



*dyaco*

2021

SUSTAINABILITY REPORT

## A Word from The Sustainability Committee



Chairman

A handwritten signature in black ink, appearing to be 'Ying-Chun Lin'.

Dear friends of Dyaco:

To continuously implement the corporate social responsibility and sustainable management of the Dyaco International Inc., the board of directors established a Corporate Sustainable Development Committee (CSDC) on August 11, 2021, merging the original functions of the Corporate Social Responsibility Committee. CEO Mr. Ying-Chun Lin led it as the chairperson of CSDC, and the independent director Mr. Chi-Cheng Wang as vice-chairperson. Two other members are independent directors of Dyaco, Mr. Wang & Mr. Hsieh. Its function is to formulate the targets, strategies, and plans for sustainable governance, integrity management, and the environmental and social dimension of the company. Before the reorganization this year, there were two meetings. One meeting was held after the establishment of the committee in August. All three events had an attendance rate of 100%.

Dyaco was established over 30 years ago. Although it stemmed from trading, local research and development soon followed, allowing us to promote our products internationally. Our company's beliefs are oriented around society's people, environment, and prosperity. We integrate the mindset of ESG to compare the industrial and economic figures and the expected future of the world and humankind. These long-term goals need combining strengths from various industries and countries to work together.

Whether it's the climate change issue or the COVID-19 pandemic, which has lasted for more than two years, the world has come together to deal with it. The global village concept is no longer just welfare accompanying economic activities. Humans have never been as closely related to each other; people, society, and the environment are all interconnected and influenced by each other.

To foster a better living environment, everyone must contribute. From the state and society to corporate and individuals, continuous cooperation in a professional division of labor is necessary. When facing sustainable issues such as supply chain development, global environmental problems, responsible production, and employee well-being, Dyaco, as a member of an international enterprise, follows the United Nations' Sustainable Development Goals (SDGs) and implements corporate governance and corporate social responsibility. Our responsibility is to respond to stakeholders and stabilize enterprise development through active actions and better risk management.



## Sustainability Committee Annual Plan

### 2021 Work Plans

- Promote the CSR Committee to implement sustainable business.
- Organizing Dyaco's across various departments to promote the implementation of corporate social responsibility in the goals of each department and to plan to publicize corporate social responsibility education and training courses.
- Continue to promote corporate governance, social welfare, environmental, and social responsibility activities.
- Publicize the English version of the sustainability report.

### Coming Work Plans

- In the first half of 2022, complete the 2021 ESG report and implement the third-party verification.
- In the second half of 2022, supervise the implementation of carbon reduction plans and promote greenhouse gases inventory.
- Continue to promote and implement social service projects throughout the year.



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## About This Report

This report is the 4th Sustainability Report issued by Dyaco since 2018. This report is for the relevant stakeholders of the company, providing the management policy and implementation results of the aspect of ESG (Environment, Social, and Governance). We continue to fulfill social responsibilities and aim to create sustainable management and the shared prosperity of society.

### Reporting Period and Scope

This report information is disclosed from January 1, 2021, to December 31, 2021, Dyaco corporate social responsibility results, management policies, and performance, all based on Dyaco Taiwan, including Taipei's headquarter, Taichung's International Marketing Office, and three factories located in Changhua.

### Reporting Guidelines and Principles

This report follows the core options of GRI standards issued by the Global Reporting Initiative as the reference basis for information disclosure.

### Date of Issue



This report is issued annually, and an electronic version of this report is posted on the company website to support environmental protection.



### Report Assurance

This report disclosed the inclusiveness, materiality, responsiveness, and impact and is verified by the SGS Taiwan according to the AA1000 Assurance Standard Type I, Moderate level assurance. The SGS ASSURANCE STATEMENT is attached in the appendix of this report.

### Feedback

Please get in touch with us for any comments or information inquiries about this report.

#### Dyaco International Inc.

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# Dyaco Sustainable Performance Highlight

Acquired ISO 14001 Environmental Management Systems in 2021



Dayco's consolidated revenue for 2021 is  
**NTD 11.7 billion.**

Branding, servicing, and innovating are the core values of Dyaco that have always adhered to. In 2021, we received the Taiwan Excellence Award, the eighth consecutive year since 2013. Product safety is a significant priority for us; comprehensive product quality inspections are conducted before leaving the factories to ensure safety through the ISO 9001 Quality Management System and the ISO 13845 Medical Devices-Quality Management Systems Standards. Additionally, we are in the research and development stage of environmental protection and safety concepts to reduce the greenhouse gas emissions generated during the process.

Since 2018, Dyaco has formulated the "Environmental Safety and Health Policy" and "Social Responsibility Management Manual" and established a corporate social responsibility committee. We followed the Responsible Business Alliance's Global Standards to obey the social management norm. Also, we required suppliers to sign the social responsibility audit form and gradually integrate the supply chains.

## Environment dimension



Solar power generated

**1,891,597 kWh**



Total energy use

**-31%**



GHG emissions

**-31%**

## Governance dimension



Annual welfare expenditure over

**NT\$6 million**

Employees total training hours increased by

**46.62%**

ranked **6%-20%** in Corporate Governance Evaluation System  
**4 consecutive year**

**100%** completion rate of customer service cases

**6 consecutive years receiving the Taiwan Excellence Award**



2021 Excellence Awards



台灣精品銀質獎  
**TAIWAN EXCELLENCE SILVER AWARD 2021**



## Social dimension

Invested over **NT\$10 million** in the community

## Stakeholder Engagement

Dyaco's CSR task force refers to the five principles of the AA1000 Stakeholder Engagement Standard, including influence, tension, responsibility, dependency, and diverse perspectives. It then identifies the key stakeholders, including competent authorities, employees, shareholders and investors, customers, suppliers, social groups, and community residents.

Stakeholders	Significance to Dyaco	Major Issues of Concern	Communication Channels	Frequency	Outcomes In 2021
<b>Competent Authorities</b>	Complying with laws and regulations and cooperating with the government's review and supervision ensure sustainable operation.	<ul style="list-style-type: none"> <li>-Regulatory compliance</li> <li>-Corporate governance</li> <li>-Risk assessment</li> <li>-Regulatory compliance</li> <li>-Occupational safety and health</li> <li>-Customer health and safety</li> </ul>	<ul style="list-style-type: none"> <li>-Meeting</li> <li>-Cooperate with supervision and inspection</li> <li>-Contact windows</li> <li>-Announcement</li> </ul>	<ul style="list-style-type: none"> <li>-Irregularly</li> <li>-Irregularly</li> <li>-Irregularly</li> <li>-Irregularly</li> </ul>	<p>1.established a Corporate Sustainable Development Committee merging the original functions of the Corporate Social Responsibility Committee.</p> <p>2.7th Corporate Governance Evaluation System ranked 6%-20%.</p>
<b>Employees</b>	Dyaco's important growth and sustainable development source.	<ul style="list-style-type: none"> <li>-Occupational Safety and health</li> <li>-Labor-employer relations</li> <li>-Labor-management relations</li> <li>-Talent cultivation and career development</li> <li>-Employees rights</li> <li>-Employees welfare</li> </ul>	<ul style="list-style-type: none"> <li>-Occupational safety and health meetings</li> <li>-Employees welfare meetings</li> <li>-Labor-management meetings</li> <li>-Company announcement</li> <li>-On-the-job training</li> <li>-Notification system</li> </ul>	<ul style="list-style-type: none"> <li>-Quarterly</li> <li>-Irregularly</li> <li>-Quarterly</li> <li>-Irregularly</li> <li>-Irregularly</li> <li>-Quarterly</li> </ul>	<p>1.The total number of training hours is 5,287 hours.</p> <p>2.2,617 employees trained.</p> <p>3.1 domestic employee travel.</p> <p>4.Annual welfare expenditure over NT\$ 6 million.</p>



Stakeholders	Significance to Dyaco	Major Issues of Concern	Communication Channels	Frequency	Outcomes In 2021
Shareholders and Investors	Shareholders' and investors' supports and long-term attentions are essential to Dyaco's operation. The perfect corpo-rate governance policy is the confidence to strengthen the fund providers and create the basis of sustainable interests.	<ul style="list-style-type: none"> <li>-Operational per-formance</li> <li>-Brand marketing</li> <li>-Technology innova-tion</li> <li>-Business per-formance</li> <li>-Corporate govern-ance</li> <li>-Sustainable devel-opment strategies</li> <li>-Regulatory com-pliance</li> </ul>	<ul style="list-style-type: none"> <li>-General meeting of shareholders</li> <li>-Investor conference</li> <li>-Investor relations contact window</li> <li>-Company financial report, annual report, sustainability report</li> </ul>	<ul style="list-style-type: none"> <li>-Once a year</li> <li>-two times/ year</li> <li>-Irregularly</li> <li>-Once a year</li> </ul>	<ul style="list-style-type: none"> <li>1.Hold 1 general meeting of shareholders.</li> <li>2.Hold 2 investor conferences.</li> </ul>
Customers/ Consumers	Consumers are the driving force behind Dayco's continuous progress. And so, we insist on providing better products and services.	<ul style="list-style-type: none"> <li>-Customers satisfaction</li> <li>-Products and services innovation</li> <li>-Customers relation management</li> <li>-Customers privacy</li> <li>-Social care</li> </ul>	<ul style="list-style-type: none"> <li>-Service window</li> <li>-Official website</li> </ul>	<ul style="list-style-type: none"> <li>-Depends on customer needs</li> <li>-Irregularly</li> </ul>	<ul style="list-style-type: none"> <li>1.100% completion rate of customer service cases.</li> </ul>

Stakeholders	Significance to Dyaco	Major Issues of Concern	Communication Channels	Frequency	Outcomes In 2021
Suppliers	Trusting and cooperating be-tween business partners to reach the goal of corporate environmental sustainability.	<ul style="list-style-type: none"> <li>-Supplier management</li> <li>-Raw material management</li> <li>-Sustainable development strategies</li> <li>-Green procurement</li> <li>-Water resource management</li> <li>-Wastewater/waste management</li> <li>-Energy management</li> <li>-Climate change</li> </ul>	<ul style="list-style-type: none"> <li>-Consultative meeting</li> <li>-Signing supplier responsibility commitment</li> </ul>	<ul style="list-style-type: none"> <li>-Irregularly</li> <li>-Irregularly</li> </ul>	<p>1.As of 2021, a total of 210 hazardous substance restriction guarantees have been signed with Dyaco, accounting for 59.7% of the fulfillment rate of raw material suppliers (category F).</p> <p>2.6 investigations have been completed on electronic materials, ensuring they do not contain conflict metals such as tantalum, tin, tungsten, and gold mining in eastern Congo and its neighboring countries.</p> <p>3.Investigate 251 suppliers on supplier environment, occupational safety, and social responsibility management.</p>
Social Groups and Community Residents	Contribute to society and promote environmental protection, sports culture, and medical rehabilitation resources.	<ul style="list-style-type: none"> <li>-Corporate image</li> <li>-Social care</li> <li>-Social engagement</li> <li>-Sustainable operation</li> </ul>	<ul style="list-style-type: none"> <li>-Community activity</li> <li>-Materials or scholarship distribution</li> </ul>	<ul style="list-style-type: none"> <li>-Irregularly</li> <li>-Irregularly</li> </ul>	<p>1.Invested over NT\$ 10 million in the community.</p> <p>2.A total of 34 units are being donated.</p>

# Materiality Analysis and Management Policy

## Materiality Analysis

To make the report's content meet the needs of stakeholders, we conducted two types of questionnaires. We collected 108 valid replies, including 90 questionnaires, to analyze the issues of concern to each stakeholder group. 18 questionnaires for the internal executive to measure the impact of sustainable development and score factors such as revenue, cost, customer satisfaction, brand, operating environment, society, and corporate governance to understand critical issues under varied aspects.

### — 2021 18 Material Issues —

#### Economic Dimension

- Regulatory Compliance
- Corporate Governance
- Risk Management
- Operational Performance
- Brand Marketing
- Quality Control
- Technology Innovation
- Customer Services Management

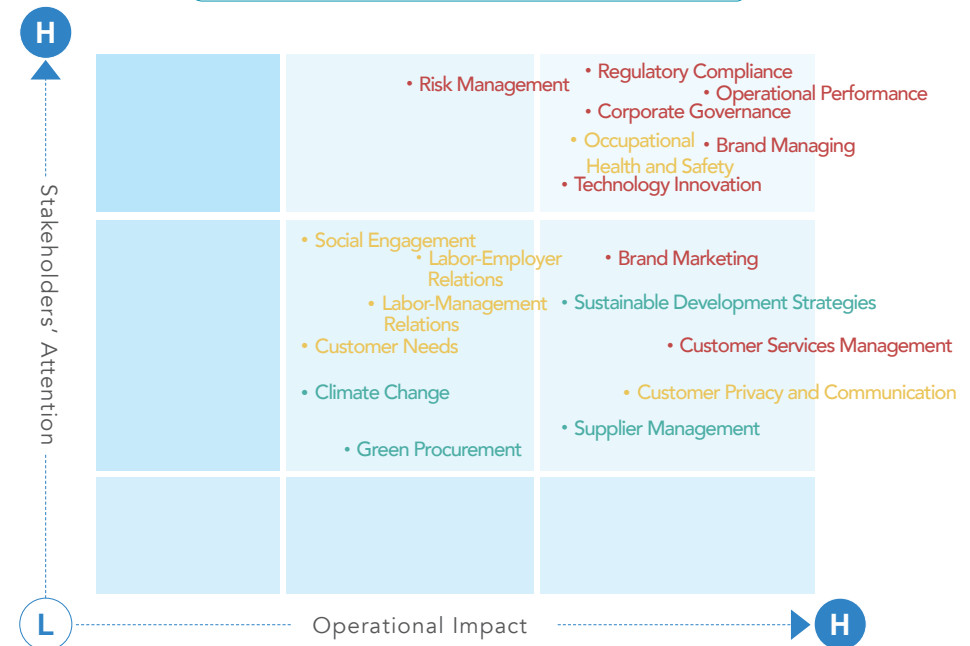
#### Environment Dimension

- Sustainable Development Strategies
- Supplier Management
- Green Procurement
- Climate Change

#### Social Dimension

- Customer Privacy and Communication
- Labor-Management Relations
- Labor-Employer Relations
- Occupational Health and Safety
- Customer Needs
- Social Engagement

### Materiality Analysis Graph








		2021 Materiality Issues	2020 Materiality Issues
Remain the Same	Economic Dimension	Regulatory Compliance	Regulatory Compliance
		Corporate Governance	Corporate Governance
		Risk Management	Risk Management
		Operational Performance	Operational Performance
		Brand Marketing	Brand Marketing
		Quality Control	Quality Control
		Technology Innovation	Technology Innovation
	Environment Dimension	Sustainable Development Strategies	Sustainable Development Strategies
		Supplier Management	Supplier Management
		Green Procurement	Green Procurement
		Climate Change	Climate Change
	Social Dimension	Customer Privacy and Communication	Customer Privacy and Communication
		Labor-Management Relations	Labor-Management Relations
		Labor-Employer Relations	Labor-Employer Relations
		Occupational Health and Safety	Occupational Health and Safety
		Customer Needs	Customer Needs
		Social Engagement	Social Engagement
New	Economic Dimension	Customer Services Management	-
Remove	Environment Dimension	-	Green Packaging and Logistics



## Impact Boundaries


	Material Issues	Importance to Dyaco	Corresponding to GRI	Impact Position			
				Upstream		Dyaco	Downstream
				Competent Authorities, Shareholders, and Investors	Suppliers		Customers, Community
 Economic Dimension	Regulatory Compliance	Understanding global trends and compliance with relevant laws is necessary for corporate sustainable responsibility management.	GRI 205: Anti-corruption GRI 307-1: Non-compliance with environmental laws and regulations GRI 419-1: Non-compliance with laws and regulations in the social and economic area	●	○	●	○
	Corporate Governance	A sound organizational structure, board of directors' operation, management systems formulation, and company operations maintenance.	GRI 103: Management Approach	●	●	●	●
	Risk Management	Operational risk identification system and management to reduce operational impact and development opportunities.	Customize issue	●	●	●	○
	Operational Performance	The ratio of revenue and financial profit to operating sales ensures Dyaco's competitiveness.	GRI 201: Economic Performance	●	○	●	○
	Brand Marketing	Establish the market positioning and layout of each product, the company's brand development strategy, and global layout.	Customize issue	●	○	●	○
	Quality Control	Dyaco produces fitness equipment, provides healthy and safe products to customers, and ensures that products' high quality and safety are our responsibility.	Customize issue	○	○	●	○
	Technology Innovation	The continuous application and development of core technologies drive the company's growth to integrate with the international supply chain and demand.	Customize issue	●	○	●	○
	Customer Services Management	Improve service quality through the feedback on price, service, delivery, quality, packaging, customer complaints, technical support, etc.	Customize issue		○	●	●

Note: ● Direct Impact/ ○ Indirect Impact

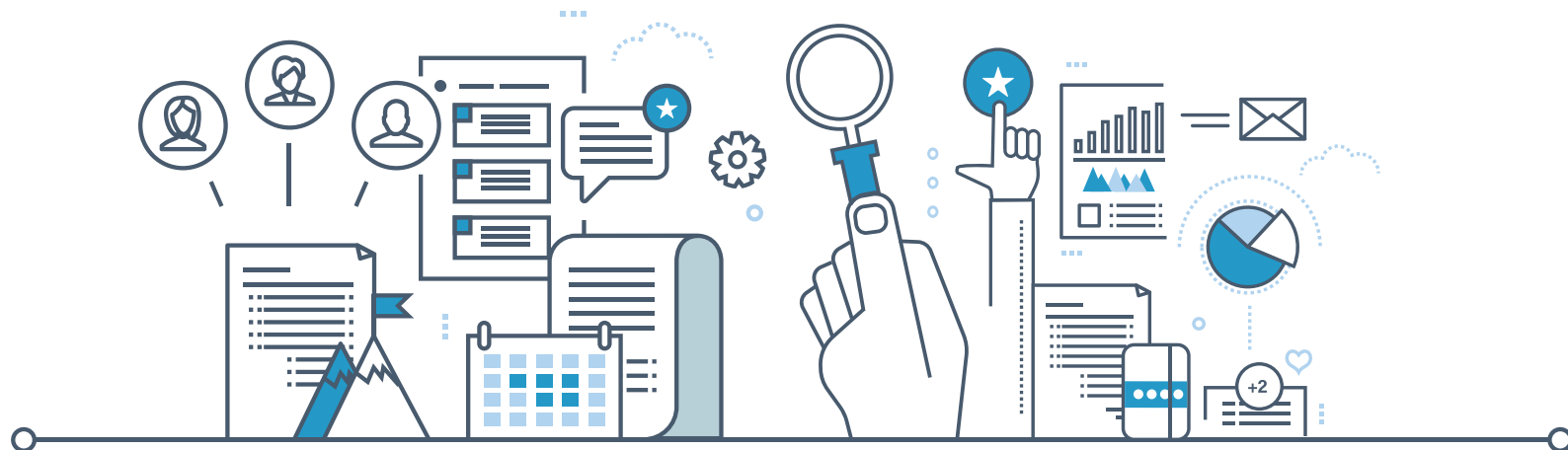
	Material Issues	Importance to Dyaco	Corresponding to GRI	Impact Position			
				Upstream		Dyaco	Downstream
				Competent Authorities, Shareholders, and Investors	Suppliers		Customers, Community
 Environment Dimension	Sustainable Development Strategies	The world economy is developing and changing rapidly. Companies must understand international trends, plans, and targets to continue operating.	Customize issue	●	●	●	●
	Supplier Management	Business operations should establish cooperative growth relationships with suppliers to reduce operational risks.	Customize issue	○	●	●	○
	Green Procurement	Establish sustainability initiatives with suppliers and establish environmental protection principles from low-carbon procurement.	GRI 414: Supplier Social Assessment	○	●	●	○
	Climate Change	It has become an essential issue for corporates to cope with climate risks and the resulting operational risks and impacts.	Customize issue	○	○	●	○
 Social Dimension	Customer Privacy and Communication	Dyaco attaches great importance on securing customers' data to maintain trust.	GRI 417: Marketing and Labeling	○	○	●	●
			GRI 418: Customer Privacy				
	Labor-Management Relations	Maintaining smooth communication with employees, safeguarding employees' rights and interests, and creating a good working environment are essential cornerstones for enhancing the competitiveness of a corporation.	GRI 401: Employment				
			GRI 402: Labor/Management Relations	○	○	●	○
	Labor-Employer Relations	Employees are Dyaco's essential assets, allowing employees to work in a stable environment is to improve the growth momentum of the company.	GRI 401: Employment				
			GRI 404: Training and Education				
			GRI 405: Diversity and Equal Opportunity	○	○	●	○
			GRI 406: Non-discrimination				
			GRI 408: Child Labor				

Note: ● Direct Impact/ ○ Indirect Impact



	Material Issues	Importance to Dyaco	Corresponding to GRI	Impact Position			
				Upstream		Dyaco	Downstream
				Competent Authorities, Shareholders, and Investors	Suppliers		Customers, Community
 Social Dimension	Occupational Health and Safety	Dyaco creates a safe working environment, manages employees' physical and mental health, and reduces injuries as the basis for operations.	GRI 403: Occupational Health and Safety	○	○	●	○
	Customer Needs	Understand customer needs and respond positively to help companies maintain growth momentum.	Customize issue	○	○	●	●
	Social Engagement	Dyaco hopes to continue to promote exercise, deepen relationships with the locals, widely expand to various social welfare and public associations, and implement social responsibilities.	Customize issue	●	○	●	●

Note: ● Direct Impact/ ○ Indirect Impact



## Material Issues Management Policy






Material Issues	Policy	Commitment	Target	Responsible Unit
Regulatory Compliance	Including company employees and cooperative manufacturers must strictly follow the requirements and specifications of the competent authorities.	Comply with the regulations related to business integrity, commercial activities, and listed company-related rules.	Reduce non-compliance incidents.	Finance Department, Management Department, Human Resources Department, Audit
Corporate Governance	Formulate a corporate governance structure to establish sustainable operation and development of the company.	Paying attention to major corporate issues and stakeholders to ensure meeting operational goals and continuous growth.	Setting Corporate Governance Evaluation System ranked 6%-20% as a baseline and continues to improve, reaching the competent authorities' disclosure standard.	Finance Department, Management Department, Audit
Risk Management	Prevent and control possible risks, formulate relevant early warning measures, and conduct risk assessments on environmental, social, corporate governance, and data security issues related to company operations under the principle of materiality.	Identify operational risks every year and strive to reduce the harm.	Develop climate change and financial risk assessment policies.	Management Department, Corporate Sustainable Development Team
Operational Performance	Local research and development, manufacturing, global distribution, and mastery of major international markets.	Formulate operational performance indicators and analysis.	Continues to improve operational performance and respond to key stakeholders	Finance Department, Investor Relations
Brand Marketing	Develop sports leisure and rehabilitation medical products for all age groups.	Provide a full range of low to high-end positioning of private brands.	Introducing intelligent technology and customized fitness and rehabilitation medical solutions.	Sales Department, Research and Development Department
Quality Management	Respect for customers is one of the essential company cultures and management following the quality management system.	Products undergo a strict development process and comprehensive quality inspection before leaving factories.	Meeting national product safety standards and ensuring user safety.	Research and Development Department, Manufacturing Department, Quality Management Department
Technology Innovation	Essential core technology research and development, continuous application in sports and rehabilitation products, and product diversification.	Provide innovative, high-quality, and practical sports equipment.	Local research and development, manufacturing, mastering European and American markets.	Research and Development Department, Manufacturing Department, Quality Management Department, Legal Department



Material Issues	Policy	Commitment	Target	Responsible Unit
Customer Services Management	Formulate a customer satisfaction survey.	Collect customer feedback and incorporate into future product improvements.	Maintain contact with customers within 48 hours and 100% case handling rate.	Sales Department, Customer Service Department
Sustainable Development Strategies	Based on the corporate governance, environment, and social, corresponding to the SDGs, implement into the performance of each department, and create corporate value.	Comply with the regulations of the competent authorities and corporate governance evaluation.	Proper use of resources and promote sustainable industrial development.	Management Department, Corporate Sustainable Development Team
Supply Chain Management	Respect customers and become sustainable partners with suppliers.	Implement supplier selection and assessment to fulfill social responsibilities.	The target is to comply with international trends and global regulations to ensure that suppliers meet the requirements of social responsibility standards.	Procurement Department, Logistics Management Department
Green Procurement	Ensure that all cooperative suppliers can meet Dyaco social responsibility standards.	1.Prioritize equipment with higher energy efficiency. 2.Recyclable materials are used according to the process and safety assessment. 3.Use of conflict-free minerals.	100% of suppliers' social responsibility audit forms sign off.	Procurement Department, Management Department, Research and Development Department
Climate Change	1.Reduce the operational impact caused by the environment and set goals for improvement. 2.Promote and implement energy conservation and carbon reduction policies.	Comply with the competent authorities' regulations to track GHG emissions and energy usage.	Improve energy efficiency and reduce GHG emissions.	Management Department, Corporate Sustainable Development Team



Material Issues	Policy	Commitment	Target	Responsible Unit
Customer Privacy and Communication	Dyaco sets up data security authority system to ensure the security of customer data.	Comply with customer data usage guidelines.	0 cases of privacy violations.	Sales Department, Customer Service Department
Labor-Management Relations	Maintain open communication with employees to promote two-way understanding.	Provide channel to ensure that employees can communicate with company.	Ensuring that employee opinions are accepted and properly responded to.	Human Resources Department, Management Department
Labor-Employer Relations	Implement gender equality, uphold human rights, and comply with labor regulations.	Improve the selection and retention policy; implement the performance appraisal and salary system.	Develop talent training plans and expand recruitment channels.	Human Resources Department, Management Department
Occupational Health and Safety	Taking employees' safety as the most important principle, implementing pre-employment training, and attaching importance to workplace safety and health.	1. Provide a safe and healthy workplace. 2. To ensure employee health and on-the-job training. 3. Comply with domestic laws and regulations.	Reduce the number of occupational disasters, introduce automated equipment, and strengthen on-site patrols.	Human Resources Department, Management Department
Customer Needs	Implement a customer-oriented corporate culture.	Handle customer needs within 48 hours.	Improve customer satisfaction and reduce the proportion of customer complaints	Sales Department
Social Engagement	1. Continue to promote sports and healthy lifestyle. 2. Actively donate and participate in social welfare.	Fulfill corporate responsibility and give back to local communities.	Introduce volunteer system and establish a positive corporate culture.	Marketing and Public Relations Department

## Dyaco's Action on SDGs

SDGs	SDGs Targets	Meaning to Dyaco	Related Chapter
 Good health and well-being	3.4 By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	Dyaco is committed to the production, research and development, and sales of fitness equipment to meet the health needs of different ages. It promotes the concept of health and creates a better lifestyle for everyone.	A Word from The Sustainability Committee 1 Corporate Governance 2 Innovative Products Service 4 Friendly Workplace
 Quality education	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship  4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	Employees are an essential source of growth resources and sustainable development, so Dyaco attaches great importance to learning and education. We provide vocational training to ensure the implementation of diversified employment and equality policies.	4 Friendly Workplace 5 Committed to Social Welfare
 Gender equality	5.1 End all forms of discrimination against all women and girls everywhere	Gender equality is the foundation of Dyaco's sustainable development; regardless of gender, one can participate in company policies fairly and gain equal opportunities.	1 Corporate Governance 4 Friendly Workplace
 Decent work and economic growth	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors  8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Creating employment opportunities and operating performance is the long-term goals of Dyaco's sustainable business growth.	1 Corporate Governance 2 Innovative Products Service 4 Friendly Workplace
 Responsible consumption and production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse  12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	As a global fitness equipment manufacturer, proper resource management and sustainable production are essential issues for Dyaco.	2 Innovative Products Service 3 Implement Green Operations

SDGs	SDGs Targets	Meaning to Dyaco	Related Chapter
 <p>Peace, justice, and strong institutions</p>	<p>16.5 Substantially reduce corruption and bribery in all their forms</p> <p>16.6 Develop effective, accountable and transparent institutions at all levels</p>	<p>Dyaco's layout in the global market and establishing partnerships and norms are the key projects of the company's sustainable management.</p>	<p>1 Corporate Governance</p>
 <p>Partnerships for the goals</p>	<p>17.10 Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda</p>	<p>Dyaco's layout in the global market and establishing partnerships and norms are the key to sustainable operation.</p>	<p>1 Corporate Governance 2 Innovative Products Service</p>











# 01

## Corporate Governance

- 1.1 About Dyaco
- 1.2 Corporate Governance
- 1.3 Implementation of Risk Management
- 1.4 Involvement of External Organizations



# 01 Corporate Governance

Dyaco formulates a corporate governance structure, implements, and abides by relevant laws and regulations following the code, establishing sustainable operation and development. We received 94.44 points in the 7th Corporate Governance Evaluation System, an increase of 7 points compared to the previous year, standing between 6% to 20% of all listed companies.

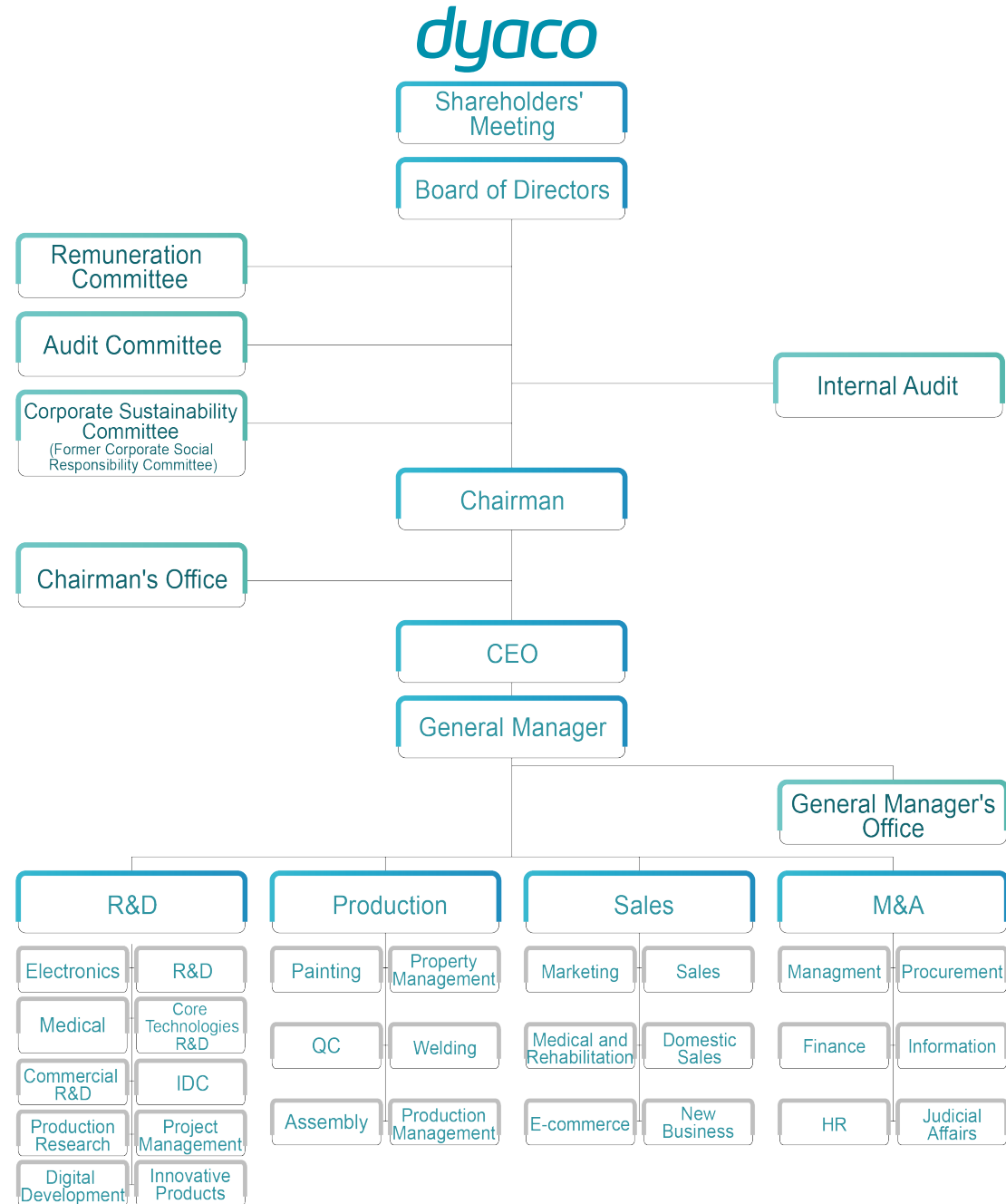
## 1.1 About Dyaco

Dyaco was established in 1990 as a buyer and exporter of sports equipment. Since 2008, we have transformed into a self-operated manufacturer, focusing on alliance cooperation, distribution, brand marketing, and management, fully concentrating on OBM (Original Brand Manufacturer). We have obtained international authorization from world-renowned sports equipment brands SPIRIT, XTERRA, SOLE, fuel, and the world's leading mixed martial arts organization Ultimate Fighting Championship® (UFC).

After laying a foundation in the home fitness market, Dyaco went public in 2016. Dyaco becomes a fitness business group by expanding into the medical rehabilitation and professional fitness markets and continues to develop safe fitness equipment, combining innovative interactive technologies and mastering the market.

Company name	Dyaco International Inc.
Stock code	1598
Industry category	Biotechnology and medical industry
Headquarter	12F., No. 111, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)
Business scope	Global
Capital (NTD)	1,339,822,540

## 1.1.1 Company structure





## 1.1.2 Key Milestones



### 1990

Dyaco International Inc. was established in Taipei



### 2008

Started own production by building a factory and office in Chuanhsing Industrial Park

Merged with US-based Spirit Manufacturing Inc. and acquired the "SPIRIT" brand

Obtained ISO-9001 quality management system certification



### 2010

Dyaco (Shanghai) Trading Co., LTD. was established

Obtained ISO-13485 quality management system certification for medical device industry



### 2012

Dyaco Japan Co., Ltd. Was established

The US logistics headquarters was officially opened



### 1994

Set up a customer service center in Los Angeles, US



### 2009

Introduced SAP ERP system



### 2011

Listing emerging stocks were approved on Oct 24



### 2013

Acquired Maurice Pincoffs Canada Inc.

Acquired Dongguan Dayu Sports Equipment Co., Ltd.

Acquired Yongan Sports Technology Co., Ltd.

## 2021 Milestones

Acquired City Sport Co. Ltd & Sweatband.com Ltd
Issued the third domestic unsecured corporate bonds at NT\$1,000,000 thousand
Included in the index of Fubon TWSE Corporate Governance 100 ETF & TWSE Corporate Governance 100 Index
SOLE ST90 received Taiwan Excellence Award 2022
Received 6th Taiwan Mittelstand Award

  
**2014**

Dyaco Germany GmbH was established

  
**2016**

Officially listed and traded on the Taiwan Stock Exchange

  
**2018**

Dyaco UK Ltd. was established

Brand licensing partnership with Philips to develop professional medical and rehabilitative fitness equipment products

  
**2020**

Acquired Sole Inc.

Acquired with PRESIDENT PLASTIC PRODUCTS MFG. CO., LTD.

  
**2015**

Established the physical store under the "Runners" brand

Established Daan Health Management Consulting Co., Ltd. to develop medical rehabilitation services business

  
**2017**

Acquired 100% of CARDIO Fitness GmbH & Co. KG and CARDIO Fitness Verwaltungs GmbH equity in Germany

  
**2019**

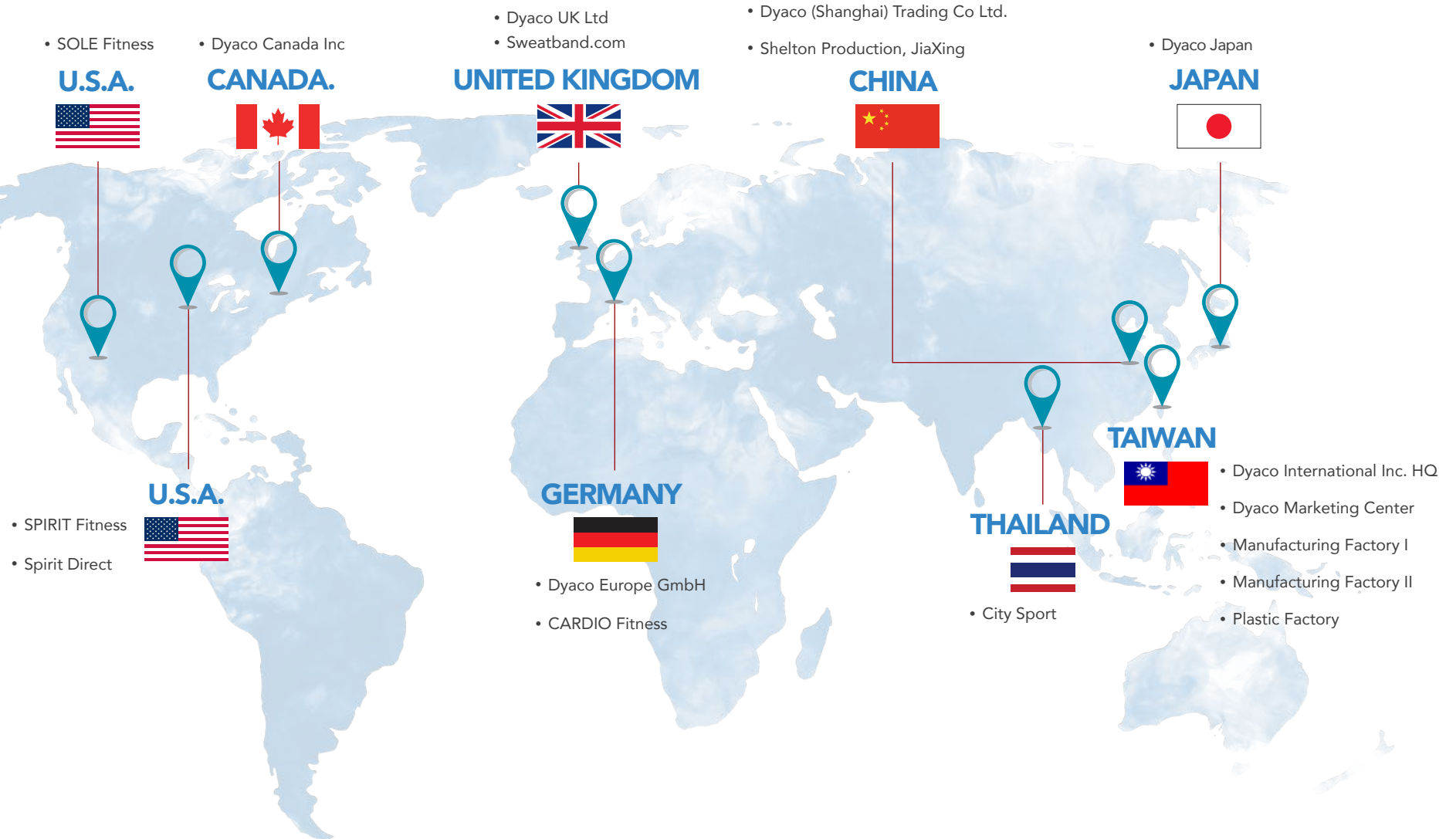
3rd place in the medical device and equipment industry in the 2019 Taiwan Top 5000 Regional Large Enterprises Ranking



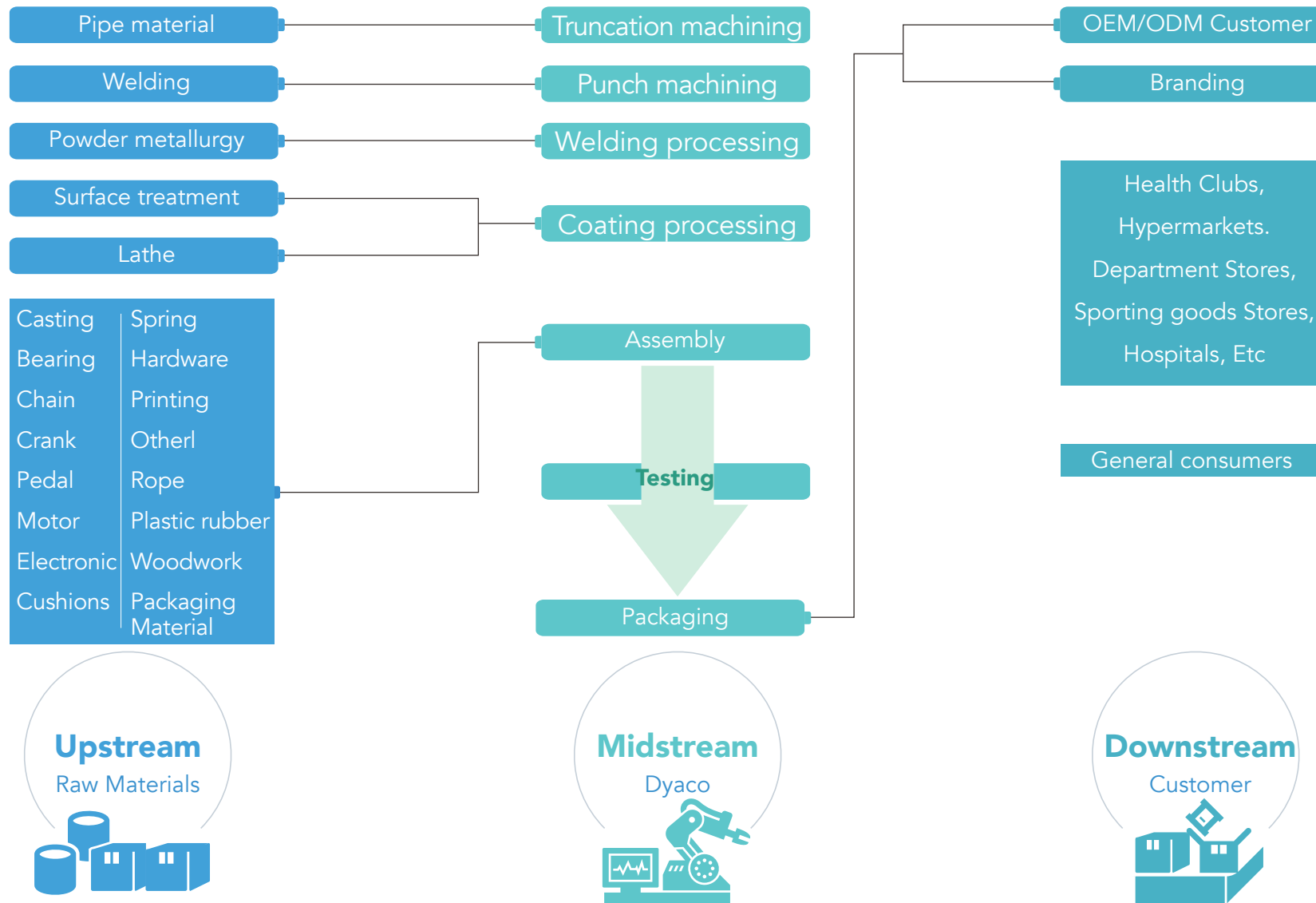
### 1.1.3 Organization Relationship Chart



## 1.1.4 Operational Location



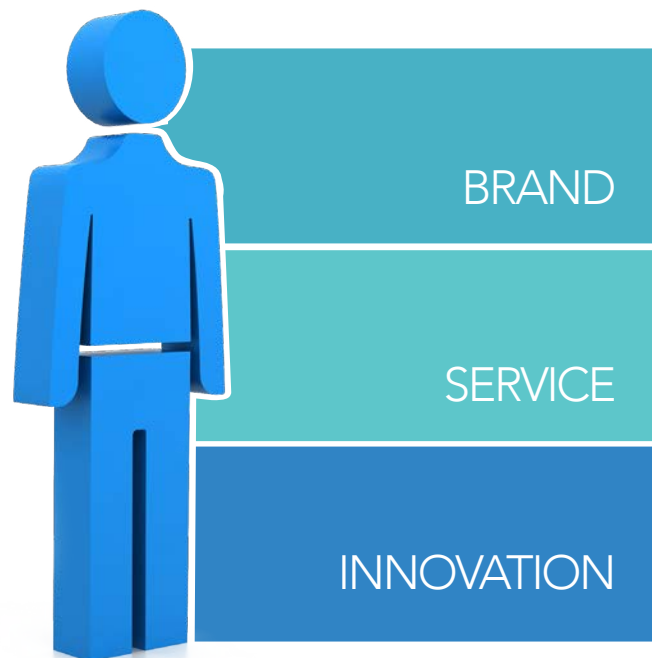
### 1.1.5 Industrial Chain



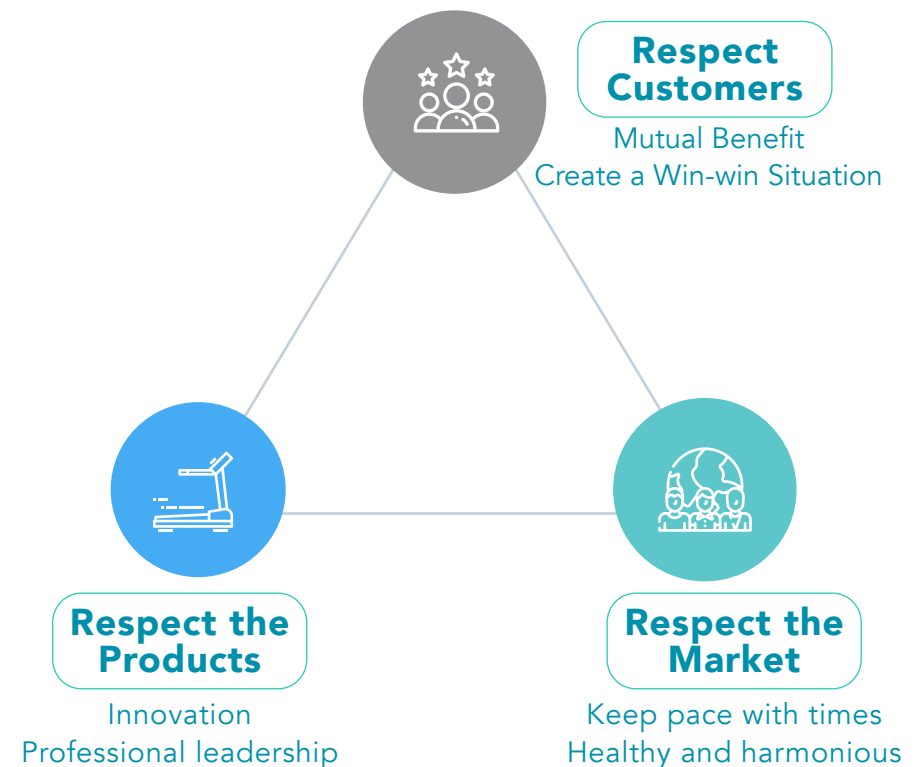
### 1.1.6 Core Values

Dyaco takes “Brand, Service, Innovation” as the core of the business and the needs of “People” as the starting point. Dyaco continues to provide services and develops brand agents in various countries and establishes a brand communication platform at the same time, and proposes solutions for fitness and rehabilitation medical care, covering home environment, commercial and rehabilitation places, and expanding to whole-person health-related fields, making healthy habits a part of life.

#### Sustainability Vision



#### Corporate Culture



### 1.1.7 Operational Performance

Dyaco's 2021 full-year consolidated revenue is NTD 11.7 billion, with earnings per share (EPS) of NTD 3.48. Due to the bottlenecked purchasing power from the home fitness market and the increased shipping cost, the revenue has slightly decreased compared with the first year of the pandemic. Dyaco is making every effort to develop the online market and has successfully acquired local distributors in the UK and Thailand. It is expected that the maturity of resources in their respective markets will accelerate the expansion of the global online markets.

In the future, Dyaco will focus on developing intelligent fitness products and online channel platforms for advancement in the medical fitness field. We will also continue to integrate the concept of sustainability while expanding our scale.

#### Dyaco's Profitability Analysis

	2017	2018	2019	2020	2021
Revenue (NTD Thousands)	4,457,716	5,557,150	5,850,528	13,123,756	11,742,081
Net profit after tax (NTD Thousands)	(165,903)	127,456	220,095	1,318,056	444,190
EPS (NTD)	-1.62	1.16	2.05	11.69	3.48
Debt-To-Equity Ratio (%)	67.67	70.41	69.24	63.25	64.12
Long-term funds to fixed assets (%)	130.57	112.27	130.76	230.86	236.12
Return On Assets (%)	-2.35	2.50	3.74	13.27	3.92
Return On Equity (%)	-7.58	6.03	10.18	37.05	9.62

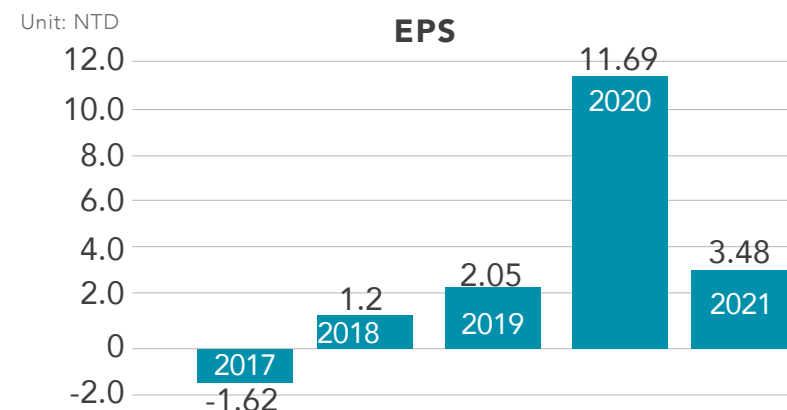
Note: For more detailed information, please refer to the 2021 Dyaco Annual Report.

#### Dyaco's Fund Application

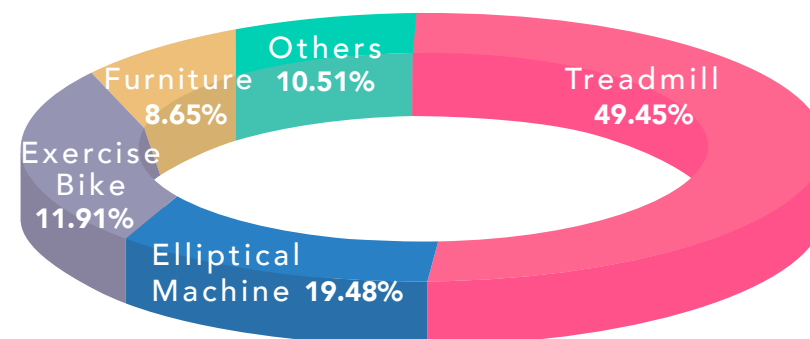
Unit: NTD Thousand

	2018	2019	2020	2021
Revenue	5,557,150	5,850,528	13,123,756	11,742,081
Operation Costs	4,029,751	4,134,129	7,639,437	7,684,679
Employee benefits and Expenditures	966,125	992,897	1,179,738	1,078,370

#### EPS



#### Sales Percentage



Note: For more detailed information, please refer to the 2021 Dyaco Annual Report p.75.



## 1.2 Corporate Governance

The composition of the directors of Dyaco is diverse, covering legal, industrial management, finance, and accounting field. We regularly arrange for directors to participate in professional courses, including sustainability and risk management. As of the publication date of the annual report, the total number of education and training hours for directors is 38 hours.

### 1.2.1 Division of Work by Department



- Managing Dyaco's business objectives, development blueprint, holding the board directors, and other related affairs.



- Assisting the board of directors and management in inspecting and reviewing the internal control system and providing improvement suggestions to ensure its effective implementation.



- Planning the overall business strategy, business policy formulation, investment planning, and control.
- Assess and control each department's operation status and internal control, and manage the execution, planning, and coordination of the overall business of Dyaco.



- Formulate production plans, engage in brand product manufacturing, assembly, quality control, and coordinate product and raw material shipments.



- Divided into the foreign and domestic sales team, responsible for business contact, customer development, order management, mastering market dynamics, brand marketing, physical market channels, rehabilitation, and e-commerce channel management and sales affairs.



- Divided into the foreign and domestic sales team, responsible for business contact, customer development, order management, mastering market dynamics, brand marketing, physical market channels, rehabilitation, and e-commerce channel management and sales affairs.



- Plan and execute the company's fiscal management, fund scheduling, investment business, summarize the annual budgets, and other related work. Preparing, analyzing, controlling, and reporting of accounting operations and settlement statements.
- Management and promotion of personnel, legal affairs, administration, general affairs, information, and fixed assets.
- Work and management related to labor safety and health, environmental safety, gender working environment protection, foreign workers, etc. Internal related ISO audits matters and data file management.
- Providing corporate application system development, maintenance, network, and database services.



## 1.2.2 The Board of Directors and Functional Committees

The board of directors: Consists of seven directors, including three independent directors and four directors. In 2021, the board of directors held 10 meetings, with an attendance rate of 95%. According to the evaluation method passed by the board of directors on November 11, 2016, the directors' self-evaluation report should be completed at the end of December 2021. To implement management performance, Dyaco entrusted external experts to evaluate in 2021. The overall evaluation results are based between good and excellent; it shows that the board members and functional committees are operating effectively, work assignments are carried out according to different professions and experiences, their timely grasp of operating conditions and risks, and a high degree of participation in the company's operations.

### Lists of the board

Title	Name	Experience and Academic Background	Positions Currently Held in DYACO and Other Companies
Chairman	Lin, Ing-Gin	Bachelor of Department of Public Health, National Taiwan University Master of Professional Accounting, University of Texas Founder of Dyaco International Inc	Director of Dyaco International Holding Limited Director of Fuel Spirit International Inc. Director of Dyaco Canada Inc. Director of Dyaco (Shanghai) Trading Co., LTD. Director of Dyaco UK Ltd. Director of President Plastic Products MFG. Co., Ltd. President of CHIH-LING INVESTMENT CORPORATION President of Yunhen Investment Inc. President of Wing Long Co., Ltd.
Director	Zhuang, Zhu-Wei	Bachelor of Department of Fiber and Composite Materials, Feng Chia University General Manager of CHANITEX CO., LTD.	Director of CHANITEX CO., LTD. General Manager of CHANITEX CO., LTD.
Director	Chang, Chih-Chuan (Note 1)	EMBA of Tunghai University Chairman of Houli Construction Co., Ltd.	Chairman of Houli Construction Co., Ltd.

Title	Name	Experience and Academic Background	Positions Currently Held in DYACO and Other Companies
Independent Director	Hsieh, Chang-Hung	Professor, Department of Management Science, National Chiao Tung University Director, Department of Management Science, National Chiao Tung University Deputy Chief Secretary of National Science Council Head of Tax Administration, Tax Reform Commission, The Ministry of Finance Chief Secretary of Ministry of Transportation and Communication President of IBF Securities Investment Consulting General Manager of IBF Securities Investment Consulting	-
Independent Director	Wang, Kai-Li	Ph.D. of Economics Sciences, Utah State University Adjunct Associate Professor, Department of Financial, National Chung Hsing University Associate Professor, Department of Financial, Tunghai University Director, Department of Financial, Tunghai University Director of EMBA of Tunghai University Committee financial member of Taiwan Economic Association	Professor, Department of Financial, Tunghai University Chairman of Taiwan Financial Development Association Independent Director of Ginko International Co., Ltd. Independent Director of AKER Co., Ltd.
Independent Director	Wang, Chih-Cheng	Adjunct Professor, School of Law, National Cheng Kung University Committee member of Foundation of Finance PhD of College of Law, National Chengchi University	Independent Director of CTBC Financial Holding Co., Ltd. Independent Director of Lucky Cement Corporation Director of The Securities and Futures Investors Protection Center Director of The Financial Ombudsman Institution Arbitrator of Chinese Arbitration Association Department head, Department of law, Chinese Culture University Distinguished Professor, College of Law, National Chung Cheng University Adjunct Professor, School of Law, Soochow University
Director	Liao, Liang-Bin (Note 1)	Bachelor of Department of Business Administration, Soochow University Director of IBASE Technology INC. Chairman of IBASE Gaming INC.	Chairman of IBASE Gaming INC.

Note 1 : Director Liao, Liang-Bin resigned on November 15, 2021.

**Audits Committee** In 2021, the audit committee held nine meetings with three members, and the attendance rate was 100%. It implemented participation in the company's operations and achieved the purpose of internal control.

**Remuneration Committee** In 2021, the remuneration committee held three meetings with three members, and the attendance rate was 100%. It is responsible for formulating, evaluating, and determining the policies and systems of the company's performance evaluation and remuneration of directors and managers.





## 1.3 Implementation of Risk Management

In management, formulate relevant warning measures to prevent and control possible risks. Carry out risk assessments on environmental, social, corporate governance, and information security issues related to the company's operation according to the materiality principle and use it as a strategy.

### 1.3.1 Risk Management



#### Social Issues

In terms of social issues, the safety and health of employees are Dyaco's top priority. To ensure employees' physical and mental health and enhance the safety of the working environment, a manual has been formulated to standardize, inspect, and educate every employee.



#### Corporate Governance Issues

Regarding corporate governance issues, Dyaco has established an audit committee, a compensation committee, and a corporate social responsibility committee and found a corporate governance director to jointly supervise whether the company complies with relevant laws and regulations. All to avoid jeopardizing Dyaco's reputation.



#### Information Security Issues

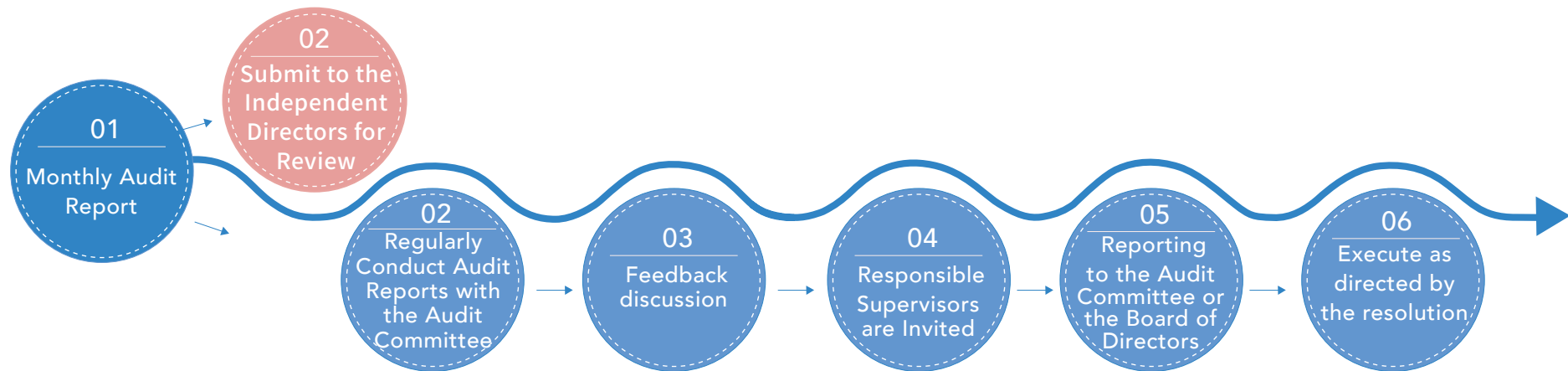
The central axis of the information security strategy focuses on three aspects: information security governance, legal compliance, and technology application, from system to technology, from personnel to organization, to comprehensively improve information security protection capabilities.

We communicate with international information security vendors yearly because of current trends in information security, such as DDoS (Distributed Denial of Service), Ransomware, social engineering attacks, fake websites, and others. Through project cooperation, we regularly pay attention to information security issues, conduct offensive and defensive drills for different situations, and strengthen the response capabilities of processing personnel to detect and block at first.



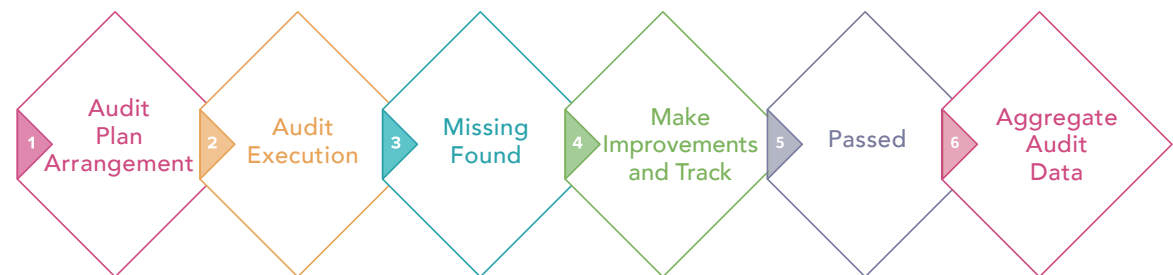
### 1.3.2 Internal Audit

An audit unit is set up under the board of directors to ensure the effective implementation of the internal control and audit systems, strengthen the company's operating system and reduce operating risks.



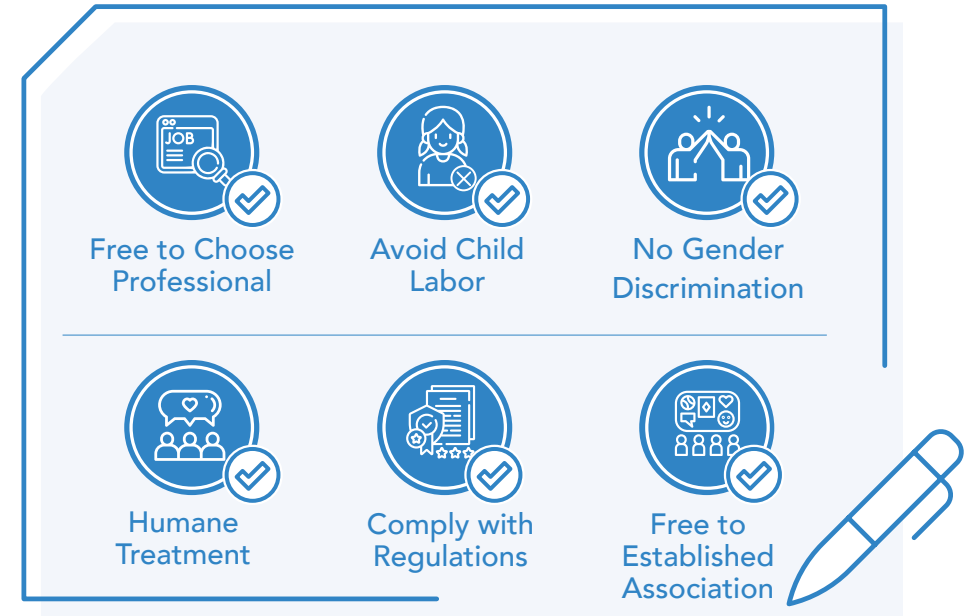
### 1.3.3 Quality Management System

To ensure the proper operation of each department within the factory, Dyaco has formulated a regulation. Each department should have trained and qualified internal auditors who conduct regular annual audits. According to ISO standards and legal requirements, each unit should cross-check to understand the operation and areas needed to be improved. Once the team receives the correction notice, they shall provide the improvement plan immediately and complete it within the specified date.



### 1.3.4 Labor-Employer Management System

To comply with international human rights conventions and employment human rights regulations and respond to stakeholders' needs, Dyaco formulated a management manual to safeguard employees' human rights, abide by the norms, and review labor safety and health norms and ethics laws annually.



### 1.3.5 Fiscal and Taxation Management Policies

In response to the global operation and trade concept, Dyaco has entered the global market. Facing today's complex cross-border transaction patterns, taxation environment, and global anti-tax avoidance trend, we must comply with tax laws and regulations. The Finance Department will coordinate and formulate tax governance policies to implement sustainable corporate development.

- 1 Fulfill the social responsibility of taxpayers, follow the tax regulations and local taxation standards, and declare and pay taxes correctly.
- 2 Assess tax risks and formulate countermeasures in response to changes in tax regulations and international tax standards in company operates' countries.
- 3 Transparent tax information, following the annual report's financial reporting standards and disclosure requirements.
- 4 Maintain an open, appropriate relationship and communicate honestly with the local tax authorities.
- 5 Transactions with related parties must follow the local transfer pricing regulations and implement the principles of routine transactions, commercial substance, and tax compliance.

### 1.3.6 Operation Management and Compliance (Integrity Management, Compliance, and Anti-Corruption)

In 2012, Dyaco approved the implementation of the "Code of Practice for Corporate Social Responsibility," "the Code of Integrity Management," and "the Code of Ethical Conduct," which are the highest guiding principles.

We also rely on the "Social Responsibility Management Manual" and clearly define management procedures such as integrity management, whistleblower protection, and no improper gains. The employees must abide by the norms planned and implemented by the management and human resources departments, which are honest management and compliance with professional ethical policies and relevant measures. In 2021, there was no breach of integrity management incident.

#### Reporting System

To ensure operation honesty and prevent illegal acts, Dyaco has established a whistle-blowing system. Establish the reporting mailbox and particular line within the company to use internal and external personnel. Set up whistleblower protection management procedures to ensure the whistleblower's confidentiality and allow anonymous reporting. The management department compiles all reported incidents, handling methods and follow-up review and improvement measures, and reports to the board of directors from time to time.

Reporting email: [info@dyaco.com](mailto:info@dyaco.com)

Reporting line: (04)797-7123



## 1.4 Involvement of External Organizations

Dyaco follows international standards, participates autonomously in the Responsible Business Alliance (RBA), and actively understands the market. Joining the Taiwan Sporting Goods Manufacturers Association (TSMA), Taipei Medical Instruments Commercial Association (TMICA), and Taiwan Bio-Medical Care Association (TBMCA) to maintain relations and communication with the industry.



A wide-angle photograph of a modern office environment. Several employees, mostly women, are seated at their workstations, which are separated by grey and yellow cubicle dividers. They are working on computers and handling documents. The office has a clean, professional look with large windows in the background. A large red circle containing the number '02' is overlaid on the right side of the image.

# 02

## Innovative Products Service

- 2.1 Advanced Innovation and Development
- 2.2 Meeting Customer's Needs
- 2.3 Quality Management
- 2.4 Supply Chain Management







## 02 Innovative Products Service

Dyaco started from trading fitness equipment and OEM to brand development, from research and development, production, and sales to after-sales service. Modern scientific management, electronic enterprise, and critical performance target management are introduced, and the corporate and team advance towards sustainable goals. We manage the global market through brand differentiation, establishing a long-term and stable sales network with local agents and physical and online channels, and understanding global consumption trends. Dyaco has begun to build a cloud-based digital system. In the future, it will combine extensive data analysis to provide AI and innovative fitness services in pursuit of a safer and more efficient exercise experience.

### Products and Services

It is generally used in homes, companies, schools, and gym rooms.



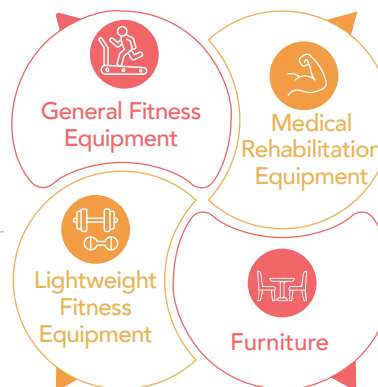
For home or other body-shaping-related sports equipment.



Use in medical institutions, care centers, physiotherapy facilities, and homes.



For household and commercial outdoor use.



General Fitness Equipment

Medical Rehabilitation Equipment

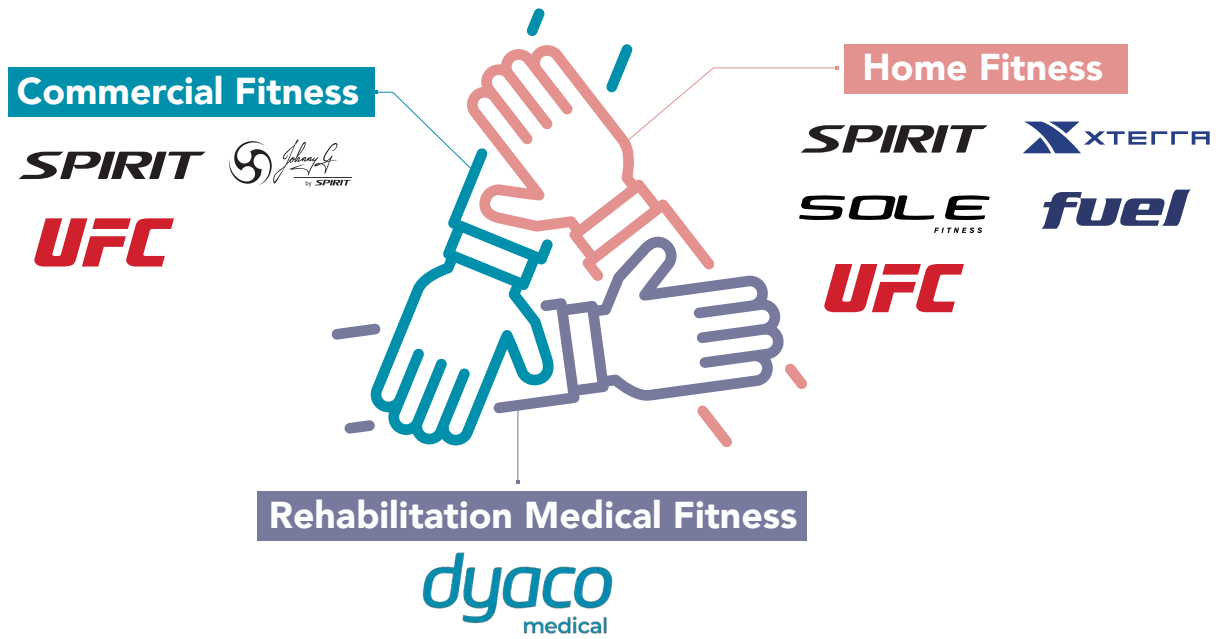
Lightweight Fitness Equipment

Furniture

## Brands

Dyaco has developed exclusive sports and leisure products for all age groups and actively expands our self-owned brand to seize overseas business opportunities. Our best-selling brands currently include SPIRIT, fuel, XTERRA, and SOLE.

We also plan to develop suitable products for the elderly and the disabled, introducing wearable devices and intelligent interactive technology, enabling the elderly and the disabled to enjoy sports, and creating a comprehensive health service platform.

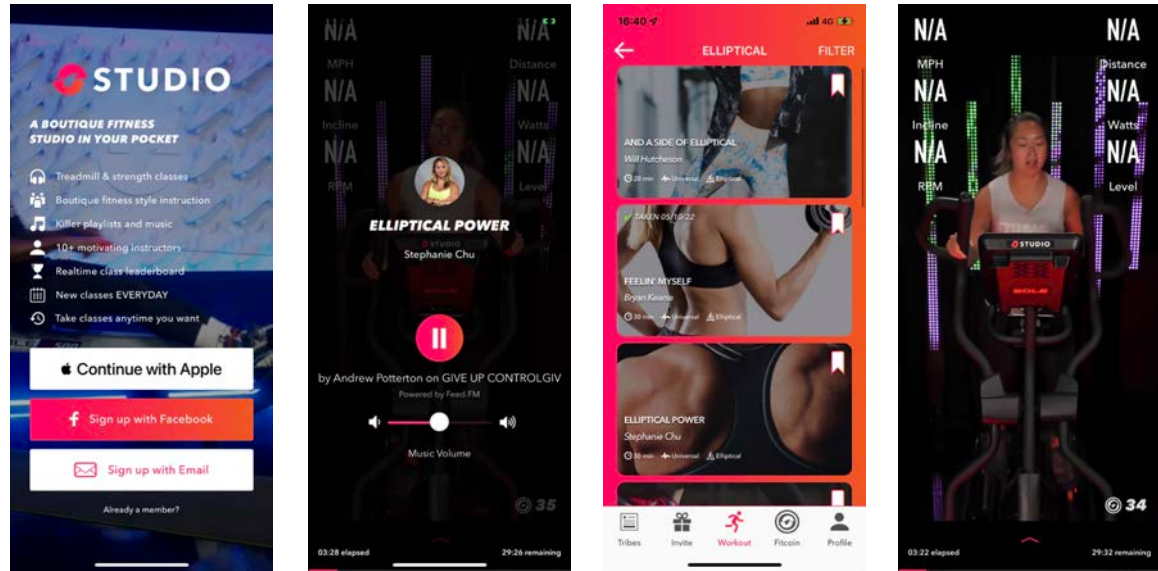


### Self-Own Brand



## 2.1 Advanced Innovation and Development

Dyaco has joined with STUDIO, an American innovative fitness content developer, to promote intelligent fitness products, and launched more than a thousand sports and fitness courses. We use our experience and advantages in the home fitness equipment industry to seize business opportunities in the smart fitness market.

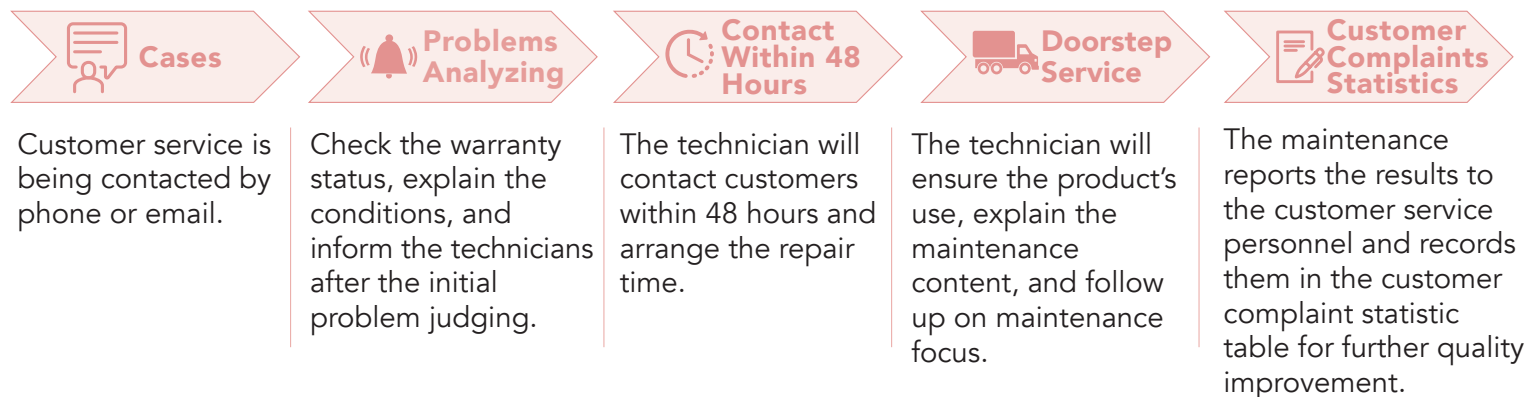


## 2.2 Meeting Customer's Needs

More than 90% of Dyaco's business is exported, mainly to importers and distributors. To ensure a long-term cooperative relationship, maintain high-quality standards, and meet customer expectations, we formulated "Customer Satisfaction Survey Management Measures" to track customers' feedback on price, service, delivery, quality, packaging, technical support, etc.

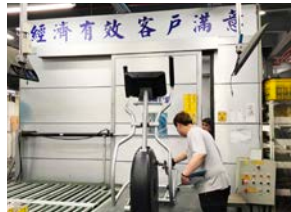
### Customer Service Management

We attach great importance to the customer's voices. The customer service department is responsible for handling the complaints first and taking records as a basis for quality improvement. In 2021, the handling rate of customer service cases was 100%. The following is the service process:



## 2.3 Quality Management

Dyaco attaches significant importance to customer relations and adopts strict quality control to ensure product quality by believing in “Respect for Customers” in the corporate culture. Since 2008, the ISO 9001 Quality Management System has been introduced as a basis for quality assurance and an essential foundation for reviewing management and quality performance. Through the ISO 13485 Medical Equipment-Quality Management System, entering the field of medical rehabilitation equipment creates a series of high-standard equipment.



In the new product development stage, the R&D department cooperates with TÜV Rheinland (TUV) and Intertek Testing Services (ITS). The product research stage reviews European and American regulations' safety and quality specifications to meet customer needs. At the same time, design and process failure mode and effect analysis (DFMEA, PFMEA) will be carried out to ensure product quality control in the future.



**Development of New Products**



Quality management from supplier manufacturing to finished product shipment, including Incoming Quality Control (IQC), Supplier Quality Engineer (SQE), In Process Quality Assurance (IPQC), Final Quality Control (Final Quality Control), Outgoing Quality Control (OQC).



**Complete Quality Assurance System**



Products adhere to comprehensive quality inspection management, creating products that customers trust. Every machine is being actual test before shipping.



**Overall Quality Inspection**



Each finished product has a specific identification card, which records the machine's parameters in the assembly process in accordance with standard operating procedures.



**ID for Every Machine**



All the production operators are trained and strictly abide by three principles of the production line:

1. Do not accept (previous station) defective products.
2. Do not produce (current station) defective products.
3. Do not release (to the next station) defective products.



**Personnel Training**



## 2.4 Supply Chain Management

Dyaco considers global and future sustainable development, forms alliances with suppliers to become sustainable partners, creates a win-win situation, and commits to promoting sustainable operations in line with international trends, global regulations, and social responsibility standards. The procurement department takes the “Supplier Management Measures” and “Supplier Management Procedures in the Social Responsibility management Manual” as an essential basis for supplier management, evaluation, and assessment. We also follow the Responsible Business Alliance (RBA) and commit to labor, health, safety, environmental standards, business ethics, and other management strategies.

### Supplier Management

The suppliers of Dyaco are primarily raw materials, packaging materials, transportation services, warehousing services, equipment providers, etc. The evaluation of new suppliers will be conducted by the Research and Development and procurement department for sample testing. Waste and international freight forwarders are handled by qualified manufacturers.

Supplier selection is the responsibility of procurement, quality assurance, and R&D departments. Each department evaluates 20 items, such as production management procedures, process control, records, etc., and reaching a grade B or above will be listed as a qualified supplier of Dyaco.



#### Survey on Supplier Environment, Occupational Safety, and Social Responsibility Management

According to the “Supplier Social Responsibility Audit Form,” the purchasing department should conduct inspections on 60 items in 5 major categories, including labor, health and safety, environment, ethics, and management. It should be evaluated at least once a year. Suppliers that failed to pass the inspection will be given chances to improve. The contract will be terminated, or supplier qualification will be canceled once the suppliers do not meet the management of environmental, occupational safety, and social responsibility.



#### Hazardous Substance Restriction Guarantee

EU countries are one of the export markets, so according to the hazardous substance operation standards, all the materials meet the EU restricted specifications. This requires that suppliers' materials comply with the regulatory standards of RoHS, REACH, and PAHs, providing a report or self-declaration letter approved by the certified unit to ensure that it is harmless to humans and less burden the environment.



#### No Use of Conflict Metals

Every quarter, the purchasing department proactively investigates suppliers for conflict minerals in electronic materials, checking whether the website regulations are updated to confirm that they do not contain conflict metals such as tantalum, tin, tungsten, and gold mined in the eastern Congo and its neighboring countries, and continue to monitor the supply.



# 03

## Implement Green Operations

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- 3.1 Climate Action
- 3.2 Energy Management
- 3.3 Water Management
- 3.4 Waste Management
- 3.5 Air Pollution Prevention





# 03

## Implement Green Operations

To promote corporate social responsibility and sustainable environment management, Dyaco established the "Corporate Sustainable Development Committee" with the board of directors' approval in 2021. Led by CEO Mr. Ying-Chun Lin as the chairperson of CSDC and the independent director Mr. Chi-Cheng Wang as vice-chairperson to review the formulation of Dyaco's sustainable development policy, its implementation, and effectiveness, and report the results to the board of directors annually.

Dyaco obtained ISO 14001-2015 Environmental Management System in 2021, assuring the company and external stakeholders by effectively using resources to avoid waste during the process and to reduce ecological shock.

Note 1: Dyaco's "Corporate Social Responsibility Committee" was renamed "Corporate Sustainable Development Committee" in 2021.

### 3.1 Climate Action

In response to SDGs 13 climate action, Dyaco has listed energy consumption and greenhouse gas emission management and examination as short-term goals, while the mid-and long-term goals are to improve energy and resource consumption based on the results of carbon examination and reduce greenhouse gases emissions yearly.





## Energy Saving and Carbon Reduction Measures

- (1) **Green building materials:** In addition to green building materials, new factories or office areas also consider the ecology and prioritize purchasing innovative and high-value equipment with energy efficiency.
- (2) **Process improvement:** Instead of coal, natural gas is used as the heating material, and the paint baking process is conducted by electrostatic powder coating, effectively reducing air pollution.
- (3) **Building cold water system:** To reduce and save daily office electricity consumption, the Changhua administration building and the factories use the cold water system and set automatic timing switches to avoid no-load operation.
- (4) **Implementation of Recycling:** the classification of recycled materials is implemented to reduce the general waste generated.
- (5) **Replacement of old equipment:** Since 2015, Dyaco has replaced power-consuming lamps with LED lamps. It will further replace outdated vehicles with electric or hybrid vehicles to reduce the use of gasoline and diesel.
- (6) **Implement mid- and long-term carbon reduction targets and set a carbon reduction blueprint:**

**2021**

1. Involve in climate action
2. Create a carbon reduction blueprint
3. Promote Carbon Footprint Verification

**2022**

1. Concentrate on Carbon Footprint Verification
2. Locate the high emission hot spot

**2023**

1. Develop a carbon reduction declaration
2. Continuously reduce carbon emissions



## 3.2 Energy Management

Electricity, natural gas, diesel, and gasoline are the energy used by Dyaco. Among these, electricity accounts for the most sizable proportion, the most critical energy use in production.

Energy-saving measures are formulated according to the "Administrative Measure for Energy Consumption and Greenhouse Gas Storage", and the plans are promoted top-bottom within the company. To maximize the benefits of green energy use in factories, we have developed a policy on solar power generation systems. The roofs of factories are leased by the solar generation vendor, installed with solar power generation systems, and sold to Taipower. There are three solar power generation systems, in 2021, a total of 1,891,597 kWh of energy was generated through solar, and the CO<sub>2</sub> reduction is 962,822 kg. By installing the solar energy system, the radiation heat dissipation was blocked, achieving the indoor cooling effect, and indirectly reducing the power consumption of air conditioners.

### Green Energy

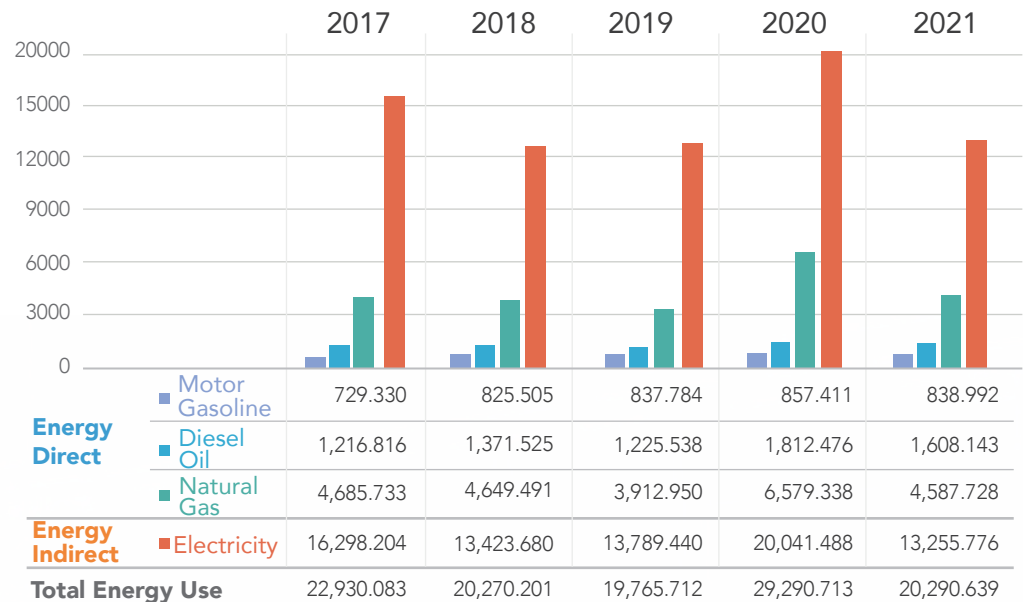
Location	Activation Date	Storage	Power Generated in 2021(kWh)	CO <sub>2</sub> Reduction in 2021(kg)
No.36, Xinggong Rd.	October 2015	499.5kW	658,818	335,338
No.1, Gong 1st Rd.	January 2016	499.5kW	705,044	358,867
No.4, Gongdong 3rd Rd.	October 2018	477.3kW	527,735	268,617

\*Statistic period from January 1, 2021, to December 31, 2021.

\*Based on the Bureau of Energy, 2021 power factor: 0.509 kgCO<sub>2</sub>e/kWh

### Energy Usage Graph

Unit: GJ



\*Data are based on three factories in Changhua, excluding Taipei and Taichung office

\*Unit conversion: Natural gas 8,000 Kcal/m<sup>3</sup>, Diesel 8,400 Kcal/L, Fuel 7,800 Kcal/L

\*1 Kcal = 4,186.8 J

### 3.3 Water Management

Dyaco's water source is from Taiwan Water Corporation and is divided into process and non-process water. Process use water, surface pre-treatment unit of the baking paint process – degreasing and film-making operations, consume a significant amount of the water. The wastewater discharged from this process will be recycled and reused; after being recycled and reused several times, the wastewater will be distributed to the wastewater pre-treatment system before discharge. On the other hand, the non-process domestic water is treated under regulations before being released into the sewage sewers.

#### Total Water Consumption

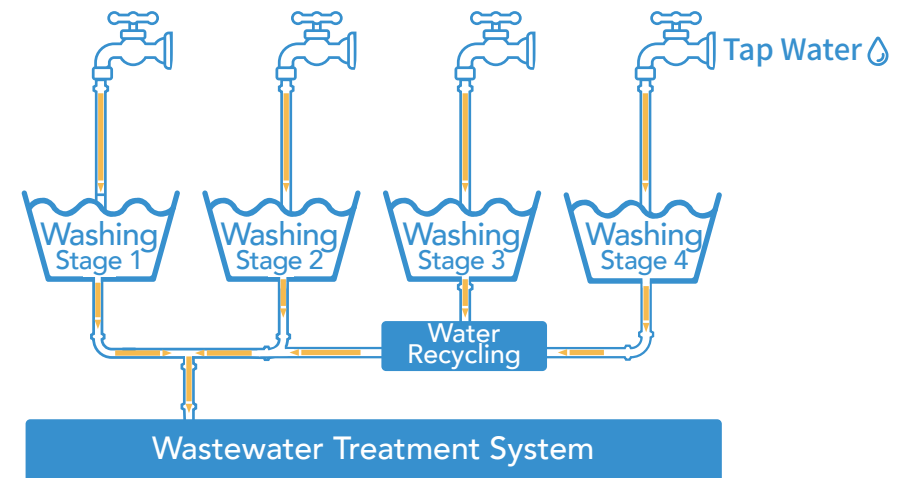
Unit: Million Liters

	2017	2018	2019	2020	2021
Total Water Usage	28.825	25.967	23.345	31.947	21.787
Total Water Discharge	28.304	21.532	18.206	23.653	19.964
Water Consumption	0.521	4.435	5.139	8.415	1.823

\*Water Usage is based on three factories in Changhua and Taichung office water bills.

\*Total Water Discharge = Wastewater + Sewage

\*Water Consumption = Total Water Usage – Total Water Discharge



#### Water Recycling and Reuse of Degreasing Operation

There are four steps needed to go through for the surface degreasing treatment. Since the 3rd and 4th steps are the final washing stage, it was evaluated as reusable water. According to the needs of the process, it will proportionally add to the 1st and 2nd stages to save water.

A wastewater pre-treatment system was set up to treat the water before discharge into the sewage sewers. This process is to reduce the COD (Chemical Oxygen Demand) and the SS (Suspended Particles) of the operation wastewater, meeting the accepted sewer standard and reducing the load of the sewage treatment system in the industrial area.

### 3.4 Waste Management

Dyaco conducts waste management according to the "Waste and Recyclables Management Procedures" and introduces ISO 140001-2015 Environmental Management Systems to better control waste to achieve the lowest environmental impact. During manufacturing, wastes are generated, including organic sludge, dust, and general household waste. These wastes are cleared and transported according to the regulations of the EPA by entrusting vendors. To ensure the proper disposal of each batch of waste, we will visit the vendor from time to time and record and track the proof of appropriate disposal provided by them.

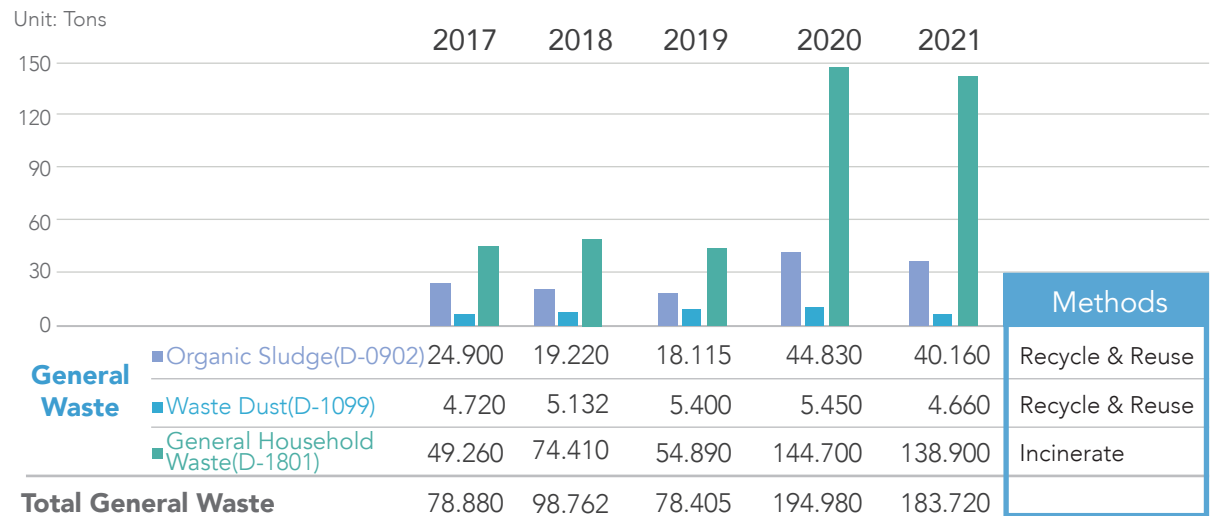
### 3.5 Air Pollution Prevention

Countries have established a consensus on greenhouse gas emission control in recent years. To respond to environmental protection, Dyaco has included greenhouse gas emission management as a critical policy to reduce the risk of corporate operations. We promise to reduce greenhouse gas emissions yearly within our ability and plans and contribute to the environment.

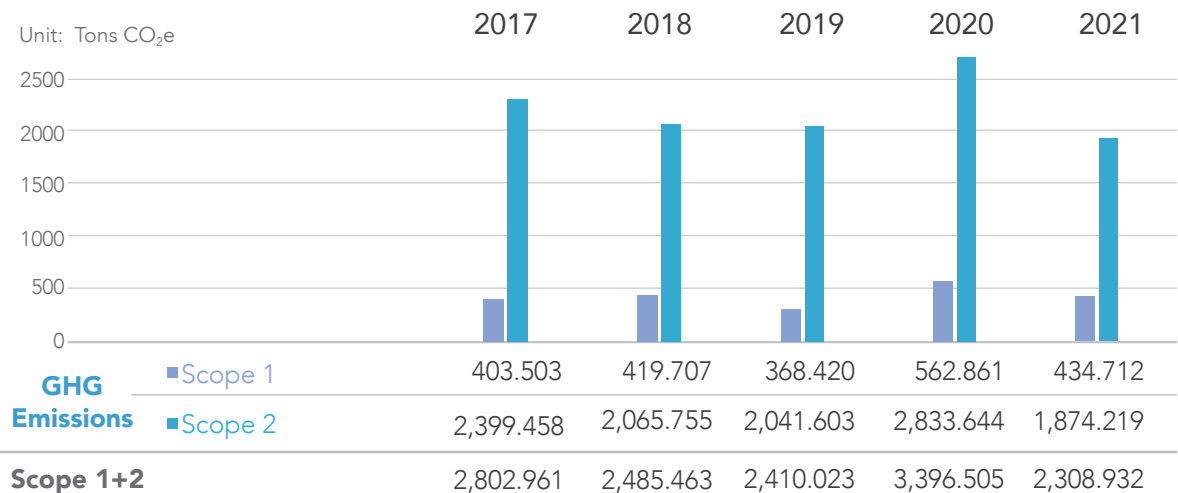
The electric forklifts transport raw materials and products inside factories to reduce air pollution. In 2021, the number of diesel forklifts had decreased to 31.8% and will gradually be replaced and reduced.

The primary source of greenhouse gases for Dyaco is electricity generation. Our greenhouse gas examination refers to the ISO 14064-1:2018 Greenhouse gases - Part 1, which discloses all three factories located in Changhua without third-party verification.

### General Waste



### Greenhouse Gas Emissions



\*Scope 1: include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O generated by natural gases, motor gasoline, diesel oil

\*Scope 2: Electricity, based on the Bureau of Energy, 2021 power factor: 0.509 kgCO<sub>2</sub>e/kWh

\*Data are based on three factories in Changhua, excluding Taipei and Taichung office





# 04

## Friendly Workplace

- 4.1 Employee Structure and Distribution
- 4.2 Employee Management
- 4.3 Focus on Talent Cultivation
- 4.4 Workplace Environment Protection and Employee Health & Safety
- 4.5 Deepen Labor-Employment Communication
- 4.6 COVID-19 Prevention





# 04 Friendly Workplace

## 4.1 Employee Structure and Distribution

As of 2021, Dyaco has 1,392 employees worldwide, with 640 in Taiwan, 505 in mainland China, and 247 in other locations. Data further is from Dyaco Taiwan, including Taipei Headquarters, Taichung International Marketing, and three factories in Changhua. According to the employment contract type, there are 635 non-fixed-term contract employees and 5 fixed-term employees. In contrast, there are 636 full-time and 4 part-time employees according to the labor type.

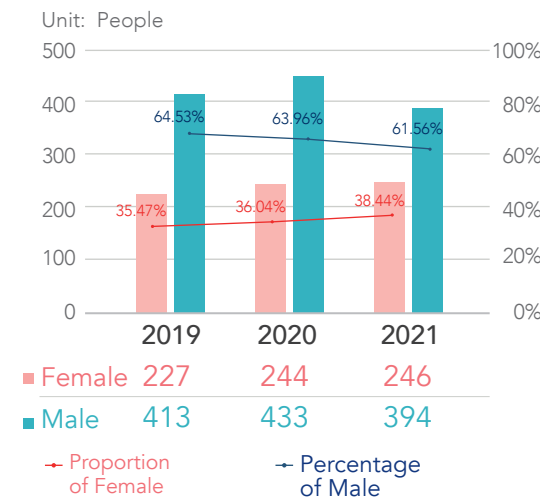
## 4.2 Employee Management

### 4.2.1 Manpower Structure and Labor Type

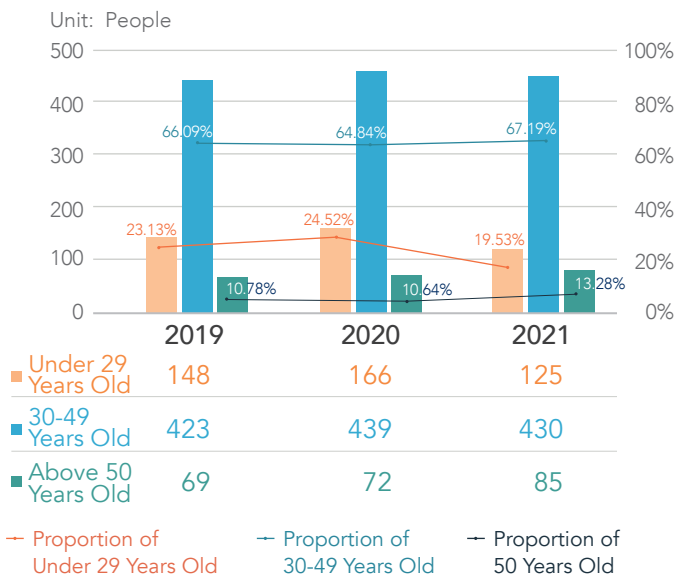
The average seniority of Dyaco employees is 6.7 years. Employees who serve more than ten years account for 33.44%, which shows that employees are experienced and conducive to the company's stable growth and deepening professional fields. Due to the industrial characteristics of Dyaco, most of the factories' positions are held by male employees, accounting for 61.56%. Regarding ages, most employees are between 30 to 49 years old, accounting for 67.19%; employees under 50 account for nearly 90% overall.



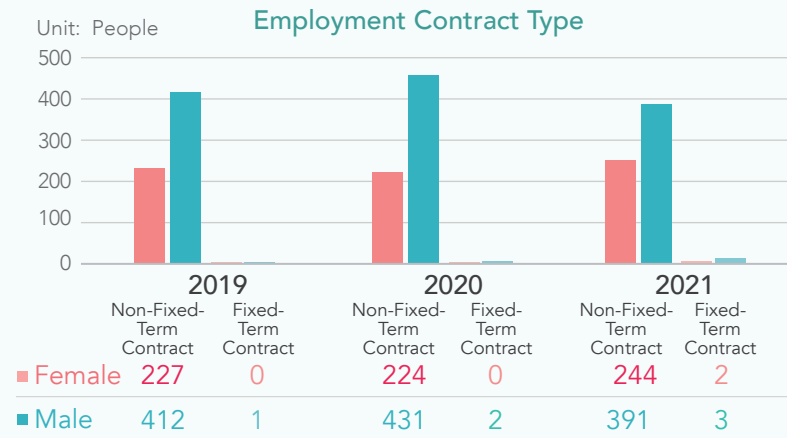
### According to Gender



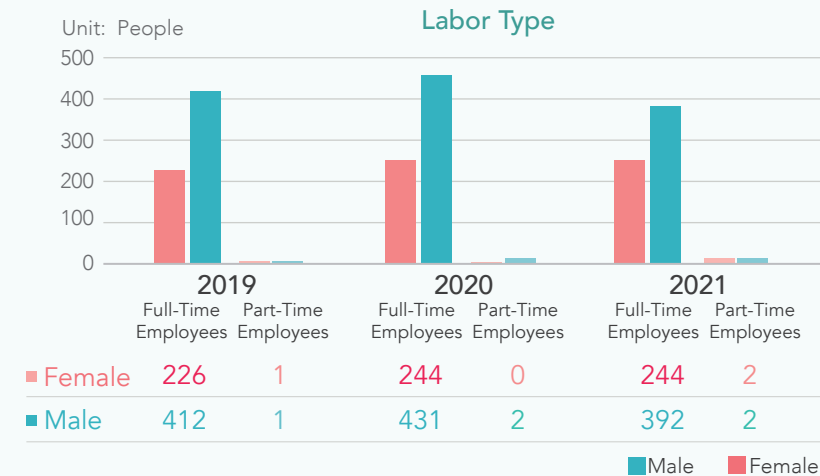
### According to Ages



## According to Employment Type

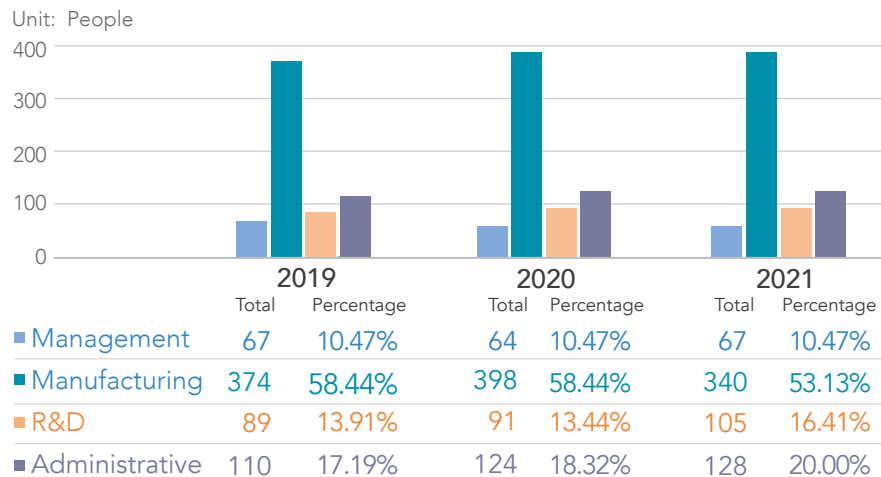


\*The data is based on 31st December 2021.



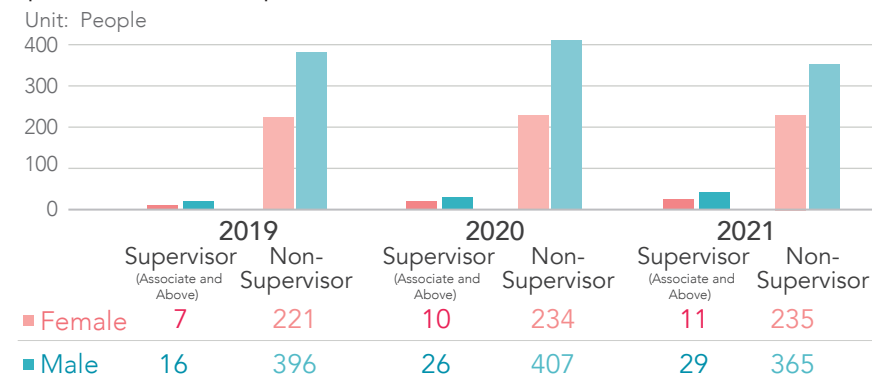
## 4.2.2 Job Distribution

### Job Category



## Management and Non-Management Position

By 2021, the number of posts for supervisors has increased, parallel teams have been added to the critical departments in the company's structure, and excellent internal talents have been promoted to management positions. Digital technology teams were introduced to demonstrate the company's ambition to improve R&D capabilities and expand diversified operations.



\*The data is based on 31st December 2021.

## 4.2.3

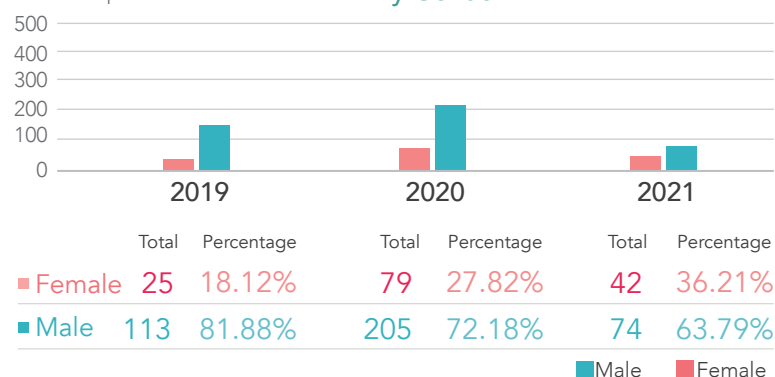
### Employee Recruitment

Dyaco adheres to the strategy of sustainable operation and regards employees as partners. The recruitment process is fair through the online job bank as the recruitment channel. Under the "Act of Gender Equality in Employment," the recruitment process is appropriate, and wages between gender is equally based on job content, educational level, and professional ability. In 2021, 118 people were recruited, and 60% were under 29, which increased Dyaco's future innovation opportunities and is being cultivated to become the company's mainstay.

#### Number of New Employees

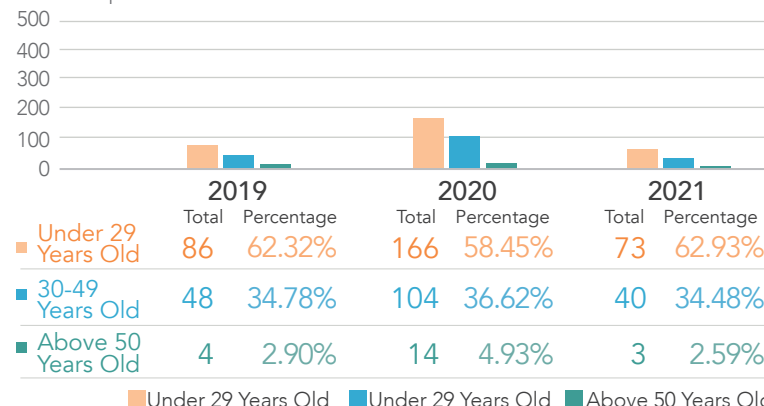
Unit: People

##### By Gender



Unit: People

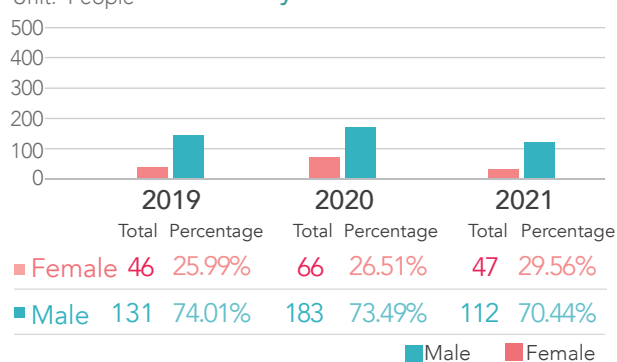
##### By Age



#### Number of Resigned Employees

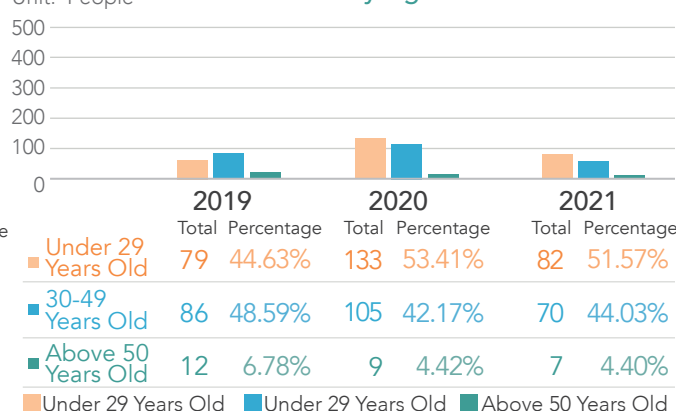
Unit: People

##### By Gender

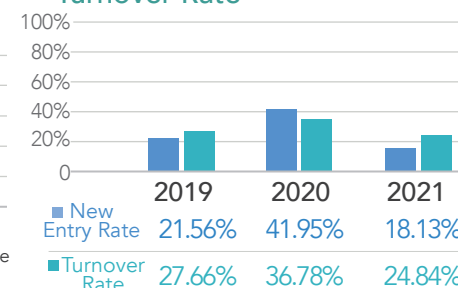


Unit: People

##### By Age



#### Employee New Entry Rate and Turnover Rate



Note :

New Entry Rate =  $\frac{\text{total new entry employee/year-end}}{\text{total employee}}$

Turnover Rate =  $\frac{\text{total turnover employee/year-end}}{\text{total employee}}$

■ New Entry Rate ■ Turnover Rate

#### 4.2.4 Salary System

Basic salary, perfect attendance bonus, food allowance, and supervisor allowance are the most basic remuneration for each job grade. The salary standard is referred to the same industry market, and multiple considerations such as job category, educational level, seniority, professional knowledge, and ability are used in salary determination. While the year-end bonus and annual salary adjustment range are raised according to the individual performance appraisal results, performance bonuses differ between departments.

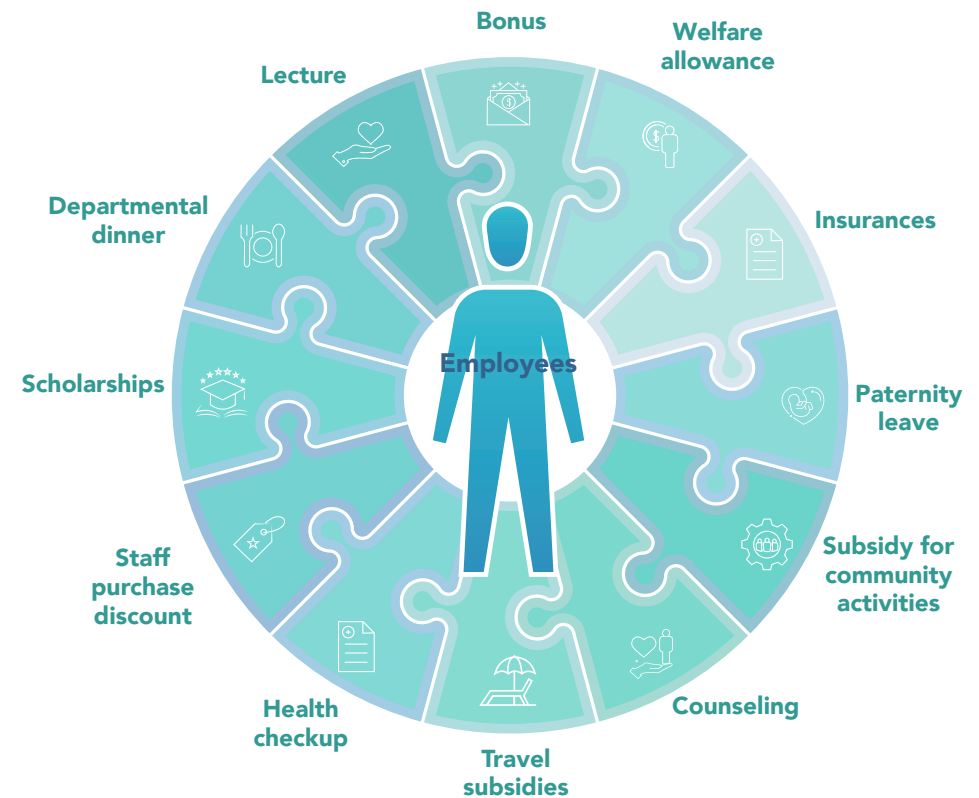
#### Non-Supervisor Average and Median Salaries

Unit: NTD Thousand

	Full-Time Non-Supervisory Employees' Total Salary	Full-Time Non-Supervisory Employees' Number	Full-Time Non-Supervisory Employees' Average Working Hours	Full-Time Non-Supervisory Employees' Median Salary
2019	312,925	578	541	473
2020	401,623	564	712	664
2021	357,988	599	598	508

#### 4.2.5 Employees' Benefits

Dyaco attaches great importance to life inside and outside of work. To maintain employees' benefits and implement activities, the Employee Welfare Committee, composed of 23 employers and employees, is responsible for related welfare matters—providing various activities, subsidies for employees, and creating a happy workplace. The total expenditure of the Employee Welfare Committee in 2021 is NTD 6,055,209.

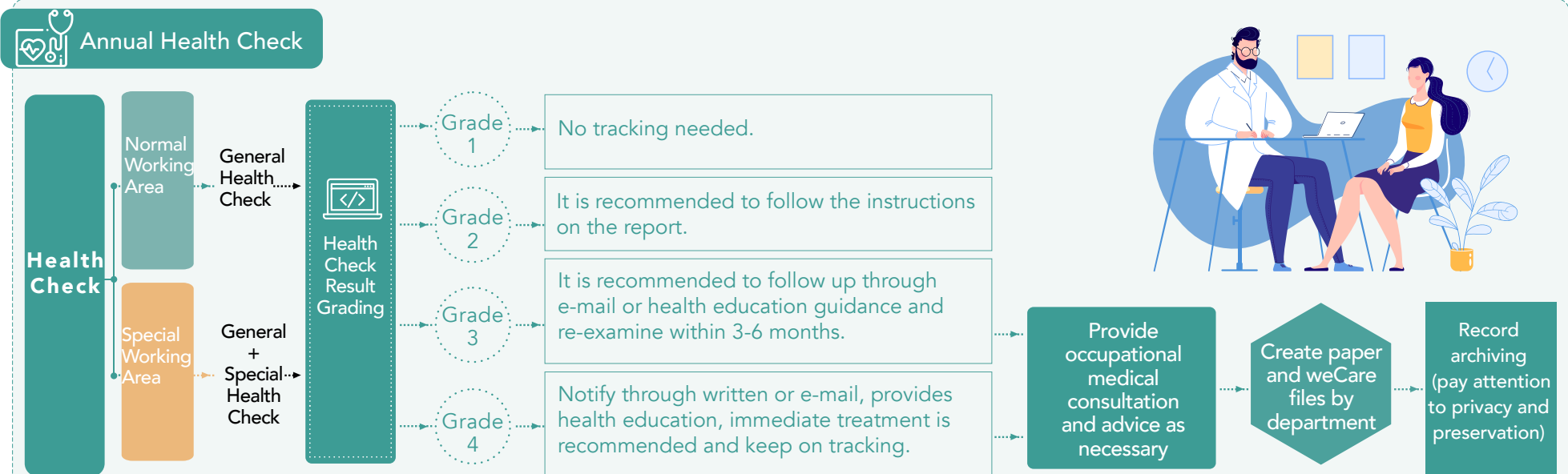




Dyaco knows that employees are the most crucial foundation. Our responsibility is to protect their health and safety by regularly providing health checks and promoting the corporate sports culture. Employees are encouraged to participate in sports clubs and physical and mental courses.

Since 2016, Dyaco has continued implementing workplace smoke prevention activities and establishing a self-examination safe working environment. In 2021, we obtained the Badge of Accredited Healthy Workplace from the Health Promotion Administration, Ministry of Health and Welfare.





Dyaco attaches immense importance to the employees' health. We provide everyone with a health checkup as stipulated by the regulations and offer various self-paid items for employees. In 2021, 488 employees were examined.

### Occupational Disease Prevention

In 2021, no occupational disease occurred due to work. In terms of occupational disease prevention, the following management measure is taken:

- (1) Health check grading management: The employees' health examination results are divided into four levels. The on-site consultant will individually remind employees to seek medical and follow-up according to the severity and urgency.
- (2) Special working area management: Employees working under noise, dust, and n-hexane are given yearly medical examinations. Employees working in different environments are protected with suitable types of equipment.







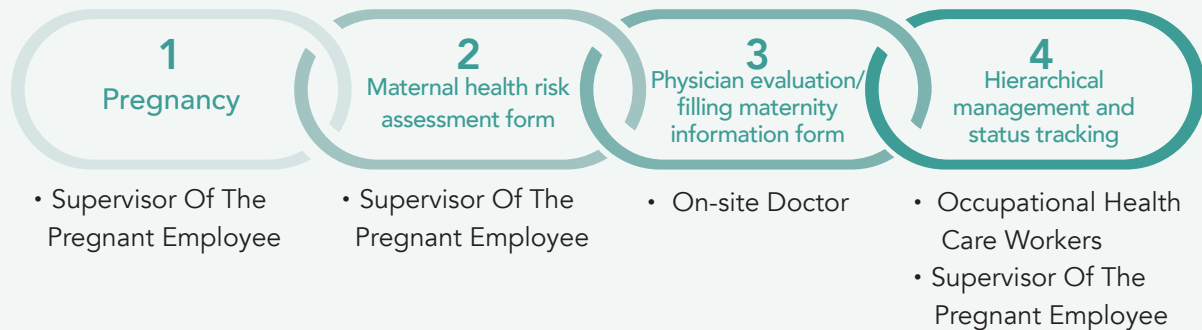
## On-Site Consultation

In addition to understanding employees' health status through health checks, Dyaco also pays attention to mental health. Changhua Christian Hospital home doctors are invited to the factories every month. Employees can schedule appointments with the on-site consultant to solve physical and mental problems. Pregnant employees can also understand their pregnancy status through consultation.



## Project Maternal

To create a pregnancy-friendly workplace, Dyaco provides professional consultation for employees, taking care of their physical and mental health before and after pregnancy. We are also committed to protecting the relevant workplace through health hazard assessment, job assignment, and maternity benefits.



### Parental Leave Status

Item	2020		2021	
	Male	Female	Male	Female
A Number of employees entitled to parental leave	37	35	35	38
B Number of employees taking parental leave	2	15	4	10
C Number of employees due to return to work after parental leave	2	10	1	6
D Number of employees that did return to work after parental leave	0	9	1	5
E Number of employees that did return to work after parental leave in the previous year	3	9	2	10
F Number of employees retained 12 months after returning to work following parental leave in the previous year	1	6	0	7
D/C Return to work rate	0.00%	90.00%	100.00%	83.33%
F/E Retention rate	33.33%	66.67%	0.00%	70.00%

Note: the number of employees entitled to parental leave in 2021 was the total number of employees applying for maternity and paternity leave in 2019-2021(with children under three years old).



## Friendly Facilities – Fitness Center, Breastfeeding Room, Maternity Lounge

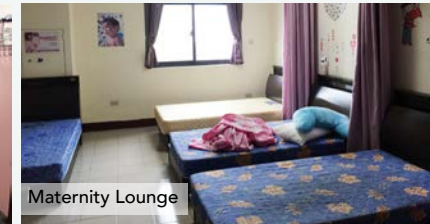
A breastfeeding room and a lounge area are set up in the Changhua office for pregnant employees can have a comfortable breastfeeding space and space to rest when needed. A fitness center, where treadmills, elliptical machines, rowing machines, exercise bikes, and other fitness equipment are placed for employees to use.



Gym Room



Breastfeeding room



Maternity Lounge

## 4.3 Focus on Talent Cultivation

Dyaco optimizes the internal talent management system to keep employees active and competitive to improve performance and strengthen professional work behavior and quality. The job training-related policies started in 2020. Recruit training is divided into general culture integration and professional technical training, while on-the-job training is divided into external and internal training.

### 4.3.1 Employee Training

#### Recruit Training

Assist new employees in understanding the company's profile which is helpful for future work execution.

#### General Training

The Human Resources Department coordinates the training for recruits, including company profile, environment, system, occupational safety training, welfare measure, etc.

#### Professional Training

Each department has a professional foundation, and each department's personnel is responsible for professional training, such as system use, department duties, production process, machine operation, etc.

#### On-The-Job Training

In line with the company's development and the functional needs of employees, Dyaco arranges annual professional training to help achieve work goals and stimulate potential among the employees.

#### Annual Internal Training

The Human Resources Department will confirm the annual demand with department supervisors and assigns the yearly training plan.

#### External Training

The department put forward the study requirements to the company, aiming at the knowledge and technical training of professionals to learn the latest knowledge and technology.

#### Internal Training

Courses are held within the company, and suitable professional lecturers are invited to teach relevant lessons, including fire drills, workplace health, production operation, etc.



In 2021, Dyaco provided 91 internal and external training courses, and the training hours have increased by 46.62%; the total number of training people increased nearly three times compared to 2020. We attach great importance to employees' production process and occupational safety. Provide quarterly training for technicians, covering professional courses in process, labor safety, etc., to ensure their safety and compliance with standards. To maintain the quality of training, we provide education experience sheets after class. Providing employees with self-examination is also conducive to the company's future training course arrangements.



### 4.3.2 Training Hours Over the Years (By Gender)

#### Total Training Hour

		Hours			Number of People		
		Female	Male	Total	Female	Male	Total
Technician	2019	304.5	2,026	2,330.5	142	735	877
	2020	259	1,973.5	2,232.5	59	269	328
	2021	862	2,854	3,716	461	1,300	1,761
Administration	2019	512.5	97	609.5	1,004	305	1,309
	2020	140.5	678.5	819	131	61	192
	2021	514.5	274	788.5	301	206	507
Management	2019	338.5	347	685.5	60	118	178
	2020	421	133.5	554.5	54	103	157
	2021	348.5	434	782.5	115	234	349
Sum	2019	1,155.5	2,470	3,625.5	1,206	1,158	2,364
	2020	820.5	2,785.5	3,606	244	433	677
		1,725	3,562	5,287	877	1,740	2,617



## 4.4 Workplace Environment Protection and Employee Health & Safety

To keep employees active and competitive, Dyaco optimizes the internal talent management system to improve employees' performance and strengthen professional work behavior and quality. Continuing the policies since 2020, the training is divided into general knowledge and professional training for recruits; on-the-job training is divided into external and internal training.

### 4.4.1 Occupational Safety

Dyaco cares for employees and attaches great importance to workplace safety and health. According to the "Occupational Safety and Health Act," occupational safety and health committee are set up with 14 members, including the general manager as the chairperson, 5 labor representatives (35%), occupational safety and health personnel, department supervisors, and medical staff. Meetings were held quarterly to review and discuss policies well as results tracking. We create the most suitable work environment for employees to reduce the operational risks, reaching the goals of zero hazards and zero occupational diseases.



#### Workplace Promotion

According to the "Occupational Safety and Health Act" and "Occupational Safety and Health Education and Training Regulations," new employees will take 6 hours of pre-employment class, including regulations, work inspection, standard operation procedures, emergency response, first aid, etc. to prevent and remind employees to pay attention while working. In addition, only employees with a bridge crane or forklift license can operate to ensure safety.





## Occupational Safety Management System & Policy

### Working Environment Monitoring Report

To ensure the employees' health and safety, grasp the working environment's actual conditions, and assess the risk exposure to employees, three factories in Changhua entrust a qualified monitoring company to implement the risks assessment every six months.

### Chemical Classification Management

According to the Chemical Control Banding (CCB) of the Occupational Safety and Health Administration of the Ministry of Labor's safety data sheet, the chemical operation in factories can be divided into different hazard groups. Employees are educated to identify accordingly to avoid hazards happening.

### Strengthen On-Site Inspections

In Dyaco, we believe prevention is always better than treatment. This makes the on-site safety observation and auditing a critical task, discovering the unsafe behaviors, environments, and equipment in advance and improving to ensure that every employee is working under safety protection. Therefore, it is required for the supervisor to frequent on-site patrol. Any unsafe behavior will be communicated and corrected immediately; if there is danger (such as fire, explosion, etc.) during work, employees should retreat to a safe place without endangering their safety and immediately report to the supervisor.

### Safety And Health Management of Contractors

Contractors must fill in a hazard notice, which indicates the construction time and location and possible hazards and provides instructions for safety precautions when entering the factory for construction.



### Notification System

When an accident occurs, the department personnel must follow the protocol, report to the related people, and the on-site nurses will assess the injury status. Injuries analysis reports are announced every three months at the occupational safety and health meeting, and relevant improvement and protective measures will be carried out to reduce accidents.



### Special Health Check

In addition to general health checks, employees in particular work areas, including noise, dust, dimethylformamide, n-hexane, etc., will be provided with special health inspections.

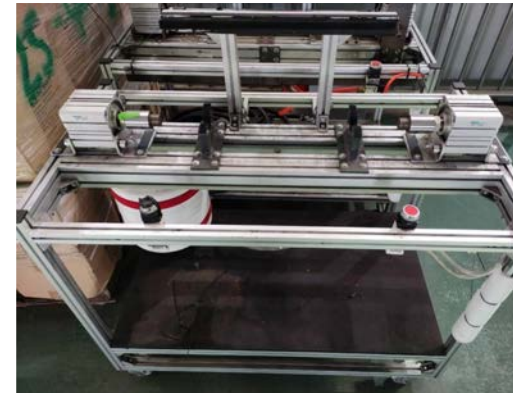


Fire Drill

#### 4.4.2 Occupational Health and Safety Statistics

No major occupational disasters occurred in the Dyaco Taiwan area in 2021. Factories are also gradually adopting automatic machinery such as automatic sealing machines, automatic lifting platforms, automatic arms, etc., to reduce the chances of employees getting injuries.

Pre-employment training is implemented to strengthen safety in each department, and training courses are held every quarter to reduce occupational hazards.



**Bushing Press Machine**

This machine is to reduce the stress on employees' hands. When operating the device, a two-hand switch is designed; it needs to be pressed simultaneously to active so that there is no risk of hands reaching into the machine, avoiding hand crush accidents.



#### Disaster Prevention

Dyaco holds fire drills twice a year to improve the emergency response capability of the employees and teach them the correct way to use fire-fighting equipment. The fire safety equipment is set up following the regulations and is regularly inspected. The inspection results are reported to the local fire department for future reference.



**Fire Drill**

#### Occupational Hazard Statistics

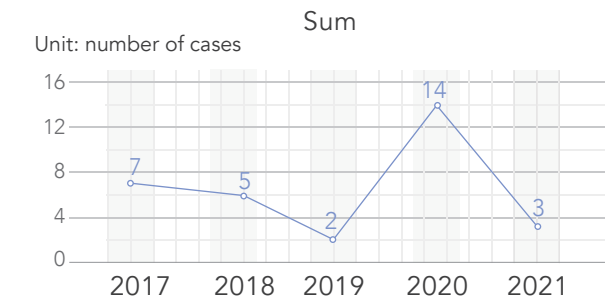
In 2021, occupational accident injuries significantly reduced, mainly because of publicity and work safety precautions.

Unit: number of cases

Potential Hazard	Sprain	Falling	Spatter	Cut, scratched	Falling Object	Wrapped, Clamped	Crush	Breaking Object	Collision	Inappropriate Action	
2017	0	0	1	2	1	2	1	0	0	0	7
2018	0	0	1	1	0	2	0	0	1	0	5
2019	0	0	0	0	0	0	1	0	0	1	2
2020	0	0	2	0	0	2	5	1	1	3	14
2021	1	0	0	1	1	0	0	0	0	0	3

\*Statistics from January 1 to December 31 each year

#### Statistics On Occupational Accidents In 2017-2021





## The Work-related Injury Rate of All Employees

	Total working hours	Work-related injury fatalities	Rate of work-related injury fatalities	High-consequence work-related injury (excluding fatalities)	Rate of high-consequence work-related injury (excluding fatalities)	Recordable work-related injuries	Rate of recordable work-related injuries
2020	1,354,000	0	0	0	0	14	2.06
2021	1,280,000	0	0	0	0	3	0.47

Note 1:

1. Working days/hours in 2021: 8 hours per day, five days per week for 50 weeks. (246 women and 394 men)

2. Rate of work-related injury fatalities = (Work-related injury fatalities/ total working hours) \* 200,000.

3. High-consequence work-related injury rate (excluding deaths) = High-consequence work-related injury (excluding deaths)/total working hours \* 200,000.

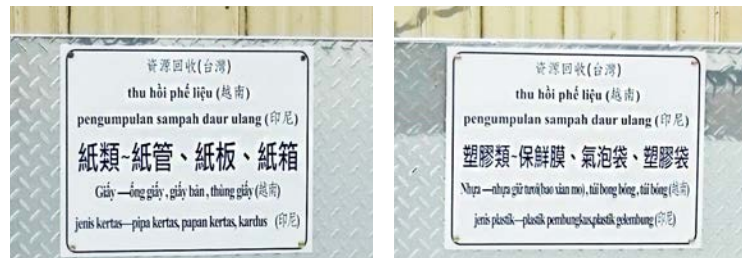
4. 200,000 = rate per 100 employees based on 50 weeks per year, 40 hours per week, and 2,000 hours per year for full-time workers.

Note 2: Work-related injury or disease results from work exposure to hazards.

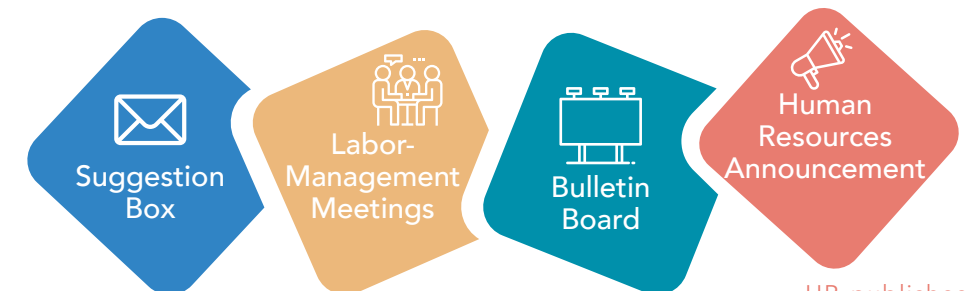
Note 3: High-consequence work-related injury is a work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

## 4.5 Deepen Labor-Employment Communication

Dyaco maintains a smooth communication channel with the employees. Employees can directly communicate and discuss with the department supervisor to promote mutual understanding and a comprehensive manner to work together to achieve common goals. As we employ foreign employees, multiple languages are provided to facilitate the transmission of complete information. As of December 31, 2021, there are no major labor disputes.



Instruction languages including Mandarin, Vietnamese, and Indonesian.



The anonymous suggestion box is provided to employees at the workplace, and the Management Department will collect it weekly.

Dyaco holds a labor-management meeting quarterly, during which the planning and negotiation between labor and management are discussed, and significant issues are announced after the meeting.

Bulletin boards are placed in each department and management office to provide employees with timely information and essential publicity matters.

HR publishes essential matters on the internal online website from time to time, such as on-leave regulations, annual calendars, and updates of internal management systems.

## 4.6 COVID-19 Prevention

During the pandemic, Dyaco cooperated with the pandemic prevention policy, formulated emergency response measures, established a pandemic prevention response team, implemented personnel control, and kept abreast of information. To ensure employees' health, hand sanitizers, body temperature measurements, and pandemic prevention posters are provided at entrance points. Meals in the restaurant were changed to personal lunch boxes to protect employees' health and reduce operational risks. In May 2021, Taiwan raised to level 3 COVID-19 alert, so Dyaco launched work-from-home, off-site working, online meetings, suspended group meals, and canceled non-essential overseas business trips.

### 4.6.1 Dyaco Pandemic Prevention Measures in Response to "COVID-19"

Dyaco held a pandemic prevention meeting chaired by the general manager in January 2020. During the meeting, the pandemic prevention-related support and countermeasures were discussed to prevent the spread and reduce the impact on the company. We formulated a related contingency plan following the Occupational Safety and Health Administration guidelines.

#### Response Measures

In response to the pandemic prevention needs, the General Manager, Mr. Chen, served as the convener to set up an emergency response team, linking the department supervisor and holding meetings from time to time to discuss related measures while cooperating with government authorities. By purchasing protective equipment, implementing education training and publicity, and keeping abreast of the latest prevention information to reduce the impact of the pandemic on us.

#### Outbreak Notification Measures

One should inform their supervisor if they or their dependents are infected or were notified for home isolation, home quarantine, and self-management. According to the protocol, this will eventually reach the management and human resources departments and then the General Manager.





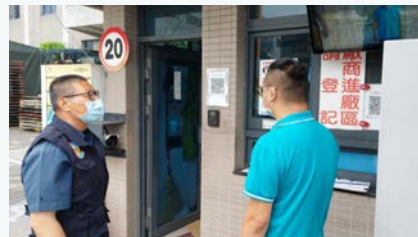
## Preventive Measures

### 1 Personnel Control

1. When entering sites, one's needs to use the text message real-name registration system, body temperature measurement, no cough complicated by shortness of breath and other symptoms, and wear a mask.
2. Front-line colleagues: reception, cleaning, and security staff, are provided with masks, face protective shields, goggles, and disposable gloves.
3. One should immediately notify their supervisor and the infirmary if there are symptoms and should get immediate medical treatment. The signs should improve for at least 24 hours before returning to work.
4. Education and training, club activities, health checks, etc., are handled following government announcements.
5. Wearing a mask and keeping a safe distance between personnel.



Receptionists always wear a mask, and hand sanitizer is provided.



Body temperature is measured before entering facilities.

### 3 Dietary Hygiene Management

1. The food supply in the restaurant is suspended, changing into the personal lunch box.
2. Paying attention to the dietary operations environment.
3. Pay attention to the restaurant staff's health and develop a hygiene-conscious work habit.



Disinfection alcohol is provided in the toilet.

### 2 Environment Hygiene Management

1. Provide rubbing alcohol for employees and visitors in places with frequent access.
2. The toilets are disinfected with bleach.
3. Soap is provided.
4. Strengthen the disinfection of frequently touched equipment, such as toilets, door handles, water dispenser panels, etc.
5. The environment around the confirmed case is thoroughly disinfected, and protective equipment is provided during cleaning.



Pandemic prevention posters



Hand sanitizers and real-name registration are available at the entrance.

### 4 Self-Protection Measures

1. Keep hands clean.
2. Pay attention to respiratory hygiene.
3. Avoid going to crowded places.
4. Recuperating at home when sick.



Protective equipment is being prepared.





05

## Committed to Social Welfare

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5.1 Promoting Social Good

5.2 Caring the Society  
(Taipei Dyaco International  
Charity Foundation)





# 05 Committed to Social Welfare

Dyaco encourages the domestic sports culture by donating sports equipment and materials, actively cooperating and communicating with local welfare groups and all levels of school sports projects, providing help in children's education and disadvantaged person, and establishing the Taipei Dyaco International Charity Foundation to promote welfare activities. These are the ways Dyaco does to give back to society. Despite the pandemic, which limited the community care activities to reduce physical contact, the number of donations still increased, reaching the amount of NTD 10,892,799. We maintain the original intention of giving back to society while reducing the burden on front-line personnel.

## 5.1 Promoting Social Good

Dyaco is committed to social care, supporting various sports, and paying attention to social issues. Using our resources to help promote sports and education-related advocacy and invest resources into public welfare in different fields, creating a common good for society.

### The Chinese Taipei Football Association



Sponsored NTD **3 Million**

### Taiwan Police College



**Flywheel** Donation Ceremony

### The Promotion and Training of The Taida Handball League



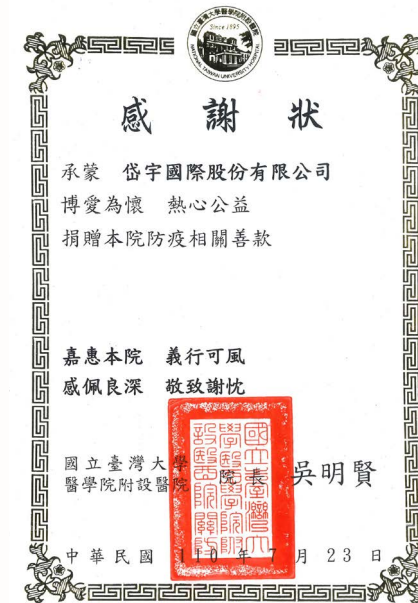
Donated NTD **145,160**

## The NCCU Griffins



Sponsored **NTD 1 Million**

## The National Taiwan University Hospital for Pandemic Prevention-related Funds.



Donated **NTD 1 Million**

## The Andrew Charity Association

Donated **NTD 10 Thousand**





## 5.2 Caring the Society (Taipei Dyaco International Charity Foundation)

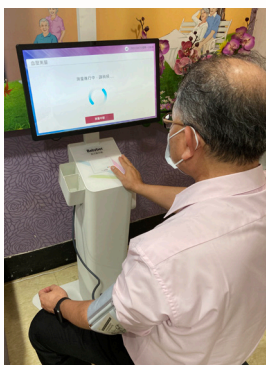
### 5.2.1 Community Involvement & Social Care

Social welfare groups assist those in need in rehabilitation and physical exercise. Due to the prolonged use time, many pieces of equipment must be replaced. The replacement and purchase of assistive devices, sports, and health care equipment require funds, and the failure to replace them will cause difficulties for them.

#### The Department of Social Welfare, Taipei City Government



Taipei City Haoran Senior Citizens Home



Donated  
**Rehabilitation  
Medical  
Equipment**

Taipei Zhongshan Seniors Housing and Service Center

#### The Corporation Changhua County Joyce-Polio Care Association

#### The Changhua Arts High School

Dyaco factories are in Changhua. We provide sports equipment to social groups that are in need to give back to the local society. In 2021, four treadmills were supplied to the Changhua County Joyce-Polio Care Association as training devices for rehabilitating disabled and demented elders.

In addition, we also donated sports equipment to the Changhua Arts High School, providing good equipment for players to alleviate the equipment shortage.



Donated Sports  
Equipment  
Worth NTD **143,040**



Donated Sports  
Equipment  
Worth NTD **39,400**

## 5.2.2 Education/ Sports Education Promotion

Continuous exercise is one way to maintain a healthy body. The establishment of exercise and fitness habits should be cultivated from an early age. To help Taiwan build a healthy society, Dyaco continues to invest in sports education and promotes activities at various stages of study.

### The Rural School's Project



XinXing Elementary School Jinfong Township, Taitung County.



Shihlei Elementary School of Hsinchu County.



Taoshan Elementary School, Wu-feng Township Hsinchu County.

Donated NTD **60 Thousand**

### Taichung Orienting Association



Donated Sports Equipment Worth NTD **262,200**

### The National Taitung Senior High School Basketball Team



Sponsored NTD **200,108**



### 5.2.3 Long-Term Care

Taipei Dyaco International Charity Foundation is committed to helping people with disabilities, the elderly, and disadvantaged groups, and Dyaco employees are being called on to promote social welfare. Due to the pandemic, all the volunteer activities are forced to be canceled, as an alternative we provided equipment to the disabled and their caregivers.

#### Donation

#### The An-con Mental Retardation Training Services R.O.C.

Donated worth NTD **150,000** of sports equipment



SOLE B74 Upright Bike

#### The Suang Lien Foundation for the Visually Impaired

Donated worth NTD **71,560** of sports equipment



#### The Zenan Homeless Welfare Foundation



Donated **500**  
Mid-autumn  
Festival Goods and  
materials



**6000**  
lunches and  
dinners



# Appendix

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Appendix I GRI Standards



## Appendix I

### GRI Standards

Topics	Disclosures	Location	Page	Note
<b>GRI 102: General Disclosures</b>				
Organizational Profile	102-1	1.1	About Dyaco	19
	102-2	Activities, brands, products, and services	2	Innovative Products Service
	102-3	Location of headquarters	1.1	About Dyaco
	102-4	Location of operations	1.1	About Dyaco
	102-5	Ownership and legal form	1.1	About Dyaco
	102-6	Markets served	1.1	About Dyaco
	102-7	Scale of the organization	1.1	About Dyaco
	102-8	Information on employees and other workers	4	Friendly Workplace
	102-9	Supply chain	2.4	Supply Chain Management
	102-10	Significant changes to the organization and its supply chain	-	No Major Changes
	102-11	Precautionary Principle or approach	1.3	Implementation of Risk Management
	102-12	External initiatives	1.4	Involvement of External Organizations
	102-13	Membership of associations	1.4	Involvement of External Organizations
Strategy	102-14	Statement from senior decision-maker	A Word from The Sustainability Committee	
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	1.1.6	Core Values
Governance	102-18	Governance structure	1.1.1	Organizational Chart
			1.2.2	The Board of Directors and Functional Committees
	102-22	Composition of the highest governance body and its committees	1.1.1	Organizational Chart
	102-23	Chair of the highest governance body	1.1.1	Organizational Chart



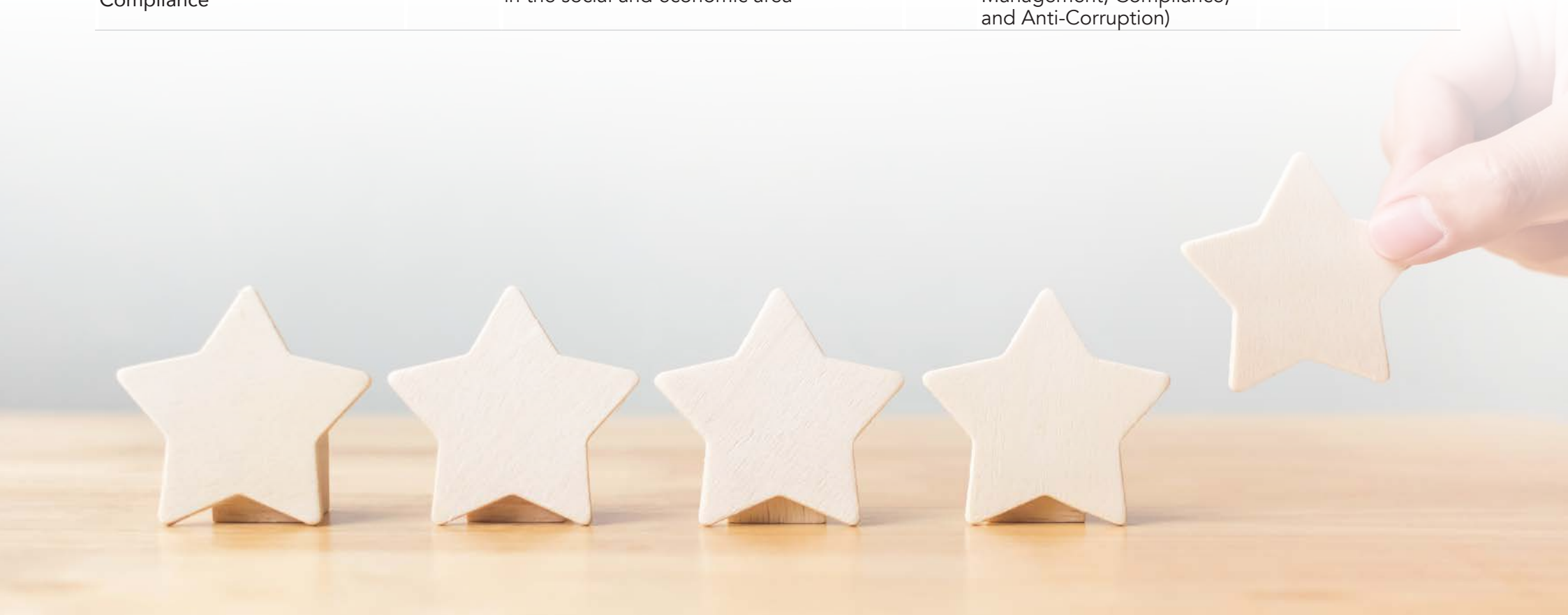
Topics	Disclosures		Location	Page	Note
Stakeholder engagement	102-40	List of stakeholder groups	Stakeholder Engagement	4	
	102-41	Collective bargaining agreements	-		
	102-42	Identify and selecting stakeholders	Stakeholder Engagement	4	
	102-43	Approach to stakeholder engagement	Stakeholder Engagement	4	
	102-44	Key topics and concerns raised	5 Materiality Analysis and Management Policy Committed to Social Welfare	7 65	
Reporting practice	102-45	Entities included in the consolidated financial statements	1.1.7	Operational Performance	27
	102-46	Defining report content and topic Boundaries		Materiality Analysis and Management Policy	7
	102-47	List of material topics		Materiality Analysis and Management Policy	7
	102-48	Restatements of information		Materiality Analysis and Management Policy	7
	102-49	Changes in reporting		Materiality Analysis and Management Policy	7
	102-50	Reporting period		About This Report	2
	102-51	Date of most recent report		About This Report	2
	102-52	Reporting cycle		About This Report	2
	102-53	Contact point for questions regarding the report		About This Report	2
	102-54	Claims of reporting in accordance with the GRI Standards		About This Report	2
	102-55	GRI content index	Appendix I	GRI Standards	71

Topics	Disclosures	Location	Page	Note
Materiality Topics & Topic-specific				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Analysis	7
	103-2	The management approach and its components	1.1.7	Operational Performance
			1.3	Implementation of Risk Management
			2	Innovative Products Service
			2.3	Quality Management
	103-3	Evaluation of the management approach	2.4	Supply Chain Management
			3.2	Energy Management
			3.3	Water Management
			3.4	Waste Management
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	1.1	About Dyaco
			1.1.7	Operational Performance
			4.2	Employee Management
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	1.3.6	Operation Management and Compliance (Integrity Management, Compliance, and Anti-Corruption)
GRI 302: Energy	302-1	Energy consumption within the organization	3.2	Energy Management
			3.3	Water Management
			3.4	Waste Management
GRI 303: Water and Effluents 2018	302-3	Energy intensity	3.2	Energy Management
	303-3	Water withdrawal		
	303-4	Water discharge	3.3	Water Management
	303-5	Water consumption		
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions		
	305-2	Energy indirect (Scope 2) GHG emissions	3.5	Air Pollution Prevention
	305-5	Reduction of GHG emissions		

Topics	Disclosures	Location	Page	Note
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	3.4 Waste Management	47	
	306-2 Management of significant waste-related impacts			
GRI 401: Employment	401-1 New employee hires and employee turnover	4.2.3 Employee Recruitment	51	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2.5 Employees' Benefits	52	
	401-3 Parental leave	Project Maternal Workplace Environment	55	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	4.4 Protection and Employee Health & Safety	58	
	403-2 Hazard identification, risk assessment, and incident investigation	4.4.1 Occupational Safety	58	
	403-3 Occupational health services	4.4.1 Occupational Safety	58	
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.4.1 Occupational Safety	58	
	403-5 Worker training on occupational health and safety	4.4.2 Occupational Health and Safety Statistics	60	
	403-6 Promotion of worker health	4.2.5 Employees' Benefits	52	
		4.4.1 Occupational Safety	58	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2.5 Employees' Benefits	52	
		4.4.1 Occupational Safety	58	
	403-9 Work-related injuries	4.4.2 Occupational Health and Safety Statistics	60	
GRI 404: Training and Education	404-1 Average hours of training per year per employee	4.3 Focus on Talent Cultivation	56	
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	4.2.3 Employee Recruitment	51	



Topics	Disclosures		Location		Page	Note
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	1.3.4	Labor-Employer Management System	34	
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	1.3.4	Labor-Employer Management System	34	
GRI 417: Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling		-		No Violations
	417-3	Incidents of non-compliance concerning marketing communications		-		No Violations
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.2	Meeting Customer's Needs	39	
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	1.3.6	Operation Management and Compliance (Integrity Management, Compliance, and Anti-Corruption)	35	







## Sustainability Report

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