

Green Procurement Policy

Revised on May 20, 2024

The Green Procurement Policy of Phison Electronics Corporation aims to incorporate environmental factors into the decision-making process for its procurement, to reduce negative environmental impact, and to exert Phison Electronics' influence to persuade the upstream and downstream vendors on its supply chain to follow suit and create positive impact on the environment. To achieve this goal, the Green Procurement Policy has been formulated as the basis for the management and implementation of the relevant measures.

Phison Electronics will evaluate the necessity of individual procurement activities and give priority to the products and services that meet the definition of green procurement. The products and services that fall within the scope of green procurement include, but are not limited to, those with low energy consumption, produce low pollution, are recyclable, made with recycled materials, with minimal packaging or packaging made from recycled/recyclable materials.

Supplier Management

Phison Electronics announces its Green Procurement Policy to its suppliers, and prioritizes green products in its procurement, requiring suppliers' products and services to meet environmental and energy-saving performance requirements. Phison Electronics gives priority to suppliers with environmental certifications, requiring suppliers to consider environmental issues, long-term energy saving and carbon reduction plans, and future environmental protection strategies in the mining of raw materials, production, and research and development of new equipment. Phison Electronics' supplier selection and evaluation system regularly assesses the environmental sustainability performance of suppliers and investigate whether the production site is located in the "Biodiversity Hotspots" and "Conservation Corridors" classified by the "Taiwan Ecological Network", and avoid using raw materials from important biodiversity sites. The supplier's environmental sustainability performance serves as a reference for whether to continue business cooperation.

Local Procurement

Phison Electronics continues to strengthen its partnerships with local suppliers. Through the localization of its supply chain, Phison Electronics is able to improve the service efficiency of its suppliers, shorten lead times, reduce the transport distances of raw materials and carbon emissions, increase local employment opportunities and contribute to the socio-economic development of local communities.

Environment-Friendly Materials and Facilities

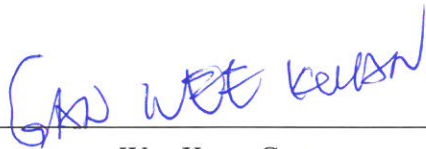
Phison Electronics prioritizes the use of eco-labeled and energy-efficient office equipment, décor and supplies, eliminates the purchase of over-packaged products, and promotes the use of renewable resources and the recycling and reuse of materials. Phison Electronics is committed to reducing the use of products that contain toxic, hazardous and other harmful substances in our operations.

Sustainable Raw Materials Practices

Phison Electronics is committed to minimizing the negative impact of raw material procurement on sustainable development and collaborating with external stakeholders on best practices for sustainable raw materials. The specific implementation methods include but are not limited to replacing existing materials with more environmentally friendly raw materials, reducing plastic in packaging, encouraging customers to choose to use recycled raw materials, etc.

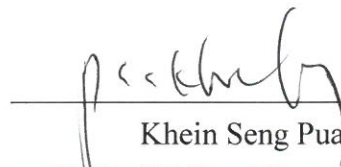
Education on Green Procurement

Phison Electronics ambitiously implements green policies in every aspect of its business, and will continue to promote environmental awareness and the concept of green procurement through internal education, and evaluate the Company's green procurement performance on a regular basis.



Wee Kuan Gan

Chairman of Phison Electronics Corp.



Khein Seng Pua

CEO of Phison Electronics Corp.