



04

Partnership and Co-prosperity

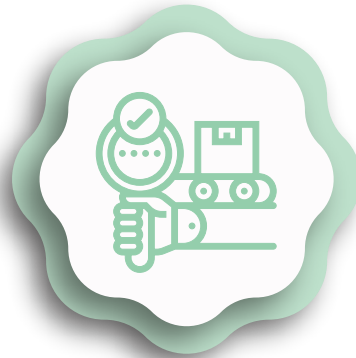
- Building a Sustainable Supply Chain
- Conflict Minerals Management

Chapter 4

Performance Highlights



**Achieved 100% signing rate
of the Supplier Code of
Conduct Declaration.**



**Achieved 100% supplier
audit coverage rate.**



**Ensured 100% of conflict
minerals sourced from
RMI-certified smelters.**

2024 Goals and Achievements

Goals

- Maintained a 100% supplier compliance rate with the Code of Conduct Compliance Declaration.
- Achieved 95% audit coverage across all suppliers.
- 100% of key suppliers completed the Sustainability Management Self-Assessment Questionnaire, with 90% scoring above 80; 75% of key suppliers were subject to sustainability audits.
- 100% of key suppliers completed ISO 14064-1 greenhouse gas inventory and carbon reduction data reporting.

Achievements

- 100% of wafer foundries, assembly and testing service suppliers, and tape vendors have signed the Code of Conduct Compliance Declaration.
- Audit coverage for suppliers reached 100%.
- 100% of key suppliers completed the Sustainability Management Self-Assessment Questionnaire, each scoring above 80, and all underwent sustainability audits.
- 100% of key suppliers completed greenhouse gas (GHG) verification for 2023 and have initiated emission reduction actions.

Sustainability Policy

Partnership and Co-prosperity Topic of Concern: Supply Chain Management

Impact on Raydium: As a fabless IC design company, Raydium outsources its production to external suppliers, such as foundries and assembly and testing service suppliers. As a result, the social and environmental impacts generated during the manufacturing process, as well as the suppliers' performance in corporate governance, may directly affect Raydium's operations and reputation.

Current Management Approach	Future Initiatives and Strategic Directions	Management Policy
Suppliers are selected and managed based on performance across quality, cost, delivery, service, and environmental responsibility criteria. Raydium conducts quarterly performance reviews and annual audits of its suppliers. In addition, the Company monitors and manages potential environmental impacts and labor health and safety risks arising from supplier manufacturing and service activities.	<ol style="list-style-type: none"> Suppliers are screened based on ESG criteria, and are required to comply with Raydium's sustainability policy. Regular evaluations are conducted to enhance overall sustainability performance. On-site sustainability audits are carried out for selected suppliers. Suppliers are required to understand and assess the greenhouse gas (GHG) emissions generated from their business operations. 	In alignment with international initiatives and standards, Raydium has established relevant guidelines and conducts supplier screening based on the three pillars of ESG. Supply chain partners are required to adhere to Raydium's sustainability policy and undergo regular evaluations to enhance the overall sustainability performance of the supply chain.
2025 Goals	Mid-Term Goals (Within 3 Years)	Long-Term Goals (Within 5 Years)
<ol style="list-style-type: none"> Maintained a 100% supplier compliance rate with the Code of Conduct Compliance Declaration. Achieved 95% audit coverage across all suppliers. 80% of key suppliers were subject to sustainability audits. 100% of key suppliers completed the Sustainability Management Self-Assessment Questionnaire, with 90% achieving scores above 90. 100% of key suppliers completed ISO 14064-1 greenhouse gas (GHG) inventory and carbon reduction data reporting. 	<ol style="list-style-type: none"> Continued to enhance supplier sustainability management and sustainability risk assessments. Achieved 95% audit coverage across all suppliers. 100% of key suppliers were subject to sustainability audits. 100% of key suppliers completed ISO 14064-1 greenhouse gas (GHG) inventories. Worked collaborated with suppliers to establish energy-saving and carbon-reduction targets. Assessed suppliers' sustainability performance and presented recognition awards to acknowledge and encourage their commitment to ESG initiatives. 	Raydium continues to collaborate with supply chain partners to promote and advance a globally sustainable business model, with the aim of strengthening environmental, social, and economic performance throughout the value chain.

2024 Goals and Achievements

Goals

1. 100% of materials continue to comply with international environmental regulations (e.g., RoHS, halogen-free, REACH) and relevant customer requirements.
2. 100% of conflict minerals contained in materials are sourced from smelters certified by the Responsible Minerals Initiative (RMI).

Achievements

1. 100% of suppliers' hazardous substance test reports comply with international environmental regulations and requirements.
2. In accordance with customer requirements, conflict mineral source investigations have been completed, with 100% of conflict minerals sourced from smelters certified by the Responsible Minerals Initiative (RMI).

Sustainability Policy

Partnership and Co-prosperity Topic of Concern: Product Responsibility

Impact on Raydium: As an IC design company, Raydium recognizes that the selection of materials used in outsourced manufacturing and procurement processes directly impacts the compliance of its products with international environmental regulations and material safety standards.

Current Management Approach	Future Initiatives and Strategic Directions	Management Policy
<ol style="list-style-type: none"> 1. In accordance with international regulations and customer requirements, Raydium reviews restricted substance test reports and material safety declarations for all selected materials. 2. The sources of conflict minerals contained in materials are reviewed to ensure compliance with international regulations and customer expectations. 3. Safety certification reports are reviewed based on the applicable safety standards for each material category. 	<ol style="list-style-type: none"> 1. Continuously monitor international trends, regulatory developments, and customer requirements related to restricted substances and conflict minerals. 2. Stay abreast of safety standards for various material categories and ensure effective implementation of material safety compliance management. 	<ol style="list-style-type: none"> 1. Materials used in procurement and outsourced manufacturing must comply with international environmental laws and regulations, as well as customer requirements regarding the management of restricted substances. 2. Conflict minerals contained in materials must originate from smelters certified by the Responsible Minerals Initiative (RMI). 3. Safety test results for materials must meet the applicable safety standards for their respective material categories.
2025 Goals	Mid-Term Goals (Within 3 Years)	Long-Term Goals (Within 5 Years)
<ol style="list-style-type: none"> 1. 100% of materials continue to comply with international environmental regulations (e.g., RoHS, halogen-free, REACH) and relevant customer requirements. 2. 100% of conflict minerals contained in materials are sourced from smelters certified by the Responsible Minerals Initiative (RMI). 	<p>Continue to monitor global developments, regulatory trends, and customer requirements related to restricted substances and conflict minerals.</p>	<p>Actively respond to global issues related to restricted substances and conflict minerals to ensure the Company's sustainable operations.</p>

4.1 Building a Sustainable Supply Chain

Raydium is committed to supporting business development and enhancing market competitiveness through effective supplier management. This includes evaluating and improving supplier performance in quality, cost, delivery, service, as well as environmental and social responsibility. The company actively promotes sustainable procurement to strengthen the core capabilities of local suppliers, safeguard labor rights, and ensure that the sources of raw materials used in all products and processed components comply with international laws and regulations. These efforts aim to enhance supply chain resilience, reduce operational risks, and realize the company’s vision of long-term sustainable development.

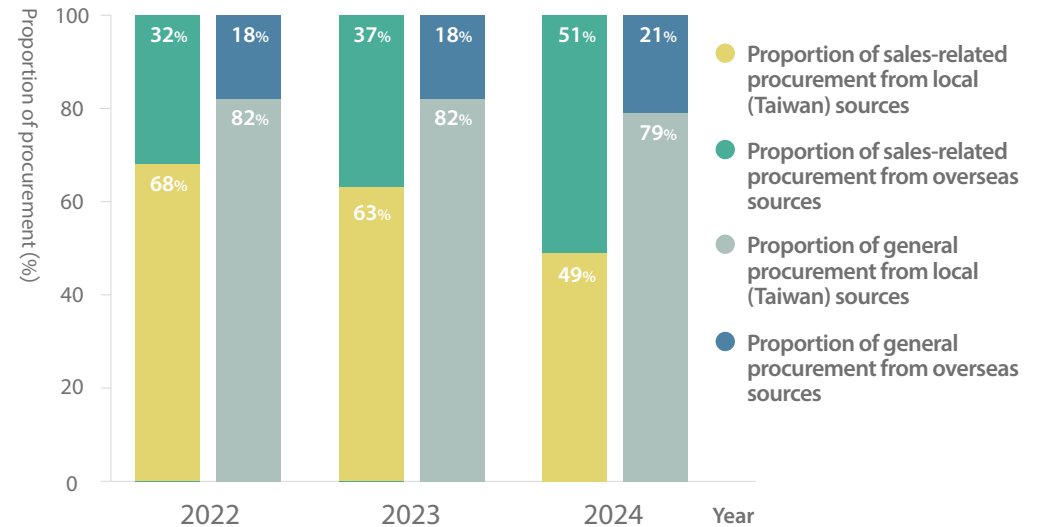
4.1.1 Local Procurement Overview

In support of greenhouse gas (GHG) reduction targets advocated by the United Nations IPCC and national authorities, Raydium incorporates the geographical proximity between customers and suppliers into its procurement strategy to support carbon reduction objectives. The Company prioritizes localized production near customer sites to shorten the transportation distance of raw materials and finished goods, thereby reducing carbon emissions generated during logistics and achieving carbon reduction benefits.

Raydium’s major customers are located in Mainland China, Japan, and South Korea. As a result, the proportion of sales-related procurement outside Taiwan has shown a gradual increase. The Company’s primary operational locations include its Hsinchu headquarters, as well as offices in Taipei and Tainan.

Local procurement status in 2024:

- Proportion of sales-related procurement within Taiwan: 49%
- Proportion of general procurement within Taiwan: 79%



Note 1: "Domestic" refers to locations where Raydium’s primary operations are based, while "overseas" includes countries such as Mainland China, South Korea, Singapore, and Japan.

Note 2: The domestic and overseas procurement ratios are calculated based on the total annual procurement value.

Note 3: "Sales-related procurement" refers to the procurement of raw materials (such as wafers, tapes, and heat sinks) and outsourced assembly/testing services.

Note 4: "General procurement" refers to the procurement of items such as office equipment (OA), logistics and transportation services, and technical services."

Raydium selects high-quality suppliers with strong competitiveness and sustainability performance through defined supplier selection criteria and sustainability risk assessments. The Company conducts quarterly supplier performance reviews and performs annual audits to monitor and manage potential environmental and occupational health and safety impacts arising from suppliers' manufacturing and service activities.

Looking ahead, in addition to continuously requiring suppliers to improve in areas such as quality, delivery, service, and cost, Raydium will further embed sustainability management at the core of its supply chain strategy. The Company is committed to guiding suppliers toward deeper innovation and improvement, with the goal of jointly building a resilient and sustainable supply chain business model.

Raydium is dedicated to driving a positive supply chain cycle by ensuring that supply chain partners maintain a safe working environment, uphold dignified labor practices, operate with integrity, and demonstrate a commitment to environmental protection. Through a comprehensive management framework — comprising code of conduct compliance, risk assessment, audit verification, and continuous improvement — Raydium actively promotes the implementation of sustainable practices among suppliers and encourages their participation in collective sustainability actions.

Raydium has established the Supplier Code of Conduct based on the Responsible Business Alliance (RBA) Code of Conduct, addressing five key areas — Labor, Health and Safety, Environment, Ethics, and Management Systems. This Code serves as a response to sustainability issues of concern to customers and the broader public and requires all suppliers to acknowledge and comply with the relevant standards.

All new sales-related suppliers are required to sign the Code of Conduct Compliance Declaration to confirm their alignment with corporate social responsibility requirements and demonstrate their understanding of Raydium's expectations and principles for responsible supply chain management. For suppliers that regularly publish sustainability reports with comprehensive disclosures of their sustainability practices, such reports may serve as supporting documentation in lieu of a signed declaration.

As of 2024, the signing rate for the Code of Conduct among sales-related procurement suppliers has reached 100%.

Note: Signatories to the Code of Conduct include suppliers of wafers, assembly and testing services, and tape materials. Suppliers that have obtained RBA certification or publicly declared compliance with relevant standards are considered equivalent to having fulfilled the signing requirement.

- Compliance with Code of Conduct**
 Suppliers sign the Code of Conduct Compliance Declaration
- Risk Assessment**
 Suppliers complete the "Sustainability Management Questionnaire" for self-assessment and improvement
- Audit and Verification**
 Raydium conducts audits to verify supplier compliance
- Continuous Improvement**
 Suppliers propose corrective actions based on audit findings

Raydium Supplier Code of Conduct



Supplier Risk Assessment

New supplier evaluation is a critical component of Raydium’s management system. In addition to assessing quality and process management systems, the Company conducts risk assessments to evaluate the ESG performance and governance capabilities of new sales-related suppliers. This serves as the foundation for building long-term, efficient partnerships and reinforces Raydium’s commitment to sustainable business practices.



New Supplier Selection Process

Raydium conducts supplier risk assessments and risk management across three dimensions — economic, environmental, and social — to identify potential high-risk suppliers and implement appropriate mitigation measures related to sustainability risks.

Assessment criteria are established based on ESG (Environmental, Social, and Governance) dimensions, and suppliers are categorized into three risk levels according to their evaluation scores:

- Low risk: 67–100 points
- Medium risk: 34–66 points
- High risk: 0–33 points

The risk assessment indicators and evaluation criteria are as follows:

In 2024, Raydium conducted ESG risk identification for its sales-related suppliers, including 6 wafer foundries and 19 assembly, testing, and tape-out vendors.

The assessment results were as follows:

- Grade A suppliers: 22 (88%)
- Grade B suppliers: 3 (12%)
- Grade C suppliers: 0 (0%)

For Grade B suppliers, Raydium continues to supervise and encourage them to obtain certifications for ISO 14001 and ISO 45001 management systems, and strengthens reviews of environmental and social aspects during annual audits.



Economic Aspect

Management Standards

Quality, cost, delivery, service, technology, and management systems

Evaluation Criteria

- Quality Management System - ISO 9001
- Automotive Quality Management - IATF 16949

Environmental Aspect

Management Standards

Environmental management system, regulatory compliance, hazardous substance management

Evaluation Criteria

- Environmental Management System - ISO 14001
- QC 080000 Hazardous Substances

Social Aspect

Management Standards

Labor rights, occupational health and safety, conflict minerals management

Evaluation Criteria

- Occupational Health and Safety - ISO 45001
- RBA (Responsible Business Alliance) Code of Conduct
- Raydium Code of Conduct Compliance Declaration

Raydium also closely monitors global developments related to energy conservation, carbon reduction, and climate risks. In 2024, the Company surveyed the greenhouse gas (GHG) inventory status of its wafer, assembly, testing, and tape-out suppliers, with 18 of them having completed third-party verified GHG verification reports.

Going forward, the Company will further leverage its influence to drive suppliers toward ISO 14064-1 GHG verification and jointly establish energy-saving and carbon-reduction targets, aiming to build a sustainable supply chain.

Supplier Audits

Raydium conducts audits on sales-related suppliers covering quality, green product compliance, process evaluation, and social and environmental responsibility. Suppliers are only included in the approved vendor list after passing the audit or demonstrating improvements that meet the required standards. In addition, annual evaluations or on-site audits are carried out regularly. Based on the severity of deficiencies identified, suppliers are required to submit corrective action plans within a specified timeframe, followed by a review to verify closure of the findings.

In 2024, in response to customer demands for high product quality and competitiveness, Raydium strengthened supplier process evaluations and increased the proportion of on-site audits. That year, the on-site audit coverage rate for supplier quality systems reached 85%. Raydium will continue its efforts to maintain a high rate of on-site inspections to ensure supplier quality and process stability. The combined completion rate for documentation and on-site audits in 2024 reached 100%, exceeding the original target.

Raydium upholds the spirit of sustainable development management by selecting key suppliers for sustainability audits. Through an audit management system and continuous communication on corrective actions, the Company collaborates with its supply chain to enhance sustainability performance. In 2024, the sustainability audit completion rate for key suppliers reached 100%, with no major non-conformities identified.

For suppliers rated as Grade B in ESG assessments, Raydium conducted on-site audits focusing on environmental, occupational safety, and social aspects. The audit coverage rate for this category of suppliers also reached 100% in 2024.

Audit Item and Coverage Rate	Rate
Sustainability audit coverage rate for key suppliers	100%
Percentage of key suppliers scoring 80 or above on sustainability questionnaire	100%
Sustainability audit coverage rate for Grade B suppliers	100%
Percentage of Grade B suppliers scoring 80 or above in audits	66%

Note: Key suppliers are defined as those ranking among the top three in annual capacity supply or procurement value, or those whose products and services are assessed to have a potential impact on the Company’s operations. In 2024, a total of six key suppliers were identified, including wafer foundries, assembly and testing service suppliers, and tape vendors.

Continuous Improvement

The Company has established supplier management guidelines in alignment with international initiatives and standards. Suppliers are screened based on ESG criteria across environmental, social, and governance dimensions, and are required to comply with Raydium’s Sustainability Policy. Regular reviews are conducted to assess ESG risks and potential supply chain disruptions. These efforts aim to drive continuous improvement and enhance the overall sustainability performance of the supply chain.

Going forward, the Company will continue to strengthen the knowledge and capabilities of supplier management personnel to further improve supplier operational resilience.

4.2 Conflict Minerals Management

Raydium is committed to fulfilling its corporate social responsibility by respecting and protecting human rights. In line with international standards such as the Organization for Economic Cooperation and Development (OECD) and the Responsible Business Alliance (RBA), the Company conducts due diligence on raw material sourcing.

Raydium reviews the origins of minerals including gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co), and mica, to ensure they are not sourced from conflict-affected areas. The Company has established a Conflict Minerals Policy and requires all suppliers to comply accordingly.

4.2.1 Conflict Minerals Management Procedure

Upon identification of high-risk suppliers, Raydium requires them to complete the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT) issued by the Responsible Business Alliance (RBA). Suppliers must disclose the usage and smelter sources of gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co), and mica in their raw materials. Raydium conducts further due diligence for suppliers identified as having elevated risks.

In 2024, Raydium carried out CMRT and EMRT surveys targeting suppliers involved in wafer fabrication, tape-based flip-chip IC substrates, and IC packaging services. All participating suppliers used smelters recognized by the Responsible Minerals Initiative (RMI), achieving a 100% compliance rate.

