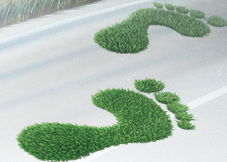


Dynamic 2022 ESG Report



Vision, Mission, Corporate Core Values and Corporate Business Philosophy



Message from the Chairperson of the ESG Sustainability Committee

2022 was a year when the global market demand faltered dramatically. The Russian-Ukrainian war, geopolitics, international inflation, US dollar interest rate hikes, and a resurgence of Covid-19 affected the operation of the global supply chain and weakened consumer confidence and demand, sending almost all markets into a period of cooling off simultaneously. At the same time, extreme weather is accelerating at a higher frequency all over the world. Humans are not only suffering huge losses of life and property, but are also facing an irreversible tipping point. Such changes are testing the resilience of global supply chains and the foresight of companies in terms of sustainability. As a global citizen, Dynamic continues to pursue operational breakthroughs, and also views net-zero transformation as an opportunity for sustainable transformation and incorporates it into the core of its corporate governance. Moreover, it has taken proactive action to keep pace with international carbon reduction and build a strong low-carbon competitiveness.

Firstly, to promote sustainable development, advance ESG-related matters and ensure that ESG is incorporated into our daily operations and investment decisions, we have set up an "ESG Sustainability Committee" in February 2022, established a sustainability strategy and organizational structure, internalized ESG into our business strategy, defined key performance indicators (KPIs), and tracked those in our monthly business meetings. Furthermore, we also report to the Board of Directors and receive supervision at our quarterly Board meetings. The ESG performance of Dynamic in 2022 includes the following: The Huangshi Plant received the May 1 Labor Merit

Certificate and was designated a Water-Saving Enterprise and Advanced Enterprise for Employment And Entrepreneurship and Leading Enterprise for High-Quality Industrial Development in Hubei Province, Advanced Organization in Production Safety, Contract-Abiding and Trustworthy Enterprise etc. The Kunshan plant was also recognized as an enterprise with harmonious labor relations in Suzhou City and received the International Sustainable Water Management Certificate from the "Alliance for Water Stewardship (AWS)". The Group has also been recognized as one of the top 5% of listed companies for six consecutive years in the Corporate Governance Assessment conducted by the Financial Supervisory Commission.

Further, Dynamic has aligned its governance priorities and targets with the Global Climate Action Initiative, and it has included "Net Zero Carbon Reduction" as the core of its governance by setting forward-looking short-, medium- and long-term carbon reduction targets: In terms of reducing the intensity of energy consumption and GHG emissions, using 2020 as the baseline year, at least a 4% annual reduction will be achieved by 2025; at least a 50% annual reduction will be achieved by 2030; and carbon neutrality will be achieved by 2040. In terms of planning for solar power generation, the first phase of photovoltaic power generation at the Huangshi Plant started operation in June 2022, with an annual generation capacity of approximately 200 thousand kWh and an equivalent carbon dioxide emission reduction of approximately 105 tonnes; and in terms of renewable energy usage, the purchase of 10 million kWh of green power in 2022 represents 5.7% of the Huangshi Plant's electricity consumption, which represents an equivalent carbon dioxide emission reduction of approximately 7,154 tonnes.

Specific carbon reduction actions planned for 2023 include: quantification of indirect greenhouse gas emissions (Scope 3) under ISO 14064; Carbon Footprint of Product (CFP) inventory under ISO 14067; commitment to Science Based Targets initiative (SBTi); further planning for a three-year investment of about TWD 132 million in solar power expansion projects; and an estimated annual power generation of 6.5 million kWh, with an estimated annual power generation capacity of 6.5 million kWh and an equivalent carbon dioxide reduction of about 3,417 tonnes; purchasing 40 million kWh of green power; UL2799 zero waste to landfill certification; and inviting the supply chain to join in the carbon reduction efforts, etc. We aim to contribute our part in promoting sustainable development in a harmonious relationship with the global environment.

Dynamic believes that climate action should not be delayed, and that company growth and the ecological environment can coexist and co-prosper. As we move forward with our partners in the green and low-carbon supply chain, environmental protection, social co-prosperity, and corporate governance have been incarnated into our peers. Together, we are moving towards a brighter future of sustainable development!



Ming-Hung, Huang

Chairperson of the Board of Directors and ESG Sustainability Committee

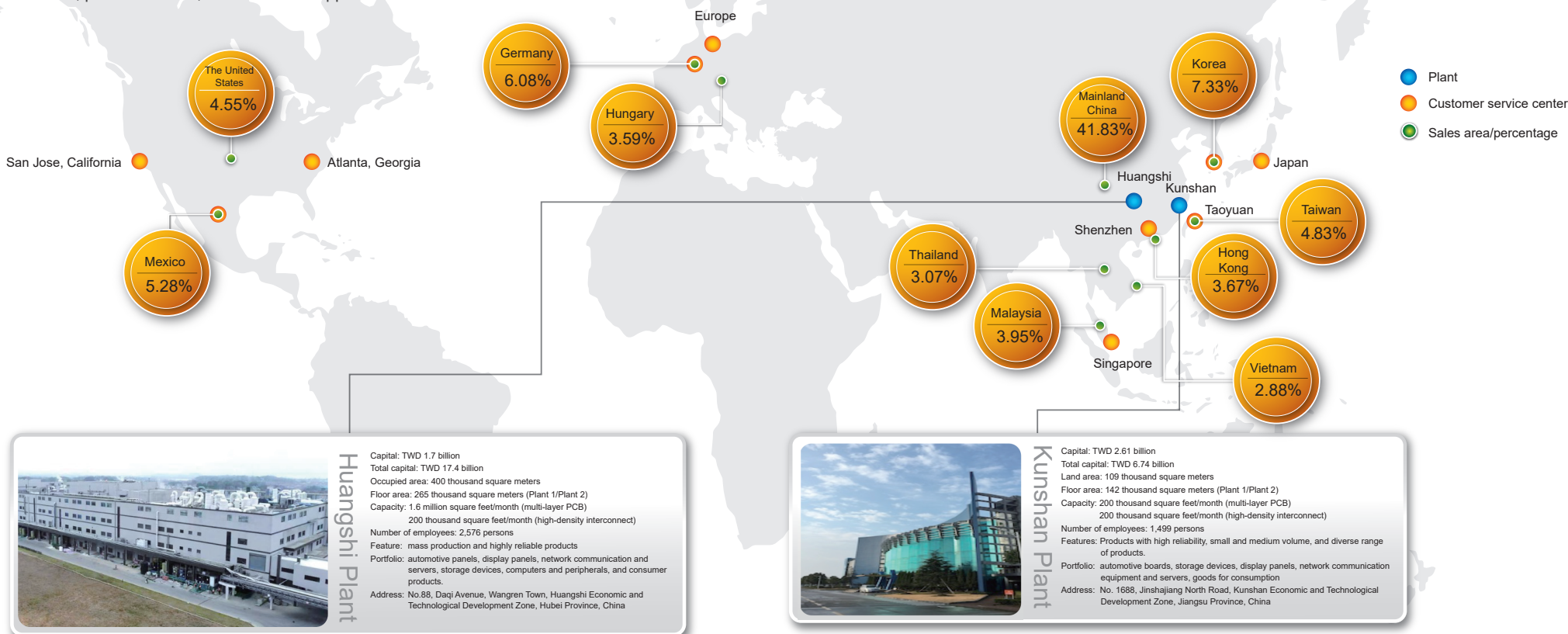
Dynamic is committed to producing high-quality and high-tech PCBs to meet customer needs.

The PCB industry is highly related to the developmental trends of technology. The explosive growth in the demand for 3C products so far has also contributed to the flourishing developments of PCBs. The demand for 3C is slowing down now. Emerging technologies, however, such as the high-frequency and high-speed 5G that connects everything together, the ever more popular utilization of automotive electronics, and the speedy expansion of advanced driver assistance systems (ADAS) and electric vehicles, are offering new opportunities in the development of the PCB industry.

Revenue generated per employee in 2022 was TWD 3.72 million, an increase of 15% from the previous year. This was mainly due to the development of the product structure towards higher technology and the expansion of the production capacity of the Huangshi Plant through automation and intelligence, which led to positive operating performance. To meet the demands of these emerging technologies, Dynamic has not only continued to improve product quality, enhance manufacturing capabilities, and strengthen R&D technologies, but has also deepened automation and intelligent production. Dynamic's medium- and long-term development focuses on the application of electric vehicles, autonomous driving, servers, and networking products.









Global Operational Service Network

The global operational service network of Dynamic covers Taiwan, China, US, Mexico, Germany, Czech Republic, Macedonia, Japan, Korea, and Singapore. There are plants, subsidiaries, or offices in each of these countries to provide real-time sales, product service, and technical support to customers around the world.

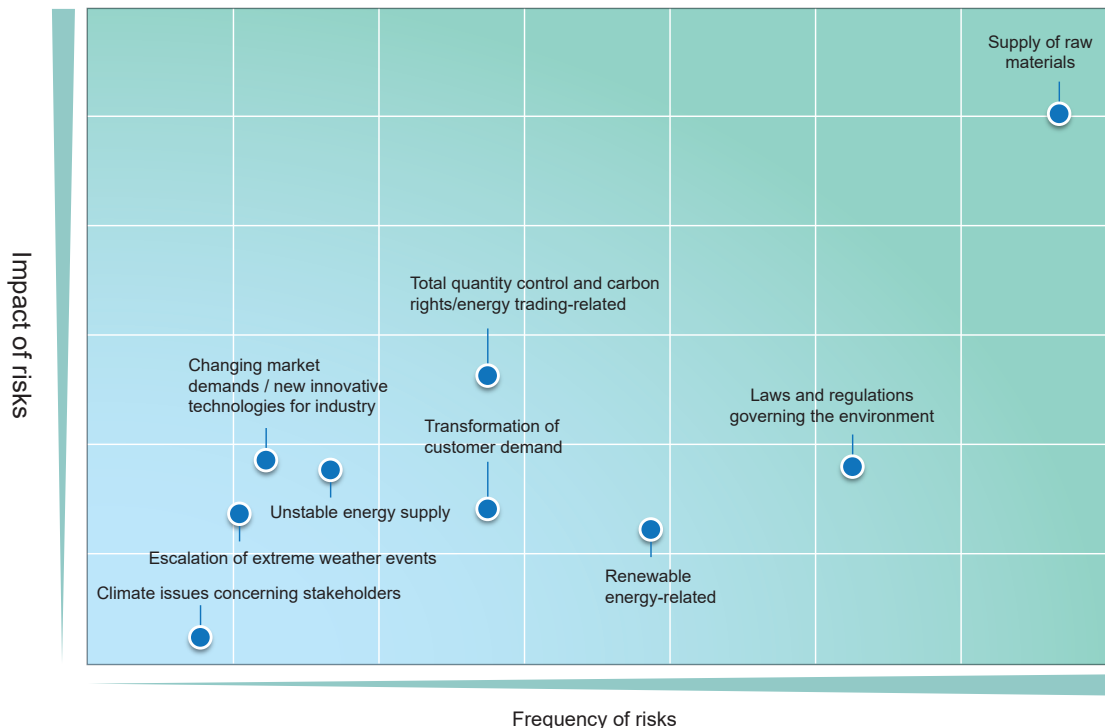




The United Nations have set 17 Sustainable Development Goals (SDGs). Dynamic can combine the requirements of 8 of those 17 goals according to its own core capabilities, and continue to make more active investment in operation and management in the short, medium, and long term to achieve people-oriented, sustainable and co-prosperity 's vision.

Goal	Dynamic's Approach	Accomplishment
 5 GENDER EQUALITY	Gender equality and empowerment of women	Dynamic does not differentiate salaries and benefits by gender.
 11 SUSTAINABLE CITIES AND COMMUNITIES	Inclusive, safe, resilient, and sustainable cities and human housing	Automotive boards are the core product being developed by Dynamic, which answers to the vehicle-to-everything (V2X) trend in the future and is highly relevant in automotive safety and urban travel planning.
 13 CLIMATE ACTION	Adoption of emergency measures to cope with climate change and its impacts	With 2020 as the baseline, both the annual electricity conservation rate and greenhouse gas emissions of Dynamic are newly set with a goal above 4% and energy conservation action plans are prepared accordingly to proactively enforce energy conservation improvement plans, such as process improvement, equipment elimination, and electricity-saving plan, etc.
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promotion of a peaceful and inclusive society to consolidate sustainable development; availability of judicial access for everyone; creation of an effective, accountable, and inclusive system at all levels.	<ol style="list-style-type: none"> Dynamic has a "That's not Right Mailbox" in place for its employees to express opinions about any managerial deficiency, administrative process, and protection of individual rights, among others. Dynamic has a "CEO mailbox" in place for its employees, business partners, third parties, and customers to file written complaints or reflect upon any corruption, bribery, and unethical behavior inside and outside the Company. Dynamic sets a hotline for its partners as one of the multiple convenient electronic ways to make their complaints heard.
 4 QUALITY EDUCATION	Assurance of non-classified, fair, and high-quality education and promotion of life-long learning	<ol style="list-style-type: none"> Dynamic has a "That's not Right Mailbox" in place for its employees to express opinions about any managerial deficiency, administrative process, and protection of individual rights, among others. Dynamic has a "CEO mailbox" in place for its employees, business partners, third parties, and customers to file written complaints or reflect upon any corruption, bribery, and unethical behavior inside and outside the Company. Dynamic sets a hotline for its partners as one of the multiple convenient electronic ways to make their complaints heard.
 8 DECENT WORK AND ECONOMIC GROWTH	Promotion of inclusive and sustainable economic growth to realize comprehensive and productive employment and make everyone enjoy a good job	<ol style="list-style-type: none"> Dynamic has a "That's not Right Mailbox" in place for its employees to express opinions about any managerial deficiency, administrative process, and protection of individual rights, among others. Dynamic has a "CEO mailbox" in place for its employees, business partners, third parties, and customers to file written complaints or reflect upon any corruption, bribery, and unethical behavior inside and outside the Company. Dynamic sets a hotline for its partners as one of the multiple convenient electronic ways to make their complaints heard.
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructures, promote inclusive and sustainable industries, and expedite innovation	<ol style="list-style-type: none"> Dynamic has a "That's not Right Mailbox" in place for its employees to express opinions about any managerial deficiency, administrative process, and protection of individual rights, among others. Dynamic has a "CEO mailbox" in place for its employees, business partners, third parties, and customers to file written complaints or reflect upon any corruption, bribery, and unethical behavior inside and outside the Company. Dynamic sets a hotline for its partners as one of the multiple convenient electronic ways to make their complaints heard.
 17 PARTNERSHIPS FOR THE GOALS	Reinforce the implementation of sustainable development and activate global partnership in sustainable development	<ol style="list-style-type: none"> Dynamic has a "That's not Right Mailbox" in place for its employees to express opinions about any managerial deficiency, administrative process, and protection of individual rights, among others. Dynamic has a "CEO mailbox" in place for its employees, business partners, third parties, and customers to file written complaints or reflect upon any corruption, bribery, and unethical behavior inside and outside the Company. Dynamic sets a hotline for its partners as one of the multiple convenient electronic ways to make their complaints heard.

Dynamic conducted an indicator comparison based on the Task Force on Climate-Related Financial Disclosures (TCFD) to identify the risks and opportunities associated with climate change. In 2020, Dynamic's identified and ranked the climate-related risks through internal discussions among all departments at headquarters and the subsidiaries to inventory the climate change risk issues. In 2022, nine major climate risk issues were identified based on the identification results of 2020, and a matrix of climate risk materiality was drawn up. The potential financial impacts as well as the related risk management approaches and countermeasures brought by climate change were also revealed, to refine Dynamic's governance of climate change.



Project	Implementation of the 2022 Target
Supply of raw materials	<ul style="list-style-type: none"> Disrupted supply of raw materials for zero days as a result of climate change Huangshi Plant <ul style="list-style-type: none"> The average annual utilization rate of raw materials reached 80% The raw material disposal rate has been reduced, and the average disposal rate is 4.32% Kunshan Plant <ul style="list-style-type: none"> Three alternatives and evaluations on three solutions (alkaline, acid, etchant), have been completed The average annual utilization rate of raw materials reached 80% The raw material disposal rate has been reduced, and the average disposal rate is 11.22%
Laws and regulations governing the environment	<ul style="list-style-type: none"> Huangshi Plant <ul style="list-style-type: none"> 0 Environmental pollution incidents The fulfillment rate of pollutants in meeting discharge criteria was 100% and that meeting stricter discharge criteria by 50% was 94.36% Performance of waste reduction: <ul style="list-style-type: none"> In-plant electrolytic recovery system for copper-containing wastewater (reducing the amount of high-concentration heavy metal wastewater treatment in wastewater treatment plants and producing valuable metals for recovery) 5,680m³ of micro-etching fluid was reduced, and 829 tonnes of copper were produced. 9,162m³ of etching fluid was reduced, and 1089 tonnes of copper were produced. 662m³ of waste acid liquid was reduced, and 44.8 tonnes of copper were produced. Nickel waste liquid reduction and recycling system: Nickel-containing waste liquid was concentrated and reduced in weight by 309 tonnes, reducing the amount of output by 70%~80%. Film slag drying equipment: 373 tonnes of film slag waste was reduced. Sludge drying equipment: 450 tonnes of sludge was reduced. We reuse discharged water, air-conditioning condensate and rainwater totaling 104,700 tonnes/year Kunshan Plant <ul style="list-style-type: none"> The availability of environmental facilities has been improved, affecting the production of single unit for no more than 0.5 days per month Cooperate 100% with the government in the monitoring and disclosure of each emission to have 0 environmental pollution incidents
Cap control and carbon credit, energy trade-related	<ul style="list-style-type: none"> Purchase raw materials and regular materials that are 100% compliant with environmental protection requirements; prioritize the purchase of appliances of Grade 1 energy efficiency that are available on the market; Grade 1 energy efficiency of newly purchased appliances greater than 60% Huangshi Plant <ul style="list-style-type: none"> We have purchased 854 tonnes of carbon trading credits in 2022, December Bring down greenhouse gas emissions per unit of the product by 17.3% from 2020 Kunshan Plant <ul style="list-style-type: none"> For equipment replacement needs, we give 100% priority to energy-saving equipment In 2022, Jiangsu Province, China, had not yet opened up carbon credit trading
Renewable energy-related	<ul style="list-style-type: none"> Huangshi Plant <ul style="list-style-type: none"> Purchased 10,000 MWh of green power, offsetting 7,164 tons of greenhouse gases Newly built photovoltaic power generation project, with a power generation of about 110,000 kwh in 2022 Replaced the original aeration Roots blower with an air suspension blower in the wastewater treatment plant, which saves about 300,000 kwh of power annually Kunshan Plant <ul style="list-style-type: none"> Not implemented due to the high cost of replacing lighting in the factory area and electricity with photovoltaics in living areas
Transformation of customer demand	<ul style="list-style-type: none"> Huangshi Plant <ul style="list-style-type: none"> Fulfilled customer requirements 100% UL2799 (Zero Waste to Landfill) has been certified Kunshan Plant <ul style="list-style-type: none"> Fulfilled customer requirements 100 % ISO 50001 energy management system has been approved
Unstable energy supply	<ul style="list-style-type: none"> Huangshi Plant <ul style="list-style-type: none"> New natural gas pipelines have been installed to the north of the plant to ensure a stable supply of natural gas to the plant Kunshan Plant <ul style="list-style-type: none"> The capacity has been reduced to 400,000 feet and excess orders were transferred to the Huangshi Plant We continue to promote energy diversification. In 2022, 5 sets of electric heating equipment have been replaced by steam heating Based on the capacity of the Kunshan Plant in 2022, the current equipment is adequate. Therefore, 15,000 KW/H energy storage equipment has not been introduced The 100% availability of the generating units has been maintained, and additional backup capacity (650 kWh) has been put into operation The plant area is subdivided. The boilers of Plant 1 are closed, Plant 2 can only use natural gas
Changes in market demand/new innovative technologies in industries	<ul style="list-style-type: none"> Prioritize 100% raw materials and regular materials with fewer carbon emission per unit product compared to their equivalents In 2022, four pulse plating VCP wires were introduced in the Huangshi Plant, and the copper thickness uniformity can reach 0.2 mil or less. Regarding black hole/shadow process for high frequency board applications (non-mainstream technology applications), only sample risk is taken.
Intensifying extreme weather events	<ul style="list-style-type: none"> Disrupted supply of raw materials for zero days as a result of extreme weather events Huangshi Plant <ul style="list-style-type: none"> Incidence of major risks 0% Failure of related facilities 0% Control over response cost 0% Kunshan Plant <ul style="list-style-type: none"> Municipal pipeline network is connected to the plant. There is no need to increase the number of outfalls, and the stormwater system is not affected We have been keeping records of abnormal low temperatures and configure the drainage slope to minimize chances of water being built up and frozen in the pipes We have strengthened the frost protection windshield of the plants and retrofitted the air ducts with low-temperature resistant sprinklers
Climate issues concerning stakeholders	<ul style="list-style-type: none"> We have understood our customers' requirements for carbon emissions and carbon reduction plans

Energy

- ▶ Maintain the operation of the ISO 50001 Energy Management System to enhance energy efficiency and demonstrate improved performance.
- ▶ In 2022, the Huangshi Plant purchased 10 million kWh of green electricity (accounting for 5.7% of the total power consumption of the plant). In 2023, we will expand the purchase of green power to 40 million kWh (accounting for 20% of the total power consumption of the plant).
- ▶ The Huangshi Plant constructed the first phase of a photovoltaic power generation project with an annual generating capacity of approximately 200,000 kWh in 2022, and will invest RMB30 million to complete the project with a total annual generating capacity of 6.5 million kWh in three years.
- ▶ In 2023, an online energy monitoring system will be introduced to monitor and display energy consumption data in real time. This not only improves the accuracy of product carbon footprint inventory, but also provides an important basis for energy improvement.

Performance of Kunshan Plant

-21.6 %

The energy consumption intensity per unit of revenue in 2022 decreased by **21.6%** compared with the baseline of 2020

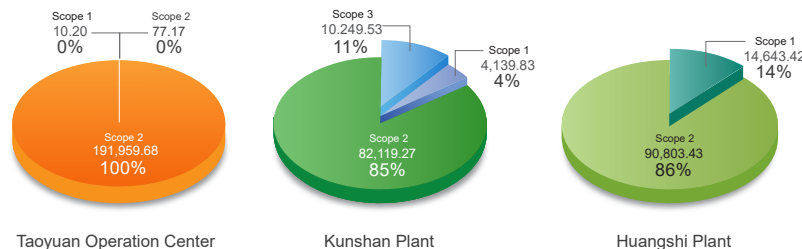
Performance of Huangshi Plant

-15.4 %

The energy consumption intensity per unit of revenue in 2022 decreased by **15.4%** compared with the baseline of 2020

Greenhouse Gas Emissions

GHG inventories have been completed in three operating sites, namely Taiwan, Kunshan and Huangshi in 2022. The status and the results of the inventories are summarized below:



The air-conditioning of the Taoyuan Operation Center was replaced by split inverter air-conditioners; the Kunshan Plant has improved energy efficiency and reduced greenhouse gas emissions through the consolidation of air pollution prevention facilities, such as CTO, RCO, and waste scrubbers, as well as modification of the operation control program of vacuum pumps for heat presses. The Huangshi Plant integrated the company car scheduling, replaced the inverter power equipment to reduce energy consumption while minimizing greenhouse gas emissions.

Performance of Taoyuan Operation Center

-35.0%

In 2022, compared to the baseline in 2020, the greenhouse gas emission intensity was reduced by **35.0%**.

Performance of Kunshan Plant

-34.8%

In 2022, compared to the baseline in 2020, the greenhouse gas emission intensity was reduced by **34.8%**.

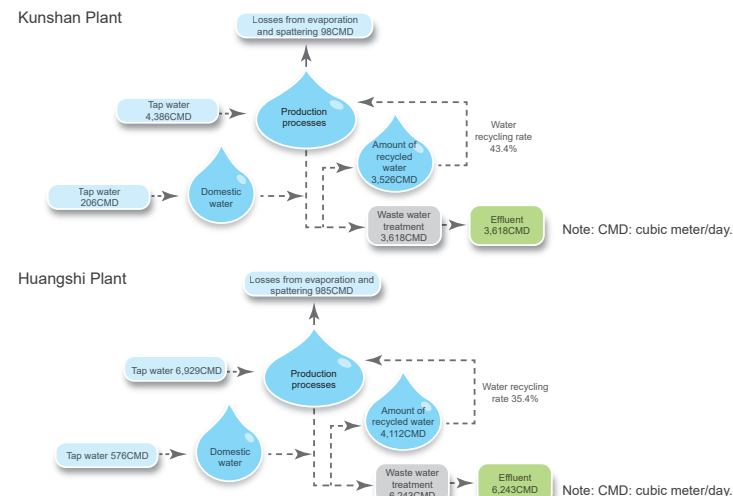
Performance of Huangshi Plant

-17.3%

In 2022, compared to the baseline in 2020, the greenhouse gas emission intensity was reduced by **17.3%**.

Management of Water Resources

- ▶ None of the plant compound are located in areas subject to frequent water shortages and droughts, and there has been no significant impact from water shortage since the establishment of the factory.
- ▶ Kunshan Plant was certified AWS Standard in August 2022.
- ▶ Huangshi Plant was awarded the honor of Water-saving Enterprise by the Department of Urban and Rural Development of Hubei Province in January 2022.



Performance of Kunshan Plant

43.4 %

The water recycling rate in 2022 was **43.4%**

-11.4 %

The water consumption per unit of revenue was reduced by **11.4%** in 2022 compared to 2021

Performance of Huangshi Plant

35.4 %

The water reuse rate reached **35.4%** in 2022

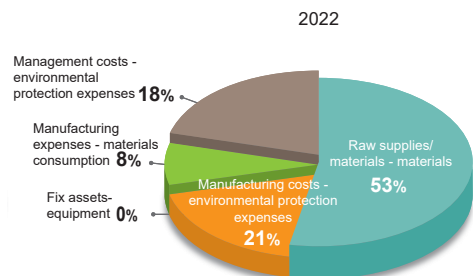
-11.5 %

The water consumption per unit of revenue was reduced by **11.5%** in 2022 compared to 2021

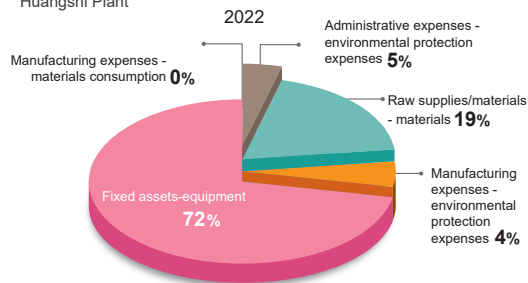
Environmental Investment

The pollution prevention and control facilities at the Kunshan Plant were originally designed with a large processing capacity. After the production capacity is reduced, the operation is relatively smooth. Therefore, there is no arrangement for new environmental protection-related facilities and the environmental protection expenditure is stable, mainly due to operation and maintenance, and pharmaceutical and material expenditures; in response to the increase in production capacity, the Huangshi Plant added an exhaust gas treatment system and a wastewater biochemical treatment plant to ensure compliance in 2022. Therefore, the expenditure on pollution prevention equipment accounted for a significantly larger proportion.

Kunshan Plant



Huangshi Plant



Performance of Kunshan Plant

0

- No fines imposed for any environmental violations within three years
- The Kunshan Plant was certified AWS Standard.

Performance of Huangshi Plant

0

- No fines imposed for any environmental violations within three years
- The Huangshi Plant was approved by the Huangshi Ecology and Environment Bureau for clean production and was honored as a National Green Factory by the Ministry of Industry and Information Technology.

Circular Economy

- We continue to promote the activation and reuse of metal-containing chemical wastes in our plants, and have obtained patents for a tin sludge recycling equipment for etching wastewater, a cylindrical cathode metal recycling equipment, and a combined palladium-containing wastewater recycling system for circuit boards.
- Promoting on-line recycling, the Huangshi Plant has fulfilled the recycling of gold resin, the recycling of activated palladium from plated wires, the recycling of electrolytic gold from aging liquid of gold plating tanks, the recycling of electrolytic etching waste liquid, the recycling and reuse of tin stripping liquid, and the recycling of waste circuit boards by crushing.



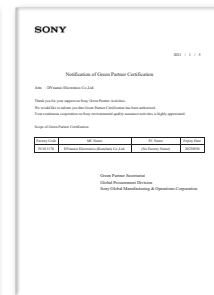
Green Products and Processes

Dynamic constantly reduces the use of resources and generation of hazardous substances in the design of products, the purchase of raw materials and regular materials, and during the production process to minimize impacts on the environment and to enhance the environmental friendliness of its products.

- Use of more environmentally friendly chemicals: In 2022, we introduced a chemical by utilizing the pulse plating chemical for through holes/blind hole production, it increased the through-hole filling capacity by 20% and reduce wastewater emissions by 5% during the treatment.
- Reduction and control of halogen content in halogen-free materials: In 2022, IQC monitored the halogen content of materials imported from suppliers for inspection. Total: 781 batches, achievement rate: 100%.
- Green product management system: Dynamic's green product management system is recognized by international organizations, our country and customers.



Kunshan Plant: IECQ QC080000 Hazardous Substance Process Management (HSPM) Certificate



Sony Green Partner Environmental Quality Determination



Huangshi Plant: IECQ QC080000 Hazardous Substance Process Management (HSPM) Certificate

Waste Reduction

The Kunshan Plant has been promoting zero cross-border treatment, zero non-compliance in storage facilities, and continues to maintain the effective operation as per ISO 14001; the waste intensity per million RMB revenue in 2022 was 33% lower than that in 2021, and the reuse rate of business waste in the past five years has exceeded 96%.

The Huangshi Plant began to promote UL2799 certification in 2022 to achieve the goal of zero waste landfill.

Performance of Kunshan Plant

96.07%

The waste recycling rate in 2022 was 96.07%, and the industrial waste reuse rate in the past five years has exceeded 96%

-28.2%

The waste output intensity per million RMB revenue in 2022 was 28.2% lower than that in 2021

Performance of Huangshi Plant

96.50%

The waste recycling rate in 2022 was 96.50%, and the industrial waste reuse rate in the past five years has exceeded 96%

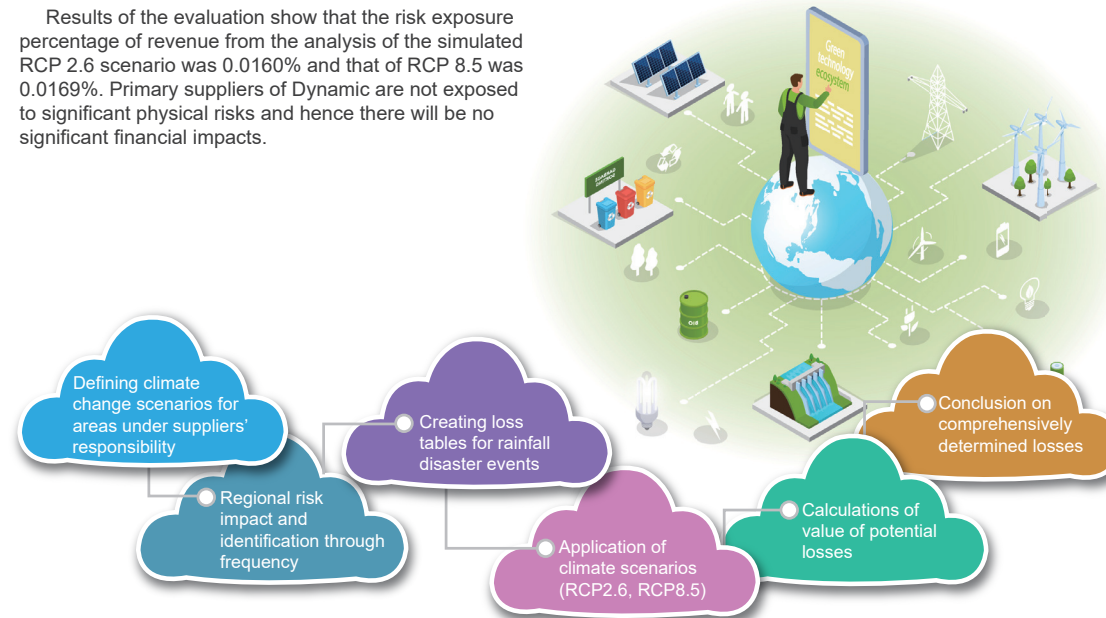
-13.7%

The waste output intensity per million RMB revenue in 2022 was 13.7% lower than that in 2021

Scenario Analysis of Physical Risks and Financial Impacts - Analysis of Disasters Caused by Rainfall for Primary Suppliers

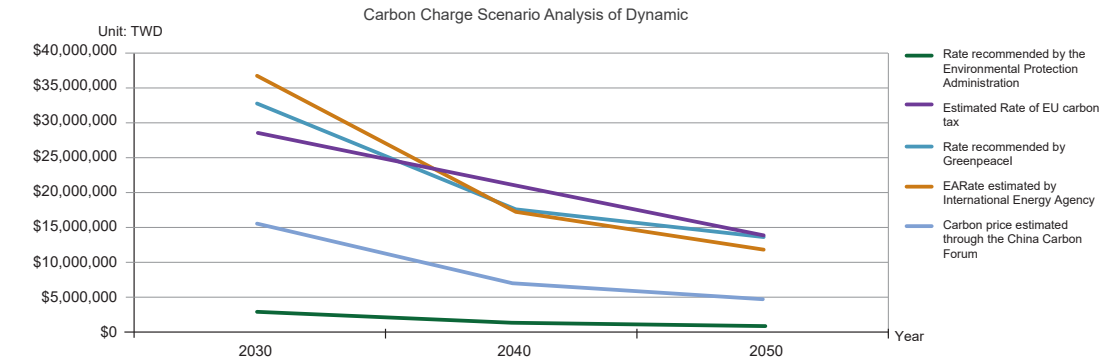
Dynamic conducted climate risk exposure inventories for the top three suppliers and assessed rainfall hazards in key suppliers' locations. According to the "Representative Concentration Pathways (RCPs)" in the Fifth Evaluation Report of the Intergovernmental Panel on Climate Change (IPCC) of the United Nations, the difference between the Radiative Forcing in 2100 and 1750 is used by Dynamic as indicators. Both RCP 2.6 and RCP 8.5 scenarios were used, and Climate Analytics' RCP 2.6 and RCP 8.5 scenario data are referenced.

Results of the evaluation show that the risk exposure percentage of revenue from the analysis of the simulated RCP 2.6 scenario was 0.0160% and that of RCP 8.5 was 0.0169%. Primary suppliers of Dynamic are not exposed to significant physical risks and hence there will be no significant financial impacts.



Scenario Analysis of Transition Risk and Financial Impacts - Risk Analysis of Carbon Charge

The overall greenhouse gas emissions of Dynamic throughout 2020 came to 217,322.5717 tonnes (only Scopes 1 and 2). With 2020 as the baseline, the annual carbon reduction ratio is forecast according to Dynamic's carbon reduction goal of 4% linear reduction a year and the five criteria of carbon prices, namely: the "EPA-recommended rate", "EU-estimated carbon tax rate", "IEA-estimated rate", "Greenpeace-recommended rate", and "Estimated carbon price of the China Carbon Forum" and is calculated according to the current actual carbon credit trade ratio while Dynamic is evaluated for its extent of risk exposure under different scenarios in the future and up to 2050.



Results of the evaluation show that under each of the five estimated rates by 2050, financial impacts are the most significant applying the EU carbon tax and the Greenpeace-estimated rate and the minimal with the EPA-recommended rate. Although the results of the analysis are not harmful to Dynamic's operations, Dynamic is highly concerned about carbon related issues. In addition to actively introducing renewable energy equipment, Dynamic also promotes upstream carbon emission verification, and gives 100% priority to purchasing raw materials with low carbon emission per unit of product, to reduce the carbon emission of each stage in product life cycle, in the hope of giving customers environmentally friendly products with low carbon emission.

Inferred year		2030	2040	2050
Carbon Emission Scenario	Carbon Charge Scenario			
Linear reduction of 4% a year as the carbon reduction goal of Dynamic	Recommended rate by the Environmental Protection Administration	\$2,868,658	\$1,051,841	\$595,464
	Estimated rate of EU carbon tax	\$28,893,253	\$21,463,560	\$13,758,692
	Recommended rate by Greenpeace	\$33,020,861	\$17,403,522	\$13,758,692
	Estimated rate by the International Energy Agency (IEA)	\$36,138,570	\$17,035,885	\$12,046,190
	Estimated carbon price of the China Carbon Forum	\$15,744,929	\$7,032,929	\$4,712,192

Note: The current actual carbon credit trade ratio in China is 20%

Human Rights Policy

To fulfill our corporate social responsibility and to protect the basic human rights of all employees and stakeholders, Dynamic established its human rights policies in accordance with the principles outlined in international human rights treaties, such as the “Universal Declaration of Human Rights”, “the United Nations Global Compact”, “the OECD Guidelines for Multinational Enterprises”, “International Labour Organization”, “the UN Human Rights Norms for Business”. Also, Dynamic complies with the labor laws and regulations of the countries in which the company operates. In accordance with the Regulatory Compliance Management Program and the Responsible Business Alliance (RBA) Code of Conduct, the Company has established Dynamic's policies and procedures for protecting human rights and is committed to upholding the human rights of workers and respecting them. These topics cover the following: freedom choice of occupation, young workers, working hours, wages and benefits, humane treatment, non-discrimination, and freedom of association.

The full text of Dynamic's human rights policy can be found by scanning the QR code on the right or by visiting the Company's website: <https://www.dynaholding.com/file/8.%E4%BA%BA%E6%AC%8A%E6%94%BF%E7%AD%96.PDF>



Talent Attraction and Retention

Dynamic multifaceted benefits system enhances employee motivation and willingness to stay on the job. The following countermeasures is provided:

- I. Through rigorous recruitment and talent selection, we can minimize the hiring of ineffective employees and improve the quality of our human resources.
- II. We care for our employees, improve the working environment, improve the company's welfare measures, and strengthen employee cohesiveness.
- III. We enhance employee training programs and reward personnel to propose for improvement, thus strengthening the company's competitiveness.
- IV. Transparent policies and management make employees understand the direction of corporate operation and cultivate their recognition for the Company.

Benefit measures:

Project	Description
Daily welfare measure	Complimentary meals and coffee and exquisite tea rooms Complimentary uniform and free parking lot for employees' motorcycles
Health care measure	Employee group insurance (cancer insurance and accident insurance) Regular health checkups and health education programs for employees Setting up a medical grade blood pressure monitor, AED (automated external defibrillator)
Recreational measure	Subsidies for various club activities Trips, staff lunch parties, group recreation activities
Incentive bonus measure	Year-end bonus, three Chinese festival grants paying, performance bonus and bonus system Announcing promotions and recognition of meritorious employees
Education aid measure	On-the-job training for staff Employee training subsidies, company-appointed foreign language teachers A library is available for staff to borrow books free of charge
Welfare assistance measure	Birthday gift, wedding and funeral subsidy, annual gift box, maternity subsidy, hospitalization subsidy, etc.

Composition of Employees

Category/ Item	Regional Item	Taiwan - Taoyuan Operation Center					Mainland China Plants - (Kunshan + Huangshi)				
		Male	Female	Others*	Total	Ratio	Male	Female	Others*	Total	Ratio
Number of employees	Total number of people	18	20	0	38	100%	2400	1675	0	4075	100%
Contract type	Indefinite	18	20	0	38	100%	2266	1542	0	3808	93.45%
	Definite	0	0	0	0	0%	134	133	0	267	6.55%
Age	Under 30 years old	1	2	0	3	7.89%	864	427	0	1291	31.68%
	30-50 years old	12	14	0	26	68.42%	1450	1202	0	2652	65.08%
	50 years and above	5	4	0	9	23.68%	86	46	0	132	3.24%
Job type	Management (associate or above)	15	18	0	33	86.84%	73	33	0	106	2.60%
	Indirect employees	3	2	0	5	13.16%	341	254	0	595	14.60%
	Direct employees	0	0	0	0	0.00%	1986	1388	0	3374	82.80%

Note 1: The definition of others is determined by the employees themselves.

Note 2: Job type* direct employees are those engaged in production-related operations; and indirect employees are the other employees.

Note 3: The plants' outsourced workers include non-employee security, cleaning, and catering workers. The number of these workers is 175, and there is no significant fluctuation in 2022 compared to 2021.

Note 4: Employees with no guaranteed working hours.

Maternity Protection Program

2022 Kunshan/Huangshi Plant Maternity Protection Program

Unpaid childcare leave has not been institutionalized in Mainland China so far. As such, the following maternity protection program is still adopted at the Kunshan and the Huangshi Plant:

- ▶ The number of people who are pregnant is tallied monthly and those who have been pregnant for seven months and longer are followed. They may not work night shifts or overtime. Meanwhile, their employer is reminded of adequately transferring them to other posts than engaging them in strenuous physical tasks.
- ▶ The mother is entitled to 128 days of maternity leave while the father has 15 days of paternity leave.
- ▶ Breastfeeding mothers are entitled to an hour of paid breastfeeding leave a day up to the one-year-old birthday of the child.

Plant	Pregnant for seven months and more (number of people)	Maternity leave/ number of people	Paternity leave/ number of people
Kunshan Plant	2	39	31
Huangshi Plant	5	23	34

Base day: December 31, 2022; everyone above is included in the Maternity Protection Program

Communication Platform

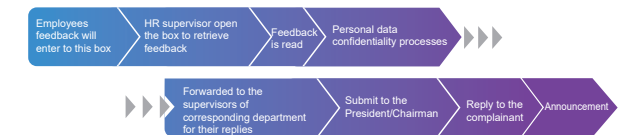
Corporate internal publication “Dynamic”

Starting from 2014, “Dynamic” has been comprehensively reporting and reviewing the group's internal and external activities and achievements every year to provide the most faithful record of Dynamic's growth history, thus realizing the colorful life of the employees in Dynamic.



Complaint-filing Mechanism

Dynamic has established the “Regulations Governing the Management of the Unreasonable Suggestions Box” in 2013. Employees may submit their opinions in writing directly to the “Unreasonable Opinion Box”.



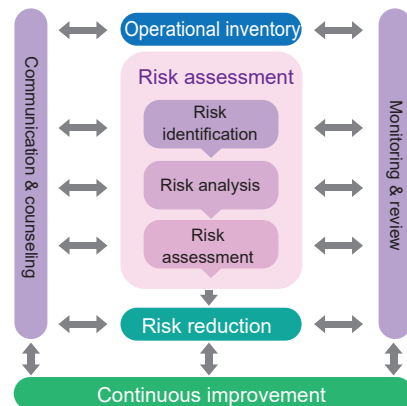
- ▶ The Taoyuan Operation Center received no “That's Not Right” complaints throughout 2022
- ▶ Four complaints about wrong phenomena were received in 2022 at the Kunshan Plant, a decrease of 20% from 2021.
- ▶ In 2022, the Huangshi Plant received 4 “That's Not Right” complaints, representing a 56% decrease from 2021.

Occupational Health and Safety

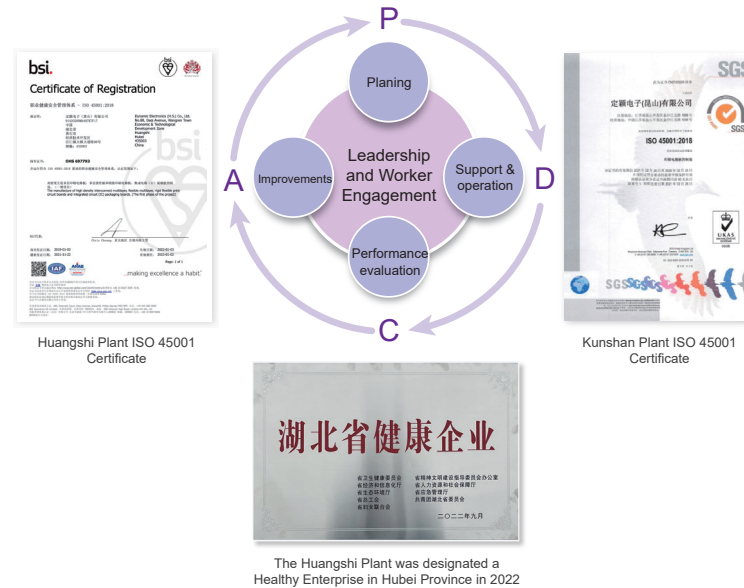
With regard to labor safety, Dynamic has always been committed to compliance of laws and regulations, exercising due diligence, and providing employees with a healthy, safe, and clean working environment as the sole objective to fulfill the occupational safety policy. The plants operate smoothly through health management, safety management, and systematized systems on the premise of ensuring the health of workers, the protection of corporate property, and there is no threat to employees' lives.

Hazard identification, risk assessment, and accident investigation

Dynamic has established a risk assessment team responsible for workplace risk and opportunity assessment. Through continuous safety and health hazard identification, risk and opportunity assessment, appropriate preventive measures are taken; necessary control methods are implemented, and hazards are eliminated so that risks are controlled at an acceptable level. Also, regular internal and external audits are conducted to ensure that the quality of process execution is maintained, thus enhancing the performance of occupational safety and health.



Dynamic's Risk Management Process



Achievement of Industrial Safety Education and Training

Industrial Safety-Related Educational Training		Occupational Safety and Health Committee Meeting	
Kunshan Plant: 24 sessions/a headcount of 2,386 people/4,772 person-hours Huangshi Plant: 100 sessions/a headcount of 14,940 people/2,490 person-hours		Kunshan Plant: 28 sessions Huangshi Plant: 2 sessions	
Safety Training for Newcomers		Industrial Safety Department Bulletin Board	
Kunshan Plant: 55 sessions/1,939 people Huangshi Plant: 147 sessions/4,232 people		Kunshan Plant: 7 times Huangshi Plant: 3 times	
Other Industrial Safety-Related Communications		Email	
Kunshan Plant: 12 sessions/12685 people Huangshi Plant: 5 sessions/300 people		Kunshan Plant: 18 times Huangshi Plant: 0 times	
Emergency Response Rehearsal		Health Workshop	
Kunshan Plant: 19 sessions Huangshi Plant: 15 sessions		Kunshan Plant: 1 sessions Huangshi Plant: 0 sessions	

Occupational Health Service

At the beginning of 2020, with the outbreak of COVID-19, many companies in Wuhan and Hubei Province, China were forced to shut down. On January 2, Dynamic established "epidemic prevention and response teams" and established epidemic control SOP. The access to the production line is strictly controlled according to the SOP. For the year ended December 31, 2022, there were no work stoppages in the Company due to personnel infected with the coronavirus.

	Kunshan Plant	Huangshi Plant
Three injections (ratio of employees)	100%	100%
Prior confirmed cases	0	0



Social Care

Dynamic's social care is driven by "responsibility" from the "heart", which includes education, charity, sports, academics, culture, and other aspects. Grasping the principle of "from close to distant" and "from near to far", our social care is continuously promoted. The "ESG Committee" is responsible for planning and execution, and it regularly reports to the Board of Directors. In 2022, the total purchase from public welfare organizations was TWD 1,657,689 and the total expenditure was TWD 329,299+ CNY 37,830.

Taoyuan Operation Center

Serial No.	Description	Cost of purchase (TWD)	Expenditure (TWD)
TY-1	The souvenirs for the shareholders' meeting were 18,000 pieces of handmade soap from the Little Lamb Shelter Workshop and 15,000 pieces of handmade soap from the Star Child Workshop of the Taoyuan Autism Association.	1,500,000	-
TY-2	Two types of gift boxes were selected for this year's Mid-Autumn Festival for the employees and customers: The first one is made by Ember Workshop Taoyuan Luzhu Store, which provides job opportunities for people with mental and physical disabilities in the local community. It is also a restaurant specializing in great food, drinks, and products. • Through the thoughtful service provided by the disabled partners on site, more people can see how they work and learn, and at the same time, provide the public with a transparent, comfortable shopping space where they can naturally interact with their disabled partners. The second one contained handmade no-additive cookies from a single mother with two children.	157,689	-
TY-3	National Chengchi University Academic Research Fund	-	200,000
TY-4	The amount of money sponsored for the Hsinchu Commercial Vocational High School Archery Team and students from disadvantaged families to learn archery.	-	100,000
TY-5	Liver Disease Prevention & Treatment Research Foundation is committed to disseminating knowledge of liver disease prevention and treatment for educational purposes. Moreover, it is engaged in the research of liver disease treatment methods and continuous medical innovations.	-	29,299
Total		1,657,689	329,299

Huangshi Plant

Serial No.	Description	Cost of purchase (RMB)	Expenditure (RMB)
HS-1	Hubei Polytechnic Education Foundation	-	30,000
HS-2	Dragon Boat Festival campaign by donating hearty supplies to Huangshi Welfare Home to help orphans, disabled children, and elderly people.	-	2,830
HS-3	Scholarships are awarded to students with outstanding academic performance and from disadvantaged families.	-	5,000
Total		0	37,830

Product Quality

Automotive boards are the mainstream product of the Company and the customers often have the highest quality requirements. Therefore, the quality requirements for automotive products are to be followed in the formation of a product quality awareness culture to constantly reduce scraps and improve quality to the extent that is satisfying for customers and to lay the groundwork for the sustainability and survival of Dynamic.

To achieve external DPPM goals.

Quality Assurance Management System Quality Assurance Management Certificate

No defective products must be produced	• We prevent defective products by monitoring variations and making immediate adjustments through statistics and process control.
No defective products must be accepted	• We prevent defective products coming out through our staff's awareness on quality management.
No defective products must be released	• By 100% electrical testing and visual inspection, we prevent releases of defective products.

Kunshan Plant:
ISO 9001 Quality Management System, IATF 16949 Automotive Quality Management System

Huangshi Plant:
ISO 9001 Quality Management System, IATF 16949 Automotive Quality Management, ISO 13485 Medical Devices - Quality Management Systems

Customer Service

Customer Data Confidentiality

In 2022, Dynamic passed all customer audits on product and data security and confidentiality. In addition, there were no complaints regarding violations of customer privacy or loss of customer data.

Dynamic has always attached great importance to the management, storage, and confidentiality of customer data. It is Dynamic's established policy and commitment to "protect customer privacy and prevent customer data leakage or loss". There is a complete and systematic process for customer information handling, and a dedicated unit responsible for receiving, managing, and storing customer information, and all relevant personnel have signed a confidentiality agreement.

- Anyone unrelated wants to retrieve the data, prior application and electronic sign-off for approval are required. In addition, reproduction of the data is not allowed.
- IT also builds the data encryption system. The person in charge of the data encrypts the data according to the confidentiality class for safety purpose.
- Strengthen the governance mechanism for network security, such as blocking network hard drives, instant messaging software, removable storage media, network mailboxes, etc.
- Strict control over the use of mobile phones and mobile networks

Customer Satisfaction Survey

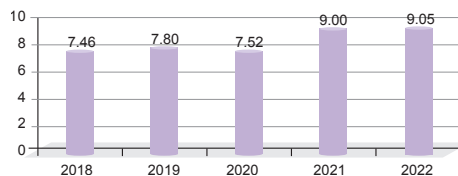
The customer satisfaction survey results in 2022 showed a score of 9.05, which is unchanged from 2021. In the future, the company will move towards higher goals.

Response to Customer Cases

The number of customer services provided and the processing timeliness are tallied on a monthly basis to facilitate reflections.

The on-time completion rate of customer service in Kunshan Plant is 100%.

The on-time completion rate of customer service in the Huangshi Plant is 100%.



Sustainable Supply Chain

Local Procurement Strategy

Through localized collaboration and to create a win-win situation, Dynamic is working together to bring down cost, shorten lead times, reduce supply chain risks, and improve competitive advantages. Local procurement, moreover, is also an important indicator of corporate social responsibilities and a sustainable development goal set by the United Nations in terms of supporting local economic developments, creating jobs, paying taxes, and attracting more funds. In 2022, the local procurement amounts of the Kunshan and Huangshi plants accounted for 98.83% and 98.53%, respectively.

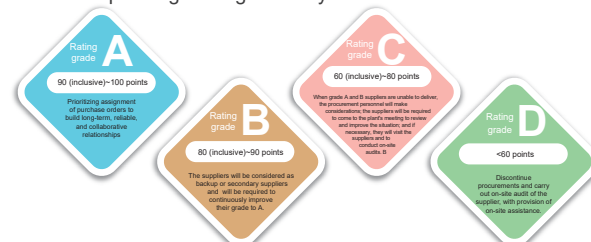
Supply Chain Evaluation

When selecting suppliers or signing a contract with a supplier, Dynamic evaluates how corporate social responsibilities are fulfilled in three domains, namely, economy, environment, and society. The current control bottom line is that no significant actual or potential negative impacts are allowed; otherwise, the supplier must promise that corrections will be made by the given deadline. Dynamic will continue tracking progress up to completion of the corrections. If the supplier cannot comply, no collaboration will take place. Meanwhile, primary suppliers of raw materials and regular materials are asked to promise and undertake that they will:

1. Follow Dynamic's Integrity Policy and Conflict Minerals Policy.
2. Comply with the requirements of the RBA.
3. Be certified for their ISO 9001 Quality Management System.
4. Comply with ISO 14001 Environmental Management System and ISO 45001 Occupational Safety and Health Management System.
5. Meet the requirements of international laws and regulations on absence of hazardous substances, such as RoHS, REACH, and Dynamic Green Product Guidelines.
6. Formulate corporate social responsibility policies, integrity policies, and energy, environment, and safety and health policies, and promote corresponding management systems.

Supplier Counseling

Each month, Dynamic scores suppliers on the performance of the month, including quality, unit price, delivery time, excess freight, service, etc., and provides improvement guidance for suppliers with abnormal performance.



Conflict Mineral Policy

Dynamic established the "Conflict Minerals Policy" and Commitment in 2013. Dynamic not only has its own proper policies, guidelines and due diligence procedures, but also requires its business partners to comply with this policy and enforce it by refraining from using or supplying inappropriately sourced metals in order to comply with international trends and customer requirements. Dynamic periodically updates its conflict mineral report template to be reviewed by its customers. The "Conflict Minerals" policy of Dynamic is available on the official website of the Company for public review: <https://www.dynamicpcb.com/>.

In 2022, in order to enhance the resilience of the supply chain to the risk of climate change, an energy consumption survey was done on 28 manufacturers whose purchases in the previous year reached a value of RMB 6 million. The findings are summarized as follows: 28 companies have set energy consumption targets that are lower than or equal to the national benchmark, and have been awarded the titles of green factories, green products, high-tech enterprises, and ISO 45001/ISO 14064 certifications. Measures taken in response to the national energy dual control include the purchase of green power, photovoltaic system, inverter energy-saving retrofits and air-conditioning temperature control.

Diverse composition of the Board of Directors

In 2021, eight of Dynamic's directors have abundant business administration and academic experience, including four independent directors, and one of the four independent directors is a woman. Dynamic hopes to have a more specialized, independent, and diversified Board of Directors to lead the Group towards sustainable corporate developments.

Title	Name	Position	Gender	Part-time employee	Age (year-old)	Tenure of Independent Director (year)	Management	Leadership and decision-making	Finance, accounting, and law	Strategic risk planning	Analysis of industrial trends	Technological developments in the industry
Director	Ming-Hung, Huang	Chairperson of Dynamic	Male	v	41-50	-	v	v	-	-	v	v
Director	Representative of HK Treasure Investment Ni Rong	President of Plants of Dynamic	Male	v	61-70	-	v	v	-	v	-	-
Director	Representative of Qianhong Investment Zong-Long, Tsai	President of Plants of Dynamic President	Male	v	41-50	-	v	v	-	-	-	v
Director	Representative of Mingji Investment Yuan-Jun, Sun	Manager of Finance, Jain Shin Electronic Co., Ltd.	Male	-	41-50	-	v	-	v	-	v	-
Independent director	Yi-Chia, Chiu	Vice Dean of Business School, National Chengchi University	Male	-	41-50	3-6	-	-	v	v	-	v
Independent director	Chang-Chou, Lin	Technology Vice-President, Chu Chien Technology	Male	-	41-50	6-9	-	v		v		v
Independent director	Hui-Ju, Chien	Attorney of Chong Jin Legal Firm	Female	-	31-40	0-3	-	-	v	v	-	-
Independent director	Wen-Xin, Weng	Dynamic Independent director	Male	-	41-50	0-3	v	-	v	-	v	-

Linkage between Salaries of Board Members and Performance in Sustainability

The results of the annual performance evaluation of the board of directors will be used as a reference for the selection and nomination of Directors and members of the functional committees. As far as the linkage between Board member performance evaluation and compensation and remuneration is concerned, the remuneration for Board members and the salaries of senior supervisors (CEO, President, Vice-President) at Dynamic are determined according to the compensation and remuneration policy, system, criteria, and structure advised by the Remuneration Committee and relate to the fulfillment of annual and long-term performance goals (including economic, environmental, and social). Remuneration for Board members of the Company is based on the requirements in 30 of the articles of incorporation. If the Company makes profits for the year, the Board of Directors can decide to allocate Board member remuneration no higher than 3% of the profits. As for how the remuneration is defined, the Company's "Director and manager compensation and remuneration policy" is followed. Besides the overall operational performance of the Company and the operational risk and developmental trends for the industry in the future, personal performance fulfillment and contribution to the Company's performance are referred to as well so that reasonable rewards are given. Performance evaluations and the adequacy of compensation and remuneration are reviewed by the Remuneration Committee and the Board of Directors and the remuneration system is adequately reflected upon according to the actual operational condition and applicable laws and regulations at any time to strike a balance between sustainable corporate operation and risk control.

Chairperson of the Highest Governance Body

Since August 25, 2022, when the Company became an investment holding company, the Chairperson of the Board of Directors has retired as the Chief Executive Officer and no longer serves in a concurrent role in senior management. There are two Directors who also act as managers due to business development and operational needs.

Collective Wisdom of Highest Governance Body

All new and existing Directors in 2022 have completed a 6-hour refresher course, which includes: Enhancement of Directors' Functions and Implementation of Sustainable Corporate Governance, How Board of Directors Monitor ESG Risks to Build Sustainable Competitiveness for Enterprises, Core ESG Issues that Boards of Directors Should Care About, Blueprint for Sustainability, Trends of ESG Carbon Reduction and Strategies to Cope with Digital Transformation, and Low-Carbon Transformation Pathway Planning - Carbon Credits and Carbon Pricing. In addition, Board members' awareness and engagement on economic, environmental, and social issues is enhanced through quarterly ESG sustainability committee presentations at Board meetings and the management's project reports.

2022 Board of Directors Performance Review Outcome

In 2022, Dynamic conducted the internal performance evaluation of the Board of Directors, and the evaluation results are as follows: all aspects of performance are excellent. Primary suggestions and corrective actions of the Board of Directors and functional committees are as follows:

- Have the management report to the Board of Directors on information about the upstream, downstream, and the industry the Company is in and their changes at least on a quarterly basis and provide industry reports from time to time.
- Include assessments on the Company's existing or potential risks, the internal control system's implementation and how these risks are handled and tracked by the internal control system in the quarterly internal audit report of the Board of Directors.
- Arrange for an explanatory report on the operation and environment of the company.
- Re-enforce communication with Directors on motions before Board meetings.
- Proactively seek consultation, advice and assistance as needed based on the member's expertise.

Risk Management

Through the Risk Management Committee in 2022, those responsible for strategy, operation, finance, hazard, and climate change continue to evaluate the impacts that the external economic, environmental, and societal changes have on the organization to accordingly identify opportunities and prepare countermeasures and action plans. After each report was compiled, it was submitted to the Chairperson for approval and supervision and then to the Audit Committee for review and feedback before it was presented to the Board of Directors. In 2022, the Risk Management Committee has assessed 9 risk issues, including: the risk of electric power, water resources and flooding for the construction of new plants in Thailand; the risk of the European energy crisis to the Company's business; the risk of unstable shipping schedules due to the global COVID-19 outbreak; the risk of the Russo-Ukrainian war, which resulted in the increase in the price of raw materials and the increase in the cost of transportation to the Company; the risk of the reduction of automobile production due to the war to the Dynamic's business; and the risk of the attack of the ransomware virus affecting the operation. The responsible units have all formulated corresponding measures, which are reviewed by the members of Audit Committee and reported to the Board of Directors with continuous follow-up.

Development of New Markets

Goals	Accomplishments in 2022	Goals in 2022	Goals in 2023	Goals in 2025 (Medium-term)	Goals in 2027 (Long-term)
Technology	Thin boards, thick boards, thick copper boards, and high-frequency and high-speed boards are all in mass production	Produce thin boards, thick boards, thick copper boards, and introduce high-frequency and high-speed materials	Produce thin boards, high-layer boards (16 or more), high-level HDI, and introduce low-loss materials	Produce ultra-thin boards and introduce ultra-low-loss materials	Produce high-speed signal-related products

"Developing new marks" gives the momentum for growth of an enterprise and is something that many stakeholders care about. Our action program for 2022 is listed below:



Legal Compliance

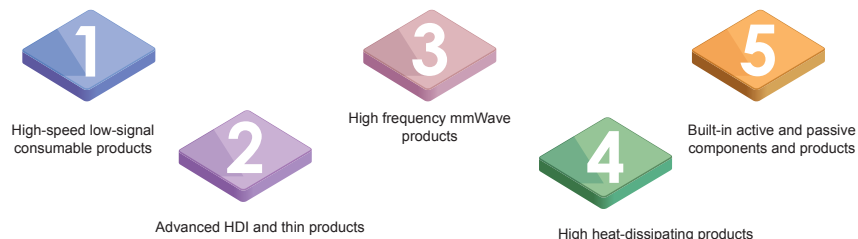
Mechanism	Implementation Methods		
Regulatory compliance The Three Lines of Defense	To fulfill compliance, Dynamic has established a three line of protection for compliance procedures, which are continuously being optimized and adjusted according to the goals.		
	First line of protection "Self-inspection"	Second line of protection "Compliance"	Third line of protection "Internal audit"
	Departments responsible for the operations	Legal affairs, quality assurance, environmental safety, information departments	Audit department
	The responsible department designates specialists to identify, update, promote, and implement regulations. The responsible personnel receive external courses and educational training every year to continuously strengthen their awareness of compliance and mastery of the development in their professional fields, and, further, to incorporate them into daily business activities.	The Legal Affairs Office is responsible for grasping the actual operational conditions, which covered key areas, such as environmental protection, labor, risk review, and equipment procurement and maintenance. Together with the Quality Assurance Department, Environmental Safety Department, and Information Technology Department, cross-functional teams can be organized in accordance with relevant international management system requirements to monitor and assist various management systems from time to time to ensure that risks and controls are effectively managed.	The audit office provides independent supervision and reports to the Audit Committee and the Board of Directors. For the internal control system, the Company follows the "Regulations Governing Establishment of Internal Control Systems by Public Companies" while evaluating the design and effective implementation of the internal control system hopefully to reasonably ensure fulfillment of internal control goals.

Legal Compliance of the Dynamic Three Lines of Defense, each performs its own function to ensure the implementation of the legal compliance system. Under this rigid procedure and precise implementation, the Group in 2022 was not subject to any major fine (worth more than TWD 1 million) imposed for the violation of applicable laws and regulations in the supply and use of products and services, environmental or other issues or sanctions due to other liabilities.

R&D and Innovation

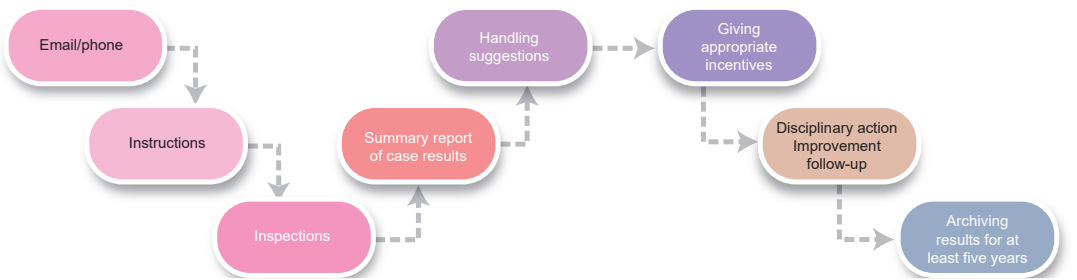
Goal	Accomplishment in 2022	Goals in 2022	Goals in 2023	Goals in 2025 (Medium-term)	Goals in 2027 (Long-term)
Number of R&D people	7.3%	At least 5% of all people	At least 5% of all people	At least 5% of all people	At least 5% of all people
Value invested in R&D	4.32%	At least 2% of all revenue	At least 2% of all revenue	At least 2% of all revenue	At least 2% of all revenue
Patents	15	18	22	20 and more	24 and more

Faced with the rapid changes brought about by the Internet, the quickly emerging innovative technologies, and innovative products that never stop making their debuts to gain market presence at a lower price, "research and innovation" is a particular key indicator of sustainable management. Our main R&D projects in 2022 were as follows:



Anti-corruption

To go with the anti-corruption policy, Dynamic on the one hand, has a relatively strict supervisory mechanism for departments and business activities that are at higher risk of non-integrity; on the other hand, promulgates the "Operating Procedure to Reward Whistleblowers". For the specific whistleblowing channel, reward system, the specific handling person, the processing procedure, and related confidentiality mechanisms, please visit the Company's website. Reporting channels: Chairperson mailbox (ceo@dynamicpcb.com); hotline (Tel. +886-980-051-059)



Based on the results of the industry classification search on the official website of SASB, Dynamic has selected the applicable indicators from the 11 sectors and 77 industries in the SASB Materiality Map:

Sector: Technology & Communications

Industry guidelines: Hardware

Topic	Indicator Code	Indicator	Nature	Abstract and Description
Product Safety	TC-HW-230a.1	Description of how data safety risks are identified and resolved in products	Discussion and analysis	The data safety risk identification procedure at Dynamic is as follows: 1. Periodic vulnerability scanning: Whether known safety vulnerabilities exist in the target being scanned or not is evaluated with a highly efficient vulnerability scanning tool. 2. Firewall: Prevents malignant attacks and viruses from spreading to the Intranet and prevents against access by unauthorized users. 3. Anti-virus wall: Prevents viruses, spyware, spam, phishing, and bot worms from entering the enterprise. 4. Anti-virus software - ESET NOD32: Sequentially monitors and identifies malware, scans, clears, and automatically updates viral data. 5. Network monitoring system - Whats Up: Monitors the server, exchanger, and other equipment, as part of the network status. 6. Mail filtering system - SPAM: Analyzes external correspondence and intercepts mails containing threats. 7. Strict safeguard against out-coming equipment - UPAS: Control and block strange equipment against series connection with corporate settings. 8. Document encryption - IP Guard: Important documents are encrypted and may only be edited and browsed under specific settings. 9. Internet behavior management - Sangfor Technologies Inc.: webpage filtration, behavioral control, flow management, prevention against Intranet disclosure, prevention against legal risk, Internet visit records, Internet safety, etc.
				The data safety risk solution adopted by Dynamic is as follows: 1. Periodic vulnerability scanning: For the vulnerability scan report, the viral code and firewall strategy of corresponding systems are updated. 2. Firewall: Has suspicious sources set as blocked. 3. Antivirus wall: Scans for viruses and updates the viral code for intercepted records. 4. Anti-virus software - ESET NOD32: Scans for viruses and updates the viral code for intercepted records. 5. Network monitoring system - Whats Up: Repairs the network based on anomaly reports or resets the equipment suspected to have been invaded by viruses. 6. Mail filtering system - SPAM: Updates the definition library, improves the filtration strategy, reinforces blockage of sources of mails carrying threats, such as viruses and advertisements 7. Strict safeguard against out-coming equipment - UPAS: Blocks directly and releases those confirmed to be on the safe list. 8. Document encryption - IP Guard: Increases, decreases, or updates terminal equipment that allows encryption and decryption. 9. Internet behavior management - Sangfor Technologies Inc.: Updates the definition library, improves strategies, and shuts down websites whose security is questionable.

Topic	Indicator Code	Indicator	Nature	Abstract and Description																					
Employee diversity and inclusiveness	TC-HW-330a.1	Ratio of the management and all the other employees in gender and ethnicity/ race-based populations	Quantification	1. Distribution of the management and all the other employees by gender (%) <table><tr><th>Type of employee</th><th>Male</th><th>Female</th></tr><tr><td>Supervisors</td><td>63%</td><td>37%</td></tr><tr><td>Technicians</td><td>64%</td><td>36%</td></tr><tr><td>All other staff</td><td>58%</td><td>42%</td></tr><tr><td>Total</td><td>59%</td><td>41%</td></tr></table> <p>*Note: Supervisors: include senior and junior supervisors. *Note: Technicians: include information and engineering related technicians *Note: All other staff: includes all other non-supervisory and technical staff</p> 2. Percentage of American employees by ethnicity/race <table><tr><th>American employees (2 in total)</th><th>Asians</th><th>Caucasians</th></tr><tr><td>Supervisors</td><td>50%</td><td>50%</td></tr></table> <p>*Two of them work for Dynamic Co., Ltd. (Seychelles)</p>	Type of employee	Male	Female	Supervisors	63%	37%	Technicians	64%	36%	All other staff	58%	42%	Total	59%	41%	American employees (2 in total)	Asians	Caucasians	Supervisors	50%	50%
				Type of employee	Male	Female																			
				Supervisors	63%	37%																			
				Technicians	64%	36%																			
All other staff	58%	42%																							
Total	59%	41%																							
American employees (2 in total)	Asians	Caucasians																							
Supervisors	50%	50%																							
Product life cycle	TC-HW-410a.1	Percentage of IEC 62474 declarable substances in product revenue	Quantification	The raw materials and regular materials currently used at Dynamic do not include IEC 62474 declarable substances and hence this indicator does not apply.																					
	TC-HW-410a.2	Percentage of qualified products meeting EPEAT registration requirements or their equivalents in the revenue	Quantification	Dynamic is not a manufacturer of end products and hence this indicator does not apply.																					
	TC-HW-410a.3	Percentage of qualified products in the revenue	Quantification	Dynamic is not a manufacturer of end products and hence this indicator does not apply.																					
	TC-HW-410a.4	Weight and percentage of recycled scraps and electronic waste	Quantification	Dynamic is not a manufacturer of end products and customers recycle scraps on their own. Therefore, no related statistical information is available.																					
Supply chain management	TC-HW-430a.1	Percentage of (1) physical plants and (2) primary suppliers audited according to the "RBA Validated Assessment Program (VAP)" or its equivalent after they were categorized to (a) all plants and (b) high-risk plants	Quantification	Dynamic currently requires that all its collaborative suppliers sign the "Procurement Pledge" and the "Integrity Pledge" and agree to abide by the RBA Code of Conduct and other applicable laws and regulations on labor rights. We do not audit suppliers to check whether they have approved the "RBA Validated Assessment Program (VAP)" or its equivalent or not.																					
	TC-HW-430a.2	First grade suppliers' (1) defect rate of "Validated Assessment Programs" (VAPs) of Responsible Business Alliance (RBA) and (2) (a) prioritized defect rate and (b) rate of corrective actions to other defect rates	Quantification	Same as above, Dynamic does not perform an inventory check or tally the qualifications rate of suppliers' RBA VAPs.																					

Topic	Indicator Code	Indicator	Nature	Abstract and Description									
Purchase of raw materials and regular materials	TC-HW-440a.1	Description of risk management over the use of key materials	Discussion and Analysis	1. Dynamic set its "Conflict Minerals" policy and commitment in 2013. It has proper policies, guidelines, and due diligence procedures in place to ensure that no metals used in the manufacturing process or contained in products include "conflict minerals" from the Democratic Republic of the Congo or any of its surrounding countries and regions under the control of armed forces and requires that its business partners follow this policy and enforce it by not using or providing metals from illegitimate sources to go with the international trend and meet customer requirements.									
				2. The conflict minerals report template is periodically updated to be reviewed by its customers. The "Conflict Minerals" policy of Dynamic is available on the official website (https://www.dynamicpcb.com/) of the Company for public review.									
Industrial activities	TC-HW-000.A	Production volume in each category	Quantification	The volume of PCBs produced is 30,614,158 square feet.									
	TC-HW-001.B	Plant area	Quantification	Dynamic has two production sites in Huangshi, Hubei and Kunshan, Jiangsu. The land area and floor area are shown in the table below: <table><tr><th></th><th>Huangshi Plant</th><th>Kunshan Plant</th></tr><tr><td>Land area (square meters)</td><td>400,000</td><td>109,000</td></tr><tr><td>Floor area (square meters)</td><td>265,000</td><td>142,000</td></tr></table>		Huangshi Plant	Kunshan Plant	Land area (square meters)	400,000	109,000	Floor area (square meters)	265,000	142,000
		Huangshi Plant	Kunshan Plant										
Land area (square meters)	400,000	109,000											
Floor area (square meters)	265,000	142,000											
TC-HW-000.C	Ratio of production with self-owned equipment	Quantification	The self-production rate of all PCBs is consistently 100%.										

SASB Materiality Map: <https://materiality.sasb.org/>
Official website of the SASB, please visit <https://www.sasb.org>

The following shows the performance on key indicators over the past two years of the PCB business and the goals for the coming year and over the long term:

Key Indicator	Plant	2021 Performance	Goals in 2022	2022 Performance	Goal Achieved?	Description	Description of Countermeasures	Goals in 2023	Goals in 2025
Revenue growth rate	Group	24.8%	-3.5%	-2.9%	☹️	The demand was significantly reduced due to the unfavorable macro-environment.		*	*
EPS	Group	1.70	1.77	1.97	😊	Since the product mix is developing towards higher technology, the after-tax net profit increased by 16.3% due to the expansion of automated and intelligent production capacity of the Huangshi Plant and the favorable exchange rate.		*	*
Ratio of automotive boards in revenue	Group	52%	57%	63%	😊	The growth momentum of automotive boards was maintained.		63%	*
Operational performance growth rate**	Group	51%	5%	15%	😊	The product mix is moving towards higher technology, and the expansion of automated and intelligent production capacity at the Huangshi Plant is being led toward positive operating performance.		5%	Fulfill the expected growth rates through automation, smart processes and manufacturing, and increased sale per unit on average.
Customer satisfaction survey score	Group	9.00	9.00	9.05	😊	We have a customer relationship management system and "Customers' Voices" are collected and reported to all relevant units in the monthly management meeting to raise their concerns and make improvements to enhance customer satisfaction.		9.00	9.00
Ratio of value of raw materials and regular materials purchased locally	Kunshan Plant	98%	95%	99%	😊	The local procurement strategy of Dynamic not only helps bring down the transport cost, shorten lead-times, reduce the supply chain risk, but also supports local economic developments, creates jobs, and attracts devotion of more capital. It is an important indicator of the corporate social responsibilities of Dynamic and contributes to the fulfillment of the sustainable development goals set by the United Nations.		95%	95%
	Huangshi Plant	99%	95%	99%	😊			95%	95%
Percentage of suppliers signing certificates on the absence of environmentally hazardous substances, compliance with the RBA code of conduct, integrity commitment, and non-use of conflict minerals	Kunshan Plant	100%	100%	100%	😊	Green supply chain is an important part of Dynamic's sustainability, and we will continue to work together with our suppliers for a better and sustainable future.		100%	100%
	Huangshi Plant	100%	100%	100%	😊			100%	100%
Annual electricity conservation rate (2020 as the baseline year, and electricity consumption intensity as an indicator)***	Kunshan Plant	-18.81%	-8%	-23.25%	😊	We promote the ISO 50001 energy management system and consolidate idle equipment to achieve the goal of energy saving and carbon reduction.		-12%	-20%
	Huangshi Plant	-14.55%	-8%	-10.78%	😊	We achieve our reduction targets through energy efficiency improvements in public facilities, monitoring of electricity consumption in production, construction of new solar power generation facilities and procurement of green electricity.		-12%	-20%
GHG emission increase/decrease rate (2020 as the baseline year and emission intensity as an indicator)***	Kunshan Plant	-29.59%	-8%	-34.81%	😊	We achieved the reduction target mainly through the consolidation of idle public facilities and the improvement of energy efficiency of key production facilities.		-12%	-20%
	Huangshi Plant	-14.67%	-8%	-17.32%	😊	We achieve our reduction targets through energy efficiency improvements in public facilities, monitoring of electricity consumption in production, construction of new solar power generation facilities and procurement of green electricity.		-12%	-20%
Annual water conservation rate (2015 as the baseline for the Kunshan Plant and 2018 as the baseline for the Huangshi Plant)	Kunshan Plant	-10.58%	-14%	-48.85%	😊	The water consumption of the Kunshan Plant in 2022 was approximately 1.68 million tons, 48.85% lower than the base period of 2015, and the water consumption per unit of revenue was also 26.73% lower than the base period of 2015.		-16%	-20%
	Huangshi Plant	+90.18%	-8%	+153.78%	☹️	The growth in revenue was 300.35% of the base period, resulting in a corresponding increase in tap water usage. However, in terms of water consumption per unit of revenue, it was 36.61% lower than the base period.	A new reclaimed water recycling system will be planned for Huangshi Plant No. 2, which will reduce the use of tap water and RO water.	-10%	-14%
Percentage of water resource recycled for reuse	Kunshan Plant	20.80%	30%	43.4%	😊	In 2022, water reuse at the Kunshan Plant was limited by the size of the water recycling facility. However, through efficiency management, the reuse rate was still increased by nearly 5% compared to the previous year.		30%	35%
	Huangshi Plant	35.84%	32%	35.4%	😊	Targets are achieved through projects such as recycling of effluent, recycling of air-conditioning condensate, and collection and utilization of rainwater.		33%	35%
Safe production	Kunshan Plant	0	Zero major accidents	0	😊	Supervisors in the field communicate to and set requirements for employees before each shift to improve their awareness of safety and to consolidate the use of personal protection equipment. Equipment and facilities as well as environmental conditions in the field are replaced or modified in a timely manner.		Zero major accidents	Zero major accidents
	Huangshi Plant	0	Zero major accidents	0	😊	The President leads a team to conduct plant-wide inspections at least two times a year. External safety experts are hired monthly to conduct safety inspections, and feedback is promptly responded and addressed.		Zero major accidents	Zero major accidents
Average number of hours of educational training provided	Taoyuan Operation Center	18.8	21.0	31.4	😊	In response to changes in the business environment, we cultivate supervisors with the ability to develop strategies for new markets and new industries, thus assisting the Company in grasping the opportunities of restructuring.		22.0	24.0
	Kunshan Plant	19.6	19.5	27.8	😊	We have increased training on our quality system, so that staff can better master the quality management system, enhance the quality awareness and sensitive recognition of quality.		20.5	21.0
	Huangshi Plant	17.6	19.5	21.2	😊	Through the experiential learning of the knowledge management system, we have improved the stability of product quality and organized activities to promote Total Productive Management (TPM).		20.5	21.0

*Please refer to the information available at the Market Observation Post System (MOPS) or the Annual Report provided during the Shareholders' Meeting.

**Operational performance = Total revenue/number of employees; growth rate = (Operational performance of the current year - Operational performance of the preceding year)/Operational performance of the preceding year.

*** Starting in 2022, the goal is revised as: 2020 as the baseline, the energy consumption density and greenhouse gas emission (by revenue) drops 4% a year and at least 20% by 2025.



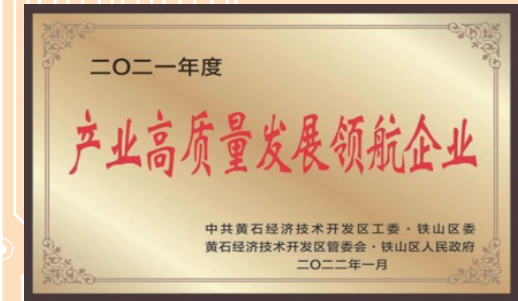
Recognized as the top 5% for six consecutive years in the Corporate Governance Assessment



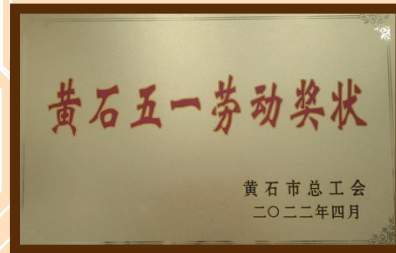
Designated a water-saving enterprise in Hubei Province



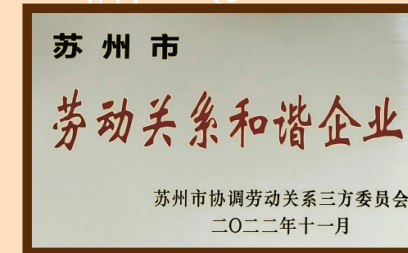
Designated an Advanced Organization In Production Safety



Designated a Leading Enterprise For High-Quality Industrial Development



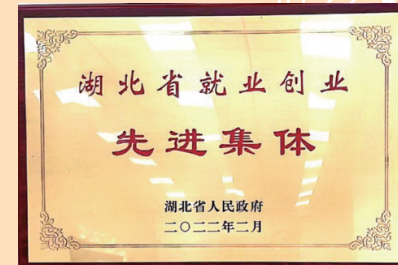
Received the May 1 Labor Merit Certificate



Designated an Enterprise With Harmonious Labor Relations in Suzhou City



Designated a Contract-Abiding And Trustworthy Enterprise



Designated an Advanced Enterprise For Employment And Entrepreneurship

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