



Dyaco International Inc.

2021 The Company' s Implementation of Ethical Management

Reported to the Board on December 28, 2021

Assessment Item	Implementation Status			Discrepancy with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and reasons
	Yes	No	Summary	
<p>1. Establishment of policy and program for ethical corporate management</p> <p>A. Whether the company has the policy and methods of ethical corporate management approved by the Board of Directors in its charter and outbound documents and whether the Board of Directors and management have fulfilled the commitment to the policy of ethical corporate management?</p>	V		<p>1. The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management" to state its policy of business with integrity.</p> <p>2. The Company complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act and other relevant laws and regulations, and the relevant internal regulations and internal control system shall be jointly followed by employees.</p> <p>3. The Company has stipulated in the rules of procedure of the Board meeting that directors shall recuse themselves from any matters in which they have an interest.</p>	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
<p>B. Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates the business activities with a higher risk of unethical conduct within the business scope; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" ?</p>	V		<p>1. The Company has stepped up its efforts to educate its purchasing staff to consult and compare prices with multiple suppliers when making purchases and adjusts the contents of purchasing staff' s work from time to time as necessary.</p> <p>2. To prevent unethical conduct such as improper donations, sponsorships, illegal political contributions, etc., the Company has established the "Corporate Governance Best-Practice Principles" and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management" for the handling of major donations, which shall be submitted to the Board of Directors for approval.</p>	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"



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C. Whether the company has established and implements the operating procedures, behavior guidelines, consequences of violation and complaint system to prevent unethical conduct, and periodically reviews and revises such policies?	V		<ol style="list-style-type: none"> 1. The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management" to prevent unethical conduct. 2. The Company has set up a section for stakeholders on the Company website (www.dyaco.com), where complaints about any unethical conduct can be filed, and the reception unit will immediately investigate and take disciplinary action in accordance with the Company' s "Personnel Regulations" and other relevant regulations. 3. No complaints about unethical conduct in 2021. 	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
2. Ethical Management Practice A. Whether the company has evaluated the ethical records of business partners and include business conduct and ethics related clauses in the contracts?	V		The Company' s business activities are based on the principles of honesty, transparency and accountability. Accordingly, the Company' s "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management" state that agents, customers, suppliers or other business partners shall jointly observe the policy of ethical management.	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"



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B. Whether the company has set up a unit under the Board of Directors which is dedicated to promoting the company' ethical standards and regularly (at least once a year) report directly to the Board of Directors on its ethical corporate management policy and relevant matters, program to prevent unethical conduct, supervision and implementation?	V		<ol style="list-style-type: none"> 1. The Company has designated the Management Department as a dedicated unit under the Board of Directors, which established the "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management," and regularly reports to the Board of Directors on the implementation of the principles, urges the Company to prevent unethical acts, and reviews the effectiveness of its implementation and continuous improvement from time to time to ensure the performance of the ethical management policy. 2. The report on 2021 promotion of ethical management was reported to the Board of Directors on December 28, 2021. 3. The Company has implemented the policy of ethical management, with a summary of the implementation status in fiscal 2021 as follows: <ol style="list-style-type: none"> A. The 2021 educational training related to ethical management practices includes various regulatory advocacy (see Note 1) for a total of 1,735 hours. B. The Company has a complaint and reporting system according to the "Corporate Governance Best-Practice Principles" , the "Ethical Corporate Management Best Practice Principles" , and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management" , and a protection mechanism for whistleblowers, with 0 external whistleblowing case and 0 internal whistleblowing case in 2021. 	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
C. Whether the company has established policies to prevent conflict of interests and provided, as well as faithfully executed, proper channels for complaints?	V		<ol style="list-style-type: none"> 1. The Company has set up a section for stakeholders on the Company website (www.dyaco.com), where stakeholders may contact the Company' s dedicated unit in a timely manner through various channels. 2. The Company has the rules of procedure of the Board meeting, under which a director or a juristic person he/she represents who has an interest in the agenda items at the meeting shall state their interest at the Board meeting, and shall not join the discussion and voting, nor shall they exercise their voting rights on behalf of other directors. In addition, directors are required to recuse themselves from the meeting in which they have an interest in order to avoid conflicts of interest. 	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"



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D. To implement relevant policies on ethical corporate management, does the company establish effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and ethical conduct program audited by internal auditors or CPAs periodically?	V		<ol style="list-style-type: none"> 1. The Company has an accounting system and a dedicated accounting unit, and financial reports are audited or reviewed by CPAs to ensure the fairness of the financial statements. 2. The Company establishes an internal audit system and a self-assessment system to maintain an effective and appropriate internal control system. 	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
E. Whether the company regularly provides internal or external education and training on ethical corporate management?	V		<ol style="list-style-type: none"> 1. The Company designated the Management Department as a dedicated unit to promote the concept of ethical management from time to time and disclosed this policy on the Company website at www.dyaco.com. 2. The 2021 educational training regarding ethical business practices includes various regulatory advocacy for a total of 1,735 hours. 	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
3. Status of the company' s reporting system A. Whether the company has formulated concrete reporting and rewarding system, as well as convenient reporting channels, and designated specific person handling the reporting?	V		<ol style="list-style-type: none"> 1. The Company provides a channel for employees to make suggestions, strengthen labor-management relations, and set up labor-management meetings through which employees can obtain fair and reasonable handling of their grievances. If an employee files a complaint orally or in writing, the head of the department shall immediately identify the matter for processing or report it for processing and inform the complainant of the result or the status of processing, with the processing conducted in accordance with the principle of confidentiality and protection of the whistleblower. 2. A section for stakeholders is disclosed on the Company website, stating that stakeholders may contact the Company' s dedicated unit in a timely manner through various channels (www.dyaco.com). 	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"



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B. Whether the company has established standard operating procedures for investigating complaints received, follow-up procedures and related confidentiality mechanism?	V		<p>1. The Company provides a channel for employees to make suggestions, strengthen labor-management relations, and set up labor-management meetings through which employees can obtain fair and reasonable handling of their grievances.</p> <p>2. A section for stakeholders is disclosed on the Company website, stating that stakeholders may contact the Company' s dedicated unit in a timely manner through various channels (www.dyaco.com).</p> <p>3. 2. If an employee files a complaint orally or in writing, the head of the department shall immediately identify the matter for processing or report it for processing and inform the complainant of the result or the status of processing, with the processing conducted in a confidential manner to protect the whistleblower under the Company' s "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management."</p>	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
C. Whether the company adopted measures to prevent a complainant from improper treatment?	V		In the Company's "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management," it is stated that the Company shall protect the privacy and other personal interests of the parties concerned during the investigation of the complaint cases, the personnel involved in the investigation and deliberation shall be responsible for the confidentiality of the complaint, and violators shall be punished in accordance with the provisions of the Company's "Personnel Regulations."	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
4. Intensifying information disclosure Whether the company discloses its "Ethical Corporate Management Best Practices Principles" as well as information about implementation of such guidelines on its website and Market Observation Post System (MOPS)?	V		The Company discloses information on the implementation of the "Ethical Corporate Management Best Practice Principles" on the Market Observation Post System and the Company website at www.dyaco.com.	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
5. If the company has established ethical corporate management principles according to "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Company," specify any discrepancy between the policies and their implementation: The Company has established the "Ethical Corporate Management Best Practice Principles" to perform good business practices and fulfill its social responsibility, with no material differences between the implementation and the principles.				
6. Other important information to facilitate better understanding of the company' s ethical corporate management (e.g., review and revision to the company' s ethical corporate management): The Company upholds ethical corporate management and takes into account the needs of its stakeholders to ensure business sustainability.				



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Note 1: The 2021 educational training regarding ethical business practices

Course	Hours	Number of People
2021 Prevention of Insider Trading Advocacy Meeting	3	3
Business Objectives and Budget Management	7	1
Compliance Audit Practice for Corporate "Investment" and "M&A"	6	1
The 13 th Taipei Corporate Governance Forum	6	2
Labor Relations Course	54	1
Compliance of Quality System Documents (QSD) of Medical Device Quality Management System Regulations by Medical Device Manufacturers Seminar	3	1
Regulatory Compliance Strategy for Medical Device	3	1
Clinical Trial Protocols and Proposals for Medical Device	6	1
Social Responsibility, Anti-terrorism, Anti-bribery, Information	547	3