

VIVOTEK INC.

Guidelines on Sustainable Development Practical

Passed by the Board of Directors on November 7, 2016

Revised and approved by the Board of Directors on April 27, 2022

Revised and approved by the Board of Directors on October 26, 2023

Chapter 1: General Principles

- Article 1 To achieve the goal of sustainable development and establish good corporate governance and social responsibility practices, VIVOTEK INC. (the Company) has formulated Guidelines on Sustainable Development Practical (the Guidelines) with reference to the "Sustainable Development Practical Rules for Listed Companies" jointly established by the Taiwan Stock Exchange Corporation and the Taipei Exchange, as well as other related laws and regulations.
- Article 2 The guidelines apply to the Company and the overall business activities of its affiliated enterprises.
- Article 3 In promoting sustainable development, the Company will consider the interests of stakeholders and, while pursuing sustainable operations and profits, will focus on environmental, social, and corporate governance (ESG) factors, integrating them into the Company's management policies and business activities. A risk assessment will be carried out based on the principle of materiality regarding ESG issues relevant to the Company's operations, and corresponding risk management policies or strategies will be formulated.
- Article 4 The Company's practice of sustainable development shall adhere to the following principles:
1. Implement corporate governance.
 2. Develop a sustainable environment.
 3. Maintain social welfare.
 4. Strengthen the disclosure of corporate sustainability information.
- Article 5 The Company shall consider the development trends of domestic and international sustainability issues, the relevance to the Company's core business, and the impact of its operations on stakeholders in formulating sustainability policies, systems, related management guidelines, and specific implementation plans. Significant policy adjustments must be approved by the Board of Directors or authorized senior management before implementation.

Chapter 2: Implementation of Corporate Governance

- Article 6 In accordance with the "Corporate Governance Code," "Integrity Management Code," and "Code of Ethics," the Company shall establish an effective governance

structure and relevant ethical standards to ensure sound corporate governance.

Article 7 The Company's directors shall perform their duties with the care of a good manager, supervise the practice of sustainable development, and regularly review its implementation and continuously improve it to ensure the fulfillment of sustainability policies. When promoting sustainable development goals, the Company shall fully consider stakeholder interests and include the following:

1. Present a mission or vision for sustainable development and establish sustainability policies, systems, or related management guidelines.
2. Incorporate sustainable development into the Company's business activities and development directions, and approve specific plans for sustainable development.
3. Ensure the timeliness and accuracy of sustainability-related information disclosures.

For issues arising from economic, environmental, and social aspects of business operations, senior management shall address them and report to the Board of Directors, with clear processes and responsible personnel.

The Company shall regularly hold educational training on promoting sustainable development, including advocating the matters mentioned in item 2 above.

Article 7-1 To enhance the management of sustainable development, the Company shall establish a governance structure for promoting sustainability and set up dedicated (or part-time) units responsible for proposing and implementing sustainability policies, systems, management guidelines, and specific action plans. Reports shall be made to the Board of Directors on a quarterly basis. The Company shall establish a reasonable compensation policy to align the salary structure with organizational strategic objectives and stakeholder interests. The employee performance evaluation system shall integrate sustainability policies and establish clear and effective reward and penalty systems.

Article 8 Respecting stakeholder rights, the Company shall identify its stakeholders and set up a dedicated area on the Company website. Through appropriate communication methods, the Company will understand stakeholders' reasonable expectations and needs and appropriately respond to important sustainability issues of concern.

Chapter 3: Development of a Sustainable Environment

Article 8 Respecting stakeholder rights, the Company shall identify its stakeholders and set up a dedicated area on the Company website. Through appropriate communication methods, the Company will understand stakeholders' reasonable expectations and needs and appropriately respond to important sustainability issues of concern.

Article 9 The Company shall comply with environmental regulations and international guidelines, properly protecting the natural environment, and strive to achieve environmental sustainability goals in its operations and internal management.

- Article 10 The Company is committed to improving energy use efficiency and utilizing materials with low environmental impact, to ensure the sustainable use of global resources.
- Article 11 A suitable environmental management system should be established according to the industry characteristics, which should include the following:
1. Collect and assess adequate and timely information on the environmental impact of operations.
 2. Establish measurable environmental sustainability goals and regularly review their sustainability and relevance.
 3. Periodically review the progress of environmental sustainability goals.
- Article 12 The Company shall regularly maintain environmental management systems and conduct environmental education courses for employees and management. Dedicated personnel and units for environmental management should be assigned to develop, promote, and maintain related environmental management systems and action plans.
- Article 13 The Company shall consider the ecological impact of its operations, promote and advocate sustainable consumption, and conduct its operations in research, procurement, production, operations, and services according to the following principles to minimize environmental and human impact:
1. Reduce resource and energy consumption in products and services.
 2. Reduce the emission of pollutants, toxic substances, and waste, and properly handle waste.
 3. Enhance the recyclability and reuse of raw materials or products.
 4. Maximize the sustainable use of renewable resources.
 5. Extend the durability of products.
 6. Increase the effectiveness of products and services.
- Article 14 To improve water resource efficiency, the Company shall properly utilize water resources for sustainable use. It shall build and enhance environmental protection and treatment facilities to avoid pollution of water, air, and land, and reduce adverse effects on human health and the environment by adopting the best available pollution prevention and control technologies.
- Article 14-1 The Company shall consider the ecological impact of its operations and advocate sustainable consumption, conducting its business operations under the principles listed in Article 13 to reduce impacts on the environment and humanity.
- Article 15 The Company shall comply with relevant laws and international human rights conventions, such as gender equality, the right to work, and the prohibition of discrimination. In fulfilling its responsibility to protect human rights, the Company shall establish relevant management policies and procedures, including:

1. Issuing a human rights policy or statement for the Company.
2. Assessing the impact of the Company's operations and internal management on human rights, and establishing corresponding procedures for handling such issues.
3. Regularly reviewing the effectiveness of the Company's human rights policy or statement.
4. In cases of human rights violations, the Company shall disclose the procedures for addressing the concerns of the involved stakeholders.

The Company adheres to internationally recognized labor rights, such as freedom of association, collective bargaining rights, care for vulnerable groups, the prohibition of child labor, the elimination of all forms of forced labor, and the elimination of employment and discrimination in employment. It ensures that its human resources policies provide equal treatment without discrimination based on gender, race, social class, age, marital or family status in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

In cases where labor rights are violated, the Company provides an effective and appropriate grievance mechanism to ensure that the process is equal and transparent.

Article 16 The Company shall provide employees with information regarding the labor laws of the country in which it operates, as well as the rights they are entitled to under those laws.

Article 17 The Company shall provide a safe and healthy work environment for employees, including necessary health and emergency medical facilities, and shall strive to reduce hazards to employee safety and health to prevent workplace accidents. Regular safety and health education and training shall be provided to employees.

Chapter 4: Social Welfare Protection

Article 18 The Company creates a good environment for employees' career development and establishes an effective training program for career skills development. The Company formulates and implements reasonable employee welfare measures (including compensation, vacation, and other benefits), and ensures that business performance or outcomes are appropriately reflected in employee compensation to recruit, retain, and motivate talent to achieve sustainable management goals.

Article 19 The Company establishes regular communication channels for employees to express their opinions and receive information on the Company's management activities and decisions. It respects employees' rights to negotiate working conditions through employee representatives and provides necessary information and facilities to facilitate negotiations and cooperation between employers and employees. Major operational changes that could significantly impact employees should be communicated reasonably.

- Article 20 The Company complies with government regulations and industry standards to ensure product and service quality. It shall follow relevant regulations and international standards for customer health and safety, customer privacy, marketing, and labeling, avoiding any deceptive, misleading, fraudulent, or otherwise harmful behavior that undermines consumer trust and damages consumer rights.
- Article 21 The Company evaluates and manages risks that could cause disruptions to operations and minimizes their impact on consumers and society. It provides a transparent and effective consumer complaint process, fairly and promptly handling consumer complaints, and adheres to data protection laws and regulations, ensuring the privacy of consumer personal information.
- Article 22 The Company evaluates the impact of procurement activities on the environmental and social aspects of the supplier's community and collaborates with suppliers to implement corporate social responsibility. The Company establishes a supplier management policy requiring suppliers to comply with regulations on environmental protection, occupational safety, and labor rights issues. Suppliers should be evaluated for any negative environmental or social records before conducting business with them to avoid conflicting with the Company's CSR policies.
- Article 23 The Company continuously supports cultural and creative industries by donating, sponsoring, investing, procuring, strategic partnerships, corporate volunteer technical services, or other support models to promote cultural development.
- Article 24 The Company follows relevant laws and the corporate governance practical code to ensure proper information disclosure, providing material and reliable information on corporate sustainability to enhance transparency. Sustainability information to be disclosed includes:
- 1.Sustainability policies, systems, or management guidelines.
 - 2.Risks and impacts of corporate governance, environmental sustainability, and social welfare on the Company's operations and financial condition.
 - 3.Goals, measures, and performance of sustainability promotion.
 - 4.Key stakeholders and their concerns.
 - 5.Information on suppliers' management and performance regarding environmental and social issues.
 - 6.Other relevant sustainability information.
- Article 25 The Company should prepare sustainability reports in accordance with internationally recognized standards or guidelines, revealing the progress of sustainable development and obtaining third-party assurance to improve information reliability. The report content should include:
- 1.Sustainability policies, systems, management guidelines, and specific plans.
 - 2.Key stakeholders and their concerns.

3.Performance and review of corporate governance, environmental sustainability, social welfare, and economic development.

4.Future improvement directions and goals.

Article 26 The Company shall monitor domestic and international sustainability guidelines and changes in the business environment, and review and improve the sustainability system to enhance the effectiveness of sustainable development efforts.

Article 27 This guideline shall be implemented after approval by the Board of Directors and similarly apply to any amendments.