

Sustainability Report

Environmental
Social
Governance

2023 S S G



Cover Story

Pegavision attaches great importance to energy conservation and carbon emissions reduction. In line with the government's environmental protection law and policy, we monitor and manage our greenhouse gas emissions to reduce negative impacts of our business on the global environment.

As our Company grows, it must coexist and prosper with the ecological environment. Pegavision will actively develop its renewable energy system and promote the "circular economy". Through a green economy and a sustainable business model, we will protect this beautiful land and pass the earth on to the next generation in better shape.

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About our report

Pegavision Optical Co., Ltd. (stock code: 6491; "the Company" or "Pegavision"), founded in August 2009, is a jointly invested in a subsidiary company of Pegatron Corporation and Kinsus Interconnect Technology Corp. Pegatron's main business is the research and development, production and sales of a range of disposable soft contact lenses with different water contents and different lens functionalities. Our Company acquired land and a plant in Daxi, Taoyuan in 2019, and completed construction of its plant in October 2019. After completion, the monthly production capacity of the Phase I plant exceeded 46 million pieces, while the monthly production capacity of the Phase II plant exceeds 60 million pieces---injecting new vigor into Taoyuan's economy.

In accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies, published by the Taiwan Stock Exchange, Pegatron takes reference from the international reporting standards (GRI Standards) issued by the Global Reporting Initiative (GRI) and the United Nations' Sustainable Development Goals (SDGs) and other requirements. Since 2020, the Company annually publishes a ESG report to share reliable and transparent information with the outside world. The Company's website also offers information to facilitate two-way communication with internal and external stakeholders. Our intention is that the publication of this helps deepen the sustainability of our operations and create win-wins for the industry, the environment and the society.

Reporting period 102-50

This report is Pegavision's third corporate social responsibility report. The disclosure period covers 2021 (from 1 January 2021 to 31 December 2021). The report describes environmental, social and governance (ESG) approaches and actions undertaken in response to the concerns of our stakeholders.

Reporting Cycle 102-51 102-52

As a rule, our corporate social responsibility reports are published annually. This report is published in September 2022, and the previous report is published in September 2021. The next report is scheduled for publication in September 2023.

Report scope and boundaries 102-45 102-46

The scope of this report is based on operational importance, and hence concentrates on Pegavision Taiwan. The financial information disclosed in this report is consistent with the consolidated financial statement from our Certified Public Accountants. This report does not cover the performance of other subsidiaries. According to the material topics identified in the material topic assessment and identification process, the impact boundary of our value chain, drawn based on that scope, forms the basis for this report.

Principles of report compilation 102-54

When compiling this report, we followed the Core Options of the GRI Standards published by the internationally recognized GRI and took reference from the following:

- [Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies](#)
- [United Nations' Sustainable Development Goals](#)
- [AA1000 Standards from Account Ability](#)
- [Stakeholder's opinions](#)
- [Positioning of the Company in the market](#)

Guarantee of the accuracy of public information 102-56

The disclosure of relevant information in the Corporate Social Responsibility Report will have a significant impact on stakeholders. Therefore, we pay attention to every detail to ensure the accuracy and completeness of the information we disclose.

- **Internal confirmation:**
 - ✓ To highlight the medium and long-term trends, some performance information is presented as continuous data from 2017 to 2021.
 - ✓ Every piece of information has been confirmed and approved by the heads of the departments concerned, and reviewed by the top management.
 - ✓ Data relating to employees does not include employees that have been with us for less than 3 months.
- **External confirmation:**
 - ✓ Financial data: The annual report cited has been certified by Ernst & Young.
 - ✓ Sustainability report: Its external assurance is based on AA1000 Type I medium assurance level and compliance with GRI standards.

Contact Information 102-53

For queries or comments regarding to Pegavision Optical 2021 Sustainability Report, you are very welcome to contact us. Your feedback and input help us improve further.

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E-mail: admin@pegavision.com

2021 Sustainability Performance at a Glance

TWD 5.59 billion

Consolidated revenue in 2021 was approximately TWD 5.59 billion, an increase of 40.64% over 2020.

TWD 1.249 billion

Net profit in 2021 was TWD 1.249 billion, an increase of TWD 530 million over the previous year, and an annual growth of 74.54%.

TWD 17.84

Earnings per share in 2021 were TWD 17.84, an increase of TWD 7.62 from TWD 10.22 in the previous year.

6~20%

In the 8th Corporate Governance Evaluation, Pegavision ranked in the 6-20% bracket of listed companies.

Corporate Governance 100 Index

Pegavision was selected as a constituent stock of the "Corporate Governance 100 Index" of the Taiwan Index Corporation.

TWD 550 million

We invested TWD 550 million in research and development for new product development and production technology upgrades.

UKCA Registration

Our 58% water content daily disposable soft contact lenses obtained UKCA registration.

India Registration

Our 38% moisture content monthly disposable color cosmetic soft contact lenses obtained registration in India.

PMDA Product certification

Our astigmatism-correcting, multifocal, astigmatism-correcting cosmetic, and multifocal cosmetic daily disposable soft contact lenses (with a preservation solution containing cooling menthol) obtained product certification from the Pharmaceuticals and Medical Devices Agency (PMDA) in Japan.

PFDA Product certification

Our 58% daily disposable cosmetic soft contact obtained product certification from the Food and Drug Administration of the Philippines.

TGA Product certification

Our 38% moisture content monthly disposable cosmetic lenses obtained product certification from the Therapeutic Goods Administration of Australia.

Market approval for first preservation solution containing vitamins

We obtained medical device market authorization (510k) for our astigmatism-correcting and multifocal soft contact lenses with vitamins-enhanced preservation solution in the United States.

0 times

No major information security incident occurred.

89%

The recycling rate in 2021 is 89%.

ISO14064-1:2018

We completed the verification of our greenhouse gas emissions, incorporated climate risk into our business strategy, and strengthened our Company's sustainable resilience.

16%

We extended the service life of our trays, raised our resource utilization efficiency, and reduced our production loss rate by 16% (under partial implementation).

2.5%

By improving the initial inspection yield of wet lenses through automated optical inspection (AOI), our process yield improved, and raw material waste and production waste were reduced.

10%

We reduced our use of polypropylene (PP) as part of our commitment to reducing product packaging and the use of raw materials.

30%

We reduced solution volumes to protect the environment.

Happy Enterprise

We earned the "Happy Enterprise of Technology R&D Industry" award by 1111 Job Bank.

28%

We maintained our female supervisor ratio and ensured women have equal opportunities to participate in decision-making and leadership roles.

100%

Pegavision supports and complies with international labor and human rights norms, and we completed 100% of our planned human rights training.

26 people

We employed more people with disabilities than the legal standard.

4 times

Labor-management meetings were held in accordance with the law to promote labor-management harmony.

TWD 546,000

Pegavision donated TWD 546,000 in the field of social inclusion in 2021.

Awards and honors in 2021

2021 Happy Enterprise Award



In 2021, Pegavision won the online vote in the Happy Enterprise Awards organized by 1111 Job Bank, and became a Happy Enterprise in the "Technology R&D Industry - Gold Award" category coveted by office workers. During the Covid epidemic, Pegavision demonstrated its resilience and flexibly adjusted its business strategy, still creating high-growth revenue while also considering the physical and mental health of its employees, by creating a harmonious workplace atmosphere for employees and management alike, with a sense of happiness and belonging for all. Pegavision will continue to develop its friendly working environment, diverse training program, flexible working hours, abundant food, etc., to create a healthier and thriving labor market for employers and management, and build a distinct Pegavision employer brand in the market.

Our pledge

2021 was the second year that the world grappled with the coronavirus. In the spring of 2021, Taiwan experienced the worst drought in 56 years. In the summer, Taiwan entered the Level 3 Alert for Covid-19 for the first time. Canada and the northwestern United States were hit by high temperatures and heat waves for many days, setting new records. Western Europe was hit by heavy rainfall and unprecedented floods. At the moment, Shanghai has just been released from a two-month epidemic prevention lockdown, and the Russian-Ukrainian war is still on-going. As World Meteorological Organization Secretary-General Petri Taalas said: "Extreme events are the new norm. There is mounting scientific evidence that some of these bear the footprint of human-induced climate change." As a corporate citizen, it is our urgent responsibility to mitigate our business's climate impact, while protecting employee health and safety and optimizing our Company's operational performance.

In terms of corporate governance, Pegavision once again set new records in revenue and profit in 2021: our annual consolidated revenue grew by about 41% and net profit after taxes by about 75%. In the Corporate Governance Evaluation, we maintained our ranking in the 6-20% bracket of listed and OTC-traded companies. We were selected as a constituent stock of the "Taiwan Corporate Governance 100 Index". In terms of social affairs, we kept protecting employee health through such actions as relocating factories, separate labor pools, purchasing masks for employees, and factory-wide rapid testing. In 2021, the average number of employees further increased by 27% year-on-year, while the average employee benefits increased by 15%. We won the 2021 "Technology R&D Industry - Gold Award" at the Happy Enterprise Awards. In terms of environment, our annual green procurement amount increased by 171% year-on-year, while local purchasing volume stood at 99.9%. In addition, our Company voluntarily adopted ISO 14064-1: 2018, the greenhouse gas inventory standard, in 2021, to understand our sources of carbon emissions, and we developed various plans for energy conservation and carbon emissions reduction.

Pegavision's corporate vision is to become the world's largest manufacturer of soft contact lenses. We believe that this goal cannot be achieved without the three dimensions of ESG. Therefore, sound corporate governance will remain the bedrock of our business as we move forward, providing customers with ever better products and services, developing our green manufacturing practices, improving employee wellbeing, fulfilling our social responsibilities, and continue to press forward on the road toward sustainability and the common good.

楊德勝

PEGAVISION CORPORATION **President, TS Yang**



Stakeholder identification and communication 102-40 102-42

Pegavision established the “Stakeholder Identification and Material Issues Evaluation Method for Sustainable Operations.” Taking reference from "Account Ability’s Stakeholder Engagement Standard” (AA1000 SES: 2015), which recommends identifying and assessing stakeholders along the five dimensions of dependency, responsibility, tension, influence, and diverse perspectives. This way, eight key stakeholders were identified: government agencies, shareholders and investors, employees, customers, suppliers, communities, non-profit organizations, and the media. We listen to stakeholders’ voices through various communication channels to collect their concerns about the company, and accept and respond to their expectations.



Stakeholder Communication Channels and Material Issues 102-43 102-44

Stakeholders	Importance to operations	Focus on material topics	Communication channels and response methods	Communication frequency
Government agencies	Compliance with government regulations, gaining the government’s trust, promoting the company’s survival and development.	Regulatory Compliance	E-mail, telephone	Irregular
		Operational performance	Annual shareholders meeting, annual report distribution	Once per year
		Ethical Business	Convene a board of directors	At least 4 times per year
		Climate Change, Energy Conservation and Carbon Emission Reduction	Company website	Irregular
		Waste management	Factory inspections, regular declarations, letters, e-mail, telephone	Irregular
		Occupational safety and health	Factory inspections, regular declarations, letters, e-mail, telephone	Irregular
		Risk Management	Board meetings, company website	Irregular
Shareholders and investors	Improving the company’s operating performance, shareholder earnings, sound returns on investment	Regulatory Compliance	E-mail, telephone	Irregular
		Operational performance	Annual shareholders meeting, annual report distribution	Once per year
		Ethical Business	Convene a board of directors	At least 4 times per year
Employees	Employees are the company’s assets. Providing an environment of gender equality, physical and mental health, good compensation and benefits, comprehensive career development.	Employee compensation and benefits	Pegavision internal website, employee care, internal announcements	Irregular
		Career development and training	Internal announcements by e-mail, educational training courses	Irregular
		Occupational safety and health	Pegavision’s internal website, internal announcements, and occupational safety seminars	Irregular
		Talent recruitment and retention	Recruiting channels, education and training	Once per year

Stakeholders	Importance to operations	Focus on material topics	Communication channels and response methods	Communication frequency
Customers	The main source of our company’s performance and revenue, partners in sustainability.	Innovative Technologies and Services	Disclosures on company website	Irregular
		Product safety	Customer service mailbox, online real-time customer service system, customer service hotline	Irregular
Suppliers	Select and prioritize suppliers that value corporate social responsibility, and grow together with our suppliers.	Supplier Management	Factory meetings, supplier evaluations	Irregular
		Human rights	Education and training	Once per year
Communities	Care for the community and environment around the company, and sponsor activities in the community.	Community Engagement	Learn about material topics through the General Affairs Department: Sponsor activities of nearby communities Environmental protection activities	Irregular
Non-profit organizations	We work with non-profit organizations to seek their expertise to drive our social responsibilities, and jointly support public welfare organizations.	Circular Economy	Learn about material topics through the R&D Department: Waste reduction	Irregular
		Social engagement	Learn about material topics through the General Manager’s Office: Sponsor disadvantaged groups	Irregular
Media	Handle media inquiries with an open, sincere and proactive attitude, build positive and high-trust relations with the media.	Operational performance	Learn about material topics through spokespersons: Annual shareholders meeting, annual report distribution,	Times/year
		Regulatory Compliance	Learn about material topics through spokespersons: E-mail, telephone	Irregular

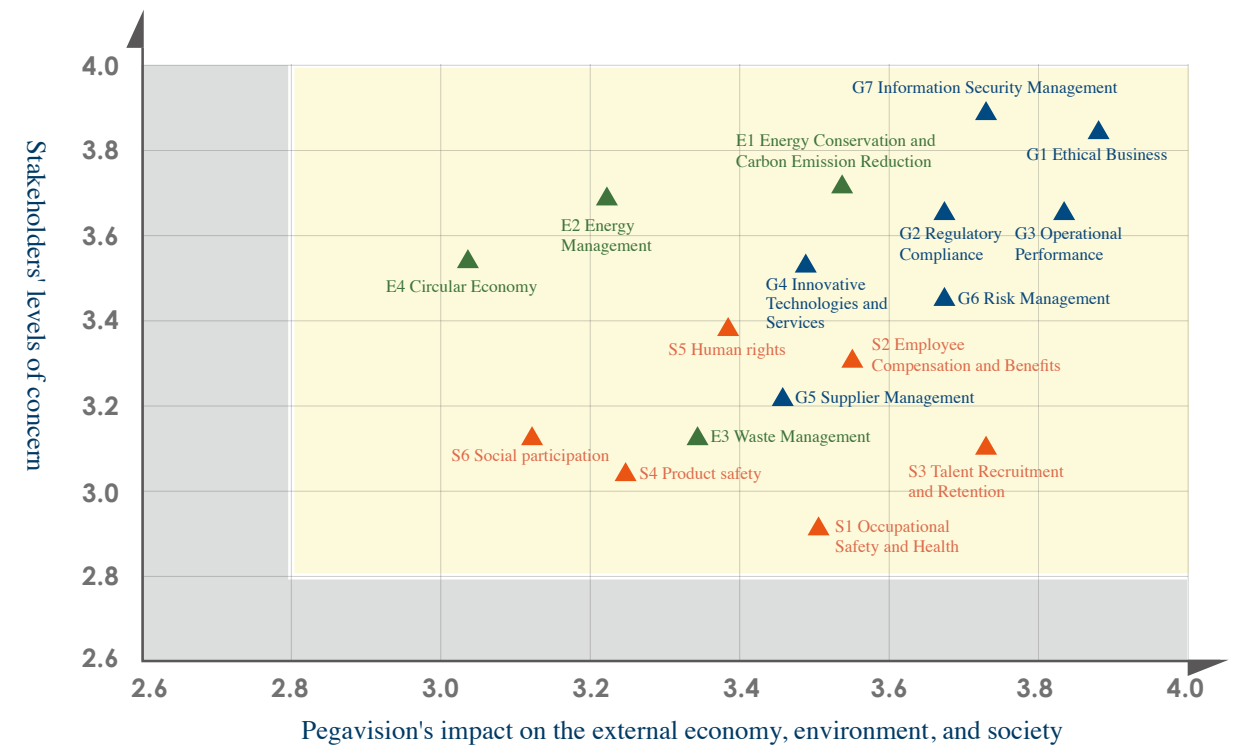
Identification and assessment of Material Issues 102-47 102-49

Taking reference from the specific topics listed in the GRI Standards, Pegavision designed a stakeholders questionnaire grouped into 3 categories and 24 topics, and used the questionnaire to conduct a survey among external stakeholders and internal company executives. Stakeholders' degree of concern about sustainability issues and the impact of our Company's operations on those sustainability issues.



Analysis of Material Issues

From the returned questionnaires, we presented the average score of the internal survey on the X-axis and the average score of the external survey on the Y-axis to create a scatterplot chart. The Sustainability Committee used this to set the business strategy direction, taking the impact of our business activities on the stakeholders into consideration. The committee analyzed the significance of the "stakeholders' concerns" and the "external impact levels of Pegavision's operations." The topics were then ranked by their reported significance, and the boundaries of the material topics and their corresponding GRI standards were drawn, and short, medium and long-term improvement goals were set, while ensuring they were in line with the principles.






In 2021, our Company filtered 17 material topics:

Governance aspect: G1 Ethical Business, G2 Regulatory Compliance, G3 Operational Performance, G4 Innovative Technologies and Services, G5 Supplier Management, G6 Risk Management, G7 Information Security Management

Environmental aspect: E1 Energy Conservation and Carbon Emission Reduction, E2 Energy Management, E3 Waste Management, E4 Circular Economy

Social aspect: S1 Occupational Safety and Health, S2 Employee Compensation and Benefits, S3 Talent Recruitment and Retention, S4 Product safety, S5 Human rights, S6 Social participation

Compared with 2020, the changes in Material Issues are as follows. The department responsible for each Material Issue proposes action plans and short-, medium- and long-term goals, and regularly reviews performance.

Aspect	Material Issues in 2020	Material Issues in 2021	Changes	Reason/explanation
 Governance	Ethical Business	G1 Ethical Business	Maintained	No change in level of concern
	Regulatory Compliance	G2 Regulatory Compliance	Maintained	No change in level of concern
	Operational Performance	G3 Operational Performance	Maintained	No change in level of concern
	Innovative Technologies and Services	G4 Innovative Technologies and Services	Maintained	No change in level of concern
	Supplier Management	G5 Supplier Management	Maintained	No change in level of concern
	Risk Management	G6 Risk Management	Maintained	No change in level of concern
	-	G7 Information Security Management	Added	Issues of international concern, and legal requirements to disclose information security practices
 Environment	Climate Change, Energy Conservation and Carbon Emission Reduction	E1 Climate Change, Energy Conservation and Carbon Emission Reduction	Maintained	No change in level of concern
	-	E2 Energy Management	Added	Issues of international concern
	Water Use	-	Deleted	Included in daily management
	Waste management	E3 Waste management	Maintained	No change in level of concern
	Circular Economy	E4 Circular Economy	Maintained	No change in level of concern
 Society	Safe and Healthy Working Environment	S1 Safe and Healthy Working Environment	Maintained	No change in level of concern
	Human Rights	S2 Human Rights	Maintained	No change in level of concern
	Employee Compensation and Benefits	S3 Employee Compensation and Benefits	Maintained	No change in level of concern
	Talent Recruitment and Retention	S4 Talent Recruitment and Retention	Maintained	No change in level of concern
	Career Development and Training	-	Deleted	Part of this content is combined with talent recruitment and retention
	Brand Management	-	Deleted	In response to organizational changes, this disclosure was deleted
	Consumer Health and Safety	S5 Product Safety	Maintained	The level of concern has not changed, but the topic name has been changed in response to organizational changes
	Customer Satisfaction	-	Deleted	In response to organizational changes, this disclosure was deleted
Community Engagement	S6 Community Engagement	Maintained	No change in level of concern	

The impacts of Material Issues economy affecting the Governance Boundaries



Direct impact: ● Facilitated impact: ○ Relationship to our business: V

Material Issues	Corresponding to specific topics in the GRI Guidelines	Importance to operations	Upstream	Operation process		Downstream	Other stakeholders				Corresponding chapter	Page number
			Suppliers	Employees	Shareholders	Customers	Government agencies	Non-profit organizations	Communities	Media		
1. Ethical Business	GRI 205: Anti-corruption	Uphold the principle of ethical business, implement and promote sound corporate governance. Respect shareholders' right to know, and comply with information disclosure regulations.	●	●	●	○	●			○	Chapter 1 Corporate Governance	41
	GRI 206: Anti-competitive behavior		●	●	●	○	○	○		○	Chapter 1 Corporate Governance	41
2. Compliance	GRI 307: Environmental Compliance	Compliance with government regulations, gaining the government's trust, and thorough regulatory compliance improve sound business operations and risk management, and practice sustainable business operations.	V	●	○	V	○	○	○	○	Chapter 1 Corporate Governance	43
	GRI 416: Customer Health and Safety		●	○	○	●	○	○		○		
	GRI 419: Socio-economic compliance		V	●	○	V	○	○		○		
3. Operational performance	GRI 201: Economic performance	Disclosure of clear financial information helps stakeholders quickly understand the company's performance and operational status.	V	●	●	V				○	Chapter 1 Corporate Governance	36
4. Innovative Technologies and Services*	*Pegavision-specific issues	With our core capabilities, we continue to obtain product-related licenses to enhance the company's image and build competitive advantage.	○	●	●	V	○			○	Chapter 2 Products and Services	54
5. Supplier Management	GRI 204: Procurement Practice	We have added corporate responsibility clauses in the confidentiality agreement and integrity pledge, which manufacturers are required to sign during our supplier selection process. We have also increased the proportion of local procurement to promote local economic activities.	●	●	○	V	○				Chapter 6 Sustainable Value Chain	102
	GRI 308: Supplier Environmental Assessment		●	●	○	V	○					
	GRI 414: Supplier Social Assessment		●	●	○	V	○					
6. Risk Management*	*Pegavision-specific issues	Pegavision's risk management aims for sustainable development. Through risk management, the organization's departments create maximum investment value for shareholders while protecting stakeholders' rights and interests.	V	●	●	V	○		○	○	Chapter 1 Corporate Governance	44
7. Information Security Management	GRI 418: Customer Privacy	In response to the epidemic, the off-site or home office mechanism was activated, and emergency response plans such as information security maintenance and cyber threats were implemented to protect our Company and maintain the normal operation of core systems.	V	○	○	●	○				Chapter 1 Corporate Governance	46

Environment

Direct impact: ● Facilitated impact: ○ Relationship to our business: V

Material Issues	Corresponding to specific topics in the GRI Guidelines	Importance to operations	Upstream	Operation process		Downstream	Other stakeholders				Corresponding chapter	Page number
			Suppliers	Employees	Shareholders	Customers	Government agencies	Non-profit organizations	Communities	Media		
1. Climate Change, Energy Conservation and Carbon Emission Reduction	GRI 305: Emissions	We follow the sustainable development pathways as promulgated by government agencies, carry out greenhouse gas inventories to understand our carbon emissions.	V	●	○	V	○				Chapter 3 Sustainable Environment	70
2. Energy	GRI 302: Energy	The implementation of energy conservation in daily operations, through energy conservation measures, saves energy and reduces operating costs.	V	●	○	V	○				Chapter 3 Sustainable Environment	68
3. Waste Management	GRI 306: Waste	Strictly classify and control waste streams, and entrust qualified vendors to process those to reduce impact on the environment.	V	●	○	V	●	○	○		Chapter 3 Sustainable Environment	70
4. Circular economy*	*Pegavision-specific issues	Use environmentally friendly technologies, conduct R&D and design with environmentally friendly thinking to reduce material use and prevent environmental hazards.	V	●	○	V	○	○	○		Chapter 3 Sustainable Environment	69





Society

Direct impact: ● Facilitated impact: ○ Relationship to our business: V

Material Issues	Corresponding to specific topics in the GRI Guidelines	Importance to operations	Upstream	Operation process		Downstream	Other stakeholders				Corresponding chapter	Page number
			Suppliers	Employees	Shareholders	Customers	Government agencies	Non-profit organizations	Communities	Media		
1. Occupational Safety and Health	GRI 403: Occupational Safety and Health	Provide a safe and secure working environment, operate an occupational safety and health management system, conduct health promotion, reduce occupational incident rates, create a healthy workplace, and foster team spirit.	V	●	○	V	○			○	Chapter 5 Healthy Workplace	90
2. Human rights	GRI 410: Security Practices	Pegavision respects personal dignity and embraces differences, to attain the goal of a better life.	V	●	○	V	○			○	Chapter 4 Employee Care	83
	GRI 412: Human Rights Assessment		V	●	○	V	○	○	○	○		
3. Employee compensation and benefits	GRI 402: Labor/Management Relations	Employees, our Company's assets, are provided with generous remuneration, a comprehensive range of benefits and an environment conducive to gender equality and physical and mental health.		●	●		○			○	Chapter 4 Employee Care	84
	GRI 405: Diversity and Equal Opportunity			●	●		○			○		
4. Talent Recruitment and Retention	GRI 401 : Labor relations	Employees are important stakeholders and assets of our Company, so we care for our employees' basic rights and interests.		●	●		○			○	Chapter 4 Employee Care	81
5. Product Safety	GRI 416: Customer Health and Safety	We abide by laws, regulations, government announcements and licenses and design our products with customer health and safety in mind.	V	●	○	V	○			○	Chapter 2 Products and Services	58
	GRI 417 : Marketing and Labeling		V	●	○	V	○			○		
6. Community Engagement	GRI 203: Indirect Economic Impacts	Care for the communities and environment around the company, and support disadvantaged groups with our products.		●	○	V	○	●	●	○	Chapter 7 Social Inclusion	108

Major Issues	Corresponding to specific topics in the GRI Guidelines	2021 goals	2021 performance	2022 targets	Medium- and long-term goals	Corresponding SDGs	Corresponding to SDG targets
1. Ethical Business	GRI 205: corruption	<ul style="list-style-type: none"> Corporate governance assessment target: 6%-20%. 	<ul style="list-style-type: none"> Results of the 8th Corporate Governance Evaluation: ranked in the 6-20% bracket of listed companies. Pegavision is a constituent stock of the "Corporate Governance 100 Index". 	<ul style="list-style-type: none"> Our target for the 9th Corporate Governance Evaluation: ranked in the 6-20% bracket of listed companies. 	<ul style="list-style-type: none"> Regularly review and follow the ethical business policy, and hold training courses related to ethical business. To pursue sustainable operations amid fierce global competition, and to prevent legal liabilities and loss of goodwill caused by non-compliance with corporate ethics, our strategy management will introduce anti-corruption and integrity values. <ol style="list-style-type: none"> Establish an anti-corruption management system. The goal of corporate governance evaluation: remain at the upper-middle level. Raise awareness among employees and suppliers of the core values of ethical management. 		<p>16.5</p> <p>Significantly reduce all forms of corruption and bribery.</p> <p>16.b.</p> <p>Promote and implement anti-discrimination laws and policies to achieve sustainable development.</p>
		<ul style="list-style-type: none"> We follow the key points of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" 	<ul style="list-style-type: none"> We have revised our "Risk Management Policies and Procedures" and "Measures for Preventing Insider Trading". The newly appointed director signed a pledge of compliance with the integrity management policy. 	<ul style="list-style-type: none"> We have adopted a "Company Integrity Management Code", "Company Integrity Management Procedures and Behavior Guidelines" and "Reporting Incident Handling Measures". 			
	GRI 206: Anti-competitive behavior	<ul style="list-style-type: none"> No litigation related to anti-competitive conduct, antitrust or monopoly regulations. 	<ul style="list-style-type: none"> No litigation related to anti-competitive conduct, antitrust or monopoly regulations. 	<ul style="list-style-type: none"> No litigation related to anti-competitive conduct, antitrust or monopoly regulations. 			
2. Compliance	GRI 307 : Legal compliance regarding environmental protection	<ul style="list-style-type: none"> Number of violations: 0. Review required by law: 1 time/quarter. 	<ul style="list-style-type: none"> Number of violations: 1. Review required by law: 1 time/quarter. 	<ul style="list-style-type: none"> Fully comply with laws and regulations, and ensure that our products and services do not harm the environment, health, safety, ethical marketing, customer privacy nor violate laws and regulations in the social and economic fields. 	<ul style="list-style-type: none"> We comply with the policies and decrees from the competent authorities. All departments follow pertinent laws and regulations in their daily operations, and ethically disclose any interventions under environmental, economic and social laws and regulations. 		<p>16.10</p> <p>We ensure that people have access to information and protect their fundamental freedoms in accordance with national legislation and international treaties.</p>
	GRI 416: Customer Health and Safety						
	GRI 419: Socio-Economic Compliance						
3. Operational Performance	GRI 201: Economic Performance	<ul style="list-style-type: none"> Our revenue showed continued growth, and we gave back to shareholders. Revenue grew by 10%. 	<ul style="list-style-type: none"> Revenue: TWD 5.59 billion, an increase of 40.64%; Earnings per share: TWD 17.84. 	<ul style="list-style-type: none"> Revenue growth 10% 	<ul style="list-style-type: none"> Our operating income and profitability continued to grow as we improved our operating model of sound revenue and sustainable development, while giving back to shareholders and employees. 		<p>8.2</p> <p>We increased our production capacity through diversification, technological upgrading and innovation, and by focusing on high-value-added and labor-intensive industries.</p>
4. Innovative Technologies and Services*	*Pegavision-specific issues	<ul style="list-style-type: none"> In 2021, we invested more than TWD 370 million in research and development to develop new products and new technologies to safeguard our long-term competitiveness. 	<ul style="list-style-type: none"> Research and development expenses: Actual investment was TWD 546 million, accounting for 9.77% of annual net revenue. We successfully developed production technologies: an intelligent detection system, production materials inspection system, pattern design support system, pad (indirect offset) printing technology system. Product development: <ol style="list-style-type: none"> Ultra-moisturizing and ultra-lubricating silicone hydrogel monthly disposable lenses Comprehensive vitamin/enzyme synergy wellcare contact lenses Long-lasting nourishing functional contact lenses Astigmatism-correcting cosmetic lenses Progressive multifocal cosmetic contact lenses 	<ul style="list-style-type: none"> We plan to invest more than TWD 570 million in research and development in 2022. We constantly develop new products and new technologies to ensure our Company's long-term competitiveness. 	<ul style="list-style-type: none"> We launched high-end optical products in the market thanks to highly differentiated products with innovative technologies. 		<p>9.2</p> <p>We contribute to inclusive and sustainable industrialization in order to substantially increase employment and GDP by 2030.</p>

Major Issues	Corresponding to specific topics in the GRI Guidelines	2021 goals	2021 performance	2022 targets	Medium- and long-term goals	Corresponding SDGs	Corresponding to SDG targets
5. Supplier Management	<p>GRI 204: Procurement Practice</p> <p>GRI 308 : Supplier Environmental Assessment</p> <p>GRI 414 : Supplier Social Assessment</p>	<ul style="list-style-type: none"> ➔ We developed a new supplier ESG selection mechanism and supplier contract to step up both parties' compliance with our corporate social responsibility policies. 	<ul style="list-style-type: none"> ➔ Corporate responsibility clauses have been added to the Confidentiality Agreement and Integrity Pledge: 34 new suppliers passed the ESG selection. ➔ A social responsibility clause was added to the supplier contracts: 70 suppliers signed the enhanced contract. 	<ul style="list-style-type: none"> ➔ Corporate social responsibility clauses were added to the purchase orders. We specially brought this to the attention of suppliers with few transactions and low amount of turnover with us. ➔ Clauses on compliance with both parties' corporate social responsibility policies were added to the contracts of major suppliers. ➔ We conducted major supplier assessments and on-site audits. ➔ We continued to increase the amounts and items of green procurement. 	<ul style="list-style-type: none"> ➔ We formulated a social responsibility code of conduct for suppliers, and the suppliers signed 100%. ➔ Perform supplier assessments and factory audits every year. ➔ Develop a supplier's sustainable operation performance evaluation system with incentives. ➔ Increase the green procurement volume and number of projects. 	<p>Goal 17: Partnerships for the goals</p>	<p>17.14</p> <p>Improve policy coherence to achieve sustainable development.</p>
		<ul style="list-style-type: none"> ➔ Supplier assessments. 	<ul style="list-style-type: none"> ➔ Evaluations: 1 time/year ➔ Number of evaluated companies: 14 ➔ Assessment pass rate: 100% 				
		<ul style="list-style-type: none"> ➔ To increase our green consumption, we gradually increased our use of green products and purchase amounts. 	<ul style="list-style-type: none"> ➔ Green purchase amount: TWD 7,596,190 				
6. Risk Management*	* Pegavision-specific themes	<ul style="list-style-type: none"> ➔ Risk management issues are included in the report of the Board of Directors. ➔ The epidemic prevention mechanism is continuously reviewed to ensure employee safety. 	<ul style="list-style-type: none"> ➔ A risk management report was submitted to the Board of Directors: 1 time/year. ➔ The epidemic prevention mechanism was strengthened: 1 time/quarter. 	<ul style="list-style-type: none"> ➔ A risk management report was submitted to the Board of Directors: 1 time/year. ➔ The epidemic prevention mechanism was strengthened: 1 time/quarter. 	<ul style="list-style-type: none"> ➔ The efficacy of risk management is evaluated every year, and sufficient resources are invested in raising awareness of risk management to reduce losses caused by materialized risks. ➔ We promoted epidemic prevention knowledge, implemented regular disinfection, protect employee safety, and ensured stable product supply to our customers. 	<p>Goal 3: Good Health and Well-Being for All at All Ages</p>	<p>3.3</p> <p>Eradicate HIV/AIDS, tuberculosis, malaria and neglected tropical diseases by 2030, and combat hepatitis, water-borne and other infectious diseases.</p>
7. Information Security Management	GRI 418 : Customer Privacy Protection	<ul style="list-style-type: none"> ➔ Major information security incidents: 0 times. ➔ Application software security updates: 8 times. ➔ The protection of computer terminals is strengthened and the installation and update rate of anti-virus software is increased: 100%. ➔ Scheduled information system vulnerability scanning: 1 time. ➔ Scheduled external penetration testing: 1 time. ➔ Scheduled employee social engineering drills: 1 time. 	<ul style="list-style-type: none"> ➔ Major information security incidents: 0 times. ➔ Application software security updates: 8 times. ➔ The protection of computer terminals is strengthened and the installation and update rate of anti-virus software is increased: 100%. ➔ Scheduled information system vulnerability scanning: 1 time. ➔ Scheduled external penetration testing: 1 time. ➔ Scheduled employee social engineering drills: 1 time. 	<ul style="list-style-type: none"> ➔ Major information security incidents: 0 times. ➔ Application software security updates: 8 times. ➔ The protection of computer terminals is strengthened and the installation and update rate of anti-virus software is increased: 100%. ➔ Scheduled information system vulnerability scanning: 1 time. ➔ Scheduled external penetration testing: 1 time. ➔ Scheduled employee social engineering drills: 1 time. 	<ul style="list-style-type: none"> ➔ Raise employees' awareness of information security, strengthen network information security, and implement confidential data management to prevent customer information leaks. 	<p>Goal 9: Industrial Innovation and Infrastructure Construction</p>	<p>9.1</p> <p>Develop high-quality, reliable, sustainable, and disaster-resilient infrastructure, including regional and cross-border infrastructure, to support economic development and people's well-being, with a focus on affordable and fair channels.</p>

Major Issues	Corresponding to specific topics in the GRI Guidelines	2021 goals	2021 performance	2022 targets	Medium- and long-term goals	Corresponding SDGs	Corresponding to SDG targets
1. Climate Change, Energy Conservation and Carbon Emission Reduction	GRI 305 : Emission of greenhouse gases	<ul style="list-style-type: none"> In response to climate change risks: Implement ISO 14064:2018, the standard for internal inventory of greenhouse gas emissions to understand our current status. 	<ul style="list-style-type: none"> Greenhouse gas inventory: Complete the 2019 and 2020 Greenhouse Gas Inventory. 	<ul style="list-style-type: none"> Greenhouse gas inventory: the 2021 Greenhouse Gas Inventory was completed. 	<ul style="list-style-type: none"> Following the sustainable development path of listed and OTC-traded companies, our subsidiaries are expected to adopt greenhouse gas inventory taking in 2025, complete their data collection in 2027, and complete external verification in 2029. 	Goal 13: Climate Action 	13.3 Improve education, raise awareness, and enhance individual and organizational capabilities in risk reduction, adaptation, mitigation and early warning with regard to climate change.
2. Energy Management	GRI 302 : Energy	<ul style="list-style-type: none"> Electricity saving ratio of electricity consumption to production ratio: 1% lower than the previous year. 	<ul style="list-style-type: none"> The proportion of electricity consumption to production: 11.5% lower than the previous year. 	<ul style="list-style-type: none"> Electricity saving ratio of electricity used per unit of production: 1% lower than the previous year. 	<ul style="list-style-type: none"> Proportion of electricity consumption to output: 40% lower than that in 2019. Renewable energy accounts for 10% of total energy use. 	Goal 7: Affordable energy 	7.2 By 2030, the global share of renewable energy is substantially increased.
3. Waste Management	GRI 306: Waste	<ul style="list-style-type: none"> Reduce emissions of pollutants and waste, and properly dispose of waste: <ol style="list-style-type: none"> Recycling rate: 90%. Compliance rate for industrial waste disposal regulations: 100%. Compliance assessment of waste management companies: 1 time/year. The pass rate of our annual inspection of hazardous industrial waste: 100%. 	<ul style="list-style-type: none"> Reduce emissions of pollutants and waste, and properly dispose of waste: <ol style="list-style-type: none"> Recycling rate: 89%. Compliance rate for industrial waste disposal regulations: 100%. Compliance assessment of waste management companies: 1 time/year. The pass rate of the annual inspection of hazardous industrial waste: 100%. 	<ul style="list-style-type: none"> Reduce emissions of pollutants and waste, and properly dispose of waste: <ol style="list-style-type: none"> Recycling rate: 90%. Compliance rate for industrial waste disposal regulations: 100%. Compliance assessment of waste management companies: 1 time/year. The pass rate of our annual inspection of hazardous industrial waste: 100%. 	<ul style="list-style-type: none"> Select qualified transportation and processing companies keep improving our resource recovery rate. 	Goal 12: Responsible Consumption and Production 	12.5 Significantly reduce waste generation by 2030 through prevention, reduction, recycling and reuse.
4. Circular Economy*	*Pegavision-specific issues	<ul style="list-style-type: none"> Monitor raw material usage, recycling and handling in the production process: <ol style="list-style-type: none"> Tray recycling: loss rate is reduced by 16%. AOI inspection yield: initial AOI inspection yield of wet lenses is increased by 2.5%. Packaging reduction: <ul style="list-style-type: none"> PP material reduction: 13%. Preservation solution reduction: 35%. 	<ul style="list-style-type: none"> Monitor raw material usage, recycling and handling in the production process: <ol style="list-style-type: none"> Tray recycling: Loss rate decreased by 16% (under partial implementation). AOI inspection yield: initial AOI inspection yield of wet lenses was increased by 2.5% (under development and review). Packaging reduction <ul style="list-style-type: none"> PP material reduction: 10%. Preservation solution reduction: 30%. 	<ul style="list-style-type: none"> Monitor raw material usage, recycling and handling in the production process: <ol style="list-style-type: none"> Tray recycling: loss rate is reduced by 16% (implementation throughout the factory) AOI inspection yield: The initial AOI inspection yield of wet lenses is increased by 2.5% (full implementation). 	<ul style="list-style-type: none"> Monitor raw material usage, recycling and handling in the production process: <ol style="list-style-type: none"> Tray 5.0 recycling: loss rate is 1.5%. Improve yield: increase by 2.5% (develop and implement AOI 4.0) 	Goal 12: Responsible Consumption and Production 	12.4 During their life cycles, and in accordance with the agreed international frameworks, chemicals and waste were properly managed in environmentally friendly ways by 2020, and their release into the air, water and soil must be greatly reduced to reduce their adverse effects on human health and the environment.

Major Issues	Corresponding to specific topics in the GRI Guidelines	2021 goals	2021 performance	2022 targets	Medium- and long-term goals	Corresponding SDGs	Corresponding to SDG targets
1. Occupational Safety and Health	GRI 403: Occupational Safety and Health	➔ Maintain the efficacy of the occupational safety and health system.	<ul style="list-style-type: none"> ➔ ISO 45001 is verified by a third-party verification company. ➔ Regulatory compliance rate: 100%. 	➔ Maintain the efficacy of the occupational safety and health system.	<ul style="list-style-type: none"> ➔ Run the occupational safety and health system to build and maintain a safe and secure workplace. ➔ Pursue healthy workplace certifications, with the primary goal of obtaining the Tobacco Hazard Prevention and Control Badge, Health Initiative Badge, and Health Promotion Badge. 	Goal 8: Decent Work and Economic Growth 	8.8 Protect employee rights and interests and a safe working environment, including for migrant workers, especially women and those who perform dangerous jobs.
		➔ Occupational safety and health committee meets regularly.	<ul style="list-style-type: none"> ➔ Number of occupational safety meetings: 4 times. ➔ Attendance rate: 100%. 	➔ Occupational safety and health committee meets regularly.			
		➔ Organizing occupational safety and health education and training.	<ul style="list-style-type: none"> ➔ Number of occupational safety training courses: 396. ➔ Number of participants: 2,649. 	➔ Organizing occupational safety and health education and training.			
		➔ Occupational injury rate: below 0.8 (excluding traffic accidents outside the factory)	➔ Occupational injury rate: 0.72 (excluding traffic accidents outside the factory)	➔ Occupational injury rate: below 0.8 (excluding traffic accidents outside the factory)			
		➔ Hold emergency response drills.	➔ Number of emergency response drills: 2 times/year.	➔ Hold emergency response drills.			
		➔ Hold workplace health promotion activities.	<ul style="list-style-type: none"> ➔ Number of events held: 6. ➔ Number of participants: 662. 	➔ Hold workplace health promotion activities.			
2. Human rights	GRI 412: Human Rights Assessment GRI 410: Security Practices	➔ Organizing human rights training courses.	<ul style="list-style-type: none"> ➔ Number of participants: 1,815. Completion rate: 100%. ➔ Number of security training participants: 10. Training completion rate: 100%. 	➔ Ongoing implementation of human rights training courses: Employee training completion rate: 100%. Security training completion rate: 100%.	➔ Follow international human rights norms and respect labor-related human rights and gender equality.	Goal 10: Reduce Inequality Within and Among Countries 	10.2 Promote social, economic and political integration, regardless of age, gender, physical or mental disability, race, ethnicity, motherland, religion, economic or other status by 2030.
		<ul style="list-style-type: none"> ➔ Labor-management meetings are held in accordance with the law to promote labor-management harmony. 	<ul style="list-style-type: none"> ➔ Number of labor-management meetings: 4 times. ➔ Attendance rate: more than half of both labor and management. 	<ul style="list-style-type: none"> ➔ Scheduled hold labor-management meetings, continuously update company rules in response to changes in the law, and protect employees' rights and interests in line with legal norms. 	<ul style="list-style-type: none"> ➔ Provide employees with a comprehensive education, training and assessment system, so they can grow with the company. ➔ Conduct employee satisfaction surveys and listen to employee voices. 	Goal 10: Reduced Inequalities 	10.2 Pursue integration under socio-economic politics by 2030, regardless of age, gender, physical or mental disability, race, ethnicity, motherland, religion, economic or other status.
3. Employee compensation and benefits	GRI 402 : Labor Relations	<ul style="list-style-type: none"> ➔ Provide appropriate grievance channels and handling systems. ➔ Time limit for handling employee grievances: 3 days; response rate: 100% 	<ul style="list-style-type: none"> ➔ Appeal cases in 2021: 3 cases. ➔ Time limit for handling employee grievances: 3 days; response rate: 100%. 	➔ Have a suggestion mailbox in place and a grievance hotline to provide multiple communication channels.		Goal 10: Reduced Inequalities 	10.3 To ensure equality of opportunities and reduce inequality, we implement laws, policies, and practices that eliminate discrimination, and promote appropriate legislation, policies, and actions."
		<ul style="list-style-type: none"> ➔ Increase the ratio of female supervisors and build a more diverse team. ➔ Maintain the female supervisor ratio: 25%. 	➔ Ratio of female supervisors: 28%.	➔ Maintain the female supervisor ratio: 25%.			
	GRI 405: Employee diversity and equal opportunity	➔ Employ people with disabilities in line with laws and regulations.	➔ Number of employees with disabilities: 26, accounting for 1.4% of total employees, above the statutory standard.	➔ Create more job opportunities than the statutory quota of disabled colleagues.			5.5 Ensure that women have equal opportunities to participate in decision-making and leadership at all levels.
							5.a Provide women with equal rights to economic resources, land and other forms of property, and financial services.

Major Issues	Corresponding to specific topics in the GRI Guidelines	2021 goals	2021 performance	2022 targets	Medium- and long-term goals	Corresponding SDGs	Corresponding to SDG targets
4. Talent Recruitment and Retention	GRI 401: Labor Relations	<ul style="list-style-type: none"> ➔ Maintain the stable employment and retain qualified personnel. Turnover rate: less than 3%. 	<ul style="list-style-type: none"> ➔ Turnover rate: 1.5% 	<ul style="list-style-type: none"> ➔ Turnover rate: less than 3% 	<ul style="list-style-type: none"> ➔ Provide internally fair and externally competitive compensation and benefits to retain outstanding talent, and collaborate with educational institutions to attract talent. 	<p>Goal 8: Decent Work and Economic Growth</p>	<p>8.7</p> <p>Take immediate and effective measures to prohibit and eliminate the worst forms of child labor and forced labor. End all forms of child labor, including the recruitment and deployment of child soldiers by 2025.</p>
5. Product Safety	GRI 416: Customer Health and Safety	<ul style="list-style-type: none"> ➔ Continue to obtain product certifications in various countries. 	<ul style="list-style-type: none"> ➔ Percentage of product license assessment health and safety impacts: 100%. ➔ We obtained registration in the UK (UKCA) for our 58% water content daily disposable soft contact lenses. ➔ We obtained registration in India (CDCSO) for our 38% moisture content monthly disposable color cosmetic soft contact lenses. ➔ We obtained product certification in Japan (PMDA) for our astigmatism-correcting, multifocal, astigmatism-correcting cosmetic, and multifocal cosmetic daily disposable soft contact lenses (preservation solution containing cooling menthol). ➔ We obtained product certification in the Philippines (PFDA) for our 58% daily disposable general and color cosmetic soft contact lenses. ➔ We obtained product certification in Australia (TGA) for our 38% moisture content monthly disposable cosmetic lenses. ➔ We obtained our first medical device market approval in the US (510(k)) for our astigmatism-correcting and multifocal soft contact lenses containing vitamins in the preservation solution. 	<ul style="list-style-type: none"> ➔ Comply with ISO /GMP and other medical device norms: 100%. 	<ul style="list-style-type: none"> ➔ Maintain valid ISO/GMP medical equipment related international standards and comply with those to ensure long-term competitiveness. 	<p>Goal 3: Good Health and Well-Being</p>	<p>3.9</p> <p>Significantly reduce the number of deaths and diseases caused by hazardous chemicals and pollution of air, water and soil by 2030.</p>
	GRI 417: Marketing and Labeling	<ul style="list-style-type: none"> ➔ Product labeling: 100% regulatory compliance. 	<ul style="list-style-type: none"> ➔ Product labeling: 100% regulatory compliance. 	<ul style="list-style-type: none"> ➔ Identify regulations on a quarterly basis and stay abreast of the latest regulatory developments. 			
6. Community Engagement	GRI 203: Indirect Economy	<ul style="list-style-type: none"> ➔ Support medical care and donate epidemic prevention materials. 	<ul style="list-style-type: none"> ➔ Donate to the Taoyuan Enterprise Association. 	<ul style="list-style-type: none"> ➔ Continue to support disadvantaged groups: 4 groups ➔ Continue to participate in community activities: 3 times 	<ul style="list-style-type: none"> ➔ In the future, we will actively keep fulfilling our role as a corporate citizen, participating in social welfare activities, community events, environmental activities, blood donation drives, second-hand computer donations, etc., to contribute to social welfare and visibility of our local stores. 	<p>Goal 8: Decent Work and Economic Growth</p>	<p>8.3</p> <p>Promote development-oriented policies that support production, job creation, business management, creativity and innovation. Encourage the formalization and growth of micro, small and medium enterprises (MSMEs), including access to financial services.</p>
		<ul style="list-style-type: none"> ➔ Hold industry-academia exchange activities. 	<ul style="list-style-type: none"> ➔ We organized visits to the Department of Optometry of Chung Shan Medical University and donated contact lenses to Kang Ning University. 				
		<ul style="list-style-type: none"> ➔ Support disadvantaged groups. 	<ul style="list-style-type: none"> ➔ We gave donations to the Eden Social Welfare Foundation and the Taipei Haiyang Rotary Club. 				
		<ul style="list-style-type: none"> ➔ Hold gender equality advocacy activities. 	<ul style="list-style-type: none"> ➔ We promoted the Taiwan Tongzhi Hotline Association, Taiwan Gender Equity Education Association 				
		<ul style="list-style-type: none"> ➔ Participate in community outreach activities. 	<ul style="list-style-type: none"> ➔ We cared for the development of neighboring communities and participated in their local activities. 				

ENVIRONMENTAL SOCIAL GOVERNANCE

1 CORPORATE GOVERNANCE

- 1.1 Company profile
- 1.2 Economic Performance
- 1.3 Governance structure
- 1.4 Integrity management
- 1.5 Regulatory compliance
- 1.6 Risk Management
- 1.7 Information Security Management
- 1.8 The participating public associations

Management Policy

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Material Topics

Ethical business, operational performance, regulatory compliance, risk management*, information security management

GRI Guidelines

205 Anti-corruption, 206 Anti-competitive Behavior, 201 Economic Performance, 416 Customer Health Safety, 417 Marketing and Labeling, 419 Socio-Economic Compliance, *Pegavision specific issues, 418 Customer Privacy

Policy ||

1. Observe ethical standards.
2. Be transparent in dealings.
3. Respect and protect.
4. Abide by the law.
5. Ensure confidentiality.
6. Ensure privacy.

Pledge ||

1. We observe the highest standards of integrity and prohibit any form of bribery, corruption, extortion, and abuse of public funds.
2. Our business transactions are transparent and legally compliant. We truthfully disclose our business activities.
3. We respect and protect the intellectual property rights of the company and its stakeholders.
4. We abide by applicable laws and regulations of fair trade, advertising and competition.
5. We ensure the confidentiality of whistleblowers' identities so that they can report matters without retaliation or harassment.
6. We ensure the confidentiality of stakeholders' data, and collect and use data in compliance with the law.

Goals and targets ||

We invest in corporate governance and corporate responsibility, pursue perfection in product quality and service, and develop overall core competitiveness.

Responsibilities ||

External responsibilities: Company Act, Securities Exchange Act, Commercial Accounting Act.

Internal systems: Code of Practice for Corporate Governance, Articles of Association, Code of Practice for Ethical Business, Code of Practice for Corporate Social Responsibility, Rules for Preventing Insider Transactions, Procedures for Obtaining or Disposing of Assets, Procedures for Loans and Guarantees, and Code of Ethical Conduct.

Resources ||

1. We comply with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and relevant laws and regulations.
2. Our directors and supervisors take training in corporate governance.
3. Insure enterprise information security risk management insurance

Grievance mechanism ||

Grievance mailbox:
honestbox@pegavision.com

2021 Plan

- Corporate governance evaluation goal: 6%~20%.

- We Follow the key points of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

- The Board of Directors met regularly and was briefed on the ethical business policy and prevention plan.

- We held training courses on ethical business:
 1. Training hours for the Board of Directors: Each person completed at least 6 hours of training in accordance with the law, and the new director completed 12 hours of training.
 2. New Supervisors: Attended video education courses on the prevention of insider trading.
 3. Anti-corruption training: Taiwanese employees took education and training on our "Company Integrity Management Code", "Company Integrity Management Procedures and Behavior Guidelines" and "Prevention of Insider Trading".

- No litigation related to anti-competitive conduct, antitrust and monopoly regulations.

- Number of violations of laws and regulations: 0.
- Legal identification: 1 time/quarter.

- Revenue continues to grow, the shareholders are actively rewarded, and revenue increases by 10%.

- Risk management issues are included in reports to the Board of Directors.
- The Covid epidemic prevention mechanism is continuously reviewed to ensure employee safety.

- Major information security incidents: 0 times.
- Application software security updates: 8 times.
- Computer terminal protection is strengthened and antivirus software installation update rate is increased: 100%.
- Periodic information system vulnerability scan: 1 time.
- Scheduled external penetration testing: 1 time.
- Scheduled employee social engineering drills: 1 time.

2021 performance

- Results of the 8th Corporate Governance Evaluation: ranked in the 6-20% bracket of listed companies.
- Became a constituent stock of the "Corporate Governance 100 Index".

- We revised our "Risk Management Policies and Procedures" and "Measures for the Prevention of Insider Trading".
- Newly appointed directors signed a pledge of compliance with the integrity management policy.

- The annual report on the implementation of integrity management was submitted to the Board of Directors on December 27, 2021.

- We held training courses on ethical business:
 1. Training hours for the Board of Directors: Each person completed at least 6 hours of training in accordance with the law, and new directors completed 12 hours of training.
 2. New supervisors: In 2021, 11 new supervisors above the deputy manager level completed the video education course on the prevention of insider trading.
 3. Anti-corruption training course: 1,400 Taiwanese employees completed the annual education and training on our internal management rules such as the "Company Integrity Management Code", "Company Integrity Management Operation Procedures and Behavior Guidelines" and "Prevention of Insider Trading".

- No litigation related to anti-competitive conduct, antitrust and monopoly regulations.

- Number of violations: 1.
- Review required by law: 1 time/quarter.

- Revenue: TWD 5.59 billion, an increase of 40.64%;
- Earnings per share: TWD 17.84.

- A risk management report was submitted to the Board of Directors: 1 time/year.
- The epidemic prevention mechanism was checked: 1 time/quarter.

- Major information security incidents: 0 times.
- Application software security update: 8 times.
- Computer terminal protection is strengthened and antivirus software installation update rate is increased: 100%.
- Periodic information system vulnerability scan: 1 time.
- Scheduled external penetration testing: 1 time.
- Scheduled employee social engineering drills: 1.

1. Company profile

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Pegavision Corporation (stock code: TWSE 6491) was founded in August 2009 as a joint venture of Pegatron Corporation and Kinsus Interconnect Technology Corporation to engage in R&D, manufacturing and sales of soft contact lenses and optical products for medical use. The outstanding management team of Pegavision, with original high-tech background, aim to pursue versatile growth and business continuity. Strong R&D teams self-develop automation production procedures and lines. The production processes from material input to finished product output are fully automated and central server controlled which sustain yield and quality stability. Pegavision are certified ISO13485, GMP, Japan PMDA, Europe CE, Taiwan TFDA, China NMPA, US FDA, etc. A total solution provider of soft contact lenses for esteemed OEM customers and wearers.

Pegavision Corporation - Taiwan

Chairman: Mr. Peter Guo

President: TS Yang

Company: 2F.-1, 5, Xingye Street, Shanding Vil., Guishan District, Taoyuan City

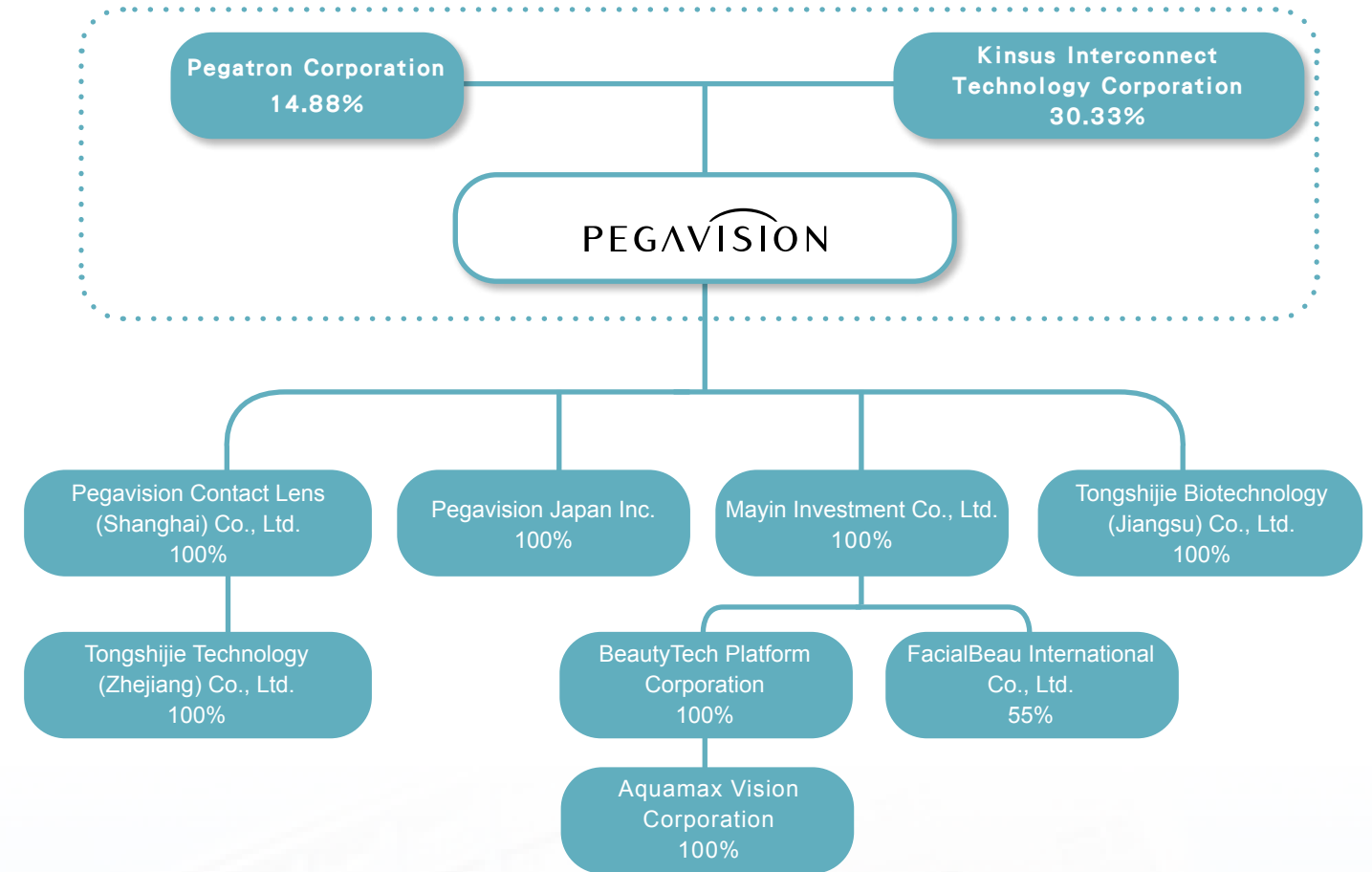
Factory: 2F.-1, 5, Xingye Street, Shanding Vil., Guishan District, Taoyuan City
No. 255, Sec. 2, Renhe Road, Daxi District, Taoyuan City

Capital: TWD 700 million

Number of employees: 1,815 (2021.12.31)

1.1.1 Company Overview 102-4 102-5

Main corporate shareholders



Shareholder structure

As of March 26, 2022, the date of the 2022 general meeting of shareholders, the shareholder structure of Pegavision Optical was composed of these corporate legal persons and individuals:

Taiwanese legal persons: 47.94%

Taiwanese natural person: 24.10%

Investment by overseas legal persons: 13.68%

Investment by other corporate bodies in Taiwan: 5.27%

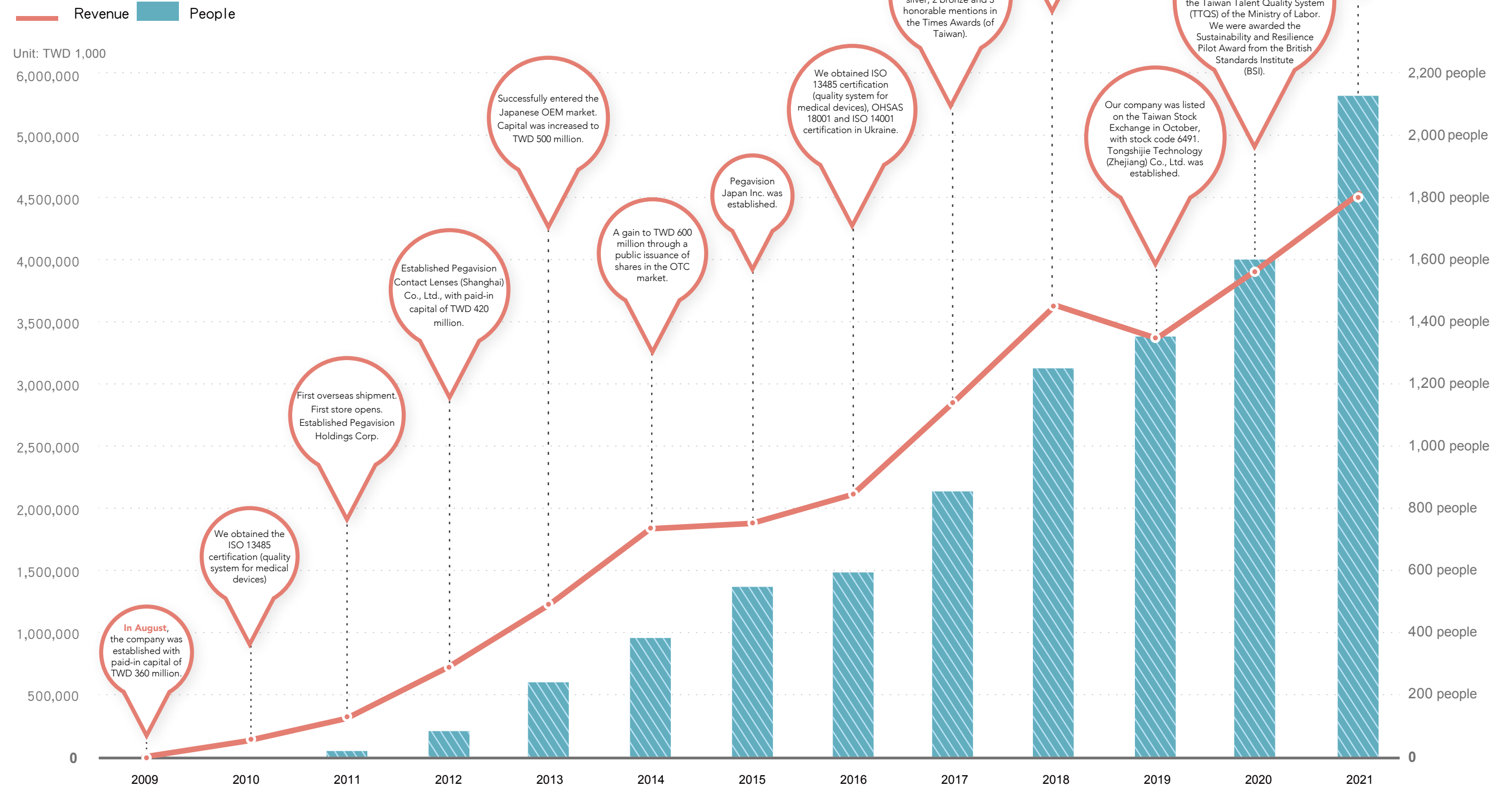
Investment by Taiwanese financial institutions: 4.88%

Investment by Taiwanese securities investment trust funds: 4.12%

Investment by overseas natural persons: 0.01%

1.1.2 Company History

Pegavision was invested and established by Pegatron Corporation and Kinsus Corporation in August 2009. Pegavision operates the production and retail business of its own-brand contact lenses, and serves customers at home and abroad. Since its establishment, Pegavision has adhered to the business philosophy of "Expanding Consumers Vision". Pegavision monitors market developments, flexibly adjusts its products, integrates internal resources, strives for excellence in product quality and service, strengthens overall competitiveness, invests in corporate governance and corporate responsibility, ensures compliance with environmental protection laws, to create higher shareholder value and bring consumers a better contact lense wearing experience.



1.2 Economic Performance

The consolidated annual revenue of Pegavision in 2021 was TWD 5.59 billion, compared with 2020, the annual increase was TWD 1.61 billion, a growth rate of 40.64%, and a gross profit margin of 53%. Earnings per share were TWD 17.84, an increase of TWD 7.62 compared with TWD 10.22 in the previous year. Consolidated revenue and profit in 2021 hit record highs again, mainly due to the growth of our OEM business in mainland China and Japan. The economies of scale brought about by our increased capacity utilization and expansion also contributed positively to our gross profit margin and net profit for the current period.

Presently, the size of the global contact lens market has increased 2-3% compared with before Covid. Market momentum conducive to the development of our industry remains unchanged, including the continuing increase in users of daily disposable contact lenses and silicone hydrogels. In the long run, the macro trends driving the growth of the contact lense industry remain strong. We expect that the myopic proportion of the world's population will grow from one-third to a half in 30 years' time, ensuring an annual growth rate of 4-6% for our industry. As a soft contact lens manufacturer, Pegavision focuses on production technology and product research and development, pattern design, expanding certifications, registrations, sales channels, and branding, to provide customers with the best products and the most comprehensive services.

Major local investment 102-10

The contact lens market is still in its growing phase. In addition to investing in product development, Pegavision also continues to expand its global market footprint. To expand our production capacity for future growth, our Company acquired land and a plant in Daxi, Taoyuan in 2019, and completed construction of its plant in October 201, injecting new vigor into Taoyuan's economy. It is estimated that the monthly production capacity of the first-phase plant will exceed 46 million pieces, and the second-stage plant will exceed 60 million pieces. In 2021, there were no major changes in organizational size, structure, ownership and supply chain.

1.2.1 Financial Performance in 2021 102-7

Unit: TWD 1,000

Year	2017	2018	2019	2020	2021
Operating income	2,182,174	3,132,671	3,355,133	3,978,413	5,595,043
Operating margin	1,049,593	1,605,355	1,493,030	2,004,525	2,964,305
Business interests	356,764	791,067	592,114	855,688	1,459,994
Non-operating income and expenses	9,819	(30,611)	(31,259)	(10,834)	(16,057)
Net profit before taxes	366,583	760,456	560,855	844,854	1,443,937
Net profit after taxes	302,908	541,156	475,492	715,359	1,248,436
EPS	5.05	9.02	7.62	10.22	17.84

Remarks:

Definition of non-operating revenue: interest revenue, rental revenue, foreign currency exchange earnings and other revenue.

Definition of non-operating expenses: impairment losses on non-financial assets, interest on bank loans, interest on lease liabilities, foreign currency exchange losses and other expenses.

1.2.2 Direct economic value generated and distributed by the organization 201-1

Unit: TWD 1,000

Economic performance	Project	Definition	Actual number in 2021
Direct economic value	Operating income	Sales revenue	5,595,043
	Operating cost	Marketing and distribution cost	2,630,738
		Operating expenses	825,245
Economic value of distribution	Employee compensation and benefits	Employee compensation and benefits	679,066
	Payments to funding parties	2020 cash dividends paid in 2021	595,000
		Interest expenses	4,459
	Government fees	Income tax expenses for profit-making businesses	195,501
		Fines	50
	Community investments	Donations and sponsorships	546
Retained economic value			664,438

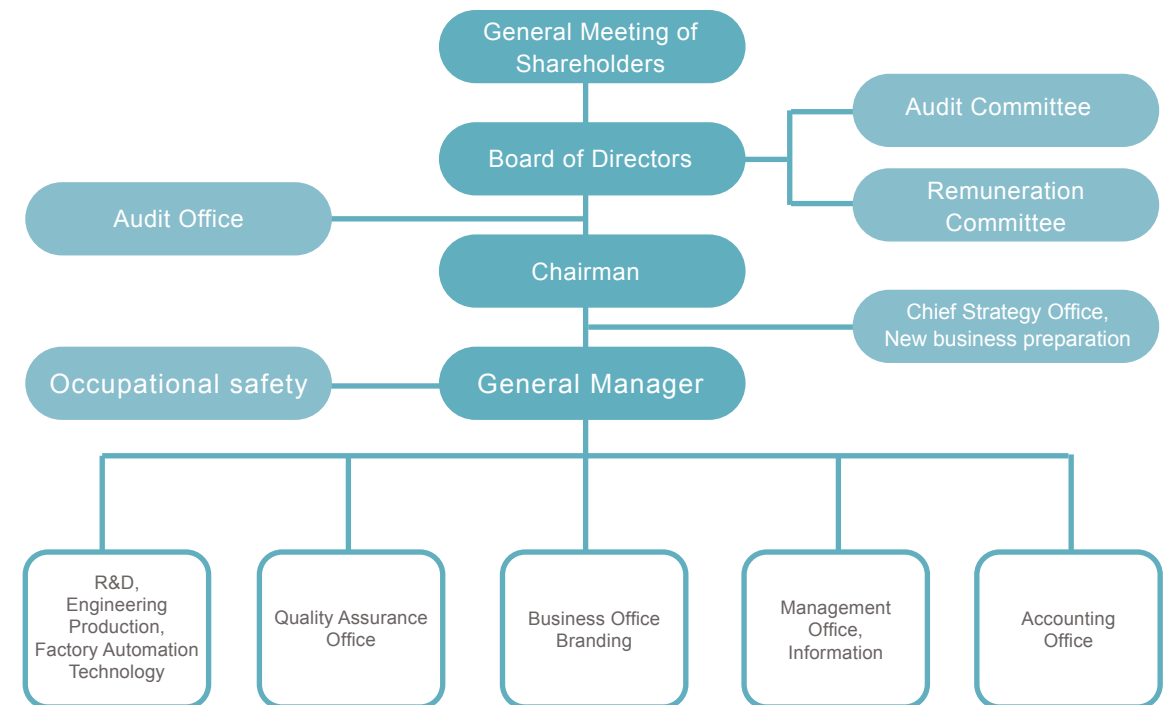
1.3 Governance structure

102-18

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1.3.1 Organizational structure

To implement sound corporate governance, Pegavision has a transparent corporate governance structure, and proactively discloses its financial performance, board operations and other information to all stakeholders to safeguard their rights and interests.



Source: Pegavision Annual Report 2021, page 7

1.3.2 Board of Directors

Pegavision's Board of Directors oversees the management's policy implementation results. Their term of office is three years, and the election was held at the 2021 shareholders meeting. The board meets quarterly in accordance with the company's Rules for the Operation of Board Meetings. The company's Code of Practice on Corporate Governance contains a policy to diversify the Board of Directors. The Director Selection Procedure describes the selection of directors, which takes into account the overall composition of the Board of Directors. In general, board members should have the knowledge, experience, skills and disposition necessary to perform their duties.

Presently, the Board of Directors of our Company consists of nine directors, who have professional backgrounds in IT, EE, business management, machinery, physics, machinery, healthcare, construction and accounting, and who possess skills in business judgment, accounting and financial analysis, business management, crisis management, as well as industry knowledge, an international market outlook and leadership and decision-making skills, which are helpful for our Company's development and operations.

The three independent directors in the Board of Directors account for one-third of all directors. There is one female board member, thus female directors account for 11%.

The gender and age distributions are as follows:

Gender	51~60 years old	61~70 years old	71~80 years old	81~90 years old
Male	2	2	3	1
Female	1	-	-	-

The current Board of Directors has held seven meetings. Page 22 of our 2021 Annual Report gives details of the operation of the Board of Directors.

Board of Directors

Title	Name	Attendance in person (B)	Attendance by proxy	In-person attendance rate (B/A)	Note
Chairman of the board	T.H. Tung	3	0	100%	Before the re-election on 2021/7/15, there were 3 meetings.
Director	Peter Kuo	3	0	100%	
Director	Legal representative of Pegavision Corporation: T.S. Yang	3	0	100%	
Director	Legal representative of Pegavision Corporation: Scott Chen	3	0	100%	
Director	Legal representative of ASUSpower Investment Co., Ltd.: Wen-Yong Hou	3	0	100%	
Director	Legal representative of ASUSpower Investment Co., Ltd.: Jeffrey Wun	3	0	100%	
Independent director	Huang Dafu	2	1	67%	
Independent director	Eric Yao	2	1	67%	
Independent director	Shu-Yu Lee	3	0	100%	
Chairman of the board	Peter Kuo	4	0	100%	After the re-election on 2021/7/15, there were 4 meetings.
Director	T.H. Tung	4	0	100%	
Director	Legal representative of Pegavision Corporation: T.S. Yang	4	0	100%	
Director	Legal representative of Pegavision Corporation: Scott Chen	4	0	100%	
Director	Legal representative of ASUSpower Investment Co., Ltd.: Wen-Yong Hou	4	0	100%	
Director	Legal representative of ASUSpower Investment Co., Ltd.: Jeffrey Wun	3	1	75%	
Independent director	Huang Dafu	3	1	75%	
Independent director	Eric Yao	4	0	100%	
Independent director	Lai Qiwan	4	0	100%	

Source: Pegavision Annual Report 2021, page 22

On July 15, 2021, Pegavision re-elected all of its directors. The committee members consisted of three independent directors: Yao Renlu, Li Shuyu and Lai Qiwan. Among them, Lai Qiwan was a new director. The term of the current Board of Directors runs from July 15, 2021 through July 14, 2024.

All the directors at Pegavision are trained in accordance with the provisions of "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" and are regularly disclosed. In 2021, there were 9 directors, including one new director. The incumbent directors were required to complete at least 6 hours of training in accordance with the law, and the new director had to complete 12 hours of training. The courses included: fully activate our Company's digital resilience - from ransom ware viruses to emergency responses, integrity management, CSR and ESG practical case solutions, internal control focus on the functioning of the Board of Directors and its functional committees, practical operation and case analysis of publicizing shareholders' meetings, financial statement analysis, and enterprise risk management. The attendance rate was 100%.

1.3.3 Functional Committees

To strengthen the supervision function and improve management performance, the Board of Directors has a remuneration committee and an Audit Committee, both of which are composed of the three independent directors. These committees have been set up in line with the company's operating conditions and laws and regulations. Thanks to their background and professional diversity, the board members can give specialized advice from different angles, oversee tasks and goals, assist with corporate governance, and help promote the company's steady growth and sustainable operations.

Remuneration Committee

In accordance with the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange, Pegavision has drawn up the Remuneration and Compensation Committee Organization Rules and set up a Remuneration Committee in 2014. The main responsibilities are:

- (1) Formulate and regularly review the policies, systems, standards, and structures of the directors' and managers' performance evaluation and their remuneration.
- (2) Regularly evaluate and determine the remuneration of the directors and managers.

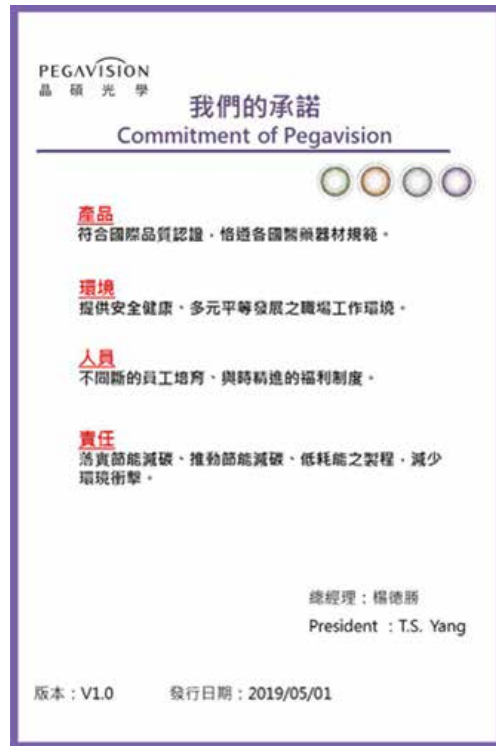
The Audit Committee

Pegavision Audit Committee regularly holds audit committee meetings with the internal audit department and our certified accountants before the quarterly meetings of the Board of Directors, to discuss such matters as operating results, financial reports, internal control, internal audit plans and outcomes. Audit supervisors and accountants may directly contact the independent directors as needed. The accountants report to the independent directors on their review and audits of our financial reports during the quarterly audit committee meetings. The independent directors receive audit reports each month. In 2021, the accountants and audit supervisors held two separate meetings without the presence of any of the regular directors or managers to discuss audit implementation and the external audit opinions of the accountants.

1.3.4 ESG Committee

To achieve the goal of sustainable operations and fulfill its corporate social responsibility, Pegavision drew up a corporate commitment in 2019. The company's "Be Unique" concept is also applied to its corporate governance, to develop a sustainable environment, maintain social justice and disclose corporate social responsibility information, invest in product certification, working environment, personnel welfare, and energy conservation and carbon emission reduction, and provide customers with comprehensive services, determined as we are to become the preferred brand for customers and suppliers.

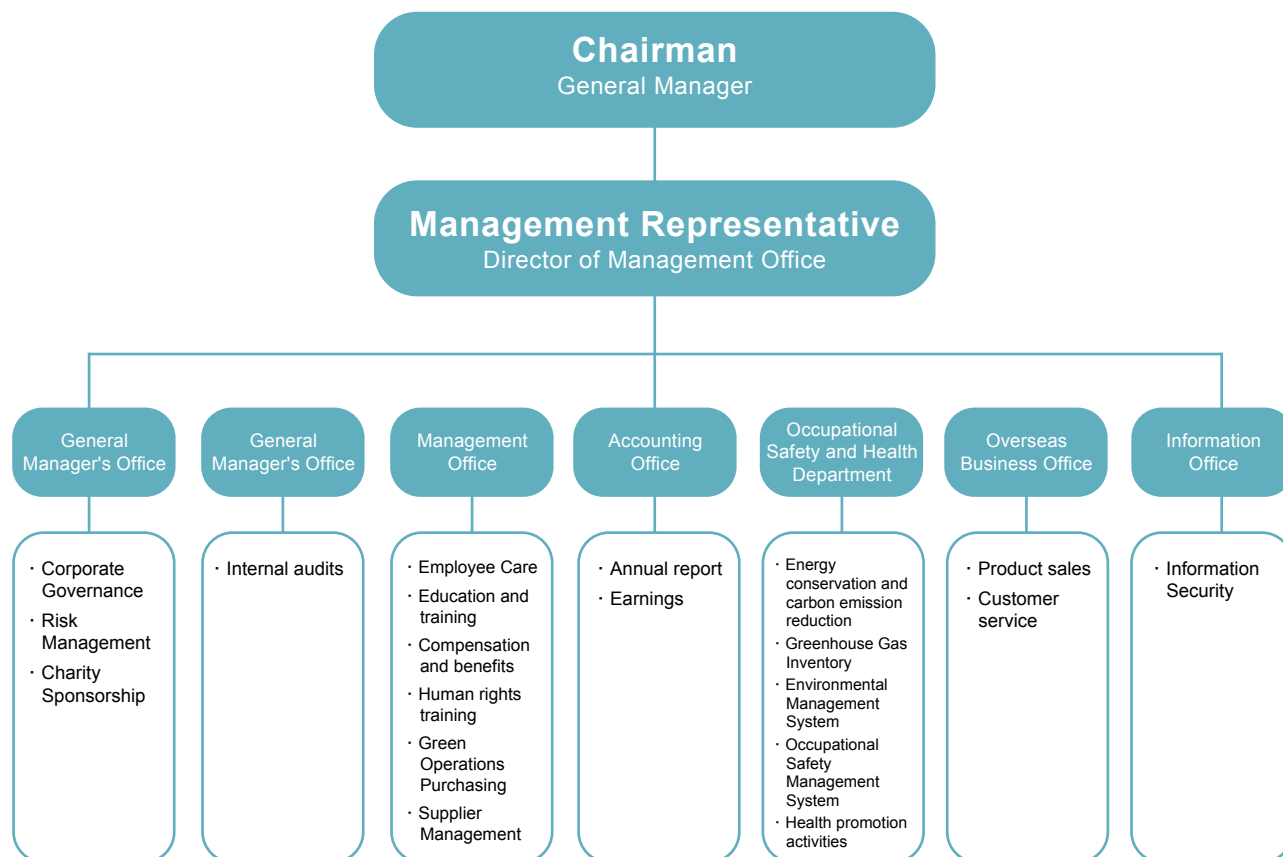
Sustainable Development Committee, its functions and operations



Pegavision established a ESG Committee in 2020, in response to the government's implementation of the Corporate Governance 3.0 Sustainable Development Blueprint, the committee was renamed "Sustainability Committee" in 2021. To comply with international quality certification, abide by the medical equipment regulations of various countries; provide a safe, healthy, diverse and equal-opportunity working environment; provide employee training and a refined welfare system; implement and promote energy conservation and carbon emission reduction, and adopt energy conservation and carbon emission reduction in the company's manufacturing processes to reduce environmental impact.

Pegavision's Sustainable activities and decisions are carried out by the Sustainable Development Committee, which is chaired by the General Manager while the director of the Management Office serves as the management representative. The departments are responsible for the scope of their duties. Corporate sustainability decision-making members include the General Manager, Audit Office, Management Department, Accounting Department, Occupational Safety and Health Department, Business Department and Information Department, who discuss and implement the year's ESG topics and affairs. Besides monitoring the ESG activities, the committee also incorporates sustainability into the company's operations and strategic decisions, such as formulating short-, medium- and long-term goals for Material Topics, and tracking and evaluating their progress and efficacy through group meetings, annual reports to the General Manager, and reporting to the Board of Directors as necessary.

Pegavision Optical Co., Ltd. Organizational Structure of the Sustainability Committee



1.4 Ethical business

102-16 205-2 206-1

1.4.1 Ethics Policy



Pegavision has an ethics policy and abides by the highest standards of integrity, prohibits any form of bribery, corruption, extortion, and abuse of public funds and other improper benefits. To ensure normal business for our company, maintain fair competition, and regulate commercial purchasing and sales, all commercial activities are transparent. In addition, we also respect and protect the intellectual property rights of the company and its stakeholders, and we abide by the laws and regulations relating to fair trade, advertising and competition, and ensure the confidentiality of whistleblowers' identities so that they will not suffer retaliation or harassment. To ensure the confidentiality of stakeholders' information, the collection and use of information is carried out in compliance with the law.

Pegavision's labor contracts contain language on ethics and integrity. On the first day at work, the Human Resources Department will explain to the new colleagues:

1. The employees promise that they will perform their duties faithfully in good faith, uphold professional ethics, improve their skills and improve performance, maintain the corporate image, and perform as good managers to complete the tasks assigned by the company.
2. Employees will never spread rumors that affect workplace order or morale, nor will they use negative words or deeds. They promise to get along well with colleagues, and will never encourage colleagues to leave the company.
3. Employees will never use their position to misappropriate, steal, embezzle money or goods, or engage in any behavior that may damage the company's interests or finances.
4. Employees cannot directly or indirectly accept or agree to accept any remuneration, money, gifts, commissions, entertainment or any other form of benefits from the company's current or potential customers.

Our Company conducts anti-corruption publicity and integrity management education and training on a regular basis. In 2021, 11 new supervisors above the deputy manager level will complete a video publicity course on the prevention of insider trading. In addition, an annual anti-corruption training course is held for 1,400 Taiwanese employees. The course covers: "Company Integrity Management Code", "Company Integrity Management Operation Procedures and Behavior Guidelines" and "Prevention of Insider Trading" Internal Management Measures. There was no bribery or corruption among employees in 2021. The number of participants is as follows:

Total number and percentage of employees that have received training on anti-corruption in 2021

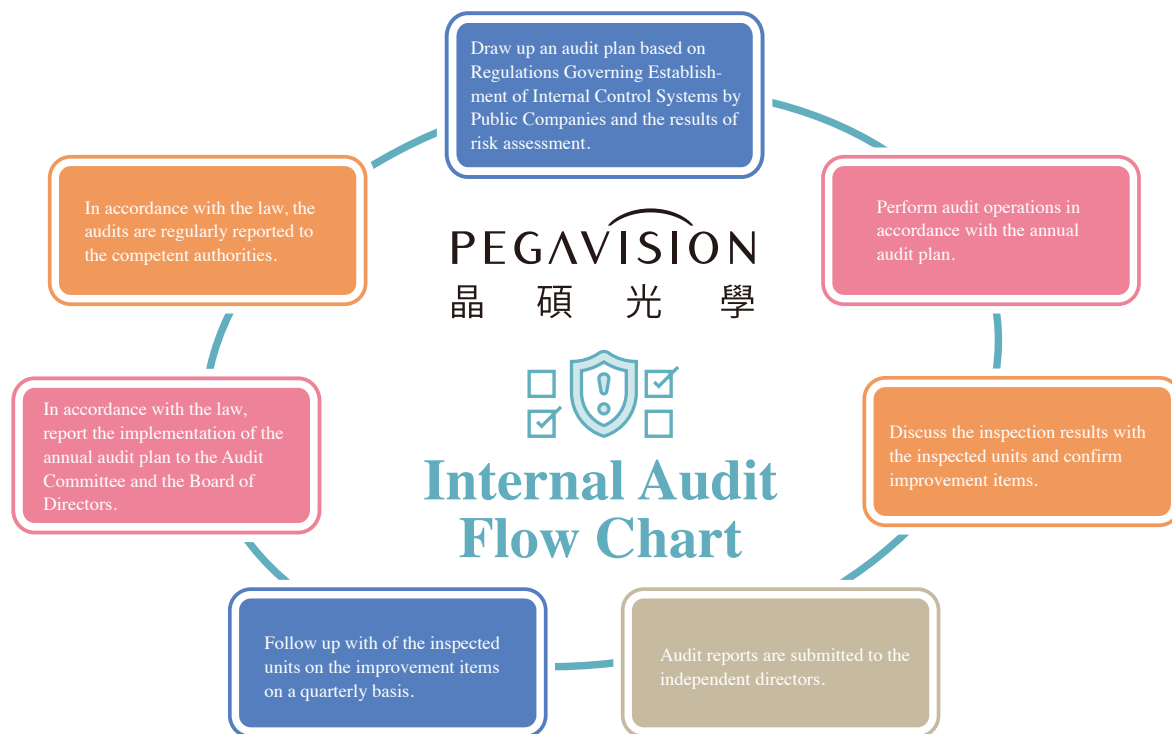
2021	Employee category				Employee type	
	Governance unit	Senior Supervisor	Governance unit	Senior Supervisor	Governance unit	Senior Supervisor
Number of trainees	9	24	69	1,307	998	402
Total	9	24	69	1,722	1,413	402
Percentage of training	100.00%	100.00%	100.00%	75.90%	70.63%	100.00%

Note: Anti-corruption education and training are not given to foreign employees

1.4.2 Internal Audits

Pegavision has an Audit Office directly under the Board of Directors. This office is responsible for auditing and evaluating the efficacy, correctness, reliability and efficiency of the company’s operating records and internal control systems, and offers suggestions for improvement to ensure the safety of the company’s operations and reduce risks and adverse events, to enable effective internal control.

Internal auditors regularly check compliance with the internal control system. They follow an audit plan and submit monthly audit reports to the Chairman of the Board and the Audit Committee every month or when necessary. They report the results to the Board of Directors and the Audit Office on a quarterly basis. They also evaluate and audit various internal management systems and internal audit planning to reduce operational management risks and improve operational performance.



1.4.3 Whistleblowing/Grievance Mechanism

Pegavision is committed to ethical business, adhering to the company's operating principles of honesty, diligence, frugality, pragmatism, and ethical operations.

Pegavision promises to uphold integrity in all its business activities, and will never allow corruption, fraud or any unethical conduct. When any stakeholder discovers that Pegavision employees or any related persons representing Pegavision, engage in suspicious behavior or may violate the Pegavision company’s ethical business code or ethical code of conduct, the Pegavision Audit Office is solely responsible for the acceptance unit.

Reporting window: Auditing Office, Miss Lü
 E-mail report: honestbox@pegavision.com
 Report by letter: No. 5, Xingye St., Guishan Dist., Taoyuan City 333, Pegavision Corporation, Auditing Office

The whistleblower must provide their name or other information sufficient to identify their identity, as well as specific evidence for investigation. If this data is not provided, the report will not be accepted.

The whistleblower must refrain from knowingly and deliberately fabricating false narratives. If a report is later proven malicious or deliberately false, the whistleblower is liable. If the whistleblower is a Pegavision employee, the matter will be handled in accordance with the Rules for Staff Disciplinary Action.

Pegavision allows anonymous reporting. If the whistleblower does not provide their name and contact information, Pegavision will not be able to communicate the process results to them. Except where the law provides otherwise, Pegavision will keep the whistleblower’s personal information confidential and take appropriate measures to protect that information. Pegavision also promises to protect whistleblowers from being improperly treated due to the report. As of the end of 2021, no reports had been received.

1.4.4 Information disclosure

Pegavision has an official website ([http:// www.pegavision.com/tw/](http://www.pegavision.com/tw/)), which publicly shares the company’s basic information, products, etc., and discloses financial information at the Market Observation Post System (MOPS) for stakeholders to take reference from. In addition, the company will, in accordance with regulations and industry practices, regularly publish its business activities, organizational structure, financial status and operating performance. The company also publishes contact information of the spokespersons and acting spokespersons to implement the spokesperson system.

1.5 Regulatory compliance 307-1 416-2 419-1

Pegavision abides by the law, and its daily operations comply with domestic and foreign law. We closely follow reports on laws and regulations and keep an eye Taiwanese and foreign policy developments and trends as well as changes in laws and regulations. We regularly collect and compile laws and regulations related to our business. If there are new additions or amendments, the responsible unit will immediately check whether the current business model and behavior are in line with those, and provide information to the management to assist with their decision-making and adjust the company’s business strategy. At the same time, it signs a cooperation contract with a specialized law firm to ensure that all our company’s activities comply with laws and regulations. The company upholds the corporate spirit of integrity, sets great store with corporate ethics and fulfills its social responsibilities. Our financial reports and key information are fully disclosed to the public, and our spokesperson and acting spokespersons answer queries in order to protect stakeholders’ rights.

To ensure the safety of our human contact lenses, our lens materials are tested by third-party laboratories for animal compatibility, which meets the requirements of biosafety. Our color lenses are made with FDA-approved colorants that have been tested on animals by third-party laboratories to confirm their safety. Our color contact lenses are safe for use by humans. We also conduct stability tests to verify product safety until the expiration date. In 2021, there were no violations of health and safety regulations or voluntary commitments related to products and services.

Project	Content
Biosafety	Check whether the materials used in the product comply with biosafety ✓ Cell test results: non-toxic ✓ Animal test results: no irritation, no sensitivity
Physical and chemical properties of the contact lenses	Check whether the lens properties are in line with the product design
Product stability test	Check the expiration date of the product
Clinical evaluation and clinical trials	Check the correct visual strength after actual wearing
Sterilization process	Confirm that the packaging material is sterile

In 2021, Pegavision had one violation of laws and regulations. The reason was that "wages due to extended working hours were not paid in accordance with regulations." The associated fine was paid in full. In response to the corrections demanded by the competent authority, the salary and bonus system for direct personnel has been thoroughly revised: the monthly recurring payments have been adjusted, and quarterly bonuses and benefits for direct personnel are now also distributed in a planned manner. This way the salaries and bonuses of direct personnel can be linked to the Company's earnings and its sustainable growth. There were no violations and penalties related to environmental protection, anti-competitive behavior, antitrust or monopoly regulations. Details of the violations in 2021 are as follows:

Illegal action	Legal basis	Penalty amount	Improvement measures
2021 Office Labor Inspection No. 1100051464: Unpaid wages due to extended working hours	Article 24, Paragraph 1 of the Labor Standards Act	TWD 50,000	Adjust the bonus distribution system to prevent violations of the regulations

1.6 Risk Management

102-11

Pursuant to its vision, Pegavision has an enterprise risk management mechanism to control the impacts of potential incidents on the company's strategy and operational goals, so that these can be achieved. The Board of Directors, the highest unit in Pegavision's risk management, approves the overall risk management policy and the company's major decisions. The board passed the Risk Management Policy and Procedures in October 2020. Under this procedure, the company has set up a Risk Management Committee, with the heads of departments as members, in charge of monitoring, reporting, suggesting and establishing handling mechanisms. The General Manager supervises the implementation and coordination of the overall risk management, and reports in the fourth quarter to the Board of Directors.

Material Topics	Risk Assessment Program	Risk management policy or strategy
Environment	Climate Change, Energy Conservation and Carbon Emission Reduction	<ol style="list-style-type: none"> 1. Formulate environmental safety and health policies. 2. Implement ISO 14001 environmental management system and ISO 14064-1:2018 greenhouse gas verification. 3. Continue to monitor energy consumption and performance indicators, keep performance statistics every year, report to senior executives at management review meetings.
Society	Employee compensation and benefits	<ol style="list-style-type: none"> 1. We provide basic salaries in line with market conditions, employees' academic backgrounds, and professional knowledge and technology. Employee salaries also include: <ol style="list-style-type: none"> (1) quarterly bonuses based on a certain percentage of net earnings after taxes; (2) year-end bonus; (3) staff earnings dividend not less than 10% of net earnings before taxes. 2. Staff meals. 3. Employee benefits are allocated based on 0.1% of revenue and 30% of waste, and will be further increased to 0.15% and 40% from 2022 onward. 4. Comprehensive training and promotion system.
Corporate Governance	Integrity management	<ol style="list-style-type: none"> 1. Formulate a Code of Conduct and a Code of Integrity for the Company. 2. Establish a reporting system.

1.6.1 Coronavirus Prevention Measures

2020 Early, Novel Coronavirus (COVID-19) outbreak, Pegavision immediately set up an epidemic prevention and response team, with the General Manager as the convener. In accordance with the continuous operation plan, the Occupational Safety and Health Department is in charge of building a healthy and safe anti-epidemic defense line. We carried out epidemic education, preparation, response and management measures. We ordered and reserved anti-epidemic materials such as masks, gloves, forehead thermometers, alcohol, etc., to create a safe office environment for our employees. The company required its operating bases and subsidiaries in Japan and China to monitor the local epidemic situation and comply with the epidemic prevention requirements of the local government. We also set up work at home in batches to avoid peak hours of staff coming and going, hand disinfection or washing when entering the office, etc.; To protect the health of all employees, the head office also provided masks to its subsidiaries. On top of this, the subsidiaries must also follow the rules of the head office. The head office can immediately grasp the impact of overseas operations to ensure that the capacity utilization rate remains normal.

The epidemic did not end in 2021, and the epidemic entered the Level 3 Alert since May, which we were well-prepared for. As the first listed contact lens company in Taiwan, Pegavision responded to the Taoyuan City Government's encouragement of enterprises to conduct general PCR testing and awareness raising, and we followed the guidance from the Central Epidemic Command Center (CECC). When the CECC announced the "Principles for the Implementation of Quick Screening for Enterprises", we were the first enterprise to introduce company-wide rapid testing for antigens in our Daxi Plant and Guishan Plant in Taoyuan within three days from June 18. On June 22, 1,748 employees, including migrant workers and major cooperating manufacturers, tested negative, so they could work in the workplace with peace of mind. The main preventive measures were:

Employee health management:

- Employees wear a mask and check the body temperature before entering the plant.
- The direct supervisor maintains daily care, body temperature reporting and independent health management.
- Provide Covid-19 rapid testing to employees that felt not well or had symptoms to control the situation.

Visitor Vendor Management:

- Activate visitors The manufacturer has self-management of health, and wears a mask and take body temperature is taken before entering the plant.
- Install automatic body temperature measuring devices and prevent unnecessary contact for front desk personnel.

Staff group office:

- The Information Department provides dynamic password cards required by each department for working from home, and holds remote connection exercises.

Remote backup office:

- The Guishan Factory and Daxi Factory will serve as redundant office factories for each other.

Restaurant protection management, personnel has meals and breaks in batches:

- Eat in a fixed, small groups to avoid gatherings of people and reduce infection risk.
- Employees must disinfect their hands with alcohol before they can enter the canteen.

Strengthen Covid-19 prevention and ensure a safe working environment

- Set up a webpage and channels for multiple Covid-19 prevention to enhance employees' awareness of epidemic prevention.



1.7 Information Security Management

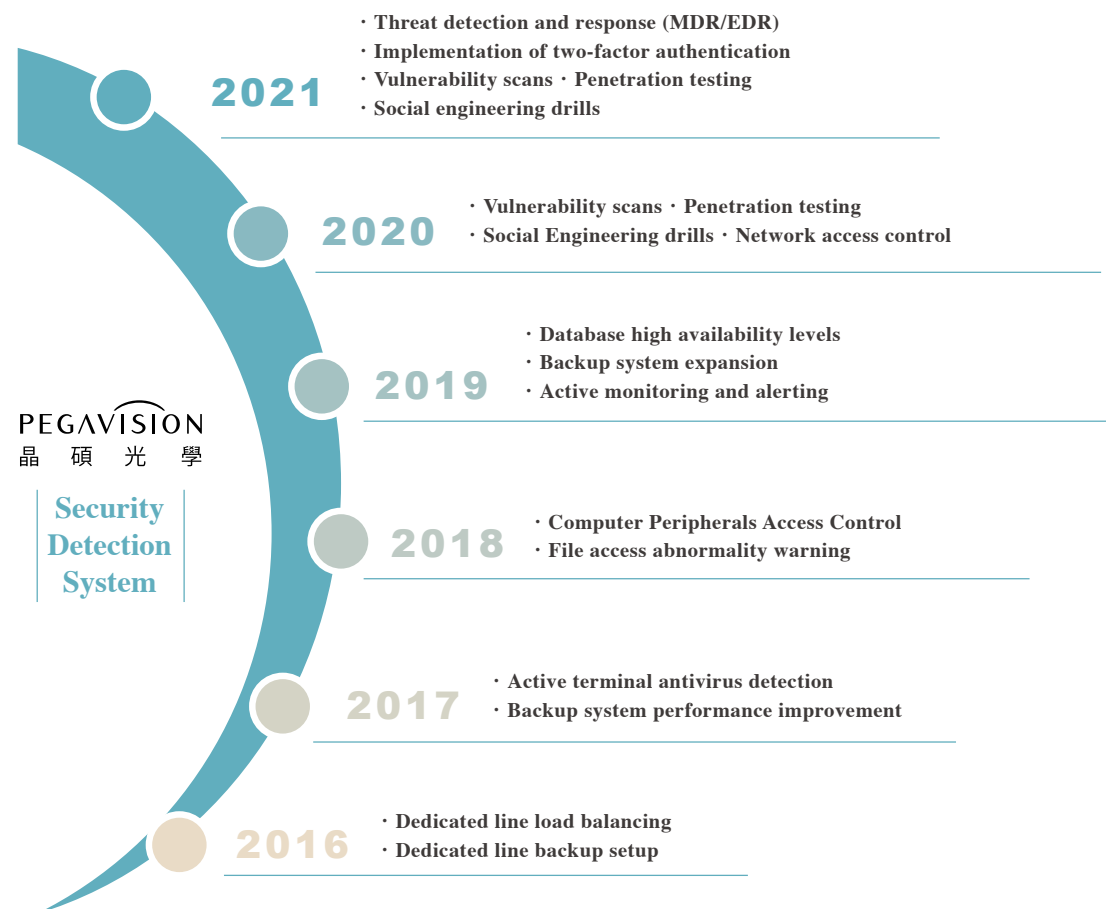
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To strengthen the company's information security management, protect data, systems, equipment and network security, and ensure stable and sustainable business growth, Pegavision has an information security policy.

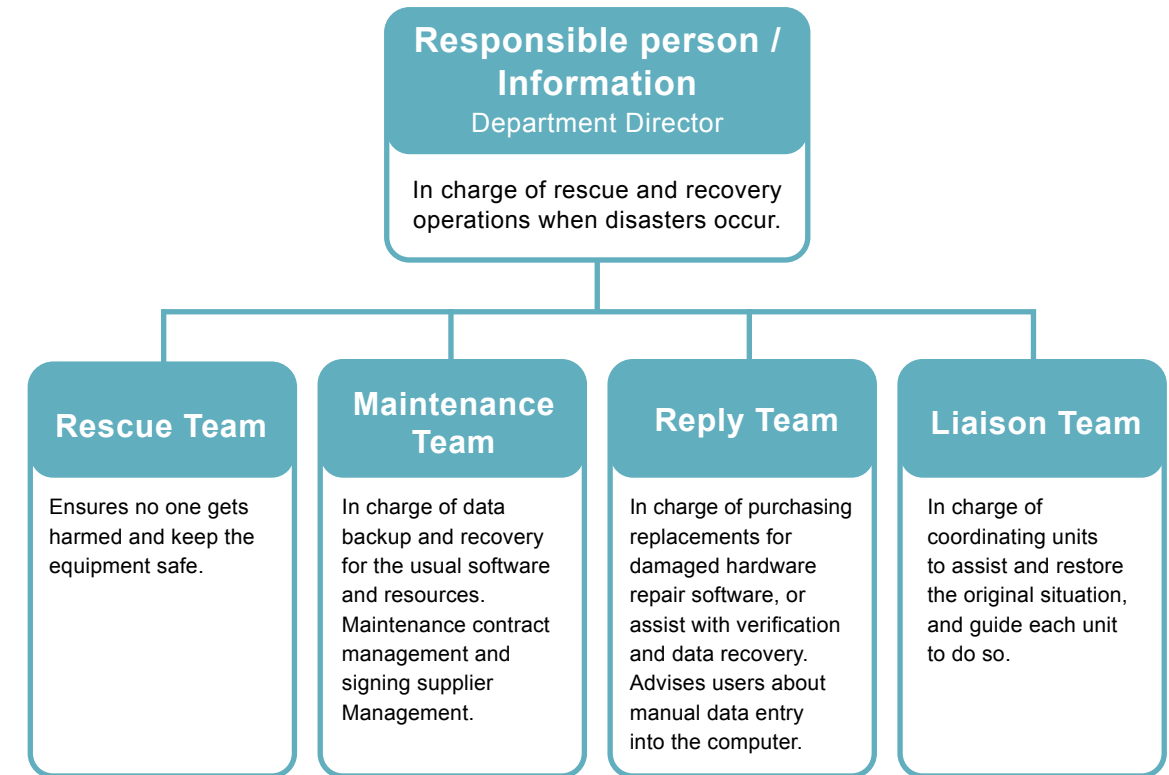
This information security policy demonstrates that the senior executives take information security very seriously, and all staff must closely comply. The company's information security policy specifically emphasizes three elements: Confidentiality, Integrity, and Availability. Everyone is responsible for maintaining information security, and all employees are required to strictly follow our company's information security rules regulations to maintain information security.



Pegavision takes customer information security very seriously and has adopted strict mechanisms and measures to protect it. We also cooperate with the government's "Information Security is National Security" policy. Since 2015, we have invested information security protection and detection, and strong prevention has been carried out against external security threats. External information security. A lot of prevention work against external threats has been carried out to protect the Company's important information and prevent leaks. Key actions related to information security implemented over the year are as follows:



The Company has incident handling procedures and an Information Security Incident Emergency Response Team in place to carry out fast and effective information system and data recovery operations, to reduce the impact of incidents and shorten operational downtime. In 2021, two system backup drills were held to ensure the stable operation of the backup mechanism behind the website information system.



In 2021, 6 announcements on information security were made to enhance employees' awareness around information security, boost the installation rate and update rate of anti-virus software, carry out information system vulnerability scans, information system vulnerability tests and scheduled employee social engineering drills. In 2021, Pegavision did not suffer losses from major information security incidents and was subject to customer fines and compensation for leaking customer privacy.

1.8 The participating public associations

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Pegavision actively participates in organizations and industry associations, maintains intensive communication with industry members, and is committed to helping develop the industry through exchanges with various professional organizations.

The main external organizations that the company participated in in 2021 were: Taoyuan Medical Equipment Commercial Association, Taoyuan Guishan Industrial Zone Manufacturers Association, Taiwan Optical Industry Association, Taipei Computer Association, Taoyuan Enterprise Chamber, Taipei Optical Importers Association, Taiwan Medical and Biotech Industry Association, Taiwan Biotech Association and Monte Jade Science and Technology Association (Taiwan). Pegavision serves as a director of the Taiwan Biotech Association and of the Monte Jade Science and Technology Association (Taiwan). In the other associations, Pegavision is a member. Through conferences and exchanges, we discuss norms and the latest economic and financial trends to stimulate growth in technology and capabilities.



ENVIRONMENTAL SOCIAL GOVERNANCE

2 PRODUCTS AND SERVICES

- 2.1 Innovative R&D
- 2.2 Serving the market
- 2.3 Responsible product quality
- 2.4 Marketing and Labeling
- 2.5 Customer complaint mechanism

Management Policy

103-1 103-2 103-3

Material Topics

Innovative technology and services, product safety

GRI Guidelines

*Pegavision-specific issues, 416 Customer Health Safety, 417

Marketing and Labeling

Policy ||

Product differentiation reduces pressure from external competition and serves consumer needs. All products comply with international quality certifications and abide by the regulations of medical materials in countries around the globe.

Pledge ||

1. We master the latest knowledge on business safety, comply with law related to our products, and provide customers with safe products.
2. We obtain relevant product certifications to protect human safety.
3. We sell through legal pharmacies.

Goals and targets ||

1. Foreign OEM market research and business information collection and analysis.
2. Brand marketing and communication.
3. We assist customers and consumers with pre-sales consultation, sales conditions confirmation and after-sales satisfaction services.

Responsibilities ||

1. External responsibilities: pharmaceutical laws of destination countries, medical device manufacturing and sales regulations of destination countries, fair trade laws, consumer protection laws.
2. Internal systems: internal quality audit and control procedures, product identification and traceability control procedures, design and development control procedures, inspection and testing control procedures, customer service control procedures, product notification and recall control procedures for various countries.

Resources ||

1. With comply with the international ISO 13485 certification, Taiwan's GMP, South Korea's GMP and Japan's QMS quality certification norms.
2. Laws and regulations related to the manufacture and sale of medical devices in various countries: Many of our products have obtained CE, FDA, NMPA, TFDA, PMDA and other national product certifications.
3. We comply with the relevant regulations of the Pharmaceutical Affairs Act.
4. We comply with the relevant regulations of the Fair Trade Act Law and Consumer Protection Act.

Grievance mechanism ||

Customer service mailbox: service@pegavision.com

2021 Plan

- Continue to serve the market with high-end optical products and develop highly differentiated products with innovative technologies.

- Continue obtaining product certifications in various countries.

- Product labeling: 100% compliance with regulations.

- Maintain the validity of ISO 13485:2016 certificates.

2021 performance

- Research and development expenses: The actual investment was TWD 546 million, accounting for 9.77% of annual net revenue.
- We have successfully developed production technologies: an intelligent detection system, a production material inspection system, a pattern design support system, and a pad printing technology system.
- Product development:
 - (1) Ultra-moisturizing and ultra-lubricating silicone hydrogel monthly disposable lenses
 - (2) Contact lenses with comprehensive vitamin-enzyme synergistic wellcare
 - (3) Long-lasting nourishing functional contact lenses
 - (4) Astigmatism-correcting cosmetic lenses
 - (5) Advanced multifocal cosmetic contact lenses

- Percentage of product licenses assessed for health and safety impacts: 100%.
- We obtained registration in the UK (UKCA) for our 58% water content daily disposable soft contact lenses.
- We obtained registration in India (CDSCO) for our 38% moisture content monthly disposable color cosmetic soft contact lenses.
- We obtained product certification in Japan (PMDA) for our astigmatism-correcting, multifocal, astigmatism-correcting cosmetic, and multifocal cosmetic daily disposable soft contact lenses (preservation solution containing cooling menthol).
- We obtained product certification in the Philippines (PFDA) for our 58% daily disposable general and color cosmetic soft contact lenses.
- We obtained product certification in Australia (TGA) for our 38% moisture content monthly disposable cosmetic lenses.
- We obtained our first medical device market approval in the US (510(k)) for our astigmatism-correcting and multifocal soft contact lenses containing vitamins in the preservation solution.

- Product labeling: 100% compliance with regulations.

- ISO 13485:2016 is externally verified by a third party.

Brand proposition Pegavision. Be Unique.

Pegavision is a brand that thinks outside the box, always looking for new ways to solve people's needs around contact lenses.

Pegavision believes that everyone is different and unique. We strive to see everyone's uniqueness and also hope that customers see how we're unique as well. Therefore, Pegavision's customers can feel a unique experience in all aspects, while also meeting lifestyle and aesthetic requirements.

Pegavision's customers are confident and believe that they are unique and different. They appreciate all kinds of beauty with tolerance and an open heart. Let your uniqueness shine, so people can see it immediately.

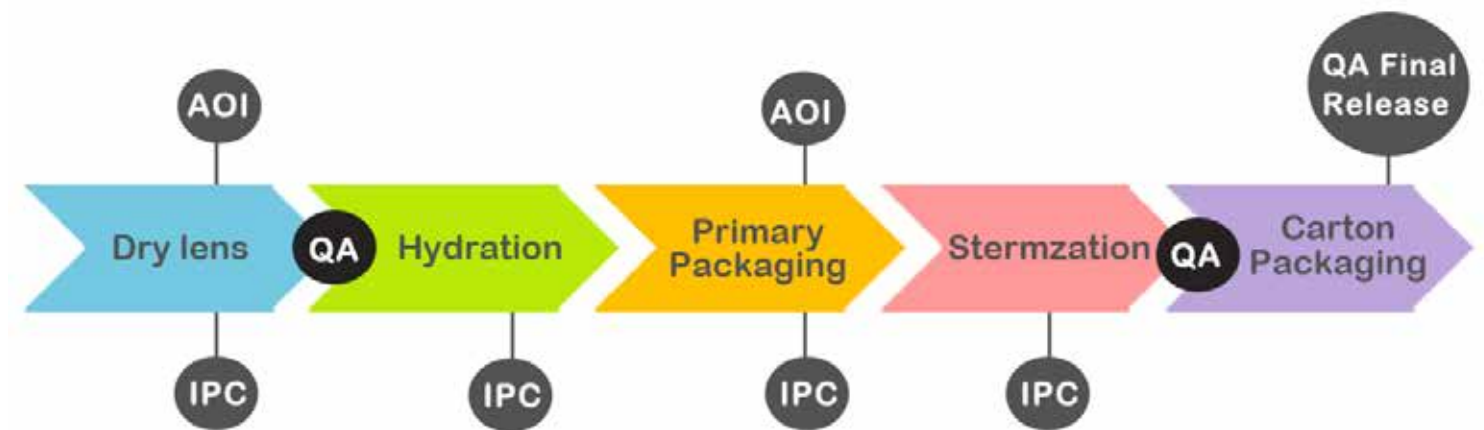


2.1 Innovative R&D

Pegavision has many strong teams that constantly pursue better materials, preservation solutions, functionalities and robot-based manufacturing processes. They boldly pursue and develop new possibilities. Ever since our founding, we have maintained a broad R&D team, committed to the research and development of process technologies, raw material formulations, automated production machines, and optometry and optical technologies. Our inventions and novel applications have been granted patents and product certifications in many countries. We have accumulated rich experience in industry trends, manufacturing, marketing, sales, innovation, research, development, etc., and constantly work to enhance our Company's competitiveness. Thanks to the efforts of all staff, we have gradually become a market leader. With the successive shipments of high-end optical products and overseas market development, we are confident that we can provide our customers with more competitive products and give end users cost-effective high-end optical product experiences. Our wide range of services also help establish long-term and stable partnerships with brand-name customers.

The production technologies developed by Pegavision include

- Intelligent detection system
- Production material inspection system
- Pattern design support system
- Pad printing technology system





Products are:

(1) Our ultra-moisturizing and ultra-lubricating silicone hydrogel monthly disposable lenses:

Use several layers of ultra-moisturizing and ultra-lubricating biomedical materials that were developed by Pegavision to modify the surface characteristics of its lenses. They significantly improve wearing comfort and greatly reduce waste water and organic components generated during the manufacturing process—a new generation of green products.

(2) Contact lenses with comprehensive vitamin-enzyme synergistic wellcare:

Eyecare market grows year after year, we use our exclusive technologies to develop contact lenses rich in active vitamins, which can supplement the nutrients that the eyes need. The clinical performance of this product has shown that it can stabilize eye fluid during wearing and mitigate eye fatigue. It also shows good performance in terms of comfort, visual satisfaction and lens moisturizing even during all-day wearing.

(3) Long-lasting nourishing functional contact lenses:

In a world of increasing use of chemicals, on-going industrialization, and pollution from climate change, allergic conjunctivitis has become an eye disease affecting millions of people. We have developed contact lenses containing anti-allergic/anti-inflammatory ingredients, so that wearers can enjoy correct vision and increased comfort through soothing eye irritation. These contact lenses contain a new active ingredient release system, and its current validation has been extended with a release system for additional mitigation ingredients.

(4) Astigmatism-correcting cosmetic lenses:

We have developed color cosmetic astigmatism-correcting lenses with anti-fading protection technology. These lenses complete our product portfolio of astigmatism-correcting lenses, and provide customers with multiple options for ordering.

(5) Advanced multifocal cosmetic contact lenses:

This sandwich technology of advanced cosmetic multi-focal lenses makes it possible for heavy users with multi-focal needs to wear color lenses—to see well and look good.



2.1.1 Technology research and development

In 2021, we invested TWD 546,642,000 in research and development, accounting for 9.77% of consolidated annual net revenue. The Company continues to invest in research and development to improve production technologies and product development.

It is estimated that more than TWD 570 million will be invested in R&D in 2022 to develop new products and new technologies to ensure Pegavision’s long-term competitiveness.

Unit: TWD 1,000 : %

Project	year	2018	2019	2020	2021
R&D expenses (A)		237,958	279,802	374,460	546,642
Net revenue (B)		3,132,671	3,355,133	3,978,413	5,595,043
(A)/(B)(%)		7.60	8.34	9.41	9.77

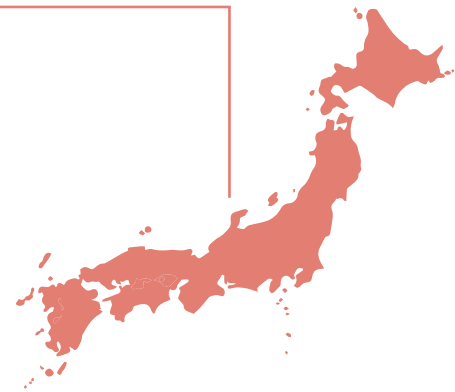
2.2 Serving the market

102-2 102-6 102-7

Pegavision is a soft contact lens manufacturer, undertakes OEM business for domestic and foreign brand-name customers, its main products are disposable soft contact lenses, its main functions are correcting vision defects such as myopia, hyperopia, astigmatism and presbyopia. Pegavision has built up a comprehensive product portfolio, holds product licenses for major developed markets, and has highly flexible manufacturing capabilities to serve brand-name customers in their diversified market initiatives.

Japanese market

The covid-19 epidemic had not yet subsided in 2021, but the online and offline sales of contact lenses in Japan gradually returned to normal. Pegavision is trusted by Japanese customers that value quality in product design and service. At present, our market footprint in the spherical lens market in Japan is very strong. We collaborate with major brand-name customers and its products are distributed through various major channels. Our Company has developed competitive high-end products such as astigmatism-correcting and multi-focal contact lenses, and works with brand-name customers to enter this market.



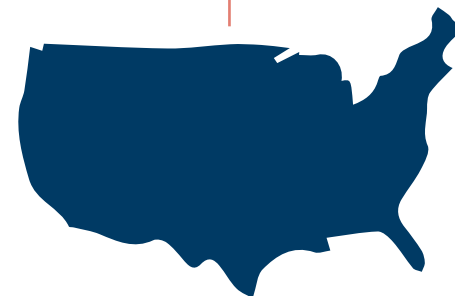
European market

After the EU fully applied the new version of the EU Medical Device Regulation (MDR) in 2020, the governmental management of licenses and manufacturers has become stricter, which drove brand-name customers with license but without their own factories to rely on licensed manufacturing businesses. In addition, our high-end daily disposable aqueous contact lenses and monthly disposable silicone aqueous contact lenses have also helped expand the European market.



American market

Online purchasing of contact lenses in the US market has become a trend during the covid epidemic. E-commerce companies that originally sold the four major contact lens brands began launching their own brand products to stave off competitors. We have assisted this type of customers with launching specialty products different from existing products in the market, such as preservation solutions with vitamins, anti-blue light contact lenses, etc.



Chinese market

In the Chinese market, “a hundred schools of thought contend”, and brand owners must frequently launch new products or collaborate with other companies to keep attracting consumers. Pegavision’s rapid product development and shipping capabilities present a great advantage in this regard. For instance, our new ink technology called “Pearlescent and Special Pigments” has attracted eyeballs among major color contact brand-name customers. In addition, our products are widely trusted and bought by consumers on major e-commerce platforms, and other brands have been attracted to collaborate with us. These include cosmetics companies, which are gradually discovering the potential of the cosmetic contact lens market.



2.2.1 Sales regions and proportions of major products

Pegavision's 2021 turnover was TWD 5.59 billion, accounting for about 2.13% of the global market, and this market share continues to grow. In terms of product sales regions, domestic sales accounted for 11.39% and export sales accounted for 88.61% of the Company's consolidated revenue in 2021. Domestic sales declined in 2020 and 2021 due to the tourism slump as a result of the covid epidemic. In the export market, Pegavision products have passed the Taiwanese GMP and Japanese QMS standards, and many of our products have also passed the EU CE, US FDA, Chinese NMPA, Taiwanese TFDA, Japanese PMDA, South-Korean MFDS and ASEAN product certifications. Our manufacturing plants are among the few that meet the official audit requirements of South Korea, Japan and the United States. Based on excellent quality and ample production capacity, Pegavision has steadily accumulated these business enabling conditions, and its export markets have been growing year by year.

Unit: TWD 1,000 : %

Sales region	2018		2019		2020		2021	
	Amount	Ratio(%)	Amount	Ratio(%)	Amount	Ratio(%)	Amount	Ratio(%)
Domestic sales	731,980	23.37	771,905	23.01	662,660	16.66	637,515	11.39
Exports	2,400,691	76.63	2,583,228	76.99	3,315,753	83.34	4,957,528	88.61
Total	3,132,671	100.00	3,355,133	100.00	3,978,413	100.00	5,595,043	100.00

2.2.2 Production volume of major commodities

Unit: 1,000 boxes

Major products	2018		2019		2020		2021	
	Production capacity	Yield	Production capacity	Yield	Production capacity	Yield	Production capacity	Yield
Contact lenses	27,950	25,229	21,629	17,562	33,676	30,215	53,115	50,261

2.3 Responsible product quality

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Pegavision has developed a number of automatic production machines and systems, which in combination with its ERP system are able to dynamically manufacture tens of millions of product items per month in an efficiently controlled manner. Customers' High-Mix Low-Volume (HMLV) manufacturing orders can thus be delivered quickly and accurately; our lead times are less than half of our competitors'. Our manufacturing system has been certified under the internationally recognized ISO 13485 standard for quality management systems for the design and manufacture of medical devices. This standard ensures that healthcare equipment and related services consistently meet customer and regulatory requirements, and this quality system applies to the design, development, production, installation, sales, and service of medical equipment.

Pegavision performs clinical evaluations, literature studies and clinical trials to confirm the efficacy of its products' intended uses and effective vision correction. The product packaging design uses sterile packaging materials, a stable and effective sterilization process, and regularly checks the efficacy of the sterilization process, while each process step must undergo strict quality inspections.

2.3.1 Certifications and qualifications

Contact lenses are a type of medical device and are directly worn on the human eyeball. To protect human safety, the competent health authorities of various countries have formulated stringent review models for the production and sales of contact lenses. Certifications are divided into system certifications and product certifications. In addition to complying with the international certifications ISO 13485, ISO 14001, ISO 45001, and the Taiwanese GMP and Japanese QMS standards, many of our products have also passed the EU CE, US FDA, Chinese NMPA, Taiwanese TFDA, Japanese PMDA, South-Korean MFDS and ASEAN product certifications. Pegavision is one of the few manufacturers able to simultaneously satisfy the governmental audits of Korea, Japan and the United States. It has obtained a number of system and product certifications as shown in the table below, which demonstrates that the Company's rigorous manufacturing process and excellent product quality.

To evaluate the impact of products on health and safety, Pegavision's lens materials are all tested for animal and human compatibility by third-party laboratories, and the colored lenses use FDA-approved pigments. The tested product categories include daily, bi-weekly, astigmatism-correcting and other contact lenses. The proportion of licensed products assessed for health and safety impacts is 100%. In 2021, we obtained registration in the UK (UKCA) for our 58% water content daily disposable soft contact lenses, in India (CDSCO) for our 38% moisture content monthly disposable color cosmetic soft contact lenses, in Japan (PMDA) for our astigmatism-correcting, multifocal, astigmatism-correcting cosmetic, and multifocal cosmetic daily disposable soft contact lenses (preservation solution containing cooling menthol), in the Philippines (PFDA) for our 58% daily disposable general and color cosmetic soft contact lenses, and in Australia (TGA) for our 38% moisture content monthly disposable cosmetic lenses. We also obtained our first medical device market approval in the US (510(k)) for our astigmatism-correcting and multifocal soft contact lenses containing vitamins in the preservation solution.

Relevant certifications obtained by Pegavision products

Taiwan	ISO 13485	Quality system certification
	GMP	Quality system certification
	TFDA	Certified product
Japan	QMS	Quality system certification
	PMDA	Certified product
European Union	CE	Certified product
America	FDA	Certified product
China	NMPA	Certified product
South Korea	MFDS	Certified product
	GMP	Quality system certification
Australia	TGA	Certified product
Malaysia	MDA	Certified product
Singapore	HSA	Certified product
Thailand	Thai FDA	Certified product
Vietnam	MOH	Certified product
India	CDSCO	Certified product
UK	MHRA	Certified product



2.4 Marketing and Labeling

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Pursuant to Article 75 of the Pharmaceutical Affairs Act, Pegavision's product packaging labels and instructions for use must comply with the international ISO standard for medical equipment. We monitor legal developments every quarter to keep our product labeling correct, clear and compliant, provide consumers with reliable information, and comply with pertinent government regulations. Our product labeling is in line with the content approved by the health authority, and the product label on the outer box states: product name, life cycle, product specification, production batch number, sterilization symbol and expiration date and other information. The instructions for use contain product specifications, product license numbers, warnings, contra-indications, cleaning advice, wearing advice, and the manufacturer's information. This gives consumers clear information and understanding of safe use of the contact lenses before purchasing and using them. In 2021, there were no violations of product-related or service-related health and safety regulations or of voluntary regulations.

Product packaging



Commodity label



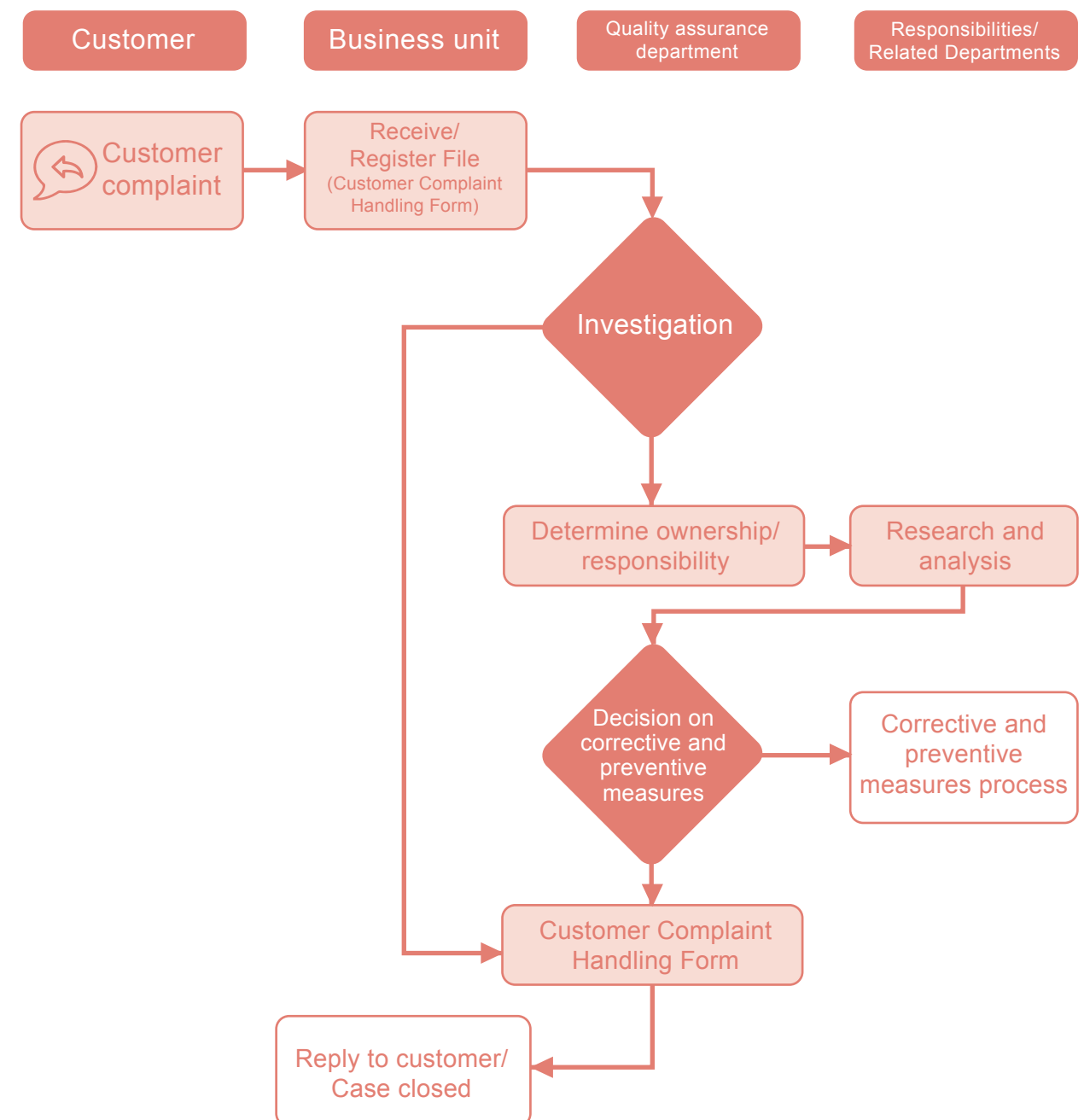
Continuous aluminum foil design



2.5 Customer complaint mechanism

Pegavision believes in placing itself in the customer's shoes and listen carefully to customers' opinions and expectations. To quickly and effectively handle customer feedback, improve our service quality and customer satisfaction, and build lasting trust-based relations, we have a customer service line to listen to customer needs and have an effective communication channel with our customers.

Pegavision has after-sales service operation standards, customer service control procedures, product notice and recall procedures in place in various countries. For products with customer complaints or feedback on abnormal quality, the responsible unit will conduct inspection and analysis and reply to the business unit within a specific timeframe to safeguard customers' rights and interests. In 2021, there were no incidents of product notices or recalls.





ENVIRONMENTAL SOCIAL GOVERNANCE

3 SUSTAINABLE ENVIRONMENT

- 3.1 Environment Health and Safety Policy
- 3.2 Environmental Health and Safety Management Committee
- 3.3 Green operations

Management Policy

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Material Topics

Climate change, energy conservation and carbon emissions reduction, Energy management, waste management, circular economy

GRI Guidelines

305 Greenhouse Gas Emissions, 302 Energy, 306 Waste,

*Pegavision-specific issues

Policy ||

1. Comply with the law and prevent disasters.
2. Conserve energy, reduce carbon emissions, prevent pollution.
3. Every employee contributes to continuous improvement.
4. Corporate responsibility and sustainable business.
5. Eliminate hazards and reduce risks.
6. Safety and health, consultation and participation.

Pledge ||

1. We abide by the government's requirements regarding environmental protection and energy conservation, monitor laws and regulations.
2. We develop energy conservation, implement energy management, and respond to the risks of climate change.
3. We improve employees' energy knowledge and create a low-carbon, high-quality environment.

Goals and targets ||

1. Carry out PDCA improvement activities in accordance with the considerations identified by the company's environmental management system.
2. Promote industrial waste reduction and resource conservation to achieve effective use of resources.

Responsibilities ||

1. External responsibilities: The sustainable development roadmap of listed and OTC-traded companies, Waste Disposal Act, Water Pollution Control Act, Air Pollution Control Act, Toxic Chemical Substances Control Act, Soil and Groundwater Pollution Remediation Act, etc.
2. Internal system: environmental impact, health and safety hazard assessment, monitoring of laws and regulations, emergency response and readiness management, supervision and measurement management, etc.

Resources ||

1. We have adopted the ISO 14001 environmental management system, and projects for energy conservation, carbon emissions reduction, process water conservation, and liquid wastewater content reduction.
2. Implement a greenhouse gas inventory project to understand corporate carbon emissions.

Grievance mechanism ||

Environmental Health and Safety Department : ehscareyou@pegavision.com

2021 Plan

· Respond to the risks of climate change: Implemented ISO 14064: 2018 Greenhouse Gas Internal Inventory to understand the current situation.

· Ratio of electricity savings versus electricity consumption: 1% lower than the previous year.

· We reduced the discharge of pollutants and waste, and properly disposed of waste.
 (1) Recycling rate: 90%
 (2) Compliance rate with industrial waste disposal regulations: 100%.
 (3) Compliance assessment of waste disposal companies: 1 time/year.
 (4) Pass rate of the annual inspections of hazardous industrial waste: 100%.

· Monitor the raw material usage, recycling and management processes in the production process:
 (1) Tray recycling: 16% drop in attrition rate.
 (2) AOI inspection yield: The initial AOI yield of wet contact lenses to increase by 2.5%.
 (3) Packaging reduction:
 PP material reduction: 13%.
 Preservation solution reduction: 35%.

2021 Performance

· Greenhouse gas inventory: greenhouse gas inventories were conducted in 2019 and 2020.

· The proportion of electricity consumption and production: decreased by 11.5% compared with the previous year.

· We reduced the discharge of pollutants and waste, and properly disposed of waste.
 (1) Recycling rate: 89%.
 (2) Compliance rate of business waste disposal regulations: 100%.
 (3) Compliance assessment of waste disposal companies: 1 time/year.
 (4) Pass rate of the annual inspections of hazardous industrial waste: 100%.

· Monitor the raw material usage, recycling and management processes in the production process:
 (1) Tray recycling: Waste rate decreased by 16% (under partial implementation).
 (2) AOI inspection yield: The initial AOI inspection yield of wet contact lenses increased by 2.5% (under development and review)
 (3) Packaging reduction:
 PP material reduction: 10%.
 Preservation solution reduction: 30%.

3.1 Environment Health and Safety Policy

Pegavision pledges to abide by and continue to pursue excellence in environmental protection, health and safety (EHS). Our environmental management system and occupational health and safety management system aim to reduce waste and raw material pollution from our operations. Since the adoption of the ISO 14001 environmental management system in 2016, our company has been using the system for 5 years. To ensure the efficacy of our environmental management system, we conduct internal audits and commission a third-party verification agency to conduct verifications at our company premises. Pegavision has no record of fines for violating any environmental laws in 2021.

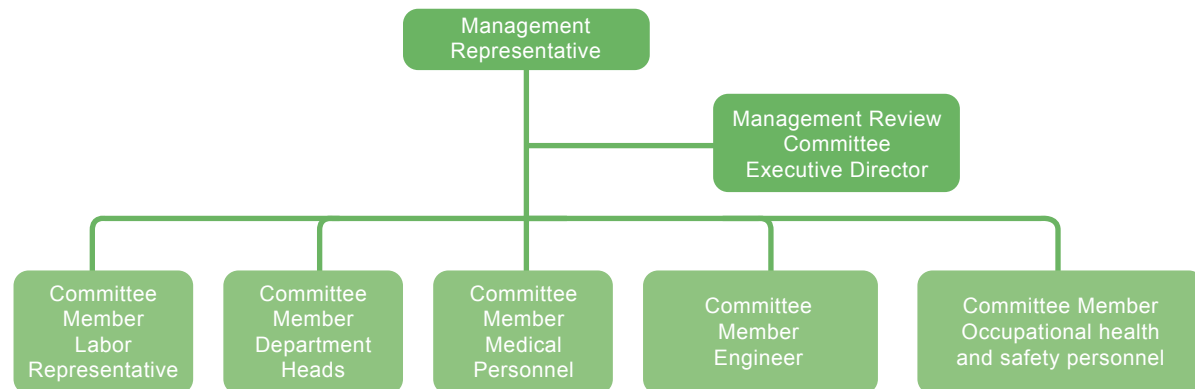
We have integrated our environmental management system with our health and safety system in line with international trends and formulated our environment, health and safety policy as follows:

- ✓ Comply with the law and prevent disasters.
- ✓ Save energy, reduce carbon emissions, prevent pollution.
- ✓ Every employee contributes to continuous improvement.
- ✓ Corporate responsibility and sustainable business.
- ✓ Eliminate hazards and reduce risks
- ✓ Safety and health, consultation and participation.



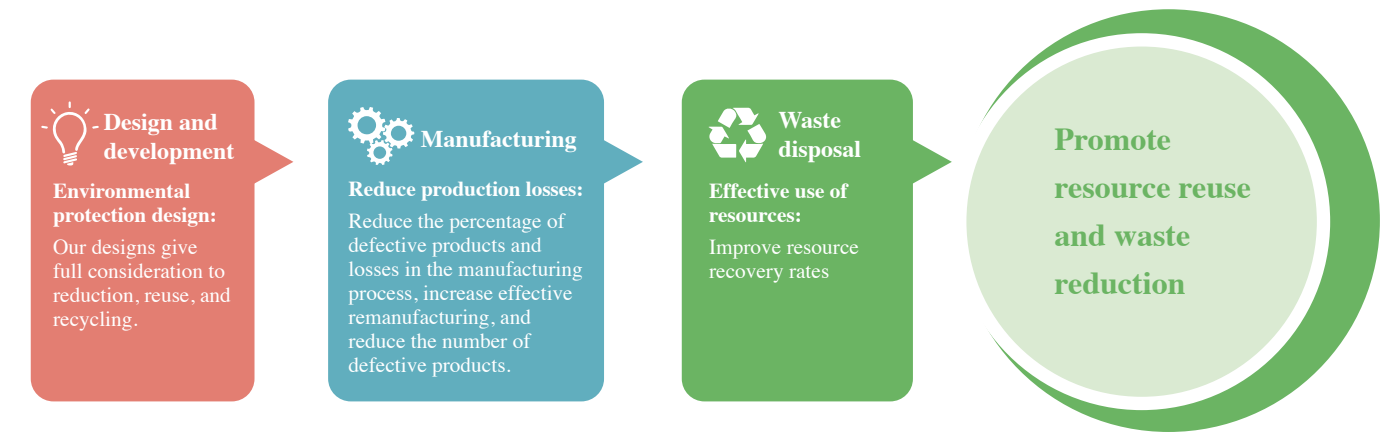
3.2 Environmental Health and Safety Management Committee

Pegavision’s Environmental Safety and Health Management Manual describes the environmental management system and occupational safety management system. We also have an Environment, Health and Safety Management Review Committee (the “Committee”), consisting of seven members in accordance with the law, with the General Manager serving as the Management Representative. The Committee’s executive director is appointed by the Management Representative. The committee members consist of occupational health and safety personnel, department supervisors, engineering and technical personnel related to occupational health and safety, and medical personnel engaged in occupational health services. Among these, the number of employee representatives selected by the departments account for more than one-third of all members. An environment, health and safety committee meeting is held every quarter to help prevent accidental disasters and establish a good working environment. The Energy Committee holds monthly supervisory meetings to supervise the application of technologies to help strengthen the environmental management system, and implement the company's environment, health and safety policies through PDCA management. The structure of the Environmental Health and Safety Committee is as follows:



3.3 Green operations

Pegavision is committed to its responsibility for the environment, implements sustainable management throughout its product life cycles, applies the circular economy concept to increase its competitiveness and enhance its long-term profitability, and takes concrete steps to make good on its commitment to protect the Earth.



3.3.1 Impact management in Pegavision’s value chain 306-1

Pegavision's main product is contact lenses. To understand its impacts on the environment in the value chain, our Company evaluates its processes from raw material procurement to product design, manufacturing, packaging, recycling and waste, treating waste as a resource to reduce the impact of its operations on the environment.

Upstream value chain (inputs)		Own business activities (recycling, reuse)		Downstream value chain (outputs)	
Raw material weight	Unit: tons	Process water savings	Unit: million liter	Product outputs	Unit: 1,000 boxes
PP plastics	2,788.8	Pure water recovery system	28.47	Contact lenses	50,261
Aluminum foil	198.8			Greenhouse gas emissions	Unit: MT CO2/year
Other chemicals	279.2			Total	55,059.316
Paper box	318.9	Resource recycling	Performance	Waste weight	Unit: tons
Carton	414.2	Tray recycling and reuse	Attrition rate reduction: 16% (under partial implementation).	Hazardous industrial waste	28.04
Labels	20.9	Improve the AOI detection capability of wet contact lensess	Wet contact lenses AOI initial inspection yield improvement:2.5%(under development and review)	General industrial waste	254.919
Manual	101.6	PP material reduction	Reduction: 10%	Resource recycling waste	2,314.042
Tray	103.9	Preservation solution reduction	Reduction: 30%	Total weight of waste	2,597.001
Other	196.7			Waste water disposal	Unit: million liter
Energy usage	Unit: kWh			Wastewater volume	59.333
Purchased electricity	78,115,097			Effluent moisture content	Unit: %
Water consumption	Unit: million liter			IPA effluent moisture content	43.30%
Tap water consumption	323.4				

Pegavision's proactive responses to the upstream value chain (inputs)

(1) Procurement of raw materials

The materials used by Pegavision are mainly virgin materials, including HEMA, materials, aluminum foil and packaging materials. The remaining raw materials must come with an inspection report when entering our warehouse. The qualified and accepted materials are properly stored to ensure consumer safety. The pass rate of internal and external audits in 2021 was 100%. We also review our manufacturing, packaging, warehousing, inspections, etc. at suppliers' sites to ensure consumer quality. In 2021, the R&D unit recycled waste into production consumables, and implemented resource reuse and the circular economy. It plans to recycle and reuse more than 200,000 Kg of waste in 2022.

(2) Energy usage 302-1

In its environmental policy, Pegavision has committed to saving energy and reducing waste, formulating energy conservation improvement plans, using energy reasonably and effectively, and carrying out reduction activities. Therefore, the Company implements environmental sustainability projects to reduce its carbon emissions. Through the standard requirements in its management system, the Company also formulates energy conservation and carbon reduction plans and regularly checks the implementation results to gradually improve its energy efficiency. Our endless energy consumption in daily life makes the world warm up. To strengthen energy measuring and management, the Environmental Safety Department monitors various energy consumption and performance indicators, which are reported to supervisors in review meetings. The PDCA management system helps formulate and implement projects, and provides references for formulating energy saving goals for the future. The energy consumption categories in 2021 included purchased electricity and, to a much lesser extent. With regard to purchased electricity, the total electricity consumption of the Guishan Plant and the Daxi Plant was 78,115,097 kWh, an increase of 47.2% over 2020, mainly due to manufacturing. As revenue increased by 40.6% %, the electricity consumption per unit of production was 11.5% lower than in 2020. During its construction, the Daxi Plant was fitted with solar panels to use renewable energy and reduce purchased electricity.

Category	Unit	2019		2020		2021	
		Guishan Plant	Daxi Plant	Guishan Plant	Daxi Plant	Guishan Plant	Daxi Plant
Electricity	kWh	42,972,572	2,993,400	49,820,107	3,257,400	74,437,697	3,677,400
Electricity Gigajoule	GJ	154,701.26	10,776.24	179,352.39	11,726.64	267,975.71	13,238.64
Diesel Gigajoule	GJ	2.2	2.2	4.1	1.5	16.7	0.7
Total consumption	GJ	154,703.46	10,778.44	179,356.49	11,728.14	267,992.44	13,239.35

Remarks:
 1. 1kWh = 0.0036 GJ
 2. 1 L diesel = 8400 kcal (Unit Calorific Value Table of Energy Products from the Energy Bureau, Ministry of Economic Affairs)
 3. 1 kcal=0.000004 GJ

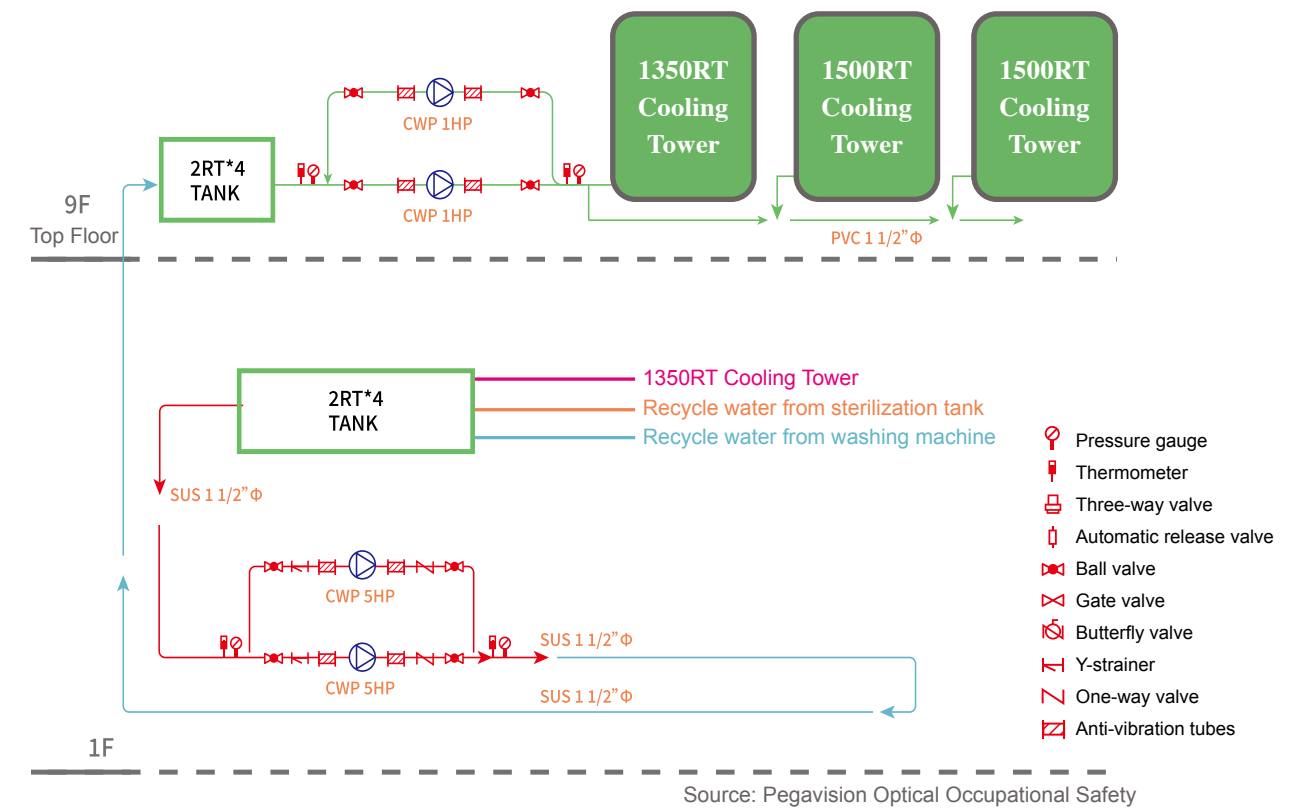
(3) Water management

Pegavision's contact lens manufacturing requires a lot of water. The Guishan and Daxi Plants both draw their water from the Dahanxi Shimen Reservoir. Currently, the water source is all tap water. Based on the concepts of "reduce, recycle, reuse", we have taken water conservation measures to improve our water utilization efficiency. Tap water used in 2021 was 323.4 million liters. In response to drought and rainfall caused by climate change, phased water restrictions apply in the Taoyuan area. In accordance with the resolution of the Environment Health and Safety Committee, the company will use more waterwheels when the water supply is suspended for more than 8 hours.

Pegavision's proactive responses in its operations (recycling, reuse)

(1) Construction of pure water recovery system

To make the overall process more environmentally friendly, Pegavision Guishan Plant has built a pure water recovery system since 2018, using the process of wastewater discharged from recovery boiler and tray dish washer side by side to the cooling water tower for secondary use. In 2021, the recycling volume of the whole plant will be 28.47 million liters. Pegavision built a rainwater collection system at the Daxi Plant during its construction, and will install a process water recovery system at the Guishan Plant in 2022, to increase the plant's water recovery rate by 7%.



(2) Resource recycling and reuse

Item	Environmentally friendly design	Approaches	Performance
1	Tray recycling	Change the design and manufacturing method of trays, prolong the service life of Trays, improve resource use efficiency.	<ul style="list-style-type: none"> Target: Reduce attrition rate by 16%. Actual drop: 16% (under partial implementation).
2	Improve the AOI detection capability for wet contact lenses inspection	By improving the initial yield of wet contact lenses automated inspection, the process yield is improved, and waste and raw material waste are reduced.	<ul style="list-style-type: none"> Target: Wet contact lenses initial AOI inspection yield to increase by 2.5%. Actual increase: 2.5% (under development and review).
3	Packaging reduction	We have developed thinner and lighter paper boxes and polypropylene (PP) cups to help protect the environment.	<ul style="list-style-type: none"> PP material reduction: target 13%. Actual reduction: 10% Preservation solution reduction: target 35%. Actual reduction: 30% The original target was 100% implementation by all customers and 100% compliance for new products. But because old customers were unwilling to convert, the packaging reduction measures were applied to only 93.5% of production volume.

Pegavision’s proactive responses to the downstream value chain (outputs)

(1) Greenhouse gas emissions 305-1 305-2 305-3

The goal of keeping the global temperature rise within 1.5 degrees Celsius in this century was the main agreement of 26th Session of the Conference of the Parties (COP26) to the United Nations Framework Convention on Climate Change (UNFCCC). Amid ESG trends, "Net Zero" has become the target that public and private sectors around the world pursue.

In response to climate change and the reduction of greenhouse gas emissions, Pegavision has included carbon reduction in its medium and long-term planning, and conducted an ISO 14064-1:2018 standard Greenhouse Gas (GHG) inventory in 2021. As per government regulations, this inventory information is to be disclosed every two years. 2019 has been set as the inventory base year. The organizational boundary of the GHG inventory was set by means of operational control/authority, i.e. our facilities’ GHG emissions and/or reductions that we manage and control 100%. The types of greenhouse gases to be checked are based on the greenhouse gas list in the latest assessment report (AR5) of the Intergovernmental Panel of Experts on Climate Change (IPCC). This list includes carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), nitrogen trifluoride (NF3), sulfur hexafluoride (SF6) and other appropriate groups of greenhouse gases, such as hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs). To ensure the completeness of its inventory, our Company has fully inspected its Scope 1 emissions, and included, as far as possible, Scope 2 and Scope 3 as significant indirect greenhouse gas emission sources. Emission sources significantly lower than 0.5% of total emissions or with an accumulation below the substantial threshold (5% of total emissions) were excluded. According to the inventory, Pegavision’s main source of emissions is its purchased electricity, and the remainders stems from indirect greenhouse gas emissions from using products (purchased electricity, raw materials, etc.). Therefore, our greenhouse gas reduction policy focuses on improving energy efficiency, including installing more energy-saving equipment.

(2) Waste Management 306-2

Pegavision separately manages and controls industrial waste according to its characteristics, and prioritizes recycling. Currently, resource recycling companies sort waste from our offices and plants, and in the plants’ recyclable and non-recyclable trash bins are available for our employees. The production lines use fewer raw materials at source, which reduces waste throughout the process. Some waste types are treated by incineration. In the future, we will continue to work hard to reduce the incineration ratio and reduce pollution.

The Environment, Health and Safety Department audits the waste disposal company based on their contract and the law. The auditing method consists of on-site inspections and questionnaires. Hazardous industrial waste processing companies are audited at least once a year.

If the on-site audit finds that the audited company has illegal operations, we may terminate the contract relationship. All companies that handle our waste removal must have a registration or license as a waste disposal company, with valid operating permits stating the permitted services. Our waste disposal is in full compliance with the law, and no waste leakage incidents have occurred in 2021.

Unit: MT CO2e/year

Scopes	Description	2019		2020		2021	
		Guishan Plant	Daxi Plant	Guishan Plant	Daxi Plant	Guishan Plant	Daxi Plant
Scope 1: Direct greenhouse gas emissions	Greenhouse gases owned or controlled by the organization within the organization's boundaries	165.6296	32.7802	165.535	42.0225	165.3641	63.6126
Indirect greenhouse gas emissions	Scope 2: Input energy greenhouse gas emissions	21,900.252	1,523.6406	24,977.028	1,635.21	37,367.7239	1,846.0548
	Greenhouse gas emissions from transportation	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
	Greenhouse gas emissions from products used by the organization	7,238.14	276.29	9,685.2646	300.658	15,261.8637	354.6968
	Scope 3: Other indirect greenhouse gas emissions	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
	Greenhouse gas emissions associated with the organization's product use	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
	Greenhouse gas emissions from other sources	Not significant	Not significant	Not significant	Not significant	Not significant	Not significant
Total		29,304.021	1,832.7116	34,827.827	1,977.895	52,794.952	2,264.364

Remarks:

1. The emission coefficient is based on the original coefficient announced by the United Nations Intergovernmental Panel on Climate Change (IPCC) in 2006. The quantitative formula is as follows:

Greenhouse gas CO2e = usage × emission factor × IPCC 2021 global warming potential factor (GWP)

CO2 emission coefficient = IPCC CO2 emission coefficient × unit conversion value × calorific value announced by Taiwan’s Bureau of Energy, MOEA

CH4 emission coefficient = IPCC CH4 emission coefficient × unit conversion value × calorific value announced by Taiwan’s Bureau of Energy, MOEA

N2O emission coefficient = IPCC N2O emission coefficient × unit conversion value × calorific value announced by Taiwan’s Bureau of Energy, MOEA

Unit conversion value of electricity carbon emission = 4,186.8 × 10⁻⁹ × 10⁻³ Kg /Kcal

2. Other coefficient calculation methods:

- (1) Based on the “Greenhouse Gas Emission Factor Management Table (Version 6.0.4)” on the National Greenhouse Gas Registration Platform of the Environmental Protection Agency, Executive Yuan
- (2) Based on the power carbon emission coefficient announced by the Energy Administration in 2020: 0.502 0.502 tCO2e/kwh
- (3) Based on the Carbon Footprint Database on the Product Carbon Footprint Information Website of the Environmental Protection Administration, Executive Yuan
- (4) Retrieved from coefficient database – Ecoinvent

3. Total greenhouse gas emissions per year:

- (1) Total emissions of various greenhouse gases in 2019 were 31,136.737 metric tons CO2e, excluding CO2 directly emitted by biomass fuels. Carbon dioxide emissions from biomass combustion were 0 metric tons.
- (2) Total emissions of various greenhouse gases in 2020 was 36,805.723 metric tons CO2e, excluding CO2 directly emitted by biomass fuels. Carbon dioxide emissions from biomass combustion was 0 metric tons.
- (3) Total emission of various greenhouse gases in 2021 were 55,059.316 metric tons CO2e, excluding CO2 directly emitted by biomass fuels. Carbon dioxide emissions from biomass combustion was 0 metric tons.

4. This data is checked by SGS Taiwan.

(3) Generation of waste 306-3

Item	Type	Processing method		Unit	2019	2020	2021
					Guishan Plant and Daxi Plant	Guishan Plant and Daxi Plant	Guishan Plant and Daxi Plant
General waste	Domestic waste	Non-reuse	Incineration	Ton	166.085	175.630	223.963
Business waste	Polypropylene (PP) scraps	Reuse	Besides direct reuse, there is also reuse after washing	Ton	817.008	1,173.411	2,167.870
	Paper				47.230	73.920	121.530
Iron	3.490				0.852	6.660	
Recyclable waste	Plastic rubber				4.197	8.890	10.700
Fluorescent lamps	0.101				0.073	0.020	
PET bottles/aluminum cans	7.696				8.630	7.262	
Hazardous industrial waste	IPA	Reuse	Besides direct reuse, there is also reuse after washing	Ton	5.220	14.983	7.890
	General liquid waste	Non-reuse	Incineration	Ton	28.552	19.926	20.150
General industrial waste	Waste ink	Non-reuse	Incineration	Ton	23.298	21.792	30.956
Resource recovery rate				Ton	884.942	1,280.759	2,321.932
Total weight of waste				Ton	1,102.877	1,498.107	2,597.001
Recycling rate				%	80%	85%	89%

Source: Pegavision Optical Occupational Safety

Remarks:

1. Resource recovery rate: total of recyclable waste/general waste, industrial waste and recyclable waste
2. The recycling rate was 89%, an increase of 4% over the previous year. In future, process will be further improved, the yield rates will be increased, and unnecessary cut-offs will be reduced.

(4) Wastewater management

Pegavision's Guishan and Daxi Plants are located in industrial areas, which is not an ecological protection area. Domestic water pollution prevention and control laws and regulations are increasingly stringent. Our company only commissions inspection and measurement institutions approved by the central competent authority to conduct measuring, sampling, testing and supervision of various pollution prevention projects twice a year to reduce effluent and Impact on the environment.

Effluent from the Guishan Plant is discharged into the sewage sewer system of Guishan Industrial Park, which ultimately flows into the Nankan River. The plant's effluent from production processes first passes through the wastewater treatment plant (mixing tank→aeration tank→temporary storage tank→sand filter tank→activated carbon tank. The pre-treatment standard in the plant follows the water quality standard of the Guishan Industrial Park's service center (as shown in the table below)). The pre-treatment standard of the COD factory is 350 ppm. The Guishan Plant uses third-party water for 59.3 million liters; The Daxi Plant currently has no manufacturing process and has a qualified discharge of domestic sewage, and the outcomes have been in compliance with the law. In 2021, the company did not violate the Water Pollution Prevention and Control Act.

Guishan Industrial Park Service Center Effluent quality standard		Guishan Plant Water Quality Test							
		2018		2019		2020		2021	
Year		H1	H2	H1	H2	H1	H2	H1	H2
PH	5 ~ 9	7.1	6.3	6.6	6.6	6.9	7.7	6.8	7.5
Water temperature (°C)	38	28.3	23.1	23.6	20.9	25.2	24.8	26.6	18.6
SS (mg/L)	200	33.5	24.5	20	22.5	18.9	30.8	24.8	48.0
COD (mg/L)	480	268	120	197	105	202	196	268	242
BOD (mg/L)	320	109	30	28.7	29.5	50.8	27.1	139	27.4
True color	-	41	<25	<25	<25	<25	33	29	27
Ammonia Nitrogen *Note	-	-	-	-	2.78	1.98	2.42	2.50	0.14
Free Available Residual Chlorine *Note	-	-	-	-	ND	0.05	ND	ND	0.18

*Notes: Ammonia nitrogen and free available residual chlorine are added in conjunction with additional testing in accordance with the law.

(5) IPA waste liquid reduction

To comply with environmental protection and emission reduction, Pegavision strictly controls its waste liquids and effluents to reduce back-end IPA waste liquids (outsourced cleaning and transportation), so the original IPA (washing water) is used as a quantitative pump to pretreat and discharge wastewater. The moisture content of IPA effluent in 2021 was 43.30%. We conducted on-site audits of IPA processing manufacturers, and all audit items met the requirements of environmental protection regulations.

ENVIRONMENTAL SOCIAL GOVERNANCE

4 CARING FOR EMPLOYEES

- 4.1 Human Resources Structure
- 4.2 Talent recruitment and retention
- 4.3 Human rights commitments
- 4.4 Employee compensation and benefits
- 4.5 Promoting labor-management harmony

Management Policy

103-1 103-2 103-3

Material Topics

Recruitment and retention of talents, employee compensation and benefits, human rights

GRI Guidelines

401 Employment, 402 Labor Management Relations, 405 Diversity and Equal Opportunity, 410 Security Practices, 412 Human Rights Assessment

Policy ||

1. Provide equal job opportunities.
2. Give respectful treatment.
3. Comply with laws and regulations.
4. Offer work autonomy.
5. Freedom of assembly.

Pledge ||

1. We provide a working environment where people of all genders and physical and mental abilities are equal and free from discrimination and harassment.
2. We comply with labor law to protect employees' rights and interests. Our human resources policy respects labor human rights protection.
3. We have an effective career development training program.
4. We have various communication channels for employees.
5. We offer our employees information on labor law in the country where they work.

Goals and targets ||

1. We comply with labor laws and regulations.
2. We hold regular labor-management meetings to collect employee opinions.
3. We offer education and training to make the organization maximally effective.
4. We provide our employees with a comprehensive welfare system.

Responsibilities ||

1. External responsibilities: Labor Standards Act, Labor Inspection Act, Occupational Safety Act.
2. Internal system: Measures and mechanisms for employee performance appraisals, sexual harassment prevention, grievances and penalties, employee promotion management, anti-discrimination action, employee rewards and penalties, and an employee welfare committee.

Resources ||

1. Staff training budget: TWD 28,412,758.
2. Government related employment subsidy: Youth Secure Salary Job Yeah TWD 70,000.

Grievance mechanism ||

Employee suggestion mailbox:
honestbox@pegavision.com

2021 Plan

· We maintained stable employee employment and retain qualified personnel. Resignation rate: Below 3%.

· Organize human rights training courses.

· Increase the ratio of female supervisors and build a diverse team. Maintain the percentage of female supervisors: 25%.

· Employ people with disabilities in line with laws and regulations.

· We hold labor-management meetings in accordance with the law to promote harmony between labor and management.

· We offer appropriate complaint channels and handling systems. Employee grievance processing time limit: 3 days; response rate: 100%

2021 Performance

· Resignation rate: 1.5%

· Number of trained employees: 1,815; completion rate: 100%
· Number of participants: 10; completion rate: 100%

· Percentage of female supervisors: 28%.

· Employees with disabilities: 26 in total, accounting for 1.4% of employees, above the statutory hiring standard.

· Number of labor-management meetings: 4.
· Attendance rate: more than half of both parties

· Complaints in 2021: 3.
· Time limit for handling employee complaints: 3 days; response rate: 100%.

4.1 Human Resources Structure

102-8

Employees are an important asset of the company. Pegavision has human resources operations in place, with comprehensive and standardized procedures. We attract high-tech professionals by providing a healthy and friendly workplace, as well as a comprehensive welfare system and education and training, to provide customers with high-quality products and win their trust.

4.1.1 The distribution of employees by gender and type of employment

As of December 31, 2021, the number of employees of Pegavision stood at 1,815. The company only has full-time employees; there are no part-time employees. Female employees account for 57.6%. There has been no major change or seasonal difference over the past two years.

Employment category	2017		2018		2019		2020		2021		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Number of employees	Direct	246	478	332	642	285	538	387	648	552	861
	Indirect	199	227	229	255	239	290	237	302	218	184
Taiwanese employees	Direct	246	209	332	242	285	184	387	254	552	446
	Indirect	198	227	228	255	238	290	237	302	218	184
Foreign employees	Direct	0	269	0	400	0	354	0	394	0	415
	Indirect	1	0	1	0	1	0	0	0	0	0
Subtotal		445	705	561	897	524	828	624	950	770	1,045
Total		1,150		1,458		1,352		1,574		1,815	

Remarks:

Direct personnel: in manufacturing.

Indirect personnel: other than manufacturing.

Employees onboarded less than 3 months ago are excluded.

4.1.2 Distribution of employees by gender and employment contract type

Employment category	2017		2018		2019		2020		2021		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Number of employees	Fixed-term	12	8	9	8	6	7	2	3	6	0
	Permanent	433	705	552	889	518	821	622	947	764	1,045
Taiwanese employees	Fixed-term	12	8	9	8	6	7	2	3	6	0
	Permanent	432	428	551	489	517	467	622	553	764	630
Foreign employees	Fixed-term	0	0	0	0	0	0	0	0	0	0
	Permanent	1	269	1	400	1	354	0	394	0	415
Subtotal		445	705	561	897	524	828	624	950	770	1,045
Total		1,150		1,458		1,352		1,574		1,815	

Remarks:

Employees onboarded less than 3 months ago are excluded.

Fixed-term employees: interns.

4.2 Talent recruitment and retention

Pegavision's employment policies follow labor law to protect employees' rights and interests without discrimination, improve the company's business management system, and encourage management and employees to work together to achieve high-quality human resources management and career development. Employment is based on the principle of open selection, through various tests and interviews, and only after passing the review, can candidates be hired in accordance with the regulations. The company as an employer does not discriminate based on ethnicity, class, language, ideology, religion, party affiliation, place of origin, gender, facial features, disability, or union membership. In daily operations, Pegavision manages and controls its manpower structure, analyzes and improves staff mobility, strives to balance the distribution of the manpower structure, and strengthens employee care and profit improvement. In the era of staff shortages amid the Covid epidemic and the wave of quiet quitting, the average monthly staff turnover rate in 2021 was 1.5% thanks to diversified education and training provided by Pegavision and high employee loyalty.

Remarks:

Calculation formula of the staff turnover rate: number of turnovers per month / (number of current staff at the beginning of the month + the number of new staff each month), the average annual total; calculated based on the actual turnover number, deducting those who have been employed for less than 3 months.

4.2.1 Multi-modal education and training

Our company offers diversified training courses and on-the-job training, including on-boarding, on-the-job training programs, labor safety and health training, specialized courses and various external courses, to enhance the professional competence and core competitiveness of our employees. Our company also sets great store with the balanced development of employees' physical and mental aspects and career potential. We therefore offer courses to increase employees' "soft power", developing both professional skills and personal characteristics in order to develop everyone's underwater iceberg of potential.

Onboarding:

To help new employees settle in as quickly as possible, we offer pre-employment training according to their job category.

On-the-job training:

Each department offers education and training according to its actual needs, or sends team members to training courses organized by consulting companies, training institutions, governmental, industrial or commercial organizations to raise employees' functional skill sets.

Average training hours per employee, according to gender/category

Year	Item	Gender	Rank			Total
			General staff	Mid-level supervisor	Senior supervisor	
2017	Number of people	Male	384	44	17	445
		Female	689	14	2	705
	Total hours	Male	9493	996	280	10769
		Female	12985	370	23	13378
	Average hours	Male	24.7	22.6	16.5	24.2
		Female	18.8	26.4	11.5	19.0
2018	Number of people	Male	501	43	17	561
		Female	875	20	2	897
	Total hours	Male	16543	5125	1639	23307
		Female	20445	1047	63	21554
	Average hours	Male	33.0	119.2	96.4	41.5
		Female	23.4	52.3	31.3	24.0
2019	Number of people	Male	461	43	20	524
		Female	807	19	2	828
	Total hours	Male	11959	1077	350	13385
		Female	13312	636	29	13976
	Average hours	Male	25.9	25.0	17.5	25.5
		Female	16.5	33.4	14.5	16.9
2020	Number of people	Male	566	39	19	624
		Female	931	17	2	950
	Total hours	Male	15809	875	402	17085
		Female	17416	401	47	17863
	Average hours	Male	27.9	22.4	21.1	27.4
		Female	18.7	23.6	23.5	18.8
2021	Number of people	Male	703	47	20	770
		Female	1019	22	4	1045
	Total hours	Male	21057.0	425.0	188.0	21670.0
		Female	34515.5	125.5	21.5	34662.5
	Average hours	Male	30.0	9.0	9.4	28.1
		Female	33.9	5.7	5.4	33.2

In 2021, the total number of employee training hours was 56,332.5 hours, the total number of trained staff members was 1,815, and the average number of training hours per person was 31.04 hours. The annual training expenditure was TWD 3,087,352, and the average training cost per person was TWD 1,696.

4.2.2 The total number and proportion of new employees and departing employees by age and gender

401-1

Year	2020				2021				2021* (excluding people transferred within the Group)			
	Number of new employees joining		Number of employees leaving		Number of new employees joining		Number of employees leaving		Number of new employees joining		Number of employees leaving	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
30 years and younger	110	161	48	80	145	228	74	170	145	228	62	103
Proportion	22%	33%	18%	30%	20%	31%	15%	34%	20%	31%	18%	31%
31-50 years old (inclusive)	116	101	76	61	171	190	94	154	171	190	74	96
Proportion	24%	21%	28%	23%	23%	26%	19%	31%	23%	26%	22%	28%
51 years and older (inclusive)	0	2	2	1	2	1	2	2	2	1	0	2
Proportion	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	1%
Subtotal by gender	226	264	126	142	318	419	170	326	318	419	136	201
Proportion	46%	54%	47%	53%	43%	57%	34%	66%	43%	57%	40%	60%
Total	490		268		737		496		737		337	
Proportion	31%		17%		41%		27%		41%		19%	

Remarks:

Age range of New employee proportion: Number of male/female new employees in the year's age range/The annual number of new employees in the age range.

Age range of Leaving rate: The Number of male/female departures in an age range in a year / Number of departures in this age range in the year.

Total proportion of new employees in an age range: Number of new employees in an age range in a year / Number of employees at the end of the year.

Total departure rate in an age range: Number of resignations in the age range of the year/Number of employees in the company at the end of the year.

*The Group was reorganized in 2021. The total number of departing employees here does not include people transferred within the Group.

4.2.3 Distribution of employees by gender and age

405-1

Pegavision hopes that all employees, regardless their origin, can contribute their talents in a fair and just environment. Our company promotes gender equality in the workplace, especially supporting female employees, and provides nursing rooms so that female employees with children can still contribute to the company after giving birth. Thus, our company has increased the proportion of female supervisors from 21% in 2017 to 28% in 2021, building a more diverse team.

Year	Statistics item	Senior supervisor		Mid-level supervisor		General staff		Total
		Male	Female	Male	Female	Male	Female	
2017	Total	17	2	44	14	384	689	1,150
	30 years and younger	0	0	0	0	170	426	596
	Proportion	0%	0%	0%	0%	44%	62%	52%
	31-50 years old (inclusive)	14	2	44	14	211	258	543
	Proportion	82%	100%	100%	100%	55%	37%	47%
	51 years and older (inclusive)	3	0	0	0	3	5	11
	Proportion	18%	0%	0%	0%	1%	1%	1%
2018	Total	17	2	43	20	501	875	1,458
	30 years and younger	0	0	1	2	223	542	768
	Proportion	0%	0%	2%	10%	45%	62%	52.7%
	31-50 years old (inclusive)	12	2	42	18	276	329	679
	Proportion	71%	100%	98%	90%	55%	38%	46.6%
	51 years and older (inclusive)	5	0	0	0	2	4	11
	Proportion	29%	0%	0%	0%	0%	0%	0.8%
2019	Total	20	2	43	19	461	807	1,352
	30 years and younger	0	0	0	1	184	474	659
	Proportion	0%	0%	0%	5%	40%	59%	49%
	31-50 years old (inclusive)	13	2	43	18	275	329	680
	Proportion	65%	100%	100%	95%	60%	41%	50%
	51 years and older (inclusive)	7	0	0	0	2	4	13
	Proportion	35%	0%	0%	0%	0%	0%	1%
2020	Total	19	2	39	17	566	931	1,574
	30 years and younger	0	0	0	1	230	521	752
	Proportion	0%	0%	0%	6%	41%	56%	47.8%
	31-50 years old (inclusive)	12	2	39	16	335	406	810
	Proportion	63%	100%	100%	94%	59%	44%	51.5%
	51 years and older (inclusive)	7	0	0	0	1	4	12
	Proportion	37%	0%	0%	0%	0%	0%	0.8%
2021	Total	20	4	47	22	703	1019	1,815
	30 years and younger	0	0	0	0	261	511	772
	Proportion	0%	0%	0%	0%	37%	50%	43%
	31-50 years old (inclusive)	13	4	47	22	440	502	1028
	Proportion	65%	100%	100%	100%	63%	49%	57%
	51 years and older (inclusive)	7	0	0	0	2	6	15
	Proportion	35%	0%	0%	0%	0%	1%	1%

Remarks:
 Senior supervisors: department heads above the manager level.
 Mid-level supervisor: department heads below the manager level.
 General employees: non-supervisors.
 Employees that joined less than three months ago have been excluded.

4.2.4 Employees with disabilities

According to Article 38, Item 2 of the People with Disabilities Rights Protection Act: “Any given private school, association, or private business agency/organization/institution whose Number of employees is no less than 67 shall employ people with disabilities with capability to work and Number of employees with disabilities shall be no less than 1 percent of Number of the employees, and no less than 1 person.” Pegavision has taken concrete actions to create job opportunities for disadvantaged groups with disabilities. By the end of 2021, our company has 26 employees with disabilities, accounting for 1.4% of employees, which is above and beyond the legal hiring standard.

Category	2017		2018		2019		2020		2021	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Number of employees with disabilities	12	3	14	7	12	5	16	3	16	10
Total	15		21		17		19		26	

Remarks:
 The actual number of employees with disabilities employed in 2021 was 18 people, including 8 extremely or severely disabled persons (5 males and 3 female), which converted, counts as 26 employees with disabilities.

4.3 Human rights commitments

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Pegavision pledges in its human rights policy

We do not discriminate based on ethnicity, class, language, ideology, religion, party, nationality, place of origin, gender, sexual orientation, age, marital status, appearance, facial features, physical and mental disabilities, and union membership.

We treat our employees/workers equally, with respect and humanity.

Above-market compensation, benefits, and good work-life balance.

We do not use forced or involuntary labor or child labor.

We respect employees’ freedom and rights to assemble and associate, and ensure that they are not subject to retaliation, threats or harassment, and they can openly communicate with management regarding working conditions.

4.2.1 Human rights training 410-1 412-2

Pegavision respects and protects employees’ rights to labor. All employees enjoy equal pay for equal work, freedom from sexual harassment, and job security for female employees during pregnancy. Our onboarding training explains human and labor rights as well as the company’s rules related to work, personnel management, compensation and benefits, etc. In 2021, there were no incidents of human rights violations, infringement of the rights of indigenous people, or discrimination. In 2021, 1,815 employees completed the human rights training, making for a completion rate of 100%, and 1,1815 training hours. In addition, the company also requires the security company to organize human rights training. Ten security personnel members have completed this training, making for a completion rate of 100%.

4.4 Employee compensation and benefits

4.4.1 Employee Benefits 401-2

Pegavision sets great store with harmony in labor-management relations. To offer employees a safe and comfortable working environment and stable life, our company offers benefits, which it may also expand from time to time. Our benefits are divided into benefits provided by the company and benefits provided by the Employee Welfare Committee. These benefits and their application rules are communicated to the employees through announcements, company website, and email.

- (1) Benefits provided by the company: group insurance, regular health check-ups, travel allowances, food allowances, uniforms, year-end bonuses, performance bonuses, incentives, and more.
- (2) Benefits provided by the Employee Welfare Committee: year-end dinner party, birthday benefit points, Dragon Boat Festival benefit points, Mid-Autumn Festival benefit points, Labor Day benefit points, employee purchase discounts, company trip or family day, wedding and funeral allowances.

Item	Content	Number of participants/recipients	Investment amount
Company trip	Our hardworking employees may form a group with relatives and friends to arrange their own itinerary as a reward themselves and their loved ones.	1,651 people	TWD 6,604,752
Club activity budgets	We encourage employees to develop hobbies. Approved employee clubs can apply for budget to run their activities (50% subsidy), with a maximum limit of TWD 20,000 per year.	Applicable to all employees	----
Three Major Holidays/Labor Day Gift Vouchers	To enhance employee well-being, we issue PayEasy bonus points during Labor Day, Dragon Boat Festival and Mid-Autumn Festival.	1,559 people	TWD 7,017,600
Wedding and funeral allowances	We offer allowances to employees on the occasion of marriage, childbirth, hospitalization, and funerals (including parents/grandparents); this applies to employees that have joined our company for more than three months.	224 people	TWD 457,000
Employee birthday vouchers	600 PayEasy bonus points are issued on one's birthday.	1,525 people	TWD 885,300
Shopping discounts	To offer our employees preferential rates and privileges at businesses, we have signed agreements with 10 businesses and restaurants.	Applicable to all employees	----
In-house vendors	From Monday to Friday, vendors may open a stall in the company restaurant to offer their wares to our employees during meal times.	Applicable to all employees	----
Year-End Lucky Draw	Amid the global epidemic, we wished to thank our employees for their hard work and contributions in another and safer way than the usual year-end dinner party. We therefore held a lucky draw, and gave everyone two luxury teppanyaki meal vouchers.	1,992 recipients	TWD 4,525,452
		1,169 winners	TWD 8,922,654
Massage Service	In 2021, we again offered at-work massages by visually impaired masseurs, helping our staff relax and creating job opportunities for disadvantaged people.	Applicable to all employees	----

4.4.2 Pension system

Founded in 2009, Pegavision falls under the new labor pension system under the Labor Pension Act of 2003. A monthly employer's contribution of 6% of each employee's salary is stored in a dedicated labor pension account managed by the Bureau of Labor Insurance. Employees may also voluntarily contribute 6% of their monthly salary to the account, which will be deducted from their annual personal taxable income according to law.

The company does not have employees that fall under the old labor pension system.

4.4.3 Parental leave and retention 401-3

To ensure that employees can balance work and family life in a gender equal way as under the Act of Gender Equality in Employment and take good care of female production employees, our company offers childcare leave without pay. This leave can also be taken by men to achieve a balance between work and life.

Chart of parents taking leave

Item	Gender	2017	2018	2019	2020	2021
Number of people eligible for parental leave in a given year	Male	11	32	15	9	18
	Female	21	31	29	19	26
	Total	32	63	44	28	44
Number of applicants for parental leave in a given year	Male	1	4	3	0	4
	Female	12	10	13	18	6
	Total	13	14	16	18	10
Number of employees returning to the company in a given year (A)	Male	0	2	5	1	2
	Female	5	18	7	16	10
	Total	5	20	12	17	12
Number of employees returning to the company in a given year (B)	Male	0	1	2	1	1
	Female	3	16	5	11	7
	Total	3	17	7	12	8
Return rate (B/A)	Male	NA	50%	40%	100%	50%
	Female	60%	89%	71%	69%	70%
Number of persons returned in the previous year (C)	Male	0	0	1	2	1
	Female	8	3	16	5	11
	Total	8	3	17	7	12
Number of employees on parental leave for more than 12 months (D)	Male	0	0	1	1	1
	Female	3	2	13	5	7
	Total	3	2	14	6	8
Retention rate (D/C)	Male	NA	NA	100%	50%	100%
	Female	38%	67%	81%	100%	64%

Remarks:

Returning rate = The total number of employees who actually returned to work after their parental leave (B) / Number of employees returning after parental leave (A) * 100%

Retention rate = Number of employees still with the company 12 months after parental leave (D) / Number of employees returned after parental leave in the previous year (C) * 100%

4.4.4 Compensation and benefits

Pegavision sets salaries based on employees' educational background, professional knowledge and skills, years of working experience and personal performance. The salaries fully comply with the law, including base salary, overtime pay, statutory benefits, etc. Men and women receive equal pay for equal work, regardless of gender, race, religion, political stance, marital status, or trade union membership.

In addition to the base salary, our company provides flexible and variable salary components based on business conditions, including monthly bonuses, quarterly performance bonuses, and employee compensation to foster morale and retain outstanding talent. Salaries are adjusted on the basis of the employee's grade and performance appraisal.

Salary breakdown table of male and female employees in 2021

Year	2018				2019				2020				2021			
	Basic salary		Average salary		Basic salary		Average salary		Basic salary		Average salary		Basic salary		Average salary	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
General staff	1	1	1	1.06	1	0.98	1	1.01	1	0.99	1	0.99	1	0.94	1	1.02
Mid-level supervisor	1	0.98	1	0.98	1	0.94	1	0.95	1	0.98	1	0.98	1	0.94	1	0.95
Senior manager	1	0.89	1	0.93	1	0.91	1	0.89	1	0.95	1	0.95	1	0.99	1	0.94

Remarks:

1. Basic salary = approved salary

2. Average salary = basic salary plus other bonuses

Median salary in 2021

Year/category	Full-time general staff Number of people	Full-time general staff Average salary	Full-time general staff Median salary
2020	1,275	TWD 686,000	TWD 595,000
2021	1,690	TWD 768,00	TWD 649,000
Difference from the previous year	415	TWD 82,000	TWD 54,000

Remarks:

Kindly refer to the "Instructions for Reporting Salary Information of Full-time Employees in Non-Supervisory Positions" and "Related FAQ" compiled and published by the Taiwan Stock Exchange.

4.5 Promoting labor-management harmony

4.5.1 The minimum notification period for business changes 402-1

When our company undergoes major business changes that affect employees' employment rights and labor conditions, we comply with the Labor Standards Act, which stipulates a minimum notification period for terminating labor contracts. Specifically, we proceed in accordance with the following regulations:

- Those who have served in the company between three months and a year will receive at least 10 days' notice.
- Those who have served in the company between one and three years will receive at least 20 days' notice.
- Those who have served in the company between three and one year will receive at least 30 days' notice.

4.5.2 Diversified communication channels

To promote harmony between labor and management, Pegavision has a labor-management committee in accordance with the law, and holds a labor-management meeting once every quarter. We also have multiple communication and complaint channels, which employees may use when they encounter unequal treatment or poor management or leadership from their supervisors. The company will actively follow up on the issue raised to reduce employee dissatisfaction.

Meeting name	Chairman	Frequency of meetings	2021 feedback issues
Labor-management meeting	Head of Management Department	Every season	6
Sexual Harassment Committee	Head of Management Department	As needed	1
Occupational Accident Investigation Committee	Director of Occupational Safety and Health Department	As needed	48
Promotion and Appraisal Committee	Head of Management Department	As needed	0
Grievance Review Committee	Head of Management Department	As needed	3

Pegavision handles issues reported by employees in an atmosphere of respect, equality and open communication, and actively builds good relations between labor and management. Issues reported by employees through these two-way meetings: The Occupational Accident Investigation Committee registered 48 cases, followed by the Labor-Management Meetings with 6 cases, the Complaints and Comments Committee with 3 cases, and the Sexual Harassment Committee with 1 case. After all issues were discussed, the meeting chair responded to the employees and a consensus was reached. Any changes that have a significant impact on employees' rights and interests were decided after sufficient communication between both sides, and the Company conducted follow-up reviews and improvement actions.



ENVIRONMENTAL SOCIAL GOVERNANCE

5 HEALTHY WORKPLACE

- 5.1 Occupational Safety and Health Management System
- 5.2 Hazard Identification, Risk Assessment and Incident Investigation
- 5.3 Occupational Health Service
- 5.4 Workplace Health Promotion Activities
- 5.5 Occupational Safety and Health Worker Training
- 5.6 Maternal Care

Management Policy

103-1 103-2 103-3

Material Topics

Occupational Safety and Health

GRI Guidelines

403 Occupational Safety and Health

Policy ||

1. Compliance with laws and regulations, prevention of accidents.
2. Energy conservation and carbon emissions reduction, pollution prevention.
3. Employee engagement and continuous improvement.
4. Corporate Responsibility, Sustainable Operation.
5. Eliminate hazards and reduce risks.
6. Safety and health, consultation and participation.

Pledge ||

1. Our Occupational Safety and Health Committee, established in accordance with the law, meets every three months.
2. We build a good workplace and follow our company's occupational safety and health policies.
3. We provide comprehensive occupational safety and health training in line with the needs of our operations.
4. We have a fire safety plan to enable good responses to incidents.

Goals and targets ||

1. Regularly convene the Occupational Safety and Health Committee.
2. Implement the Ministry of Labor's plan for the prevention of and protection against the four major occupational safety and health hazards.
3. Organize occupational safety and health education and training.
4. Hold emergency drills.
5. Organize health promotion activities..

Responsibilities ||

1. External Responsibilities: Occupational Safety and Health Act
2. Internal system: Assess environmental impact and safety and health hazards, identify regulations and other requirements, manage emergency response and readiness, supervise and monitor operations, etc.

Resources ||

1. Occupational safety and health management system.
2. Expenses for four major projects and health promotion activities: TWD 255,600.
3. Cost of employee health checks: TWD 308,730.

Grievance mechanism ||

Employee suggestion mailbox: ehscareyou@pegavision.com

2021 Plan

- Maintain the efficacy of our occupational safety and health system.
- Regularly convene the Occupational Safety and Health Committee.
- Organizing occupational safety and health education and training.
- Occupational injury rate: 0.8 or less. (Excluding off-site traffic accidents)
- Hold emergency response drills.
- Hold workplace health promotion activities.

2021 Performance

- Pass verification by a third-party verification company.
- Legal compliance rate: 100%.
- Occupational safety meetings held: 4.
- Attendance rate: 100%.
- Occupational safety and health training courses: 396 sessions.
- Number of trainees:2,649.
- Occupational injury rate: 0.72.
- Number of emergency drills: 2 times per year.
- Number of events held: 6 sessions.
- Number of participants: 662.

5.1 Occupational Safety and Health Management System 403-1 403-8

Pegavision obtained OHSAS 18001 (Occupational Health and Safety Assessment Series) system certification in 2016, built an environment, health and safety culture in its organization, delivered on its occupational safety and health commitments, and created ways for employees to work safely and enjoy a healthy and high-quality workplace.

To maintain an effective management system and continually improve our PDCA cycle, we undergo verification by an external verification agency every year. We implemented the international occupational safety and health management system ISO 45001 in March, 2018. Moreover, we complied fully with this international standard and undergo the verification of safety and health management system ISO 45001 in 2020.

The scope of our occupational safety and health management system covers:

Production and non-production sites, equipment, and routine and non-routine operations in sites under Pegavision's control, including all activities and equipment of outside units entering the company's plants, as well as contractors entering sites under our control to assist with operations (e.g. catering suppliers, security, equipment maintenance providers, etc.).



Workers covered by the occupational safety and health system include:

Workers covered by the occupational safety system	Total in 2021	2020 Participation in internal and external audits		2021 Participation in internal and external audits	
		Number of people	Percentage	Number of people	Percentage
Employed workers	1,815	1,444	91.7%	1,815	100%
Unemployed workers	831	430	100%	831	100%

Remarks:

1. Definition of "employed workers": Number of employees as of December 31, 2021.
2. Definition of "non-employed workers": Number of workers operating within the Pegavision Guishan Plant and Daxi Plant.

5.1.1 Occupational Safety and Health Committee 403-4

Pegavision has an Occupational Safety and Health Committee, chaired by the general manager, and an executive secretary (designated by the management representatives). The members include supervisors, managers, and administrators of occupational safety and health, nurses, supervisors from various departments, with labor representatives accounting for one third of the seven or more committee members. The members' term of office is two years, and the committee meets every three months.

Year	2020	2021
Number of committee members	15	15
Number of labor representatives	5	5
Percentage of labor representatives (%)	33.33%	33.33%

The committee is responsible for drawing up occupational safety and health codes, occupational safety management plans, hazard identification, risk assessment, application of tiered control, accident investigation, auditing, and decision-making on the use of contractors. Occupational Safety and Health Committee meetings are held quarterly. Employee representatives discuss, coordinate, plan and co-decide on occupational safety and health related issues together with the management, and carry out employee participation, consultation and dialogue on OSHA requirements and related matters.

In 2021, four meetings were held in accordance with the law. The requirements of the Occupational Safety and Health Act were discussed and decided as follows:

Discussions in 2021	Numbers	Resolutions
Communication, participation and consultation	<ul style="list-style-type: none"> External documents Safety and health: 43 items Environmental protection: 47 items Physical visits Safety and health: 2 items Environmental protection: 3 items Fire safety: 2 pieces 	All were handled in accordance with regulations.
Legal	<ul style="list-style-type: none"> Safety and health: 7 pieces Environmental protection: 19 pieces 	The compliance assessment was carried out in accordance with the relevant regulations.

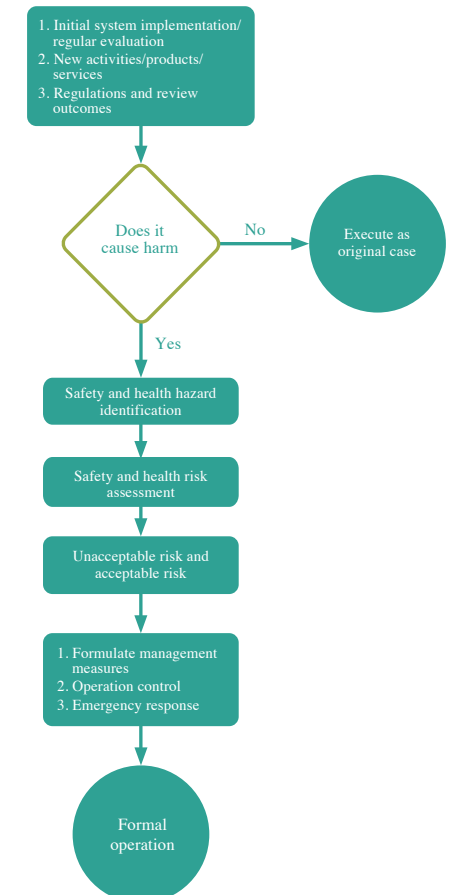
5.2 Hazard Identification, Risk Assessment and Incident Investigation 403-2 403-7 403-9

5.2.1 Hazard identification and risk assessment

Pegavision's hazard identification and risk assessment process:

1. Identify duties, operations, special identities and operational procedures/hazards and add or change risk assessments.
2. Define duties, work inventory, hazards and risk assessment.
3. Identify and continually improve the list of unacceptable risks;
4. Respond to non-major hazards (other than the major risks and high risks).

Employees in all units who completed the occupational safety and health hazard identification and risk assessment have received occupational safety management system training and passed the assessment. In the event of any change or anomaly in operations, hazard identification and risk assessment must be carried out again. If the risk assessment reveals an unacceptable high risk (major/high risk) of a major negative occupational safety and health impact, we pursue the best possible improvement plan to reduce the risk, applying the improvement sequence of elimination, replacement, engineering improvement, administrative management, and personal protective equipment. When employees face imminent hazards during the performance of their duties, they may exercise the right of withdrawal in accordance with the Occupational Safety and Health Act.



5.2.2 Accident investigation

Pegavision has a process in place for occupational accident notification, investigation and improvement. Accident investigation includes hazard identification and risk assessment of the operation process in which the accident occurred, and improvement measures required by our occupational safety and health management system.

Pegavision reports statistics and analysis of occupational disasters online every month in accordance with the law. The number of reported occupational accidents in 2021 was 48 cases, consisting of commuting traffic accidents, falls/slips, getting stuck, and one false alarm. Traffic accidents were excluded. The occupational injury rate was 0.72, based on occupational accident severity and occurrence frequency. Occupational safety and health improvement and performance reviews were carried out.

Improvement measures taken were as follows:

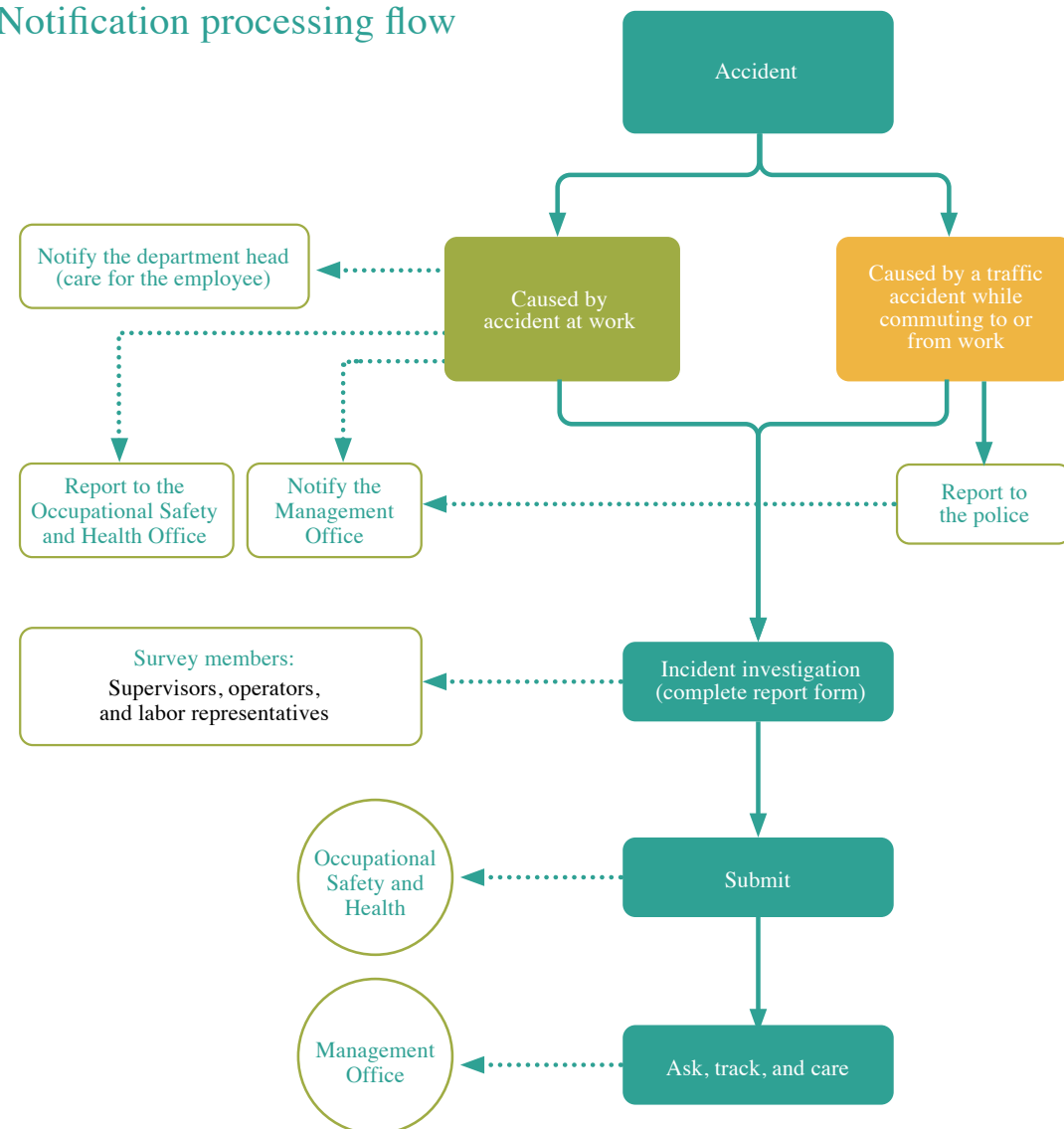
Occupational accidents in the factory:

1. The department heads will further strengthen the management and control of people and machines, and provide training before operations.
2. All departments implement environmental safety and health change management and conduct on-site safety surveys in collaboration with the Occupational Safety and Health Department.

Traffic accidents outside the factory:

1. Many traffic accidents happen to new staff members commuting by scooter. Safety and health education and training for new recruits has been strengthened, especially with regard to defensive driving and riding.
2. Traffic safety lectures by external units (machine control stations) have been planned.

Notification processing flow



Occupational disaster analysis

Year	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Base number of employees	526	829	640	967	773	1048
Working days	127,414	205,461	139,635	213,440	182,982	268,107
Working hours	1,019,232	1,643,688	1,117,080	1,707,520	1,463,856	2,144,856
Deaths from occupational injury	0	0	0	0	0	0
Occupational injury rate	0	0	0	0	0	0
Serious occupational injuries	0	0	0	0	0	0
Percentage of occupational injury rate	0	0	0	0	0	0
Recordable occupational injuries	10	6	19	10	21	27
Percentage of recordable occupational injuries	1.8856539	0.5376575	3.4017259	1.1712894	2.8691	2.5177

Remarks:

1. Ratio of recordable occupational injuries = Number of recordable occupational injuries / working hours * 200,000
2. Serious occupational injury = at least 6 months from injury to recovery
3. The total working hours of contractors will be disclosed next year

5.2.3 Contractor management

Pegavision has a Contractor Environmental Safety and Health Control Procedure, which provides for occupational safety education and training before the start of construction, and certification inspections that must be passed beforehand. To strengthen safety supervision during construction, we also have an Environmental Safety and Health Inspection Control Procedure, with inspections for environmental, safety and health matters in the plants carried out daily. High-risk operations require risk assessment, hazard identification, risk assessment, inspection and control measures, and an emergency response plan. We hold communication and coordination meetings with contractors from time to time to ensure the safety of operations.

Together, Pegavision and its contractors create a healthy and safe working environment. When entering the factory, we provide them with "Health Self-Management Questionnaire" to read and to help them self-manage their health status, including:

1. During construction, all laws and regulations on labor safety and hygiene and infectious disease prevention must be complied with.
2. Persons with long-term chronic diseases or abnormal subjective symptoms during special operations must be checked by a physician or regularly treated and checked to ensure physical and mental health during construction, and they are required to actively manage their health.
3. If there is any physical discomfort during construction, the contracting company's staff in charge or Pegavision's occupational safety/supervisory personnel must be notified, so the work can be adjusted or assistance can be given with medical examinations.
4. Check for other symptoms that require treatment, such as: myocardial infarction, stenosis, arrhythmia, epilepsy, diabetes, hypertension, etc.

In 2021, the covid 19 epidemic continues bringing tremendous pressure to the upstream and downstream supply chains. In its contractor hazard notification education and training, Pegavision expanded the epidemic prevention instructions and worked closely with the supply chain to take on the challenges of the epidemic. 216 training sessions were held in 2021, with 831 participants. No Covid 19 cluster infections occurred during contractor's operations in 2021, nor did any permanent injury, partial permanent injury, or temporary injury occur.

5.3 Occupational Health Service 403-3 403-10

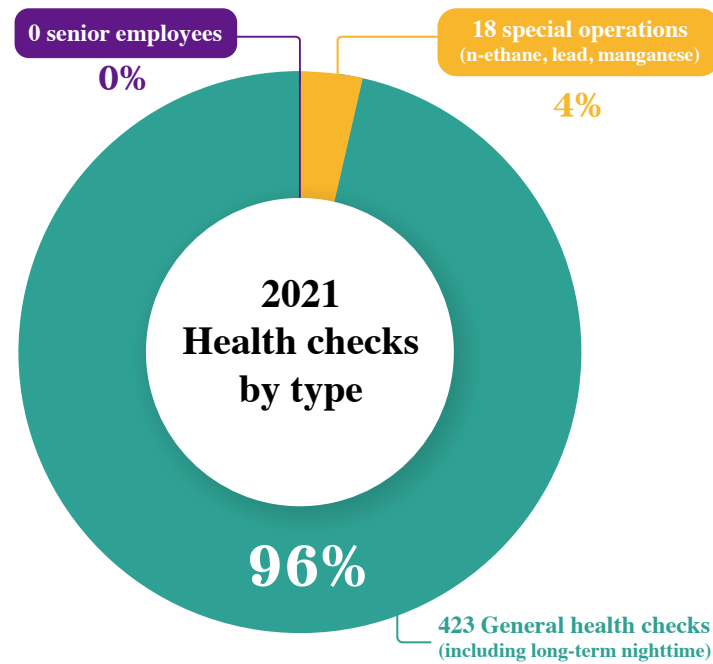
According to Article 20 of the Occupational Safety and Health Act and Articles 14, 15, 16 of the Labor Health Protection Regulations, Pegavision offers periodic health checks to its workers. The types of health inspections are divided into four categories:

1. Physical health check for new employees
2. General health check: 423 employees, 96%
3. Health check for special operations: 18 employees, 4%
4. Health checks for high-level employees: 0 employee, 0%. No Level-4 cases were found during the health check for special operations.

We offer physician consultations for workers with high health risks for two hours per month. The consultations cover: health checks, health education, health consultation and evaluation, health promotion questionnaire survey, improvement of occupational hazards in the workplace, and reintegration into the workplace after recovery from injury or illness.

In 2021, 205 high-risk workers did health risk assessments. The outcomes were discussed with their supervisors to adjust their work. So far, the company has had no cases of occupational illness.

In addition, for employees in special operations, we carry out tiered management in accordance with Article 19 of the Labor Health Protection Regulation.



5.4 Workplace Health Promotion Activities 403-6

Pegavision sets great store with the physical and mental health of its employees. Health is wealth: it improves quality of life and work efficiency. Only in a safe and friendly workplace can employees work and grow with peace of mind. Therefore, we hold health promotion activities in accordance with the Occupational Safety and Health Act and Labor Health Protection Rules.

In line with the Four Major Programs and statistics of anomalous outcomes of employee physical examinations, we organize health promotion activities to enhance employees' health awareness, attitudes, skills and values and help build up good healthy lifestyles. In 2021, due to the continuing Covid epidemic, to prevent cluster outbreaks, health promotion was carried out through work-from-home, health and hygiene forms. Six such activities were held, and 662 people participated.

Event title	Event description	Number of participants
Health Massage Station	To promote employment opportunities for the visually impaired and relieve employees' stress and fatigue to improve work efficiency, we collaborated with the Eden Foundation for one session.	20
Spine health DIY, stay pain-free the easy way	Using computers and mobile phones for long periods, may result in poor back or neck posture. We offer spine health care lectures on staying pain-free, and enhanced employees' knowledge of spine health care and correct stretching methods.	14
Emotion management and stress relief	Work, family and life can be overwhelming. Our Emotion Management and Stress Relief help employees understand stress, stress factors and coping strategies. They are also shown how to relax using simple body relaxation techniques.	28
Glorious May - Pampering Women Women's Cancer Screening	On the eve of Mother's Day, we promote awareness of women's cancer and offer qualifying female staff cancer screening in a pap smear and mammography bus that visits our plant.	9
Covid prevention at home - Exercise is great	The Covid epidemic has changed people's lifestyles and exercise habits. Our employees are informed of the risks of obesity and they are encouraged to maintain the habit of regular (home) exercise even amid the epidemic to maintain their health. We work together to create a safe and healthy workplace atmosphere.	255
Tobacco hazard prevention publicity and education (Bye-bye cigarettes)	In response to the government's promotion of smoke-free workplaces, we maintain a smoke-free and healthy working environment. For employees that used to smoke or quit less than a year ago, we offer workplace health education flyers with information on health self-management and maintain a smoke-free environment.	326
Let's move	To promote active and healthy lifestyles, we encourage our employees to exercise more.	10



Health Massage Station



Spine health DIY, stay pain-free the easy way



Glorious May - Pampering Women - Cancer Screening



Emotion management and stress relief

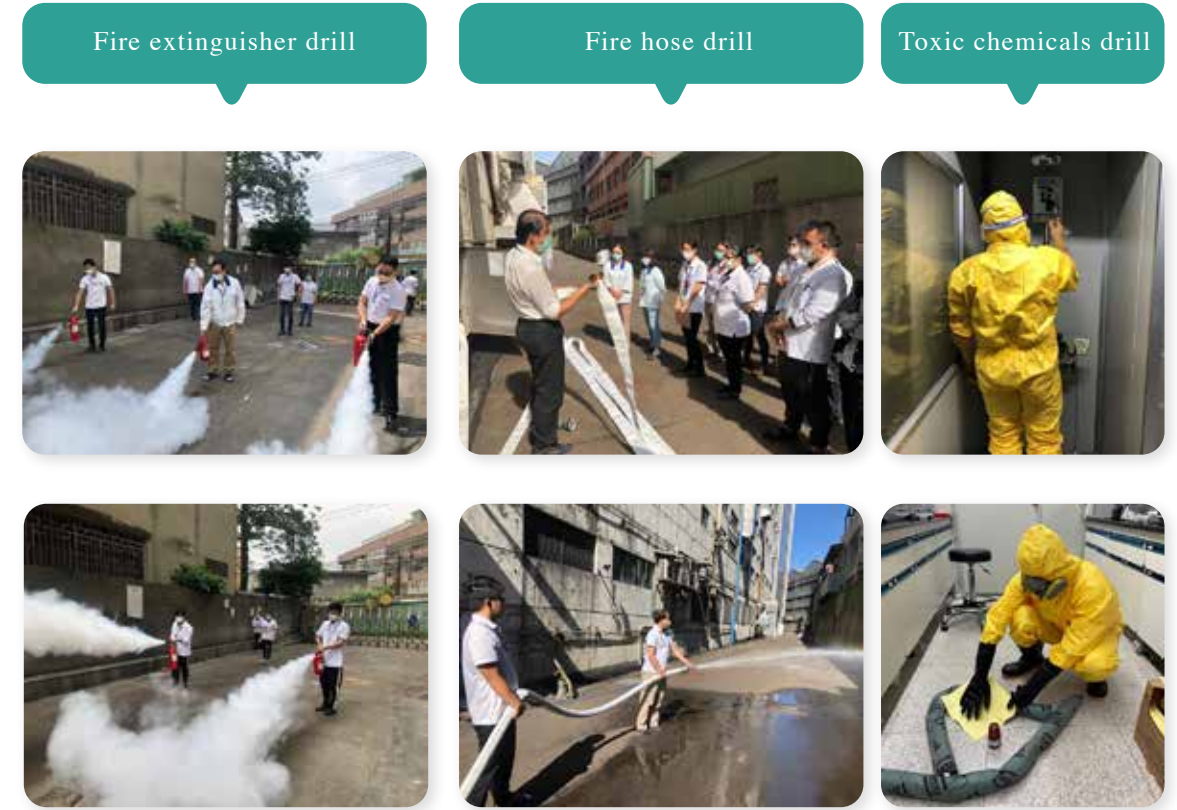
5.5 Occupational Safety and Health Worker Training

403-5

Pegavision has an annual occupational safety and health education and training program. Its training content covers: education and training for new and existing employees, for occupational safety committee members, air respirator training, fire safety education and training, hazard notification education and training for contractors, to improve employees' awareness and knowledge of safety and health. In 2021, 396 occupational safety training sessions were attended by 2649 employees.

In addition, to prepare for emergencies, Pegavision conducts emergency response drills every six months. The drills practice responses to fires, chemical disasters, occupational disasters, fire safety, natural disasters (earthquakes, floods, etc.), etc. Each drill lasts four hours. The drills are intended to improve our employees' ability to respond to disasters and ensure the stability of operations. The drill process is as follows:

1. Personal protective equipment training and emergency response training for the emergency response team members at each plant, confirm the evacuators list and review the evacuation routes, and train the emergency response coordinators.
2. Each plant implements the first stage of drills without warning. When a small fire occurs at a site, the confirmation and notification must be done within 10 minutes.
3. Hold evacuation training in our plants and dormitories, and practice using escape routes and speedy mustering of employees.



5.6 Maternal Care

Pegavision is committed to providing a women-friendly workplace. Sympathetic female employees' double burden of family and work, our nurses have drawn up a plan for maternal health in the workplace. They also consult and support female employees early in their pregnancies. Risk assessment, including reproductive hazards, individual hazards, hazard control and tiered management measures. We offer written information of risks, health guidance and consultation during pregnancy, and adjust their work as needed. We also help with referral and treatment in the event of pregnancy issues. We also offer health education, guidance and consultation for breastfeeding. The company also has breastfeeding rooms, and provides equipment such as refrigerators and drinking fountains, which can be used by employees who need breastfeeding to fully protect maternal employment. In 2021, 29 pregnant women were assisted, and eight female colleagues used the breastfeeding rooms.



Breastfeeding room

ENVIRONMENTAL

SOCIAL

GOVERNANCE

6

SUSTAINABLE VALUE CHAIN

- 6.1 Industrial Supply Chain
- 6.2 Supplier Social Responsibility Commitment
- 6.3 Supplier Evaluation
- 6.4 Risk Management of Raw Material Supply
- 6.5 Green Procurement
- 6.6 Procurement from Local Suppliers

Management Policy

103-1 103-2 103-3

Material Topics GRI Guidelines

Supplier Management 204 Procurement Practices, 308 Supplier Environmental Assessment, 414 Supplier Social Assessment

Policy ||

1. Partnerships.
2. Quality control.
3. Clean transactions.
4. Meeting specifications.
5. Corporate responsibility.

Pledge ||

1. We regard suppliers as partners, with a shared goal of co-prosperity and coexistence.
2. We ensure good quality, reasonable pricing and dedicated services for our customers.
3. We strictly abide by ethical operation and clean transactions to protect the rights and interests of the company and shareholders.
4. We ensure that our products and services comply with international standards.
5. We jointly fulfill our corporate social responsibility and build a friendly supply system that upholds environmental protection, safety and health.

Goals and targets ||

1. We improve supplier quality and service to meet our needs.
2. We conduct on-site supplier assessments.

Responsibilities ||

1. External responsibilities: Pegavision's suppliers must hold ISO and GMP certifications or have passed the review of certification bodies.
2. Internal system: Supplier Management Control Procedure, Qualified Supplier Evaluation Form, Ethical Business Pledge, Quality Assurance Agreement.

Resources ||

Supplier audits.

Grievance mechanism ||

Procurement Department mailbox:
pur@pegavision.com

2021 Plan

- Set up an ESG selection mechanism for new suppliers, and add additional compliance clauses to supplier contracts to ensure compliance with both parties' ESG policies.

- Supplier evaluations.

- Build up green inputs and gradually increase the proportion of green products in our processes.

2021 Performance

- Additional corporate responsibility clauses in the Confidentiality Agreement and Integrity Commitment: 34 new suppliers joined the ESG selection mechanism.
- Supplier contracts with ESG clauses: 70 suppliers signed such contracts.

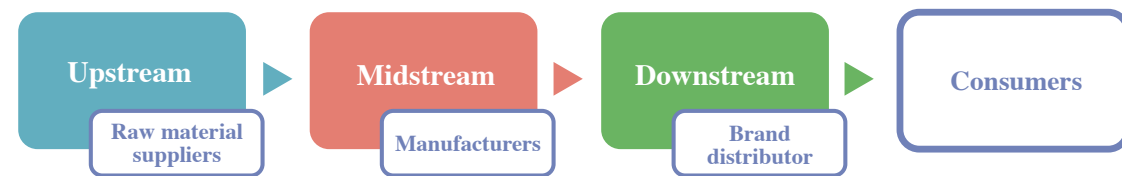
- Evaluation times: once a year
- Number of reviewees: 14 companies
- Evaluation pass rate: 100%

- Green procurement amount: TWD 7,596,190

6.1 Industrial Supply Chain

102-9

The upstream industry of the contact lens industry consists of raw materials suppliers. The ingredients are high molecular polymers. The main raw materials include HEMA, polypropylene plastics, aluminum film and packaging materials. The midstream industry consists of contact lens manufacturers. The key technologies here are optical design technology (to develop aspheric, astigmatic, multifocal, and myopia-control lenses), material research and development (deployment of raw materials such as Etafilcon, Polymacon, Omafilcon), material integration technology (e.g. combining high-moisturizing biomedical materials such as milk peptide complexes and hyaluronic acids) and automated production and inspection technologies. These technologies determine a manufacturer's product differentiation, quality, cost structure, and ultimately overall competitiveness. The downstream industry consists of distributors, which can be divided into physical distributors that directly contact consumers (such as optometrists, ophthalmologists, eyewear shops, pharmacies, drugstores and supermarkets) and virtual distributors such as shopping websites, online pharmacies, or big-brand websites. Pegavision is engaged in manufacturing and also operates retail business for its own-brand contact lenses. We also undertake OEM business of Taiwanese and foreign contact lens companies. We are a "manufacturer"



6.2 Supplier Social Responsibility Commitment

In recent years, workplace quality and exploitative labor practices such as forced labor and child labor have attracted increasing attention. To provide products and services in the end, sustainable development indicators such as environmental protection, labor conditions, human rights, and social impact must be considered. Pegavision's supplier corporate social responsibility policies and commitments are as follows:

Policy	Pledge
Partnerships	We regard suppliers as partners, with a shared goal of co-prosperity and coexistence.
Ensure quality	We ensure good quality, reasonable pricing and dedicated services for our customers.
Clean transaction	We strictly abide by ethical operation and clean transactions to protect the rights and interests of the company and shareholders.
Meet specifications	We ensure that our products and services comply with international standards.
Corporate responsibility	We jointly fulfill our corporate social responsibility and build a friendly supply system that upholds environmental protection, safety and health.

Pegavision cooperates with 636 supply business partners that may be divided into five categories based on the type of procurement: suppliers of raw material, equipment parts, engineering, labor and miscellaneous; the first three are the most important categories. There were no major changes in supplier policies in 2021.

The company's supplier categories are as follows:

Supplier types	Raw materials	Equipment and parts	Engineering	Labor	Other	Total
2018 Number of Suppliers	56	199	32	86	178	551
Percentage	10.2%	36.1%	5.8%	15.6%	32.3%	100%
2019 Number of Suppliers	55	191	29	81	171	527
Percentage	10.4%	36.2%	5.5%	15.4%	32.4%	100%
2020 Number of Suppliers	53	214	29	88	159	543
Percentage	26.2%	43.3%	12.8%	14.6%	3.1%	100%
2021 Number of Suppliers	59	217	32	99	229	636
Percentage	9.28%	34.12%	5.03%	15.57%	36.01%	100%

In 2021, out of 636 suppliers, 411 suppliers were eligible for courses on human rights advocacy and integrity management during procurement transactions. Due to the Covid epidemic, we used online means to raise awareness of human rights and integrity management among our suppliers. Suppliers that did not take the course were given guidance to improve their practices, as part of our supplier management.

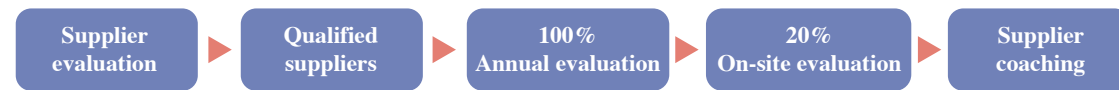
6.3 Supplier Evaluation

308-1 414-1

Pegavision cooperates with its suppliers in good faith, and our procurement function uses an internal electronic procurement system in accordance with our rules and standards to promote transparency and fairness in the procurement process. Our company selects qualified suppliers based on the following conditions. Qualified suppliers:

- Suppliers with ISO international quality system certification, positive external inspections, GMP or USFDA or JQMS certification, or have self-evaluation scores of more than 60 points on our supplier quality system self-evaluation form are eligible to become a supplier to our company.
- For those unable to provide relevant certifications, we focus on their capabilities in 4 areas, such as design, development, change, production, processes, packaging, quality system certifications, delivery management, environmental safety management, and environmental management. If such a supplier passes our on-site inspection, they qualify as our supplier.
- When a new supplier is evaluated and selected by the requisitioning unit, one of our purchasing specialists will evaluate the product quality and services from the supplier together with the requisitioning unit, while the Quality Assurance Department will ensure compliance with quality standards.
- For the first transaction, the Purchasing Department will convene the R&D and Quality Assurance Departments to evaluate and select qualified suppliers. Manufacturers of aluminum film and color box printing need to undergo on-site evaluations.
- The ESG aspects considered in the evaluation of new suppliers include: all suppliers are required to sign the Integrity Commitment, and those without ISO 14001 or ISO 45001 certification must sign the Supplier Environmental Safety and Health Commitment. In 2021, an ESG selection mechanism was added for new suppliers that manufacture and design raw materials. ESG clauses were added to the Confidentiality Agreement and Integrity Commitment, namely:
 - ✓ Workers must have the right to freedom of work choice, assembly and association
 - ✓ Provide equal employment opportunities. In the employment of workers, discrimination or differential treatment based on gender, age, religion, race, nationality, class, language, ideology, party affiliation, place of origin, place of birth, sexual orientation, marriage, appearance, facial features, physical and mental disabilities, status, etc. is not permitted.
 - ✓ Comply with the laws and regulations on labor, environmental protection, food safety, and fair trade.
 - ✓ Provide a proper, healthy and safe working environment for employed workers.
 - ✓ Evaluate and adopt environmentally friendly policies, make good efforts to reduce adverse impacts on society and the natural environment.
 - ✓ Do not promise, offer, demand, give or accept bribes or other improper benefits to or from third parties.
 - ✓ Implement information security and personal data protection policies to safeguard the Company's business continuity.

In 2021, 34 new suppliers passed the ESG selection mechanism. In 2022, Pegavision's corporate social responsibility clauses will be added to purchase orders, requiring suppliers to fulfill their ESG towards their staff, society and the environment. We plan to adopt a new supplier code of conduct in 2023, incorporating ESG standards into our supplier management and evaluation, to build a sustainable supply chain together.



Our company sets great store with the health and safety of our customers, in all we do from procurement to sales. In line with the needs of the market and consumers, we evaluate raw material manufacturers in Taiwan and abroad each year, focusing on their quality and reliable delivery. Their delivery schedules and degree of cooperation are evaluated jointly by our departments for quality assurance, production and procurement. Suppliers of engineering, equipment, and miscellaneous are evaluated as needed.

Our annual supplier evaluation grades are divided into A, B, C grades, with the A grade representing 80 to 100 points for excellent manufacturers, B grade: 60 to 79 points for qualified manufacturers, and C grade: 0 to 59 points for manufacturers that need to improve.

To manage our suppliers, the Quality Assurance Department takes reference from the annual transaction records and evaluation results of the raw materials to arrive at and rank the quality scores. 20% of the lower-scoring suppliers will be selected for an invitation to improve.

In 2021, 14 domestic and foreign suppliers were selected for assessment: four domestic suppliers and ten foreign suppliers. The written assessments, audits and re-audits found no major shortcomings. For deficiencies or points of improvement found during audits, Pegavision held an internal meeting to discuss follow-up management and control, and requested its suppliers to provide action plans for improvement. If a supplier does not provide corrective and preventive action plans, or if its performance remains unsatisfactory even after receiving guidance, the supplier will be removed from the list of qualified suppliers. All deficiencies or points of improvement audits of all suppliers found during have been improved or completed, and our existing suppliers have maintained effective operations in line with our requirements.

Pegavision adheres to an environmentally and socially responsible approach, invests in good supply chain management and responsible procurement, integrates corporate social responsibility into its supply chain management, and fosters corporate social responsibility compliance among its supply chain system. In 2020, our company added corporate social responsibility clauses to its major supplier contracts. Twenty suppliers have signed new contracts. In 2021, 70 suppliers signed new contracts that encourage them to carry out more ESG actions and jointly provide end users with safe, reliable and high-quality products. Suppliers with few transactions and low purchase volumes could not carry out these assessments. Therefore, Pegavision plans to add CSR clauses to their purchase orders as part of its ESG policy, to implement supplier management, and drive the supply chain toward co-prosperity.

6.4 Risk Management of Raw Material Supply

To pursue common growth and sustainable business with our suppliers, we ensure that our suppliers can meet our requirements in terms of product quality, delivery time, pricing and service. Pegavision continually improves these to ensure stable supply sources and reduce supply shortages that may affect production.

With a view to the risk of insufficient supply of raw materials, Pegavision has adopted the following countermeasures:

1. Our raw material suppliers do not have a monopoly on the market. In addition to maintaining good relationships with our existing suppliers, we actively seek and develop other excellent suppliers. Our company also maintains a proper buffer inventory at all times, to be prepared for any force majeure or unexpected events.
2. To ensure a sustainable supply of raw materials and stimulate market activity, we actively develop new suppliers. We have 59 bulk raw material suppliers, 55 of which are Taiwanese and four are foreign.

In 2021, as the Covid epidemic continued to spread around the world, Pegavision increased its inventory reserves and set up a back-up supplier (2nd source) mechanism, to keep the supply chain intact.

6.5 Green Procurement

In response to the government's call for green inputs, Pegavision encourages its procurement staff to pursue green procurement and all units to draw up lists of products with their environmental protection labels and energy saving labels/certification and to use the best as priority procurement categories. Such products have a longer service life, have passed strict testing, and are free from substances or chemicals that may cause environmental pollution, which helps reduce cost as well. Our company lists green procurement as part of its environmental procurement performance. In 2021, all newly purchased dehumidifiers, refrigerators, cleaning consumables, IT equipment and other office equipment were energy-saving and environmentally-friendly products with high environmental protection labels and added value such as IT equipment and office equipment. The total green purchasing amount was TWD 7,596,190.

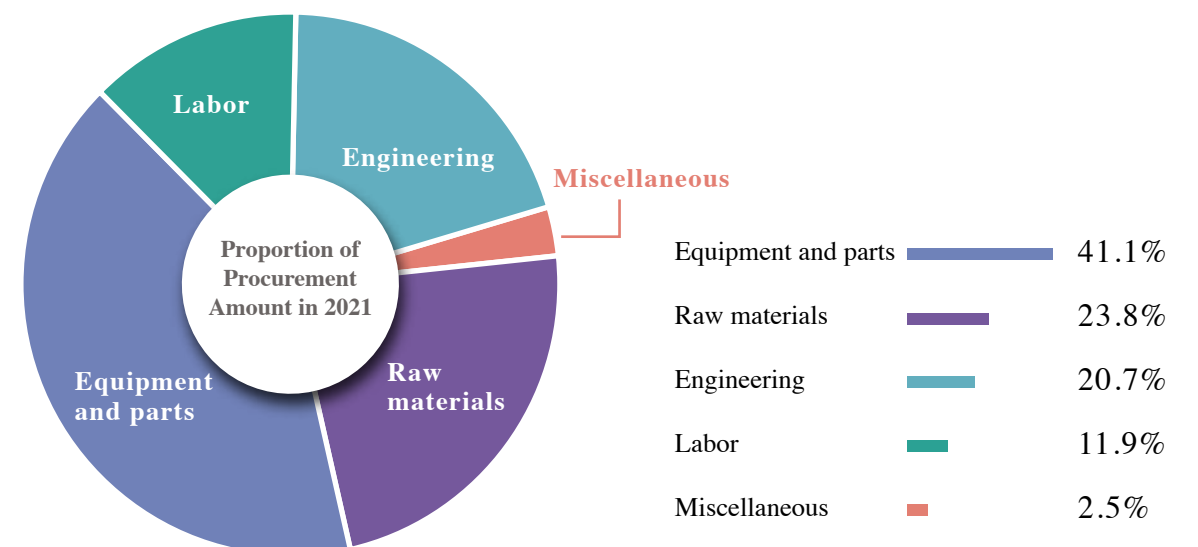
Unit: New Taiwan Dollar (TWD)

Type of label	Purchase amount	Percentage
Energy Star	4,332,940	57%
TCO verification mark	3,014,400	40%
Environmental label	248,850	3%
Total	7,596,190	100%

6.6 Procurement from Local Suppliers

204-1 102-10

Pegavision has its main operating and manufacturing base in Taiwan, and it regards improving the sustainability of the domestic contact lens industry as an important component of its corporate social responsibility. An important strategy of ours is to find suppliers in Taiwan. Except for a few raw materials purchased from abroad, we purchase our bulk raw materials locally in Taiwan. This localized supply chain not only ensures flexible supply with less packaging and transportation cost, but also reduces the carbon footprint of our supply chain. The local revenue also stimulates local R&D resources and shortens product development cycles. This in turn ensures technological leadership, creates local employment, and activates the local economy. The proportion of our purchase amount in 2021 is shown in the figure, with the demand for equipment parts from the newly expanded Guishan Plant accounted for 41.1%. The proportion of the overall local purchase amount was as high as 99.9%.



ENVIRONMENTAL SOCIAL GOVERNANCE

7 SOCIAL INCLUSION

- 7.1 Medical care supporting
- 7.2 Industry-Academia exchange activities
- 7.3 Supporting Disadvantaged Groups
- 7.4 Gender equality
- 7.5 Participation in communities and neighborhood

Management Policy

103-1 103-2 103-3

Material Topics

Social participation

GRI Guidelines

203 Indirect economic impacts

Policy ||

1. Supporting disadvantaged groups through core business.
2. Develop community relations, promote harmony in community relations, and assist in solving social problems.

Pledge ||

1. We give back to society through participation in social activities and community development.
2. We take environmental and ecological protection as our responsibility and we feel we must create a sustainable living environment together.

Goals and targets ||

1. Supporting disadvantaged groups.
2. Assist and sponsor community development projects.

Responsibilities ||

1. External responsibilities: Support disadvantaged groups and environmental protection activities.
2. Internal system: Actively participate in community activities of surrounding neighborhoods.

Resources ||

Sponsorships: TWD 546,000

Grievance mechanism ||

service@pegavision.com

2021 Plan

- Support medical care and donate epidemic prevention materials.
- Hold industry-academia exchange activities.
- Support disadvantaged groups.
- Hold gender equality advocacy activities.
- Participate in community activities in neighborhoods

2021 Performance

- Taoyuan Enterprise Chamber: Donation amount of TWD 160,000
- We organized a visit program for the Department of Optometry and Vision Sciences of Sun Yat-Sen University of Medical Sciences. 72 students joined the visit.
- We donated 5,000 contact lenses to University of Kang Ning.
- Eden Social Welfare Foundation: A batch of clothes
- Taipei Haiyang Rotary Club: Donation amount of TWD 150,000
- Taiwan Tongzhi Hotline Association: Donation amount of TWD 100,000
- Taiwan Gender Equity Education Association: Donation amount of TWD 100,000
- Support community development of neighborhoods around our plant and participating in local activities: Donation amount: TWD 30,000

7.1 Support medical care and donate isolation gowns

203-2

For the first time since the outbreak of the coronavirus in 2020, Taiwan's was upgraded to a level 3 Alert in 2021. To help protect the hard-working police and safety officers amid the public health crisis, the Taoyuan Enterprise Chamber launched a campaign to donate P3 protective clothing and P1 isolation clothing to provide peace of mind for staff at the Taoyuan City Government Fire Department and Police Department while on duty. Pegavision supports Taoyuan and Taiwan, and donated TWD 160,000 in June to bolster the fight against the epidemic.



7.2 Industry-Academia Exchange Activities

7.2.1 Visit program for Sun Yat-sen Medical University

Pegavision believes that industry-academia collaboration underpins science and technology. During new product development, we entrust the Department of Optometry of Chung Shan Medical University to assist in clinical testing. Optometry graduates end up in diverse employment environments. To help students understand the latest optical technologies, quickly absorb industry R&D and manufacturing knowledge, and cultivate practical talents for the optical industry, we organized a company visit for senior students. To allow students to connect theory with their future employment during their studies, Pegavision collaborated with the university to design a visit itinerary. First, we introduced our company and gave a technical seminar about optical design, after which they were taken to the production lines, and held technical discussions with engineers and R&D personnel. Through the visit, students learned about the workplace and our Company's operations. This gave the students an opportunity to learn through direct face-to-face communication with a company, and help inform their career plans.



Factory tour



Group photo of Pegavision staff and the visiting students



Pegavision's supervisor delivers a speech

7.2.2 Donating Contact Lenses to University of Kang Ning

The Department of Optometry of University of Kang Ning has an ophthalmology nursing course, an important course for cultivating future ophthalmic medical staff. To give back to the society and the healthcare sector, Pegavision donated 5,000 contact lenses to the Department of Optometry of University of Kang Ning for students to use and improve the learning level.



7.3 Supporting Disadvantaged Groups

7.3.1 Sponsoring the Eden Social Welfare Foundation

As a committed corporate citizen, Pegavision strives to pay back for the support and trust from the society and the community by undertaking corporate social responsibility activities. As old clothes recycling is in line with environmental protection and resource reuse, Pegavision supports a used clothes recycling project of the Eden Foundation to donate clothes to poor and disadvantaged families at home and abroad, giving physical warmth and emotional care, implement the meaning and purpose of environmental protection and social service.



7.3.2 Sponsor the Little League Baseball Challenger Cup for Children with Disabilities

The Taiwan Children's Baseball Association wants to promote the charity spirit of Little League Baseball (LLB), so that more children with disabilities can participate in baseball. They have recruited more teams and players with disabilities. They also offer children from disadvantaged groups a chance to play baseball together and develop correct and positive attitude to make something of their lives. Pegavision Cares for Disadvantaged Groups, and after the sponsorship of the Taipei Ocean Rotary Club in 2019, we have sponsored the Rotary Club of Taipei City Ocean concerts at the Little League Baseball (LLB) Challenger Cup. In 2021, Pegavision continued to support the 4th edition of the Little League Baseball Challenger Cup with partners. The purpose is to enable children with disabilities such as rare diseases and cerebral palsy to experience running from base to base and the fun of swinging a bat. Through baseball, children with special needs and ordinary children can learn from each other and grow together, so that children can step confidently on the field and in life.



7.4 Support Gender Equality

Pegavision cares about gay human rights and gender human rights. On the road of fighting for their rights, what many gays dread most is facing their own family members. Communicating with the older generation and understanding one another, could use some support to jump over that wall. Pegavision's original purpose is about seeing things differently and with love and warmth. After supporting the Taiwan Gay Parade in 2020, in 2021, we launched an activity of buying boxes of pears and donating TWD 10 per box to the "Taiwan Tongzhi Hotline Association" and "Taiwan Gender Equity Education Association", to support gender equality work and progress toward a more diverse and respectful society.



7.5 Participate in Community Activities in Neighborhoods

Nanxingli in Daxi, Taoyuan is a standard traditional Hakka village. Pegavision is rooted in the communities where it operates, and gives back the local community and economy. We support community development, especially the cultural industry and tourism. Through participating in community activities, people can connect with local communities in a positive way. Pegavision has a long-term sponsorship program for public welfare activities in Nanxingli, where its plant is located, and cares about the development of the community around the plant. The sponsorship activities in 2021 were as follows:

Daxi Yongchang Temple in Nanxingli, Daxi District, Taoyuan City is dedicated to Emperor Shennong as its main deity. Shennong tasted all sorts of herbs and used grass as clothing, which is in line with the spirit of the United Nations Sustainable Development Goals, the "SDGs". Pegavision sponsored a contemporary temple market held in the area. This event was organized by Sanshou Micro Market, a local market unit. The theme was to integrate the Shennong spirit into the modern Miaocheng market, and spruce up old items with new charm.



Miaocheng Outdoor Activities



Miaocheng Outdoor Activities

Pegavision supports local culture, and sponsors the Hakka Arts Festival on Tour at the Daxi Nanxing Yongchang Temple, where the Crescent Moon Opera Troupe sings Hakka opera to keep the tradition alive for old and young.



Hakka Drama



Hakka Drama

Taiwan's society is gradually aging, and the proportion of seniors living alone is increasing. To take care of them, Daxi Nanxingli calls on volunteers at the end of each year to suspend what they are doing and help make traditional Hakka vegetable buns. Pegavision sponsors this event to make caring for seniors living alone smoother.



Charity Vegetable Buns Event



Charity Vegetable Buns Event

The Nanxing community loves its land and many people engage in community landscape improvement, where senior volunteers explain the local ecosystem to enhance residents' knowledge of their surroundings, strengthen their sense of identity and help create a green living environment.



Community Landscaping and Ecological Tours



Community Landscaping and Ecological Tours

Pegavision will continue its public welfare endeavors for many years to come, give back to local communities with specific actions, including social care activities, to support the coordinated development of the local community, economy and environment, and create new value for the society.



ENVIRONMENTAL SOCIAL GOVERNANCE

8 INDEX

- 8.1 GRI Content Index
- 8.2 Third-party Verification Report

8.1 GRI Content Index

102-55

GRI Code	Disclosure content	Chapter	Page number	Remark / Omitted	
GRI 102: General Disclosures 2016					
Basic information	102-1	Name of the organization	1.1 Organizational profile	32	
	102-2	Organize activities, brands, products and services	1.1 Organizational profile 2.2 Markets served	32 56	No products and services were banned in any markets
	102-3	Location of headquarters	1.1 Organizational profile	32	
	102-4	Location of operations	1.1.1 Organizational profile 2.2 Markets served	33 56	
	102-5	Ownership and legal form	1.1.1 Organizational profile	33	
	102-6	Markets served with the organization's products and services	2.2 Markets served	56	
	102-7	Scale of the organization	1.2 Economic performance 2.2 Markets served	36 56	
	102-8	Information on employees and other workers	1.1.1 Organizational profile 4.1 Human Resource Structure	33 78	
	102-9	Organization's supply chain	6. Sustainable value chain	100	
	102-10	Significant changes to the organization and its supply chain	1.2 Economic performance 6.6 Procurement from local suppliers	36	
	102-11	Precautionary Principle or approach	1.6 Risk Management	44	
	102-12	External initiatives	6.5 Green Procurement	105	
	102-13	Membership of associations	1.8 Associations joined	47	
Strategy	102-14	Statement from senior decision-maker	Commitments	6	
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	1.4 Integrity management	41	
Governance	102-18	Governance structure	1.3 Governance of the organization	37	
Stakeholder participation	102-40	Stakeholder groups	Stakeholder identification and communication	8	
	102-41	Group agreement	-	-	No collective agreement signed
	102-42	Stakeholder identification and selection	Stakeholder identification and communication	8	
	102-43	The organization's approach to stakeholder engagement	Stakeholder identification and communication	8	
	102-44	How the organization has responded to those key topics and concerns	Stakeholder identification and communication	8	

GRI Code	Disclosure content	Chapter	Page number	Remark / Omitted	
GRI 102: General Disclosures 2016					
Reporting practice	102-45	A list of all entities included in the organization's consolidated financial statements or equivalent documents	About our report: Report scope and boundary	2	
	102-46	An explanation of the process for defining the report content and the topic Boundaries	Stakeholder identification and communication	2	
	102-47	A list of the Material Topics	Stakeholder identification and communication	8	
	102-48	Information reorganization	-	-	Not relevant
	102-49	Significant changes from previous reporting periods	Stakeholder identification and communication	8	
	102-50	Report period	About our report: Reporting period	2	
	102-51	Date of most recent report	About our report: Report scope and boundary	2	
	102-52	Reporting period	About our report: Report scope and boundary	2	
	102-53	Contact point for questions regarding the report	About our report: Contact information	3	
	102-54	Claims of reporting in accordance with the GRI standards	About our report: Principles of Report Compilation	2	
	102-55	GRI Content Index	Appendix	114	
	102-56	External assurance	Appendix	114	

Material Topics	GRI Code	Disclosure content	Chapter	Page number	Remark / Omitted	
Material Topics Disclosures - Governance						
Integrity management	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8	
		103-2	The management approach and its components	1. Governance	30	
		103-3	Evaluation of the management approach	1. Governance	30	
	GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	1.4 Integrity management	41	
	GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.4 Integrity management	41	
Compliance	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8	
		103-2	The management approach and its components	1. Governance	30	
		103-3	Evaluation of the management approach	1. Governance	30	
	GRI 416: Customer Health Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.5 Regulatory compliance	43	No incidents of non-compliance in 2021
	GRI 419 Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	1.5 Regulatory compliance	43	1 violation in 2021
	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8	
		103-2	The management approach and its components	2. Products and Services	64	
		103-3	Evaluation of the management approach	2. Products and Services	64	
	GRI 307 : Compliance with regulations on environmental protection 2016	307-1	Violation of environmental regulations	3.1 Environmental Safety and Health Policy	66	No incidents of non-compliance in 2021
	Operational performance	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8
103-2			The management approach and its components	1. Governance	30	
103-3			Evaluation of the management approach	1. Governance	30	
GRI 201: Economic performance 2016		201-1	Direct economic value generated and distributed	1.2 Economic performance	36	

Material Topics	GRI Code	Disclosure content	Chapter	Page number	Remark / Omitted		
Material Topics Disclosures - Governance							
Supplier Management	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8		
		103-2	The management approach and its components	6. Sustainable value chain	101		
		103-3	Evaluation of the management approach	6. Sustainable value chain	101		
	GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	6.6 Procurement from local suppliers	105		
	GRI 308: Supplier Environmental Assessment 2016	308-1	Screen new suppliers using environmental criteria	6.3 Supplier Assessment	103		
Innovative technologies and services	GRI 414: Supplier Social Assessment 2016	414-1	New suppliers screened using social criteria	6.3 Supplier Assessment	103		
		GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8	
			103-2	Management approach and its components	2. Products and Services	50	
	103-3		Evaluation of the management approach	2. Products and Services	50		
Organization-specific issues	-	Innovative technologies and services	2.1 Innovative R&D	52			
Risk Management	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8		
		103-2	The management approach and its components	1. Governance	30		
		103-3	Evaluation of the management approach	1. Governance	30		
	Organization-specific issues	-	Risk Management	1.6 Risk Management	44		
Information Security Management	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8		
		103-2	The management approach and its components	1. Governance	30		
		103-3	Evaluation of the management approach	1. Governance	30		
	GRI 418: Customer privacy 2016	418-1	Substantiated complaints of invasion of customer privacy or loss of customer data	1.7 Information Security Management	46	No incidents of non-compliance in 2021	

Material Topics	GRI Code	Disclosure content	Chapter	Page number	Remark / Omitted
Material Topics Disclosures - Environmental Aspects					
Climate change and energy saving and carbon emissions reduction	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8
		103-2	The management approach and its components	3. Sustainable environment	64 66
		103-3	Evaluation of the management approach	3. Sustainable environment	64
	GRI 305: Emissions 2016	305-1	Direct (Scope 1) greenhouse gas emissions	3.3 Green operations	67
		305-2	Energy - indirect (Scope 2) greenhouse gas emissions	3.3 Green operations	67
		305-3	Other indirect (Scope 3) greenhouse gas emissions	3.3 Green operations	67
Energy	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8
		103-2	The management approach and its components	3. Sustainable environment	64 66
		103-3	Evaluation of the management approach	3. Sustainable environment	64
	GRI 302: Energy 2016	302-1	Energy consumption within the organization	3.3 Green operations	67
Waste Management	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8
		103-2	The management approach and its components	3. Sustainable environment	64 66
		103-3	Evaluation of the management approach	3. Sustainable environment	64
	GRI 302: Energy 2016	306-1	Waste generation and significant waste-related impacts	3.3 Green operations	67 68
		306-2	Waste by type and disposal method	3.3 Green operations	70 71
	GRI 306: Waste 2020	306-3	Waste generation	3.3 Green operations	67
Circular Economy	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8
		103-2	The management approach and its components	3. Sustainable environment	64 66
		103-3	Evaluation of the management approach	3. Sustainable environment	64
	Organization-specific issues	-	Circular Economy	3.3 Green operations	67

Material Topics	GRI Code	Disclosure content	Chapter	Page number	Remark / Omitted	
Material Topics Disclosures - Environmental Aspects						
Occupational safety and health	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8	
		103-2	The management approach and its components	5. Healthy Workplace	90	
		103-3	Evaluation of the management approach	5. Healthy Workplace	90	
		403-1	Occupational safety and health management system	5.1 Occupational safety and health management system	92	
		403-2	Hazard identification, risk assessment and incident investigation	5.2 Hazard identification, risk assessment and incident investigation	93	
		403-3	Occupational Health Service	5.3 Occupational Health Service	96	
		403-4	Worker participation, consultation, and communication on occupational health and safety	5.1.1 Occupational Safety and Health Committee	92	
	GRI 403: Occupational Health and Safety 2018	403-5	Occupational Safety and Health Worker Training	5.5 Occupational Safety and Health Worker Training	98	
		403-6	Promotion of worker health	5.4 Workplace health promotion activities	96	
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.2 Hazard identification, risk assessment and incident investigation	93	
		GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	5.1 Occupational safety and health management system	92
			403-9	Work-related injuries	5.2.2 Accident investigation	94
			403-10	Work-related ill health	5.3 Occupational Health Service	96
		Human Rights	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication
103-2	The management approach and its components			4. Caring for employees	76	
103-3	Evaluation of the management approach			4. Caring for employees	76	
GRI 412: Human Rights Assessment 2016	412-2		Employee training on human rights policies or procedures	4.3 Human rights commitments	83	
GRI 410: Security Practices 2016	410-1		Security personnel trained in human rights policies or procedures	4.3 Human rights commitments	83	

Material Topics	GRI Code	Disclosure content	Chapter	Page number	Remark / Omitted
Material Topics Disclosures - Governance					
Employee compensation and benefits	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8
		103-2	The management approach and its components	4. Caring for employees	76
		103-3	Evaluation of the management approach	4. Caring for employees	76
	GRI 402: Labor Relations 2016	402-1	Minimum notice periods regarding operational changes	4.5 Promoting labor-management harmony	87
	GRI 405: Diversity of Employees and Equal Opportunities 2016	405-1	Diversity of governance bodies and employees	1.3 Governance 4.2 Talent recruitment and retention	30 81
Talent recruitment and retention	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8
		103-2	The management approach and its components	4. Caring for employees	76
		103-3	Evaluation of the management approach	4. Caring for employees	76
	GRI 401: Labor/Management Relations 2016	401-1	New employee hires and employee turnover	4.2 Talent recruitment and retention	81
Product Safety	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8
		103-2	The management approach and its components	2. Products and Services	50
		103-3	Evaluation of the management approach	2. Products and Services	50
	GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	2.3 Responsible product quality	56
	GRI 417: Marketing and Labeling 2016	417-1	Product and Service Information and Labeling Requirements	2.4 Marketing and Labeling	58
Social Participation	GRI 103: Management Approach 2016	103-1	Explanation of the Material Topic and its Boundary	Stakeholder identification and communication	8
		103-2	The management approach and its components	7. Social Inclusion	107
		103-3	Evaluation of the management approach	7. Social Inclusion	107
	GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	7.1 Support medical care and donate isolation gowns	108
				7.2 Industry-Academia Exchange Activities	108
			7.3 Supporting Disadvantaged Groups	109	
			7.4 Supporting Gender Equality	110	
			7.5 Participation in community activities	110	

8.2 Third-party Verification Report



INDEPENDENT ASSURANCE OPINION STATEMENT

PEGAVISION CORPORATION 2021 ESG Report

The British Standards Institution is independent to PEGAVISION CORPORATION (hereafter referred to as PEGAVISION in this statement) and has no financial interest in the operation of PEGAVISION other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of PEGAVISION only for the purposes of assuring its statements relating to its ESG report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by PEGAVISION. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to PEGAVISION only.

Scope

The scope of engagement agreed upon with PEGAVISION includes the followings:

1. The assurance scope is consistent with the description of PEGAVISION CORPORATION 2021 ESG Report.
2. The evaluation of the nature and extent of the PEGAVISION's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the PEGAVISION CORPORATION 2021 ESG Report provides a fair view of the PEGAVISION sustainability programmes and performances during 2021. The ESG report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the PEGAVISION and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate PEGAVISION's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that PEGAVISION's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards: Core option were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to PEGAVISION's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 7 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that PEGAVISION has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the PEGAVISION's inclusivity issues.

Materiality

PEGAVISION publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of PEGAVISION and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the PEGAVISION's management and performance. In our professional opinion the report covers the PEGAVISION's material issues.

Responsiveness

PEGAVISION has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for PEGAVISION is developed and continually provides the opportunity to further enhance PEGAVISION's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the PEGAVISION's responsiveness issues.

Impact

PEGAVISION has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. PEGAVISION has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the PEGAVISION's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

PEGAVISION provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the PEGAVISION's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The ESG report is the responsibility of the PEGAVISION's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan



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永續報告書

Sustainability Report

Environmental
Social
Governance



2021 ESG