environmental management across the value chain.

Arcadyan's headquarters and Vietnam manufacturing center are certified to ISO 14001 and ISO 50001. Annual internal audits and third-party verification ensure continual compliance and improvement, supporting the reduction of environmental impacts from operations.

Arcadyan Environmental Policy – Five Implementation Pillars

Governance and Management Mechanisms

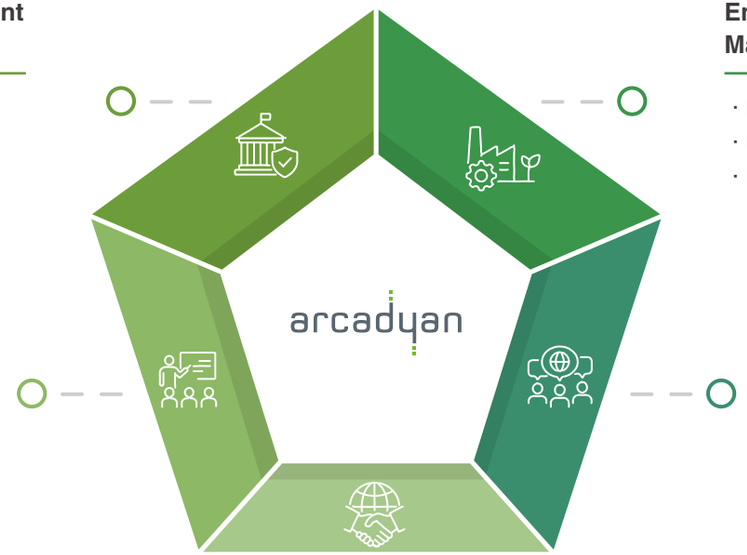
- Set targets
- Track performance
- Continuously improve

Energy, Resource and Process Management

- Improve efficiency
- Reduce waste
- Optimize processes

Education, Training and Employee Engagement

- Strengthen awareness
- Promote full employee participation



Stakeholder Communication and Disclosure

- Respond to expectations
- Disclose commitments and results

Supply Chain Partner Collaboration

Promote supplier environmental management and sustainable practices

4.1.1 Environmental Risk Identification and Management

Arcadyan conducts annual environmental risk assessments to identify operational impacts and implement appropriate control measures. In 2025, the headquarters and Vietnam manufacturing center assessed five key environmental aspects: energy use, wastewater, waste, air emissions, and noise. The headquarters focused on energy management through a smart electricity monitoring system, while the Vietnam manufacturing center strengthened energy management and wastewater and waste treatment to improve operational efficiency.

In 2025, Arcadyan's environmental risk assessment covered 95.8% of employees across its operating sites, with improvement actions implemented based on the assessment results.

Operational Site	Category	Potential Risk Situations	Response Strategies and Actions
Arcadyan Headquarters	Energy Management	An increase in the number of employees or testing equipment may lead to higher energy consumption.	Collaborate with energy service providers to implement smart energy management and monitor high-energy-consuming equipment.
Vietnam Manufacturing Center	Energy Management	Aging equipment or improper maintenance may cause power supply interruptions or reduced energy efficiency.	Strengthen electrical equipment maintenance, improve energy efficiency, and install energy monitoring systems to ensure stable operations.
	Wastewater Treatment	Improper operation or equipment failure may result in emissions exceeding regulatory limits.	Strengthen wastewater treatment management and regularly monitor effluent quality to ensure regulatory compliance.
	Waste Management	Improper classification, temporary storage, or handling of waste may cause long-term negative environmental impacts.	Optimize waste sorting and recycling to increase resource recovery and reuse rates.

Note: Environmental risk assessment coverage is the percentage of the global workforce at sites where environmental risk assessments are conducted.

4.1.2 Environmental Investments and Benefits

In 2025, Arcadyan continued advancing its climate and resource sustainability commitments through investments in renewable energy, water conservation, energy management, and international sustainability initiatives. These efforts improved energy and water efficiency, reduced operating costs, and supported the transition to low-carbon, circular operations.

The table below summarizes Arcadyan's major environmental investment projects in 2025 and their estimated environmental benefits, highlighting the company's concrete actions and outcomes in environmental management.

Project Category	Investment Content	Investment Amount (NTD)	Environmental Benefits
Solar Power Generation System	Installed rooftop solar PV systems at the Vietnam Manufacturing Center to increase renewable energy use.	$13,925,000	Generate approximately 5.5 million kWh annually, reducing about 3,600 tCO_2e based on the local emission factor.
	Install rooftop solar PV systems at Arcadyan Headquarters to increase renewable energy use.	Payment to be made in 2026	Generate approximately 330,000 kWh annually, reducing about 156 tCO_2e based on the local emission factor.
Purchase of International Renewable Energy Certificates (I-REC)	Purchased I-RECs to increase renewable energy use, reduce Scope 2 emissions, and support the SBTi pathway and 100% renewable energy target.	$423,000	Reduced Scope 2 greenhouse gas emissions by approximately 10,800 tCO_2e.
Support for the Carbon Disclosure Project (CDP) International Initiative	Joined CDP Enhance Level to strengthen engagement with the CDP platform and stay informed of best practices in supply chain climate risk management, carbon reduction, and disclosure.	$222,600	Enhanced climate and carbon management capabilities, aligning sustainability strategies with international standards.
Replacement with Water-Efficient Toilets	Replaced all Headquarters toilets with Bureau of Energy gold-rated water-efficient models.	$180,000	Reduced water use through high-efficiency water-saving equipment.
Rainwater and Domestic Wastewater Recycling System	Operated and maintained rainwater and wastewater recycling systems at the Vietnam Manufacturing Center.	$2,274,000	Improved water recycling and reuse, increasing water savings by 50%.
Total Amount			$17,024,600

Note: The above amounts in New Taiwan Dollars are calculated based on an exchange rate of VND 0.0012 and USD 31.18.

4.2 Climate Risk Management

Arcadyan has established a comprehensive climate-risk management framework to address the growing challenges posed by global climate change—including extreme weather events, rising energy costs, tightening regulations, and shifting market expectations. Guided by the TCFD framework, the company manages and discloses climate-related risks and opportunities across four pillars: governance, strategy, risk management, and metrics and targets.

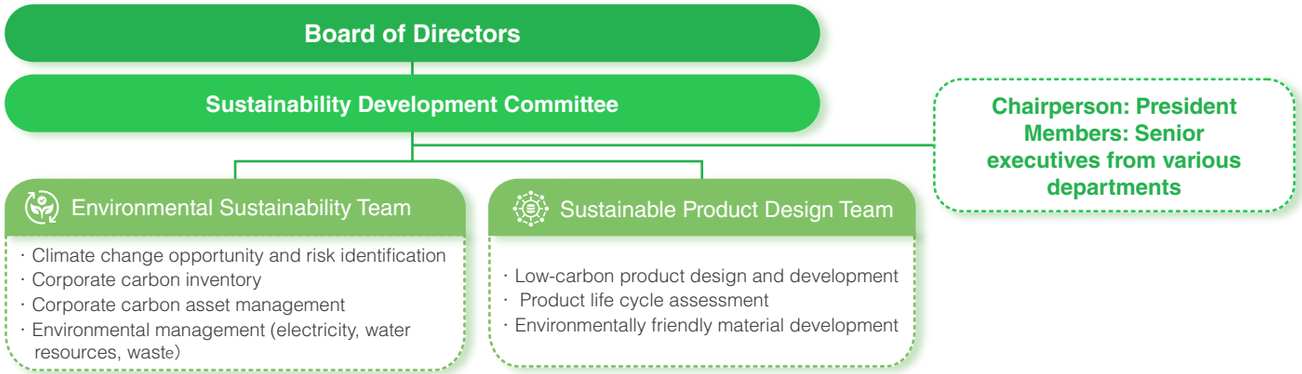
Based on climate risk assessments, Arcadyan develops response strategies for material risks and conducts scenario analyses to evaluate potential business and financial impacts. The company reports climate risk management progress annually through the Carbon Disclosure Project (CDP), TCFD disclosures, and its sustainability report, while continuously refining its adaptation and mitigation strategies to strengthen climate resilience.

4.2.1 Climate Governance

Arcadyan supports the global 1.5 °C goal and is committed to long-term net-zero transformation. The Board of Directors has established the Sustainability Development Committee to oversee climate strategies, targets, and performance, including greenhouse gas reduction, energy management, renewable energy, and climate risk management.

Chaired by General Manager and Director Edward Tseng, the Committee oversees working groups for corporate governance, green products, sustainable procurement, and environmental sustainability, integrating climate priorities into Arcadyan's business strategy. The Environmental Sustainability Working Group leads GHG inventory, energy management, renewable energy, climate risk assessment, and decarbonization, reporting progress regularly to the Sustainability Development Committee and the Board.

Since 2024, Arcadyan has formally incorporated sustainability-related indicators into the performance objectives of senior executives, thereby strengthening management accountability for climate action and sustainability performance. The performance evaluation of senior executives includes non-financial sustainability indicators covering green products and environmentally conscious product design, circular economy and resource efficiency, energy and resource management, climate change management, and greenhouse gas reduction. Executive remuneration is comprehensively assessed by the President based on performance achievement, submitted to the Chairman for review, and subsequently deliberated and approved by the Remuneration Committee and the Board of Directors. This mechanism strengthens the linkage between sustainability performance and corporate governance, while enhancing management's motivation and governance effectiveness in advancing climate action.



4.2.2 Climate Strategy

Arcadyan recognizes the risks and opportunities associated with climate change and integrates them into its business strategy, product design, energy management, supply chain collaboration, and investment decisions. In response to rising energy costs, tightening carbon regulations, customer expectations for low-carbon supply chains, and growing demand for low-carbon products, Arcadyan conducts cross-functional assessments of potential impacts on operations, supply chains, product development, and financial performance to guide its adaptation and decarbonization strategies and strengthen long-term resilience.

Environmental Strategy and Low-Carbon Transition Direction

To achieve its climate strategy and carbon reduction targets, Arcadyan has established four strategic pillars: climate action and low-carbon transition, energy transformation, low-carbon product innovation, and sustainable supply chain management. Together, these pillars drive the low-carbon transition across the company's operations and value chain.

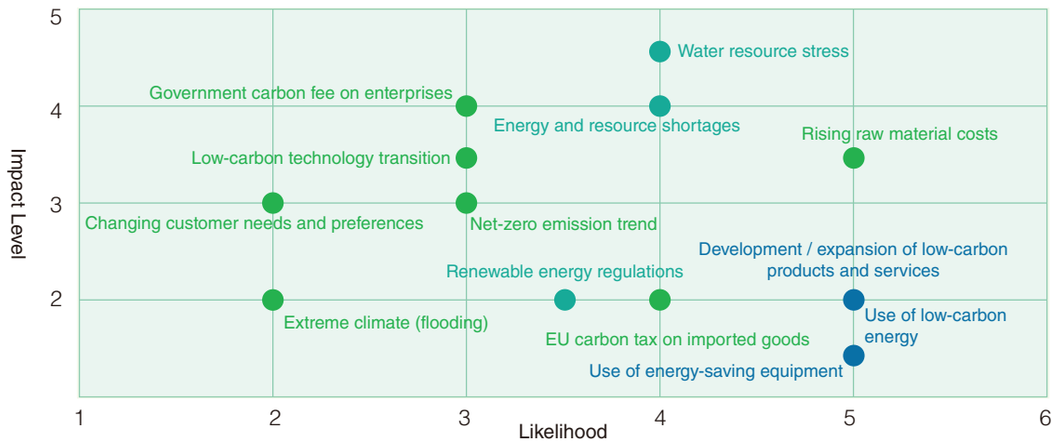
Environmental Strategies	Content
Climate Action and Low-Carbon Transition	In 2024, Arcadyan's SBTi targets were validated. Based on a 2022 baseline and the 1.5° C pathway, the Company established near- and long-term Scope 1, 2, and 3 targets to advance net zero.
Energy Transition	Supporting Compal Group's RE100 initiative, Arcadyan aims for 100% renewable energy by 2030.
Low-Carbon Product Innovation	Arcadyan's green product design focuses on energy efficiency, easy disassembly and recycling, and extended product lifespan. The Company adopts energy-efficient technologies, AIPM, and recycled materials to reduce product life cycle carbon emissions and meet demand for low-carbon products.
Sustainable Supply Chain Management	Since 2023, Arcadyan has promoted the "Go Green with Arcadyan" supply chain decarbonization program. By 2025, nearly 20 key suppliers had joined, strengthening carbon management and supporting climate goals across the value chain.

4.2.3 Climate Risk and Opportunity Identification

Arcadyan's Environmental Sustainability Task Force annually evaluates climate-related risks and opportunities. In 2025, the company assessed potential impacts on its operations, strategy, and financial performance across the short (1–3 years), medium (3–5 years), and long term (5–10 years), identifying 7 transition risks, 3 physical risks, and 3 climate opportunities. These cover policy and regulation, technology, markets, reputation, extreme weather, energy and water supply, and demand for low-carbon products. The assessment supports risk mitigation and helps capture opportunities in low-carbon transition, green products, energy efficiency, and supply chain decarbonization.

Type	Risk / Opportunity Item		Time Horizon	Description	Financial Impact
Transition Risks	Policy & Regulation	Net-zero emission trend	Short-term	Accelerating net-zero trends and customer demand for supply chain decarbonization may affect competitiveness if responses are insufficient.	Negative: May reduce revenue and customer opportunities while increasing carbon management and decarbonization costs.
		Renewable energy regulations	Medium-term	Taiwan's Renewable Energy Development Act requires companies above a certain capacity to install renewables, purchase green power, or certificates.	Negative: May increase costs of green power, certificates, storage, or renewable energy facilities.
		EU carbon tax on imported goods	Medium-term	EU CBAM will impose carbon fees on high-emission imports. Inclusion of products or materials will raise compliance costs.	Negative: May increase costs of data collection, verification, reporting, and carbon credits.
		Government carbon fee on enterprises	Long-term	Taiwan's carbon fee system under the Climate Change Response Act may increase reduction and management pressure if applied or rates rise.	Negative: May increase carbon fees and costs of energy efficiency, renewables, and carbon management.
	Market	Changing customer needs and preferences	Short-term	Growing demand for low-carbon products may affect sales if compliant products are not launched in time.	Negative: May affect revenue and increase costs of product development, carbon footprint, and verification.
		Rising raw material costs	Short-term	Decarbonization policies and climate events may raise material costs and cause supply delays.	Negative: May increase procurement and logistics costs and compress margins.
		Low-carbon technology transition	Long-term	Meeting customer low-carbon and efficiency requirements requires investment in R&D, materials, and equipment.	Negative: Short- to medium-term rise in R&D and upgrade costs. Positive: Long-term product differentiation and revenue growth from low-carbon solutions.
Physical Risks	Acute	Extreme climate (flooding)	Short-term	Typhoons and heavy rainfall may cause flooding, equipment damage, safety risks, and operational disruption.	Negative: May increase repair, disaster prevention, insurance, and emergency response costs, and delay deliveries.
	Chronic	Energy and resource shortages	Short-term	Extreme heat and drought may increase electricity demand and raise risks of power shortages or outages.	Negative: May increase costs of backup power, energy management, and production adjustments.
		Water resource stress	Medium-term	Droughts may reduce water supply, affecting production stability and increasing supply chain risks.	Negative: May increase costs of water-saving systems and backup sources; severe cases may affect capacity.
Climate Opportunities	Energy Source	Use of low-carbon energy	Short-term	Solar power, green electricity, and renewable certificates increase renewable energy share and reduce Scope 2 emissions.	Positive: Reduces long-term electricity and carbon costs and enhances low-carbon image.
	Resource Efficiency	Use of energy-saving equipment	Short-term	Lighting, HVAC, and equipment upgrades improve energy efficiency and lower consumption.	Positive: Reduces electricity costs, emission intensity, and potential carbon fees.
	Products / Services	Development / expansion of low-carbon products and services	Short-term	Continuous investment in sustainable design improves product energy efficiency and low-carbon features.	Positive: Enhances differentiation, customer cooperation, and green product revenue share.

Arcadyan assesses operational, strategic, climate, and emerging risks based on its business, industry, and sustainability priorities. The Risk Management Promotion and Execution Task Force defines risk categories and works with business units to identify, assess, and develop mitigation measures. Risk management results are reported annually to the Audit Committee and the Board of Directors. For climate-related issues, the Environmental Sustainability Task Force evaluates risks and opportunities by likelihood and severity to prioritize response measures and support strategic planning, resource allocation, and climate resilience.



	No.	Risk Issue	Likelihood	Impact Level
Transition Risk	R1	Government carbon fee on enterprises	3	4
	R2	Net-zero emission trend	3	3
	R3	EU carbon tax on imported goods	4	2
	R4	Changing customer needs and preferences	2	3
	R5	Low-carbon technology transition	3	3.5
	R6	Rising raw material costs	5	3.5
	R7	Extreme climate (flooding)	2	2
Physical Risk	R8	Water resource stress	4	4.5
	R9	Energy and resource shortages	4	4
	R10	Renewable energy regulations	3.5	2

	No.	Opportunity Issue	Likelihood	Impact Level
Climate Opportunity	O1	Use of low-carbon energy	5	2
	O2	Use of energy-saving equipment	5	1.5
	O3	Development / expansion of low-carbon products and services	5	2

4.2.4 Climate Scenario Analysis and Financial Impact

Using climate scenarios from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), Arcadyan evaluates the impacts of different climate and energy transition pathways on its operations and financial performance. In 2025, the company used both high- and low-emissions scenarios to model different climate futures, assessing the potential impacts of carbon pricing, raw material costs, extreme weather, energy supply, and renewable energy adoption on its operations, supply chain, product development, and financial performance. The results support climate adaptation, strategic planning, and resource allocation.

Risk Category	Risk Item	Scenario	Scenario Description	Estimated Potential Financial Impact
Transition Risks	Carbon Fee	RCP 8.5 (High Emissions)	Global carbon reduction efforts remain insufficient; emissions continue to rise and carbon prices stay relatively low (estimated at USD 2.63 per tonne).	Annual operating cost increase < 0.01%.
		RCP 2.6 (Low Emissions)	Countries actively implement carbon control policies and higher carbon prices to meet Paris Agreement goals, creating sustained carbon cost pressure (estimated at USD 268.13 per tonne).	Annual operating cost increase < 0.1%.
	Material Costs	RCP 8.5 (High Emissions)	Low-carbon material markets remain immature with relatively high costs; extraction difficulties may further raise prices and extend lead times.	Total procurement cost increase < 0.01%.
		RCP 2.6 (Low Emissions)	Carbon fees and low-carbon technology transition may raise material prices; increased use of Post-Consumer Recycled (PCR) plastics and metals may also increase procurement costs.	Metal material procurement cost increase ≈ 15%.
Physical Risks	Typhoon / Heavy Rain Operational Disruption	RCP 8.5 (High Emissions)	Higher frequency and severity of wind and rain disasters may cause facility damage, higher repair or insurance costs, and fixed cost losses from production stoppages.	Annual operating cost increase < 0.5%.
		RCP 2.6 (Low Emissions)	Lower frequency and milder impact of wind and rain disasters; regular facility maintenance and disaster prevention management reduce disruption risks.	Annual operating cost increase < 0.001%.
	Power Shortage	RCP 8.5 (High Emissions)	Increased pressure on local power supply may raise electricity prices and backup energy costs. Based on historical trends, electricity costs may rise 25% over five years.	Annual operating cost increase < 1.5%.
		RCP 2.6 (Low Emissions)	Local power supply remains relatively stable; continued purchase of solar certificates and promotion of renewable energy reduce transition risks.	Annual operating cost increase < 0.01%

Note: Financial impacts are estimated using scenario assumptions and historical data. Actual impacts may vary with future regulations, carbon and energy prices, raw material costs, and operational scale.

4.2.5 Physical Risk Adaptation Frameworks

Arcadyan integrates physical climate risks into its business continuity and supply chain management to address the increasing frequency and severity of extreme weather events. The company implements short-, medium-, and long-term adaptation strategies to mitigate flooding, drought, energy supply, and water availability risks. Through risk assessment, emergency response, infrastructure improvements, resource backup, and supply chain monitoring, Arcadyan strengthens operational resilience while minimizing impacts on employee safety, operations, and customer delivery.

Physical climate risks affecting critical suppliers are integrated into Arcadyan's supply chain risk assessments. Through supplier risk evaluations, business continuity management, alternative sourcing, and optimized inventory and logistics planning, supply chain resilience against extreme weather is strengthened. Going forward, climate risk monitoring and business continuity will continue to be enhanced across the value chain.

Timeline	Physical Risk Adaptation Strategies
Short-term (1–3 years)	Building Risk Identification and Emergency Response Capabilities at Own Sites: Arcadyan will prioritize climate physical risk assessments at its operational sites, evaluating potential impacts from extreme rainfall, flooding, drought, unstable energy supply, and water stress. The Company will strengthen emergency response procedures, disaster notification, equipment maintenance, personnel safety management, and drills to reduce the impact of climate events on employee safety, facilities, and operational stability.
Mid-term (3–5 years)	Enhancing Site Resilience and Operational Stability: Arcadyan will review drainage, disaster prevention, backup power, equipment protection, and water resource management based on site-specific risks, and implement facility improvements, energy efficiency enhancements, and backup resource planning as needed. For the supply chain, the Company will communicate climate risk management requirements with suppliers and encourage them to establish disaster response, business continuity, and resource backup mechanisms to improve resilience against climate impacts.
Long-term (5–10 years)	Incorporating Operational Continuity and Supply Chain Layout Planning: For sites exposed to long-term high flooding, drought, unstable energy supply, or other high climate risks, Arcadyan will incorporate risk assessment results into mid- to long-term capital expenditure, facility improvements, capacity planning, and business continuity plans to reduce asset loss and operational disruption. For the supply chain, the Company will continue monitoring high-risk suppliers and evaluate alternative sources, second suppliers, or diversification strategies to mitigate delivery risks from climate events.

4.2.6 Climate Management Indicators

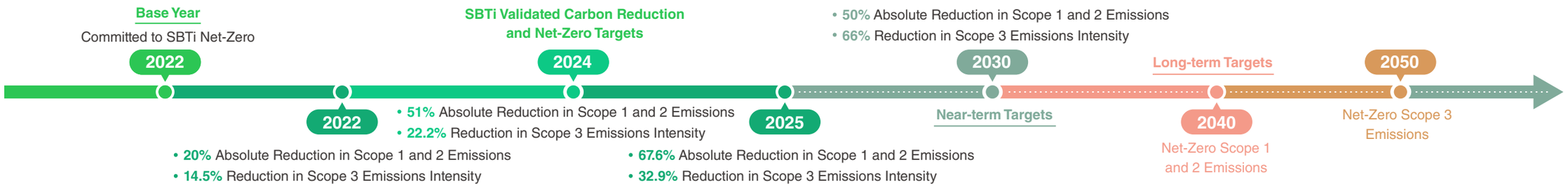
Science Based Targets initiative (SBTi) and Progress

In July 2024, Arcadyan received approval from the Science Based Targets initiative (SBTi). Aligned with the Paris Agreement's 1.5 ° C goal, the Company has set near-term and long-term greenhouse gas reduction targets covering Scope 1, Scope 2, and Scope 3 emissions. Using 2022 as the base year, Arcadyan commits to the following:

- **Scope 1 and Scope 2:** Achieve an absolute reduction of 50% by 2030 and 90% by 2040, reaching net-zero.
- **Scope 3:** Achieve a 66% reduction in carbon emission intensity by 2030 and 98% by 2050, reaching net-zero.

Note: The intensity reduction target is measured as greenhouse gas emissions per million gross profit.

Science-Based Carbon Reduction Pathway and Performance



Year	SBTi Target		Achievement Status	
	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3
2022 (Base Year)	-	-	-	-
2023	Absolute reduction 6.25%	Intensity reduction 10.16%	Absolute reduction20%	Intensity reduction 14.5%
2024	Absolute reduction 12.5%	Intensity reduction 21.51%	Absolute reduction50.95%	Intensity reduction 22.2%
2025	Absolute reduction 18.75%	Intensity reduction 31.54%	Absolute reduction67.64%	Intensity reduction 32.9%

Short-, Medium-, and Long-Term Climate Management Metrics and Action Pathways

Arcadyan formulates structured short-, medium-, and long-term climate metrics and action pathways based on rigorous risk and opportunity assessments, driving a phased acceleration in internal decarbonization, energy transition, low-carbon product engineering, and value chain collaboration to fortify climate resilience and adaptive capacity.

Short-term (1–3 years)	Medium-term (3–5 years)	Long-term (5–10 years)
2025~2027	2028~2030	2031~2035
• Follow the SBTi science-based carbon reduction pathway. • Introduce intelligent monitoring systems to improve energy efficiency. • Install solar power facilities at Arcadyan Headquarters. • Purchase International Renewable Energy Certificates (I-REC). • Implement eco-design and develop low-carbon products. • Work with suppliers to use recycled materials and increase PCR content.	• Continue energy efficiency programs for production equipment at manufacturing sites. • Apply green building concepts (eco-friendly, energy-saving, and sustainable) in new or renovation projects. • Collaborate with customers on high-efficiency and low-carbon products. • Evaluate long-term Power Purchase Agreements (PPA). • Achieve 100% renewable energy for electricity use by 2030.	• Extend low-carbon technologies to value chain partners. • Evaluate investments in low-carbon or negative-carbon technologies.

Carbon Management Tools and Beyond-Value-Chain Mitigation

Arcadyan advances its decarbonization strategy in alignment with the 1.5° C pathway by increasing renewable energy use, improving energy efficiency, developing low-carbon products, and engaging suppliers in carbon reduction. Despite continued business growth and expanded global manufacturing capacity, Arcadyan remains committed to reducing its greenhouse gas (GHG) emissions intensity.

Arcadyan has not yet implemented an internal carbon pricing (ICP) mechanism, but continues to monitor climate regulations, carbon markets, and net-zero trends to evaluate its future adoption. Beyond operational and value chain decarbonization, Arcadyan also supports climate mitigation through sustainable investments. In January 2026, the company invested NT$10 million in the TPEx-accredited Sustainability Bond "Amundi P14-1" (Bond Code: G14008), which finances offshore wind, solar power, and other renewable energy projects in Taiwan. Arcadyan will continue evaluating external mitigation initiatives, including forest carbon sinks, renewable energy projects, and high-quality carbon credits, to address residual emissions and support the global net-zero transition.

4.3 Energy and Greenhouse Gas Management

Arcadyan actively addresses climate change by aligning its operations with the Kyoto Protocol, the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement, and regional product energy efficiency regulations, while strengthening its energy and greenhouse gas (GHG) management. Since 2009, Arcadyan has participated annually in the Carbon Disclosure Project (CDP), publicly disclosing its GHG emissions, energy management, and climate actions to support its low-carbon transition and business strategy.

Greenhouse gas (GHG) emissions are managed under the Science Based Targets initiative (SBTi) framework, using Scope 1, Scope 2, and Scope 3 emissions data to guide carbon reduction strategies and track performance. GHG inventories and verification were previously conducted in accordance with ISO 14064, and the Greenhouse Gas Protocol (GHG Protocol) was officially adopted in 2025 as the standard for emissions accounting and third-party verification, strengthening data consistency and governance across all emission scopes.

In 2025, Arcadyan's GHG inventory covered key operational sites in Taiwan, China, and Vietnam, representing 98.98% of its global workforce. The company will continue expanding its carbon management boundary while advancing energy efficiency, renewable energy adoption, and value chain decarbonization.

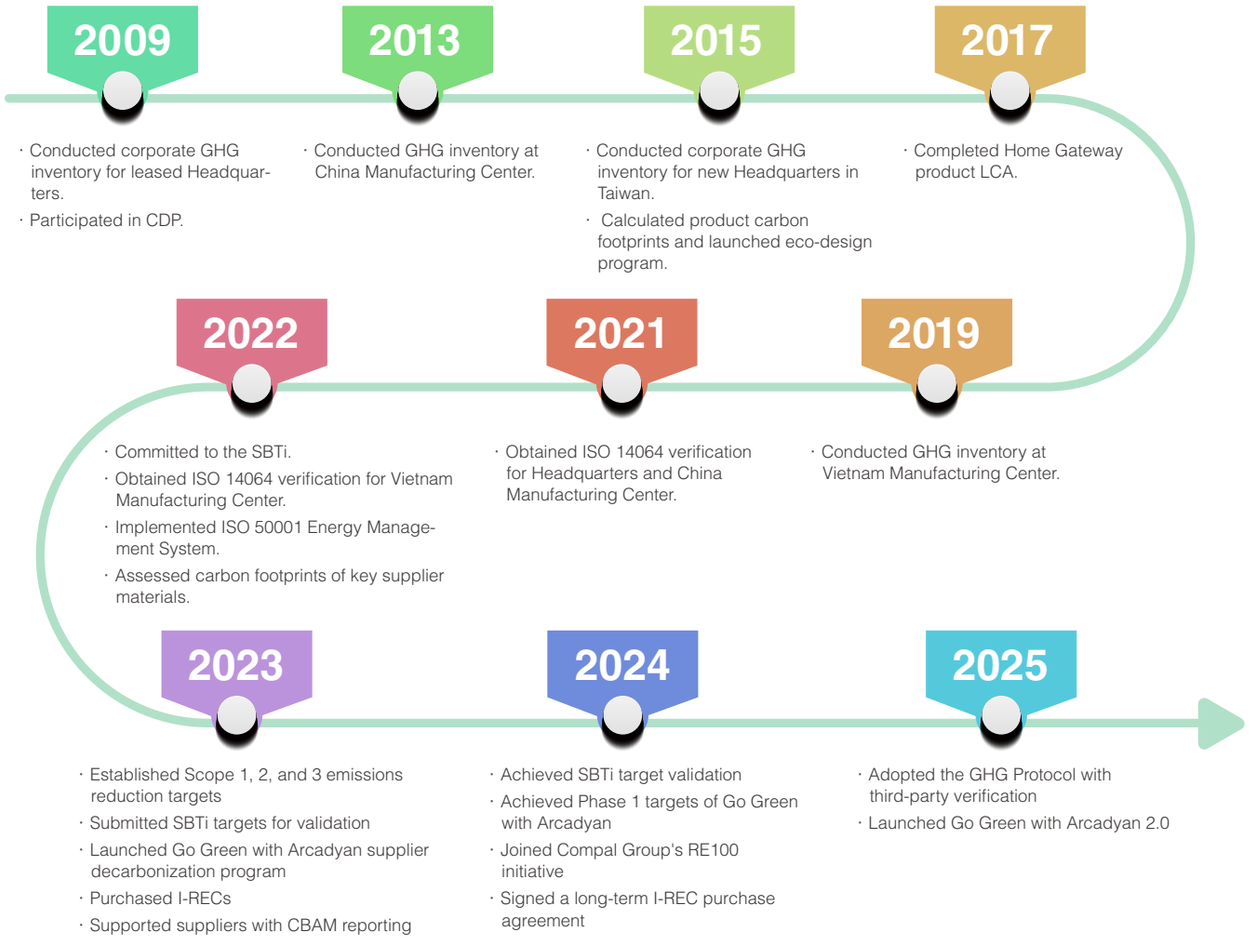
4.3.1 GHG Management Evolution and Inventory Boundaries

Arcadyan began conducting organizational greenhouse gas (GHG) inventories in 2009 and has since expanded its accounting boundary to manufacturing sites in China and Vietnam. The company has integrated product carbon footprints, life cycle assessments (LCAs), ISO 50001 energy management, renewable energy, and supply chain decarbonization into its carbon management framework, providing a solid foundation for its Science Based Targets initiative (SBTi) commitment and long-term net-zero transition.

Arcadyan conducted its 2025 greenhouse gas (GHG) inventory in accordance with the Greenhouse Gas Protocol (GHG Protocol), incorporating organizational boundary and data quality requirements from ISO 14064-1:2018. Using the operational control approach, the inventory covered all key operating sites under the company's management.

Arcadyan quantifies greenhouse gas (GHG) emissions using the emission factor method: GHG Emissions = Activity Data × Emission Factor × Global Warming Potential (GWP). Activity data are verified against internal records, including utility bills, fuel consumption, refrigerant records, ERP procurement data, and shipping documents. Grid electricity emission factors are based on those published by each operating jurisdiction, while stationary and mobile combustion factors are primarily sourced from the Ministry of Environment, Executive Yuan, Taiwan. Global Warming Potential (GWP) values are based on the IPCC Sixth Assessment Report (AR6).

For Scope 3, Arcadyan conducted a materiality assessment based on GHG Protocol categories, considering stakeholder concerns, environmental impacts, data availability, and regulatory and customer requirements. In 2025, the inventory covered Category 1 (Purchased Goods and Services), Category 3 (Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2), and Category 11 (Use of Sold Products). Emissions were quantified using validated emission factors and data from national energy agencies, the IEA 2023 electricity upstream emission datasets, and the Ecoinvent database.



4.3.2 Greenhouse Gas Emissions Performance

Arcadyan conducts Scope 1 and Scope 2 greenhouse gas (GHG) inventories across its major operating sites and engages an independent third party for verification. The disclosures are verified at the reasonable assurance level to ensure data accuracy and credibility. Verified emissions data are publicly disclosed on the Arcadyan Sustainability Website and through the company's annual Carbon Disclosure Project (CDP) climate change questionnaire.

2025 Scope 1 and 2 Greenhouse Gas Emissions

Item	Arcadyan Headquarters	Vietnam Manufacturing Center	Other Operational Sites	Total Emissions
Direct GHG Emissions (Scope 1) (tCO_2e)	82.92	243.71	10.00	336.64
Indirect GHG Emissions (Scope 2) – Location-based (tCO_2e)	1,611.25	22,169.65	419.72	24,200.63
Indirect GHG Emissions (Scope 2) – Market-based (tCO_2e)	1,611.25	7,771.52	419.72	9,802.50
Total Scope 1 and 2 GHG Emissions – Location-based (tCO_2e)	1,694.17	22,413.36	429.73	24,537.26
Indirect GHG Emissions (Scope 2) – Market-based (tCO_2e)	1,694.17	8,015.24	429.73	10,139.13

Note 1: Other operating sites include Tatung Technology Inc., Compal Networking (KunShan) Co., Ltd., and Arcadyan Technology Corporation (Shanghai).

Note 2: Electricity emission factors for Scope 2 by operational site: Taiwan 0.466 $kgCO_2e/kWh$, Shanghai (China) 0.5849 $kgCO_2e/kWh$, Kunshan (China) 0.5978 $kgCO_2e/kWh$, Guangzhou (China) 0.4403 $kgCO_2e/kWh$, Vietnam 0.6592 $kgCO_2e/kWh$.

Arcadyan's global Scope 1 and market-based Scope 2 greenhouse gas (GHG) emissions totaled 10,139.13 metric tons of CO_2e in 2025, a 67.64% reduction from the 2022 baseline, significantly exceeding its 2025 SBTi target of an 18.75% absolute reduction. Emissions intensity also decreased to 0.191 metric tons of CO_2e per million in revenue, down 39% from 2024. Arcadyan will continue advancing operational decarbonization through energy management, efficiency improvements, and renewable energy adoption.

Historical Scope 1 and 2 Greenhouse Gas Emissions

Category (tCO_2e)		2022	2023	2024	2025
Scope 1	Stationary Combustion	15.88	33.02	42.21	32.68
	Mobile Combustion	38.61	35.38	11.01	15.57
	Process Emissions	0.00	0.00	0.00	0.00
	Fugitive Emissions	945.08	670.20	263.05	288.39
Scope 2	Location-based	30,332.53	27,359.59	23,262.72	24,200.63
	Market-based	30,332.53	24,297.19	15,052.45	9,802.50
Total Scope 1 and 2	Location-based	31,332.11	28,098.19	23,578.98	24,537.26
	Market-based	31,332.11	25,035.79	15,368.72	10,139.13
Emission Intensity (tCO_2e / NT$ million revenue)	Market-based	0.640	0.490	0.314	0.191

Historical Scope 1 and 2 (Market-based) Greenhouse Gas Emissions by Type (tCO_2e)

Type	2022	2023	2024	2025
CO_2	30,414.07	27,427.30	23,315.98	24,248.57
CH_4	882.87	670.38	262.22	280.02
N_2O	0.27	0.50	0.39	0.29
HFCs	34.73	0	0.39	8.39
PFCs	0.00	0.00	0.00	0.00
SF_6	0.00	0.00	0.00	0.00
NF_3	0.00	0.00	0.00	0.00
Total	31,332.11	28,098.19	23,578.95	24,537.26

4.3.3 Scope 3 Greenhouse Gas Emissions

Arcadyan inventories Scope 3 emissions in accordance with the Greenhouse Gas Protocol Scope 3 Standard. Among the 15 Scope 3 categories, Category 1 (Purchased Goods and Services), Category 3 (Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2), and Category 11 (Use of Sold Products) were identified as the primary emission sources, accounting for more than 95% of the company's total carbon footprint. These three categories are independently verified by a third party and used for target setting, while the remaining Scope 3 categories are managed internally without external verification due to their limited materiality.

In 2025, Arcadyan's Scope 3 emissions totaled 2,855,924.54 metric tons of CO_2e, a 17.6% reduction from the 2022 baseline. Scope 3 emissions intensity decreased to 353.17 metric tons of CO_2e per million in gross profit, down 32.9% from the 2022 baseline of 526.5 metric tons of CO_2e, exceeding the SBTi target of a 31.54% intensity reduction. The reduction was primarily driven by Category 1 (Purchased Goods and Services) through product miniaturization and lightweight eco-design, which reduced raw material use and upstream manufacturing emissions. Arcadyan will continue strengthening Scope 3 management through product optimization and supply chain decarbonization.

（tCO_2e）

No.	Category Name	Inventory Scope Description	2022	2023	2024	2025
01	Purchased Goods and Services	Carbon emissions from raw materials purchased by Arcadyan Group	362,668.90	346,600.1	203,994.00	113,447.11
02	Capital Goods	Computers and production/testing equipment purchased by Arcadyan	480.90	429.8	483.53	428.90
03	Fuel- and Energy-Related Activities (not included in Scope 1 or 2)	Upstream emissions from purchased electricity and fuels at major operational sites	12,782.98	4,238.1	3,072.12	3,601.22
04	Upstream Transportation and Distribution	Carbon emissions from upstream distribution and transportation mileage at major operational sites	13,389.91	6,755.8	2,065.57	6,531.00
05	Waste Generated in Operations	Carbon emissions from waste treatment generated during operations at major operational sites	65.53	0.1	0.14	1.42
06	Business Travel	Carbon emissions from annual employee air travel mileage at major operational sites	196.88	171.3	209.12	142.53
07	Employee Commuting	Carbon emissions from annual employee commuting mileage at major operational sites	1,790.59	500.4	341.38	412.16
08	Upstream Leased Assets	Emissions from fuel use of leased vehicles	22.44	7.3	6.92	8.04
09	Downstream Transportation and Distribution	Carbon emissions from outbound distribution and transportation mileage at major operational sites	0.00	8,821.5	5,259.50	565.10
10	Processing of Sold Products	Not applicable to Arcadyan's business model	-	-	-	-
11	Use of Sold Products	Carbon emissions generated during the use phase of products sold globally	3,070,755.23	2,953,795.5	2,817,018.67	2,728,624.07（Note）
12	End-of-Life Treatment of Sold Products	Carbon emissions from end-of-life treatment of products sold globally	5,235.31	3,819.8	3,866.67	2,162.60
13	Downstream Leased Assets	Arcadyan has no downstream leased assets	-	-	-	-
14	Franchises	Not applicable to Arcadyan's business model	-	-	-	-
15	Investments	Carbon emissions from subsidiaries outside Arcadyan's operational control	138.96	95.2	0.44	0.39
Total			3,467,527.64	3,325,234.8	3,036,318.05	2,855,924.54

Note: Arcadyan's external energy consumption refers to energy used during the use phase of sold products. The usage period is set at 1 to 5 years based on product characteristics, with a total energy consumption of 278.2 gigajoules (GJ).

4.3.4 Energy Consumption and Efficiency Performance

Arcadyan primarily relies on grid electricity and continues to increase renewable energy use through on-site solar generation and Renewable Energy Certificates (RECs). In 2025, total energy consumption was 43,406,542.95 kWh. The company procured 16,349,000 kWh of RECs, increasing the renewable energy share to 50.3%, up from 40.0% in 2024.

Arcadyan uses energy intensity to monitor energy efficiency. In 2025, energy intensity decreased to 715.7 kWh per million in revenue, down 3.7% from 743.5 kWh in 2024, exceeding the annual 1% reduction target. The company will continue improving energy efficiency through real-time energy monitoring, efficiency enhancements, and renewable energy adoption.

Historical Electricity Consumption by Site

Type	Site	Unit	Energy Consumption			
			2022	2023	2024	2025
Purchased Electricity	Arcadyan Headquarters	kWh	3,557,028	3,617,920	3,765,667	3,457,615
		GJ	12,805.30	13,024.51	13,556.40	12 447.41
	Vietnam Manufacturing Center	kWh	15,994,692	21,914,180	32,219,870	33,631,146
		GJ	57,580.89	78,891.05	115,991.53	121,072.13
	Other Operational Sites	kWh	24,141,314	19,298,134	422,355	824,963
		GJ	86,908.73	69,473.28	1,520.48	2,969.87
Solar Power	Vietnam Manufacturing Center	kWh	1,546,044	2,527,210	3,843,516	5,492,819
		GJ	5,565.76	9,097.96	13,836.66	19,774.15
Total Energy Consumption		kWh	45,239,078	47,357,444	40,251,408	43,406,543
		GJ	162,860.68	170,486.80	144,905.07	156,263.55
Purchased Renewable Energy Certificates		kWh	0	5,500,000	12,239,000	16,349,000
		GJ	0	19,800	44,060	58,856
Renewable Energy Ratio		%	3.4%	17.0%	40.0%	50.3%
Energy Intensity (Purchased Electricity / NT$ million revenue)		kWh/NTD	926.3	876.3	743.5	715.7

Note: Other operating sites include Tatung Technology Inc., Compal Networking (KunShan) Co., Ltd., and Arcadyan Technology Corporation (Shanghai).

4.3.5 Decarbonization Progress and Internal Communication

Arcadyan incorporates carbon reduction updates into its annual employee awareness training to strengthen understanding of climate action and sustainability goals. In 2025, the program covered low-carbon sustainability, carbon risk management, climate action, the company's net-zero roadmap, Science Based Targets initiative (SBTi) commitments, and the latest greenhouse gas inventory results and progress toward carbon reduction targets.

Arcadyan delivers climate and carbon reduction training through multiple communication channels. In 2025, 3,921 employees completed the training, representing a 95% participation rate. The company will continue strengthening employee awareness of climate change, energy efficiency, and greenhouse gas reduction.

4.4 Decarbonization Initiatives and Performance

To strengthen energy governance, Arcadyan has established Energy Management Teams at each operating site, led by facility management and relevant functional units, to oversee energy monitoring and energy efficiency projects. Progress is reviewed regularly, with cross-site experience sharing and quarterly reporting to the Sustainability Task Force on carbon reduction performance to ensure effective implementation.

Arcadyan also promotes energy conservation through internal awareness programs and implements measures such as high-efficiency equipment, smart energy monitoring, renewable energy, waste heat recovery, low-carbon commuting, and green procurement to improve energy efficiency, reduce emissions, and support low-carbon operations and sustainability goals.

4.4.1 Renewable Energy and Energy Transition

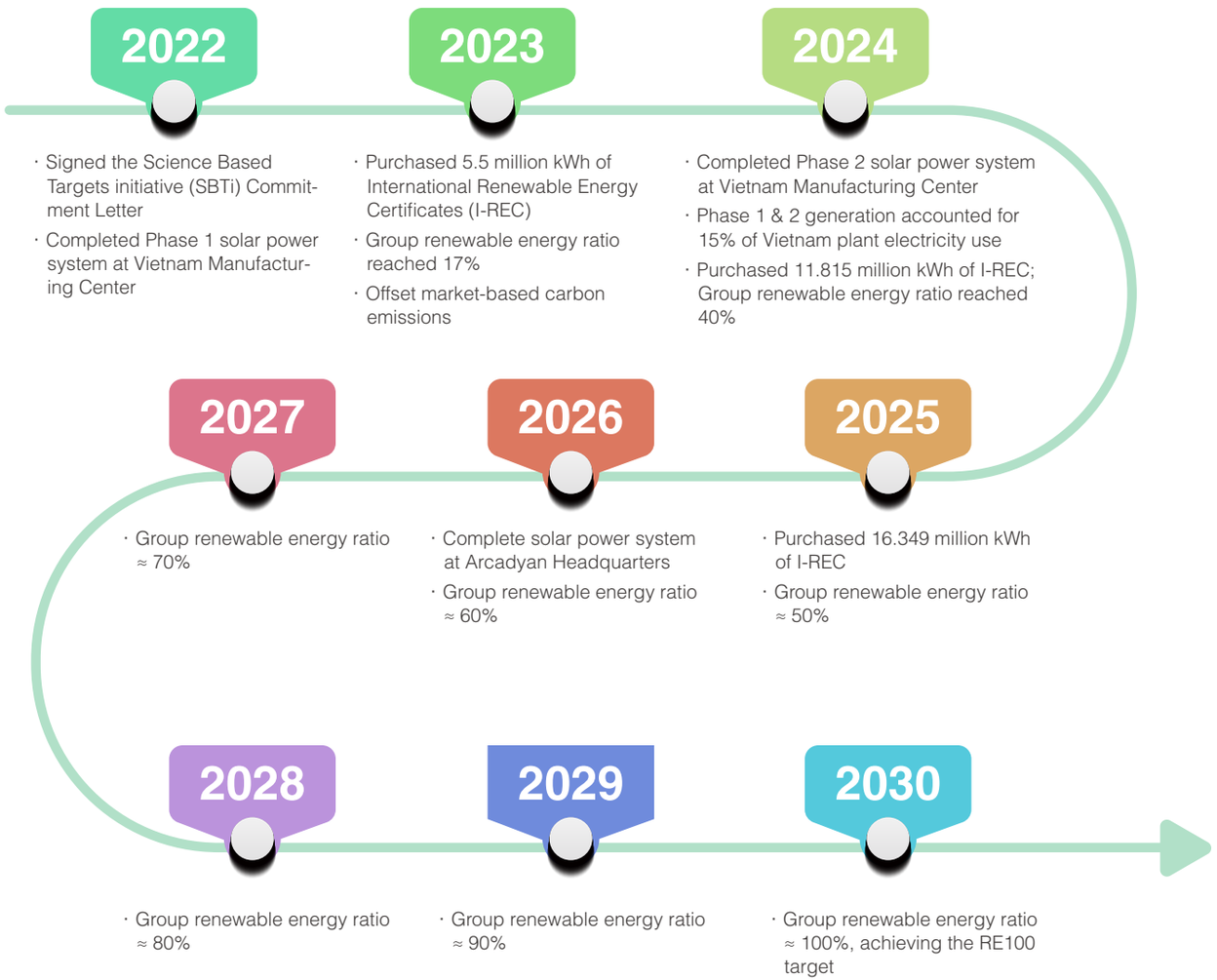
Driven by the global net-zero transition and the rise of green supply chains, energy transition has become a key sustainability strategy. Companies are accelerating renewable energy adoption and joining initiatives such as Renewable Energy 100% (RE100) to reduce environmental impacts.

In 2024, the Compal Group announced a commitment for all affiliated companies to achieve 100% renewable electricity. In support of this commitment, Arcadyan established its energy transition roadmap, targeting a 10% annual increase in renewable energy use starting in 2024 and 100% renewable electricity across all operating sites by 2030. To achieve these targets, Arcadyan has adopted a diversified renewable energy strategy that includes:

- Installing on-site solar photovoltaic (PV) systems to increase energy self-generation.
- Expanding the procurement of International Renewable Energy Certificates (I-REC).
- Evaluating Power Purchase Agreements (PPAs) to secure stable and cost-effective long-term renewable electricity supplies.

In 2025, solar power at Arcadyan's Vietnam Manufacturing Center accounted for 14% of site electricity use. The company also procured 16.349 million kWh of I-RECs, raising the Group's renewable electricity share to 50.3%. Arcadyan continues to track energy intensity to manage energy use and carbon emissions while advancing electricity decarbonization.

Renewable Energy Transition Roadmap



4.4.2 Energy Management and Green Production

In response to global trends in climate change and sustainable operations, Arcadyan has implemented the ISO 50001 Energy Management System at its Taiwan Headquarters and Vietnam Manufacturing Center. We conduct annual energy reviews and assessments of major energy-consuming equipment, establish energy performance indicators and baseline monitoring, collect energy data, and develop supervision and measurement plans. Through systematic energy management and energy-saving projects, we continuously optimize process electricity efficiency and production energy performance.

At our operational sites, the Hsinchu Headquarters conducted an inventory of high-energy-consuming equipment such as chillers and cooling towers, and introduced automated energy monitoring systems, variable frequency control devices, and temperature monitoring interfaces. This enables the system to dynamically adjust equipment operation based on real-time temperature feedback, stabilizing air conditioning temperatures, enhancing equipment efficiency, extending asset lifespan, and reducing energy waste and maintenance costs.

The Vietnam Manufacturing Center has established a 24-hour central energy monitoring system with real-time energy consumption analysis, anomaly detection and alerts, energy diagnostics, and energy-saving strategy feedback. This system enables immediate visibility into power usage and optimized energy dispatch. Moving forward, Arcadyan will continue optimizing hardware and software configurations across its facilities to enhance resource efficiency at the source and build a smart, energy-saving green production model.

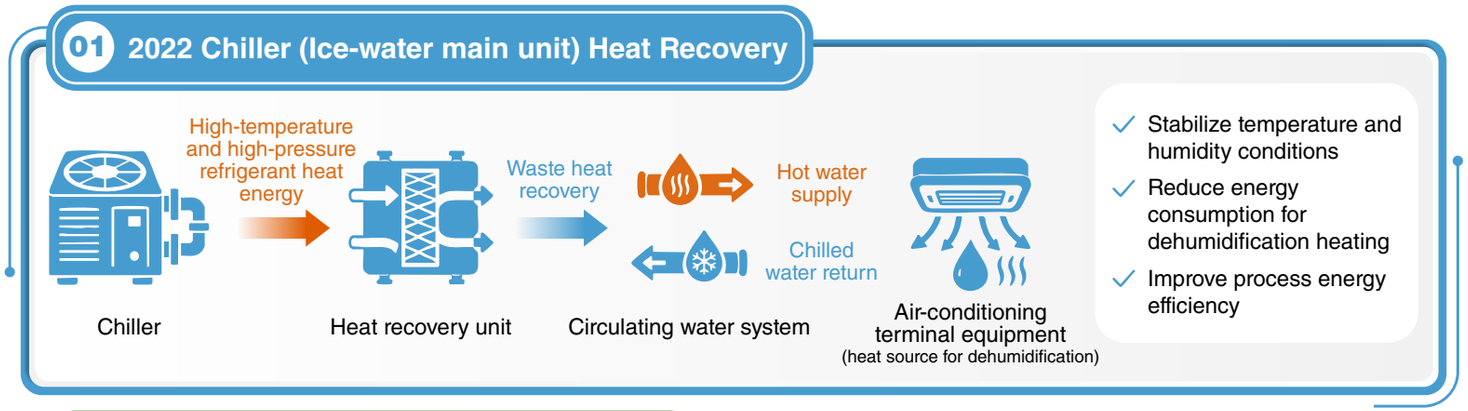
ISO 50001 Energy Management System – Energy-Saving Project Performance

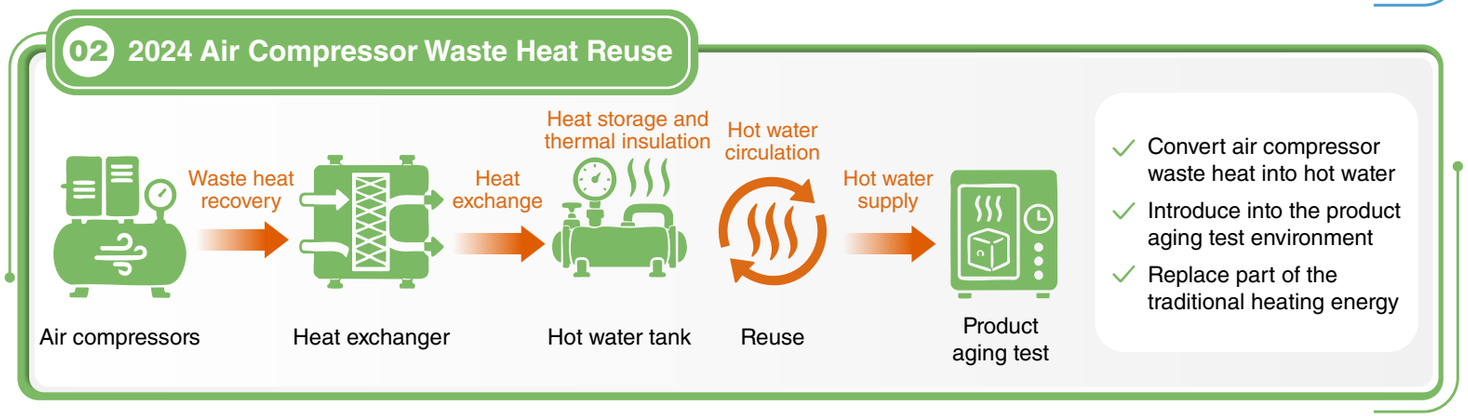
Category	Key Implementation Projects	Annual Energy Savings (MWh)	Annual Emission Reduction (tCO_2e)
Lighting	Use of emergency lighting energy-saving fixtures.	70	33.2
	Factory lighting adopts LED energy-saving lamps and local automatic induction control systems.	364	234.0
	Solar street lights.	36	23.7
Air conditioning	Air-conditioning circulating water pumps adopt variable-frequency automatic control.	318	209.6
	Air-conditioning main units adopt variable-frequency control and are equipped with heat recovery units.	1,713	1,129.2
Equipment	Air compressors adopt heat recovery utilization systems.	789	520.1
	Installation of variable-frequency exhaust systems for waste gas treatment.	266	175.3
Others	Establishment of real-time energy monitoring systems.	360	237.3
Total		3,916	2,568.5

4.4.3 Waste Heat Recovery and Process Energy Saving

To improve energy efficiency, Arcadyan has operated a waste heat recovery system at its Vietnam Manufacturing Center since 2022. The system recovers waste heat from chillers to provide hot water for air dehumidification, improving production environment control while reducing energy consumption. Waste heat generated by air compressors is also recovered and reused as a heat source for product aging tests, replacing part of the heating demand and further improving energy efficiency.

The system effectively saves approximately 2,500 MWh of energy and significantly reduces carbon emissions by nearly 1,650 tCO_2e annually, while consistently maintaining a stable and reliable product testing environment.





4.4.4 Efficient Low-Carbon IT Digital Operations

Arcadyan improves energy efficiency in its digital operations through server virtualization and a cold and hot aisle separation design that optimizes airflow circulation and heat exhaust direction at its headquarters data center. The deployment of 16 high-efficiency physical servers supporting approximately 128 virtual machines optimizes computing and cooling efficiency, saving approximately 1,570 MWh of electricity and reducing carbon emissions by 744 tCO_2e annually.

IT Energy-efficient Host Configuration	2022	2023	2024	2025
Number of Physical Hosts Installed (units)	10	13	12	16
Number of Virtual Hosts Deployed (units)	100	105	118	128

IT Equipment Refurbishment: Extending Asset Life Through Circular Resource Management

To reduce electronic waste and extend equipment life, Arcadyan implements an IT equipment refurbishment program. In 2025, the MIS Department collected 255 retired computers and refurbished 15 units through component recovery, reassembly, testing, and system cleaning for continued use. Based on an average laptop service life of four years, the program is estimated to reduce carbon emissions by approximately 2.6 tCO_2e while lowering demand for new equipment and supporting the circular use of IT resources.

4.4.5 Low-Carbon Commuting and Transportation

In response to global transportation decarbonization trends and net-zero commitments, Arcadyan is advancing low-carbon initiatives in both employee commuting and logistics transportation. We introduce environmentally friendly low-carbon technologies and solutions to reduce climate impacts and improve the environmental performance of our value chain.

Decarbonizing Employee Commuting

Arcadyan promotes low-carbon commuting by installing 4 dedicated EV charging stations at its headquarters to encourage employees to adopt low-carbon transportation and reduce commuting-related GHG emissions. The company plans to add more charging stations during the 2026 headquarters expansion to strengthen charging infrastructure. Moving forward, Arcadyan will evaluate based on charging station utilization rates and employee needs to progressively expand support measures and advance electrification and decarbonization of employee commuting.

Decarbonizing Logistics and Transportation

Arcadyan advances supply chain decarbonization by adopting biofuel for transportation to replace conventional fossil fuels. Biofuel can reduce carbon emissions by up to 80% compared with traditional fuels while lowering air pollutant emissions.

Through the adoption of biofuel, Arcadyan improves transportation carbon efficiency and supports resource circularity across its logistics network. The company will continue evaluating low-carbon transportation technologies to further accelerate supply chain decarbonization.

4.4.6 Green Procurement and Supply Chain Decarbonization

Arcadyan integrates green procurement principles into its purchasing standards by prioritizing green-certified and energy-efficient products and promoting sustainable consumption through employee awareness programs. In 2025, green procurement expenditure reached NT$25,514,532, representing 75% of total operational supply spending. Through the Go Green with Arcadyan supplier engagement program, the company also supports key suppliers in improving energy efficiency, process optimization, and carbon management to reduce Scope 3 emissions.

Arcadyan introduced "Electronic Instant Vouchers" to replace paper gift certificates for employee benefits. In 2025, approximately 2,768 paper vouchers were eliminated, reducing carbon emissions by 305 kgCO_2e and minimizing resource use and packaging waste.

Product Type [Note]	Quantity	Amount (NTD)
Energy Label Notebook Computers	275	$8,688,160
Personal Desktop PCs	127	$11,655,720
Energy Label Computer Monitors	204	$1,788,250
Energy-efficient Servers	11	$2,117,000
LED Energy-saving Lighting	30	$85,600
Gold-level Water-saving Certified Toilets	21	$179,802
Total		$25,514,532

Note：Green procurement refers to the "Scope of Recognition for Green Products Declared by Private Enterprises and Organizations" issued by the Environmental Protection Administration, including Category I Eco-labels, Category II Eco-labels, Energy Labels, Water-saving Labels, Green Building Material Labels, Carbon Footprint Reduction Labels, resource-recycled green products certified by the Industrial Development Bureau of the Ministry of Economic Affairs, and related international green labels.

4.4.7 Environmental Sustainability Training

Arcadyan systematically embeds environmental awareness across its global workforce through annual training programs covering energy and greenhouse gas management, net-zero transition, corporate decarbonization, product carbon footprints, eco-design, and circular economy principles. In 2025, 100% of new employees completed environmental sustainability onboarding training, while 3,534 existing employees completed refresher courses, achieving a 95.5% completion rate. These initiatives strengthen employees' environmental knowledge and practical capabilities while fostering consistent green practices across the organization to support Arcadyan's sustainability goals.

2025 Environmental Sustainability Training Statistics

Environmental Sustainability Course Name	Hours	Number of Participants
[Arcadyan Group Company-wide Awareness Training Series] Arcadyan Climate Action Guide & Low-Carbon Sustainable Carbon Management	1.5	3,921
From Climate Action to Resource Circulation: Corporate Environmental Responsibility and Value Chain Management	9	7
Product Carbon Footprint Lead Verifier Course	16	3

4.5 Water Resource Management

Water is a vital resource for both Arcadyan's operations and its employees' daily needs. Although our headquarters and manufacturing facilities do not involve water-intensive production, we are committed to responsible water stewardship to reduce local water stress and strengthen operational resilience. All water is sourced from municipal supplies and supplemented by rainwater harvesting and reclaimed domestic wastewater. Arcadyan does not directly withdraw surface water or groundwater.

Arcadyan enhances water management transparency through annual participation in the Carbon Disclosure Project (CDP), benchmarking its water management, risk identification, and governance practices. In 2025, Arcadyan earned a B rating in the CDP Water Security assessment, recognizing its effective water management framework and ongoing efforts in water monitoring, rainwater harvesting, and reclaimed domestic wastewater use to improve water efficiency.

4.5.1 Water Management and Discharge Risk Control

Arcadyan operates site-specific water treatment systems tailored to each facility to ensure wastewater discharge complies with regulatory requirements and minimizes environmental impacts. At its headquarters, water is used primarily for domestic purposes, with grease traps installed in dining and kitchen areas to prevent oil and grease from entering the municipal drainage system. At the Vietnam Manufacturing Center, an electronics assembly facility without water-intensive production, water is used for domestic purposes, HVAC cooling towers, closed-loop cooling systems, and landscape irrigation.

Arcadyan discharges domestic wastewater through municipal sewer systems or industrial zone treatment facilities in compliance with environmental regulations. Annual third-party testing monitors key water quality parameters, including pH, suspended solids (SS), chemical oxygen demand (COD), ammonia nitrogen, total phosphorus, and total nitrogen, ensuring compliance with local discharge standards. In 2025, Arcadyan recorded zero environmental non-compliance incidents, zero material spills, and zero water-related lawsuits exceeding NT$2 million across all operations.

Operating Site	Water Withdrawal (tonnes)			Water Discharge (tonnes)	Net Water Consumption (tonnes)
	Municipal Water	Surface Water	Groundwater	Water discharge excludes seawater. Discharge pathways include municipal sewage systems, self-built treatment plants, and third-party treatment providers.	Net water consumption measures the volume of water that is actually consumed and does not return to the water body.
Arcadyan Headquarters	24,944	0	0	23,166	1,778
Vietnam Manufacturing Center	130,256	0	0	61,444	68,812
Total	155,200	0	0	84,610	70,590

Note: The China Operation Office (formerly Arcadyan China Manufacturing Center) currently serves only administrative functions with no manufacturing activities; therefore, water discharge is not separately monitored.

Operating Site	Water Source	Receiving Water Body	Wastewater Treatment Unit	Effluent Quality			
				PH	Suspended Solids SS (mg/L)	Chemical Oxygen Demand COD (mg/L)	Testing Date
Arcadyan Headquarters	Baoshan Reservoir	Keya Creek	Internal wastewater treatment facilities	7.5	15.6	26.7	2025.11.27
Vietnam Manufacturing Center	Da River（Sông Dà）	May River（Sông Mây）	Vinh Phuc Province Water Supply and Drainage Company	6.4	34	38	2025.12.25

4.5.2 Water Conservation and Intensity Performance

Arcadyan promotes water conservation and water-use efficiency through annual employee training as part of its water management program. The training covers climate change and water scarcity risks, water conservation practices, efficient water use, water recycling and reuse, and the Company's internal water management measures. Employees are encouraged to identify opportunities to reduce unnecessary water consumption and incorporate water-saving practices into daily operations and workplace behaviors. In 2025, 3,921 employees completed the training, strengthening organization-wide awareness of water efficiency and supporting the Company's continuous improvement in water conservation and responsible water use.

In 2025, Arcadyan recorded an average monthly water intensity of 2.3 metric tons per employee, a 7.5% increase from 2024, falling short of its 1% annual water reduction target. The increase resulted from a membrane bioreactor (MBR) malfunction at the Vietnam Manufacturing Center in June 2025, which reduced reclaimed water production and increased municipal water withdrawal. System restoration is scheduled for completion in April 2026, followed by continued monitoring and increased recycled water use to improve operational efficiency and reduce water intensity.

Historical Water Use Performance Indicators

Operating Site	Total Water Withdrawal (tonnes)				Water Withdrawal per Capita (tonnes/person)			
	2022	2023	2024	2025	2022	2023	2024	2025
Arcadyan Headquarters	23,157	23,126	24,710	24,944	2.17	2.08	2.18	2.04
Vietnam Manufacturing Center	71,022	106,499	86,808	130,256	2.11	2.48	2.13	2.36
Total	94,179	129,625	111,518	155,200	2.12	2.39	2.14	2.30

Going forward, Arcadyan will continue optimizing water management across its operations through water-saving equipment, rainwater harvesting, and domestic wastewater reuse to improve water use efficiency.

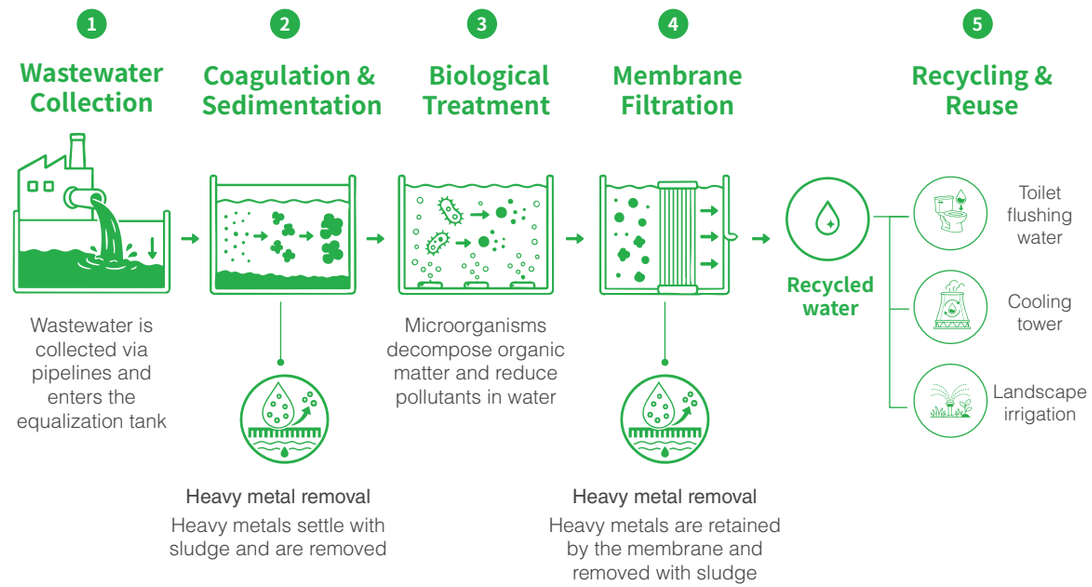
4.5.3 Rainwater Harvesting System

Arcadyan improves water-use efficiency through rainwater harvesting, reclaimed water utilization, and water-saving systems tailored to each facility. At its headquarters, harvested rainwater is used for non-potable purposes, including landscape irrigation, reducing reliance on municipal water supplies.

The Vietnam Manufacturing Center operates a rainwater harvesting system that collects and filters rainwater for toilet flushing and landscape irrigation, reducing municipal water consumption. Arcadyan will continue optimizing rainwater harvesting and reclaimed water use to improve water resource efficiency across its operations.

4.5.4 Domestic Wastewater Recycling and Filtration Systems

Arcadyan's Vietnam Manufacturing Center generates no industrial wastewater, with water used only for domestic purposes, HVAC cooling, and landscape irrigation. Domestic wastewater is treated through a centralized recycling system incorporating coagulation, sedimentation, biological treatment, membrane bioreactor (MBR), and ultrafiltration (UF), then reused for toilet flushing, cooling towers, and landscape irrigation. Automated cleaning and preventive maintenance ensure stable system performance, while excess treated effluent is discharged to the industrial park's centralized treatment network under continuous monitoring of pH, temperature, Chemical Oxygen Demand (COD), Total Suspended Solids (TSS), and ammonia nitrogen to ensure compliance with local standards. In 2025, Arcadyan recovered 61,444 metric tons of water, accounting for 47.2% of total water consumption.



4.6 Waste and Resource Circularity

Arcadyan implements waste management based on the principles of source reduction, proper classification, and compliant disposal to minimize environmental impacts and improve resource efficiency. Through waste segregation, recycling, reduction, and certified treatment, Arcadyan advances resource circularity and sustainable operations.

Arcadyan enhances the reliability of its environmental disclosures through independent third-party assurance by TÜV for its headquarters waste data. In 2025, waste intensity reached 0.051 metric tons per million in revenue, a 41.7% increase from 2024, falling short of the 1% annual reduction target. The increase was mainly attributable to capacity expansion at the Vietnam Manufacturing Center, which generated more packaging and recyclable waste. Going forward, Arcadyan will strengthen source reduction, waste segregation, and recycling initiatives to improve waste management performance.

Historical Waste Intensity

Year	2022	2023	2024	2025
Waste Intensity (tonnes / NT$ million revenue)	0.024	0.026	0.036	0.051

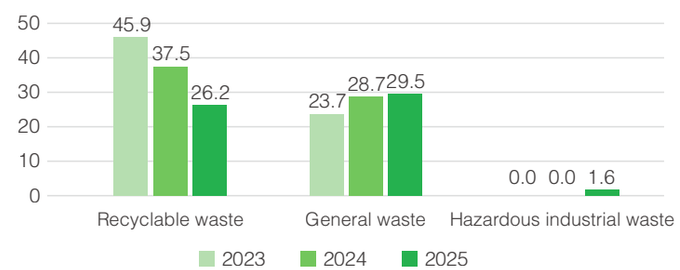
4.6.1 Waste Compliance and Regulatory Assurance

Arcadyan manages waste through standardized sorting, storage, transfer, and disposal procedures, with all waste handled by licensed contractors in compliance with regulatory requirements. At its headquarters, waste is classified into municipal solid waste, recyclable materials, and hazardous industrial waste, with dedicated storage areas and routine inspections to ensure proper management.

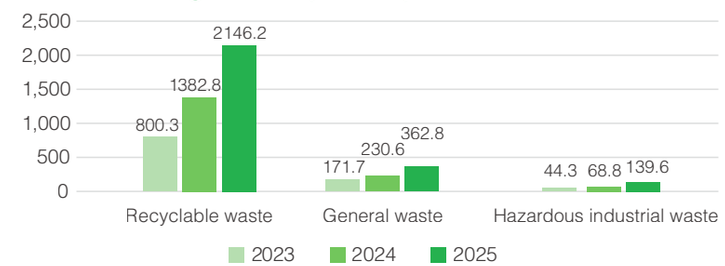
At the Vietnam Manufacturing Center, Arcadyan uses a centralized waste management system, where all waste is handled by certified local contractors for recycling, burning, or proper disposal. Hazardous waste—including used cleaning chemicals, solvent-soaked wipes, cleaning wastewater, used fluorescent tubes, and PCB scraps—is fully sent to licensed contractors for treatment. In 2025, Arcadyan reported zero cross-border transfers of hazardous waste, zero environmental violations, and zero related fines across all operations.

- General waste: Combustible waste generated from daily activities.
- Recyclable waste: Paper, plastics, mechanical plastic housings, metals, glass, etc.
- Hazardous industrial waste: Discarded electronic materials, waste liquids, waste lamps, and other non-recyclable special items.

Historical Waste Recycling Rate



Historical Waste Weight of Arcadyan Vietnam Manufacturing Center (tonnes)



Waste Generation by Category and Treatment Method (tonnes)

Category	Treatment Method	2022	2023	2024	2025
Non-hazardous	Recycling (a)	814.1	1,006.4	1,420.3	2172.4
	Landfill (b)	0	0	0	0.0
	Incineration with energy recovery (c)	0	0	0	0.0
	Incineration without energy recovery (d)	182.4	208.3	259.4	392.2
Subtotal – Non-hazardous		996.5	1,214.7	1,679.6	2564.7
Hazardous	Transferred to off-site disposal facility – Recycling (e)	41.0	49.6	27.6	77.6
	Transferred to off-site disposal facility (f)	80.5	70.8	41.2	63.5
Subtotal – Hazardous		121.5	120.3	68.8	141.2
Total Waste Weight (a+b+c+d+e+f)		1,118.0	1,335.1	1,748.4	2705.8
Weight of Recycled / Reused Waste (a+e)		855.1	1,056.0	1,447.8	2250.1
Recycling & Reuse Rate (a+e)/(a+b+c+d+e+f)		76.49%	79.10%	82.81%	83.16%
Data Coverage Rate		95.89%	97.66%	94.37%	95.78%

4.6.2 Waste Minimization and Resource Recovery

Arcadyan promotes resource circularity by expanding waste segregation and collection systems across its facilities to improve recycling participation and waste reduction. Continuous monitoring of waste intensity and recycling rates supports source reduction, waste sorting, and process optimization, enhancing overall resource recovery and recycling efficiency.

Arcadyan strengthens environmental awareness through employee training and awareness programs on waste reduction, waste segregation, energy conservation, and resource circularity. At the Vietnam Manufacturing Center, waste management and segregation are included in mandatory onboarding training, enabling employees to correctly identify municipal, general industrial, and hazardous waste and dispose of them properly to improve recycling effectiveness.

In 2025, Arcadyan provided waste reduction and segregation training to 5,170 new employees at the Vietnam Manufacturing Center, averaging 0.5 training hours per person. Combined with ongoing workplace supervision, the program reinforces proper waste management practices and promotes resource-efficient behaviors across daily operations.

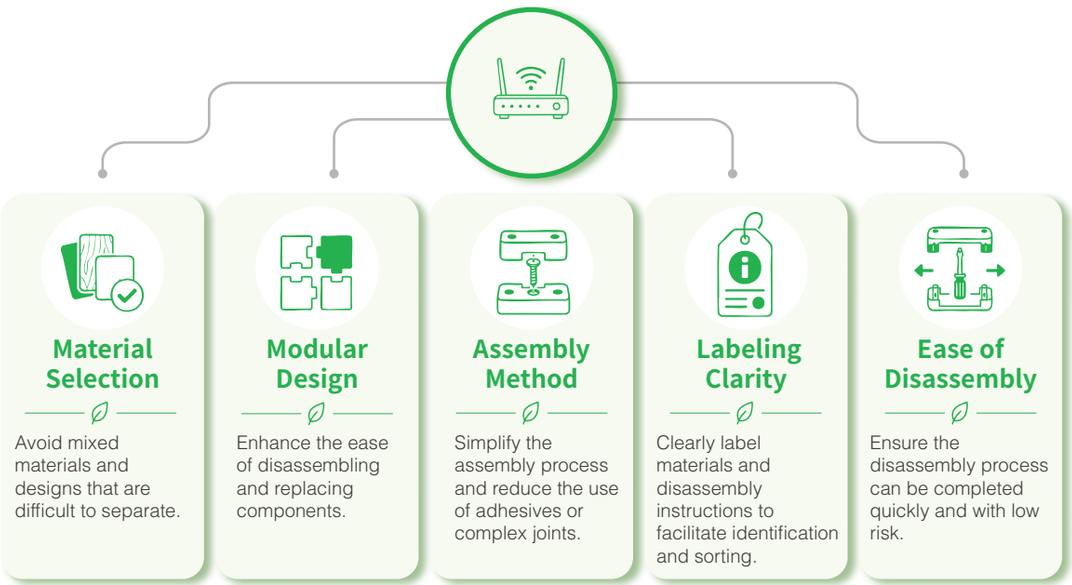
Annual Waste Recycling Rate

Waste Recycling Rate	2022	2023	2024	2025
Percentage	72.8%	75.4%	81.2%	80.3%

4.6.3 Product Circularity and Recyclability Enhancement

Arcadyan integrates circular economy principles into product development by evaluating material selection, modular design, labeling, and ease of disassembly to improve product repairability, recyclability, and material recovery. For returned and end-of-life (EOL) products, Arcadyan prioritizes repair and refurbishment to extend product life, while unrecoverable products are dismantled and sorted for material recycling, reducing e-waste generation. Further details on these eco-design practices are provided in Chapter 3, Green Innovation.

Five Key Aspects for Evaluating Recyclability



4.7 Air Emissions Control and Mitigation

Arcadyan produces very low levels of air emissions, mainly volatile organic compounds (VOCs) from fluxes and isopropyl alcohol (IPA) used in manufacturing, along with small amounts of nitrogen oxides (NOx) and sulfur oxides (SOx) from equipment testing and backup generators. Since 2019, Arcadyan has upgraded its air pollution control systems at the Vietnam Manufacturing Center with multi-stage filtration and activated carbon adsorption, ensuring emissions consistently meet local regulatory standards.

To continuously optimize VOCs management performance, Arcadyan has implemented the following source control and reduction strategies:

- Low-VOCs Process Chemicals: Prioritizing low-VOCs fluxes and cleaning agents to reduce the generation of volatile organic compounds at the source.
- Multi-Stage Filtration and Adsorption Equipment: Installing multi-stage treatment units — including pre-filters, activated carbon adsorption, and precision filtration — in exhaust pipelines to minimize trace pollutant emissions.
- Education, Training, and Operational Management: Conducting regular training programs on air quality management, equipment operation, and maintenance to strengthen employees' capabilities in operating and maintaining waste gas treatment systems.
- Third-Party Monitoring and Compliance Verification: Engaging professional environmental organizations to perform routine waste gas testing and regulatory compliance verification, ensuring the monitoring data is impartial and traceable.

Arcadyan conducts semi-annual air emission testing at the Vietnam Manufacturing Center, monitoring exhaust flow rates, total suspended particulate (TSP), and volatile organic compounds (VOCs), including ethanol, isopropyl alcohol (IPA), and butanol. In 2025, third-party testing confirmed that TSP concentrations at all monitored outlets remained well below the limits of Vietnam's National Technical Regulation on Industrial Emission of Inorganic Substances and Dusts (QCVN 19:2009/BTNMT), demonstrating the effectiveness of Arcadyan's air pollution control systems.

Arcadyan recorded zero hazardous gas leaks and zero air quality regulatory violations across all operations through 2025. In 2025, the Vietnam Manufacturing Center emitted 9.82 metric tons of VOCs, a year-on-year decrease reflecting the effectiveness of its emission reduction measures and monitoring programs. Moving ahead, Arcadyan will continue improving manufacturing processes, optimizing emission control systems, and strengthening routine monitoring to further reduce air emissions.

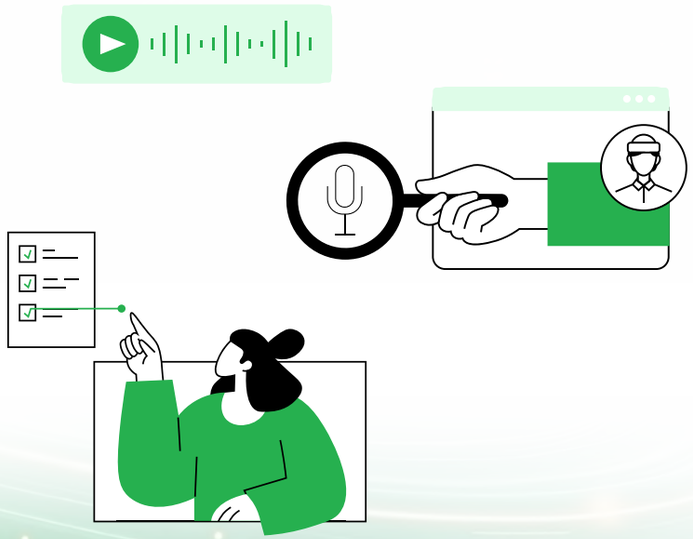
Historical VOCs Emissions

Year	2023	2024	2025
VOCs Emissions (tonnes)	11.66	13.04	9.82

4.8 Noise Mitigation and Boundary Control

Arcadyan generates minimal noise impacts due to its primary focus on research and development, assembly, testing, and packaging processes, which inherently involve low-noise operations. To ensure compliance with local regulations, Arcadyan conducts environmental inspections, equipment maintenance, and corrective actions to prevent noise issues and protect employee well-being and surrounding communities.

Arcadyan conducts annual third-party workplace environment monitoring at the Vietnam Manufacturing Center, covering temperature, humidity, wind speed, illuminance, noise, and dust across key operational areas. In 2025, all noise levels met local regulatory limits, with zero violations and zero community complaints. Arcadyan will continue monitoring, maintenance, and corrective actions to ensure a safe and comfortable workplace.



4.9 Biodiversity and Ecological Impact Assessment

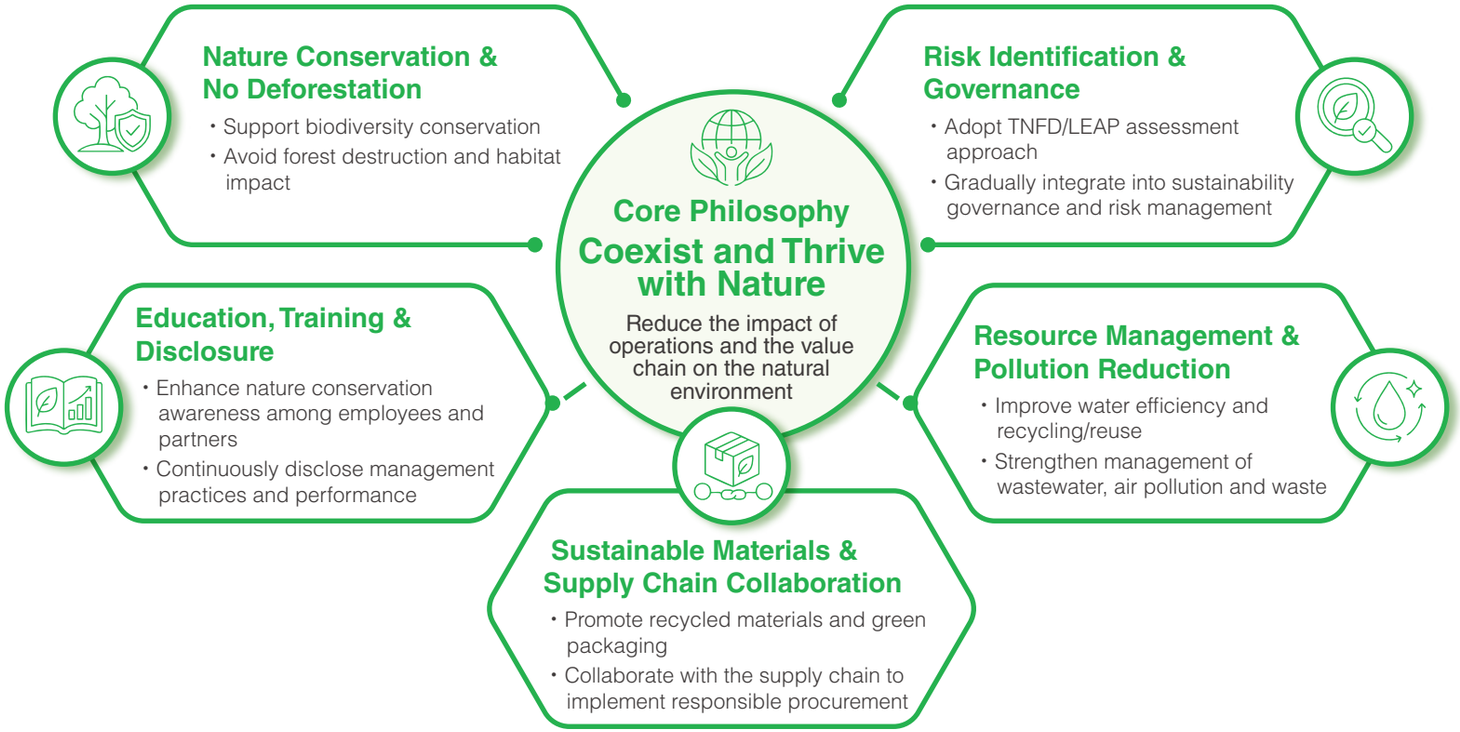
Arcadyan adopted its Biodiversity and No Deforestation Policy in 2025, aligning with the United Nations Sustainable Development Goals (SDGs) 14 (Life Below Water) and 15 (Life on Land). The policy applies to all global operations and encourages value chain partners to adopt similar practices. Guided by the No Net Loss (NNL) principle, Arcadyan continues to strengthen biodiversity management and minimize long-term impacts on natural ecosystems.

Arcadyan adopts the Taskforce on Nature-related Financial Disclosures (TNFD) Locate, Evaluate, Assess, and Prepare framework to identify nature-related dependencies, impacts, risks, and opportunities (DIRO) across its operations and value chain. The assessment evaluates site locations, land use, water use, emissions, resource consumption, and proximity to ecologically sensitive areas, providing a foundation for future nature-related risk management and environmental disclosures.

Arcadyan classifies its Headquarters, which is primarily engaged in administrative and R&D activities, as having low direct impacts on nature, while identifying the Vietnam Manufacturing Center as its primary site for nature-related assessment due to its industrial operations and proximity to agricultural land and surface water. To reduce environmental impacts and resource dependencies, Arcadyan continues to strengthen water reclamation, air emissions management, resource circularity, and sustainable material use. Related performance is presented in the Water, Waste, and Air sections of this chapter and Chapter 3, Green Innovation.

Arcadyan upholds No Deforestation principles across its operations and supply chain by promoting sustainable materials and environmentally friendly packaging. When activities may affect the environment, Arcadyan applies the mitigation hierarchy of Avoidance, Minimization, Restoration, and Offset to reduce ecological impacts. The Company also promotes biodiversity conservation through stakeholder engagement, employee training, and value chain collaboration.

Arcadyan will expand biodiversity assessments and integrate nature-related risks into its sustainability management and disclosures. It will advance water efficiency, pollution control, resource circularity, recycled materials, and sustainable packaging to reduce resource dependence and support long-term growth.



LEAP Methodology Process (Locate, Evaluate, Assess and Prepare):

01 Locate

Identify the scope of operating activities and priority locations

- **Scope** Arcadyan Taiwan Headquarters, Vietnam Manufacturing Center
- **Purpose** Inventory the location of operating sites, land use, water use and emission characteristics to identify priority locations for nature-related assessment.
- **Output** Priority assessment location list

02 Evaluate

Evaluate nature-related dependencies and impacts

- **Scope** Arcadyan Taiwan Headquarters, Vietnam Manufacturing Center
- **Purpose** Analyze the dependencies and impacts of operating activities on water resources, land, air, waste and material use.
- **Output** Dependency and impact assessment results

03 Assess

Assess nature-related risks and opportunities

- **Scope** Arcadyan Taiwan Headquarters, Vietnam Manufacturing Center
- **Purpose** Assess the likelihood, magnitude of impact and management significance of nature-related risks and opportunities.
- **Output** Preliminary risk and opportunity assessment results

04 Prepare

Prepare management strategies and disclosures

- **Scope** Arcadyan Taiwan Headquarters, Vietnam Manufacturing Center
- **Purpose** Plan management strategies, mitigation measures and subsequent disclosure directions based on the assessment results.
- **Output** Material risk and opportunity management strategies

Taskforce on Nature-related Financial Disclosures (TNFD)

Pillar	Disclosure Item	Content
Governance	Board and management oversight of nature-related issues	Arcadyan integrates nature-related issues into environmental sustainability management and plans to incorporate them into Sustainability Development Committee governance. The Environmental Sustainability Team manages natural resource dependencies, pollution, resource circulation, and green products.
	Stakeholder and community impact management	Preliminary assessment found no Arcadyan operating sites located in indigenous peoples' residential areas or legally designated ecological sensitive zones. The Vietnam Manufacturing Center holds required land use and environmental permits and regularly monitors wastewater, air, noise, and working environment.
Strategy	Short-, medium-, and long-term nature-related risks and opportunities	Short-term (1–3 years): Focus on water resource use, wastewater discharge, and air pollutant management. Medium-term (3–5 years): Focus on recycled materials, packaging reduction, product recyclable design, and supply chain environmental management. Long-term (5–10 years): Focus on the impacts of climate change and natural resource pressures on raw material procurement, supply chain stability, and operational resilience.
	Priority assessment locations	Arcadyan Headquarters has limited direct nature impacts due to its office and R&D activities. The Vietnam Manufacturing Center is a priority site due to water use, emissions, waste, and proximity to agricultural land and surface water.
Risk and Impact Management	Identification and assessment process	Arcadyan applies the TNFD LEAP approach to assess nature-related dependencies and impacts across its operations and value chain, covering water, land use, pollution, resource use, and material sources.
	Value chain management	Upstream: Promote recycled materials, environmentally friendly packaging, and responsible procurement. Own operations: Strengthen recycled water utilization efficiency, wastewater treatment, VOCs management, waste classification, and energy management. Downstream: Reduce resource consumption throughout the product life cycle through green products, packaging reduction, and product recyclable design.
	Stakeholder communication and response mechanism	Arcadyan addresses nature and environmental concerns through sustainability reporting, ESG assessments, supplier communication, employee training, and grievance channels, with improvements made through internal processes and stakeholder engagement.
Metrics and Targets	Nature-related management metrics	Arcadyan tracks water recycling, water intensity, emissions, waste recycling, and recycled material and packaging use.
	2025 performance and medium- to long-term direction	In 2025, recycled water accounted for 47% of total water use at the Vietnam Manufacturing Center, while 71% of product models used recycled plastics. By 2030, Arcadyan targets 78% recycled plastic and 10% recycled metal use.

5 Human Capital and Social Value Creation

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

Overview

Arcadyan integrates its core values of Innovation, Harmony, Transcendence, and Service into its social sustainability strategy, focusing on Respecting Human Rights, Cultivating Talent, Safeguarding Health, and Giving Back to Society. Through human rights due diligence, talent development, occupational health and safety, employee well-being, and community engagement, Arcadyan fosters a diverse, equitable, inclusive, and safe workplace while strengthening long-term partnerships with employees, customers, suppliers, and local communities to support sustainable and resilient growth.

Annual Achievements

Item	Key Highlights
Strengthening Human Rights Governance	• The Vietnam Manufacturing Center obtained RBA VAP Gold certification and achieved an A Excellent rating in the JAC audit. • No major human rights violations occurred at global operating sites. • Completed risk assessments for 13 human rights issues and formulated corresponding mitigation and remediation measures.
Promoting Diverse Talent Development	• Female employees accounted for 48.8%, and female managers accounted for 22.7%. • Total training hours reached 300,000 hours for the year, with an average of 53.5 hours per person. • Training participation rate reached 95.2%, continuously strengthening employee competencies and organizational culture learning.
Safeguarding Employee Health and Safety	• Cumulative zero-accident working hours reached 21.41 million hours. • Health examination completion rate reached 95.2% at Arcadyan Headquarters and 100.0% at the Vietnam Manufacturing Center. • Participation rate in health promotion activities reached 90.4%, continuously advancing employee health management and preventive care.
Expanding Social Inclusion Impact	• A total of 1,083 participations in charity activities and donation initiatives. • Annual donations from Arcadyan and employees exceeded NT$5.51 million, benefiting 4,181 cases. • The "Smart & Easy English" education support program cumulatively served 15 schools and 364 student participations.

5.1 Human Rights Management and Compliance

5.1.1 Human Rights Policy and Implementation Outcomes

Arcadyan integrates human rights protection into its corporate governance to ensure a fair, respectful, and dignified workplace. Its practices align with internationally recognized standards, including the Universal Declaration of Human Rights (UDHR), United Nations Global Compact (UNGC), United Nations Guiding Principles on Business and Human Rights (UNGPs), International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, OECD Guidelines for Multinational Enterprises, Responsible Business Alliance (RBA) Code of Conduct, and SA8000 Social Accountability Standard. Guided by these frameworks and local regulations, Arcadyan established the Human Rights Policy Statement, approved by the Board of Directors, to oversee its human rights management and 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.

Human Rights Audits and Compliance Milestones

Arcadyan embeds human rights due diligence (HRDD), risk assessments, training, and grievance mechanisms across its operations and supply chain. In 2025, the Vietnam Manufacturing Center earned Gold Recognition in the Responsible Business Alliance (RBA) Validated Assessment Program (VAP) and an "A - Excellent" rating in the Joint Alliance for CSR (JAC) audit, demonstrating strong performance in labor standards, environmental protection, business ethics, and corporate social responsibility. Arcadyan also recorded zero material human rights violations across all global operations in 2025.

5.1.2 Human Rights Risk Assessment and Mitigation

Arcadyan aligns with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and other international human rights standards by implementing annual human rights due diligence (HRDD) to identify, prevent, and mitigate risks across its operations and supply chain. In 2025, the assessment covered 95.8% of employees at the Headquarters and Vietnam Manufacturing Center and included 17 Tier-1 suppliers. Results from three years of RBA and JAC audits, together with emerging global human rights risks, were used to identify key risk areas and strengthen mitigation measures.

Human Rights Due Diligence: Methodology and Material Issues

Arcadyan implements a four-step human rights due diligence (HRDD) process covering risk identification, assessment, mitigation, and continuous improvement with transparent disclosure. Risks are evaluated based on likelihood and severity, classified into low, medium, and high levels, and prioritized to guide mitigation actions and ongoing human rights management.

01 Human Rights Risk Issue Identification
Identify potential human rights, labor, workplace, and occupational health and safety risks across operations and the supply chain.

02 Risk Assessment
Assess human rights issues by likelihood and impact, and classify them as low, medium, or high risk.

03 Remediation and Mitigation Measures
Implement risk-based remediation and mitigation measures and track their effectiveness.

04 Continuous Improvement and Disclosure
Regularly review mitigation effectiveness, disclose results, and continuously improve the human rights due diligence mechanism.

Scope of Material Human Rights Issues

Arcadyan evaluates 13 key human rights issues, including forced labor, human trafficking, child labor, freedom of association, collective bargaining, non-discrimination, fair working conditions, humane treatment, labor rights training, grievance mechanisms, supply chain labor protection, occupational health and safety, and social insurance. These issues are prioritized based on their likelihood and potential impact to enhance risk management across its operations and supply chain.

Human Rights Issue	Description
Forced Labor	Prohibit any form of forced, debt-bonded or involuntary labor; ensure employment is voluntary and respectful.
Human Trafficking	Prevent trafficking, exploitation or restriction of freedom to protect personal liberty and dignity.
Child Labor	Prohibit child labor and implement age verification to protect children's rights to education and healthy growth.
Freedom of Association	Respect employees' rights to form or join unions and representative bodies to promote communication and participation.
Right to Collective Bargaining	Respect employees' rights to negotiate wages, hours and conditions through representatives via institutionalized dialogue.
Discrimination	Prohibit any form of discrimination or unfair treatment to ensure equal opportunities in hiring, pay, promotion and development.
Reasonable Working Hours and Compensation	Comply with working hour and wage laws; ensure reasonable hours, fair pay and work-life balance.
Humane Treatment	Prohibit corporal punishment, mental coercion, humiliation or improper discipline; ensure a respectful workplace.
Labor Rights and Awareness Training	Enhance employee awareness of human rights, labor rights and grievance channels through training.
Grievance Mechanism	Establish safe, confidential and responsive channels for timely reporting and handling of potential human rights risks.
Supply Chain and Outsourced Labor Rights	Extend human rights management to suppliers and outsourced services; monitor labor conditions and rights protection.
Occupational Health and Safety	Establish safety and health management to prevent injuries and health risks, protecting employees' life and well-being.
Social Insurance Coverage	Provide social insurance and related protections in accordance with law to support employees in illness, accidents and retirement.

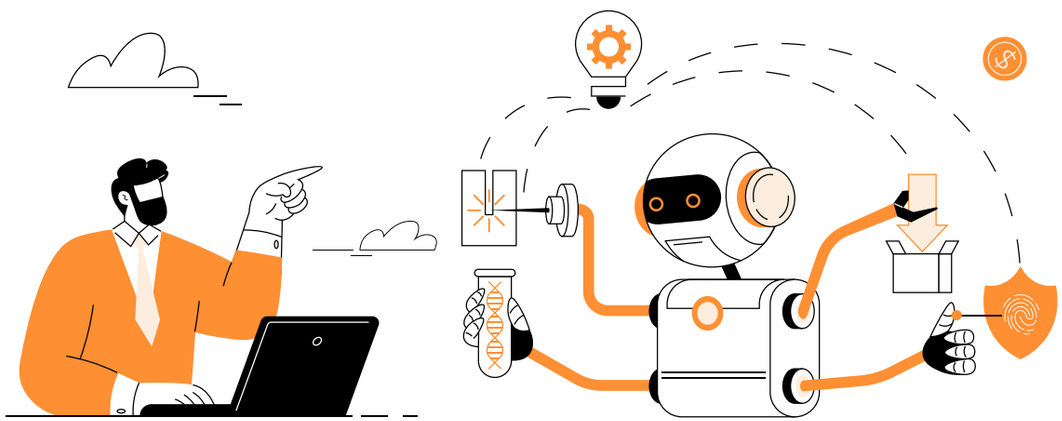
Human Rights Due Diligence Methodology

Arcadyan identifies human rights risks across its operations and supply chain using international standards and RBA and JAC audit results. Risks are evaluated by likelihood and impact to develop a risk matrix and materiality ranking that guide management actions and continuous improvement.

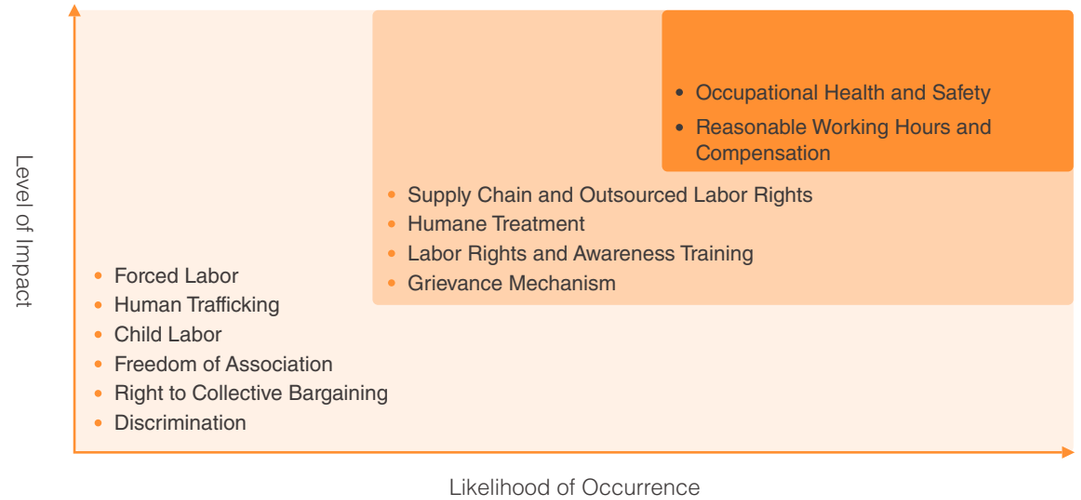
Risk Assessment Criteria

Likelihood	
Low	Unlikely to occur; rare or occasional cases.
Medium	Possible to occur; intermittent occurrences.
High	Highly likely to occur; frequent or repeated occurrences.

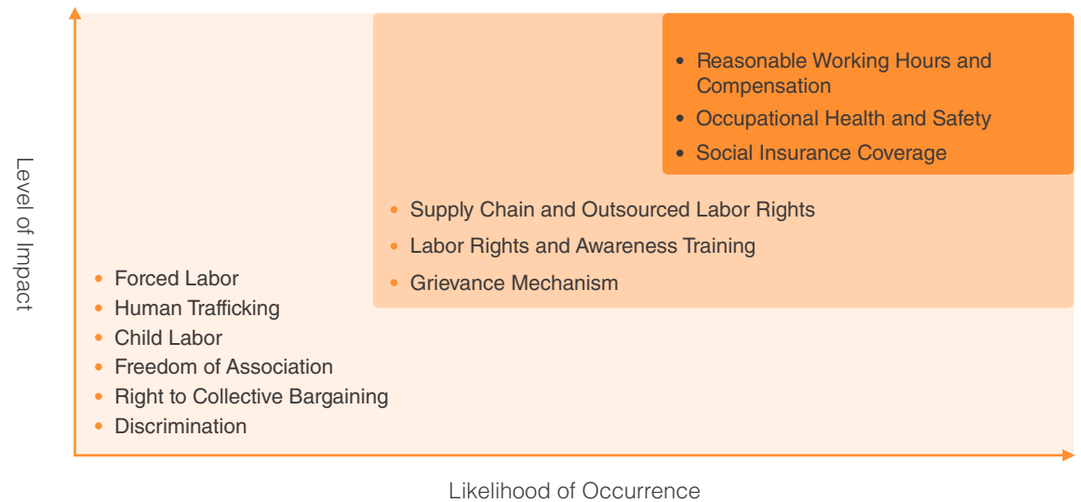
Impact	
Low	Minor impact with no significant harm.
Medium	Moderate impact that may affect employees, operations, or management.
High	Significant impact that may result in serious harm, legal violations, or major cooperation risks.



Arcadyan Group Human Rights Risk Matrix



Supply Chain Human Rights Risk Matrix



Human Rights Risk Assessment Results

Based on the 2025 human rights risk assessment, Arcadyan implemented mitigation measures for employees and suppliers. For employees, the focus was on occupational health and safety and reasonable working hours. For suppliers, key areas included reasonable working hours and remuneration, occupational health and safety, and social insurance coverage, supported by ongoing monitoring to reduce risks.

Human Rights Risk Mitigation and Remediation Measures

Focus Group	High-Risk Issue	Remediation Measures after Occurrence	Risk Mitigation
Employees	Occupational Health and Safety	In accordance with ISO 45001:2018, Arcadyan has established reporting, investigation and handling mechanisms for injuries, ill health, accidents and near-misses. Corrective and preventive actions are taken based on investigation results to prevent recurrence.	• Both Headquarters and Vietnam Manufacturing Center implement ISO 45001:2018 with regular hazard identification, risk assessment, environment monitoring and training. • OHS committees oversee workplace safety and health. • Medical rooms with dedicated nurses provide health lectures, promotion activities and massage services. • Annual health check completion rate reached 99%; 838 special health examinations completed. • See Section 5.4.4 "Health Care and Promotion" for details.
	Reasonable Working Hours and Compensation	• At Headquarters, discrepancies between overtime applications and attendance records are verified and adjusted via system comparison and approval processes. • At Vietnam Manufacturing Center, when hours approach or exceed thresholds, overtime reasons are reviewed, shifts adjusted, and restrictions applied if necessary.	• "Work Rules" and "Overtime Management Rules" define hour limits, application procedures and pay standards; overtime is voluntary. • Headquarters requires prior digital application and supervisor approval for all overtime. • Vietnam Manufacturing Center uses working hour records, trend analysis and graded early-warning mechanisms to reduce overtime risks.
Suppliers	Reasonable Working Hours and Compensation	If excessive hours, improper overtime management or non-compliant payments are found, the supplier must submit a corrective action plan clarifying root causes, affected employees and timeline. Back-payment, shift adjustment, system revision and strengthened controls are required. Follow-up or re-audit is conducted based on risk level.	• New suppliers undergo self-assessment and cross-departmental review of labor conditions, safety, environment and management systems. • Training and experience sharing enhance suppliers' human rights awareness and management capabilities.
	Occupational Health and Safety	If OHS deficiencies are found, the supplier must submit a corrective action plan with root causes, measures and timeline. Significant deficiencies require immediate risk control, followed by tracking or re-audit based on risk level.	• OHS is included in new supplier evaluation, existing supplier risk assessment and CSR audits. • Suppliers must establish safety and health mechanisms covering hazard identification, training, fire safety and emergency response.
	Social Insurance Coverage	If social insurance is not enrolled as required or coverage is insufficient, the supplier must submit a corrective action plan clarifying affected numbers and timeline, and complete legal enrollment/payment. Persistent non-compliance elevates risk level and intensifies management.	• Social insurance and statutory benefits are included in CSR audits and labor rights reviews. • Suppliers must comply with local labor laws on wages, hours, social insurance and benefit.

5.1.3 Human Rights Operational Framework and Daily Practices

Arcadyan embeds key human rights principles—including the prohibition of child and forced labor, non-discrimination, freedom of association, collective bargaining, humane treatment, and compliant working hours—into its operations. Through policies, employee training, compliance audits, and grievance mechanisms, Arcadyan ensures the effective implementation of human rights across its business.

Child Labor Prohibition

Arcadyan strictly complies with minimum employment age regulations across all operating sites, prohibiting the employment of children under 16 and restricting workers aged 16–18 from engaging in hazardous or harmful work. Arcadyan Headquarters has established the Management Procedure for the Prohibition of Child Labor and Employment of Juvenile Workers, and integrates these requirements into the Human Rights Policy Statement, Recruitment and Employment Management Regulations, and the Control Procedure for the Employment of Child, Underage, and Student Workers.

Arcadyan verifies applicants' ages through recruitment screening, interviews, and identity document checks to prevent child labor. If any case of child labor is identified, the Company immediately initiates remediation measures, including removing the individual from the workplace, arranging medical examinations, notifying guardians, and providing necessary support. In 2025, Arcadyan recorded zero child labor incidents across all global operations.

Prevention of Forced Labor and Human Trafficking

Arcadyan prohibits all forms of forced labor and human trafficking in accordance with international human rights standards, local labor laws, and the UK Modern Slavery Act 2015. The Company ensures all employment is voluntary, protecting employees' rights to freely choose and leave employment, work compliant overtime, and maintain freedom of movement. Indentured labor, debt bondage, retention of identity documents, and any restriction of personal freedom are strictly prohibited.

Arcadyan reinforces this commitment through internal audits and ongoing monitoring of labor practices and regulatory compliance across all operating sites. In 2025, the Company recorded zero incidents related to forced labor or human trafficking.

Freedom of Association and Collective Bargaining Rights

Arcadyan respects employees' rights to freedom of association and collective bargaining by providing open, transparent, and inclusive communication platforms. In compliance with local regulations, employees across all sites can engage in workplace discussions and express opinions through formal channels like labor unions, employee representatives, or labor-management meetings.

The Vietnam Manufacturing Center has legally established a labor union. On April 30, 2023, the union signed a Collective Labor Agreement with Arcadyan's management, which was renewed in 2025 and covers all site employees. This agreement encompasses salaries, bonuses, annual adjustments, overtime, occupational safety and health, health checkups, social insurance, leave policies, and dispute resolution, forming a crucial foundation for safeguarding labor rights.

Arcadyan Headquarters, the China Operations office, and other overseas sites have not yet established unions or signed collective agreements. However, Arcadyan respects employees' rights to unionize and uses existing channels to receive feedback on working conditions. Arcadyan Headquarters holds statutory labor-management meetings, providing a Help mailbox and hotline to compile quarterly feedback for discussion and improvement. Meanwhile, employees at the China Operations office and other overseas sites can voice opinions via internal mailboxes, ensuring continuous two-way communication.

Humane Disciplinary Practices and Employee Rights Protection

Arcadyan prohibits corporal punishment, mental coercion, verbal abuse, and all other inappropriate disciplinary practices, ensuring a workplace that respects employee dignity. Disciplinary measures are governed by the Work Rules and implemented in accordance with local labor laws. Employees may also raise concerns and file grievances through established appeal mechanisms to protect their rights.

Anti-Discrimination, Anti-Harassment, and Grievance Redress Mechanisms

Arcadyan prohibits all forms of discrimination, harassment, and inappropriate treatment, ensuring equal opportunities across recruitment, compensation, benefits, training, promotion, termination, and retirement. The Company strictly forbids discrimination based on nationality, race, gender, sexual orientation, gender identity, age, religion, disability, marital status, political affiliation, or any other legally protected characteristic.

Arcadyan provides regular training for HR personnel and hiring managers on regulatory compliance and fair recruitment practices to ensure equal employment opportunities. The Company also enforces the Measures for Preventing, Appealing, and Disciplining Sexual Harassment in the Workplace, maintaining zero tolerance for sexual harassment, stalking, bullying, intimidation, and other abusive behavior.

Arcadyan establishes multiple formal grievance channels, including dedicated email addresses, hotlines, fax lines, and suggestion boxes, accessible to both employees and external stakeholders. Reports concerning working conditions, child labor, discrimination, harassment, business ethics, environmental compliance, human rights, and other forms of misconduct are systematically investigated and monitored in accordance with established procedures. Arcadyan further ensures that all complainants are safeguarded against any form of retaliation.

Arcadyan Headquarters Grievance and Reporting Channels	
Dedicated Email	hr_hq@arcadyan.com
Hotline	03-5727000 #14499
Dedicated Fax	03-5727969
Vietnam Manufacturing Center Grievance and Reporting Channels	
Dedicated Email	HR_AVC@arcadyan.com.vn
Hotline	HR Department Hotline: 0397-580197 / 0911-893228 HR Manager Hotline: 02113-858666 (Ext: 32161)
Social Platform	Zalo app
Suggestion Box	Physical suggestion box
China Operations Office Grievance and Reporting Channels	
Hotline	57028888-22018 /22088

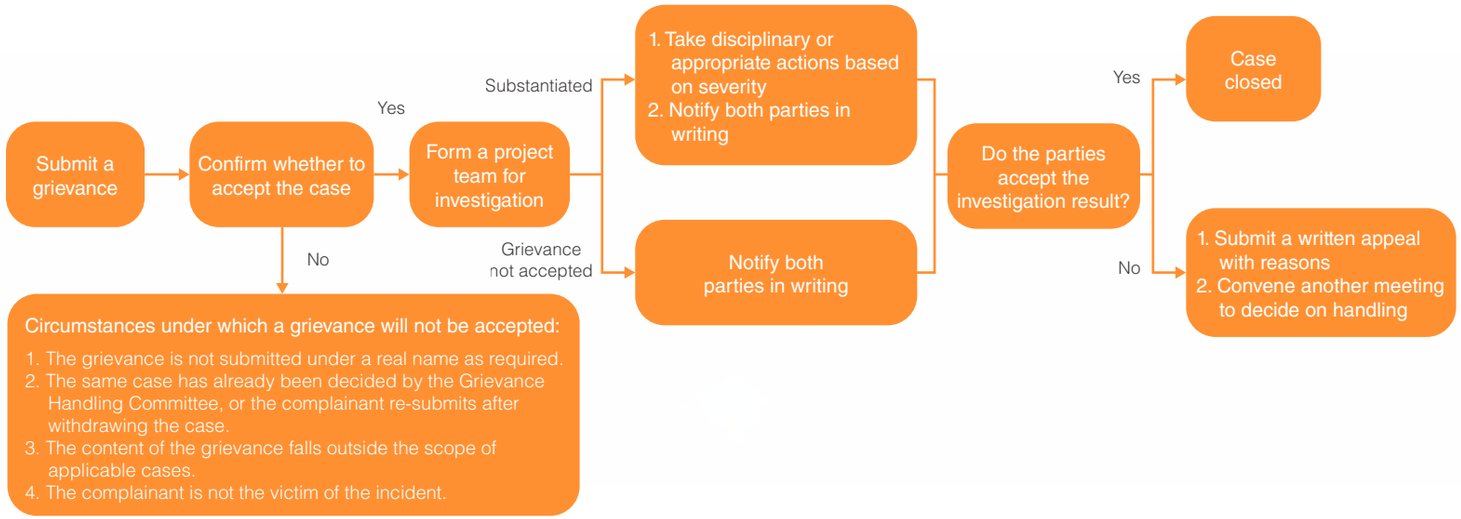
Grievance Resolution and Case Management

Arcadyan implements the Grievance, Complaint, and Dispute Resolution Procedure, under which the Human Resources and Administration Department manages grievance cases from employees and stakeholders. The General Manager approves final resolutions, while responsible departments implement and track corrective actions and continuous improvements.

Arcadyan manages grievances under defined service timelines to ensure timely and impartial resolution. The Human Resources and Administration Department reviews each case within 15 days to determine acceptance and coordinate investigations with relevant departments. Complex cases are handled by an independent investigation task force. Accepted cases are generally resolved within 60 days (extendable by 30 days if necessary), with written notification provided to the complainant. Complainants may appeal the final decision to the General Manager within 15 days.

Arcadyan imposes appropriate disciplinary actions against perpetrators of sexual harassment and provides affected employees with psychological, medical, legal, and other necessary support to protect their rights and well-being.

Grievance Handling Flowchart



In 2025, Arcadyan received zero formal grievances related to business ethics, discrimination, harassment, workplace safety, human rights, or other misconduct from both employees and external stakeholders. The Vietnam Manufacturing Center received seven employee suggestions through local communication channels, primarily concerning workplace facilities and daily operations, including night-shift warehouse restroom sanitation, rest area air conditioning maintenance, restroom tissue quality, cafeteria ingredient freshness, and SMT department temperature adjustments. All cases were investigated, corrective actions were completed within one week, and the results were publicly communicated, achieving a 100% closure rate with zero repeat complaints.

Operating Site	Integrity & Anti-Corruption			Environment			Human Rights		
	Number of Cases Reported	Number of Cases Handled	Number of Cases Closed	Number of Cases Reported	Number of Cases Handled	Number of Cases Closed	Number of Cases Reported	Number of Cases Handled	Number of Cases Closed
Arcadyan Headquarters	0	0	0	0	0	0	0	0	0
Vietnam Manufacturing Center	0	0	0	0	0	0	0	0	0
China Operations Office	0	0	0	0	0	0	0	0	0
Other Overseas Operating Sites	0	0	0	0	0	0	0	0	0

Arcadyan promotes a safe, respectful, and trusted workplace through preventive policies, compliance training, grievance channels, and fair resolution mechanisms, protecting human rights and supporting long-term employee engagement across its global operations.

Promoting an Inclusive and Equitable Workplace

Arcadyan is committed to fostering a diverse, inclusive, and equitable workplace that respects individual differences and employees' physical and mental well-being. The Company provides a discrimination-free, accessible, and supportive environment, including gender-inclusive restrooms at its Headquarters. In accordance with the People with Disabilities Rights Protection Act, Arcadyan maintains accessible facilities such as ramps, accessible restrooms, designated parking spaces, voice guidance systems, and Braille signage to ensure a safe and respectful workplace for all employees.

In 2025, Arcadyan's Headquarters employed 8 employees with disabilities, including 6 with mild disabilities and 2 with severe disabilities, meeting Taiwanese regulatory requirements. Employees with disabilities represented 0.8% of the Headquarters workforce and 0.1% of the Group's total workforce. As of year-end, no individuals from minority or disadvantaged groups held senior management positions within the Group.

Proportion of Minority and Vulnerable Group Employees in Arcadyan Group

	2023		2024		2025	
	Number of Employees	Percentage of Employees (%)	Number of Employees	Percentage of Employees (%)	Number of Employees	Percentage of Employees (%)
Employees with Disabilities	6	0.13%	7	0.15%	8	0.14%

Note 1: Currently, minority and vulnerable group employees in Arcadyan Group primarily consist of persons with disabilities
Note 2: Calculation formula: Number of employees with disabilities / Total number of Arcadyan Group employees (5,874).
Note 3: Employee numbers are as of December 31 of each year.

Proportion of Minority and Vulnerable Group Employees in Taiwan Arcadyan Headquarters

	2023		2024		2025	
	Number of Employees	Percentage of Employees (%)	Number of Employees	Percentage of Employees (%)	Number of Employees	Percentage of Employees (%)
Employees with Disabilities	6	0.7%	7	0.8%	8	0.8%

Note 1: Currently, minority and vulnerable group employees at Arcadyan Headquarters primarily consist of persons with disabilities.
Note 2: Calculation formula: Number of employees with disabilities / Number of Arcadyan Headquarters employees (1,022).
Note 3: Employee numbers are as of December 31 of each year.

Migrant Worker Zero-Fee Policy

In 2025, Arcadyan did not employ any foreign migrant workers at its Headquarters or overseas manufacturing centers. If migrant workers are hired in the future, the Company will implement a Migrant Worker Zero-Fee Policy, ensuring that no fees are charged to workers at any stage, including recruitment, hiring, onboarding, employment, contract renewal, and return travel upon contract completion. All related costs will be fully borne by Arcadyan to ensure fair, dignified, and protected working conditions.

5.1.4 Commitment to Responsible Labor Practices

Arcadyan respects human rights and protects the fundamental labor rights of all employees through a comprehensive labor management system aligned with international labor standards and the Human Rights Policy Statement. These commitments support a fair, safe, and dignified workplace and form the foundation of sustainable business operations.

- **Implementation of Living Wage:** Refer to international standards and local cost of living to provide fair and reasonable compensation, ensuring employees receive wages sufficient to meet basic living needs.
- **Working Hour Management and Overtime Control:** Comply with labor regulations at each operating site, establish working hour management systems and early-warning mechanisms, and reduce overtime risks through reasonable workforce planning to protect employees' rest rights and work-life balance.
- **Promotion of Gender Pay Equality:** Uphold a fair and transparent compensation policy, implement the principle of equal pay for equal work, and regularly review and disclose the gender pay ratio to ensure the compensation system is fair and market-competitive.
- **Protection of Annual Leave Rights:** Provide paid annual leave in accordance with the law, respect employees' leave rights, and support employees in achieving work-life balance.
- **Advance Notice Mechanism for Significant Workforce Changes:** In the event of organizational adjustments or large-scale workforce changes, Arcadyan will provide a reasonable notice period and adequate communication in accordance with local regulations to assist employees in adapting to the changes.

Arcadyan integrates these commitments into its daily operations through internal management, regular policy reviews, and effective communication. Related practices, including living wages, compensation, benefits, leave, and talent management, are disclosed in the relevant chapters of this report.

Working Hours Management and Overtime Control

Arcadyan protects employee well-being and labor rights by complying with local labor laws at all operating sites. The Company has established the Work Rules and Overtime Management Rules, which define working hours, rest periods, overtime limits, application procedures, and overtime compensation. All overtime is voluntary.

Arcadyan implements attendance recording and monitoring mechanisms to track working hours, prevent excessive overtime, and ensure adequate rest. Through internal audits, data monitoring, and process optimization, the Company continuously strengthens fair and compliant labor practices while promoting a healthy working environment.

5.1.5 Multichannel Communication and Employee Engagement

Arcadyan establishes diverse communication and consultation mechanisms to encourage employee participation and feedback. All submissions are managed and tracked by designated departments in accordance with established procedures to strengthen labor-management trust and organizational transparency. Key communication channels include:

Communication Channel	Frequency	Content
Labor-Management Meeting	Arcadyan Headquarters: Quarterly Vietnam Manufacturing Center: Annually	Communicate operational overview, employee health and safety, working conditions, welfare measures, training and career development, as well as the handling and follow-up of grievance and whistleblowing cases.
Welfare Committee Meeting	Arcadyan Headquarters: Every two months	Discuss welfare policies, club activities, employee travel, and other employee welfare-related matters.
New Employee Symposium	Ad hoc	Understand new employees' work status, workplace adaptation, and needs for system understanding, and provide necessary assistance.
Employee Symposium	Vietnam Manufacturing Center: Annually	Senior management listens to frontline employees' opinions and communicates Arcadyan's operational direction and key policies.
Employee Satisfaction Survey	Annually	Collect employee feedback on working environment, job content, education and training, compensation and benefits, and management systems.
Grievance and Communication Channels	Ad hoc	Handle complaints related to discrimination, harassment, workplace unlawful infringement, and other workplace issues.
Integrity and Ethics Grievance Channels	Ad hoc	Handle complaints related to ethical business conduct, moral behavior, and related violations.
BBS Electronic Bulletin Board	Ad hoc	Publish major internal information and serve as a channel for employee information exchange.
Catering Committee	Arcadyan Headquarters: Quarterly	Discuss menu arrangements, restaurant hygiene management, and other group catering-related matters.

Labor-Management Committees

Arcadyan prioritizes transparent communication and labor harmony. For institutionalized dialogue, Arcadyan Headquarters holds statutory labor-management meetings, and the Vietnam Manufacturing Center established a legal union. All site representatives are democratically elected under local laws to guarantee true representation.

In 2025, Arcadyan Headquarters' labor-management meetings addressed workplace safety, facility maintenance, parking management, employee well-being, HR development, and labor communication. Responsible departments compile and address employee feedback to drive ongoing improvements. Arcadyan Headquarters has 6 labor representatives and the Vietnam Manufacturing Center has 39, collectively accounting for 0.8% of the Group's total workforce.

The Vietnam Manufacturing Center renewed its collective agreement in 2025, covering all 4,608 site employees (78.4% of the Group's workforce). The remaining 21.6% of employees without collective agreements are located at Arcadyan Headquarters, the China Operations office, and other overseas sites. Their salaries, benefits, and working conditions are strictly governed by local regulations and remain independent of any collective agreements applicable to other Group entities or external organizations.

Furthermore, Arcadyan continues to utilize established channels—such as the Headquarters' hotline and internal mailboxes across all other sites—to systematically review employee feedback and track improvements.

Composition of Labor-Management Meeting Representatives

Site	Number of Labor Representatives	Number of Management Representatives	Number of Local Employees	Labor Representatives as % of Local Employees
Arcadyan Headquarters	6	6	1,022	0.6%
Vietnam Manufacturing Center	39	6	4,608	0.8%
Arcadyan Group	45	12	5,874	0.8%

Note 1: China Operations Office and other overseas sites do not have labor-management meetings.

Note 2: Calculation formula: Number of labor representatives / Number of local employees × 100%.

Labor-Management Meeting Records and Responses at Arcadyan Headquarters

Discussion Topics	Improvement Measures
Workplace Environment & Occupational Safety	Arcadyan implements the ISO 45001:2018 Occupational Health and Safety Management System and workplace monitoring. Scope includes traffic and electrical safety, disaster prevention, drinking water quality, emergency lighting, smoke detection, fire equipment, and lightning protection to ensure a safe working environment.
Facility Cleaning & Maintenance	Employees can report issues via Help mailbox and Line Bot. Responsible departments promptly track and resolve concerns regarding environment, equipment, and cleaning to maintain office cleanliness and operational facilities.
Traffic & Parking Management	To ease peak-hour congestion, Arcadyan promotes flexible working hours and provides traffic guidance. Additional parking spaces will be added during headquarters expansion.
Environmental Improvements During Expansion	During construction, office layouts are flexibly adjusted and earplugs provided to reduce noise impact on employees.
Health & Well-being	Arcadyan offers regular health seminars, annual health check-ups (with optional self-funded items), sports clubs, and health resources to promote physical and mental well-being.
Communication & Participation Mechanisms	Through labor-management meetings, feedback channels, and digital tools, Arcadyan gathers employee input on workplace, benefits, conditions, and safety. Departments evaluate, respond, and track improvements to enhance two-way communication.
Human Resources & Development	Arcadyan has established talent development programs with level-specific courses and an internal knowledge-sharing platform to support employees' professional growth and career advancement.

Vietnam Manufacturing Center Labor-Management Meeting Records and Responses

Discussion Topics	Improvement Measures
Human Resources & Compensation Management	The Vietnam Manufacturing Center complies with local labor regulations, regularly reviews salary structures and benefits, and provides diverse welfare measures including seniority allowances, transportation subsidies, housing allowances, full attendance bonuses, and meal subsidies to enhance compensation security and employee retention.
Working Hours & Leave	The Center manages working hours, leave, and attendance in accordance with local labor laws and continuously reviews shift scheduling and attendance processes. Starting in 2026, it plans to introduce unused menstrual leave support for female employees to strengthen employee care and welfare support.
Workplace Safety & Environment	In response to issues such as access control malfunctions, abnormal attendance notifications, and insufficient medical space, the Center continues to strengthen facility and environmental management. This includes enhancing access control maintenance, optimizing abnormal attendance verification processes, and planning to add medical space in the production area to improve workplace safety and convenience.
Medical & Health Services	To address long waiting times and crowd congestion during the 2025 health check-ups, the Center will extend health examinations from one day to two days starting in 2026, with staggered scheduling by department and time slot to reduce congestion and improve the employee experience.
Food & Catering Services	In response to employee feedback on meal quality, menu variety, and dining options, the Center continues to collect opinions and plans to increase meal choices. A QR Code satisfaction survey will also be introduced to inform future improvements in catering services.
Other Welfare	To address insufficient recreational space and demand for club activities, the Center will collaborate with external venues to rent a football field in 2026 in conjunction with factory expansion, providing space for employee club and leisure activities.

Employee Welfare Committees

Arcadyan established the Employee Welfare Committee in accordance with applicable regulations to oversee employee welfare programs. The Committee convenes every two months, bringing together employee representatives and management to review and implement welfare initiatives and employee care programs.

The Employee Welfare Committee provides bonuses and subsidies, including birthday and holiday gifts, travel allowances, and support for marriage, childbirth, hospitalization, and bereavement. It also sponsors employee clubs, vendor discount programs, Family Days, and festive events to promote employee well-being, family engagement, and work-life balance.

New Employee Seminars and Focus Groups

Arcadyan Headquarters holds New Employee Seminars based on hiring needs to collect feedback and support onboarding. In 2025, 4 seminars were held with a 77% participation rate and high employee satisfaction.

The Vietnam Manufacturing Center regularly holds Frontline Employee Seminars with executive management to gather employee feedback and communicate business strategies. These meetings strengthen two-way communication, transparency, and employee engagement across the organization.

New Employee Feedback

Feedback Topics	Response Methods
• Departmental roles, policies, processes, and job responsibility clarification needs. • Observations and feedback on workplace culture, environment, and adaptation. • Expectations and suggestions regarding training, benefits, and growth resources.	• Deliver presentations on company benefits, management systems, and organizational structure. • Facilitate group discussions to promote opinion exchange and consolidate common issues for unified responses. • Provide anonymous feedback channels to encourage new employees to share diverse opinions. • Establish follow-up tracking mechanisms to regularly monitor progress. Representative suggestions are incorporated into internal discussions and referred to relevant departments for evaluation and improvement.

Employee Satisfaction Surveys

Arcadyan conducts an annual Employee Satisfaction Survey to assess employee experience and workplace well-being. The survey measures four key indicators—job satisfaction, sense of purpose, happiness, and stress perception—to identify employee needs and guide policy improvements and workplace enhancements.

The survey covers the employment experience, organizational culture, policies, work environment, career development, learning resources, team collaboration, managerial support, and stress management. Arcadyan also provides an Employee Assistance Program (EAP) offering psychological, lifestyle, and legal counseling to support employee well-being.

In 2025, a total of 961 employees across the global Group participated in the survey, representing a Group-wide participation rate of 16.4%. The overall employee satisfaction score averaged 73.6 out of 100, with the primary insights and core reflective areas detailed below:

Site	Number of Respondents	Employee Satisfaction Score	Key Feedback Areas	Response
Arcadyan Headquarters	359	80.6	• Career promotion • Learning & growth • Sense of achievement	• HR regularly reviews talent allocation, performance management and development mechanisms to better support business needs and employee growth. • Diverse learning resources are provided, including new-hire training, technical courses, Content Sharing System (CSS) and AI application courses to strengthen professional skills and career development.
Vietnam Manufacturing Center	602	69.5	• Hygiene environment (including canteen & restrooms) • Employee dining options	• Continuously improve daily living facilities; dedicated staff conduct regular restroom inspections to ensure cleanliness and convenience. • From 2026, a meal quality improvement plan will be launched with a self-paid ordering system offering meat, vegetarian and healthy meal options to enhance dining convenience and choice.

Note 1: China Operations Office and other overseas sites were not included in this year's employee satisfaction survey.
Note 2: Group-wide participation rate: Number of survey respondents (961) / Total Group employees (5,874).

Arcadyan Headquarters Employee Satisfaction Analysis

Dimension	Related Questions	Score
Job Satisfaction	• Overall satisfaction with work experience. • Soundness of company systems and positive corporate image/ reputation. • Transparency of promotion channels and convenience, safety and friendliness of the workplace.	82.7
Purpose	• Whether employees feel a sense of achievement and value at work. • Whether tasks have clear goals and long-term development meaning. • Whether the company provides continuous learning and professional growth opportunities.	75.4
Happiness	• Whether employees have positive interactions and experiences at work. • Whether the company provides health promotion, employee care and emotional support resources. • Whether the team atmosphere is positive, collaborative and supportive.	83.5
Stress	• Whether employees can obtain appropriate resources when facing work or life stress. • Whether the company provides flexible measures and mental health support. • Whether employees can access emotional, life or professional counseling through formal channels.	80.3

Arcadyan uses employee feedback to improve policies and the workplace through systematic review and action tracking. Going forward, the Company will continue to increase survey participation and strengthen employee engagement through seminars, management dialogue, and localized practices to support a trusted and sustainable workplace.

5.2 Talent Attraction and Retention

5.2.1 Diversity, Equity, and Inclusion (DEI) in Talent Structure

Arcadyan upholds the principles of respect and equity by complying with the Labor Standards Act, Act of Gender Equality in Employment, and Employment Service Act. The Company ensures fair treatment in recruitment, compensation, promotion, training, and all employment opportunities, prohibiting discrimination based on gender, age, race, nationality, or other personal characteristics. Through institutionalized management and diversity, equity, and inclusion (DEI) initiatives, Arcadyan fosters an equitable, safe, and respectful workplace.

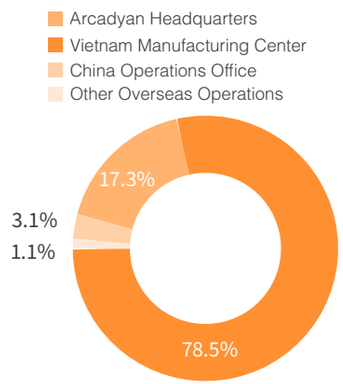
As of the end of 2025, Arcadyan's global workforce reached 5,874 employees, a 27.6% increase from 2024 driven by business growth. The gender ratio remains balanced, with males at 51.2% and females at 48.8%. Employee distribution across major sites is as follows:

- Arcadyan Headquarters: 1,022 employees
- Vietnam Manufacturing Center: 4,608 employees
- China Operations Office: 184 employees
- Other Overseas Sites: 60 employees

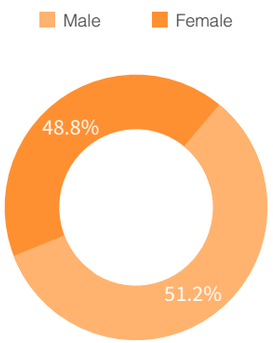
Arcadyan recruits talent from diverse nationalities to support its global operations and strengthen cross-cultural collaboration. As of the end of 2025, the global workforce comprised 78.5% Vietnamese, 17.3% Taiwanese, 3.1% Chinese, and 1.1% employees from East Asia, Southeast Asia, South Asia, Europe, the Americas, and Oceania. The detailed workforce composition is shown in the table below.

2025 Global Workforce Analysis

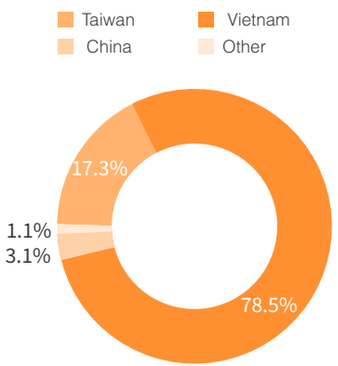
(1) Global Workforce Distribution by Site



(2) Global Workforce Gender Distribution



(3) Global Workforce Nationality Distribution



(4) Workforce Distribution – Job Category

Employment Type	Male							Female							
	Direct Employees	Indirect Employees		Part-time Employees	Non-employee Workers	Total by Gender	Percentage of Arcadyan Workforce by Gender	Direct Employees	Indirect Employees		Part-time Employees	Non-employee Workers	Total by Gender	Percentage of Arcadyan Workforce by Gender	Workforce by Site
		Managers	Non-managerial Employees						Managers	Non-managerial Employees					
Arcadyan Headquarters	0	173	539	10	12	712	69.7%	0	51	259	7	26	310	30.3%	1,022
Vietnam Manufacturing Center	1,685	9	416	0	0	2,110	45.8%	2,244	7	247	0	0	2,498	54.2%	4,608
China Operations Office	0	42	91	0	0	133	72.3%	2	14	35	0	0	51	27.7%	184
Other Overseas Sites	0	3	50	1	3	53	88.3%	0	0	7	1	1	7	11.7%	60

Note 1: Direct employees refer to on-site production workers; indirect employees refer to non-production staff, including administrative, R&D, sales, finance, and support functions; supervisors refer to personnel at section chief level or above.
Note 2: Part-time employees include student interns, visually impaired masseurs, and consultants. The total employee headcount disclosed in this report refers to the number of full-time employees as of December 31, 2025, and does not include part-time employees.
Note 3: Non-employee workers refer to personnel who are not directly employed by Arcadyan but work under its direction or supervision, including catering, security, cleaning, and outsourced staff. Outsourced manpower at Arcadyan Headquarters is adjusted flexibly according to operational needs. The total employee headcount disclosed in this report refers to full-time employees as of December 31, 2025, and does not include non-employee workers.
Note 4: Other overseas operational sites include the United States, India, Germany, South Korea, the United Kingdom, and Australia.
Note 5: Total headcount by gender at each site = Number of direct employees of that gender + Number of indirect employees of that gender.
Note 6: Percentage of each gender in Arcadyan's workforce = (Total headcount of that gender at the site / Total headcount at the site) × 100%.

(5) Workforce Distribution – Age

Age / Site / 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	81	1.4%	510	8.7%	121	2.1%	49	0.8%	226	3.8%	35	0.6%
Vietnam Manufacturing Center	1,474	25.1%	636	10.8%	0	0.0%	1,388	23.6%	1,081	18.4%	29	0.5%
China Operations Office	25	0.4%	101	1.7%	7	0.1%	5	0.1%	42	0.7%	4	0.1%
Other Overseas Sites	5	0.1%	37	0.6%	11	0.2%	1	0.0%	5	0.1%	1	0.0%

Note 1: Part-time employees and non-employee workers are disclosed only in the "Workforce Distribution by Job Category" section. The workforce distribution data by age, nationality, SASB indicators, as well as data on new hires, turnover, and training disclosed in the following sections do not include part-time employees or non-employee workers.
Note 2: The total employee headcount disclosed in this report refers to the number of full-time employees as of December 31, 2025.

(6) Workforce Distribution – Nationality

Nationality Distribution	Taiwan		Vietnam		China		Other	
	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage
Total Workforce	1,017	17.3%	4,608	78.4%	184	3.1%	65	1.1%
Managers	222	72.1%	16	5.2%	65	21.1%	5	1.6%

Note 1: Other nationalities include employees from Malaysia, the Philippines, India, South Korea, Australia, the United States, Spain, France, Russia, Tunisia, the United Kingdom, Italy, and Germany.

Note 2: The total employee headcount disclosed in this report refers to the number of full-time employees as of December 31, 2025.

(7) Workforce Distribution – SASB Classification

Category	Management	Technical Staff	Other Employees	
Definition	Management (Section Manager and Above)	Technical Professionals (R&D and Engineers)	Administrative Staff	Production Workers
Arcadyan Headquarters	224	615	183	0
Vietnam Manufacturing Center	16	385	278	3,929
China Operations Office	65	84	33	2
Other Overseas Sites	3	34	23	0

Management Localization

Arcadyan implements a talent localization strategy by prioritizing the hiring and development of local talent to strengthen regional management, enhance understanding of local markets and regulations, and support sustainable growth with local communities.

Arcadyan advances its management strategy by dispatching Taiwanese senior managers to key overseas sites while cultivating local talent to strengthen regional competitiveness. As of the end of 2025, the proportion of local managers reached 99.1% at Headquarters, 100% at the Vietnam Manufacturing Center, and 47.7% at the China Operations Office, reflecting adjustments based on operational needs and organizational structure. Looking ahead, Arcadyan will continue to promote localized management and management trainee development programs, strengthen its talent pipeline, and contribute to local industry growth and economic development.

Region	Number of Managers	Number of Local Managers	Percentage
Arcadyan Headquarters	224	222	99.1%
Vietnam Manufacturing Center	16	16	100.0%
China Operations Office	48	31	64.6%

Note 1: Managers' work locations are determined based on the operating site responsible for payroll.

5.2.2 Talent Acquisition and Turnover

Arcadyan regards its R&D capabilities and people as important foundations for long-term growth. Guided by its business strategy and workforce planning, the Company assesses its annual hiring needs and seeks talent through a variety of channels, including career platforms, social media, campus recruitment, internship programs, and executive search firms. Throughout the recruitment process, Arcadyan adheres to local regulations and upholds principles of fairness, transparency, and equal employment opportunity.

Arcadyan supports employee career development through internal mobility programs, including expatriate assignments, internal transfers, priority internal recruitment, and cross-border technical exchanges, promoting talent development across functions and regions.

Campus Recruitment Initiatives

Arcadyan actively participates in campus recruitment to strengthen its talent pipeline and attract young talent. In 2025, the Company joined 5 university career fairs, introducing its corporate culture, career opportunities, and industry trends through on-site engagement.

Arcadyan promotes gender diversity and equal opportunity in campus recruitment by inviting female leaders to share their career experiences, encouraging more women with STEM backgrounds to pursue careers in the technology industry.

Internship Programs and Early-Career Support

Arcadyan partners with universities, including Yuan Ze University and National Yang Ming Chiao Tung University, to provide one-year internship programs that help students gain practical experience and prepare for their careers. In 2025, 8 students participated in the program, receiving compensation, professional mentorship, and hands-on project experience. Two interns received six-month contract extensions, and one intern from Yuan Ze University joined Arcadyan as a full-time employee after completing the internship program.

Summer Internships and Vulnerable Youth Support

In 2025, Arcadyan provided 10 summer internship opportunities for university students, including 6 positions reserved for underprivileged youth supported by social welfare organizations and 4 positions open to general applicants. The program provided practical workplace experience, strengthened career readiness, and supported SDG 8: Decent Work and Economic Growth by promoting youth development and equitable employment opportunities.

New Hires

Between 2022 and 2025, Arcadyan expanded its workforce through ongoing recruitment and talent development. In 2025, the Group hired 5,347 new employees, with over 99% in non-managerial positions, supporting business growth and longterm workforce needs.

In 2025, 96.7% of new hires were Vietnamese nationals, reflecting Arcadyan's talent localization strategy. The new hire rate in Taiwan was 16.9%, and the internal vacancy fulfillment rate reached 2.3%, supporting both external recruitment and internal career mobility. Employees under 30 years old accounted for 49.8% of new hires at the Vietnam Manufacturing Center, strengthening the Company's long-term talent pipeline.

Moving forward, Arcadyan will continue to strengthen its recruitment and retention strategies through campus recruitment, diverse talent sourcing, localized talent development, and internal career advancement to support business growth and evolving workforce needs.

(1) 2022–2025 New Hire Statistics

Year	2022	2023	2024	2025
Number of New Hires	7,918	8,246	2,608	5,347

(2) New Hires by Age and Gender

Total New Hires	Male						Female					
	30 and Under		31-50		51 and Over		30 and Under		31-50		51 and Over	
	Number	Rate	Number	Number	Rate	Number	Number	Rate	Number	Rate	Number	Rate
Arcadyan Headquarters	30	2.9%	71	6.9%	7	0.7%	18	1.8%	46	4.5%	1	0.1%
Vietnam Manufacturing Center	2,293	49.8%	741	16.1%	0	0.0%	1,462	31.7%	654	14.2%	20	0.4%
China Operations Office	1	0.5%	2	1.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other Overseas Sites	0	0.0%	0	0.0%	1	1.7%	0	0.0%	0	0.0%	0	0.0%

Note 1: Calculation formula: Number of new hires in the age group ÷ Total number of employees at the site.

(3) New Hires by Job Level

Job Level	Number of New Hires
Senior Management	2
Middle Management	9
Junior Management	6
General Employees	5,330

Note 1: Senior Management refers to positions at Deputy Director level and above.
Note 2: Middle Management refers to positions at Deputy Manager level and above.
Note 3: Junior Management refers to positions at Section Chief level and above.
Note 4: General Employees refer to non-managerial staff.

(4) New Hires by Nationality

Nationality	Number of New Hires
Taiwan	172
Vietnam	5,171
China	3
India	1

(5) Taiwan Employees – New Hire Rate

Year	2022	2023	2024	2025
Number of New Hires	171	115	123	173
New Hire Rate (%)	19.2%	12.4%	13.0%	16.9%

Note 1: New Hire Rate = Number of new hires in the year ÷ Total number of employees in the year.

(6) Taiwan Employees – Internal Vacancy Fill Rate and Recruitment Cost

Year	2024	2025
Internal Vacancy Fill Rate	1.6%	2.3%
Average Recruitment Cost per Person (Unit: NTD)	18,943	55,388

Note 1: Internal Vacancy Fill Rate = Number of internal fills ÷ Number of new hires.
Note2: Recruitment cost includes recruiter salaries, interview operation costs, headhunter fees, recruitment platform fees, and job fair expenses.

Employee Turnover Analysis

As Arcadyan continues to expand its global operations, the Company manages workforce mobility through structured recruitment, talent development, and retention programs. Reflecting the labor-intensive nature of manufacturing operations, the Group's total turnover rate ranged from 65.4% to 82.7% and the voluntary turnover rate ranged from 52.1% to 77.2% between 2022 and 2025. In 2025, 4,042 departing employees were non-managerial staff, while departures among management levels—from executive to junior managers—totaled 21, indicating a relatively stable management team.

In 2025, the Vietnam Manufacturing Center recorded 3,941 employee departures, primarily reflecting the workforce composition of direct manufacturing roles and local labor market conditions. By comparison, 91 employees left the Taiwan region, indicating relatively stable workforce retention at Headquarters. Employees under 30 years old accounted for the largest share of departures, with a 38.5% turnover rate at the Vietnam Manufacturing Center, consistent with the site's younger workforce profile.

Arcadyan strengthens workforce stability and long-term operational resilience through talent localization, internal career opportunities, and employee development and retention initiatives.

(1) Turnover Rate

Year	2022	2023	2024	2025
Total Turnover Rate	82.7%	65.4%	68.7%	77.6%
Voluntary Turnover Rate	69.5%	52.1%	46.3%	77.2%

Note 1: Total Turnover Rate = Total number of leavers in the year ÷ [(Number of employees at the end of previous year + Number of employees at the end of current year) ÷ 2].
Note 2: Voluntary Turnover Rate = Number of voluntary leavers in the year ÷ [(Number of employees at the end of previous year + Number of employees at the end of current year) ÷ 2].

(2) Number of Leavers by Age and Gender

	Male						Female					
	30 and Under		31-50		30 and Under		31-50		30 and Under		31-50	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate
Arcadyan Headquarters	7	0.7%	37	3.6%	10	1.0%	7	0.7%	29	2.8%	4	0.4%
Vietnam Manufacturing Center	1,776	38.5%	515	11.2%	0	0.0%	1,192	25.9%	456	9.9%	12	0.3%
China Operations Office	0	0.0%	3	1.6%	0	0.0%	0	0.0%	10	5.4%	0	0.0%
Other Overseas Sites	0	0.0%	1	1.7%	3	5.0%	1	1.7%	0	0.0%	0	0.0%

Note 1: Number of leavers in the age group ÷ Total number of employees at the site.

(3) Number of Leavers by Job Level

Job Level	Total
Senior Management	1
Middle Management	6
Junior Management	14
General Employees	4,042

Note 1: Senior Management refers to positions at Deputy Director level and above.
Note 2: Middle Management refers to positions at Deputy Manager level and above.
Note 3: Junior Management refers to positions at Section Chief level and above.
Note 4: General Employees refer to non-managerial staff.

(4) Leavers by Nationality

Nationality	Number
Taiwan	91
Vietnam	3,951
China	13
India	2
Argentina	1
Turkey	1
USA	4

5.2.3 Compensation and Benefits

Arcadyan provides a comprehensive compensation, benefits, and employee care framework to support employees throughout different career and life stages. Through competitive compensation, living wage commitments, retirement and insurance programs, family-friendly benefits, and employee recognition, the Company enhances employee well-being, strengthens talent attraction and retention, and fosters a stable, engaged, and sustainable workforce.

Compensation and Incentives

Arcadyan maintains a fair and transparent compensation system that meets regulations and shares business success with employees. Under its Articles of Incorporation, the Company allocates at least 5% of pre-tax net profit (before employee and director compensation) as employee remuneration. In addition to base salary, employees may receive year-end bonuses, project incentives, and patent rewards. Compensation is adjusted based on Company results and individual performance reviews, conducted twice a year, and used for pay, promotion, and development decisions.

Arcadyan provides all full-time employees with statutory benefits, including Labor Insurance, National Health Insurance, and retirement pension plans, while upholding equal pay principles. Compensation is determined without discrimination based on race, nationality, age, social status, ancestry, religion, disability, gender, sexual orientation, family responsibilities, marital status, or political affiliation.

Living Wage Commitment and Practice

Arcadyan believes that fair, competitive compensation is essential to employee well-being and long-term talent sustainability. To promote equitable pay and uphold labor dignity, the Company has established a Living Wage Commitment grounded in the methodologies of the Global Living Wage Coalition (GLWC), the Fair Labor Association (FLA), as well as SDG 8: Decent Work and Economic Growth. This commitment ensures that employees receive wages sufficient to meet basic living needs within standard working hours.

The Corporate Sustainability Office leads the Living Wage Commitment, while the Human Resources Administration Department oversees its implementation. Each year, Arcadyan reviews living costs, inflation, and market salary levels across its operating sites to assess alignment with living wage standards and support annual compensation planning. Living wage assessments, together with performance and market benchmarks, are incorporated into compensation adjustments to ensure the competitiveness of base pay, allowances, and incentive programs.

In 2025, Arcadyan achieved a 99.2% living wage attainment rate. Employees below the living wage standard were primarily entry-level employees under 30 years old and administrative support staff. To further close the remaining gap, Arcadyan implemented the following improvement measures:

- Dynamic Compensation Assessment: Regularly review compensation structures with reference to changes in living costs and conduct targeted assessments for different employee groups to inform salary adjustments.
- Optimization of Salary Adjustment Mechanisms: Strengthen the linkage between salary, performance, job contribution, and market levels to enhance the fairness of the compensation system.
- Deepened Sustainability Communication: Promote the concept of living wage through the sustainability portal and internal communication channels to increase employee understanding of fair compensation.

Arcadyan will continue to monitor gaps between compensation mechanisms and living wage standards. By integrating career development and capability-building initiatives, the company aims to progressively improve overall compensation appropriateness, with the mid- to long-term goal of achieving full compliance with local living wage levels by 2028.

Salaries of Non-Managerial Full-Time Employees at Headquarters (NTD in thousands)

In 2025, the average salary of non-managerial employees increased 0.80% year over year, while the median salary increased 2.7%. The increase reflects annual salary adjustments, incentive programs, and workforce optimization. Arcadyan will continue to monitor compensation equity and market trends to strengthen talent attraction and retention.

Year	Mean / Average	Median
2023	1,881	1,589
2024	1,882	1,603
2025	1,897	1,647

Ratio of Direct Employee Salary to Local Statutory Minimum Wage

Operation Site	Male	Female
Arcadyan Headquarters	1.2	1.2
Vietnam Manufacturing Center	2.0	2.0
China Operations Office	1.6	1.2

Note 1: Arcadyan Headquarters has no entry-level direct labor; therefore, the lowest-paid male and female entry-level indirect employees are used as the calculation basis.

Note 2: For the Vietnam Manufacturing Center, both male and female calculation bases are the salaries of entry-level direct labor.

Note 3: China Operations Office has no male entry-level direct labor; therefore, the lowest-paid male entry-level indirect employee is used as the calculation basis for males, while the salary of female entry-level direct labor is used for females.

Gender Pay Ratio

Arcadyan's compensation is based on job responsibilities, professional expertise, performance, and market benchmarks. R&D positions generally receive higher compensation due to their technical requirements and responsibilities. At the end of the reporting period, 73.7% of employees at Headquarters worked in R&D. As the STEM talent pool remains predominantly male, the average compensation for male employees was slightly higher than that for female employees, reflecting workforce composition rather than differences in pay practices.

Operating Site	Category		Male	Female
Arcadyan Headquarters	Direct Labor		No direct labor	No direct labor
	Indirect Labor	Management	1.23	1
		General Employees	1.28	1
Vietnam Manufacturing Center	Direct Labor		0.99	1
	Indirect Labor	Management	0.93	1
		General Employees	0.85	1
China Operations Office	Direct Labor		No direct labor	1
	Indirect Labor	Management	0.99	1
		General Employees	1	1

Retirement and Insurance Protection

Arcadyan safeguards employee retirement benefits through the Retirement Supervisory Committee and the Employee Retirement Regulations, which govern pension funding and related obligations. The Company conducts annual actuarial valuations through external professionals to regularly assess funding adequacy and support the sustainable operation of its retirement system.

Arcadyan contributes to employee retirement plans in accordance with local regulations. At Headquarters, the Company contributes 2% of monthly salaries to the legacy pension reserve, which totaled NTD 167,854 thousand at the end of 2025. For employees under the new pension system, Arcadyan contributes 6% of monthly salaries to individual pension accounts. Overseas operations comply with local requirements, contributing 16% in China and 14% in Vietnam. In 2025, the Group recognized NTD 103,145 thousand in pension expenses and NTD 402,801 thousand in labor and health insurance and employee welfare expenses.

Beyond statutory retirement and social insurance programs, Arcadyan provides employees with medical and social benefits in accordance with local regulations. At Headquarters, the Company offers additional group insurance covering life, accident, cancer, and medical insurance, with optional dependent coverage. Overseas operations provide social security, medical, and unemployment insurance in compliance with local labor laws, supporting employee well-being and protection.

Family-Friendly Childcare and Care Support

Arcadyan promotes a people-centric workplace by supporting employees in balancing work and family responsibilities. Since 2011, the Company has provided a Maternity and Childbirth Subsidy Program, offering NTD 66,000 for each newborn of eligible employees. By the end of 2025, the program had supported 391 newborns, with total subsidies reaching NTD 25,806 thousand, demonstrating the Company's long-term commitment to employee family well-being.

Arcadyan partners with certified daycare centers and preschools to provide employees with discounted childcare services, helping reduce caregiving burdens and support work-life balance.

Results of Childbirth Subsidy Program at Arcadyan Headquarters

Year	2023	2024	2025
Number of Newborns	25	27	27
Subsidy Amount (NTD)	1,650,000	1,782,000	1,782,000

Arcadyan provides gender-neutral parental leave in accordance with the Act of Gender Equality in Employment and the Regulations for Implementing Unpaid Parental Leave for Employees. At Headquarters, employees with at least six months of service may apply for up to two years of unpaid parental leave before their child reaches three years of age. Upon returning, employees are reinstated to their original department or a suitable position with the necessary training and support.

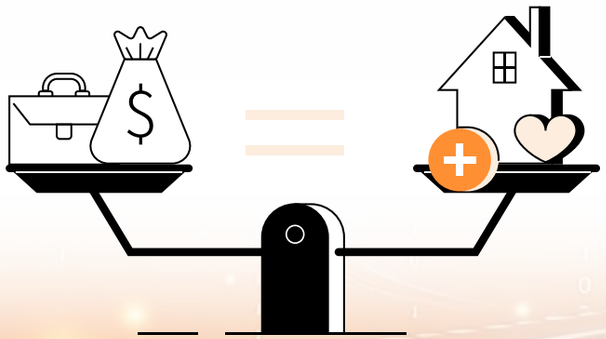
In 2025, 77 employees at Arcadyan Headquarters were eligible for parental leave, and 8 employees (all female) took parental leave. Of the 5 employees scheduled to return, 4 resumed work, resulting in a return-to-work rate of 80%. All 5 employees who returned in 2024 remained employed for at least one year, achieving a 100% retention rate. Arcadyan also provides leave benefits, including menstrual, maternity, pregnancy checkup, parental, tocolysis, and family care leave, as well as lactation rooms and maternal health protection measures.

Overseas operations provide maternity leave in accordance with local regulations. In 2025, the Vietnam Manufacturing Center recorded 167 maternity leave applications, with a 63.4% return-to-work rate and 54.1% retention rate. The China region recorded 1 application, achieving 100% in both return-to-work and retention.

By integrating childbirth subsidies, parental leave, maternity leave, childcare resources, and maternal health support, Arcadyan continues to strengthen its employee care programs to help employees balance work and family responsibilities.

Parental Leave Status

Parental Leave Status at Arcadyan Headquarters in 2025	Arcadyan Headquarters	
	Male	Female
Number of employees eligible for parental leave in 2025	55	22
Number of employees who actually applied for parental leave in 2025	0	8
Number of employees expected to return to work in 2025 (A)	0	5
Number of employees who actually returned to work in 2025 (B)	0	4
Number of employees who returned from parental leave in 2024 and remained employed for one year (C)	0	5
Number of employees who actually returned from parental leave in 2024 (D)	0	5
Return-to-work rate in 2025 (E) = (B)/(A)×100%	0	80%
Retention rate in 2025 (F) = (C)/(D)×100%	0	100%



Maternity Leave Status at Overseas Sites in 2025	Vietnam Manufacturing Center	China Operations Office	
		Shanghai / Kunshan	Guangzhou
Statutory maternity leave days	180	158	178
Number of employees eligible for parental leave in 2025	167	1	
Number of employees who actually applied for parental leave in 2025	167	1	
Number of employees expected to return to work in 2025 (A)	183	1	
Number of employees who actually returned to work in 2025 (B)	116	1	
Number of employees who returned from parental leave in 2024 and remained employed for one year (C)	20	1	
Number of employees who actually returned from parental leave in 2024 (D)	37	1	
Return-to-work rate in 2025 (E) = (B)/(A)×100%	63.4%	100.0%	
Retention rate in 2025 (F) = (C)/(D)×100%	54.1%	100.0%	

Diverse Benefits and Employee Care

Arcadyan provides a comprehensive employee benefits program that supports employees' work and personal well-being. In addition to statutory benefits and insurance, Headquarters offers flexible working hours, meal subsidies, employee clubs, merchant discounts, travel allowances, Family Day events, and holiday celebrations to promote work-life balance.

Arcadyan Headquarters offers flexible working hours and fully paid sick leave beyond statutory requirements to support employee well-being. Employees also receive meal subsidies, complimentary dinners for business-related overtime, and access to on-site dining facilities, coffee bars, relaxation areas, and free parking, creating a comfortable and supportive workplace.

Arcadyan Headquarters promotes employee well-being through clubs, on-site massage, and health-focused activities. The Employee Welfare Committee also organizes Family Day, company trips, and holiday events to enhance engagement, family involvement, and belonging.

Arcadyan Headquarters Comprehensive Welfare Programs

Welfare Measure	Description
Flexible Working Hours	• Flexible working system with adjustable start time (8:00–10:00) and end time (17:00–19:00) to accommodate commuting and family needs. • Provides 40 hours of paid sick leave, exceeding legal requirements.
Employee Meal Support	• Four on-site employee restaurants offering diverse meal options. • Lunch subsidy of NT$45 per meal and free dinner for overtime workers. • Vending machines provide convenient snacks and beverages.
Childcare Support	NT$66,000 maternity cash gift per child, plus NT$1,600 childbirth subsidy from the Employee Welfare Committee per child.
Birthday & Festival Bonuses	Birthday cash gifts and Dragon Boat Festival / Mid-Autumn Festival bonuses.
Friendly Workplace Facilities	• Dedicated breastfeeding rooms for female employees. • On-site restaurants, coffee bar, and free motorcycle/car parking. • Greenery corridors and public rest areas for employee relaxation.
Club Activities	12 employee clubs established to support personal interests, social connections, and work-life balance. Club subsidies totaled NT$182,000 in 2025.
Other Welfare	• Discount ticket ordering service. • Free massage services for stress relief. • Year-end parties, domestic and international trips with travel subsidies, family days, and community engagement activities to strengthen employee and family connections.

Employees participate in the boxing aerobics club to promote physical and mental well-being through exercise and achieve better work-life balance.

Arcadyan regularly provides free visually impaired massage services to help employees relieve stress while supporting employment opportunities for people with disabilities.

Greenery corridors and public rest areas have been created to help employees relax and recharge during work breaks.

On-site employee restaurants offering diverse meal options to meet employees' daily dining needs.

Employee Recognition and Retention Incentives

Arcadyan recognizes employees' long-term contributions and outstanding performance through annual Long-Service Employee and Outstanding Employee awards. Nominated by department heads and reviewed by management, recipients receive public recognition and monetary awards to encourage continued professional growth and engagement.

Between 2022 and 2025, Arcadyan recognized 181 Long-Service Employees and 73 Outstanding Employees, with total awards of NTD 12,940 thousand. These recognition programs support employee development, strengthen engagement and retention, and contribute to long-term organizational growth.

Arcadyan Headquarters	2022	2023	2024	2025
Number of Senior Employees	37	44	54	46
Total Amount Awarded to Senior Employees (NTD)	1,690,000	2,010,000	3,210,000	2,580,000
Number of Outstanding Employees	18	19	17	19
Total Amount Awarded to Outstanding Employees (NTD)	840,000	910,000	830,000	870,000

Note 1: Senior employees refer to employees at Arcadyan Headquarters with 15 or more years of service.

5.3 Talent Cultivation and Development

Guided by its core values of Innovation, Harmony, Excellence, and Service, Arcadyan cultivates a culture of continuous learning and employee development. Through structured talent programs, diverse learning resources, and clear career advancement pathways, the Company enhances workforce capabilities and strengthens long-term organizational competitiveness. Arcadyan's talent development commitments are outlined as follows:

- Encourage internal talent development and cross-departmental collaboration.
- Regularly review and refine talent development programs to ensure alignment with corporate strategy and market trends.
- Build a supportive work environment that fosters innovation, learning, and continuous growth.

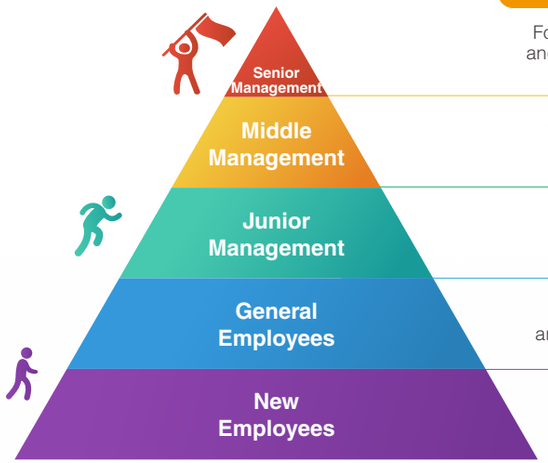
5.3.1 Talent Development Strategy and Training Architecture

Arcadyan invests in annual training programs aligned with business objectives, competency needs, and employee development. Through internal training and external partnerships, the Company strengthens employees' professional skills and innovation capabilities to support long-term competitiveness.

Arcadyan provides structured training and career development programs for employees at all levels, from new hires to senior management. The Company also promotes cross-generational learning and knowledge sharing to strengthen collaboration and organizational cohesion.

Key training programs for different employee groups are outlined below:

Training Blueprint



	Training Focus	Key Courses
Senior Management	Focus on decision-making, organizational influence, and coaching skills to support strategy execution and talent pipeline development.	Coaching Skills, Strategic Management, and Leadership Development Programs.
Middle Management	Strengthen upward management, accountability, and subordinate development capabilities to enhance team management effectiveness.	Upward Management, Accountability, and Subordinate Development Courses.
Junior Management	Build foundational leadership skills, recruitment & interviewing techniques, performance goal setting, and team coordination abilities.	Basic Supervisor Training, including Leadership, Recruitment & Interviewing Skills, and Performance Goal Setting.
General Employees	Provide courses on professional skills, team communication, interpersonal interaction, and artificial intelligence applications to strengthen core job competencies.	Team Communication, Interpersonal Skills, and Artificial Intelligence (AI) Application.
New Employees	Strengthen understanding of company culture, management systems, regulatory requirements, information security, and occupational safety and health to help new hires quickly integrate into the organization.	New Employee Orientation, Information Security, Occupational Safety & Health, and Mentorship Program.

Arcadyan strengthens employee development through structured, competency-based training programs that provide learning opportunities aligned with different career stages, supporting both individual growth and the Company's long-term development.

5.3.2 Training Execution and Learning Resources

Arcadyan continues to expand its professional learning resources to strengthen workforce capabilities and organizational learning. By 2025, the Company had developed over 545 professional courses and more than 757 training courses covering R&D, information technology, engineering, legal and patent affairs, and finance. These efforts support GRI 404: Training and Education, SDG 4: Quality Education, and SDG 8: Decent Work and Economic Growth. Training effectiveness is evaluated through the following management indicators:

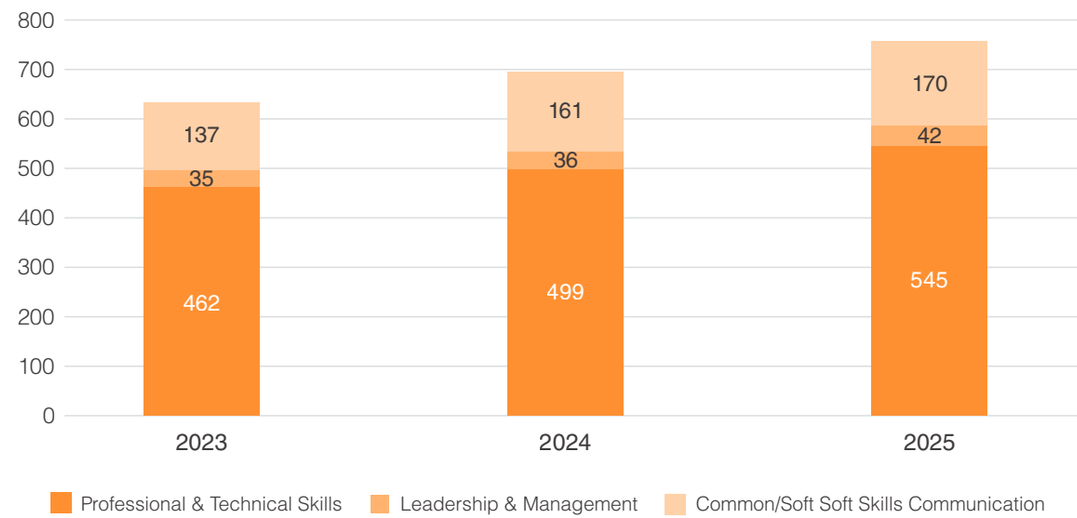
Education and Training Promotion Goals

Timeline	Target Description
Short-term Goals (by end of 2025)	• Achieve 100% completion rate for new employee orientation to help new hires build organizational identification and establish a foundation for career development. • Ensure over 80% of first-time promoted managers complete new supervisor training to strengthen foundational leadership and management competencies. • Offer at least 2 cross-departmental core courses to support employees in developing basic competencies and enhancing cross-functional collaboration.
Mid-term Goals (by end of 2030)	• Develop leadership and talent cultivation capabilities for over 50% of middle-level managers to strengthen the organizational succession pipeline. • Optimize the internal digital learning platform to improve accessibility and participation in self-directed learning. • Enhance learning resource allocation to ensure employees receive appropriate and diverse training support based on their functional needs.
Long-term Goals (by end of 2035)	• Foster a lifelong learning culture with full employee participation to comprehensively enhance organizational knowledge and adaptability. • Establish talent development assessment and tracking mechanisms to ensure alignment between talent strategy and corporate sustainability objectives. • Deepen digital transformation and innovation capability building to improve employees' agility, technology application, and overall corporate competitiveness in response to industry changes.

Education and Training Course Categories and Key Content

Course Category	Course Content
Professional Technical	Arcadyan partners with universities, professional institutions, and internal experts to provide training in software, hardware, R&D, and engineering. The Company also invites academic and industry experts to share the latest technologies and industry insights, strengthening employees' technical expertise, innovation, and problem-solving capabilities.
Leadership and Management	Arcadyan provides leadership and management training covering goal setting, communication, collaboration, performance management, and people management. These programs strengthen leadership capabilities, enhance team communication, and improve management effectiveness.
General Communication	Through project management and communication training, Arcadyan strengthens cross-functional collaboration, improves problem-solving capabilities, and enhances project execution and organizational effectiveness.

Cumulative Number of Training Courses Conducted



Education and Training Hours

General Training		Direct Labor		Indirect Labor			
				Management		General Employees	
		Male	Female	Male	Female	Male	Female
Arcadyan Headquarters	Number of Employees	No direct labor	No direct labor	180	54	587	299
	Training Hours	No direct labor	No direct labor	1,411.2	570.1	1,851.5	712.8
	Average Hours per Person	-	-	7.8	10.6	3.2	2.4
Vietnam Manufacturing Center	Number of Employees	2,154	2,631	10	8	529	292
	Training Hours	104,955	136,485	628	487	36,409.3	17,444.5
	Average Hours per Person	48.7	51.9	62.8	60.9	68.8	59.7

Note 1: China Operations Office and other overseas sites were not included in this year's training statistics.
Note 2: Arcadyan Headquarters has no direct labor employees; therefore, no related training data is available.

Training Hours by Age and Training Type

Category		Arcadyan Headquarters				Vietnam Manufacturing Center			
		Male		Female		Male		Female	
		Total Training Hours	Average Training Hours	Total Training Hours	Average Training Hours	Total Training Hours	Average Training Hours	Total Training Hours	Average Training Hours
Age	30 and Under	313.5	3.9	200.2	4.1	100,414.0	68.1	87,668.5	63.2
	31-50	2,653.3	5.2	988.0	4.4	41,578.3	65.4	64,792.0	59.9
	51 and Over	295.8	2.4	94.8	2.7	-	-	1,956.0	67.4
Training Type	Internal Training	2,817.6	4.0	1,002.1	3.2	139,014.0	65.9	152,417.0	61.0
	External Training	445.1	0.6	280.8	0.9	2,978.0	1.4	2,000.0	0.8

Note 1: Internal training refers to courses planned, designed, and conducted by the Arcadyan Group.
Note 2: External training refers to courses provided by external institutions, organizations, or professional training providers.

Training Hours and Costs

Region	Training Hours		Training Costs	
	Total Training Hours	Average Training Cost per Employee	Total Training Costs	Average Training Cost per Employee
Arcadyan Headquarters	4,545.6	4.4	2,721,991.0	2,663.4
Vietnam Manufacturing Center	296,408.8	64.3	288,546.0	62.6
Total	300,954.4	53.5	3,010,537.0	534.7

Note 1: Training costs are presented in New Taiwan dollars (NT$).

Human Capital Return on Investment (HC ROI)

Unit: NT$ thousand

Item	2022	2023	2024	2025
(a) Total Revenue	47,167,749	51,158,122	48,967,458	52,975,952
(b) Total Operating Expenses	44,967,960	47,993,755	45,929,827	49,475,859
(c) Total Employee-Related Expenses (Salaries + Benefits)	3,448,478	3,796,455	3,252,185	3,771,118
Resulting HC ROI (a - (b-c))/c	1.6	1.8	1.9	1.9
Total Employees	6,207	5,380	4,602	5,874

Note 1: Total Operating Expenses include operating expenses and cost of sales.
Note 2: Total Employee-Related Expenses include salaries, labor and health insurance, pension contributions, and other employee benefits.

Course Knowledge Sharing Platform: Arcadyan Content Sharing System

Arcadyan established the Arcadyan Content Sharing System (CSS), an internal knowledge-sharing platform where employees deliver training and share professional expertise. By 2025, the platform offered more than 1,237 online courses covering general education, technical training, new-hire onboarding, and leadership development, supporting flexible learning and cross-functional knowledge sharing.

The CSS platform centralizes Arcadyan's knowledge assets and supports knowledge sharing across departments. Employees can access learning resources based on their job needs and career development, strengthening a culture of continuous learning and talent development.

5.3.3 Sustainability and Transformation Competency Cultivation

Arcadyan integrates sustainability, climate resilience, and digital capabilities into its talent development programs, helping employees respond to industry trends and apply sustainability knowledge in their daily work.

Company-Wide Sustainability Awareness Training

Arcadyan provides sustainability training for all employees while integrating cultural education to strengthen awareness of diversity, respect, and cross-cultural collaboration, enhancing employees' ability to work in a global environment.

The training program covers the three ESG pillars, including Diversity, Equity, and Inclusion (DEI), human rights, business integrity, and regulatory compliance. Key topics include gender equality, sexual harassment prevention, forced labor prevention, personal data protection, anti-corruption, and fair competition, helping employees understand Arcadyan's sustainability strategy and apply these principles in their daily work.

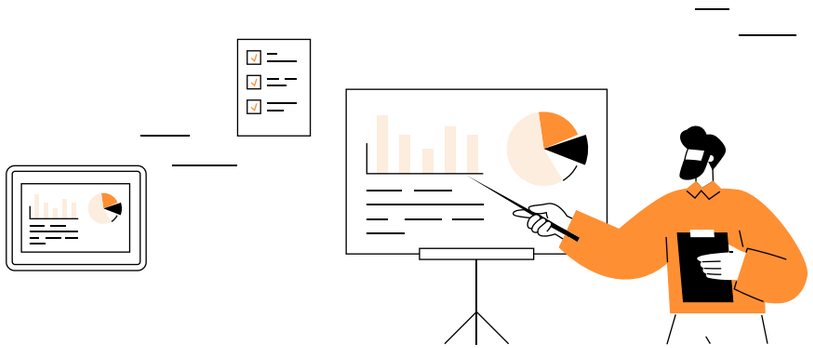
In 2025, 100% of new hires completed sustainability awareness training. Completion rates reached 98.3% at Headquarters, 94.1% at the Vietnam Manufacturing Center, and 95.2% across the Group.

Company-wide Awareness Training Completion Rate

Operating Site	Number of Employees Actually Trained	Number of Employees Required to be Trained	Completion Rate
Arcadyan Headquarters	966	983	98.3%
Vietnam Manufacturing Center	2,952	3,134	94.1%
Total	3,918	4,117	95.2%

Sustainability Awareness Training Course Content

Theme	Course Content
Company Core Values and Code of Conduct	Through courses such as "Arcadyan Policies and Sustainable Development," employees learn the Company's sustainability commitments, including human rights, labor rights, social responsibility, environmental protection, information security, business continuity, quality management, and ISO management systems, helping them apply these principles in their daily work.
Sustainability and Environmental Responsibility	Courses such as "Sustainable Development," "Low-Carbon and Carbon Management," "Hazardous Substances Management," and "Climate Change Response Measures" introduce Arcadyan's environmental strategies for carbon reduction, resource circularity, pollution prevention, and climate risk management, helping employees integrate sustainability into their daily work.
Diversity, Respect, and Human Rights Culture	Through cultural and social responsibility courses, employees strengthen their understanding of diversity and inclusion, human rights protection, anti-discrimination, anti-harassment, and privacy protection. The courses cover topics such as prevention of sexual harassment, human rights policy, personal data protection, and information security. They help employees understand complaint procedures, respect differences, avoid inappropriate behavior, and collectively build a safe, respectful, and open-communication workplace culture.
Integrity and Compliance	Through governance-focused training, employees enhance their awareness of ethical business practices, regulatory compliance, and risk management. The courses cover anti-corruption, fair competition, conflict of interest management, gift and hospitality policies, prevention of insider trading, and procedures for handling material information. Real-life case studies are incorporated to improve employees' judgment and behavioral consistency in high-risk situations, ensuring sound corporate governance.



Climate Change Response Capability Cultivation

Arcadyan incorporates climate change into its annual sustainability training to strengthen employees' environmental awareness and climate resilience. The curriculum covers topics including global net-zero trends, CBAM, greenhouse gas (GHG) accounting, SBTi decarbonization strategies, eco-design, and the circular economy, helping employees understand climate risks and integrate energy conservation, carbon reduction, and sustainability into their daily work.

Topic	Training Content
Climate Change and International/ Taiwan Net-Zero Trends Awareness	• Explain global net-zero trends, Carbon Border Adjustment Mechanism, and their impact on the Information and Communications Technology (ICT) Industry. • Introduce Taiwan's net-zero pathway, carbon fee system, and GHG inventory regulations to enhance employees' understanding of climate policies and regulatory trends. • Establish foundational concepts of the GHG Protocol and carbon inventory to strengthen climate risk identification and cross-border operational resilience.
Arcadyan SBTi Carbon Reduction Strategy and Organizational Actions	• Introduce Arcadyan's net-zero roadmap and phased carbon reduction targets validated by SBTi to deepen employees' understanding of the Company's carbon reduction strategy. • Share achievements in energy management, renewable energy adoption, and energy-saving initiatives to encourage employee participation in the organizational decarbonization transition. • Guide employees to identify carbon emission sources in daily work and explore feasible reduction actions to enhance cross-departmental collaboration and organizational resilience.
Hazardous Substances Management and Green Product Compliance	• Explain global trends in hazardous substances regulations and Arcadyan's green product management strategy to strengthen product compliance awareness. • Introduce restrictions on hazardous substances, supply chain management requirements, and risk identification methods to help employees implement compliance in daily operations. • Through explanations of green product declarations and testing processes, guide employees to translate environmental responsibility into professional practice.
Sustainable Product Design and Circular Economy Applications	• Build product carbon footprint, eco-design, and life cycle thinking to strengthen sustainable product development capabilities. • Introduce circular economy principles and practical applications of recycled materials to cultivate employees' ability to propose innovative solutions. • Guide employees to identify climate and environmental risks across the product life cycle and promote design directions that deliver both environmental value and market competitiveness.
Supply Chain Collaboration and Daily Employee Actions	• Introduce Arcadyan's supply chain carbon reduction collaboration strategy to strengthen cross-departmental and stakeholder communication capabilities. • Encourage employees to implement energy saving, carbon reduction, and risk management in daily work to deepen Arcadyan's sustainability culture. • Use practical case studies to build consensus on employee participation in net-zero actions and support the implementation of Arcadyan's net-zero pathway.

Digital Transformation Competency Development Program

Arcadyan launched the Digital Transformation Competency Development Program to strengthen employees' AI and digital capabilities. The program covers digital transformation, Generative AI, large language models (LLMs), prompt engineering, ChatGPT, and AI-powered workflow automation, helping employees improve productivity, process optimization, and digital innovation.

Topic	Training Content
Digital Transformation and AI Fundamentals	• Explain AI development trends, Large Language Models (LLM), and core concepts of generative AI to help employees understand the impact of digital transformation on the ICT industry. • Introduce the connections between statistics, machine learning, deep learning, and ChatGPT to build foundational digital application thinking. • Cultivate the correct mindset and attitude toward using AI tools to enhance employees' adaptability to digital transformation.
Prompt Engineering	• Introduce prompt classification, formats, and design principles to help employees write precise and effective prompt instructions. • Improve AI tool application effectiveness and output quality through prompt optimization techniques. • Guide employees to apply prompt engineering in daily work to increase task efficiency and innovative output.
ChatGPT Tool Practical Applications	• Hands-on practice with tools such as speech-to-text, multimodal applications, and AI-assisted presentation creation. • Learn advanced applications including web and paper abstract summarization, data visualization, and AI-assisted analysis. • Through practical case exercises, help employees transform ChatGPT into an efficient assistive tool in their work.
Process Automation and AI Integration	• Introduce process automation tools to help employees learn how to design no-code automated workflows. • Integrate ChatGPT and machine learning applications to support data processing, report generation, and cross-system integration. • Cultivate employees' ability to design and optimize digital processes, driving departmental automation transformation and operational efficiency improvement.

5.3.4 Female Leadership Development

Arcadyan believes gender should not define career development and recognizes the expertise and leadership potential of women in STEM. To support women in leadership, the Company launched dedicated leadership development programs for female managers in 2023, helping strengthen their management capabilities and career advancement.

Led by experienced industry professionals, the program combines experience sharing, case studies, and practical exercises to strengthen leadership, communication, time management, and work-life balance. It also fosters peer support among female managers, advancing SDG 5: Gender Equality and promoting a more diverse and inclusive workplace.

Proportion of Female Talent in the Workplace

Aspect	Percentage
Share of women in total workforce (as % of total workforce)	48.8%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	24.1%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	28.3%
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	12.2%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	57.3%
Share of women in STEM-related positions (as % of total STEM positions)	16.5%

Note 1: Each percentage is calculated as the number of females in the respective category divided by the total number of employees in that category.

Note 2: Junior managers refer to positions at Section Chief level and above; senior managers refer to positions at Deputy Director level and above.

5.3.5 Performance Appraisal and Career Development

Arcadyan implements a digital performance management system in accordance with its Work Performance Management Regulations. Performance reviews are conducted twice a year to evaluate work performance and project outcomes while supporting performance discussions and goal alignment between managers and employees.

Arcadyan adopts Management by Objectives (MBO) as the foundation of its performance appraisal system. Managers and employees review past performance and jointly set goals for the next review period, aligning individual and team objectives with organizational goals. Selected departments also implement Team-based Performance Appraisal to encourage cross-functional collaboration and shared accountability, strengthening organizational execution and teamwork.

Arcadyan Headquarters includes all full-time personnel within the performance appraisal scope—excluding vice presidents and above, as well as new hires with tenure under three months—achieving a 98.9% appraisal participation rate in 2025. Concurrently, the Vietnam Manufacturing Center implements formal semi-annual performance evaluations for indirect personnel to solidify operational performance governance. Other overseas sites currently execute appraisals via physical documentation, with plans to progressively introduce digitalized tools based on operational needs to continuously optimize global performance workflows.

Based on performance evaluation results, Arcadyan provides advanced training in leadership, communication, collaboration, and problem-solving for high-performing employees. Employees requiring additional support receive Performance Improvement Plans (PIPs) with clear goals and development resources, linking performance management with employee development.

Number of Employees Participating in Performance Evaluation – Group-wide

Item	Number of Employees Required to be Evaluated	Number of Employees Evaluated	Completion Rate
Arcadyan Group	1,888	1,868	98.9%

Performance Evaluation Participation by Operating Site

Arcadyan Headquarters			Vietnam Manufacturing Center			China Operations Office			Other Overseas Site		
Number of Employees Required to be Evaluated	Number of Employees Evaluated	Completion Rate	Number of Employees Required to be Evaluated	Number of Employees Evaluated	Completion Rate	Number of Employees Required to be Evaluated	Number of Employees Evaluated	Completion Rate	Number of Employees Required to be Evaluated	Number of Employees Evaluated	Completion Rate
164	164	100%	8	8	100%	106	106	100%	3	2	67%
52	52	100%	7	7	100%	14	14	100%	0	0	0%
517	517	100%	409	409	100%	40	40	100%	50	34	68%
249	249	100%	239	239	100%	23	23	100%	7	4	57%

5.4 Occupational Health and Safety

Guided by its people-centric philosophy, Arcadyan prioritizes employee health and safety through the ISO 45001:2018 Occupational Health and Safety Management System across its major operating sites. The Company strengthens risk management through governance, training, workplace monitoring, and emergency preparedness.

Arcadyan promotes employee well-being through health examinations, health promotion programs, maternal health protection, and the Employee Assistance Program (EAP), fostering a safe, healthy, and inclusive workplace.

5.4.1 Occupational Health and Safety Management

Guided by its people-centric philosophy, Arcadyan is committed to providing a safe, healthy, and ergonomic workplace. The Company implements occupational health and safety management across all operating sites through hazard identification, risk assessment, and risk control measures to strengthen workplace safety and effectively manage occupational risks.

Arcadyan implements the ISO 45001:2018 Occupational Health and Safety Management System and the Occupational Health and Safety Policy to strengthen workplace safety through operational controls, training, audits, continuous improvement, and employee participation. Key action guidelines are outlined below:

- Governance and Accountability: Establish a Labor Environment, Safety, Health and Energy Committee chaired by the General Manager or designee. The Committee approves and drives policy implementation, sets annual quantifiable targets and action plans, and conducts regular supervision, review, and improvement.
- Compliance with Laws and Standards: Comply with the Occupational Safety and Health Act and all applicable local regulations. Maintain the management system per ISO 45001:2018 and align with ILO conventions to strengthen compliance and effectiveness.
- Employee Participation and Communication: Establish open communication channels for employees and representatives to participate in safety and health consultation, negotiation, and decision-making. Provide systematic training to enhance awareness and competence.
- Risk Identification and Assessment: Conduct regular hazard identification and risk assessments per ISO 45001:2018, implement preventive and control measures, and continuously improve safety performance.
- Workplace Health Management: Develop action plans based on risk assessments, promote comprehensive health management, prevent occupational injuries and illnesses, and support employees' physical and mental well-being.
- Performance Management and Continuous Improvement: Pursue a zero-incident vision through measurable performance indicators, short-/medium-/long-term action plans, and ongoing optimization of safety and health practices.

Occupational Health and Safety Organization and Governance

Arcadyan has established Labor Environment, Safety, Health and Energy Committee at all operating sites, composed of executive management, department representatives, and employee representatives. The committees oversee policy implementation, risk assessments, incident investigations, and preventive measures, and regularly review health and safety performance to drive continuous improvement.

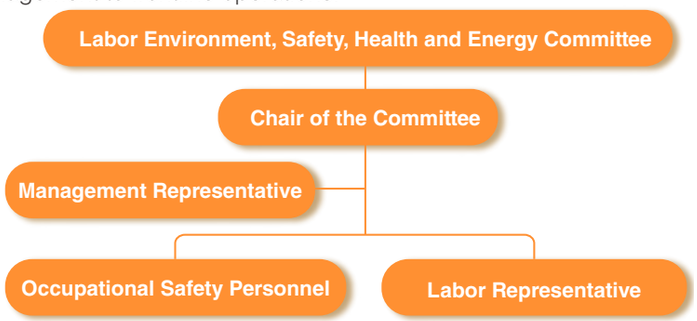
Category	Arcadyan Headquarters			Vietnam Manufacturing Center		
	OHS Personnel	Fire Safety Managers	First-Aid Personnel	OHS Personnel	Fire Safety Managers	First-Aid Personnel
2023	2	1	21	48	57	52
2024	2	1	21	65	50	80
2025	3	1	26	63	63	78

Occupational Health and Safety Management and Communication

Arcadyan has established the Labor Environment, Safety, Health and Energy Committee at its Headquarters. Chaired by the President or a designated representative, the Committee appoints a management representative to oversee related affairs. It consists of 13 members from various departments, including 3 employer representatives and 10 employee representatives. Employee representatives account for three-quarters of the Committee, serving as an important platform for labor-management communication on occupational safety and health issues.

The Vietnam Manufacturing Center has also established a Labor Environment, Safety, Health and Energy Committee, composed of 65 labor representatives, and a site-wide safety and health network. Department representatives conduct daily safety inspections, report hazards, and recommend improvements, extending safety management to frontline operations.

In 2025, members of the Labor Environment, Safety, Health and Energy Committee represented 1.3% of Arcadyan's global workforce. The Committee held four regular meetings to review occupational safety risks, monitor corrective actions, and strengthen workplace safety governance.



5.4.2 Occupational Safety Risk Management and Operational Environment Monitoring

In accordance with the ISO 45001:2018 Occupational Health and Safety Management System, Arcadyan implements the Management Procedure for Environmental Aspects and Hazard Identification & Risk Assessment to systematically identify workplace hazards. Risks are evaluated based on severity, frequency, and likelihood, with the results guiding risk control measures and management actions.

Management Execution	Arcadyan prioritizes high-risk issues with targeted improvement measures and continuous monitoring, while managing medium- and low-risk items through document control, regular inspections, and on-site controls. In 2025, occupational hazard identification and risk assessment were conducted at Headquarters and the Vietnam Manufacturing Center, achieving 95.8% employee coverage. Major risks were identified, improvement measures proposed, and implementation progress is continuously tracked.
Workplace Protection	Arcadyan implements software and hardware safety designs, including access control card systems for personnel and route management. AEDs and restroom emergency buttons are installed on each floor to enhance emergency response. Security personnel provide 24-hour monitoring at main entrances.
Equipment Management	In compliance with regulations, Arcadyan regularly inspects, maintains, and services fire alarms, extinguishers, and electromechanical fire equipment to ensure operational readiness and strengthen disaster prevention and response capabilities.

Occupational Safety and Health Risk Management Process

Risk Assessment Dimensions Risk Level = Severity of Disaster × Frequency of Occurrence × Likelihood of Injury		
Severity of Disaster	**Frequency of Occurrence**	**Likelihood of Injury**
Fatal disaster Major disaster Lost-time injury Medical treatment injury Minor injury	More than once per day More than once per week Less than once per week	Extremely low detectability Low detectability Medium detectability High detectability

2025 Risk and Hazard Identification Results	
Arcadyan Headquarters	**Vietnam Manufacturing Center**
• Fire Risk • Ergonomic Risk • Traffic Accident Risk • Electric Shock Risk	• Radiation and Special Physical Risks • Traffic and Transportation Safety Risks • Electric Shock and Electrical Safety Risks • Chemical Exposure and Fire Risks • Fire and Explosion Risks

Occupational Safety Risks and Management Measures

Site	High-Risk Item	Risk Description	Existing Controls and Improvement Measures
Arcadyan Headquarters	Fire Risk	Abnormalities in kitchen gas equipment or pipelines may cause fire or explosion, resulting in injuries and property damage.	• Conduct regular fire safety drills annually. In 2025, 3 new-employee fire training and evacuation drills were held, with a total of 141 participants. • Require external catering vendors to submit occupational safety and health risk assessment reports and emergency response plans. • Include catering staff in company fire drills to strengthen overall safety awareness and emergency response capabilities.
	Ergonomic Risk	Prolonged computer and screen use, prolonged sitting, and poor posture may cause eye strain, vision decline, shoulder and neck pain, and lower back discomfort. Laboratory equipment noise may also affect hearing and work comfort.	• Share health information monthly via internal BBS; 23 health messages were posted in 2025. • Organized 13 health seminars and 3 health promotion activities with over 900 participants and an average participation rate of 90.4%. Topics included eye care, office stretching, core strength training, fat-loss nutrition, and parent-child issues. • Provide free monthly massage services to relieve muscle strain from prolonged work. • Regularly monitor workplace noise to ensure compliance with regulatory standards and evaluate noise reduction measures or personal protective equipment as needed.
	Traffic Accident Risk	Employees may encounter traffic accidents during commuting or at plant road entrances/exits due to poor signal visibility, traffic congestion, or blind spots, resulting in injuries.	• Promote traffic routes and safety awareness quarterly through labor-management meetings and internal announcements to enhance defensive driving awareness. • Install sensing equipment at plant entrances/exits, improve signal visibility, and strengthen security personnel traffic control to reduce collision risks.
	Electric Shock Risk	Improper instrument use or equipment abnormalities during electrical equipment operation and testing may cause electric shock or electrocution injuries.	• Include ESD electrostatic protection courses in new-employee training and strengthen electricity safety awareness to improve correct operation practices. • Facility management regularly inspects wiring and equipment and conducts annual electromechanical equipment inspections to ensure insulation and protective devices remain in good condition.
Vietnam Manufacturing Center	Radiation and Special Physical Risks	Radiation leakage from X-ray equipment used for incoming materials and PCB inspection may cause health hazards to the skin, eyes, hematopoietic system, and reproductive system, with higher risks for pregnant women and fetuses.	• Install isolation facilities and warning signs in operating areas, and restrict certain groups (e.g., pregnant women) from related operations. • Conduct regular radiation dose monitoring and leakage testing, and implement daily safety inspections. In 2025, annual radiation monitoring was completed for 7 related units of equipment. • Operators must complete radiation safety training and hold valid certifications before performing operations. • Conduct annual occupational health examinations, with special health checks twice a year for special-operation personnel. In 2025, 3,531 general health examinations and 838 special health examinations were completed. Lead aprons and other personal protective equipment are provided.
	Traffic and Transportation Safety Risks	Forklift operations may cause injuries or equipment damage due to blind spots, improper operation, or equipment abnormalities (e.g., brake failure).	• Only personnel with valid operating licenses and completed safety training are permitted to operate the equipment. • Install rear-view mirrors and audible/visual warning devices, and post safety operation reminders. • Implement regular safety inspections and maintenance to ensure safe operation. • Enforce speed limits in operating areas and provide personal protective equipment such as safety helmets and safety shoes.
	Electric Shock and Electrical Safety Risks	Contact with live equipment or exposed wires during maintenance of power distribution panels and facility utility equipment may cause electric shock.	• Establish regular inspection and maintenance mechanisms to check wiring, connection points, and related equipment. • Operators must complete electrical safety and occupational safety and health training and hold valid certifications before performing related work. • Provide insulating protective equipment with regular inspection, and install residual current devices and other protective devices on equipment to reduce electric shock risks.
	Chemical Exposure and Fire Risks	Leakage, mixed storage, or improper management during chemical receiving, storage, and distribution may cause fire or explosion, resulting in casualties, property damage, and environmental impact.	• Plan chemical warehouses with isolation from production and high-occupancy areas, and implement classified storage to avoid incompatible substances being stored nearby. • Install no-fire/no-smoking signs, explosion-proof lighting and sockets, control warehouse temperature and humidity, and equip fire-fighting equipment and spill response materials. • In 2025, conducted 2 fire, emergency evacuation, and chemical spill response drills with a total of 8,547 participants.
	Fire and Explosion Risks	Short circuits, overloads, or equipment failures in electrical equipment across departments may cause fire or explosion and generate toxic smoke, affecting evacuation and causing significant losses.	• Establish regular inspection and maintenance mechanisms for electrical equipment, focusing on high-risk units to prevent fire and explosion. • Install fire protection systems and add safety circuit breakers and fire escape facilities in high-risk areas to strengthen fire control and personnel evacuation capabilities. • In 2025, conducted 2 fire, emergency evacuation, and chemical spill response drills with a total of 8,547 participants.

Operational Environment Monitoring and Management

Arcadyan has established dedicated teams across major operating sites to oversee workplace environment monitoring and management. Under the EHS and Energy Supervisory Measurement Management Procedure, the Company conducts regular inspections, measurements, and corrective actions to identify and control workplace risks and protect employee health and safety.

Key Operational Environment Monitoring and Management Scope:

- Traffic and electrical safety
- Disaster prevention and safety inspection measures
- Drinking water quality and supply systems
- Emergency lighting equipment functionality
- Smoke detection systems and firefighting equipment
- Lightning protection facilities integrity and effectiveness

Arcadyan Headquarters conducts workplace environment monitoring in accordance with applicable regulations, including semi-annual illuminance and carbon dioxide (CO_2) testing. The results are used to monitor workplace conditions and support continuous environmental improvements.

5.4.3 Occupational Accident Management, Training, and Emergency Response

Occupational Accident and Injury Management

Arcadyan aims for Zero Accidents and has established an occupational safety performance monitoring mechanism in accordance with the Occupational Safety and Health Act and GRI disclosure requirements. The Company regularly tracks and discloses the Disabling Injury Frequency Rate (FR) and Disabling Injury Severity Rate (SR) to evaluate safety performance and drive continuous improvement.

In 2025, Arcadyan recorded zero occupational accidents and work-related injuries across all operating sites. Since launching its Accident-Free Working Hours Record at Headquarters in 2008, the Company accumulated 21.41 million accident-free working hours by the end of 2025.

	Arcadyan Headquarters		Vietnam Manufacturing Center	
	Male	Female	Male	Female
Total Working Hours	1,324,168	586,168	5,137,272	5,885,016
Number of Work-related Injuries	0	0	0	0
Disabling Injury Frequency Rat（FR）[1]	0.00	0.00	0.00	0.00
Disabling Injury Severity Rate（SR）[2]	0	0	0	0
Frequency-Severity Indicator（FSI）[3]	0.00	0.00	0.00	0.00
Occupational Disease Rate（ODR）[4]	0.0000	0.0000	0.0000	0.0000
Lost Day Rate（LDR）[5]	0.0000	0.0000	0.0000	0.0000
Absentee Rate（AR）[6]	1.89%	3.35%	0.27%	0.30%

Note: Occupational Injury Calculation Formulas

1. Disabling Injury Frequency Rate, FR $= \frac{\text{Number of Disabling Injuries(Cases)}*10^6}{\text{Total Working Hours}}$.
2. Disabling Injury Severity Rate, SR $= \frac{\text{Total Lost Days Due to Disabling Injuries}*10^6}{\text{Total Working Hours}}$.
3. Frequency-Severity Indicator, FSI $= \sqrt{\frac{\text{Disabling Injury Frequecy Rate(FR)}*\text{DisablingInjury Serverity Rate(SR)}}{1{,}000}}$.
4. Occupational Disease Rate, ODR = Number of occupational disease cases ÷ Total working hours × 200,000
5. Lost Day Rate, LDR = Number of lost days due to work-related injuries ÷ Total working hours × 200,000
6. Absentee Rate, AR = (Work-related injury leave + Sick leave + Menstrual leave + Personal leave) ÷ Total working hours of male or female employees × 100%
7. Statistics on the number of work-related injuries and injury leave do not include traffic accidents occurring during commuting to and from work.

Occupational Health and Safety Training

Arcadyan provides occupational safety training and emergency drills tailored to each operating site's activities and regulatory requirements. At Headquarters, new employee orientation includes Environmental Health and Safety (EHS) and Electrostatic Discharge (ESD) training to build essential workplace safety awareness.

In 2025, Headquarters conducted 3 fire safety training sessions and evacuation drills for new employees, with 141 participants. The Vietnam Manufacturing Center organized 2 fire drills with 8,547 participants and provided occupational health and safety training on safety management, chemical safety, radiation protection, and first aid, reaching 9,685 participants. Through ongoing training and drills, Arcadyan continues to strengthen employee safety awareness and emergency response capabilities.

Arcadyan Headquarters

Category	Course Name	Target Participants	Number of Participants	Course Hours	Total Training Hours
First-aid Training	CPR + AED Training	New employees	81	2	162
	First-Aid Personnel (Initial Training)	General employees	7	16	112
	First-Aid Personnel (Refresher Training)	General employees	17	3	51
	EMT1 (Refresher Training)	Specific personnel	1	8	8
Fire Safety Training	New Employee Fire Safety Education and Evacuation Drill	New employees	141	5.4	761.4
Occupational Safety & Health Training	Introduction to ISO Systems and Quality, Environmental, Safety & Health Concepts	New employees	161	0.5	80.5
	Introduction to Environmental, Safety & Health Affairs	New employees	161	0.5	80.5
	ESD Electrostatic Discharge Protection Training	New employees	161	0.5	80.5
	Hazardous Substance Management	General employees	3,918	0.5	1,959
	On-the-job Education and Training for Occupational Safety and Health Supervisors	Relevant supervisors	1	7.5	7.5

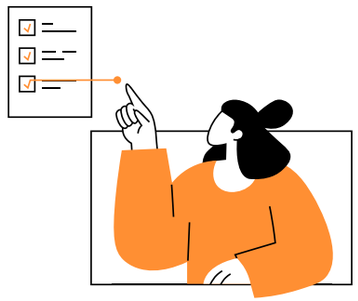
Vietnam Manufacturing Center

Category	Course Name	Target Participants	Number of Participants	Course Hours	Total Training Hours
First-Aid Training	First-Aid Personnel Training	First-aid team members	78	16	1,248
Fire Safety Training	Fire Safety Training	Fire brigade members	63	8	504
	Fire Drill	General employees	4,100	1	4,100
Occupational Safety & Health Training	Safety, Health and Environmental Training	New employees	639	4	2,556
	Occupational Health and Safety	Management	37	16	592
		Relevant supervisors	2	48	96
		Personnel engaged in high-safety-requirement work (e.g., forklift, chemical handling, welding)	353	16	5,648
		General employees	4,072	16	65,152
		Medical staff	2	16	32
		Occupational safety personnel	49	4	196
	Safe Chemical Handling Training	Management and personnel handling chemicals	268	16	4,288
	Electrical Safety Training	Personnel operating electrical equipment	22	24	528

Emergency Preparedness and Response Management

Arcadyan has established the Emergency Preparedness and Response Operating Procedure to standardize emergency response and disaster mitigation. The procedure defines emergency classifications, notification protocols, response responsibilities, and evacuation routes to strengthen employee emergency preparedness.

Arcadyan collaborates with local fire departments to conduct regular fire drills, safety training, and emergency response exercises for fires, typhoons, floods, and earthquakes. These activities strengthen employee preparedness and reduce risks to personnel and business operations.



5.4.4 Healthcare and Health Promotion

Arcadyan has established a comprehensive employee health management framework. At Headquarters, the Company operates a Health Center staffed by professional nurses and visiting physicians, supported by external medical resources. Through Health Management, Health Promotion and Prevention, and Support and Care, Arcadyan provides health examinations, risk-based management, health promotion, and preventive services to enhance employee well-being and reduce health risks.

Care Category	Care Content
Health Management	Arcadyan conducts regular health examinations with risk-based follow-up and health guidance for high-risk employees. The Company also implements occupational health programs and special health examinations for designated personnel in accordance with applicable regulations.
Health Promotion and Prevention	Arcadyan enhances employees' health awareness through health seminars, preventive medical services, physical activity programs, and educational campaigns. In 2025, 13 seminars and 3 activities attracted 946 participants, achieving a 90.4% participation rate. The Company also obtained Healthy Workplace Certification, demonstrating its commitment to workplace health promotion.
Support and Care Mechanisms	Arcadyan provides maternal health management, pregnancy and childcare support, women's health services, and an Employee Assistance Program (EAP) offering psychological, family, and legal counseling to promote employee well-being and work-life balance.

Health Management

Arcadyan provides health examinations beyond regulatory requirements across all operating sites and implements risk-based follow-up, health consultations, and ongoing care for high-risk employees. The Company has also established a systematic health management framework in accordance with the Overwork-Related Cerebrovascular and Cardiovascular Disease Prevention Plan, Maternal Health Protection Plan, Ergonomic Hazard Prevention Plan, and Guidelines for Preventing Unlawful Infringement in the Performance of Duties.

In 2025, 858 employees at Arcadyan Headquarters completed health checkups, achieving a 95.2% completion rate. The Vietnam Manufacturing Center completed 3,531 health checkups with a 100.0% completion rate. In addition, 838 personnel in special operations completed semiannual specialized medical examinations.

Arcadyan Health Grading Management Table

Level	Management Content
Level A	Health examination results show no abnormalities. Employees continue to participate in annual health check-ups and maintain daily health practices.
Level B	Health examination results show mild abnormalities. Employees may self-manage and continue monitoring their health status through annual check-ups.
Level C	Health examination results indicate abnormalities. Employees are required to complete a re-examination within 6 months and receive professional advice from a physician or nurse to reduce potential health risks.
Level D	Health examination results show significant abnormalities. Employees must return for follow-up consultation and relevant specialist re-examination within 1 month, and are listed as individual health management cases for continuous tracking and care.
Level E	Health examination results show severe abnormalities. Employees must seek further treatment and professional evaluation at medical institutions, and are listed as individual health management cases for regular tracking of health improvement.

Health Promotion and Prevention

Arcadyan promotes employee health awareness through health seminars, wellness activities, and internal communications. In 2025, the Company organized 13 health promotion seminars and 3 wellness activities on disease prevention, nutrition, mental health, first aid, and fitness, attracting 946 participants with a 90.4% participation rate.

Through these diverse health promotion measures, Arcadyan assists employees in cultivating healthy lifestyle habits, bolstering physical and mental resilience, and fostering a workplace culture that actively supports health management.

Health Lectures

Lecture Title	Number of Participants in 2025
Glaucoma – Irreversible Vision Damage	45
Workplace Communication – Speak Well, Speak Good Words	30
Pain-Free Computer Life: Hand Issues – Mouse Axis & Carpal Tunnel Syndrome	42
Key Nutrition for Boosting Immunity	43
How to Correctly Perform Core Super Jogging	44
Parenting Issues – Regretting Out-of-Control Discipline (Hsinchu / Taipei sessions)	47
Key Nutrition for Muscle Gain and Fat Loss	38
How Diners Who Eat Out Can Eat Healthier	39
Blood Sugar and Weight Management Strategies	48
Traditional Chinese Medicine Constitution Health Lecture	47
Sleep Well – Self-Care	45
Understanding Osteoarthritis (Degenerative Arthritis)	44
Health Information Articles	Total 23 articles

Health Promotion Activities

Activity Name	Number of Participants in 2025
Cancer Screening: Mammography & Pap Smear	98
Vitality Walking 7000	220
Group Fat-Loss Challenge	116

In 2025, Arcadyan Headquarters received the Health Promotion Mark under the Health Workplace Certification program of Taiwan's Health Promotion Administration, Ministry of Health and Welfare, recognizing its ongoing workplace health initiatives.

In 2025, Arcadyan held the "Summer Fat-Burning Challenge" to encourage regular exercise and healthy eating through team participation. The program achieved an overall body fat reduction rate of 275.6%.

Arcadyan held an ergonomics seminar on common causes of neck, shoulder, and hand pain, poor work postures, and self-stretching techniques.

Arcadyan ranked in the Top 10% for Occupational Health and Safety Performance in the 2025 Sustainability Report Disclosure Assessment.

5.4.5 Employee Support and Care Mechanisms

Arcadyan supports employees at different career and life stages through maternal health programs, women's health services, and the Employee Assistance Program (EAP). These initiatives provide confidential support to promote employee well-being and work-life balance.

Female Employee Health and Maternal Support Measures

Arcadyan employs over 2,500 female employees across its global operating sites. The Company provides diverse support programs to promote employee well-being and help balance career development and family life.

Arcadyan conducts maternal health risk assessments based on job duties and provides pregnancy health education, work-fitness recommendations, and ongoing health support through on-site occupational nurses. The Company also offers lactation rooms, group insurance maternity benefits for eligible employees—including female employees under the age of 44 and male employees with registered spouses—and women's health screenings, including mammograms and Pap smears, to support maternal and women's health.

Item	Description
Maternal Health Management	Conducts maternal health risk assessments based on job duties. On-site occupational nurses provide pregnancy health education, work-fitness recommendations, and ongoing health monitoring based on the Maternal Health Handbook and prenatal examination results to support pregnancy health and workplace safety.
Breastfeeding Support	Provides dedicated lactation rooms equipped with essential facilities and flexible access to support employees' breastfeeding needs.
Maternity Protection	Provides group insurance maternity benefits for female employees under 44 years of age and male employees with registered spouses to help reduce childbirth-related financial burdens.
Women-Specific Health Examinations	Offers women-specific examination items such as mammography and Pap smear tests to enhance female employees' health awareness and early disease prevention capabilities.

Employee Assistance Program (EAP)

Arcadyan launched the Employee Assistance Program (EAP) in 2024 to provide confidential professional support for employees. The program offers counseling on mental health, interpersonal relationships, emotional well-being, marriage and family, financial management, and legal matters, helping employees manage challenges and maintain work-life balance.

In 2025, the Employee Assistance Program (EAP) recorded 31 consultations, reflecting growing employee awareness of mental health. Arcadyan will continue to strengthen its EAP services and employee care initiatives, supporting GRI 403-6 (Promotion of Health) and UN SDG 3 (Good Health and Well-Being) while enhancing employee well-being and retention.

5.5 Social Engagement

Guided by the values of Coexistence, Mutual Prosperity, and Shared Good, Arcadyan integrates social engagement into its sustainability strategy. The Company focuses on Education Support, Public Welfare Care, and Emergency Relief to reduce educational disparities, support disadvantaged groups, and provide timely assistance during emergencies.

Aligned with the United Nations Sustainable Development Goals (SDGs), Arcadyan supports SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 3 (Good Health and Well-Being), SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities) by expanding educational resources, supporting disadvantaged children and families, and providing emergency assistance.

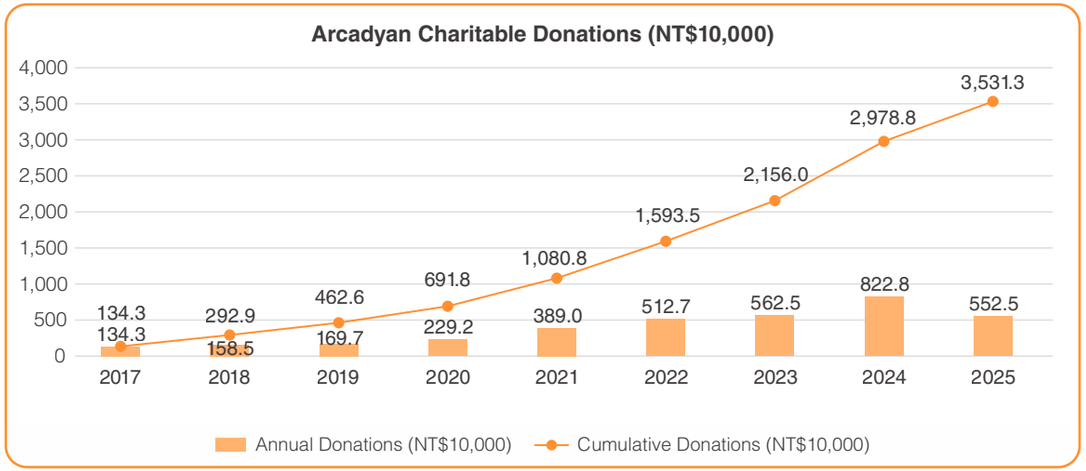
5.5.1 Social Involvement Strategy and Investment Results

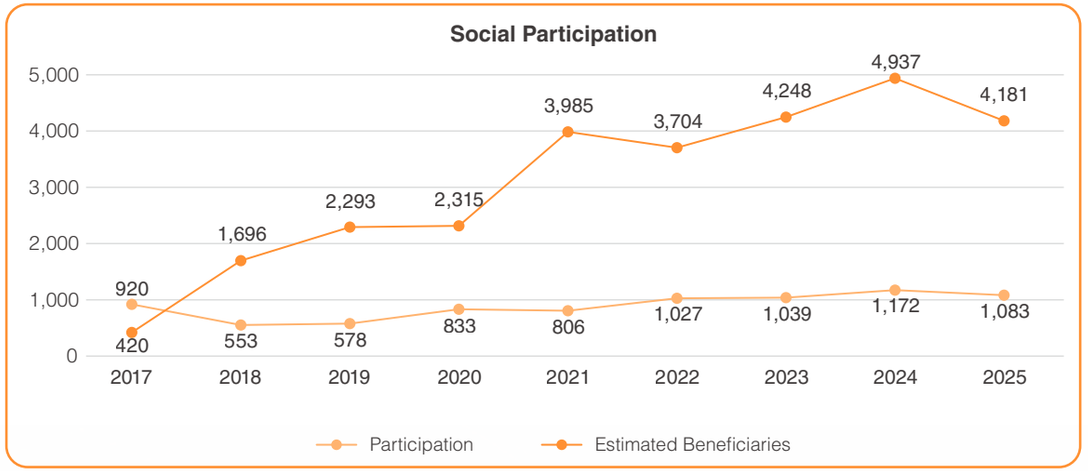
Arcadyan established the Corporate Social Responsibility Committee (Social Care Committee) and the Social Involvement Task Force under the Sustainability Development Committee to coordinate social initiatives. Key focus areas include social care and emergency relief, partnerships with non-profit organizations, charitable giving, educational support, rural education, arts and culture, community engagement, and local collaboration.

In 2025, Arcadyan recorded 1,083 employee participations in volunteer and donation activities. Employee donations exceeded NT$1.32 million, while corporate contributions reached approximately NT$4.19 million, bringing total annual contributions to over NT$5.51 million and benefiting 4,181 people.

Aspect	Corresponding SDGs	Benefit Description	Implementation Results
Education Support	SDG 4 Quality Education	Through rural English education and arts resource investment, reduce the urban-rural education gap and enhance students' language ability, learning motivation, and multicultural perspectives.	• "Arcadyan Smart & Easy English" Project: In 2025, continued to deepen rural English teaching. Partner schools expanded to 15 elementary and junior high schools, with 364 students participating in English courses. Digital learning and external teaching resources were used to enhance students' language competitiveness. • Arts Empowerment Program: Sponsored the "Accompanying Rural Children to a World-Class Concert" initiative, expanding rural children's access to arts education and multicultural learning.
Public Welfare and Care	SDG 1 No Poverty SDG 2 Zero Hunger SDG 10 Reduced Inequalities	Through material donations, public welfare group purchases, and partnerships with social enterprises, Arcadyan extends support to rural communities, disadvantaged families, and children, strengthening social support networks.	• "Arcadyan Group Purchase" Mid-Autumn Project: In 2025, Arcadyan launched the "Arcadyan Group Purchase, Delivering Love to Indigenous Tribes" campaign, purchasing mooncakes from the Children Are Us Foundation and partnering with the Huashan Foundation, Renai Foundation, and Ai-Heng Disability Center to deliver them to rural elders and students. • Food Bank Collaboration: Partnered with food banks to donate oatmeal, nuts, long-life milk, and other daily necessities, providing nutritional support to 14 rural classrooms and disadvantaged students.
Emergency Relief	SDG 1 No Poverty SDG 3 Good Health and Well-being SDG 10 Reduced Inequalities	Establishes an emergency relief mechanism to support vulnerable individuals and families affected by illness, unemployment, natural disasters, or family crises, helping meet basic living needs.	• Emergency Assistance Mechanism: Provides living support and emergency relief through a dedicated assistance mechanism to help vulnerable individuals and families overcome crises. • Diversified Donation Initiatives: In 2025, Arcadyan donated over NT$1.35 million to organizations including World Vision, Home for Children Waiting for Adoption, World Peace Association, and Hsin-Hua Charity Foundation, supporting vulnerable individuals and families in need.

Historical Achievements





5.5.2 Rural Education and Learning Support

Arcadyan is committed to advancing educational development by supporting students in remote and underserved areas. Focusing on limited educational resources and unequal learning opportunities, the Company continues to invest in programs that provide stable and diverse learning opportunities.

In addition to safeguarding children's right to education, Arcadyan provides external resources to enrich learning content and experiential opportunities, expanding students' exposure to knowledge, languages, and cultures while inspiring learning and future development.

Based on Arcadyan's observations, the main challenges facing English education in non-mountainous and non-urban rural elementary schools include:

- Long-term shortage of English teachers, resulting in lower stability of course offerings.
- Students lack a daily English-speaking environment, with limited opportunities for practical application.
- Widening gaps in English proficiency that affect learning confidence and future development.

In response to these challenges, Arcadyan launched the Rural English Education Program in 2015, providing teaching materials, distance learning support, and corporate volunteers to improve access to English education in rural schools. The program supports SDG 4 (Quality Education), and Arcadyan will continue its long-term commitment to expanding educational opportunities for students in remote areas.

Arcadyan Rural English Education Milestones

2015
Sponsored external English teacher fees for rural schools to help fill the shortage of English teachers, marking the beginning of Arcadyan's long-term commitment to rural English education.

2016
Launched the "Heroes of Interconnection Project," which combined English stage play creation with character education, local characteristics, and creativity development to enhance students' interest in learning English.

2018
Sponsored English tutoring courses for indigenous and new immigrant students, continuously expanding educational support and promoting learning opportunities for diverse ethnic groups.

2022
Launched the "Arcadyan Smart & Easy English" online English teaching project, introducing proficiency-based grouping and remote small-class teaching models. In the first year, 5 elementary schools and 86 students participated.

2023
Continued the "Arcadyan Smart & Easy English" and planned a summer study-abroad program in the Philippines to expand students' opportunities for practical English application and cross-cultural learning.

2024
The "Arcadyan Smart & Easy English" reached a significant milestone, expanding its service scope to 13 schools and over 300 students, accompanying rural students in building a solid foundation for language learning.

2025
The Rural School English Education Program marked its 10th year in 2025, expanding to 15 elementary and junior high schools and benefiting 364 students. Through online teaching, small-group instruction, and cross-cultural exchanges, Arcadyan continues to provide stable English learning opportunities for rural students.

5.5.3 "Arcadyan Smart & Easy English" Project

To improve English learning access for rural students, Arcadyan launched the Arcadyan Smart & Easy English Project in 2022. Led by the Social Care Committee with Winning English School, the program uses the Winning+ platform to offer structured resources such as children's English, phonics, nursery rhymes, and career exploration.

Provide feedback to foreign teachers to adjust teaching methods.

Arcadyan Submitted the "Smart & Easy English Learning" Program to Schools → Arcadyan Volunteers Help Schools Improve Network Infrastructure → Winning+ provides small-group English classes based on students' proficiency, with a 1:4 student-to-teacher ratio. → Foreign teachers provide weekly online lessons. → Arcadyan, Winning+, and the school hold a project review meeting at the end of each semester.

Regroup students regularly based on their progress.

In 2025, the Arcadyan Smart & Easy English Project expanded to 14 elementary schools and 1 junior high school, benefiting 364 students. Through small-class, leveled instruction and interactive sessions with foreign teachers, the program strengthened students' English communication skills and learning motivation while supplementing school teaching resources. The initiative supports SDG 4 (Quality Education) by expanding access to quality English learning opportunities in rural areas.

To strengthen language application and cross-cultural learning, the Arcadyan Smart & Easy English Project held its second overseas summer camp in 2025. A total of 16 students from 10 participating schools traveled to the Philippines for a one-week English immersion and cultural exchange program. Through authentic English communication and cross-cultural activities, students enhanced their language skills, teamwork, and global perspectives, providing valuable insights for future education initiatives.

5.5.4 Vulnerable Group Support and Emergency Relief

Guided by the principle of "Taking from society, giving back to society," Arcadyan supports vulnerable groups through educational assistance, essential supplies, employee participation, and emergency relief, with a focus on helping children and youth learn and grow in a stable environment.

In 2025, Arcadyan continued its partnership with the Hsu Chao-Ying Charity Foundation through the Fly High Dream Project, investing NT$480,000 to support 20 underprivileged students. The program has benefited 97 student participants cumulatively.

Arcadyan supports vulnerable groups through charity campaigns, corporate group purchases, and employee participation. In 2025, the Mid-Autumn Festival charity campaign raised NT$224,000, benefiting elderly people, students, and disadvantaged families through partner organizations. The Company also donated daily necessities to food banks, supported local farmers through the Farmer Support Program, and donated crops harvested from the Happy Rice Field Project to orphanages, combining employee engagement with community support.

For emergency relief, Arcadyan works with charitable partners to provide timely financial assistance to families facing medical emergencies, family crises, or economic hardship, helping maintain basic living stability.

Overall, Arcadyan supports vulnerable groups through educational programs, material donations, employee participation, and emergency relief. These initiatives contribute to SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities) while strengthening long-term social impact.

Arcadyan supported the extracurricular arts program at Gengliao Elementary School in Liujiao Township, Chiayi County by donating NT$10,000 for calligraphy teaching materials, equipment, and student recognition activities, helping expand arts learning opportunities.

On June 7, 2025, Arcadyan participated in the Happy Rice Field Project, where employees joined field management activities at Yoga Farm in Longtan, Taoyuan, gaining hands-on experience in sustainable agriculture. The Company also donated 100 jin of rice and 20 boxes of vegetables to orphanages, linking employee participation with local agriculture and community support.

Appendix

Errata
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
Climate-related Information
Independent Assurance Statement on the Sustainability Report

Errata

Errata for 2024 Arcadyan Technology Corporation Sustainability Report

Environmental Strategy Implementation Results

Corrected the unit for 2024 energy consumption performance from kWh to MWh.

Topic	Strategy	2024 Target	2024 Performance / Results	2025 Target	2030 Long-Term Target
Energy and GHG Management	Improve energy efficiency and reduce energy intensity year by year	Reduce energy intensity by 5% vs. 2023 baseline	15% reduction in energy intensity vs. 2023 Energy use: 40,251 MWh	Reduce energy intensity by 5% vs. 2024 baseline	Reduce energy intensity by 5% vs. 2029 baseline

Historical Scope 1 and 2 GHG Emissions

Scope 1 figures for "Mobile Combustion" and "Process Emissions" were misstated; the "Process Emissions" data has been corrected to "Mobile Combustion."

Scope		2022	2023	2024
Scope 1	Stationary Combustion	15.88	33.02	42.21
	Mobile Combustion	38.61	35.38	11.01
	Process Emissions	0.00	0.00	0.00
	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	24,297.19	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

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 2025 (January 1 to December 31, 2025)

GRI 1 Used: GRI 1: Foundation 2021

Applicable GRI Sector Standards: Not applicable

General Disclosures

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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	Appendix-Errata	144	
2-5	External assurance	About This Report	3	
2-6	Activities, value chain and other business relationships	2.1 About Arcadyan 2.6 Sustainable Partnerships	31, 33-34, 51-52	
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	1.2 Sustainability Governance 2.2 Corporate Governance	9-10, 36-37	
2-10	Nomination and selection of the highest governance body	2.2 Corporate Governance	37	
2-11	Chair of the highest governance body	2.1 About Arcadyan 2.2 Corporate Governance	31, 38	
2-12	Role of the highest governance body in overseeing the management of impacts	1.2 Sustainability Governance 1.4 Stakeholder Engagement and Materiality Topics	9-10, 19	

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2-14	Role of the highest governance body in sustainability reporting	About This Report 1.2 Sustainability Governance 1.4 Stakeholder Engagement and Materiality Topics	3, 9, 19	
2-15	Conflicts of interest	2.2 Corporate Governance 2.5 Business Integrity	37, 49-50	
2-16	Communication of critical concerns	1.4 Stakeholder Engagement and Materiality Topics 2.5 Business Integrity 5.1 Human Rights Management and Compliance	15-18, 50, 110	
2-17	Collective knowledge of the highest governance body	2.2 Corporate Governance	39	
2-18	Evaluation of the performance of the highest governance body	2.2 Corporate Governance	39	
2-19	Remuneration policies	2.2 Corporate Governance	39	
2-20	Process to determine remuneration	2.2 Corporate Governance	39	
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	Joint Statement from the Chairman and President	4	
2-23	Policy commitments	1.1 Sustainability Vision and Strategy 1.3 Performance, Certification and Advocacy 2.5 Business Integrity 2.6 Sustainable Partnerships 3.2 Sustainable Product Design and Circular Economy 4.1 Environmental Sustainability 4.9 Biodiversity and Ecological Impact Assessment 5.1 Human Rights Management and Compliance 5.4 Occupational Health and Safety	5, 11, 49, 53, 60 65, 80, 101, 104, 111 120 131	

GRI Disclosure Item		Report Section Reference	Page Number	Remarks / Notes
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2-25	Processes to remediate negative impacts	2.3 Risk Management 2.5 Business Integrity 5.1 Human Rights Management and Compliance	41, 49-50, 109	
2-26	Mechanisms for seeking advice and raising concerns	2.4 Information Security System Implementation and Management 2.5 Business Integrity 5.1 Human Rights Management and Compliance	45, 50, 108-110	
2-27	Compliance with laws and regulations	2.4 Information Security System Implementation and Management 2.5 Business Integrity 3.3 Raw Material Hazardous Substance Control and Regulatory Compliance 4.5 Water Resource Management 4.6 Waste and Resource Circularity 4.7 Air Emissions Control and Mitigation 4.8 Noise Mitigation and Boundary Control 5.1 Human Rights Management and Compliance	45, 49-50, 76, 96, 98, 100, 100 105	
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2-29	Approach to stakeholder engagement	1.4 Stakeholder Engagement and Materiality Topics	15-18	
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Material Topics Disclosure

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3-2	List of material topics	1.4Stakeholder Engagement and Materiality Topics	23-25	
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	301-2 Recycled input materials used	3.2 Sustainable Product Design and Circular Economy	70-71	
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	201-3 Defined benefit plan obligations and other retirement plans	5.2 Talent Attraction and Retention	121	
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	416-2 Incidents of non-compliance concerning the health and safety	3.3 Raw Material Hazardous Substance Control and Regulatory Compliance 3.4 Customer Health and Safety	73-75 77	
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GRI 402：Labor/ Management Relations	402-1 Minimum notice periods regarding operational changes	5.1 Human Rights Management and Compliance	111	
GRI 406：Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	5.1 Human Rights Management and Compliance	108-110	
GRI 408：Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	2.6 Sustainable Partnerships 5.1 Human Rights Management and Compliance	54-55, 105-108	
GRI 409：Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.6 Sustainable Partnerships 5.1 Human Rights Management and Compliance	54-55, 105-108	
Climate Change and Carbon Management				
GRI 3：Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	24, 26	
GRI 201：Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	4.2 Climate Risk Management	83-84	
GRI 305：Emissions	305-1 Direct (Scope 1) GHG emissions	4.3 Energy and Greenhouse Gas Management	89	
	305-2 Energy indirect (Scope 2) GHG emissions	4.3 Energy and Greenhouse Gas Management	89	
	305-3 Other indirect (Scope 3) GHG emissions	4.3 Energy and Greenhouse Gas Management	90	
	305-4 GHG emissions intensity	4.3 Energy and Greenhouse Gas Management	89-90	

Topic	GRI Disclosure Item	Report Section Reference	Page Number	Remarks / Notes
GRI 305：Emissions	305-5 Reduction of GHG emissions	4.4 Decarbonization Initiatives and Performance	92-95	
	305-6 Emissions of ozone-depleting substances (ODS)	4.3 Energy and Greenhouse Gas Management	89	In 2025, 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).
Energy Resource Management				
GRI 3：Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	25, 26	
GRI 302：Energy	302-1 Energy consumption within the organization	4.3 Energy and Greenhouse Gas Management	91	
	302-2 Energy consumption outside of the organization	4.3 Energy and Greenhouse Gas Management	90	
	302-3 Energy intensity	4.3 Energy and Greenhouse Gas Management	91	
	302-4 Reduction of energy consumption	4.4 Decarbonization Initiatives and Performance	92-94	
	302-5 Reductions in energy requirements of products and services	3.2 Sustainable Product Design and Circular Economy	69, 72	
Talent Attraction and Retention				
GRI 3：Material Topics	3-3 Management of material topics	1.4 Stakeholder Engagement and Materiality Topics	25, 26	
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	121, 123	
	401-3 Parental leave	5.2 Talent Attraction and Retention	121-122	
GRI 404：Training and Education	404-1 Average hours of training per year per employee	5.3 Talent Cultivation and Development	126-127	
	404-2 Programs for upgrading employee skills and transition assistance programs	5.3 Talent Cultivation and Development	127-129	
	404-3 Percentage of employees receiving regular performance and career development reviews	5.3 Talent Cultivation and Development	130	
GRI 405：Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	2.2 Corporate Governance 5.2 Talent Attraction and Retention	37-38 114-116	
	4405-2 Ratio of basic salary and remuneration of women to men	5.2 Talent Attraction and Retention	121	

Other Topic Disclosures

Topic	GRI Disclosure Item	Report Section Reference	Page Number	Remarks / Notes
GRI 101：Biodiversity	101-4 Identification of biodiversity impacts	4.9 Biodiversity and Ecological Impact Assessment	101-102	
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：Ef uents and Waste	306-3 Significant spills	2.5 Business Integrity	49-50	
	306-4 Transport of hazardous waste	2.5 Business Integrity	49-50	
	306-5 Water bodies affected by water discharges and/or runoff	2.5 Business Integrity	50	
GRI 205：Anti-corruption	205-1 Operations assessed for risks related to corruption	2.5 Business Integrity	50	
GRI 206：Anti-competitive Behavior	205-2 Communication and training about anti-corruption policies and procedures	4.6 Waste and Resource Circularity	98-99	
	205-3 Confirmed incidents of corruption and actions taken	4.6 Waste and Resource Circularity	98-99	
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4.6 Waste and Resource Circularity	98-99	
GRI 403：Occupational Health and Safety	403-1 Occupational health and safety management system	5.4 Occupational Health and Safety	131	
	403-2 Hazard identification, risk assessment, and incident investigation	5.4 Occupational Health and Safety	132-133	
	403-3 Occupational health services	5.4 Occupational Health and Safety	136-138	
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.4 Occupational Health and Safety	131	
	403-5 Worker training on occupational health and safety	5.4 Occupational Health and Safety	135	
	403-6 Promotion of worker health	5.4 Occupational Health and Safety	136-137	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4 Occupational Health and Safety	132-134 136	
	403-8 Workers covered by an occupational health and safety management system	1.3 Performance, Certification and Advocacy	12	
	403-9 Work-related injuries	5.4 Occupational Health and Safety	134	
	403-10 Work-related ill health	5.4 Occupational Health and Safety	134	

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	2.4.6 Product Information Security and Vulnerability Management	48
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	5.2.1 Diversity, Equity, and Inclusion (DEI) in Talent Structure	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.	73-74
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	13.7%；Product series certified with TÜV Rheinland Green Product Mark account for approximately 13.7% of Arcadyan's total revenue.	66
	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	(1) Relevant data are still being compiled; therefore, complete percentage disclosure is not yet available. (2) One high-risk Tier 1 supplier was identified in 2025. Due to quality and ESG risks, business with the customer-designated supplier was discontinued, and no audit was arranged.	-
	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 stated above, relevant data are still being compiled; therefore, the non-conformance and corrective action rates are 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. Arcadyan 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.	52-56, 73-76

Topic	Standard Code	Disclosure Metric	Disclosure
Activity Metrics	TC-HW-000.A	Number of units produced by product category	In 2025, Arcadyan produced a total of 16,441,000 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 Climate Governance	82
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	4.2.1 Climate Governance	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 and Opportunity Identification	83
	b) Describe the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	4.2.4 Climate Scenario Analysis and Financial Impact	83-84
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	4.2.4 Climate Scenario Analysis and Financial Impact	85
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	4.2.3 Climate Risk and Opportunity Identification	82-84
	b) Describe the organization's processes for managing climate-related risks.	4.2.2 Climate Strategy	82-84
	c) Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	4.2.2 Climate Strategy	82-84
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.	4.2.6 Climate Management Indicators	86
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	4.3.2 Greenhouse Gas Emissions Performance	89-90
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	4.2.6 Climate Management Indicators	86-87

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: 156,263.55 gigajoules (GJ) Percentage of purchased electricity: 87.3% Renewable energy usage rate: 50.3%	4.3.4 Energy Consumption and Efficiency Performance	91
2	Total water withdrawal and total water consumption	Quantitative	Total water withdrawal: 155,200 Tonne Total water consumption: 70,590 Tonne	4.5.1 Water Management and Discharge Risk Control	96
3	Total weight of hazardous waste generated and recycling rate	Quantitative	Arcadyan generated 141.2 metric tons (t) of hazardous waste in 2025. All hazardous industrial waste was handled by licensed waste treatment contractors in accordance with applicable regulations, with approximately 55% recycled.	4.6.1 Waste Compliance and Regulatory Assurance	99
4	Description of occupational accidents – type, number of people, and rate	Quantitative	0; In 2025, no occupational accidents or work-related injuries occurred at Arcadyan's global operational sites.	5.4.3 Occupational Accident Management, Training, and Emergency Response	134
5	Product life cycle management disclosure – including weight of end-of-life products and e-waste, and recycling percentage note 1	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 and related requirements. Supplier risk assessments are conducted annually, and audit plans are developed based on supplier performance. Arcadyan also monitors hazardous substances and conducts conflict minerals surveys in accordance with its Environmental Hazardous Substance Management Guidelines, while actively developing halogen-free products to protect customer health and safety.	2.6.2 Sustainable Supply Chain Management 3.3 Raw Material Hazardous Substance Control and Regulatory Compliance	52-56, 73-76
7	Total monetary losses from legal proceedings related to anticompetitive behavior	Quantitative	0; In 2025, Arcadyan was not subject to any litigation, legal penalties, or monetary losses related to anti-competitive behavior, antitrust, or monopoly regulations.	2.5.3 Anti-Competitive Behavior and Regulatory Compliance	50
8	Main product output by product category	Quantitative	In 2025, Arcadyan produced 16,441,000 units of network communication products: Smart home products: 6,021,500 units Broadband fixed network products: 7,203,500 units Mobile communication products: 3,216,000 units	2.1 About Arcadyan	34

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

Climate-related Information

Status on Execution of Climate-related information

1. Supervision and governance of the Board of Directors and management over climate-related risks and opportunities

The Board of Directors is Arcadyan's highest decision-making body for climate governance and sustainability. The Sustainability Committee, established under the Board in 2022, oversees material sustainability issues, including climate risks and opportunities, reviews target progress, and reports to the Board. Led by President and Director Chao-Peng Tseng, the Committee coordinates cross-functional task forces to integrate sustainability into business strategy. In 2025, it held three meetings covering SBTi targets, TCFD climate risk management and scenario analysis, renewable energy strategies, and IFRS Sustainability Disclosure Standards.

The Environmental Sustainability Task Force implements greenhouse gas inventories and verification, carbon reduction plans, energy and renewable energy management, supply chain carbon initiatives, and climate risk assessments. Key achievements include installing solar power systems, procuring renewable energy, increasing recycled materials in products, obtaining green product certifications, and promoting supply chain carbon reduction.

Since 2024, sustainability indicators have accounted for 20% of senior executives' performance evaluations, covering green products and eco-friendly design, the circular economy and resource efficiency, energy and resource management, climate change management, and greenhouse gas reduction. Executive compensation is assessed by the President based on performance, reviewed by the Chairperson, and approved by the Remuneration Committee and the Board. This mechanism strengthens management accountability and links sustainability performance with corporate governance and remuneration.

2. How the identified climate risks and opportunities will affect the Company's business, strategy, and finances (in the short-, medium-, and long-term)

Based on the risk and opportunity matrix, Arcadyan identified climate-related risks and opportunities across the short, medium, and long term, including seven transition risks, three physical risks, and three climate-related opportunities. For details on material risks, opportunities, and financial impacts, please refer to Section 4.2.3, “Climate Risk and Opportunity Identification,” of this Sustainability Report.

3.Financial impact of extreme climate events and transition actions

[Positive Financial Impact]

1. Revenue growth driven by low-carbon products and technological innovation:
   Arcadyan continuously invests in green design and low-carbon R&D, launching energy-saving and low-carbon products that meet customer demands.This increases market share, drives revenue growth, and strengthens competitive advantages.
2. Reduced operating costs through renewable energy adoption:
   By installing solar power generation equipment, Arcadyan can lower electricity costs and reduce future expenditures related to carbon fees or taxes, contributing to enhanced energy resilience and long-term financial stability.

[Negative Financial Impact]

1. Rising costs from carbon fees, taxes, and carbon trading:
   As the world shifts toward a low-carbon economy, Arcadyan may need to purchase carbon credits or bear carbon fees and taxes to comply with emission regulations or customer requirements. If exported products are included in the EU's Carbon Border Adjustment Mechanism (CBAM), significant carbon tax costs may be incurred. Furthermore, carbon prices may rise annually, increasing operational pressure.
2. Increasing costs of low-carbon materials and supply chain:
   Due to energy price fluctuations and global carbon reduction policies, the procurement costs for low-carbon or circular materials may rise. Costs incurred by suppliers to meet carbon reduction requirements may also be passed on to Arcadyan, raising product costs. If suppliers fail to comply with low-carbon requirements, it may lead to material shortages and delivery delays.
3. Operational disruption and asset loss caused by extreme weather:
   Extreme weather events such as typhoons and heavy rain may lead to factory flooding and equipment damage, increasing maintenance costs and causing production interruptions. This results in shutdowns, delayed deliveries, revenue loss, and rising operating costs.
4. Manufacturing delays due to unstable energy supply:
   Using Vietnam as an example, policy-driven power rationing or insufficient energy supply may lead to production halts and delivery delays, increasing operating costs and impacting revenue.

4. How the climate risk identification, assessment and management process is integrated into the overall risk management system

The Board of Directors serves as the highest governance unit for risk management at Arcadyan, responsible for overseeing the control of all major risks. The Audit Committee is responsible for supervising the effectiveness of risk management implementation. Senior management, through the Executive Management Committee, assigns relevant departments to form a Risk Management Promotion and Execution Team to implement daily risk controls.

To strengthen risk governance, Arcadyan established the "Risk Management Item Implementation Status Policy and Procedures" in 2022, approved by the Board of Directors. This policy integrates risk management awareness into daily operational activities and establishes a comprehensive corporate risk management culture. Based on industry characteristics, operating models, and sustainability issues, Arcadyan identifies and analyzes risks related to strategy, operations, finance, information technology, legal compliance, integrity, climate change, and other emerging risks. Among these, climate risk identification and assessment have been integrated into Arcadyan's overall risk management process. Systematic identification is conducted with reference to the TCFD framework, categorizing and prioritizing risks based on the degree of impact and probability of occurrence to plan corresponding management strategies and action plans.

The Risk Management Promotion and Execution Team works with operational departments to define risk scopes, identifying risks, and performing quantitative measurements, and formulating response strategies through meeting communications. The status of implementation and control results are reported to the Audit Committee and the Board of Directors at least once a year to ensure the continuous and effective operation of the risk management system and to strengthen corporate resilience.

5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be explained

To evaluate the impact of climate-related risks and opportunities on operational strategy, Arcadyan utilizes public data from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) as the basis for scenario construction, referencing their analyses on energy transition and net-zero emission pathways. The scenario assessment covers:

- High-Emission Scenario: IPCC SSP5-8.5 (representing a situation where climate change risks intensify)
- Low-Emission Scenario: IPCC SSP1-2.6 (representing a global shift toward aggressive carbon reduction and net-zero transition)

Through these scenario simulations, Arcadyan analyzes the potential impacts of different emission pathways on operations, the supply chain, and finances, serving as a reference for strategic adjustments and resilience enhancement.

For further details, please refer to Section 4.2.4, “Climate Scenario Analysis and Financial Impact,” of this Sustainability Report.

6. A transition plan is in place to cope with climate-related risks along with the indicators and goals used to identify and manage physical risks and transition risks

In alignment with the risk management process, Arcadyan assesses the probability and impact of climate-related risks and opportunities, establishing the
following short, medium, and long-term indicators and management goals:

[Short-Term Goals] (1 to 3 Years)

1. Set and track annual carbon reduction targets in accordance with the pathways defined by the Science Based Targets initiative (SBTi).
2. Implement intelligent energy monitoring systems to enhance energy utilization efficiency.
3. Complete the installation of solar power generation systems at headquarters to increase the proportion of self-generated green electricity.
4. Continuously procure International Renewable Energy Certificates (I-RECs) to reduce Scope 2 emissions.
5. Evaluate the signing of long-term Power Purchase Agreements (PPAs) to ensure a stable supply of renewable energy.
6. Introduce eco-design for products and develop low-carbon product lines.
7. Drive supply chain carbon reduction projects to enhance the mitigation efforts of both upstream suppliers and downstream customers.

[Medium-Term Goals] (3 to 5 Years)

1. Continuously replace and upgrade production equipment to enhance energy efficiency.
2. Construct or renovate green buildings that comply with energy-saving, environmental protection, and sustainable design standards.
3. Maintain collaboration with customers to develop products featuring high energy efficiency and low carbon emissions.
4. Collaborate with suppliers to introduce recycled materials, increasing the proportion of Post-Consumer Recycled (PCR) materials in products.

[Long-Term Goals] (5 to 10 Years)

1. Achieve 100% renewable energy usage across all manufacturing sites by 2030.
2. Promote low-carbon technologies to value chain partners to collectively enhance carbon reduction capabilities.
3. Invest in or adopt low-carbon and carbon-negative technologies to support Arcadyan's long-term net-zero development.

7. If internal carbon pricing is used as a planning tool, state the basis for setting the price

Arcadyan has not yet implemented an internal carbon pricing (ICP) system. However, we will continue to monitor global and domestic climate policy trends as well as relevant regulatory developments. At the appropriate time, we will evaluate the feasibility of implementing ICP to strengthen climate risk management and carbon reduction strategic planning.

8. Information on the activities covered by climate-related goals, scope of greenhouse gas emissions, the schedule timeline, and annual progress; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, state the source and quantity of carbon credits or the quantity of renewable energy certificates (RECs)

[SBTi Carbon Reduction Targets]

Arcadyan passed the review of the Science Based Targets initiative (SBTi) in 2024. In reference to the International Energy Agency (IEA) 1.5 °C trajectory for assessing the impact of climate change on operations, Arcadyan has set the following near-term and long-term greenhouse gas (GHG) reduction targets:

- Scope 1 + Scope 2 (Internal Operations):
  Near-term target: 50% absolute reduction by 2030
  Long-term target: Achieve net-zero emissions by 2040
- Scope 3 (Other Indirect Emissions):
  Near-term target: 66% intensity reduction by 2030
  Long-term target: Achieve net-zero emissions by 2050

[GHG Emission Inventory Scope]

Starting from 2025, Arcadyan has expanded its greenhouse gas inventory scope to include overseas locations, specifically its U.S. and German subsidiaries. By gradually broadening the organizational boundary, we aim to enhance the completeness and transparency of our corporate emission disclosures.

[Renewable Energy Usage and Certificate Procurement]

Arcadyan is actively increasing the proportion of green electricity usage and advancing its energy transition strategy. Key performance indicators are as follows:

- In 2025, Arcadyan procured 16.35 million kWh of International Renewable Energy Certificates (I-RECs), raising the renewable energy usage ratio at its manufacturing centers to 50%. This initiative effectively reduced market-based greenhouse gas emissions.
- In addition to existing solar power generation systems, Arcadyan is actively evaluating the signing of long-term Power Purchase Agreements (PPAs) with renewable energy providers to secure a stable source of green electricity.
- The long-term goal is to achieve 100% renewable energy for production electricity by 2030, fully realizing low-carbon manufacturing.

9. GHG inventory and assurance status, as well as reduction targets, strategies, and concrete action plans

Company Profile: Companies with capital of less than $5 billion

In accordance with the provisions of the Sustainable Development Roadmap of listed companies should at least be disclosed: Inventory of parent company only

1-1 Greenhouse gas inventory and assurance for the most recent two years

Greenhouse Gas Inventory Information

Scope \ Year	2024		2025	
	Greenhouse Gas Emissions (metric tons CO_2e)	Emissions Intensity (tons per million in revenue)	Greenhouse Gas Emissions (metric tons CO_2e)	Emissions Intensity (tons per million in revenue)
Scope 1	316.27	0.0065	336.64	0.0064
Scope 2	15,052.45	0.3074	9,802.50	0.1850
Scope 1&2	15,368.72	0.3139	10,139.13	0.1914
Scope 3	3,036,318.05	62.01	2,855,924.54	53.91
Coverage Scope	**Taiwan:** Arcadyan Technology Corporation、Tatung Technology Inc. **China:** Compal Networking (KunShan) Co., Ltd.、Arcadyan Technology Corporation (Shanghai) **Vietnam:** Arcadyan Technology (Vietnam) Co., Ltd.		**Taiwan:** Arcadyan Technology Corporation、Tatung Technology Inc. **China:** Compal Networking (KunShan) Co., Ltd.、Arcadyan Technology Corporation (Shanghai) **Vietnam:** Arcadyan Technology (Vietnam) Co., Ltd.	

1-1-2 Information on greenhouse gas assurance

Item	Implementation Status
Description of verification status for the most recent two years as of the publication date of the annual report, including the verification scope, verification institution, verification criteria, and verification opinion	Arcadyan has continuously performed greenhouse gas inventories since 2009 and has commissioned third-party audits to obtain verification statements since 2021. The verification status for 2024 and 2025 is as follows: Verification Scope: Arcadyan Technology Corporation, Tatung Technology Inc., Compal Networking (KunShan) Co., Ltd., Arcadyan Technology Corporation (Shanghai), Arcadyan Technology (Vietnam) Co., Ltd. Verification Institution: TÜV Rheinland Taiwan Ltd. Verification Criteria: ISO 14064-1 (2024)；GHG Protocol (2025) Verification Opinion: The verification statement for 2024 has been obtained. The inventory results for 2025 are expected to receive a verification statement by May 2026, and full verification details will be disclosed in the Sustainability Report.

1-2 GHG Reduction Targets, Strategies and Specific Action Plans

Baseline year: 2022

Reduction Target	Scope 1 + Scope 2	Scope 3
Short-Term Target	Achieve 50% absolute reduction by 2030.	Achieve 66% intensity reduction (tons/ per million gross profit) by 2030.
Long-Term Target (Net-Zero)	Achieve net-zero emissions by 2040.	Achieve net-zero emissions by 2050.

Strategies and concrete action plans:

Short-Term (2025–2030)	Medium-Term (2031–2040)	Long-Term (2041–2050)
• Reduce business travel and carbon emissions through video conferencing. • Regularly inspect air conditioning and refrigeration equipment to prevent refrigerant leakage. • Install solar power systems and procure renewable energy to increase green power usage. • Implement intelligent energy monitoring systems to enhance energy management efficiency. • Install variable frequency equipment to improve the energy efficiency of machines and air conditioning. • Adopt circular economy design to enhance product recyclability and material efficiency. • Optimize PCB layout design to reduce material usage and enhance manufacturing efficiency. • Use Post-Consumer Recycled (PCR) plastic materials to reduce carbon footprints. • Use eco-friendly packaging and implement packaging reduction designs.	• Replace conventional vehicles with electric vehicles to reduce fuel emissions. • Purchase high-quality international carbon credits as supplementary reduction measures • Promote green factories and intelligent energy-saving management of equipment. • Evaluate the signing of long-term Power Purchase Agreements (PPAs) for renewable energy. • Use Post-Consumer Recycled (PCR) metal materials to reduce product carbon footprints. • Optimize product power management and introduce the AIPM intelligent management system. • Establish product recycling and reuse mechanisms to implement a circular economy.	• Implement AIPM PLUS intelligent power management systems to enhance product energy efficiency. • Utilize biofuel-powered shipping routes to reduce carbon emissions during the logistics process. • Procure high-quality international carbon credits as supplementary carbon reduction measures.

Independent Assurance Statement on the Sustainability Report

Independent Assurance Statement

ARCADYAN TECHNOLOGY CORPORATION 2025 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 is 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 2025 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 stakeholders with whom it operates closely based on the AA1000 Stakeholder Engagement Standard, maintained communication channels for stakeholders to participate in various sustainability topics, collected and understood information of concern to all stakeholders, and broadly incorporated feedback and opinions on the company's sustainable development as input for material topic decision-making. Overall, it has met the principle of inclusivity.

Materiality

ARCADYAN has followed the GRI 3: Guidance to determine material topics and adopted a Double Materiality analysis approach to maintain systematic impact-oriented process. Through questionnaires and engagement results with internal and external stakeholders, nine material topics were analyzed, evaluated, and adjusted, and management strategies and objectives were developed for each material topic. Overall, it has met the principle of materiality.

Responsiveness

ARCADYAN has established a systematic stakeholder communication mechanism, responding to stakeholder concerns by regularly and irregularly disclosing information through the Report, its official website, and other public information platforms. The Report integrates the results of responses to various stakeholders throughout the year and addresses specific concerns in different sections. Overall, it has met the principles of responsiveness.

Impact

ARCADYAN has provided the necessary resources to monitor and measure the overall environmental impact of its operations. The Report discloses the identified impacts and management measures, presenting management performance in terms of qualitative and quantitative objectives, and providing appropriate information for stakeholders to understand the organization's sustainability practices. Overall, it has met the principle of impact.

◆ **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. In the future, the organization can continue to compile information on material topics and operational performance through cross-regional and cross-departmental cooperation, in accordance with domestic and international reporting requirements, and disclose sufficient sustainability 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 disclose information in accordance with the SASB Standards, through cross-regional and cross-departmental cooperation, to provide investors with information of significant reference value.

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. We have summarized the contents of the Report to provide a fair view of ARCADYAN's relevant operations and specific performance. We believe the focuses on economic, social, and environmental indicators in ARCADYAN in 2025 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 Tsai
The Director for Certification and Assessment
Jul.28.2026

AA1000
Licensed Report
000-84/V3-AV0IR

Verification team: Jheng-Hao Jhan (Lead Verifier), Cheng-Hao Chen (Verifier), Yu-Sheng Lin (Verifier).

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Greenhouse Gas (GHG) Verication Statement

Verification Statement

Inventory Standard	**GHG Protocol Corporate Standard**
Statement Registr. No.	**GP 38758084 2601**
Report No.	**48303534 001**

Statement Holder:	**Arcadyan Technology Corporation** No.8, Sec.2, Guangfu Rd.,Hsinchu City 300, Taiwan
Verification Site:	**Including the sites according to annex**
Verification Body:	**TÜV Rheinland Taiwan Ltd.**
Verification Standard:	ISO 14064-3:2019
Base year:	- 2025 (2025.01.01~2025.12.31)
Verification year:	- 2025 (2025.01.01~2025.12.31)
Programme:	- Voluntary GHG scheme
Level of Assurance:	- Reasonable (Scope 1, Scope 2); Limited (Scope 3)
Consolidation methodology:	- Operational Control
Materiality:	- 5% (Scope 1, Scope 2)
Type of Greenhouse Gases:	- CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3
Verification Scope:	Based on the information we have received and evaluated that: - Global warming potential (GWP): IPCC 2021, AR 6 - The total carbon emission - Location-based: 2,870,209.652 tonnes CO_2 equivalent (tCO_2e) - Market-based: 2,855,811.525 tonnes CO_2 equivalent (tCO_2e) - Scope 1 Direct emission is 336.6348 tCO_2e - Scope 2 Electricity indirect GHG emissions - Location-based: 24,200.6250 tCO_2e - Market-based: 9,802.4979 tCO_2e - Scope 3 Other indirect emissions: 2,845,672.3924 tCO_2e - Data and information - Historical in nature: Scope 1 / 2 - Historical in nature with scenario models: Scope 3
Validity:	This statement only reviewed the emissions data of inventory year, this statement is not for the management systems certification.

2026-06-29

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 or acting upon this verification and validation

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Annex to Statement

Inventory Standard	**GHG Protocol Corporate Standard**
Statement Registr. No.	**GP 38758084 2601**
Report No.	**48303534 001**

Verification Site:	– **Arcadyan Technology Corporation.** No.8, Sec.2, Guangfu Rd., Hsinchu City 300044, Taiwan – **Tatung Technology Inc.** 4F., No.70, Ruiguang Rd., Neihu District, Taipei City 114009, Taiwan – **Compal Networking (Kunshan) Co., Ltd** 526 NanBang RD., Economic & Technical Development Zone, Kunshan, JiangSu, China 2nd Floor, Building 2, No. 289, Qingyang Middle Road, Kunshan Development Zone, Jiangsu, China – **Arcadyan Technology (Vietnam) Co., Ltd.** Lot No D4-5-6, Thang Long Vinh Phuc Industrial Park, Binh Xuyen Commune, Phu Tho Province, Vietnam – **Arcadyan Technology (Shanghai) Corp.** Room 1503, 15F, bld 20#, NO.487, TianLin Rd, Xuhui District, Shanghai, China – **Arcadyan Technology Corporation (Shanghai) Guangzhou Branch** No.103, Building A, No.89 Zhongshan Avenue West, Tianhe District, Guangzhou, China
Disclosed Emissions Information of Scope 3	– Purchased goods and services: 113,447.1064 tCO_2e – Fuel- and energy related activities (not included in scope 1 or scope 2): 3,601.2194 tCO_2e – Use of sold products: 2,728,624.0666 tCO_2e
Verification Method:	– 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
Verification opinions:	Reasonable Assurance (Scope1, Scope2)

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Annex to Statement

Inventory Standard	**GHG Protocol Corporate Standard**
Statement Registr. No.	**GP 38758084 2601**
Report No.	**48303534 001**

– 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):
    – Data, Factors, Documents

Limited Assurance (Scope 3)

– Modified opinion
  – There is no evidence for unable to support material emissions, removals or storage;
  – There are no applied for not appropriately of material emissions, removals or storage of the criteria;
  – When the verifier intends to rely on those controls, the controls is not be invalided and the evaluation is not been nonconformity item.
  – Modified procedures, calculation methods, data, factors or documents, there are not have unacceptable impact on materiality, intended users' understanding of GHG claims, modified (Please refer to the finding report for the detail revised items):
    – Calculation methods, Data, Documents

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Broadband Multimedia Wireless

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