

VIVOTEK INC.

Guidelines on Management of Sustainability Information

Passed by the Board of Directors on October 28, 2024

Chapter 1. General

1. Purpose

- 1.1 These Guidelines on Management of Sustainability Information (the Guidelines) are hereby formulated based on the requirements of establishment of system for internal control of management of sustainability information to improve the quality management of the overall sustainability information (including sustainability report) of VIVOTEK INC. (the Company), mitigate the risk of misstatement, and comply with legal requirements.
- 1.2 Sustainability issues cover a wide range of topics, and the Company has also established relevant procedures of preparation of written materials for major sustainability issues and sustainability indicators applicable to the Company.
- 1.3 The Company shall handle and disclose sustainability information in accordance with relevant laws, orders, regulations of the Taiwan Stock Exchange and these Guidelines.

2. Scope of Boundaries of Application

2.1 Basis

These Guidelines comply with Articles 4, 8 and 13 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" promulgated by the Financial Supervisory Commission.

2.2 Scope of Sustainability Information

Refers to data or information that reflects the Company's sustainability activities and transactions, which can usually be divided into environmental, social and governance laws and regulations or voluntary disclosure of sustainable information, including but not limited to the following:

- 2.2.1 Sustainability information in annual reports and schedules;
- 2.2.2 Sustainability reports;
- 2.2.3 Sustainability information disclosed on the Company's official site;
- 2.2.4 Corporate sustainability information uploaded to MOPS;
- 2.2.5 Other matters.

2.3 Boundary between Sustainability Information and Internal Control

- 2.3.1 The boundaries of the Company's internal control over sustainability information management shall be the same as those for sustainable reports. The concepts of

"control" or "influence" shall be considered and cover all levels and structures of the Company, including the Company itself, subsidiaries, affiliates, customers, and suppliers, etc.

- 2.3.2 Unless there are specific requirements to follow a different reporting scope, the Company's sustainability information boundaries shall be the same reporting scope as the general consolidated financial statements.

Chapter 2. Organizational Structure and Duties of Sustainability Information Management

3. Organizational Structure

The Company has established a sustainability information management organizational structure in a top-down manner. In addition to the Board of Directors as the highest governance unit, the Company has also established a corporate sustainability promotion task force, with the General Manager as the chairman to assign responsible personnel to the corporate sustainability promotion task force to assist the chairman in holding regular meetings and report to the Board of Directors at least once a year. The members of the task force mentioned in the preceding Paragraph are composed of relevant units; in addition, the chairman may designate members based on needs.

4. Board of Directors

The Company's Board of Directors ensures that the sustainability information management policy is consistent with the operational strategic goals through approval, supervision and allocation of sufficient resources, so that the management mechanism could operate effectively. The duties are as follows:

- 4.1 Approval of procedures for preparing and filing sustainability reports for listed/over-the-counter companies(such as: Guidelines for the Preparation and Filing of Sustainability Reports of Listed/Over-the-counter Companies).
- 4.2 Approval of the Company's sustainable strategic goals and specific promotion plans (such as: Sustainable development strategy, and annual plans and budgets, etc.).
- 4.3 Supervise the Company's sustainability information management and internal controls. Relevant supervision activities include but are not limited to the following matters:
- 4.3.1 Supervise the Company to establish an appropriate sustainability information management culture and mechanism.
- 4.3.2 Supervise the effectiveness of the design and implementation of the Company's internal controls on sustainability information management.
- 4.3.3 Supervise the internal audit results of internal controls on sustainability information management.
- 4.3.4 Supervise internal audits and perform independent assurance/verification of the

- expertise and capabilities of members of the third party organization.
- 4.3.5 Allocate and assign sufficient and appropriate resources to enable the sustainability information management mechanism to operate effectively.
 - 4.3.6 Determine the extent to which sustainability information is subject to independent assurance or verification; and when necessary, appoint a qualified third-party organization to perform independent assurance or verification.
- 4.4 Review the sustainability-related disclosure information and sustainability report in the annual report.
 - 4.5 Review the progress of adoption and implementation of sustainability reporting frameworks or standards.
 - 4.6 Other matters.

5. **Corporate Sustainability Promotion Task Force**

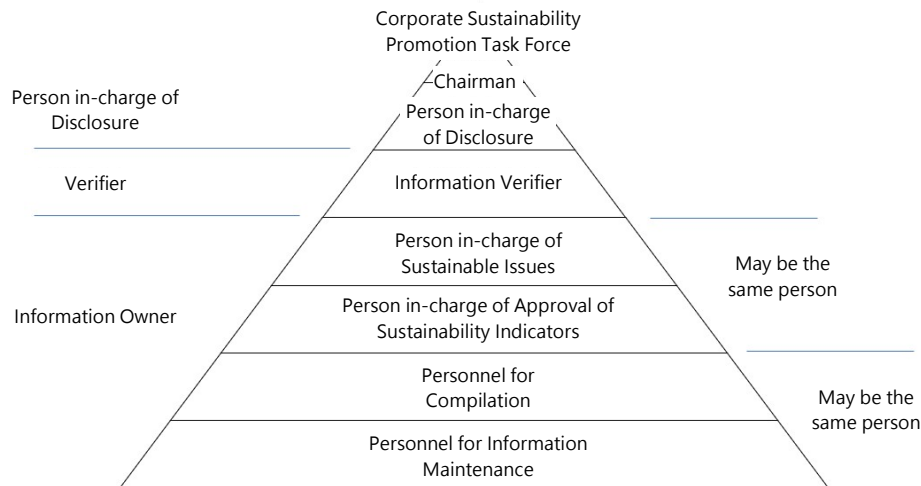
The responsibilities of the corporate sustainability promotion task force include but not limited to the following matters, and shall submit a report to the Board of Directors regularly (at least once a year).

- 5.1 Promote sustainability information management decisions of the Board of Directors or functional committees related to sustainable development.
- 5.2 Develop operating standards for sustainability information management, management policies for major sustainability issues, and procedures for compiling sustainability indicators.
- 5.3 Integrate corporate risk assessment and conduct relevant risk management operations on sustainability issues.
- 5.4 Assist in and supervise the implementation of internal controls of each sustainability information management unit.
- 5.5 Coordinate the interaction and communication between various sustainability information management units.
- 5.6 Regularly evaluate reliance on third-party sustainability information.
- 5.7 Plan and organize training related to sustainability information management to enhance corporate awareness and culture of sustainability information management.
- 5.8 Plan and implement annual identification of major sustainability issues.

5.9 Evaluate whether to adopt or apply sustainable reporting framework or standards, including implementation impact assessment and progress, which includes promoting the introduction of IFRS sustainability disclosure standards.

6. Units for Information Management on Various Sustainability Issues and Indicators

The management of each business and operating unit of the Company shall be responsible for sustainability information management on the sustainability issues and indicators they are responsible for, including collecting, recording, processing, compiling, adjusting, approving and regularly reporting to the corporate sustainability promotion task force the sustainability information that they are responsible for, and ensure the effective implementation of sustainability information management in accordance with the Company's internal division of functions and duties.



The duties of units for information management on sustainability issues and indicators are as follows:

- Person in-charge of Disclosure: Assist in the development and writing of sustainability strategies, obtain information on various sustainability indicators, and write various sustainability disclosure and reporting information.
- Verifier: Independently perform quality verification of sustainability indicators and disclosed information.
- Information Owner: Responsible for collecting, maintaining, and reporting high-quality sustainability information for internal use and external disclosure.

The duties of personnel at each level are as follows:

6.1 Personnel for Information Maintenance

- 6.1.1 Record sustainability information based on sustainability information management, sustainability issues, and sustainability indicators, etc.
- 6.1.2 Provide sustainability information and relevant supporting documents to the Personnel for Compilation (if the Personnel for Information Maintenance and Personnel for Compilation are not the same person).
- 6.1.3 Understand the purpose of sustainable information and collect and report information in correct and efficient manner.

6.2 Personnel for Compilation

- 6.2.1 Carry out sustainable information collection operations in accordance with the guidelines for sustainability information management.
- 6.2.2 Responsible for ensuring that the Personnel for Information Maintenance fully understand the duties and work schedules.

6.3 Person in-charge of Approval of Sustainability Indicators

- 6.3.1 Responsible for compiling the content of sustainability indicators and ensuring they are appropriately updated.
- 6.3.2 Responsible for identifying major risks in the operating process and implementing key controls to mitigate the risk of misstatement of sustainability information and ensure the operational effectiveness of key control points throughout the reporting period.
- 6.3.3 Responsible for ensuring that the Personnel for Compilation fully understand the duties.
- 6.3.4 Responsible for confirming the integrity and accuracy of information related to sustainability indicators.

6.4 Person in-charge of Sustainable Issues

- 6.4.1 Responsible for the content of sustainability issues and ensuring that they are appropriately updated in accordance with relevant standards and frameworks.
- 6.4.2 Responsible for disclosing sustainability information related to sustainability issues, ensuring its integrity and accuracy, and faithfully describing the Company's operations, policies, procedures and performance results.
- 6.4.3 Assign and provide resources to assist Personnel for Information Maintenance to fully understand and perform their duties.
- 6.4.4 Disclose information on sustainability issues to the person in charge on a regular

basis (at least once a year) and continue to improve the quality of sustainability information.

6.5 Information Verifier:

Responsible for independent verification of the disclosure of sustainability information and responsible for the following matters

- 6.5.1 Communicate verification results and findings to the personnel responsible for disclosure and the heads responsible for sustainability issues.
- 6.5.2 Reserve and integrate audit tracks for sustainability information verification.

6.6 Person in-charge of Disclosure

Person in-charge of Disclosure shall be the head in-charge of the corporate sustainability promotion task force and shall be responsible for the following matters:

- 6.6.1 Coordinate the development of sustainability information management and implement these Guidelines.
- 6.6.2 Regularly evaluate the appropriateness of the applicable framework, standards and disclosure indicators for sustainability information based on the goals of disclosing sustainability information.
- 6.6.3 Responsible for the project management of sustainability information disclosure, such as establishing timetables, tracking issues, and confirming information of final disclosure, etc.
- 6.6.4 Responsible for ensuring that sustainability information disclosed is compiled and verified according to approved written processes and is used as intended.
- 6.6.5 Ensure to obtain confirmation and approval from the chairman of the corporate sustainability promotion task force before releasing sustainability information.
- 6.6.6 Responsible for managing the sustainability information quality review process and related procedures, and discussing findings with sustainability information verification personnel to maintain the quality of information compilation.
- 6.6.7 Responsible for confirming the final disclosure of sustainable information and integrating them with supporting documents.

6.7 Chairman of Corporate Sustainability Promotion Task Force

- 6.7.1 Responsible for regularly reviewing reports according to sustainability issue categories.
- 6.7.2 Responsible for reviewing sustainability information intended for public release.
- 6.7.3 Report to the Board of Directors on a regular basis (at least once a year) in person or via proxy.

6.8 Audit Unit:

The annual audit plan of the Company's audit unit shall include the management of sustainability information, and the audit plan and implementation results shall be reported to the Audit Committee and the Board of Directors.

Chapter 3. Procedures of Sustainability Information Management

7. Sustainability commitment and goal setting

By establishing clear sustainability commitments, the Company ensures that resources can be effectively allocated to promote sustainable business goals and an internal control system for sustainability information management. The Company considers the materiality and risk assessment results, and links the overall corporate goals with the sustainable management goals and the following goals. It also includes referring to and selecting applicable laws, frameworks, general standards, industrial standards and major sustainability issues of concern to stakeholders to ensure that relevant information disclosure can reflect the Company's sustainable business activities:

- 7.1 Operational goals.
- 7.2 External financial reporting goals.
- 7.3 External non-financial reporting goals.
- 7.4 Internal reporting goals.
- 7.5 Legal compliance goals.

8. Stakeholder identification and assessment of major sustainability issues

The Company regularly (annually) performs stakeholder identification and materiality assessment to determine major sustainability reporting issues.

8.1 Stakeholders:

For entities or individuals affected by the Company's operations, products and services, the Company refers to the five principles of the AA1000 Stakeholder Engagement Standard respectively known as responsibility, influence, awareness, inclusivity, and degree of reliance, so as to identify major stakeholders in order of degree of correlation.

8.2 Assessment of major sustainability issues

When identifying major sustainability reporting issues, the Company will consider its business model and value chain, existing sustainable development strategies and goals, peer public

information and industry conditions and trends, the focus of major stakeholders, as well as emerging sustainability issues and reporting standards, laws and trends, etc., to determine major sustainability issues.

9. Guidelines on Calculation

9.1 Use of estimates and assumptions

9.1.1 When compiling sustainability information, the Company shall give priority to using actual (that is, observable and measured) information whenever possible and feasible. If actual information is not available in a timely manner, or the nature of the sustainability indicators requires the use of estimates or scenario assumptions, the information owner shall discuss with the person in-charge of disclosure and verifier whether all or part of the sustainability information shall be compiled via estimates, and estimates shall only be used after being assessed as a more cost-effective and reliable option compared to other measurement methods.

9.1.2 The Company will record the material estimates, judgment basis and data sources adopted, including the estimation methods adopted and any basic assumptions made, in written operating specifications for each sustainability issue, such as:

- Engineering estimates
- Use financial information, such as utility bills or purchasing records, to estimate consumption
- Use common estimation techniques (such as reliable online databases, tools, or industry-specific data).

9.1.3 The Company shall use pragmatic methods to determine estimation methods, and the estimates shall produce reasonably explainable results and be adopted consistently from period to period. Any changes to the estimation method shall be handled in compliance with the change management process herein.

9.2 Calculated materiality threshold

9.2.1 The Company's threshold for calculating materiality is to consider the omission, misstatement or ambiguity of sustainability information that can reasonably be expected to affect the decision-making of the major users of sustainability information, and such information would be considered material. Relevant materiality thresholds shall be applied as follows:

9.2.1.1 Boundaries and scope (for example, if sustainability information about a specific department falls below the materiality threshold, it can be excluded

- without causing any material error)
- 9.2.1.2 Estimates (such as determining which estimates are material and need to be explained and recorded in issue-specific paperwork)
- 9.2.1.3 Change management (such as determining which changes are major changes)
- 9.2.1.4 Sustainability information reporting process (such as whether errors or discrepancies identified during information compilation are within the de minimis level)
- 9.2.2 The Company's calculation of materiality threshold reference shall consider the following factors and make timely adjustments:
 - 9.2.2.1 Information error history.
 - 9.2.2.2 Level of maturity of the process for compiling sustainability information.
 - 9.2.2.3 The level of detail in sustainability information reported.
 - 9.2.2.4 Whether the information is presented as the percentage or absolute value
 - 9.2.2.5 Is the sustainability information linked to Company goals or compensation plans?
 - 9.2.2.6 Whether the information has been disclosed elsewhere, which will require separate consideration of the materiality of its definition or compilation.

10. Design and Implementation of Internal Controls

- 10.1 Based on the risk assessment results, the Company adopts appropriate policies and procedures and deploys supervisory actions to continuously review the implementation of sustainable management goals, control risks within an acceptable range, and consider characteristics of various types of sustainability issues, and the data collection processes related to sustainability information and degree of dependence on the system, design and implement internal control operations to meet information processing goals (including integrity, correctness, validity and appropriate access control), and shall at least cover the following matters:
 - Procedures for various sustainability data and qualitative or quantitative indicators when being collected, recorded, processed, compiled, adjusted, approved and released.
- 10.2 Control Operations for General Information Technology Data Processing

When using existing information systems or investing in innovative information technology to collect, process, report or store sustainability information, the Company shall consider the following matters:

 - Reliance on information technology in responding to sustainability-related risks.
 - Supervision for the design and development of information technology.

- Establishment of control operations for sustainability information security management processes to ensure the reliability and integrity of data from input, processing, and output.
- Establishment of control operations for information technology acquisition, development and maintenance processes.

10.3 If the collection and processing of sustainability data is entrusted to any external supplier, it shall comply with the Company's supplier selection standards.

11. Management to Changes

The Company evaluates the rationality and appropriateness of changes in accordance with the Guidelines on Management of Sustainability Information and retains relevant records, including but not limited to:

- 11.1 Changes in organizational structure related to sustainability (such as mergers and acquisitions or disposal of merged entities, and development of new products/services, etc.).
- 11.2 Development trends of sustainability issues domestically and abroad.
- 11.3 Changes in methods of estimates and assumptions.
- 11.4 Changes to technology systems.

12. External and Internal Communications

The Company has established channels for communication between external and internal stakeholders, and enhanced interdisciplinary communication, coordination and cooperation among various departments to implement overall sustainability information management of the Company.

12.1 Schedule for sustainability information

The Company should formulate a timetable plan based on various matters related to sustainability information, including the preparation, internal review, external confirmation and release of sustainability information, etc.

12.2 Internal review of sustainability information before release to the general public

Before the Company's sustainability information is released, it shall be approved by the chairman of the corporate sustainability promotion task force.

12.3 Retaining audit tracks

The Company shall retain audit tracks related to sustainable business activities and sustainability information. In principle, the retention period of its information records shall be at least five years. If regulations or competent authorities provide otherwise, such regulations shall prevail.

12.4 Regularly evaluate the effectiveness of internal controls

Auditors shall regularly understand their compliance status and prepare audit reports. The findings and recommendations of the audit report shall be notified to the audited unit for improvement, and a follow-up report shall be prepared to confirm that appropriate improvement measures have been adopted.

Chapter 4. Miscellaneous

13. Implementation

These Guidelines become effective upon the resolution of the Board of Directors, and the same applies upon amendments.

14. Date of Formulation

Formulated on October 28, 2024