

3.4.5 The state of implementation of sustainable development and deviations from the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies and reasons

Assessment Items	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE-TPEX Listed Companies and Reason(s)
	Yes	No	Explanations	
1. Does the Company have a dedicated (or ad-hoc) ESG organization with Board of Directors authorization for senior management, which reports to the Board of Directors?	√		<p>Following ESG policy’s vision and mission, Vivotek renamed the “CSR Promotion Team” to “Corporate Sustainability Promotion Team” in 2021, which was established under the General Manager’s Office, and the General Manager is the Chief Director, while the members are concurrently from more than 8 departments, including human resource, finance & accounting, marketing, environmental safety, procurement, quality assurance, intellectual property, and IT and are mainly responsible for the promotion of corporate sustainability and formulation of medium- and long-term sustainable development plans, acting as a platform for up-down integration and horizontal communication, and formulation of policies and plans according to the concerned issues of stakeholders, with the implementation results reported to the Board of Directors at least once a year.</p> <p>Corporate Sustainability Promotion Team has submitted a report to the board of directors on October 26, 2023. The agenda includes identifying sustainable issues to be addressed, action plans, significant decisions, and arrangements for regular training sessions to align with international and regulatory trends. These sessions are designed for the board of directors, general manager, and top-level executives, totaling 16 participants, accumulating a total of 87 hours. The curriculum covers various topics including global risk awareness, climate change, sustainable governance, GRI Standards, and TCFD-related courses.</p> <p>The company's board of directors regularly receives operational reports (including ESG reports) from the management team each quarter. The executive team presents proposed strategies to the board, which provides necessary guidance and reviews sustainable development strategies. In the second quarter of 2023, the board received a report on the sustainable project plans. Following the board's guidance, a current sustainability trend survey was conducted, including Taiwan's climate change response laws and sustainable development roadmap, the EU's Carbon Border Adjustment Mechanism (CBAM), and the US's International Clean Act, to keep abreast of the latest trends and regulations in Taiwan and internationally. The sustainability policy was accordingly revised, and a global and Taiwan sustainability trend and regulation survey report was produced for the board's reference.</p>	Complied with the Sustainable Development Best-Practice Principles for TWSE Listed TPEX-listed Companies
2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy? (Note 3)	√		<p>The disclosed data covers the company's sustainable performance at major locations from January to December 2023. The risk assessment boundary primarily includes our company, encompassing the Taiwan headquarters and its subsidiaries, the Japanese region, existing locations in the Americas and Europe, among others.</p> <p>Crystal Communications places importance on stakeholder communication. In accordance with the international standard AA1000 Stakeholder Engagement Standard (AA1000 SES), and considering international sustainable issue developments and operational needs, we define key stakeholders and regularly</p>	Complied with the Sustainable Development Best-Practice Principles for TWSE Listed TPEX-listed Companies

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			<p>engage in communication and dialogue with them. Internally, we conduct annual training on corporate sustainability trends and regulations, and initiate internal discussions to identify significant issues, assessing communication effectiveness for each. Crystal Communications has also established the "Practical Guidelines for Sustainable Development," striving to promote corporate governance, develop sustainable environments, uphold societal welfare, and enhance the disclosure of corporate sustainability information.</p> <p>The "Best Practices on Sustainable Development" was amended on October 26th 2023 and adopted by the Board of Directors. Corporate Sustainability Promotion Team has based on principles of matters to undergo the risk evaluation of major issues, and based on the risks after evaluation to enact the related risk management policies or strategies as follows. Additionally, it can refer to the explanation of chapter four-Sustainable Corporate in this annual report.</p> <table border="1" data-bbox="619 896 1209 2072"> <thead> <tr> <th>Major issues</th> <th>Risk evaluation items</th> <th>Risk management or strategies</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental protection</td> <td>Vivotek has always cultivated in research, development, design and manufacture all take place in Taiwan. Its products are in compliance with International Safety Standards and Environmental Protection Regulations. Adhering to the environmental protection concept of "Respecting nature, Caring for the environment", the company continues to introduce the ISO14001 environmental management system, and completed the GHG inventory of ISO 14064-1, certificated by third party AFNOR Asia Ltd. The year of certification is 2022. The organizational boundaries encompassed various entities, including the head office, subsidiaries (Kouzou/Xin Si Dai), Chung-Ho plant, Taoyuan No. 2 plant, Taoyuan No. 5 plant, offices (Hsinchu, Taichung, and Tainan), and Tsingpu Warehouse. In 2023, additional office areas will be included for verification. Vivotek purchased renewable energies like wind, photoelectric and water resource. In 2023 the purchase is 2,446,376 kWh of green energies, 1482 certifications of renewable energies, and reduced 1210.96 tons of carbon-emission, the total investment is NTDS\$ 11,736,321. We promise to follow government environmental regulations and meet the company's own benchmarks, designing the products in a way that minimizes environmental impact during manufacture, use and disposal to prevent pollution, reduce consumption of waste resources (materials and energy), improve employees' abilities of self-management of the environment, and works together to improve the performance of environmental management and promote the environmental management system.</td> </tr> <tr> <td>Society</td> <td>Product and</td> <td>The products of our company are in</td> </tr> </tbody> </table>	Major issues	Risk evaluation items	Risk management or strategies	Environment	Environmental protection	Vivotek has always cultivated in research, development, design and manufacture all take place in Taiwan. Its products are in compliance with International Safety Standards and Environmental Protection Regulations. Adhering to the environmental protection concept of "Respecting nature, Caring for the environment", the company continues to introduce the ISO14001 environmental management system, and completed the GHG inventory of ISO 14064-1, certificated by third party AFNOR Asia Ltd. The year of certification is 2022. The organizational boundaries encompassed various entities, including the head office, subsidiaries (Kouzou/Xin Si Dai), Chung-Ho plant, Taoyuan No. 2 plant, Taoyuan No. 5 plant, offices (Hsinchu, Taichung, and Tainan), and Tsingpu Warehouse. In 2023, additional office areas will be included for verification. Vivotek purchased renewable energies like wind, photoelectric and water resource. In 2023 the purchase is 2,446,376 kWh of green energies, 1482 certifications of renewable energies, and reduced 1210.96 tons of carbon-emission, the total investment is NTDS\$ 11,736,321. We promise to follow government environmental regulations and meet the company's own benchmarks, designing the products in a way that minimizes environmental impact during manufacture, use and disposal to prevent pollution, reduce consumption of waste resources (materials and energy), improve employees' abilities of self-management of the environment, and works together to improve the performance of environmental management and promote the environmental management system.	Society	Product and	The products of our company are in	
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			<p>Occupational safety compliance with international regulations and criterions, and ensure to comply with the requirement of RoHs, REACH and SVHC(Substance of Very High Concern). No hazardous substances are involved. To transfer the risk of product liability, mitigate property losses, and enhance product safety, the merged company has obtained product liability insurance. And designing the products in a way that minimizes environmental impact during manufacture, use and disposal to prevent pollution, reduce consumption of waste resources (materials and energy), improve employees' abilities of self-management of the environment, and continue to improve the performance of environmental management. Vivotek also concerns user' feeling, through ways of customer service mailbox, online support, and customer service hotline for satisfaction survey in consultation and in Turn-Around Time to resolve the questions from technical support and after sales service from customers. We annually hold the fire drill and worker safety educational training to develop the ability of emergency response and self-security management for employees.</p> <p>Law-compliance and strengthen capacity of the Board of Directors and communication with stakeholders</p> <p>Corporate Governance</p> <p>The Company has a Head of Corporate Governance and established a "Risk Management Policy". The general manager is the chief executive officer of risk management, and the directors of various business units, regional directors, and heads of departments are the first-line risk management officers, who are responsible in identifying and managing risks in various aspects such as management strategy, operations, finance, hazardous events, legal compliance, etc. We have established a Risk Management Committee to oversee the risk environment, risk management priorities, risk assessment, and response measures, as well as to report to the Board of Directors at least once a year on the oversight of risk management. In addition to insure for directors' and officers' liability insurance to guarantee directors from lawsuit or seeking compensation.</p>	
3. Environmental Topic (1) Has the Company set an environmental management system designed to industry characteristics?	√		Vivotek will continue to conform the requirements of registration to the International Standard Organization, including ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and IECQ QC 080000 Hazardous Substance Process Management. The date awarded and expiration date of each certification are disclosed as follows:	Complied with the Sustainable Development Best-Practice Principles for TWSE Listed

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(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	√		Hazardous substance identification and management is compulsory conducted for all the finished products, semi-finished products, components, accessories, packaging materials, and materials to be used in manufacturing process manufactured by the Company. In addition, Green Product Management (GPM) system is implemented for the establishment of green parts / product database to keep track of the environmental compliance status of parts and suppliers at any time. A random feeding testing management operation is conducted according to the risk level of materials in a timely manner. The Company has implemented waste separation to maximize the utilization efficiency of various resources. The reusable are recycled, and the clearance of inventory scrapping is managed by qualified vendor in order to reuse various resources and reduce the impacts on the environment.																															
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	√		In response to climate change issues, the Company has invited professors from the Sustainability Management School, College of Management to provide education and training for management. The Company accesses the risks and opportunities relating to climate change in reference to the TCFD framework for the climate-related financial disclosures. The General Manager's Office accesses the risks of climate change every year, and proposes countermeasures and management goals. For details, please refer to 4.5 Climate-Related Financial Disclosures under Chapter 4 ESG in this annual report.																															
(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies?	√		<p>The greenhouse gas inventory and third-party verification for the year 2023 were completed in Q1 of 2024. The verification was conducted by the British Standards Institution (BSI) Taiwan. The organizational boundaries include the head office, subsidiaries (Kouzou/Xinsidai), Zhonghe factory, Taoyuan No.2 factory, Taoyuan No.5 factory, offices (Hsinchu, Taichung, and Tainan), and Tsingpu warehouses. The total emissions (Scope 1+2) amount to 2,145.9287 metric tons of CO₂e, with an intensity of 0.3158 metric tons of CO₂e per million. This represents a 11% increase from 2022, with an intensity of 0.2806 metric tons of CO₂e per million. Due to the relocation of the Company's factories, offices, and subsidiaries in 2023, along with the structural changes in organizational boundaries according to ISO 14064-1:2018, the year 2023 serves as the base year for inventory. The Company remains committed to enhancing its programs and activities to mitigate environmental and climate impacts stemming from greenhouse gas emissions and to uphold its corporate social responsibility. Additional statistics and explanations of the variances are detailed in the Company's 2023 Sustainability Report.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Boundary1</th> <th>Boundary2</th> <th>Total weight of tons (Boundary1+2)</th> <th>Boundary 3</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>121.8840</td> <td>1832.6397</td> <td>1954.5237</td> <td>836.5235</td> </tr> <tr> <td>2023</td> <td>116.7871</td> <td>2029.1416</td> <td>2145.9287</td> <td>747.1864</td> </tr> <tr> <td>Differences</td> <td>-5.0969</td> <td>+196.5019</td> <td>+191.4050</td> <td>-89.3371</td> </tr> </tbody> </table>	Year	Boundary1	Boundary2	Total weight of tons (Boundary1+2)	Boundary 3	2022	121.8840	1832.6397	1954.5237	836.5235	2023	116.7871	2029.1416	2145.9287	747.1864	Differences	-5.0969	+196.5019	+191.4050	-89.3371											
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			<p>Addition Section:</p> <p>1-1-1 Greenhouse Gas Inventory Information: This section details the emissions (in metric tons CO₂e), intensity (in metric tons CO₂e per million USD), and scope of data coverage for the greenhouse gases over the past two years.</p> <p>1-1-2 Greenhouse Gas Assurance Information: This section provides an explanation of the assurance status for the most recent two years up to the date of the annual report, including the scope of assurance, assurance provider, assurance criteria, and assurance opinion. The summary is presented in the following table.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Boundary 1</th> <th>Boundary 2</th> <th>Total weight of tons (Boundary 1+2)</th> <th>Intensity (tons CO₂e per million)</th> <th>Boundary 3</th> <th>Assurance Provider</th> <th>Assurance Statement Explanation</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>121.8840</td> <td>1832.6397</td> <td>1954.5237</td> <td>0.2806</td> <td>836.5235</td> <td>AFNOR Asia Ltd.</td> <td>The Company has disclosed that the total GHG emissions in Scope 1 amount to 121.8840 metric tons, and in Scope 2, they stand at 1,832.6397 CO₂e, which represents 70.07% of the total emissions. These figures have been validated by a confirmation organization using the ISO 14064-3:2019 standard. 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This has minimal environmental impact. The company promotes water conservation and the preservation of water resources in its office environment. In 2023, the scope of assessment will include Taoyuan Plant 2, Taoyuan Plant 5, and the Taichung office, resulting in an increase of 1,397.2783 degrees compared to 2022.</p> <p>In terms of waste management, our company generates no hazardous waste. In 2023, we collaborated with qualified recycling vendors for the disposal of plastic and metal materials, significantly expanding our recycling efforts. The quantity of non-hazardous waste decreased by 1.5561 metric tons, with a total weight of recyclable non-hazardous waste amounting to 30.4675 metric tons, representing 98.8577% of the total waste. This achievement fulfills our waste management goal of having recyclable waste comprise over 90% of the total waste. Both water usage and waste weight are included in the ISO14064-1 greenhouse gas inventory, and external verification is conducted by a third party.</p> <p>Vivotek purchased renewable energies like wind, photoelectric and water resource. Until December 2023 the purchase is 2,446,376 kWh green energies, 1482 certifications of renewable energies, and decarbonized a total of 1210.96 tons, amount invested up to NTD\$11,736,321, gray-to-green electricity ratio 46.1%.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total amount of water used</th> <th>Total weight of non-hazardous wastes</th> <th>Hazardous Wastes</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>35,168 tons</td> <td>32.37 tons</td> <td>None</td> </tr> <tr> <td>2023</td> <td>36,365 tons</td> <td>30.5495 tons</td> <td>None</td> </tr> </tbody> </table>	Year	Boundary 1	Boundary 2	Total weight of tons (Boundary 1+2)	Intensity (tons CO ₂ e per million)	Boundary 3	Assurance Provider	Assurance Statement Explanation	2022	121.8840	1832.6397	1954.5237	0.2806	836.5235	AFNOR Asia Ltd.	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<p>4. Social Topic</p> <p>(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?</p>	√		<p>The company is convinced that human rights are fundamental too all, kinds of freedoms and perception standards reserved for all human beings. Human rights are deeply embedded in our values and are applicable to all operations throughout the entire company. We support and follow the "United Nations Global Covenant", "Universal Declaration of Human Rights", "United Nations Guiding Principles on Business and Human Rights", "Organization for Economic Cooperation and Development International labor and human rights standards such as the Business Alliance, referred to as RBA, and the laws and regulations of the country where it operates, doing everything to treat and respect all of our partners with dignity, including all Vivotek employees, subsidiaries, business partners, suppliers, and contractors. The company also formulates human rights management policy, showing our respect to our all protection mechanism stipulated in the human rights convention, and post it on our website.</p> <p>The principles applied to human rights: (1) diversity and anti-discrimination (2) working hours, wages and benefits (3) freedom of employment (4) prevention of forced labor and human trafficking (5) banning on child and minor labor engaging in those activities that may endanger health or safety (6) humane treatment (7) religious freedom (8) freedom of association (9) work environment health and safety (10) ethics (11) value chain responsibility.</p> <p>Specified management scheme:</p> <p>(1) We have set up cycle processes to pursue compliance with VIVOTEK Human Rights Policy without exception. Relevant practices include self-assessment forms, audits, etc.; legacy reporting and correction process will continue; should our employees, partners, suppliers, and contractors raise any doubts against any of them, they may communicate with us via confidential channels, and keep relevant documents and records under confidentiality.</p> <p>(2) For assurance of compliance of policy, we formulated reporting and complaint methods, also built formal channel for our employees, suppliers, and other external stakeholders to report illegal behaviors, violation of human rights, codes of conduct or integrity. Email is GRIEVANCE@vivotek.com. Upon receipt of it, we will initiate investigation process and the case will be concluded in one month. If necessary, extension by one month would be applied. The result will be handed back to</p>	Complied with the Sustainable Development Best-Practice Principles for TWSE TPEX-listed Companies				

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			<p>the complainant with a "Response Form for Reporting and Complaint".</p> <p>(3) The company pays attention to the physical and mental health of its employees. In addition to annual health checkups in a regular basis, it also provides seven-day paid travel leave, which is superior to the law. The whole company arranges vacations to achieve work-life balance.</p> <p>(4) In 2023, the human rights policy will be included in the integrity management education and training courses for publicity, with a total of 1,232 participants and a total of 631 hours.</p>	
(2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	√		<p>1. Overall compensation policy The Company will regularly revise the "salary scales" based on the wage and salary survey which is conducted annually to weight market remuneration level and economic indicators in order to appropriately manage the salary payment for different grade levels and the performance and experience of different positions are taken into account as well. Salary standards do not differ by gender. The Company provides a diversified and competitive remuneration scheme for employees, combined with performance appraisal and promotion systems, which used as the basis for employee salary adjustments. The year-end bonuses will be given based on the operating condition of the Company, achievement rate of operating performance indicators and personal performance. According to Article 18 of The Company's Articles of Association, other than allocation of not less than 7% as the compensation for employees, performance bonuses, patent bonuses, R&D project bonuses and long-term incentive programs are also provided to retain and motivate outstanding talents.</p> <p>2. Remuneration system The Company has established human rights policies, work rules and regulations governing personnel management, covering the basic wages, working hours, leaves, pension benefits, labor and health insurance benefits, compensation for occupational disaster, etc. for employment of labor of the Company, which all are complied with the Labor Standards Act. The Company provides paid leaves and volunteer leaves, and staff parking that surpassed the Labor Standards Act. Also, the Company has set up an employee's welfare committee which is elected by employees to handle various welfare matters, including subsidies for weddings, funerals, celebrations, childbirth, and social activities, birthday gifts, etc., and a travel subsidy of NT \$10,000 per person every year to promote work-life balance.</p>	
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	√		<p>The Company has established a dedicated occupational safety and health management unit along with relevant personnel to adhere to the principles of the Occupational Safety and Health Management System P-D-C-A (Plan-Do-Check-Act). This unit is responsible for implementing occupational safety and health measures as well as fire prevention laws and regulations. It formulates occupational safety and health management plans, regulations, codes of practice, and fire prevention plans. In 2023, to enhance workers' understanding of safety and health measures and their capacity to handle emergencies, we will implement newcomer and on-the-job education and training covering general safety and health principles. Additionally, fire evacuation drills will be conducted regularly. Furthermore, we will appoint occupational safety and health personnel, as well as first-aid personnel, in accordance with the regulations set by the Occupational Safety and Health Administration. After each training session, all participants underwent testing to assess the effectiveness of the training. In total, there were 1,646 training sessions, accumulating 6,112 training hours. To ensure the efficacy of our safety system, regular safety inspections of equipment and facilities are conducted in accordance with our</p>	

Assessment Items	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE-TPEX Listed Companies and Reason(s)
	Yes	No	Explanations	
			<p>Occupational Safety and Health Management Plan, Regulations, and Code of Conduct. These inspections include monthly checks by occupational safety personnel (12 times annually), yearly inspections of air compressors and local exhaust machines, monthly independent inspections of firefighting equipment (12 times annually), quarterly outsourced inspections of potable water supply (4 times annually), and quarterly inspections of electrical panels (4 times annually). Throughout 2023, a total of 24 deficiencies were identified through regular inspections and audits. These deficiencies underwent thorough review for improvement, followed by education and training initiatives. In 2023, there were no major occupational hazards in the plant and the frequency of incapacitating injuries was zero.</p> <p>In 2023, our factory remained free from fire incidents. We diligently promoted safety protocols for the use of electrical appliances to mitigate potential risks. Additionally, we conducted monthly independent inspections of firefighting equipment to ensure its readiness for emergencies. Inspection items included: Fire extinguishers, indoor fire hydrants, labeling equipment, emergency lighting equipment, refuge equipment, indoor smoke extraction equipment, etc.). We also engage a qualified fire safety equipment inspection and repair professional organization to conduct an annual fire inspection report. This ensures the normal functioning of our fire safety equipment, ultimately safeguarding the lives of our personnel.</p>	
(4) Has the Company established effective career development training plans?	√		<p>1. The Company recruits the best talents in the industry, and emphasizes on the career development of each talent. The Company provides multiple learning means to help employees effectively improve their abilities to meet the required functions of their ideal position for career advancement. Therefore, the Company has established various colleges like Fresh Graduates College, Leadership College, Expert College and Value College to meet the learning needs of employees in various fields. Fresh Graduates College will provide courses like Company's value delivery, physical and psychological safety in workplace, management system of certification, intellectual property rights, information security, team building, etc. for the new recruits. Leaders Academy will design them into different leadership management courses for grassroots, middle-level, high-level and reserved supervisors, including performance interviews, recruitment interview skills, employee problem handling and counseling courses. Professional colleges will design courses that meet R&D need, required for business marketing, manufacturing, and quality management, as well as on-the-job training (OJT). In Value Academy, there will be courses such as internal product sharing, successful marketing case sharing, annual communication conference, corporate sustainability courses, and employee assistance program promotion.</p> <p>2. In 2023 the total number of training hours for all company members was 20,633 hours (Including face-to-face + online courses), the average number of training hours per person was 17.2 hours.</p>	
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set polices to protect consumers' rights and consumer appeal procedures?	√		<p>The Company's products are in compliance with International Safety Standards and Environmental Protection Regulations such as Restriction of the Use of Hazardous Substance (RoHS) in electrical and electronic products in European Union, and the relevant information is labeled on the packaging. Vivotek emphasizes on the user opinions and customer satisfaction. We provide different forms of customer technical support channels, such as online customer service mailbox, customer service via network communication software, email technical window, Youtube channel for exclusive technical support and technical support website to provide product knowledge base, FAQ, troubleshooting guides, product tutorials and technical documents. In addition, Vivotek has established local repair service centers in its key markets worldwide, such as Asia-Pacific, the United States, Europe, India, Mexico and Brazil for product repairs. Also, an RMA after-sales service platform is established to provide access to the distributors for</p>	

Assessment Items	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE-TPEX Listed Companies and Reason(s)
	Yes	No	Explanations	
			repair application through system, product warranty check, and repair works progress inquiry. Vivotek provides complete maintenance or replacement services to offer best customer satisfaction guarantee. The internal management process of the Company is formulated based on the EU General Data Protection Regulation (GDPR). A privacy policy exclusive page on the Company's official website is set up which serves as an interface to interact with customers to protect customer privacy.	
(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	√		Suppliers are important partners of Vivotek for sustainable growth as both parties are excellent local companies. In response to the constantly changing consumer market, both parties adopt symbiotic and co-prosperity relationship through continuous technology exchanges. This including production technology seminars, selection of eco-friendly materials, quality improvement guidance, management of incompatible metals, and encourage suppliers to operate in compliance with the code of business conduct in labor, environmental protection, and business ethics, and the relevant laws and regulations. Vivotek has always complied with the laws and regulations by requesting suppliers to fill in the "Statement of Non-Use of Hazardous Substances" and "Conflict Minerals Survey". With regards to the quality of materials, monthly discussions on suppliers' material issues is conducted and quality improvement coaching is provided to suppliers. The Company is striving towards the target of zero defect detection, and continue to assist suppliers in overall quality improvement to meet international standards. At present, our suppliers are requested to sign a "Supplier Sustainability and Integrity Commitment Letter" in order to strengthen supply chain management. The "Vivotek Supplier Code of Conduct" is formulated and used as a basis for regular evaluation of subsequent cooperation in the selection of suppliers. Those unreliable suppliers, who violated their corporate social responsibility policies and have a significant impact on the environment and society will be disqualified from being our suppliers.	
5. Does the Company refer to international reporting rules or guidelines to publish CSR Report to disclose non-financial information of the Company? Has the said Report acquire 3rd certification party verification or statement of assurance?	√		The Company's ESG Report is prepared in reference to the Global Reporting Initiative Sustainability Reporting Standards (herein below, the "GRI Standards") promulgated by the Global Reporting Initiative (herein below, GRI).	Complied with the Sustainable Development Best-Practice Principles for TWSE Listed TPEX-listed Companies
6. If the company has established its ESG code of practice according to "Listed Companies ESG Code of Practice," please describe the operational status and differences. The Company has formulated its ESG code of practice, and its daily operations are implemented in accordance with corporate governance, sustainable environment, social welfare and ESG information disclosure.				
7. Other important information to facilitate better understanding of the company's implementation of ESG: Please refer to "ESG" of this annual report.				

Note 1: If the box of the state of operation is marked with "Yes", please state the important policies, strategies, and measures adopted and the implementation status. If it is marked with "No", please explain the reasons and state the plans to adopt relevant policies, strategies and measures in the future.

Note 2: For the state of operation, indicate the methods to access the ESG report and the index page of the report if the company has prepared a ESG report.

Note 3: The materiality principle refers to environmental, social and corporate governance issues which have significant influence on the Company's investors and other stakeholders.

