



Corporate Social Responsibility Best Practice Principles

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Chapter 1 General Provisions

1. Dongtai Precision Machinery Co., Ltd. (hereinafter referred to as “the Company”), in order to fulfill its corporate social responsibility and promote economic, environmental, and social progress to achieve the goal of sustainable development, hereby establishes this Code in accordance with the relevant provisions of the “Code of Practice for Corporate Social Responsibility of Listed and OTC Companies” for compliance.
2. The scope of application of these Guidelines covers all of the Company’s operational activities.

While conducting its business operations, the Company actively practices corporate social responsibility to align with international development trends. Through responsible corporate citizenship, the Company aims to enhance its contribution to the national economy, improve the quality of life for employees, communities, and society, and foster a competitive advantage rooted in corporate responsibility.
3. In fulfilling its corporate social responsibility, the Company shall pay attention to the interests of stakeholders; while pursuing sustainable operations and profitability, it shall attach importance to environmental, social, and corporate governance factors and incorporate them into the Company’s management policies and operational activities.
4. The Company’s implementation of corporate social responsibility shall be guided by the following principles:
 1. Implement corporate governance.
 2. Foster a sustainable environment.
 3. Uphold the public interest.
 4. Enhance disclosure of corporate social responsibility information.
5. The Company shall formulate corporate social responsibility policies, systems, relevant management guidelines, and specific implementation plans by taking into account domestic and international trends in corporate social responsibility, their relevance to the Company’s core



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business, and the impact of the Company's and the Group's overall operations on stakeholders. These shall be approved by the Board of Directors and reported to the Annual General Meeting of Shareholders.

When shareholders propose resolutions related to corporate social responsibility, the Company's Board of Directors should consider including such proposals on the agenda of the shareholders' meeting.

Chapter II: Implementation of Corporate Governance

6. The Company shall comply with the "Code of Corporate Governance Practices for Listed and OTC Companies," the "Code of Ethical Business Conduct for Listed and OTC Companies," and the "Reference Model for the Establishment of Codes of Ethical Conduct for Listed and OTC Companies" to establish an effective governance framework and relevant ethical standards, thereby strengthening corporate governance.

7. The Company's directors shall exercise the duty of care expected of a prudent manager, oversee the implementation of corporate social responsibility, and regularly review its effectiveness and pursue continuous improvement to ensure the implementation of the corporate social responsibility policy.

When the Company fulfills its corporate social responsibility obligations, the Board of Directors should fully consider the interests of stakeholders and include the following matters:

1. Formulate a corporate social responsibility mission or vision, and establish corporate social responsibility policies, systems, or related management guidelines.
2. Integrating corporate social responsibility into the Company's operational activities and strategic direction, and approving specific action plans for its implementation.
3. Ensuring the timeliness and accuracy of disclosures regarding corporate social responsibility.



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The Company shall authorize senior management, under the direction of the Board of Directors, to address economic, environmental, and social issues arising from its operational activities and report the status of such matters to the Board; the operational procedures and the respective personnel responsible for each matter shall be clearly defined.

8. The Company should regularly conduct training on the fulfillment of corporate social responsibility, including the promotion of the matters specified in the second paragraph of the preceding article.

9. To strengthen the management of corporate social responsibility, the Company should establish a full-time or part-time unit dedicated to promoting corporate social responsibility, responsible for proposing and implementing corporate social responsibility policies, systems, relevant management guidelines, and specific implementation plans.

The Company should establish a reasonable compensation policy to ensure that compensation planning aligns with the organization's strategic objectives and the interests of stakeholders.

The employee performance appraisal system should be integrated with the corporate social responsibility policy, and clear and effective incentive and disciplinary systems should be established.

10. The Company shall, based on respect for the rights and interests of stakeholders, identify its stakeholders and establish a dedicated stakeholder section on the Company's website; through appropriate communication channels, understand the reasonable expectations and needs of stakeholders, and appropriately address their concerns regarding key corporate social responsibility issues.

Chapter 3: Developing a Sustainable Environment

11. The Company shall comply with environmental laws and regulations as well as relevant international standards, appropriately protect the natural environment, and strive to achieve environmental sustainability goals in the conduct of its operations and internal management.



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12. The Company is committed to improving the efficiency of resource utilization and using recycled materials that have a low environmental impact, thereby ensuring the sustainable use of the Earth's resources.
13. The Company establishes an appropriate environmental management system tailored to the characteristics of its industry.
14. The Company shall establish a dedicated environmental management unit or appoint personnel to formulate, promote, and maintain relevant environmental management systems and concrete action plans, and shall regularly conduct environmental education courses for management and employees.
15. The Company shall consider the impact of its operations on ecological benefits, promote and advocate the concept of sustainable consumption, and conduct operational activities such as research and development, procurement, production, operations, and services in accordance with the following principles to minimize the impact of the Company's operations on the natural environment and humanity:
 1. Reduce resource and energy consumption in products and services.
 2. Reduce emissions of pollutants, toxic substances, and waste, and ensure proper waste disposal.
 3. Enhance the recyclability and reusability of raw materials and products.
 4. Maximize the sustainable use of renewable resources.
 5. Extend the durability of products.
 6. Improve the performance of products and services.
16. To improve the efficiency of water use, the Company shall use water resources properly and sustainably and establish relevant management measures.

The Company shall construct and enhance relevant environmental protection and treatment facilities to prevent water, air, and soil pollution; and shall make every effort to minimize adverse impacts on human health and the environment by adopting the best available



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pollution prevention and control technologies.

17. The Company shall adopt internationally and domestically recognized standards or guidelines to conduct and disclose corporate greenhouse gas inventories, the scope of which shall include:
1. Direct greenhouse gas emissions: Greenhouse gas emission sources owned or controlled by the company.
 2. Indirect greenhouse gas emissions: Emissions generated from the use of purchased energy, such as electricity, heat, or steam

The Company should pay attention to the impact of climate change on its operational activities and, based on its operational status and the results of its greenhouse gas inventory, formulate corporate strategies for energy conservation, carbon reduction, and greenhouse gas mitigation. It should also incorporate the acquisition of carbon credits into its carbon reduction strategy planning and implement these measures to reduce the impact of the Company's operational activities on climate change.

Chapter IV: Upholding the Public Interest

18. The Company shall comply with relevant laws and regulations and adhere to international human rights conventions, such as those regarding gender equality, the right to work, and the prohibition of discrimination.

The Company shall adhere to internationally recognized labor rights, such as freedom of association, the right to collective bargaining, care for vulnerable groups, the prohibition of child labor, the elimination of all forms of forced labor, and the elimination of discrimination in employment and hiring. The Company further confirms that its human resources policies do not discriminate on the basis of gender, race, socioeconomic status, age, marital status, or family status, in order to ensure equality and fairness in employment, working conditions, compensation, benefits, training, performance evaluations, and



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promotion opportunities.

In cases where workers' rights are infringed upon, the Company shall provide effective and appropriate grievance mechanisms to ensure that the grievance process is fair and transparent. Grievance channels shall be straightforward, convenient, and accessible, and the Company shall respond appropriately to employees' grievances.

19. The Company shall provide employees with information to ensure they understand the labor laws of the countries where it operates and the rights to which they are entitled.

20. The Company shall provide employees with a safe and healthy work environment, including the necessary health and first-aid facilities, and shall strive to reduce hazards to employee safety and health in order to prevent occupational accidents.

The Company should conduct regular safety and health education and training for employees.

21. The Company should create a favorable environment for employees' career development and establish effective career competency development and training programs.

The Company shall appropriately reflect its business performance and results in its employee compensation policy to ensure the recruitment, retention, and motivation of human resources, thereby achieving the goal of sustainable operations.

22. The Company shall establish channels for regular communication and dialogue with employees, ensuring that employees have the right to obtain information and express their opinions regarding the Company's management activities and decision-making.

The Company shall respect the right of employee representatives to negotiate working conditions and shall provide employees with the necessary information and facilities to facilitate consultation and cooperation between the employer, employees, and employee representatives.



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The Company shall provide reasonable notice of operational changes that may have a significant impact on employees.

Article 22-1 The Company shall treat customers or consumers of its products or services in a fair and reasonable manner, in accordance with principles such as fairness and good faith in contracting, duties of care and loyalty, truthful advertising and solicitation, suitability of goods or services, notification and disclosure, equitable compensation and performance evaluation, complaint protection, and professionalism of sales personnel, and shall establish relevant implementation strategies and specific measures.

23. The Company shall be responsible for its products and services and shall uphold marketing ethics. Its research and development, procurement, production, operations, and service processes shall ensure the transparency and security of product and service information. The Company shall formulate and publicly disclose its consumer rights policy and implement it in its operational activities to prevent its products and services from harming consumer rights, health, and safety.

24. The Company shall ensure the quality of its products and services in accordance with government regulations and relevant industry standards.

The Company's marketing and labeling of products and services shall comply with relevant laws and regulations and international standards, and shall not engage in any deceptive, misleading, fraudulent, or other conduct that undermines consumer trust or harms consumer rights.

25. The Company should assess and manage various risks that may cause operational disruptions to minimize their impact on consumers and society.

The Company should provide transparent and effective consumer complaint procedures for its products and services, handle consumer complaints fairly and promptly, and comply with relevant laws and regulations, such as the Personal Data Protection Act, to ensure respect



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for consumer privacy and protect the personal data provided by consumers.

26. The Company shall assess the environmental and social impacts of its procurement activities on the communities from which it sources supplies and shall collaborate with suppliers to jointly implement corporate social responsibility.

Prior to entering into business transactions, the Company should assess whether suppliers have a track record of environmental and social impacts and avoid doing business with those whose practices conflict with the Company's corporate social responsibility policy.

When the Company enters into contracts with major suppliers, the terms should include compliance with both parties' corporate social responsibility policies, as well as provisions allowing the Company to terminate or rescind the contract at any time if the supplier violates these policies and such violations have a significant environmental or social impact on the communities from which supplies are sourced.

27. The Company shall assess the impact of its operations on the community and appropriately hire personnel from the communities where it operates to foster a sense of community belonging.

The Company should, through equity investments, business activities, donations, corporate volunteer services, or other professional public service initiatives, allocate resources to organizations that address social or environmental issues through business models, or participate in relevant activities organized by civic organizations, charitable organizations, and local government agencies involved in community development and education, thereby promoting community development.

Chapter V: Strengthening Corporate Social Responsibility Disclosure

28. The Company shall disclose information in accordance with relevant



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laws and regulations and the “Code of Corporate Governance Practices for Listed and OTC Companies,” and shall fully disclose material and reliable corporate social responsibility-related information to enhance transparency.

29. In preparing its corporate social responsibility report, the Company shall adopt internationally recognized standards or guidelines to disclose its progress in promoting corporate social responsibility and shall obtain third-party assurance or certification to enhance the reliability of the information. The report shall include the following:
1. Corporate social responsibility policies, systems, or related management guidelines, as well as specific implementation plans.
 2. Key stakeholders and the issues they care about.
 3. The company’s performance and review regarding the implementation of corporate governance, the development of a sustainable environment, the protection of the public interest, and the promotion of economic development.
 4. Future directions and goals for improvement.

Chapter VI Supplementary Provisions

30. The Company shall keep abreast of developments in domestic and international corporate social responsibility standards and changes in the business environment, and shall review and improve the corporate social responsibility system established by the Company accordingly to enhance the effectiveness of its corporate social responsibility efforts.
31. This Code shall take effect upon approval by the Board of Directors; the same shall apply to any amendments.