



PHISON Conflict-free Minerals Management Policy

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The mining and sales of "conflict minerals" in the Democratic Republic of the Congo (DRC) or its adjacent areas of illegal military conflict may become controlled by local armed groups to fund conflicts in the country and adjacent regions through persecution. Minerals from conflict minerals mined by human rights or armed coercion include: Gold (Au), Tantalum (Ta), Tin (Sn), Tungsten (W), Cobalt (Co), Mica, Copper (Cu), Graphite (natural), Lithium (Li) and Nickel (Ni) minerals.

Phison Electronics strives to exclude any conflict minerals from its products and is committed to thoroughly investigating the supply chain and implementing responsible mineral supply chain management. In order to avoid the use of minerals and smelters from conflict areas in products and production processes, the company does not purchase products from conflict areas. Conflict minerals from Conflict Affected and High-Risk Areas (CAHRAs) and communicate the policy to all suppliers and subcontractors who provide materials.

The company follows the Due Diligence framework established by the Organisation for Economic Co-operation and Development (OECD) in the "Guidance for Responsible Supply Chain Due Diligence of minerals from Conflict-Affected and High-Risk Areas," conducting due diligence on suppliers to establish a management mechanism for conflict minerals.

The Company's suppliers must adhere to the following policies:

- (1) Actively investigate and verify their supply chains, trace the origins of all minerals contained in the products, to ensure the transparency of the supply chain and the objective of non-conflict procurement.
- (2) Ensure that no conflict minerals from conflict and high-risk areas (CAHRAs) or minerals from non-certified conflict areas (DRC) are used.
- (3) Follow the procurement regulations, international regulations and industry standards of conflict minerals.
- (4) Make sure to provide the correct conflict minerals guarantee.
- (5) Managing its upstream and downstream suppliers must comply with conflict-free mineral requirements.

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