



Dynamic
2024

ESG REPORT



TCFD



SCIENCE
BASED
TARGETS

Cover Design Concept

- The cover design features a vibrant green forest and crystal-clear waters as the background, with a central mirrored infinity symbol (∞) that embodies the ideas of sustainable cycles and boundless possibilities.
- Surrounding the symbol are translucent molecular structures inspired by water molecules, representing the source of life and the fundamental building blocks of natural systems.
- The overall visual integrates technological aesthetics with natural imagery, reflecting humanity's pursuit of balance, innovation, and progress in environmental protection, green development, and circular resource utilization.
- Through this design, Dynamic conveys a forward-looking vision of a sustainable future, emphasizing the potential for symbiosis and shared prosperity between technology and nature, while resonating with the global commitment to environmental sustainability and ecological balance.

Vision, Mission, Corporate Core Values and Corporate Business Philosophy





Dynamic 2024 ESG REPORT

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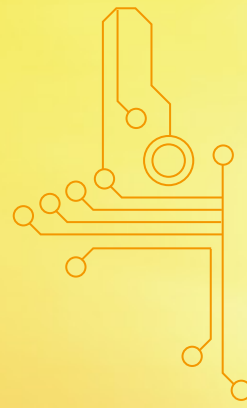
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CH 1

Introduction



ONE · Introduction

I. About This Report

Reporting Period

Since 2013, Dynamic has been publishing a “Corporate Social Responsibility Report” every year. In 2020, the report was renamed “ESG Report” to enhance the disclosure of environmental, social, and governance (ESG) information in response to the growing concern of stakeholders in this issue.

The content of this report covers Dynamic’s sustainability actions and performance in 2024 (from January 1 to December 31, 2024), as well as the implementation and outcomes of sustainability issues that concern key stakeholders. To provide a complete description, some parts also cover action plans and performance prior to January 1, 2024, and after December 31, 2024, as well. The report was published in August 2025 and will be published annually in the future.

Boundary and Scope

The boundary and scope of disclosure in this report cover Dynamic Holding Co., Ltd. and its subsidiaries, which are principally engaged in the business of manufacturing and marketing of printed circuit boards. The scope primarily includes the Taiwan Taoyuan Operations Center and two production sites located in Kunshan, Jiangsu Province (Kunshan Plant) and Huangshi, Hubei Province (Huangshi Plant). Information on other subsidiaries, depending on data availability, is disclosed in the report with annotations. Regarding financial data, we used the information in the annual financial report attested by independent auditors (Ernst & Young, CPA firm), which covers the consolidated information of Dynamic Holding Co., Ltd. and all its subsidiaries.

Reporting Principles

This report is prepared in accordance with the International IR Framework published by the International Integrated Reporting Council (IIRC) and the GRI 2021 Standards issued by the Global Reporting Initiative (GRI). In addition, this report also references the frameworks of the Financial Stability Board’s (FSB) “Task Force on Climate-Related Financial Disclosures (TCFD)”, “Task Force on Nature-Related Financial Disclosures (TNFD)”, and the “Sustainability Accounting Standards Board (SASB)” standards to enhance the disclosures and further improve the completeness of ESG information.

Internal and External Assurance

Internal assurance

The content of this report is provided by each responsible unit after it is approved by the highest executive, confirmed by the “Sustainable Development Committee”, the highest sustainability management organization of the Company, and finally reviewed and passed by the “Board of Directors”, the highest governance unit, and approved for publication.

Regarding the source of non-material financial information, the Company’s Audit Office, third-party impartial organization, conducted an audit of the report, and the results of the audit were consistent with the contents of the report.

External assurance

The Company engaged Ernst & Young (EY) to conduct limited assurance on specific content of this report, in accordance with Assurance Standard No. 3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Accounting Research and Development Foundation of the Republic of China (based on International Standard on Assurance Engagements ISAE 3000). Upon completion of the assurance work, the relevant results were fully communicated with the highest level of governance. For the assurance report, please refer to the independent assurance report of the CPAs in this report.

Contact Information

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II. Message from the Chairman of the Sustainable Development Committee

In 2024, the world was confronted with multiple challenges, including geopolitical tensions, recessionary pressures, high inflation, and climate change. These factors posed a serious test to global stability and sustainable development. In response, governments across the globe advanced policies on subsidies, tax reforms, and green transition, while enterprises accelerated their sustainability journey through energy conservation and carbon reduction, green procurement, optimization of production models, and carbon disclosure. Nevertheless, the intersection of economic and climate risks has brought about profound challenges and heightened uncertainty. More than ever, it calls for forward-looking partners with a shared vision for sustainability to join forces and lead the way toward transformation.

In 2024, we continued to deepen our ESG development, demonstrating our commitment and responsibility to sustainability through concrete actions:

• Sustainability Awards

- Selected for inclusion in the “S&P Global Sustainability Yearbook”, recognizing us among leading companies with outstanding ESG performance.
- “Ranked among the Top 5%” in the Corporate Governance Evaluation by the Taiwan Stock Exchange, acknowledging our excellence in governance.
- Awarded the TCSA Corporate Sustainability Award for Excellence in Performance, highlighting our comprehensive commitment to corporate social responsibility and sustainable development.

• Talent Development Leadership

- Recognized as a “Model Enterprise” under the AI and Health Check Dual Empowerment Program, highlighting our leadership in AI talent cultivation and technology application.

• Green Transformation Achievements

- Received the National Green Supply Chain Management Enterprise certification and the “Green Label Enterprise” honor from the Hubei Provincial Department of Ecology and Environment. Established a multi-layer high-density interconnect board industry-academia innovation center, advancing technology upgrades and collaboration with academic institutions.

• Supply Chain Sustainability Partners

- Honored by multiple international clients, including: Hitachi-LG Data Storage 2024 Excellent Supplier, Continental Automotive Excellent Supply Chain Award, LG Electronics Excellent Supplier Award, Foxconn Sustainability Award, and AMD PEEP Project Special Contribution Award.

• Resource Circulation and Zero-Waste Commitment

- Achieved the UL2799 Zero Waste to Landfill Platinum certification for the third consecutive year, demonstrating excellence in waste reduction and resource management.
- Promoted circular economy practices through initiatives such as copper ball recycling, solder stripping solution reuse, and palladium recovery from electroplating lines.

• Educational Philanthropy and Talent Cultivation

- Donated to the Hubei University of Technology Education Fund, establishing the “Topoint Electronics Project Fund” and a scholarship for the College of Chemical Engineering, supporting technology R&D and youth development.
- Donated teaching computers to Huangshi Golden Mountain No. 3 Elementary School, enhancing educational resources and digital infrastructure.

In terms of carbon reduction, we have continued to strengthen our actions and are fully committed to promoting low-carbon transformation:

• Completion of greenhouse gas inventories across all plants with remarkable carbon reduction results

In 2024, we completed greenhouse gas inventories for the Taoyuan, Kunshan, and Huangshi Plants, covering Scopes 1, 2, and 3. Using 2020 as the base year and adopting emission intensity as the measurement indicator, the emission intensity of the Huangshi Plant decreased by 39.14% compared to the base year, while the Kunshan Plant decreased by 22.09%, demonstrating tangible carbon reduction outcomes.

• Validated by SBTi, advancing toward net-zero commitment.

Our near-term carbon reduction targets have been validated by the “Science Based Targets initiative (SBTi)”, in alignment with the “Paris Agreement” goal of limiting global temperature rise to 1.5°C. In the next stage, we will commit to setting long-term science-based targets and move toward the vision of achieving net-zero greenhouse gas emissions across the value chain by 2050.

• Expanding green power deployment to drive energy transition

In 2024, the Huangshi Plant generated 1.2753 million kWh of solar power through its self-built facilities and purchased 91.48 million kWh of green power. Together, these efforts delivered a carbon reduction equivalent to 51,904 metric tons of CO₂ emissions, raising the share of green power usage to 34.41%. We will continue to expand the application of green energy and lead the Company towards a sustainable future.

• Strengthening supply chain carbon management to build a transparent system.

We actively collaborate with supply chain partners to advance carbon management by introducing ISO 14067 Product Carbon Footprint (PCF) assessments. In 2024, 12 key suppliers completed carbon footprint inventories, helping to establish a transparent and traceable carbon information system. This enables customers to reduce the carbon footprint of their products and fosters symbiotic growth and sustainable development across the value chain.

Artificial intelligence (AI) and digital transformation are the core driving forces for enterprises to move toward the future. In the pursuit of sustainable development, Dynamic has actively introduced AI technologies and digital tools, opening a new chapter in intelligent operations. First, we established a comprehensive data integration and management mechanism to ensure that sustainability-related data is collected and analyzed accurately and in real time, with unified data collection processes serving as the foundation for AI applications. Next, we have applied AI technologies extensively across areas such as energy management, resource optimization, pollution control, supply chain management, circular economy, and risk control, enabling precise improvements in operational efficiency and resource utilization. Through the integration of innovative thinking and advanced technologies, this system has been deployed across all our production, sales, and service sites. It not only enhances operational efficiency and decision-making speed but also strengthens corporate innovation and resilience, laying a solid foundation for addressing future challenges.

As we look ahead, global economic shifts and climate change will continue to pose profound challenges. Only with forward-looking vision and resolute action can we lead the way toward a new era of sustainability. Dynamic will continue to uphold the spirit of innovation and transformation, embracing change with courage and creating infinite possibilities. We firmly believe that “what others cannot achieve does not mean we cannot”. In the process of addressing challenges, we adhere to three major principles: “Think outside the box; do things differently; pursue greatness”. These are not only the core of Dynamic's corporate culture but also the common action guidelines for all our colleagues, driving us to continuously break through boundaries and pursue excellence. At the same time, we open our arms to join hands with like-minded partners, moving toward a sustainable blueprint built on integrity in governance, care for the planet, people-centric values, and shared prosperity. This is not only Dynamic's commitment but also our mission and driving force for the future, guiding us toward a smarter and better tomorrow.

黄铭宏

Chairman and Chair of the Sustainable Development Committee



ONE • Introduction

III. 2024 Key Performances

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

Key Indicator	Plant	2023 Performance	2024 Goal	2024 Performance	Goal Achieved?
Revenue growth rate	Group	2.7%	2.6%	13.19%	😊
EPS	Group	3.61	3.63	3.78	😊
Ratio of automotive boards in revenue	Group	69%	70%	68%	😞
Operational performance growth rate**	Group	-12%	5%	5.47%	😊
Customer satisfaction survey score	Group	9.10	9.00	9.20	😊
Ratio of value of raw materials and standard materials purchased locally	Kunshan Plant	99%	95%	99.3%	😊
	Huangshi Plant	99%	95%	99.7%	😊
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%	😊
	Huangshi Plant	100%	100%	100%	😊
Annual electricity saving rate (Using 2020 as the baseline year and electricity intensity as the indicator)***	Kunshan Plant	+2.16%	-16%	-0.98%	😞
	Huangshi Plant	-19.30%	-16%	-17.39%	😊
Greenhouse gas (GHG) emissions increase/decrease rate (Base year is 2020; Indicator is Emission Intensity)***	Kunshan Plant	-14.11%	-16%	-22.09%	😊
	Huangshi Plant	-26.13%	-16%	-39.14%	😊
Annual water conservation rate (2015 as the baseline for the Kunshan Plant and 2018 as the baseline for the Huangshi Plant)	Kunshan Plant	-65.10%	-18%	-60.89%	😊
	Huangshi Plant	+180.17%	-12%	+261.67%	😞
Percentage of water resource recycled for reuse	Kunshan Plant	33.60%	33%	51.95%	😊
	Huangshi Plant	60.60%	33%	51.43%	😊
Safe production	Kunshan Plant	0	Zero major accidents	0	😊
	Huangshi Plant	0	Zero major accidents	0	😊
Average number of hours of educational training provided	Taoyuan Operation Center	31.1	23.0	23.1	😊
	Kunshan Plant	42.9	21.0	29.0	😊
	Huangshi Plant	25.8	21.0	24.3	😊

*Please refer to the Market Observation Post System or the annual shareholders' meeting for information.

**Operating performance = Total revenue/Number of employees, growth rate = (Current year's operating performance - Previous year's operating performance)/Previous year's operating performance.

***Starting in 2022, the target is revised to: using the base year of 2020 to reduce energy consumption intensity and greenhouse gas emission intensity (based on revenue) by 4% per year, and at least a 20% reduction by 2025.

Description	Description of Countermeasures	Goals in 2025	Goals in 2027
In 2024, Dynamic delivered outstanding performance in product applications, particularly in the network communication and server sectors. Driven by strong market demand and the growth of major customers, revenue surged by 82%, with the revenue share increasing by 2 percentage points, demonstrating robust growth momentum.		*	*
Benefiting from the thriving HDI market, revenue from HDI products grew significantly by 55%, with its share rising from 24% to 32%. This further optimized the product portfolio and demonstrated the Company's outstanding technological capabilities and solid profitability.		*	*
In 2024, global automotive demand slowed significantly, with annual growth of only about 2%. Although the revenue share of Dynamic's automotive boards decreased by 1 percentage compared with the previous year, revenue still grew by 10%.	Having cultivated the automotive board sector for many years, the Company has maintained steady revenue growth as the market gradually recovers. However, driven by the rapid expansion of networking and AI server applications, changes in the overall product mix led to a slight decline in the revenue contribution from automotive boards.	*	*
Driven by the optimization of the product mix, revenue growth was achieved, enabling the Company to meet its performance growth target.		5%	Fulfilled the expected growth rates through automation, smart processes and manufacturing, and increased sale per unit on average.
Enhancing customer service, the digitalization of paper-based processes has reached 100%, advancing into the e-Management 2.0 stage. Through the adoption of process analysis and optimization tools, the Company continues to streamline workflows and improve efficiency.		9.00	9.00
The local procurement strategy of Dynamic not only helps bring down transportation costs, shorten lead times, and reduce supply chain risks, but also supports local economic developments, creates jobs, and attracts additional capital investment. It is an important indicator of Dynamic's corporate social responsibility and contributes to the fulfillment of the sustainable development goals set by the United Nations.		95%	95%
		95%	95%
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%
		100%	100%
Direct electricity consumption increased due to the employee cafeteria switching to self-operation.	The Company will continue to consolidate public facilities and production equipment, shut down idle plants, and reduce ineffective energy consumption.	-20%	-25%
In the summer of 2024, higher temperatures led to an increase of 8.35 million kWh in annual air conditioning (including chiller) electricity consumption compared to the previous year. The increase in electricity consumption for air conditioning is not related to production and it resulted in higher electricity intensity.		-20%	-25%
Continue to consolidate unused public facilities, improve the energy efficiency of key production equipment, and reduce shifts of official vehicles to achieve the reduction target.		-20%	-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.		-20%	-32%
Water consumption decreased due to the strategic reduction of production capacity.		-18%	-24%
Due to a significant revenue increase of 516% and changes in product types, tap water consumption also increased accordingly.	In 2025, Plant P1 will recycle condensate from air-conditioning units into the cooling tower. In addition to cooling recovery, the estimated water recovery during the summer will be 14,400 tons. Plant P2 modified the backwash of the water filtration system from tap water to recycled concentrate water, saving an estimated 17,600 tons of tap water annually.	-14%	-16%
Through the continuous operation of reclaimed water reuse facilities, the reuse rate increased by 8% compared to the previous year.		35%	35%
In addition to the recycling and reuse of discharge water, the comprehensive recycling of air conditioning condensate water in the new factory, and the collection of roof rainwater, machine water is recycled and reused.		50%	65%
Supervisors in the field communicate with and set requirements for employees before each shift to improve their awareness of safety and to consolidate the use of personal protective 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
The President leads a team to conduct 2 plant-wide inspections at each plant annually. External safety experts are hired monthly to conduct safety inspections, and feedback is promptly provided and addressed.		Zero major accidents	Zero major accidents
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.		24.0	26.0
We have increased training on our quality system, so that staff can better understand the quality management system, enhance their quality awareness and improve their ability to identify quality issues.		21.0	22.0
Through the experiential learning of the knowledge management system, we have improved the stability of product quality and organized activities to promote Total Productive Maintenance (TPM).		21.0	22.0

IV. Company Overview

Profile of Dynamic

Date of establishment:	August 18, 1988
Principal business:	Specialized PCB manufacturer/service provider
Capital:	TWD 2.777 billion (USD 84.83 million)
Turnover:	TWD 17.787 billion (USD 543 million)
Company location:	The headquarters is located in Taoyuan City, Taiwan, and the two production bases are located in Kunshan, Jiangsu Province, and Huangshi, Hubei Province, China
Total number of employees:	About 5,161 people
Industry ranking:	41st in the global rankings and 10th in the global automotive rankings

Participation in unions and associations

After the COVID-19 pandemic, on-site activities of labor unions began to be held one after another, and Dynamic actively participated in related activities based on actual needs.

- Continue to join the Taiwan Printed Circuit Association (TPCA) and its affiliated organizations (Human Resources Promotion Association, Environmental Safety Committee, PCB Equipment Safety Committee, etc.), and actively participate in relevant online training activities initiated by TPCA Academy.
- Receive and communicate relevant industrial and commercial information by participating in Taoyuan City Industrial Association as a policy reference for future development and operations.
- Establish contingency planning and division of responsibilities for fire safety through the organization and operation of Sun Brothers Zone.

Dynamic will continue to maintain and develop good relations and business execution with these organizations, and maintain interaction with relevant members through the groups organized by the associations.

Category	Name of the Organization	Role	Membership fee in 2023	Membership fee in 2024	Climate and renewable energy strategy
Industrial exchange	Taiwan Printed Circuit Association	Members	NT58,000	NT48,000	The Taiwan PCB Association has established the Sustainable Development Committee, which released "Taiwan PCB Industry Low-Carbon Transformation Strategy" in March 2023, proposing three major drivers for low-carbon transformation: independent energy conservation, renewable energy, and carbon trading. It also extended nine major promotion aspects, launched 39 industrial action guidelines and responded to 27 government suggestions, with the goal of achieving net-zero emissions in the PCB industry by 2050. The Company will follow the transformation strategy formulated by the association and try its best to implement it in the production sites to which it belongs.
	Taoyuan Enterprise Chamber/The Chinese National Association of Industry and Commerce, Taiwan	Members	NT40,000	NT40,000	1.5°C Climate Action Statement: "To fulfill our responsibilities as a global citizen and to proactively respond to the global climate crisis, member companies of the Republic of China have responded to the international trend of net zero sustainability and pledged to cooperate with the government's 2050 net zero path planning and integrate industry and commerce resources to implement low-carbon transformation of the industry to achieve the "Paris Agreement" goal of controlling temperature rise to 1.5°C". This declaration of action has received enthusiastic responses from up to 160 member companies. In the future, we will establish a sharing platform through aspects such as cross-industry cooperation, leveraging large companies, benchmarking and demonstration projects, and resource integration to comprehensively assist member companies in their low-carbon transformation.
Total			NT98,000	NT88,000	

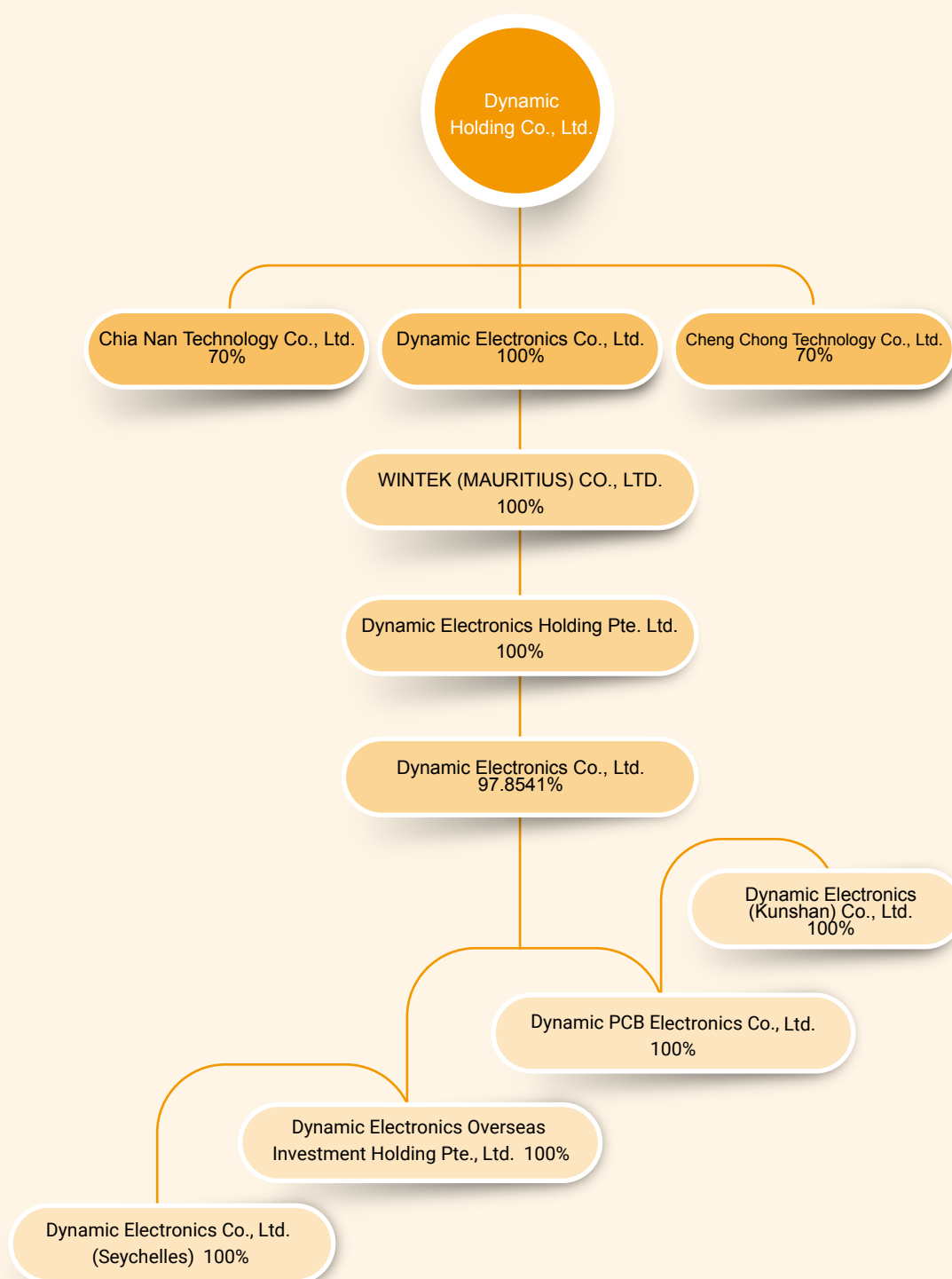
Donations Involving Political/Policy Influence

Unit: TWD

Donations and Expenditures	2020	2021	2022	2023	2024
Lobbying Organizations and Interest Groups	0	0	0	0	0
Local, Regional, or National Political Campaigns/ Organizations/Candidates	0	0	0	0	0
Industry Associations or Tax-Exempt Organizations (e.g., Think Tanks) Influencing Campaigns or Legislation	0	0	0	0	0
Others (Expenditures Related to Elections or Referendums)	0	0	0	0	0
Total	0	0	0	0	0

Organizational Chart of Affiliated Enterprises

The following sets forth the nature and legal form of Dynamic's ownership in its affiliates (as of December 31, 2024).

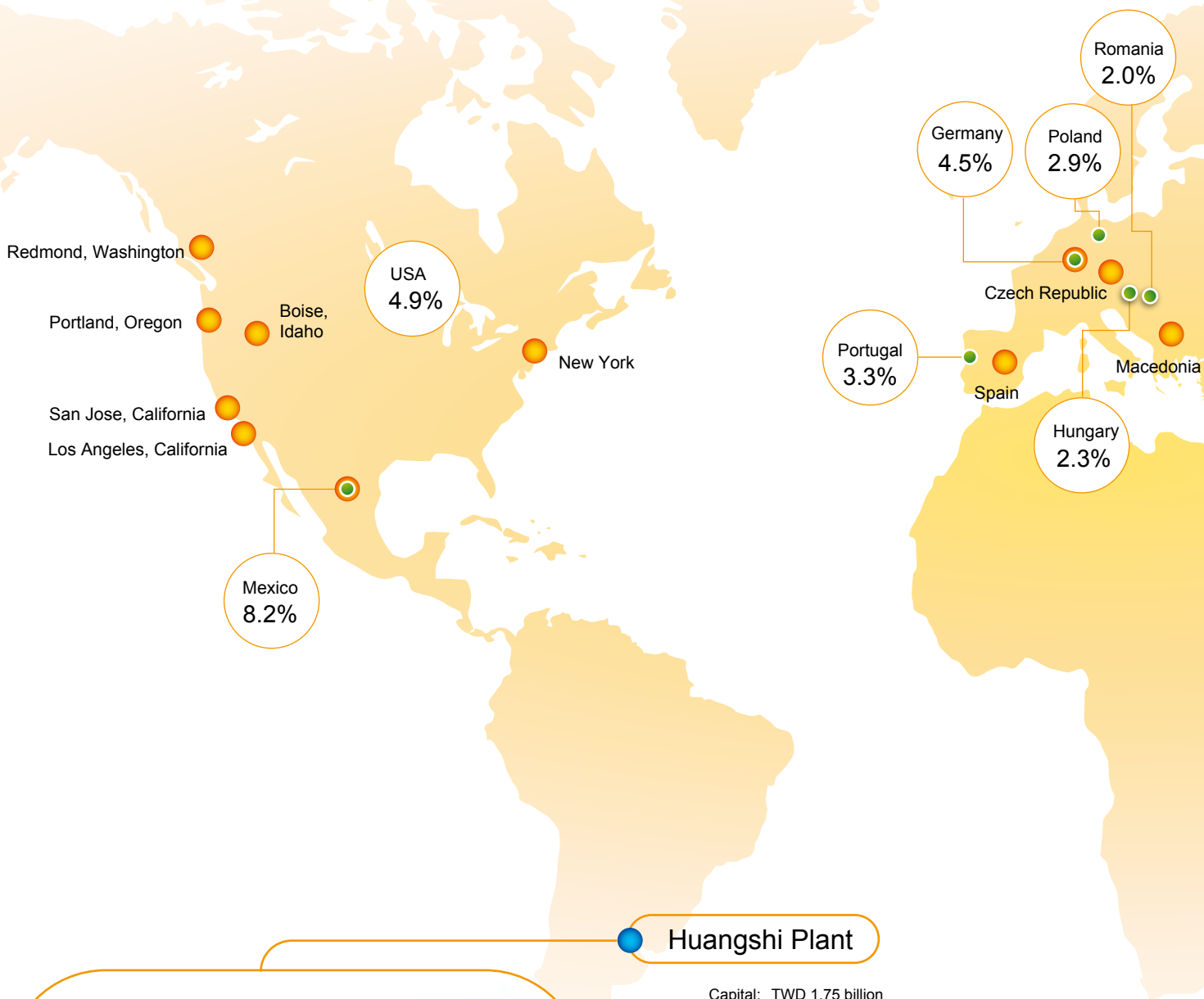


Note: Dynamic PCB Electronics Co., Ltd. completed its liquidation proceedings on November 3, 2024.

ONE • Introduction

Global Operational Service Network

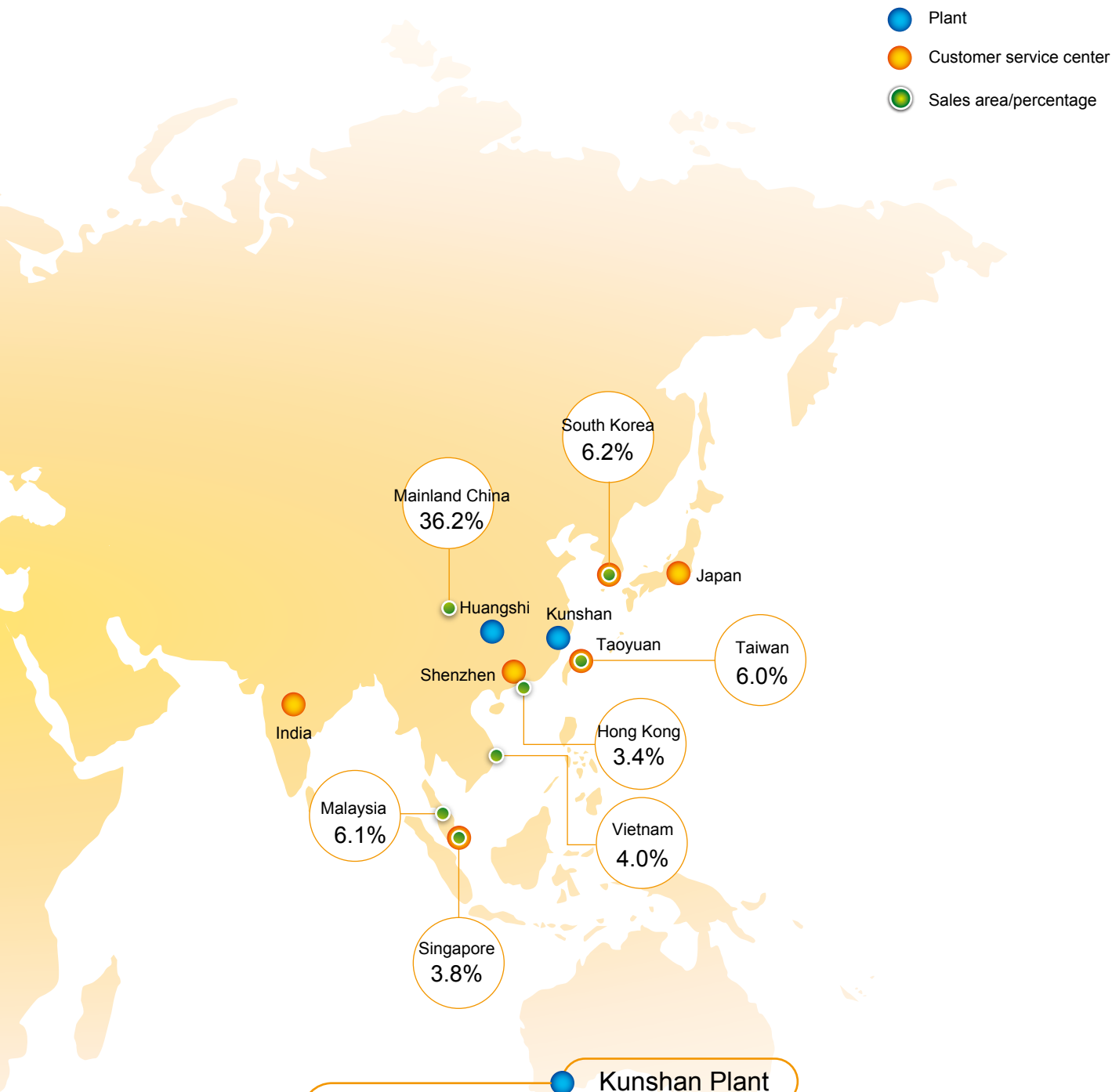
Dynamic's global operational service network includes Taiwan, China, Thailand, the United States, Mexico, Germany, the Czech Republic, Macedonia, Spain, Japan, South Korea, Singapore, India and other countries with factories, subsidiaries, or offices to provide global customers with real-time business, product service and technical support.



Huangshi Plant



Capital: TWD 1.75 billion
 Total assets: TWD 24.78 billion
 Land area: 400 thousand square meters
 Floor area: 265 thousand square meters (Plant 1 + Plant 2)
 Production capacity: 2.05 million square feet/month (multilayer PCB) (Plant 1 + Plant 2)
 500 thousand square feet/month (high-density interconnect PCB) (Plant 1 + Plant 2)
 Number of employees: 3,636 persons
 Features: Mass production, highly reliable products, high-frequency, and high-speed products
 Product portfolio: Automotive boards, networking and servers, display panels, storage devices, computers and peripherals, and consumer products.
 Plant address: No. 88 (Special), Daqida Boulevard, Wangjiang Township, Huangshi City, Hubei (Economic and Technological Development Zone)



Kunshan Plant

Capital: TWD 2.7 billion
 Total assets: TWD 6.77 billion
 Land area: 109 thousand square meters
 Floor area: 142 thousand square meters
 Production capacity: 200 thousand square feet/month (multilayer PCB)
 200 thousand square feet/month (high-density interconnect)
 Number of employees: 1,491 persons
 Features: Small- to medium-volume diversified products, highly reliable products, high-frequency and high-speed products
 Product portfolio: Automotive panels, network communication and servers, storage devices, display panels, and consumer products.
 Plant address: No. 1688, Jinshajiang North Road, Kunshan Economic and Technological Development Zone, Jiangsu Province, China

ONE · Introduction

Recognition



Selected for inclusion in the "S&P Global Sustainability Yearbook"



"Ranked among the Top 5%" in the Corporate Governance Evaluation (Taiwan), the highest tier



Received the Taiwan Corporate Sustainability Awards (TCSA) for Excellence in Sustainability and Sustainability Report



Recognized as a "Model Enterprise" under the AI and Health Check Dual Empowerment Program



Awarded the National Green Supply Chain Management Enterprise Certification



Recognized as a "Green Label Enterprise" by the Hubei Provincial Department of Ecology and Environment



Established the Joint University-Enterprise Innovation Center for Multilayer HDI Boards



Won the Continental Supply Chain Excellence Award



Won Excellent Supplier Award by Hitachi-LG Data Storage



Received the Excellent Supplier Award from LG Electronics



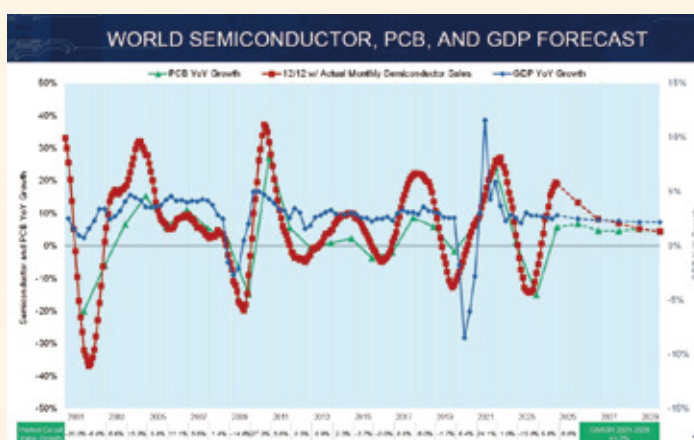
Received the Sustainability Award from Hon Hai (Foxconn)



Awarded the Special Contribution Award for the AMD PEEP Project

V. External Environment

Global Semiconductor, PCBs, GDP Forecasts



Data source: Prismark (2025/03)

Prismark 2024 System Market Final Estimate

- ▶ The total system market value for 2024 was revised upward to USD 2.55 trillion, representing an **annual growth of 4.9%**, primarily driven by the unprecedented strong performance of the server market.
- ▶ **AI Servers:** Surpassed the earlier optimistic expectations, achieving **annual growth of 46%**.
- ▶ **Military and Aerospace:** **Grew by 7%**, exceeding historical levels, benefiting from demand in defense, commercial aviation, and space sectors.
- ▶ **Mobile Phones and Personal Computers:** **Increased by 6.8%** and **3.5%**, respectively.
- ▶ **Automotive Electronic Systems:** Declined by 5%, impacted by lower unit volumes and changes in product composition.
- ▶ **Wired and Wireless Communications:** Weakened performance, down 3.4% and 9.5% year-over-year, respectively.
- ▶ **Other Market Segments:** **Continued stable growth**, at least achieving moderate increases.

Prismark 2025 System Market Forecast

- ▶ The total market value is projected to reach USD 2.74 trillion, with an **annual growth rate of 7.4%**, once again signaling a strong year ahead.
- ▶ **AI Servers:** Expected to remain the primary growth driver, with projected **annual growth of 36%**, boosting the overall system market.
- ▶ **Mobile Phones and PCs:** AI-enabled models to support higher average selling prices, with anticipated **growth of 2.4%** and **5.2%**, respectively.
- ▶ **Automotive Electronic Systems:** Outlook remains uncertain but is projected to record **moderate growth of around 2%**.
- ▶ With the exception of the television market, all other system categories are expected to achieve or exceed their historical average growth rates.

2025 Electronics Market and Outlook

- ▶ The electronics industry is on a recovery trajectory, **with an expected growth rate of 7.4%**.
- ▶ AI servers and networking applications will continue to serve as the primary growth drivers, **with growth expected to exceed 50%**.
- ▶ Other market segments are expected to achieve mid-single-digit percentage **growth (about 4% to 6%)**.
- ▶ AI edge devices, such as AI personal computers, AI smartphones, and wearable devices, are expected to **gradually emerged and integrate with the consumer electronics market**.
- ▶ The defense, aerospace, and wired communications infrastructure markets are expected to expand **at a rate higher than the mid-single-digit percentage range**.

2025 PCB Market Outlook

- ▶ The total market value of PCB is expected to **grow by 6.8%**.
- ▶ The HDI segment, driven by AI server and high-speed networking demand, is expected to **grow by more than 10%**.
- ▶ High-layer-count boards will **continue to expand significantly** in response to robust demand from AI servers and high-speed networking.
- ▶ New capacity in Thailand, Vietnam, and Malaysia is expected to add further pressure to the PCB market.

ONE • Introduction

VI. Business Model

Dynamic is committed to producing high-quality, high-technology printed circuit boards (PCBs) to meet customers' diverse and increasingly advanced application needs, which form the foundation of the Company's core business model.

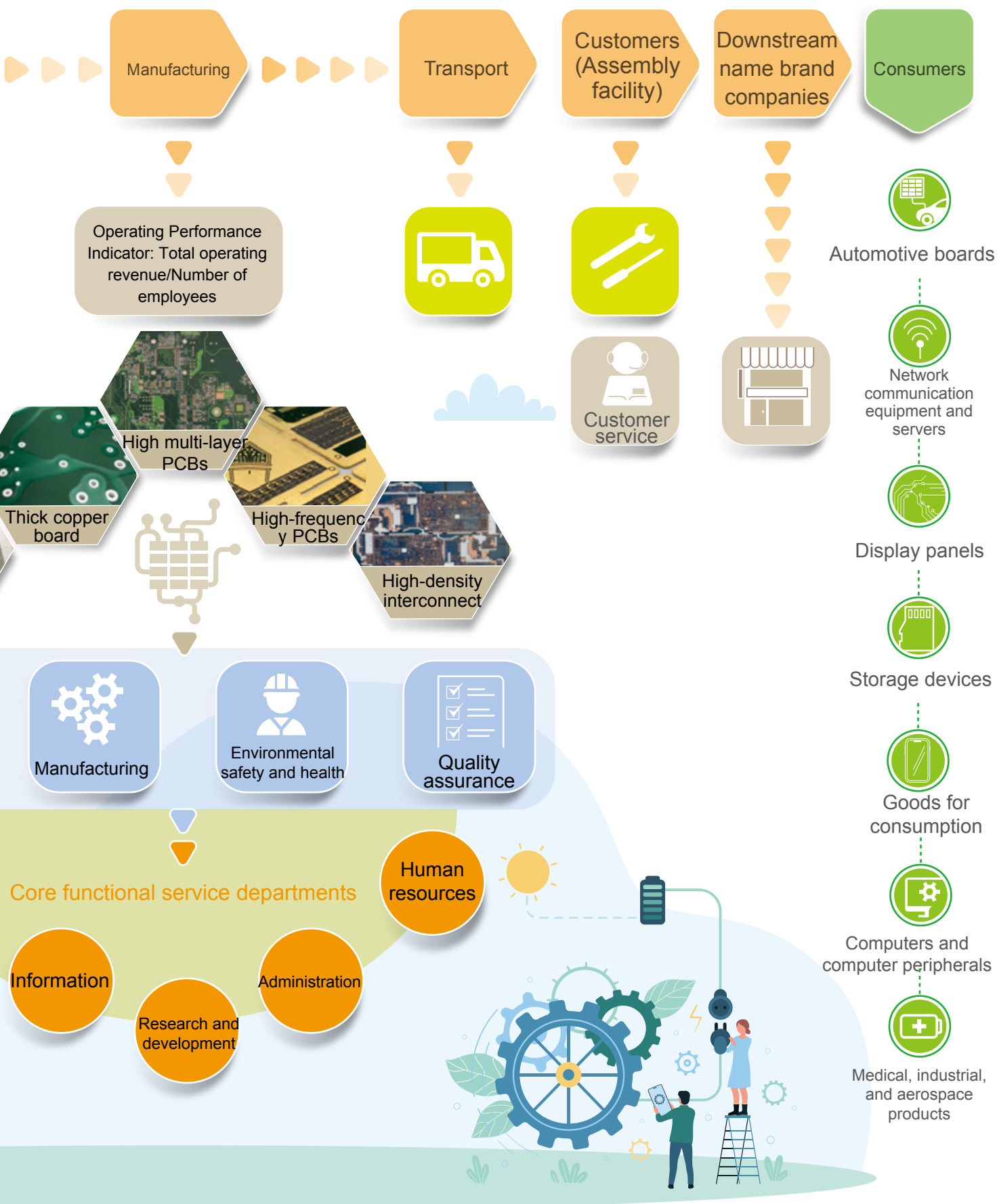
The PCB industry is closely linked to global technological development. In the past, strong demand for 3C products drove rapid industry expansion. Although the consumer electronics market has matured in recent years, multiple emerging technologies, including 5G high-frequency and high-speed communications, the widespread adoption of automotive electronics, advanced driver assistance systems (ADAS), electric vehicles (EVs), and the growing computing and connectivity demands brought about by the AI revolution, have injected new growth momentum into the PCB industry.

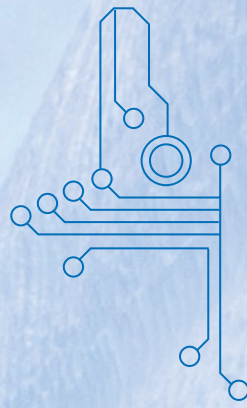
In 2024, average revenue per employee reached TWD 3.45 million, representing a 5.47% increase compared to the prior year. Growth momentum was primarily driven by robust demand in the high-density interconnect (HDI) segment, where revenue increased by 55% year on year, with its share of total revenue rising from 24% to 32%. This further optimized the product portfolio and highlighted Dynamic's competitive advantage in advanced processes and technology integration. In addition, the Company continued to advance capacity expansion projects focused on higher-level intelligent and automated manufacturing, enhancing production efficiency and yield rate, thereby driving steady growth in operating performance.

Looking ahead, the Company will continue to respond to emerging technology trends by strengthening four core capabilities: product quality enhancement, process technology advancement, R&D development, and the integration of intelligent manufacturing. In terms of product development strategy, the Company focuses on five major product categories: high multi-layer boards, HDI, high-frequency PCBs, thick copper boards, and flex-rigid boards. For future medium- to long-term development, emphasis will be placed on high-growth sectors such as network communications, servers, and AI applications.

In terms of operational processes, the Company adopts a value chain integration approach spanning from order intake, procurement, manufacturing, quality assurance, and customer service to product delivery. All departments, including production planning and sales, environmental safety and health, research and development, human resources, finance, information technology, and administration, work in close collaboration to enhance overall operational efficiency and service quality. At the same time, Dynamic is committed to building long-term and stable partnerships with customers. Through in-depth communication and technical support, the Company continues to deliver competitive and high-performance printed circuit board products that exceed customer expectations, advancing together with customers toward new milestones in technological innovation.







CH 2

Sustainable Performance



TWO · Sustainable Performance

I. Sustainable Development Strategy

Core Value

Integrity

We are committed to telling the truth, not making false statements, and practicing what we preach. We are fully committed to our customers; we work with our suppliers in a fair, just, and honest manner; we do not tolerate corruption and we do not allow any factions to influence the operation of the company.

Enthusiasm

We believe that enthusiasm is the driving force behind the development of an organization. Under the attitude of "being responsible", each employee will further explore his/her own potential, stimulate positive momentum, and generate the commitment of "if not me, then who?" and the determination of "deliver on promise" to lead the company to break through the status quo and open up new horizons.

Customer Trust

We believe that the customer trust comes from our daily efforts. The only way to build a long-lasting trusting relationship is to help our customers create competitiveness through constant care and active listening, as well as high performance.

Innovation

We encourage our employees to learn and think. Through the spirit of courageous experimentation and inquisitiveness, we continue to pursue innovations in strategy, marketing, technology, management, intelligent manufacturing, and green environmental protection to enhance our overall competitive advantage and realize the fruits of our innovations with a strong sense of execution.

Management Philosophy

Customer Satisfaction

Full customer satisfaction is our goal.

We are fully aligned with our customers' development strategies and visions, and will do anything we can to deliver on our promises and exceed our customers' expectations. We are actively involved in the early development of our customers, investing resources to assist their R&D efforts to help them achieve their goals.

Commitment to Quality

Quality is a fundamental requirement that cannot be compromised.

Not only do we promote excellent quality through intelligent manufacturing and precise processes, but each of our employees is committed to their positions, doing their best in each task, reviewing at all times, and thus fulfilling our commitment to quality to our customers.

Continuous Innovation

Innovation is the key to achieving sustainable operation.

It is not limited to R&D. As long as it is related to operations and organizational development, we must constantly break through existing frameworks and processes to strive for excellence.

Smart Manufacturing

Smart manufacturing is a necessary condition for achieving excellence in factory management.

We are actively advancing into the new generation of equipment automation, information intelligence, and large-scale production to bring our customers products of value with short lead times, high quality, high reliability, and high traceability. We are constantly seeking innovation and breakthroughs in plant design and process capability enhancement, in the hope of bringing growth momentum ahead of the industry and building the world's most competitive PCB plant, thereby creating a win-win environment for both our customers and the Company.

Corporate Sustainability

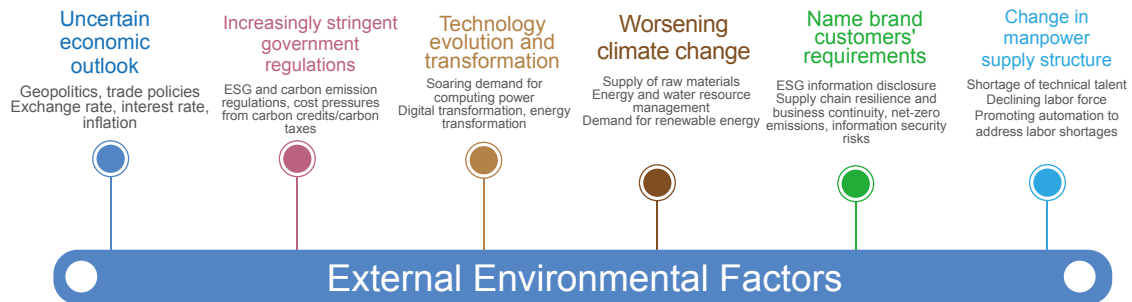
We define ourselves through "sustainability" and aim to balance profit growth with sustainable practices, thereby creating a positive impact on society.

Our goal is to benefit the "earth and environment" and "society and mankind", and to ensure that ESG is not just a slogan but a thoroughly implemented action plan. The green and eco-friendly factories we build integrate economic development with ecological sustainability and serve as a concrete realization of ESG practices.

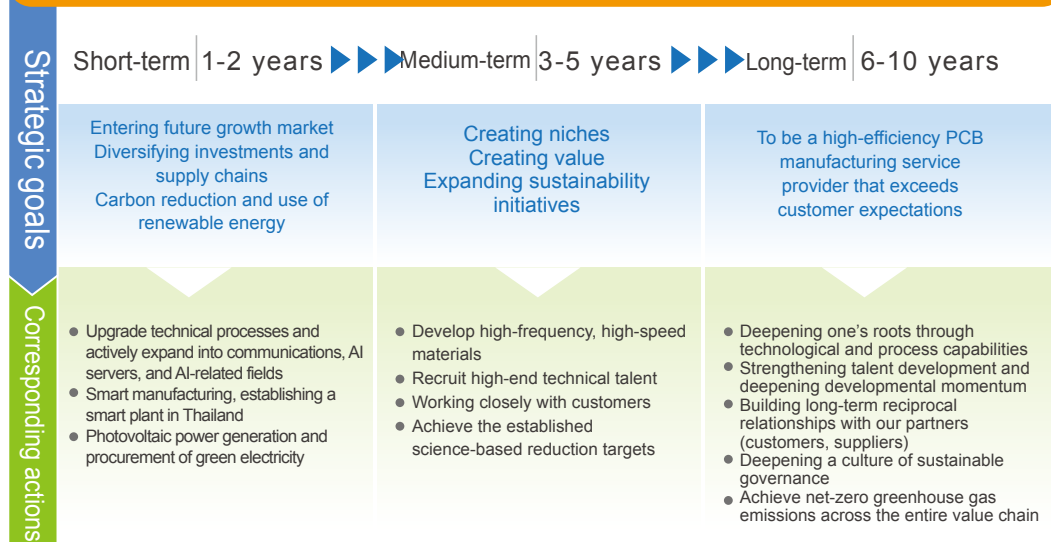
TWO · Sustainable Performance

Short-term, Medium-term, Long-term Goals and Actions

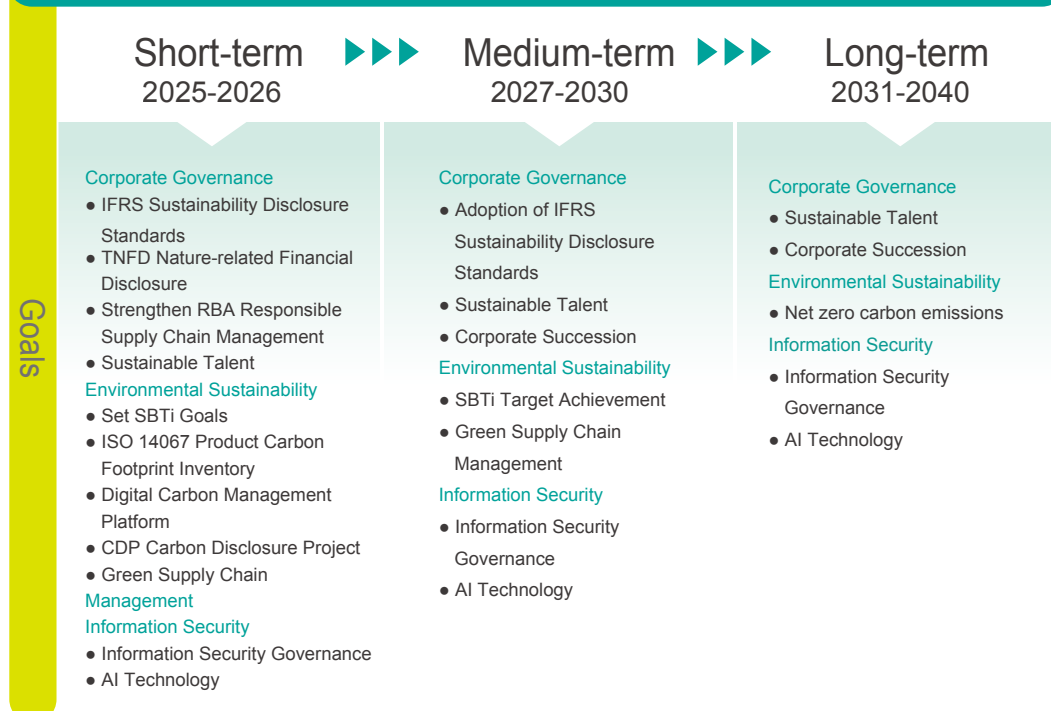
Dynamic plans short-term, medium-term, and long-term operational goals and consolidate daily operational management and performance settings reflective of these goals.



Dynamic Electronics's Short-term, Medium-term, and Long-term Plans



Short-, Medium-, and Long-term Sustainable Development Goals



II. Corresponding United Nations Sustainable Development Goals

There are 17 UN sustainable development goals (SDGs). Dynamic, reflective of its own core competencies, can combine 8 of them in its goals while continuing to realize the people-centered, sustainable, and co-prospering vision through more proactive devotion at the management and operational level over the short term, medium term, and long term.



Please refer to the world wide web of the National Council for Sustainable Development of the Executive Yuan.
<http://nsdn.epa.gov.tw/NSDN/UnitedNations2.htm>

United Nations' 17 Sustainable Development Goals (SDGs)



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Goal		Dynamic's Approach
	Gender equality and empowerment of women	Dynamic does not differentiate salaries and benefits by gender.
	Inclusive, safe, resilient, and sustainable cities and human housing	Dynamic's product development continues to focus on 5G mobile communications, automotive autonomous driving, satellite communications, and server-related applications, which remain core drivers of the electronics industry and are closely linked to automotive safety and urban traffic planning.
	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 measures.
	Promotion of a peaceful and inclusive society to consolidate sustainable development; ensuring judicial access for everyone; creation of an effective, accountable, and inclusive system at all levels.	1. Dynamic has set up an "Unreasonable Mailbox" for employees to submit opinions on management deficiencies, suggestions on administrative operations, and safeguarding individual rights and interests. 2. Dynamic has set up a "CEO Mailbox" for employees, business partners, third parties, and customers to complain in writing or report any internal or external corruption, bribery, and dishonesty. 3. Dynamic has set up a dedicated hotline to provide multiple and convenient electronic reporting methods for partners
	Assurance of non-classified, fair, and high-quality education and promotion of life-long learning	1. Continue to improve and implement the employee education and training system. 2. Establish iLearning (knowledge and learning) Committee as an advanced education and training unit. In addition to mastering the professional knowledge and technical information of customers and the industry, it is also responsible for establishing the Company's internal knowledge management system. 3. Huangshi Plant launched an activity to improve adult college entrance examination education for all employees of the factory.
	Promote inclusive and sustainable economic growth, achieve comprehensive and productive employment, and give everyone a good job.	1. Built the Huangshi Plant to satisfy customer demand and offer more jobs. 2. The Huangshi Plant in a local industrial park creates a cluster effect to support the upstream and downstream of the electronics industry, improve the local employment rate, and enhance infrastructure in the surroundings.
	Build resilient infrastructures, promote inclusive and sustainable industries, and expedite innovation	Dynamic plans beyond conventional industrial competition and has the automatic, smart, and information-based innovative generation in mind to secure the competitive advantages of itself and all its partners while welcoming Industry 4.0.
	Reinforce the implementation of sustainable development and activate global partnership in sustainable development	Dynamic introduces integrated thinking, combines corporate operations and sustainable management, and emphasizes interaction and co-prosperity with stakeholders, including enhanced global partnerships. The goal is to serve customers with highly efficient quality and create long-term supply chain partnerships.

Accomplishment

1. Men and women share the same transparent compensation table that determines their salary.
2. In 2024, the number of female managers at the level of manager and above was 39, accounting for 30%.

In 2024, in addition to ongoing quality improvements and enhancements in process capabilities, the Company leveraged its expertise in high-frequency and microwave products to collaborate with several networking product companies and automotive millimeter-wave radar developers in early-stage product design and development. The Company also successfully entered the 5G Open-RAN equipment market, jointly developing high-frequency and high-speed PCB applications such as RRUs and antenna devices. In response to demand from the server market, the Huangshi Plant No. 2 invested heavily in equipment and technologies to meet the requirements for producing thick and large boards, further strengthening the Company's capabilities in the server and switch markets.

1. Set climate scenarios and risk impact scope assessment according to the TCFD framework.
2. ESG information is compiled in accordance with SASB standards.
3. To reaffirm its carbon reduction commitment, Dynamic submitted specific science-based targets and methodologies to the Science Based Targets initiative (SBTi) in 2024, and obtained SBTi approval in April 2025. In terms of renewable energy usage, the Huangshi Plant generated 2.2 million kWh of solar power on-site in 2024 and purchased approximately 91.48 million kWh of green electricity, resulting in a green energy utilization rate of 34.42%. Dynamic will continue to promote the transition to renewable energy in pursuit of a more sustainable future. In addition, Dynamic collaborated with supply chain partners to conduct ISO 14067 Product Carbon Footprint (PCF) assessments in 2024, thereby enhancing its carbon footprint management system. This enables the Company to provide customers with the necessary information, jointly reduce product carbon footprints, and realize the vision of sustainable development and environmental symbiosis.

1. The total number of complaints in 2024 was 5. Compared to 7 in 2023, this is a decrease of 29%, indicating that most of the problems have been ameliorated.
2. No mails were received through the CEO mailbox in 2024.
3. No report was received by the dedicated hotline in 2024.

1. In 2024, the average hours of education and training for the Taoyuan Operation Center, Kunshan Plant, and Huangshi Plant reached 23, 29, and 24.3 hours, respectively.
2. The yield rate of the two plants has increased, quality costs have decreased, and employees' incomes have increased, thus creating a stable working environment.
3. In 2024, 71% of Huangshi Plant's employees had a college degree or above. The overall qualification level of the Company's employees is relatively high compared to its regional peer companies.

1. At the end of 2024, Huangshi Plant No. 1 production capacity was 1.8 million square feet, including 200,000 square feet of high-density connection (HDI) capacity; Huangshi Plant No. 2 production capacity was 750,000 square feet, including 300,000 square feet of HDI production capacity. Dynamic's revenue and profits will continue to grow to bring the greatest benefits to all stakeholders.
2. The local procurement ratio of raw materials for Huangshi Plant reaches 99%, and the local employment ratio of Hubei Province is 49%.

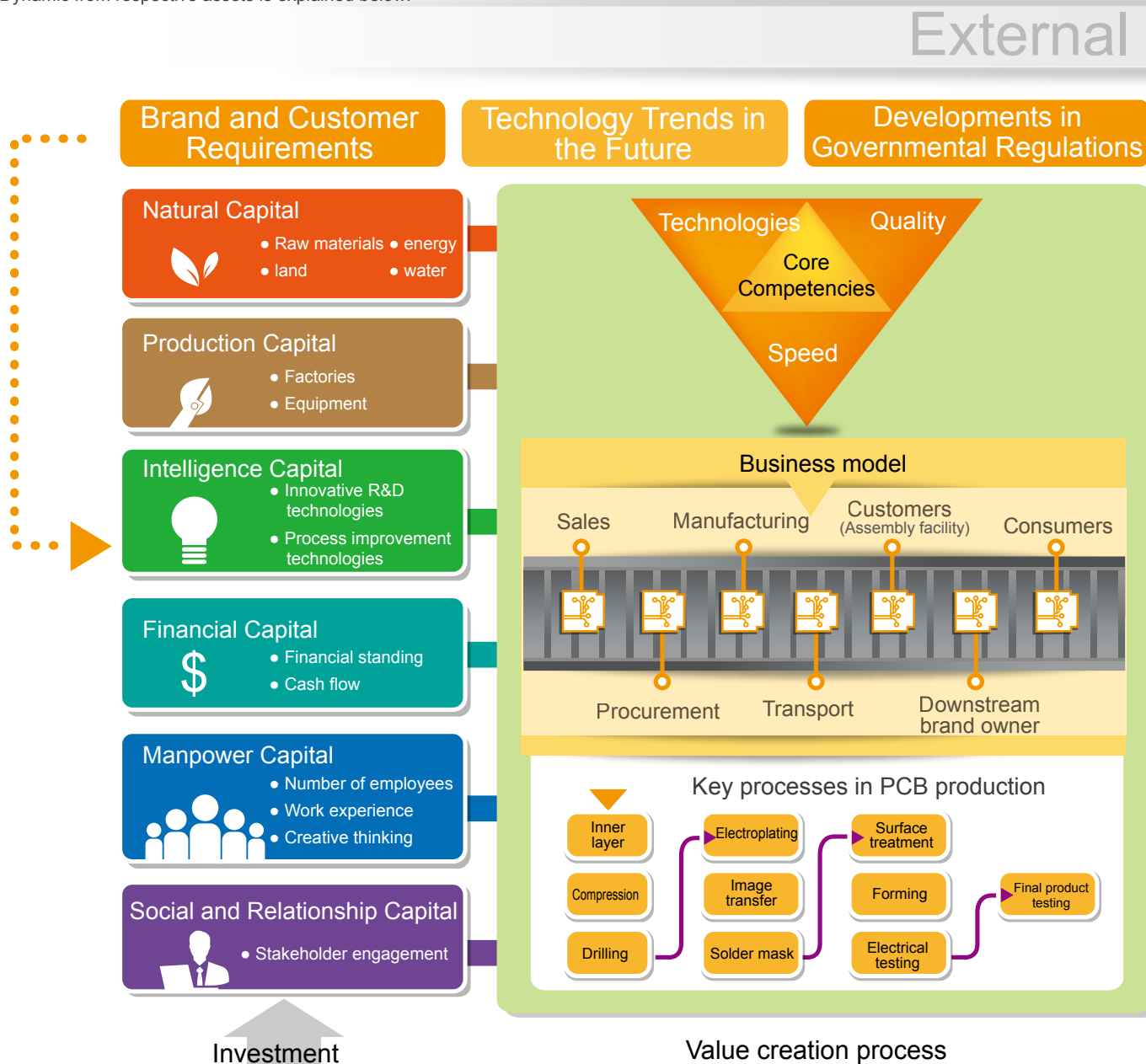
The Huangshi Plant is planned with an emphasis on automatic, smart, and Internet-based applications while at the same time fulfilling energy conservation, emission reduction, water and electricity saving, environmental protection, and industrial safety requirements. It is a modern plant that is economical, environmentally friendly, and features the latest technology. The Huangshi Plant No. 2, once completed, will further emphasize reduced impacts on climate change and adaptation and resilience to climate change.

1. Dynamic's sustainability report also received an AA rating among the companies assessed by Cathay United's 2024 ESG evaluation.
2. 2024 17th TCSA Taiwan Corporate Sustainability Awards
 - 2.1 Sustainability Report – Electronics and Information Manufacturing Industry – Category 1, Silver Award
 - 2.2 Overall Performance – Taiwan Corporate Sustainability Award for Excellence
3. Dynamic cooperates with more than 1,000 suppliers around the world to jointly promote corporate social responsibility.

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III. Six Major Capitals and Value Creation Process

Dynamic fully takes the dual impacts from the external environment and internal resources into consideration while creating value and enhances the output of six major assets by strengthening its core competencies. Dynamic identifies the impacts of respective assets on its operations and subsequent capital expenditure. The procedure that impacts the creation of value for Dynamic from respective assets is explained below:



Natural Capital

We care about improving efficiency in the use of energy resources such as electricity, water, and diesel. In combining natural capital with high-performing energy technologies and improved product yield rates, we help reduce resource wastages which eventually translate into reduced generation of waste and sewage. Waste and waste sewage generated are ultimately properly treated to achieve our zero waste emissions goal.

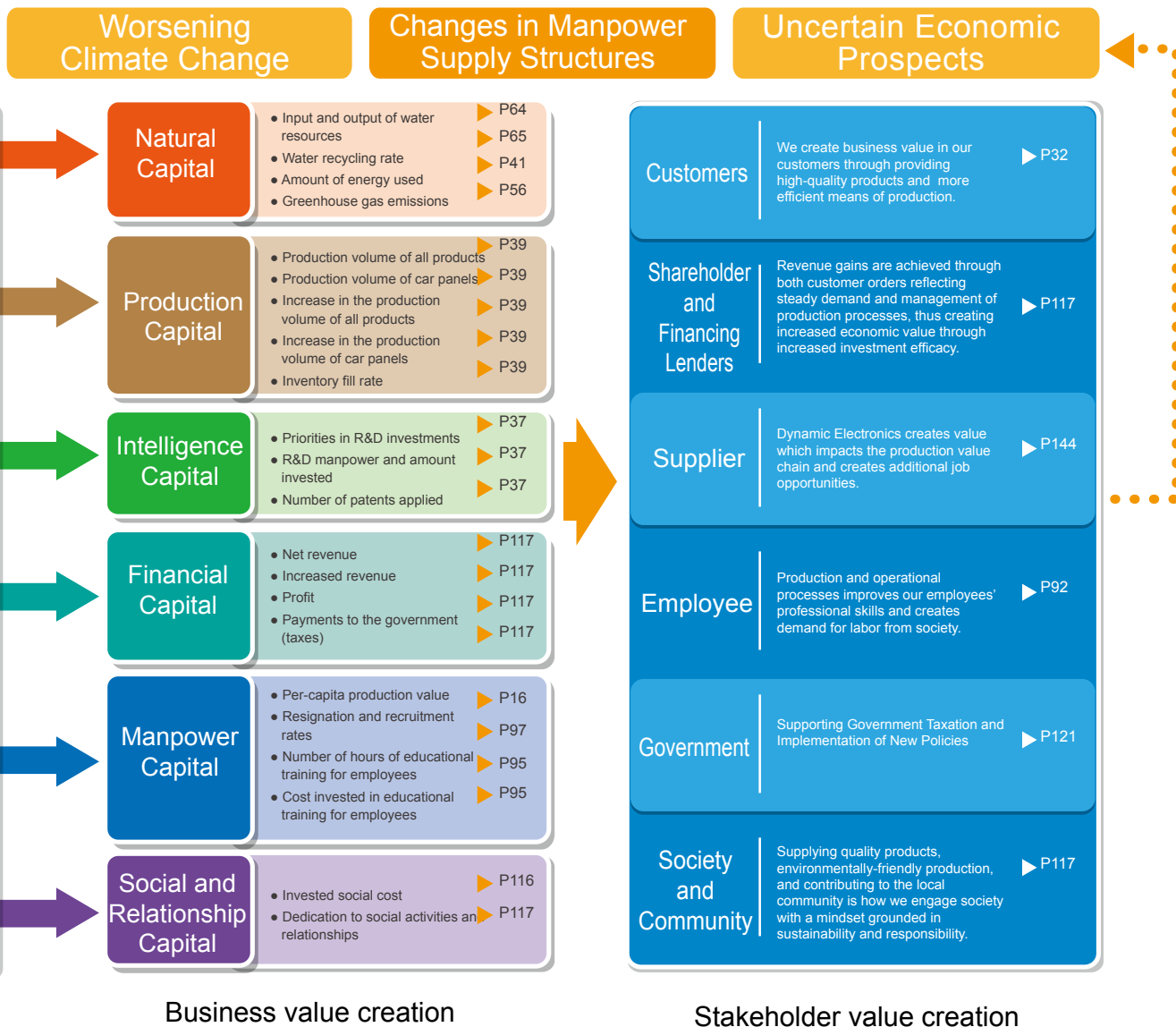
Production Capital

Our manufacturing capital is primarily factory equipment. According to our customer's purchase order, raw materials enter the production line as optimal technical capabilities reduce rework rates and scrap rates along the production line, this translating into a steady output of high-quality products and highly efficient shipment speeds to satisfy our customer's needs on all fronts. At Dynamic Electronics, manufacturing capital is an important operating capital.

Intelligence Capital

At Dynamic Electronics, innovative R&D and process improvement technologies make up our core technical competencies. As we develop innovative technologies with our customers to meet their requirements for new products, we also continuously improve process technologies in the plant, continuously optimize production processes, and continually increase production efficiency.

Environment



Financial Capital \$

At Dynamic Electronics, we promise our shareholders steady profits and strive to achieve strengthened operational performance to deliver higher dividends. Dynamic Electronics continues to improve its financial capital through its core competencies: technology, speed, and quality. Dynamic Electronics is as devoted to increasing revenue, increasing dividends paid out, and enhancing cash flow.

Manpower Capital

Dynamic Electronics, believing in the concept of "Family", creates amongst its employees a sense of identity towards Dynamics through measures such as enhancing their professional skills, creating safe working environments, and delivering innovative welfare and benefits. These measures hence contribute to improve Dynamic Electronics's technologies and capacities in both delivery and quality.

Social and relationship Capital

Dynamic Electronics continues to create and maintain optimal relationships with customers as we satisfy their needs, thus gaining their trust and affirmation over the long term. Dynamic Electronics also continues to strive to develop supply chain partnerships and win-win outcomes within the communities at its various operational locations. Through exchanges with our suppliers, community engagement, and caring for the disadvantaged, Dynamic Electronics continues to strengthen mutual reliance and win-win relationships with all parties.

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IV. Stakeholder Interaction and Management

Stakeholders share the same life as Dynamic. They exist inside and outside Dynamic, near and far, and support Dynamic on all fronts. Dynamic hopes to strengthen communication with stakeholders through various channels to meet their expectations and to calibrate its strategies and long-term goals in sustainable management, thereby moving towards the goal of sustainable management.

Stakeholder Engagement

Identification of Stakeholders

To identify the stakeholders, representatives from each department first proposed groups that interact with, influence, or rely on Dynamic in their business activities, or to which Dynamic has a responsibility. At the same time, reference was also made to the stakeholders of numerous benchmark companies in the industry to avoid omissions. After summarizing all the stakeholders, the selection was finalized through a discussion and screening process. In 2024, the Company adopted the AA1000SES:2015 Stakeholder Engagement Standard as a reference to quantify the five characteristics of “dependence, responsibility, intensity, influence, and communication frequency” as a guideline. A total of 17 people, including the Board Chairman, the President of the plant, as well as the heads of sales, research and development, quality assurance, information, finance, procurement, human resources, and environment, safety, and health departments were involved in the engagement process. Finally, the following seven major groups were selected for the engagement process.



Topics Concerning Stakeholders and Dynamic and Stakeholder Engagement and Response

Dynamic maintains optimal interactions with its stakeholders over the long term. For each stakeholder, there is a corresponding department and expert to communicate with them, listen to what they have to say, and address their needs.

Stakeholder	2024 Topics of Concern	Response from Dynamic	Replying Department	Communication and Interaction Method and Frequency
Customers	Corporate governance Legal compliance R&D and innovation Information security	The Company values corporate governance, strictly complies with regulations, continuously promotes research and innovation, and strengthens information security mechanisms to meet customers' diverse needs and earn their trust.	Sales Quality assurance	- Frequent telephone and email correspondences on a daily basis - Mutual visits and meetings as needed - Non-scheduled audit - A minimum of two senior executive visits is carried out annually - Non-scheduled questionnaires: Surveys about our customer satisfaction and what customers know about our Business Continuity Plan (BCP), Corporate Social Responsibility (CSR), Responsible Business Alliance (RBA), conflict minerals (CMRTs), and Authorized Economic Operator (AEO) certified safe quality enterprise, etc.
	Suppliers Sustainable Management Raw materials	The Company implements sustainable supplier management by prioritizing the use of responsible raw materials, and works hand in hand with suppliers to enhance sustainable value and build a green supply chain together.		
	Environmental protection expenditure and investment Management of water resources Air pollutant management	The Company continues to allocate environmental-related expenditures and investments, actively promotes the efficient use and recycling of water resources, and further strengthens the monitoring and reduction of air pollutants.		
Employees	Employee welfare	To fully take care of its employees, besides complete compliance with the requirements under labor laws and regulations, the Company additionally provides multiple measures to help employees relieve pressure and enjoy a joyful and enriched life.	Human resources Environmental safety and health	- Non-scheduled interview 3-10 announcements per month 1 operational meeting per month 1 Occupational Safety and Health Committee meeting per month 1 health promotion campaign per quarter 1 labor-management meeting and 1 Employee Welfare Committee meeting per quarter 20 corporate and departmental workshops per year
	Management of waste and hazardous substances	By implementing optimized waste management practices, the Company can reduce energy and treatment costs, enhance operational efficiency, strengthen recycling feasibility, and achieve a circular economy.		
	Occupational health and safety	The Company implements occupational safety and health practices to reduce operational risks and minimize the loss of manpower, resources, and costs caused by occupational accidents and illnesses.		
Suppliers	Management of waste and hazardous substances	By implementing optimized waste management practices, the Company can reduce energy and treatment costs, enhance operational efficiency, strengthen recycling feasibility, and achieve a circular economy.	Procurement Research and development	- Frequent telephone and email correspondences on a daily basis - Mutual visits and meetings as needed - Non-scheduled audit - Update relevant information on the Market Observation Post System (MOPS) and the Company's official website at least once a month - Update the Company Profile and Annual Report at least once a year
	Continuous operational management	With the goal of sustainable management, we implement continuous management of corporate operations. In the face of current and future operational crises, we must continue to maintain operations and continuous growth momentum.		
	Environmental protection expenditure and investment	Reduce the output of wastewater and waste generated per unit of area, improve the efficiency of use of water and energy, and become an environmentally friendly enterprise.		
Banks	R&D and innovation	Takes part in customers' product development early on with its professional technical service and drives outstanding quality and quick production through smart manufacturing and a precise process.	Finance	- Frequent telephone and email correspondences on a daily basis - Mutual visits and meetings as needed - Communication on written materials from time to time - ESG Report
	Product quality	Proactively enhances the internal yield rate, creates profits. Shares profits with customers, and reduces the external discount rate to ensure customer satisfaction.		
	Supplier sustainability management	Continues to promote local procurement and supplier assistance projects and invites suppliers to follow international standards together for enhanced overall quality and to fulfill sustainable operations goals.		

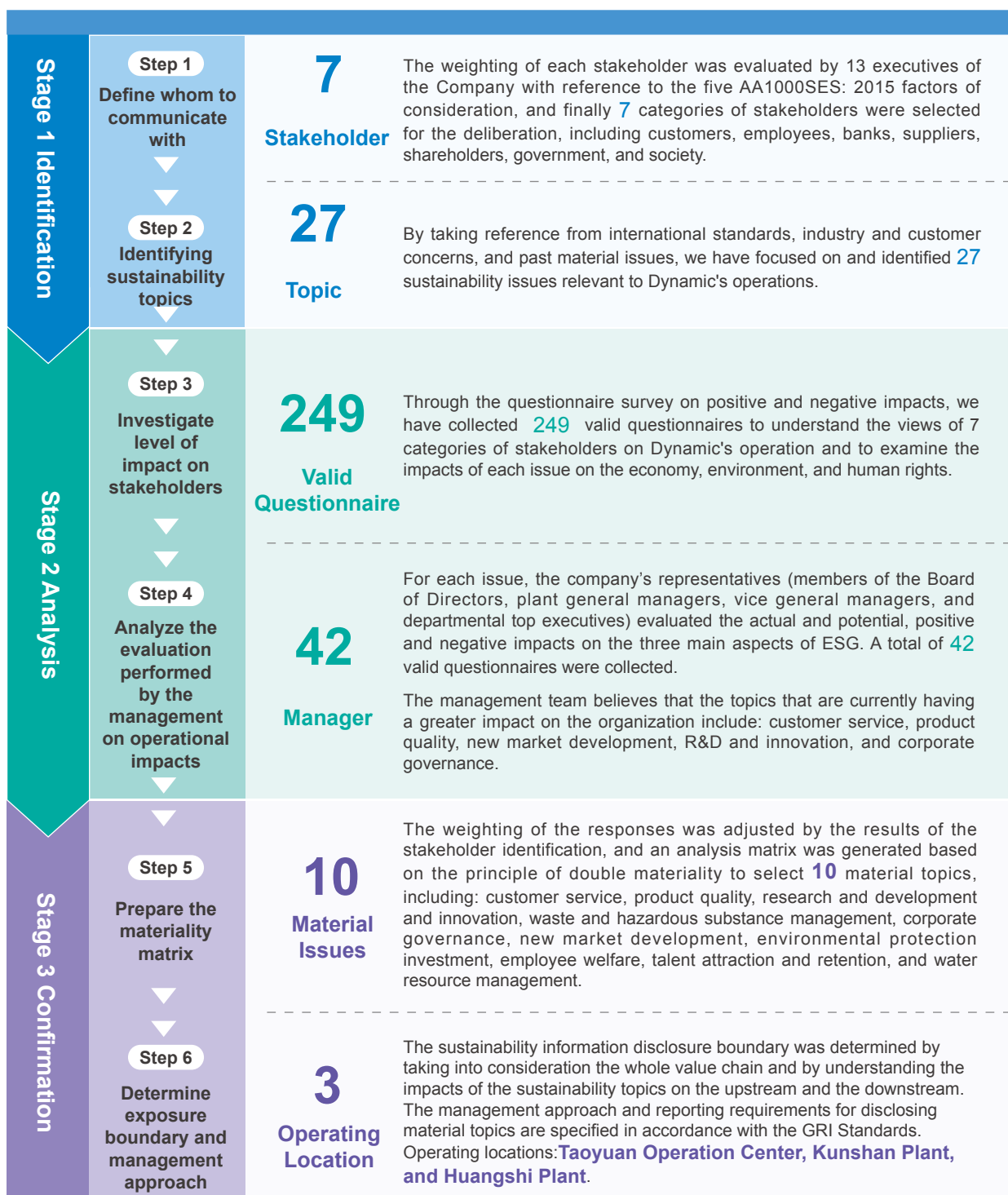
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Stakeholder	2024 Topics of Concern	Response from Dynamic	Replying Department	Communication and Interaction Method and Frequency
Government	Continuous operational management	With the goal of sustainable management, we implement continuous management of corporate operations. In the face of current and future operational crises, we must continue to maintain operations and continuous growth momentum.	Management Department Human resources	■ Official letter correspondence at least 24 times a year ■ Communication on regulatory requirements and policies once a month ■ 25 educational training sessions per quarter ■ 1 visit per quarter ■ Charity events from time to time ■ ESG Report
	Management of waste and hazardous substances	By implementing optimized waste management practices, the Company can reduce energy and treatment costs, enhance operational efficiency, strengthen recycling feasibility, and achieve a circular economy.		
	Management of water resources Corporate governance Employee welfare	Maximize water use efficiency and reduce wastewater discharge. We will continue to deepen our corporate governance culture, effectively executing the role and functions of directors. Besides complete compliance with the requirements under labor laws and regulations, we additionally provide multiple measures to help employees relieve pressure.		
Shareholders	R&D and innovation	Takes part in customers' product development early on with its professional technical service and drives outstanding quality and quick production through smart manufacturing and a precise process.	Finance Chairman's Office	■ Communication over the phone and provision of materials from time to time ■ Update of the webpage and the Market Observation Post System (MOPS) each month ■ Organization of at least 4 investor conferences a year and workshops from time to time ■ One shareholders' meeting per year ■ Release of the annual report through the shareholders' meeting each year ■ ESG Report
	Information security	Identify critical information assets and threats, allocate resources appropriately, and plan control measures to keep risks within an acceptable range.		
	Supplier sustainability management Raw materials Management of waste and hazardous substances Environmental protection expenditure and investment Air pollutant management Energy and climate change strategy	Continues to promote local procurement and supplier assistance projects and invites suppliers to follow international standards together for enhanced overall quality and to fulfill sustainable operations goals.		
Society	Continuous operational management	With the goal of sustainable management, we implement continuous management of corporate operations. In the face of current and future operational crises, we must continue to maintain operations and continuous growth momentum.	Management Department Human resources	■ Contacts and visits from time to time ■ Charity events from time to time ■ ESG Report
	Legal Compliance	Pledge compliance with international standards and the regulatory requirements of governments at the operational sites, and no violations of requirements are allowed. Complaints may be filed with the Legal Affairs Office through the hotline or the mailbox.		
	Corporate governance	We will continue to deepen our corporate governance culture, effectively execute the role and functions of directors, improve the quality of disclosed information, and strengthen compliance with regulatory requirements.		

Identification and analysis of material issues

In accordance with the latest standards issued by Global Reporting Initiative (GRI) in 2021 and with reference to domestic and international guidelines on sustainability, as well as the material issues of peer companies and customers, 27 sustainability issues that are closely related to the Company were selected to identify the material issues in this report. Furthermore, according to the double materiality principle proposed by the EU, the actual/potential, positive/negative impact matrix is used as the standard for analysis. This includes conducting an assessment and ranking of the impacts of various topics on the economy, environment and society, and identifying and drawing up the major sustainable topics for 2024. Based on the results of this assessment, a matrix of major topics for 2024 was created.

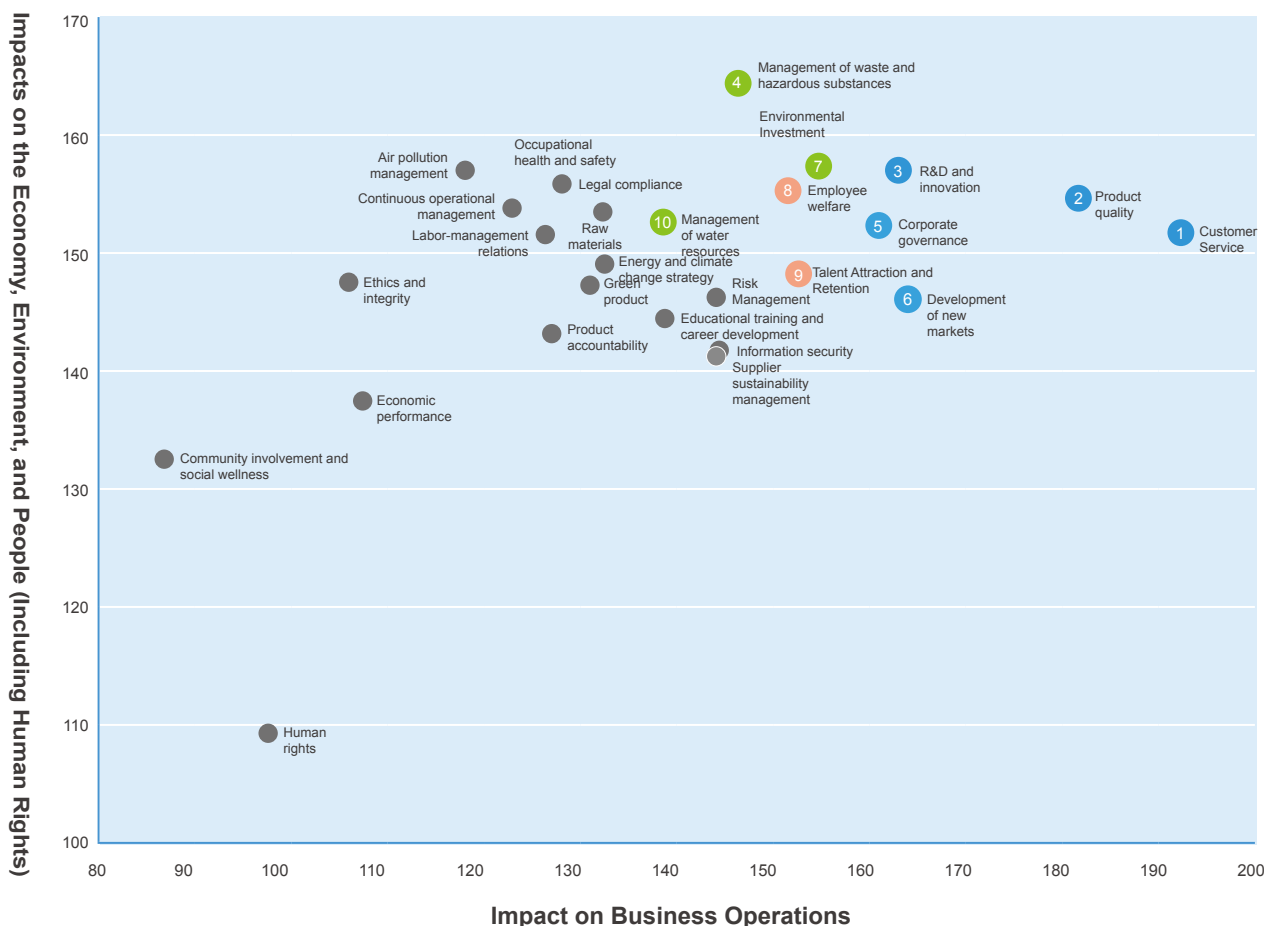
Material topic identification process



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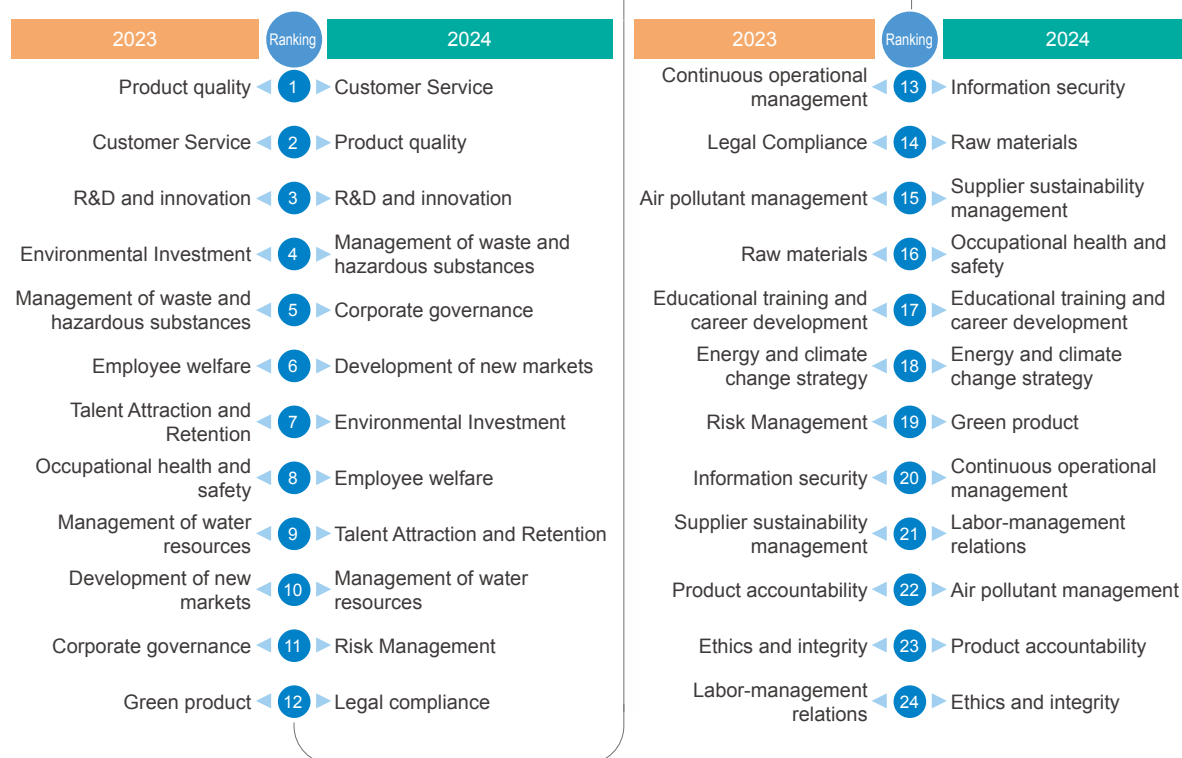
Identification results of material topics

Dynamic uses each issue's "impact on the economy, environment, and people (including human rights)" and "business operations" as the two axes of the material issue matrix, and identifies 10 material issues. Compared with 2023, "Corporate Governance" was added as a new material topic. We will provide in-depth responses to these 10 material issues and explain the performance indicators and management approach in subsequent chapters.



Governance Aspect	Society Aspect	Environment Aspect
1 Customer Service 2 Product quality 3 R&D and innovation 5 Corporate governance 6 Development of new markets	8 Employee welfare 9 Talent Attraction and Retention	4 Management of waste and hazardous substances 7 Environmental Investment 10 Management of water resources
As the Company's long-term survival and development are at stake, stakeholders have always been highly concerned about the business model as well as product and market development issues. We will face severe future challenges with caution.	Employees are the foundation of the Company's development. Cultivating and retaining talented people will enable the Company to achieve its challenging goals in the coming year.	In order to introduce new and emerging technologies to help improve environmental actions and achievements, and to maintain the protection of the global environment, this year we have also adopted "Water Resource Management" to ensure that no industrial wastewater impacts the environment.

Comparison of Dynamic Material Issues Ranking in 2023 and 2024



Material topics and impact boundaries

The material issues identified by Dynamic through the “Stakeholder and Material Issues Identification Analysis” are summarized below according to the degree of involvement of the impact range on the value chain:

Material topic	Category	Scope of Impact and Extent of Involvement			Corresponding Chapters and Page Numbers
		Upstream (Supplier)	Dynamic Operation	Downstream (Customer)	
1 Customer Service	Governance Aspect		V	V	Two. Sustainability Performance/ V. Product Quality and Customer Service ▶ P32
2 Product quality	Governance Aspect	V	V	V	Two. Sustainability Performance/ V. Product Quality and Customer Service ▶ P32
3 R&D and innovation	Governance Aspect		V	V	Two. Sustainability Performance/ VI. R&D and Innovation ▶ P37
4 Management of waste and hazardous substances	Environment Aspect	V	V	V	Three. Environmental Performance/ VII. Waste Management ▶ P41
5 Corporate governance	Governance Aspect		V		FIVE. Economic Performance and Corporate Governance/ III. Corporate Governance ▶ P123
6 Development of new markets	Governance Aspect		V	V	Two. Sustainability Performance/ VII. New Market Development ▶ P39
7 Environmental Investment	Environment Aspect	V	V	V	Three. Environmental Performance/ V. Environmental Investments ▶ P76
8 Employee welfare	Society Aspect		V		Four. Co-prosperity in Society/ III. Talent Attraction and Retention ▶ P101
9 Talent Attraction and Retention	Society Aspect		V		Four. Co-prosperity in Society/ III. Talent Attraction and Retention ▶ P94
10 Management of water resources	Environment Aspect	V	V	V	Three. Environmental Performance/ III. Water Resources Management ▶ P62

- Notes: 1. The upstream boundary includes raw materials, standard materials, equipment, and related services purchased by Dynamic.
2. Dynamic's operations means the business of PCBs supplied by Dynamic.
3. The downstream boundary includes the products and services provided by Dynamic to customers.
4. "v" indicates that a topic has a substantial negative impact.

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V. Product Quality and Customers



Management approach

Actual and potential positive economic, environmental, and social impacts on Dynamic (opportunities)	Actual and potential negative economic, environmental, and social impacts on Dynamic (risks)	Policy and Commitment	Action Plan	Complaint-filing mechanism
We can set up a professional service team to enhance the efficiency and effectiveness of communication with our customers and increase their trust.	Failure to provide customer service may result in customer dissatisfaction with Dynamic's products or services, which may lead to the loss of long-term cooperation opportunities.	Continue to boost the internal yield rate, achieve external quality goals, create competitive advantages, and enhance customer satisfaction.	1. We will enhance the stability of product quality by learning from experience through the knowledge management system. 2. Employees' daily quality awareness exercises. 3. Proactively propose improvements to improve quality and efficiency. 4. Assist the production line in identifying potential quality risks and developing solutions. 5. Teach employees how to check the equipment after maintenance to maintain its optimal operation. 6. Strengthen the culture of supply chain quality. 7. Customer data confidentiality, satisfaction survey, customer case response	Chairman, Group President, Plant President Head of quality assurance and sales division (hotline, complaint mailbox)
Goals	2024 Performance	Goals in 2024	Goals in 2025 (Medium-term)	Goals in 2027 (Long-term)
Automotive product DPPM (Number of defects out of every million products)	0.45	1.1	0.5	0.4

Automotive boards are the mainstream product of the Company and 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.

The relevant measures to achieve the external DPPM targets are described below:

1 Personnel's quality awareness and the stability of materials and equipment's process capability.

2 Timely inspection, correction, and re-confirmation during processes.

Information on the action plans to help fulfill goals is provided below:

1

The knowledge management system for experiential learning includes: internal experts, a historical problems and solutions search engine for each process, an experience sharing system, and sub-process risk management.

2

With the simple quality goal of "operating according to regulations" as the daily quality awareness training method for employees, continue to promote employees' basic education and training and quality awareness.

3

QCC incentives, to encourage supervisors, along with their teams, to spontaneously propose on the improvement of quality and efficiency.

4

The cadre audit team participates in the production line work guidance, assists the production unit to identify potential quality risks, and discusses solutions in a timely manner.

5

Four functional units participate in the post-maintenance point inspection of equipment, teach employees the key points of maintenance and cleaning, and maintain the optimal operation of equipment.

6

Strengthen the quality culture of supply chain. The quality assurance unit provides suppliers with education and training, management forms and systems to provide guidance and assist suppliers in supplying 100% non-toxic products.

Quality Assurance Management System

Through the comprehensive awareness of quality management among all staff, the Design and R&D Departments take quality into consideration during the design stage. The Technical and Production Departments study quality stability. The Quality Department never accepts, outputs, or releases defective products. The Quality Management System is established through these three aspects. Variance is monitored and timely adjusted through Statistical Process Control (SPC) and process stability is maintained to boost precise process capabilities and to guarantee the quality of products delivered to customers. For abnormal conditions that are beyond the quality system control, the dedicated Lesson Learned Case Study (LLCS) Office is responsible for thoroughly investigating the failure cases and the countermeasures before holding an internal reflection meeting. Experiences will also be included in the knowledge management system to keep enriching experiences and knowledge, to prevent recurrence, and to pass down the system for constant quality advancement.

No defective products must be produced

▶ We prevent defective products by monitoring variations or making immediate adjustments through statistics and process control.

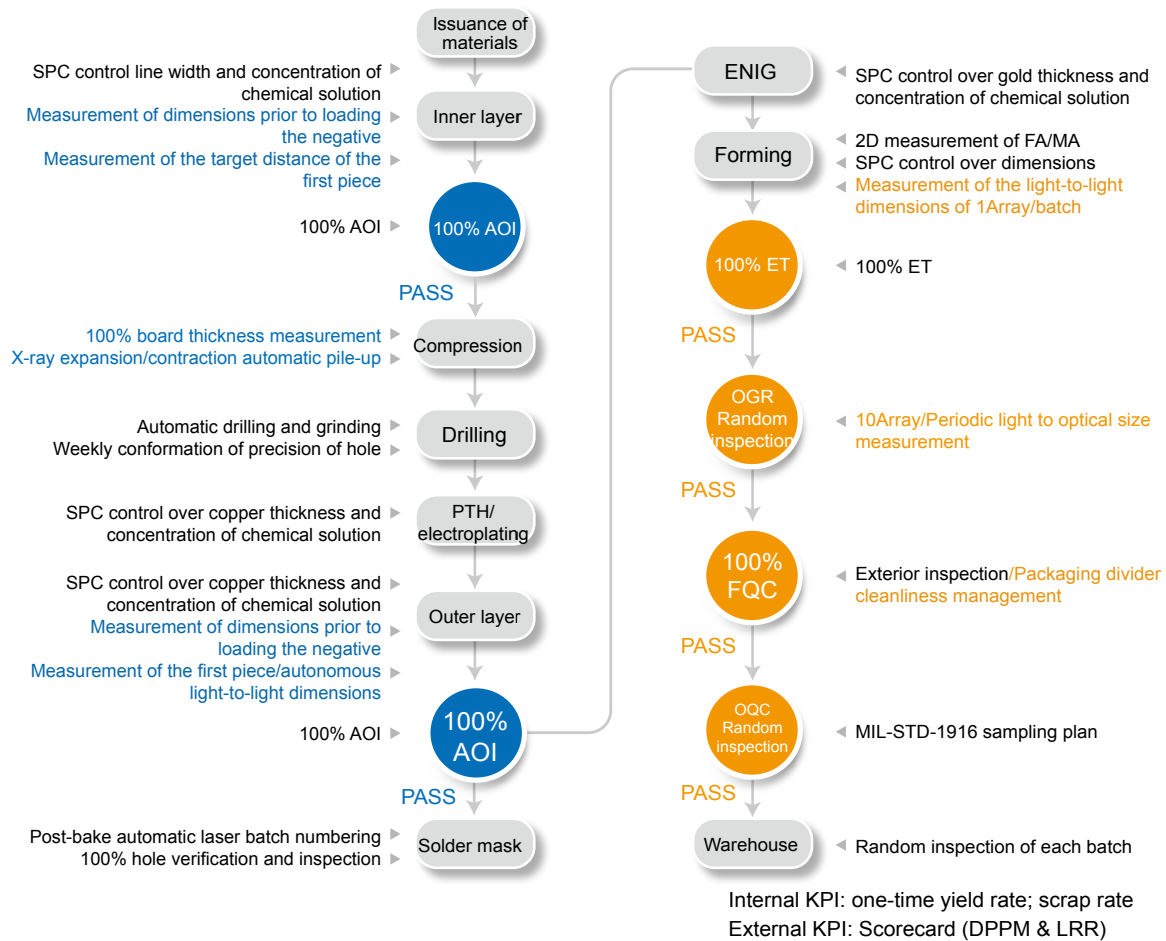
No defective products must be accepted

▶ We prevent defective products coming out through our staff's awareness on quality management.

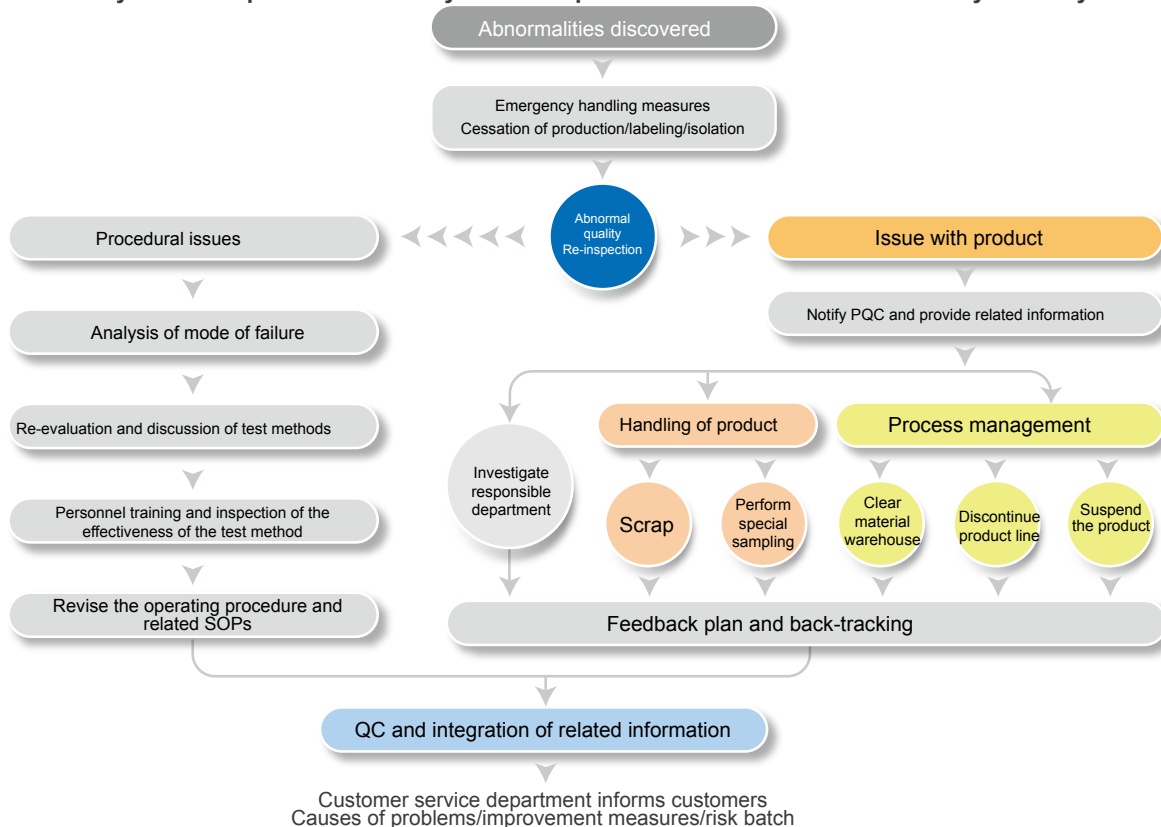
No defective products must be produced

▶ By 100% electrical testing and visual inspection, we prevent releases of defective products.

Quality Control System: For each key process, products are randomly sampled and inspected; process variance is audited; and deviation from process capabilities is monitored



Abnormality feedback plan: The anomaly feedback plan is embarked on as soon as any anomaly is found



TWO · Sustainable Performance

Central Laboratory

Both the Kunshan and Huangshi Plants have central laboratories, including a reliability laboratory, a failure analysis laboratory, an impedance room, and a general laboratory. Currently, we can independently complete 47 precision tests, covering important testing items throughout the PCB process.

Laboratory eligibility certified by multiple customers so far:

- ▶ In 2020, SXX certified the impedance measurement and bending test equipment at the Kunshan Plant.
- ▶ In 2021, CXX certified the new bending test equipment for automobile sheets developed by the Kunshan Plant.
- ▶ In 2022, Bxx and Cxx certified the Kunshan Plant's non-safety automotive high-density interconnect test board.
- ▶ In 2023, W01 certified the NPG-151 material, which successfully passed qualification.

Continuous Performance Improvement in 2024

Serial No.	Description of Continuous Improvements	Efficacy
1	Scrap rate reduction improvement project	• Cost effective monitoring • Quality stability monitoring
2	Increase large-panel AVI to reduce concession rate	• Strengthen quality monitoring (improve appearance yield)
3	Add laser marking machines and change X-out method for high-frequency part numbers	• Strengthen single X-out control method

Central Laboratory of the Huangshi Plant

Huangshi Plant: The central laboratory of the Huangshi Plant consists of the following: a reliability laboratory, a failure analysis laboratory, a sectioning room, and a chemical analysis room. All the testing equipment performs excellently and can independently conduct 38 tests, covering all key testing items in the whole PCB process.

- ▶ In 2021, TXX certified that the Huangshi Plant laboratory's testing capability was equivalent to the professional laboratories of partner companies, and that its results could be reported for all testing items requested by customers.
- ▶ In 2022, BXX certified that the Huangshi Plant laboratory's testing capability was equivalent to the professional laboratories of partner companies, and that its results could be reported for all testing items requested by customers.
- ▶ In 2023, D0X certified that the Huangshi Plant laboratory's testing capability was equivalent to that of a third-party professional laboratory, and that it could report all testing items required by customers.
- ▶ In 2024, T1X certified that the Huangshi Plant laboratory's testing capability was equivalent to that of a third-party professional laboratory, and that it could report all testing items required by customers.

Continuous Performance Improvement in 2024

Serial No.	Description of Continuous Improvements	Efficacy
1	Purchased plating solution analyzer (CVS)	• It can analyze the additive content of copper electroplating baths to improve the quality control of electroplating processes.
2	Purchased automatic inner-board impedance measuring machine	• It is used for inner-board impedance measurement to enhance the timeliness of impedance testing.
3	Purchased metallurgical microscope & MES system	• It can improve the timeliness and responsiveness of personnel slice analysis.
4	Purchased semi-automatic stencil printer	• It can improve the timeliness and accuracy of solder paste testing by personnel.
5	Added a laboratory chemical analysis dashboard	• Added dashboard management to enhance the timeliness of sample submission and analysis of chemical testing.

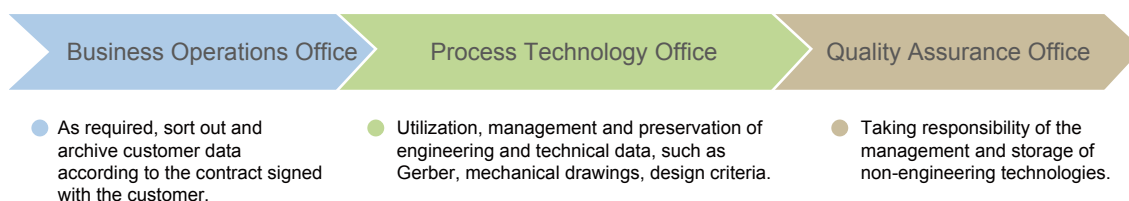
Quality Management-related Certifications and Certificates

Certificate name	Plant	Certificate number	Certificate validity period
ISO 9001 Quality Management System	Kunshan Plant	20000857 QM15	2026-08-15
	Huangshi Plant	50600595 QM15	2027-09-04
IATF 16949 Automotive Quality Management System	Kunshan Plant	50600203 IATF16	2027-02-18
	Huangshi Plant	20000857 IATF16	2026-08-15
ISO 13485 Medical Device Quality Management System	Huangshi Plant	50600203 MP2016	2025-12-05

Customer Service

Goals	2024 Performance	Goals in 2024	2025 Goal (Medium-term)	2027 Goal (Long-term)
Customer satisfaction survey score	9.2	9.0	9.0	9.0
Complete ERP features	The digitization coverage of paper-based processes has reached 100%. At the end of 2024, the Company entered the E-Management 2.0 stage. Through the adoption of process analysis and optimization tools, the Company continues to streamline workflows and improve efficiency.	Improve the sales cycle process, use the system for manual processing, and optimize the system interface to be more user-friendly to improve work efficiency and accuracy.	Establish a market database, develop new customers' needs and new products, and improve management refinement.	We will build up a market-oriented database, prepare for new customer demands and new product development, and enhance management sophistication.
Customer Data Number of confidentiality deficiencies	0	0	0	0
On-time completion rate in the processing of customer cases	100%	100%	100%	100%

Dynamic has a cross-disciplinary customer service team in place with a designated contact window to provide professional and speedy services to address customer demands. The team consists of sales, quality assurance (customer service), R&D, and pre-manufacturing design staff. They contact and communicate directly with their counterparts at the customer's end. The sales representatives are also responsible for integrating all projects and engaging themselves in bilateral communications with all customers through visits, meetings, and the customer satisfaction surveys that take place once every six months to understand customer feedback and expectations.



Customer Satisfaction Survey

Dynamic regularly sends customer satisfaction survey forms to its top 15 or 20 customers and important customers of each plant on a semi-annual basis. The survey includes items, such as quality, delivery, price, cooperation status, excess freight, hazardous materials, and employee satisfaction. We prepare improvement solutions based on the feedback from customers and include them in the key performance indicators of the units concerned. Besides constantly enhancing customer satisfaction, we compare ourselves against benchmark enterprises. The feedback serves as a reference when the Company develops its short-, medium-, and long-term management strategies and development directions.

According to the customer satisfaction survey results in 2024, the overall satisfaction was 0.1 higher than in 2023. However, the macro environment remained affected by the Russia-Ukraine conflict, so the market demand is unstable. In the long run, we still need to cooperate with our customers for inventory adjustment and delivery flexibly in response to urgent orders. At the same time, the number of customer service cases and processing time are managed electronically. Statistics, audits, and analyses are used to reflect external quality information and trends, directing plants to improve and reduce quality problems, thus enhancing customer satisfaction.



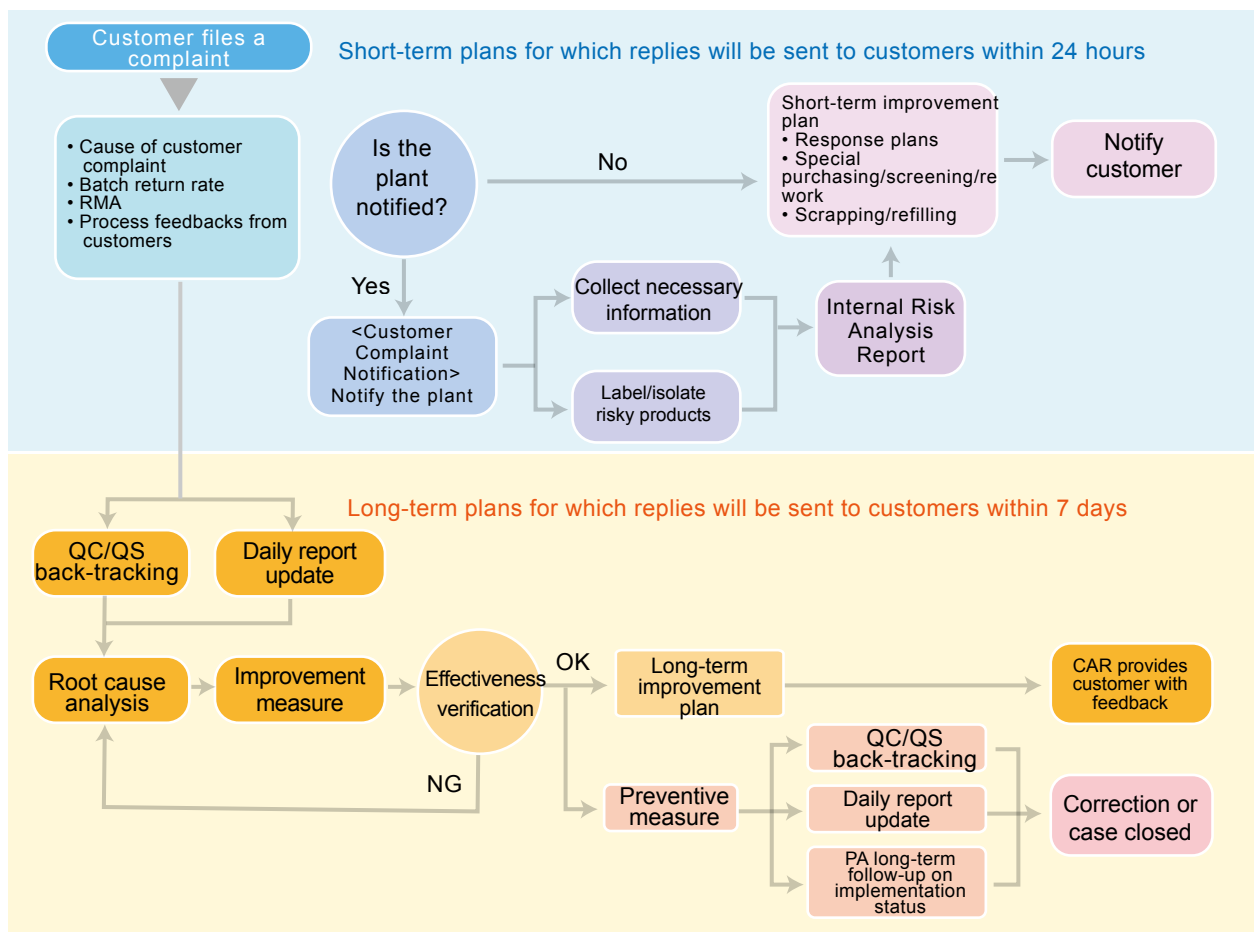
Response to Customer Cases

Dynamic cares about what customers have to say and has a dedicated service representative assigned to each customer. Whenever a customer has needs, they can contact their dedicated service representative by phone, email, or through any related communication software. Each representative is professionally trained and will be able to confirm the needs of the customer in the first place. When support from other departments is needed, the service representative will convene heads of related units to form a cross-disciplinary team, which works by division of labor to address the customer's needs promptly.

The customer service team also assists the factory in learning the client's quality management system to maintain continuous interaction between the factory and the customers. For example, they have requested guidance from VXX customers on the audit tool for "Standardized Implementation" to reduce defective products and have introduced the DXX customer's "Spike Abnormality" quality monitoring management. This collaboration aims to grow together with customers and achieve the continuously increasing quality goals set by them.

TWO · Sustainable Performance

Complaint Handling Procedure



The number of customer services provided and the processing timeliness are tallied on a monthly basis to facilitate reflections. Regarding the on-time customer service completion rate in 2024, the Kunshan and the Huangshi Plant are 100% and 100% respectively. We will continue to follow up on the development of cases after services to achieve the goal of complete customer satisfaction.



Customer Data Confidentiality

Dynamic has always placed strong emphasis on the management, retention, and confidentiality of customer data. "Protecting customer privacy and preventing the disclosure or loss of customer data" has remained Dynamic's consistent policy and commitment. First, Dynamic has a comprehensive systematic customer data processing procedure in place and there is a responsible unit to take charge of receiving, managing, and storing customer data and all parties concerned have signed the Confidentiality Agreement. In accordance with customer contracts and applicable requirements, our Business Operation Office receives and archives customer data. The Process Technology Office utilizes, manages, and stores engineering data (Gerber files, mechanical drawings, design guidelines, among others), while the Quality Assurance Office is responsible for managing and storing non-engineering technical data. If anyone unrelated wants to retrieve the data, prior application and electronic sign-off for approval are required; reproduction of the data is strictly prohibited. On the IT side, a data encryption system has been set up so that personnel in charge of data can encrypt data according to its confidentiality level for security protection.

In addition, Dynamic has strengthened its network security governance by blocking access to network hard drives, instant communication software, mobile storage media, and network-based mailboxes. There is no Wi-Fi access for mobile phones throughout the Company. No mobile phones are allowed at production lines. When needed at work, administrators must place mobile phones with cameras in the camera bag. Visitors who carry mobile phones must register in the Security Office upon entrance to the plant compound. In 2024, 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.



VI. R&D and Innovation

Management approach

Actual and potential positive economic, environmental, and social impacts on Dynamic (opportunities)	Actual and potential negative economic, environmental, and social impacts on Dynamic (risks)	Policy and Commitment	Action Plan	Complaint-filing mechanism
Create an innovative corporate culture; encourage employees to think about various possibilities for innovation and improvement in multiple ways; develop products that are the most popular on the market; continue to invest in the R&D of new products and new process; enhance efficiency and product quality; and introduce information technology tools.	Lack of continuous research, development and innovation can cause Dynamic to lag behind its peers in terms of technology and reduce its competitiveness, which in turn affects its ability to operate and continue as a going concern.	Create an innovative corporate culture; encourage employees to think about various possibilities for innovation and improvement in multiple ways; develop products that are the most popular on the market; continue to invest in the R&D of new products and new process; enhance efficiency and product quality; and introduce information technology tools.	1. Set up various incentives for proposals on improvements. 2. Reinforce the R&D Department to support new knowledge about the industry in the Sales Department and the status of process R&D at Dynamic; also enhance opportunities available for sales representatives to secure trust from customers and joint developments. 3. Increase the amount of investment in the innovation of R&D technologies and effectively distribute resources to the most forward-looking products. 4. Recruit suitable talent to be devoted to R&D according to the functional requirements of innovative targets.	Departmental head Head of human resources Head of research and development Head of information technology President Chairman (Hotline, mailbox)

Goals	2024 Performance	Goals in 2024	Goals in 2025 (Medium-term)	Goals in 2027 (Long-term)
Number of R&D people	7.25%	At least 5 % of all people	At least 5 % of all people	At least 5 % of all people
Value invested in R&D	4.12%	At least 2 % of all revenue	At least 2 % of all revenue	At least 2 % of all revenue
Patents	14	16	20 and more	24 and more
Information technology applied to fulfill the goal of creating Dynamic-specific smart plants	P5 Plant Equipment Data Management and Digitalization Development: 1. Expand the deployment of PNL/Array/PCS traceability and control indicators. 2. Establish an ETL mechanism as the infrastructure for the EDA stage. 3. Define clear responsibilities and API specifications between EAP/EDA and MES to reduce data processing and transmission load, shorten user waiting time, and enhance production efficiency and management cycles. 4. Implement a regular data validation mechanism at the ETL stage to detect and address data quality deficiencies in real time, preventing EAP from overemphasizing project advancement at the expense of quality. 5. Execute the electronic implementation and management of P5 Plant EAP: • Formulate the implementation plan and control measures. • Contact and cooperate with vendors • Plan and execute the testing schedule	* P5 factory will continue to cultivate the existing foundation of P2 and strengthen automated online control. * There are daily management methods for the line, and BI dashboards are developed in three major areas: process, quality control, and production control to improve EDC visualization and assist engineers in multi-dimensional analysis. * Develop the offline anomaly analysis and prediction auxiliary function together with the engineering personnel of each unit.	* Properly apply PMP standards and create a digital database and recipe management for PCBs * FMEA: Introduce visualized exploration and analysis and machine learning smart tools to expedite improvement of process capabilities.	* Forecast possible abnormalities in equipment, spontaneously advise on the replacement and repair of key parts, and enhance product quality and equipment uptime. * APC: Make good use of the established recipe database, add AI capability of marginal computing, and add an intelligent decision-making process when an abnormality occurs.

* PNL (Working panel): Working panel, Array: Shipping panel (small size), PCS: Order panel (tiny size)

* ETL: Extract, Transform, Load

* EDA: Exploratory Data Analysis

* EAP: Equip Application Program

* MES: Manufacturing Execution System

* API: Application Programming Interface

* PMP: Project Management Professional

* FMEA: Failure Mode & Effect Analysis

* APC (Advanced Process Control): Advanced process control technology

TWO · Sustainable Performance

Innovation is critical to Dynamic's sustainable operations in meeting market demand and keeping pace with the rapid evolution of product technologies. This innovation is not limited to R&D technologies but also operational activities and management mechanisms at each segment of the value chain. Continuous advancement and the pursuit of excellence are essential. In addition, all operational sites must be close partners of customers and suppliers to create mutually beneficial opportunities. Faced with the rapid changes brought about by the Internet, quickly emerging innovative technologies, and the continuous debut of new products competing on cost, "innovation" has become a key indicator of sustainable management.

Our main R&D projects and achievements in 2024 were summarized as follows:

R&D Project	R&D achievements and future plans
High-speed low-signal consumable products	Tested various Ultra Low Loss, Ultra Low Loss 2, and Super Ultra Low Loss materials and obtained UL certification. Product Structure: For high multilayer boards, completed 50-layer technology certification; for multi-stage HDI, completed 20-layer anylayer and 6+12+6 production and reliability verification. Product Technology Capability: Step finger, N+M, N+M+N, and in-board gold plating processes have completed sample certification; backdrill 4±2 mil and 0 stub processes are also under steady development.
Advanced HDI and thin products	Completed the development of 24-layer 8+8(B)+8 server HDI; successfully mass-produced 16-layer Anylayer HDI; successfully mass-produced PCS size >550 mm LCD/LED size control motherboards; certified and mass-produced 12-layer Anylayer Cavity advanced notebook motherboards. Completed the development and mass production of 12-layer Anylayer automobile central control motherboard, and successfully mass-produced 14-layer internal and external smart grid control HDI board with a full 3oz design. Successfully developed and mass-produced test module products with 8+8 HDI PCS size>580mm and 1pcs/panel. Completed the development and mass production of lens modules with a finished Anylayer thickness <0.3 mm, and the hole diameter of blind vias can be reduced to 3 mil. In addition, the investigation and standardization of materials that can withstand multiple laminations have been completed, so that Anylayer can use more diverse and stable materials. The thin product Mini-LED with a thickness of 0.2mm has been certified and has started production. In 2024, the R&D focus was on investing in process capabilities to improve the development and production of thinner BT material products (0.15-0.1mm).
Mini-LED display products	Developed products toward higher resolution to meet design requirements of a minimum pad gap of 0.04 mm, board thickness as thin as 0.2 mm, and reflectivity above 90%; completed the development of outdoor display boards with hybrid lamination design of BT-like materials and FR4 materials.
High frequency (mmWave) products	Shipment volumes of automotive millimeter-wave radar 60GHz/77GHz continue to climb, and new customers are being actively developed. The probe platform for self-testing of antenna performance has been put into trial operation, which can independently test S parameters near the 77GHz band. In 4D imaging radar, we have established in-depth cooperation with several customers and range of forward-looking and angle-imaging automotive radars. At the same time, we have jointly developed a waveguide radar with a renowned Tier-1 supplier and a semiconductor company, which has been performance-validated and entered the pilot production stage. In addition, the Company has purchased relevant testing equipment and has the testing capabilities to meet customer needs in a more comprehensive manner. For satellite communication and microwave products, the Company will continue mass production of geostationary orbit (GEO) ground receiving stations, and remain engaged with customers on mass production opportunities for the highly promising low-Earth orbit (LEO) ground receiving stations. The 5G Open RAN RU module is being developed in collaboration with customers. The 5G small cell fixed wireless access (FWA) and customer premises equipment (CPE) parts have been certified by multiple customers. However, due to delays in the overall progress of 5G caused by the pandemic, we are currently working with customers to conduct preliminary sample development and production testing for 28GHz and 39GHz products.
High heat-dissipating products	For buried copper technology, we continue to cooperate with automobile and communication users to assist in design and proofing. For the heat dissipation application of copper thicker than 3oz, we can effectively provide design advice and development to suit customers' needs; 12oz products have entered the sample production stage. We are also evaluating and developing high thermal conductivity materials. High thermal conductivity CCLs with a thermal conductivity of more than 2.0 W/m-k have been successively evaluated, while thermal paste has completed internal certification and is in customer sample trials. Automotive sheet customers' demand for IMS materials has also started the development program for materials and processes. The electroplating pre-treatment process and equipment for the highly thermal conductive ceramic material aluminum nitride have also entered the development and evaluation stage. As a whole, we will establish a complete range of products and process service technologies for the thermal technology needs of customers.
Built-in active and passive components and products	By applying embedded component technology, we jointly developed an embedded 48V integrated Belt Starter Generator (iBSG) product with our customers, which has completed certification. Development of embedded MOSFET has been initiated. Through enhanced copper embedding technology and equipment testing, the minimum size capability of embedded materials has been improved to 2X2mm, with ongoing efforts to achieve even smaller sizes. The processing technology of magnetic materials and corresponding product design technology are jointly developed with customers in the sample development stage, and the matching of processing technology between materials and products is strengthened.

The R&D directions from 2024 will be continued in 2025 and slightly adjusted in line with market conditions and product development. The major types of products being developed are as follows:

- 1 High-frequency communication network base station and CPE, RRU, Small Cell, satellite communications, 800G high-speed transmission servers and switches
- 2 Advanced driver assistance system (ADAS), 4D imaging radar, LiDAR
- 3 Wearable devices, 48V belt-start generator (IBSG)
- 4 MiniLED backlight/direct view module
- 5 New energy vehicle charging piles and relays; engines and motor control module

Manufacturing Capital	2024 Performance	
	Huangshi Plant	Kunshan Plant
	Total production area: 27.05 million square feet/year Production area of automobile boards: 18.05 million square feet/year Growth of area of all products produced: 8.02% Growth of area of automotive boards produced: 6.48% Warehousing fulfillment rate: 98.54%	Total production area: 5.08 million square feet/year Production area of automobile boards: 2.08 million square feet/year Growth of area of all products produced: 9.71% Growth of area of automotive boards produced: -25.48% Warehousing fulfillment rate: 102%

VII. New Market Development

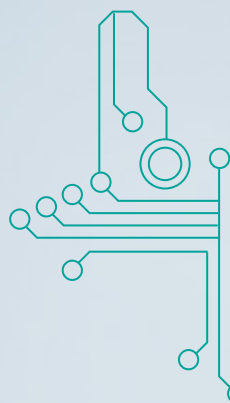


Management approach

Actual and potential positive economic, environmental, and social impacts on Dynamic (opportunities)	Actual and potential negative economic, environmental, and social impacts on Dynamic (risks)	Policy and Commitment	Action Plan	Complaint-filing mechanism
We continue to evaluate the risks and opportunities brought about by the external environment for the Company. If we keep track of goals, and invest in resources, we can create opportunities for the growth of the Company.	Choosing the wrong new market or investing insufficient or inappropriate resources could lead to many potential crises and risks.	We continue to evaluate the risks and opportunities brought about by the external environment for the Company, keep track of goals, and invest in resources to create opportunities for the long-term growth of the Company.	1. Collect related market, technology, product, and customer information. 2. Discuss with the customer related design and solutions.	Departmental head Departmental Vice-President President Chairman (Hotline, mailbox)
Goals	2024 Performance	Goals in 2024	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	Production of thin plates, high-rise boards with a count of 18L or above, high-end HDI, introduction of low-loss materials, and high-end hybrid materials	Production of ultra-thin sheets, introduction of ultra-low loss materials and high-end hybrid materials	Production of high-speed signal-related products and introduction of high-end hybrid materials

"Developing new marks" gives the momentum for growth of an enterprise and is something that many stakeholders care about. Our action program for 2024 is listed below:

- 1 By collecting various information related to the upstream, midstream and downstream of the industry and the environment, and regulations, we assist our management in decision-making and formulation of research and development strategies, aiming at the product lines of new energy vehicles, advanced driver assistance systems, automated driving, network communications, and the server market.
- 2 We review our CRM (Customer Relation Management) and organize "Voices of Customers" from customer's sample production, approved progress, meeting minutes produced by sales staff, and results of audits on customer's factories. We report and propose improvement plans in our monthly business meetings to achieve continuous improvement and enhance customer satisfaction.
- 3 Strengthen the functions of FAE (Field Application Engineer) department to fully communicate with our customers' design and marketing departments at the development stage and to fully cooperate with their design capabilities in order to differentiate the market by providing precise and suitable product quality at the right price and cost.
- 4 For international customers, active establishment of global service network points provide timely and effective after-sales services in terms of marketing, technology, and quality, amongst others, which increase control over customer demand, thus developing a steady relationship with our customers.
- 5 For emerging companies that are developing futuristic products, we proactively invest various resources to assist in their research and development work, increase the development of private label customers, and enhance our mastery of customers' specifications from the top down, so as to establish a basic cooperative relationship. Upon the maturity of the customer's product development and a certain degree of market scale, we will become their long-term cooperative partner.



CH3 Environmental Performance

Project

Group overview

Energy

Renewable energy accounted for 19%
All production sites are certified under the ISO 50001 Energy Management System

Greenhouse gas

Scope 1+2 greenhouse gas emission intensity decreased for five consecutive years
Science-based emission reduction targets approved by SBTi

Water resource

All production sites are promoting the AWS International Standard for Sustainable Water Management

Wastewater/Sewage management

Zero violations of emissions at all plants during the year

Waste management

Huangshi Plant continued to win the highest level of platinum certification for UL2799 zero waste to landfill
The waste generation volume and intensity of the Group decreased for three consecutive years
The proportion of hazardous waste reused within the Huangshi Plant reached 36%, an 8% increase compared with the previous year

Environmental protection expenditure

No environmental fines were paid



THREE · Environmental Performance



I. Energy and Climate Change Strategy

Management approach

Actual and potential positive economic, environmental, and social impacts on Dynamic (opportunities)	Actual and potential negative economic, environmental, and social impacts on Dynamic (risks)	Policy and Commitment	Action Plan	Complaint-filing mechanism
Improving the Company's energy efficiency can reduce production costs and enable continuous operation under limited energy supply; planning to build renewable energy sources can reduce the risk of power rationing and enhance the Company's environmental image.	Regardless of whether wind power or solar power is used, they are affected by weather and the external environment, and the stability of the power supply is poor.	Comply with energy laws and fulfill social responsibilities Production technology control and reduction of energy consumption Support green procurement and improve energy performance All employees participate in energy conservation and strengthen communication on goals Real-time energy consumption monitoring to ensure target achievement Continuous energy-saving improvement, green and sustainable management	- Review and audit the energy regulations. - Reasonable energy-saving adjustments of equipment; give priority to high-efficiency energy-saving power equipment and phase out old energy-consuming equipment. - Purchase green electricity, install solar power generation, retrofit renewable energy streetlights, set up energy storage cabinets, and integrate production space and equipment. - Continuously provide employees with training on energy-saving knowledge. - Install smart meters, record and conduct monthly analysis. - Promote ISO 50001 system operation at the production site.	CEO's mailbox

Goal and Performance

Goals	2024 Performance	Goals in 2024	Goals in 2025 (Medium-term)	Goals in 2027 (Long-term)
Target consumption intensity of the Kunshan Plant (GJ/million NT\$ in revenue) (taking 2020 as the baseline year)	113.27 (Intensity dropped by 0.98 %)	96.08 (Intensity dropped by 16 %)	91.51 (Intensity dropped by 20 %)	77.79 (Intensity dropped by 32 %)
Target consumption intensity of the Huangshi Plant (GJ/million NT\$ in revenue) (taking 2020 as the baseline year)	90.43 (Intensity dropped by 17.39 %)	90.95 (Intensity dropped by 16 %)	87.57 (Intensity dropped by 20 %)	74.43 (Intensity dropped by 32 %)

Remarks:

Starting from 2022, the reduction target was revised to use energy consumption intensity as the reduction indicator. Using 2020 as the baseline (Kunshan Plant: 114.39 GJ per million TWD of revenue, Huangshi Plant: 109.46 GJ per million TWD of revenue), the Company aims to reduce energy consumption intensity (based on revenue) by 4% annually, reaching a 20% reduction by 2025.

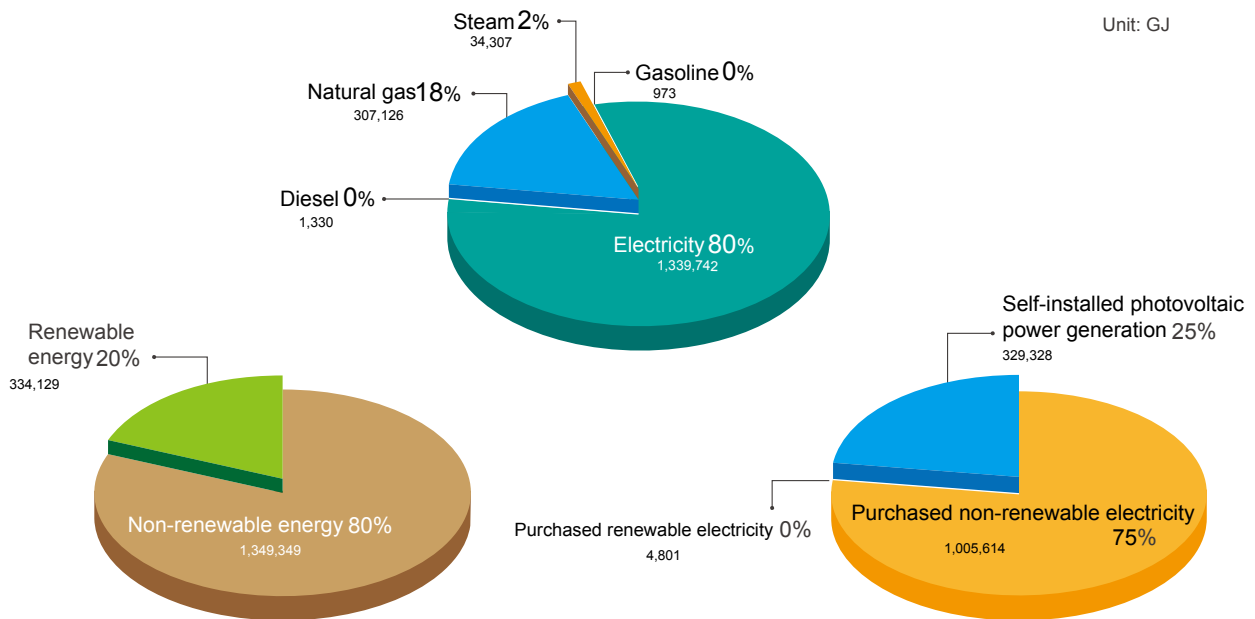
Management System Certification

Plant	System name	Certification body	Certification scope	Certificate validity period
Kunshan Plant	ISO 50001: 2015	WIT Assessment	Site: Dynamic Electronics (Kunshan) Co., Ltd. Address: 1688 Jinshajiang North Road, 215335, Kunshan City, Jiangsu, CHINA	Date of certification decision: 2024-12-23 Validity of certificate: 2027-12-15 Issuance number: 5/24En0710R30
	ISO 14001: 2015	CTi Certification Co., Ltd.	Energy management in the manufacture of printed circuit boards	Date of certification decision: 2023-06-29 Validity of certificate: 2026-06-28 Issuance No.: 04123E30109R3L
Huangshi Plant	ISO 50001: 2018	SGS Certification Co., Ltd.	Dynamic Electronics (H.S.) Co., Ltd. No.88, Daqi Avenue, Wangren Town Economic & Technological Development Zone Huangshi Hubei China	Date of certification decision: 2025-01-20 Validity of certificate: 2028-01-19 Issuance No.: CN25/00000556
	ISO 14001: 2015	BSI Assurance UK Limited		Date of certification decision: 2025-01-03 Validity of certificate: 2028-01-02 Issuance No.: EMS 697792



THREE·Environmental Performance

Dynamic's energy consumption by type in 2024



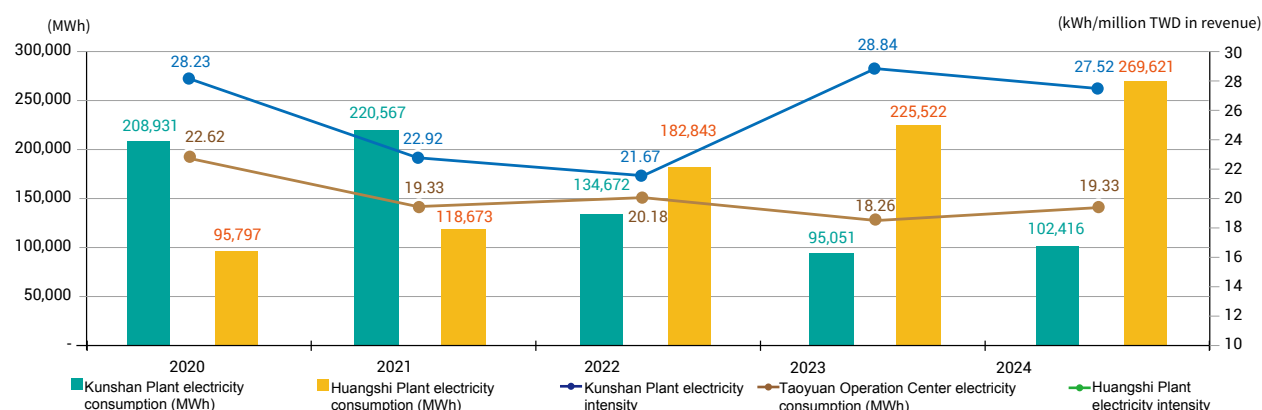
Dynamic's energy consumption still mainly relies on electricity, accounting for 80%. In 2024, the Huangshi Plant purchased 91.48 million kWh of green electricity and generated 1.275 million kWh of rooftop solar power. The proportion of renewable electricity increased from 3% in 2022 to 19% in 2024 and will continue to grow in 2025. The rooftop solar generation capacity has reached 2,073.57 kWp, with an expansion target of 6,859.6 kWp.

In view of the instability of green renewable power supply and the need to disperse peak power consumption, the Huangshi Plant installed energy storage devices with capacities of 380 kW and 860 kW as power storage resources to convert the power received during off-peak power consumption periods into other energy storage. It is released for use during peak power consumption to ensure power supply stability and reduce electricity costs.

An energy storage system is a technology that stores surplus electricity and releases it during peak demand, reducing dependence on the power grid, effectively lowering electricity costs, and enhancing grid resilience. As the share of renewable energy increases, the fluctuation of power supply also grows. Therefore, energy storage systems play a critical role in stabilizing the grid, especially in regions where offshore wind farms and solar power plants are concentrated. They can also serve as backup power sources to prevent unexpected outages from causing losses.



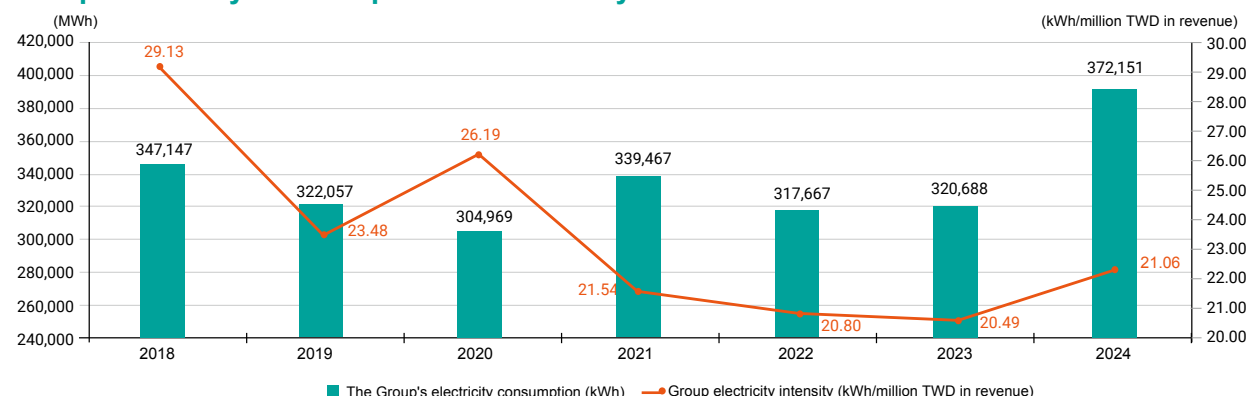
2024 Electricity Usage and Intensity



Electricity Consumption in 2024 (compared with 2020) Electricity Intensity in 2024 (compared with 2020)		Description	Improvement measure
Taoyuan Operation Center	114 kWh (-52.79%)	Pure operational management, with no revenue; energy efficiency improved through the retrofit of variable frequency air conditioning.	Adjust the indoor air conditioning temperature to reduce employee overtime.
Kunshan Plant	102,416 kWh (-50.98%) 27.52 MWh/million NT\$ in revenue (-2.51%)	Direct electricity consumption increased due to the employee cafeteria switching to self-operation.	Energy efficiency improved through consolidation of facilities and public infrastructure.
Huangshi Plant	269,621 kWh (+181.45%) 25.88 MWh/million NT\$ in revenue (+14.54%)	At the P2 Plant, the installation of new production equipment and increased capacity led to higher electricity consumption; during the summer of 2024, high temperatures resulted in annual air conditioning (including chillers) electricity consumption increasing by 8.35 million kWh compared with 2023. The increase in electricity consumption for air conditioning is not related to production and it resulted in higher electricity intensity.	Continued construction of rooftop solar power generation and replacement of streetlights with wind-powered lamps; all aeration blowers in the wastewater treatment system were replaced with high-efficiency energy-saving air suspension blowers to replace Roots blowers. For data center cooling, which accounts for the largest share of power consumption, air-cooled systems were replaced with water-cooled systems during new plant construction to reduce electricity usage.



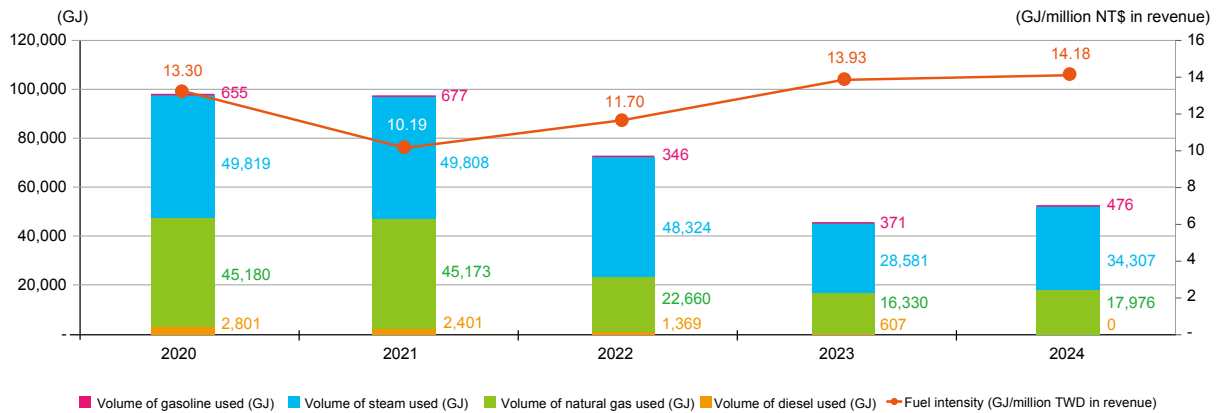
Group Electricity Consumption and Intensity Trends



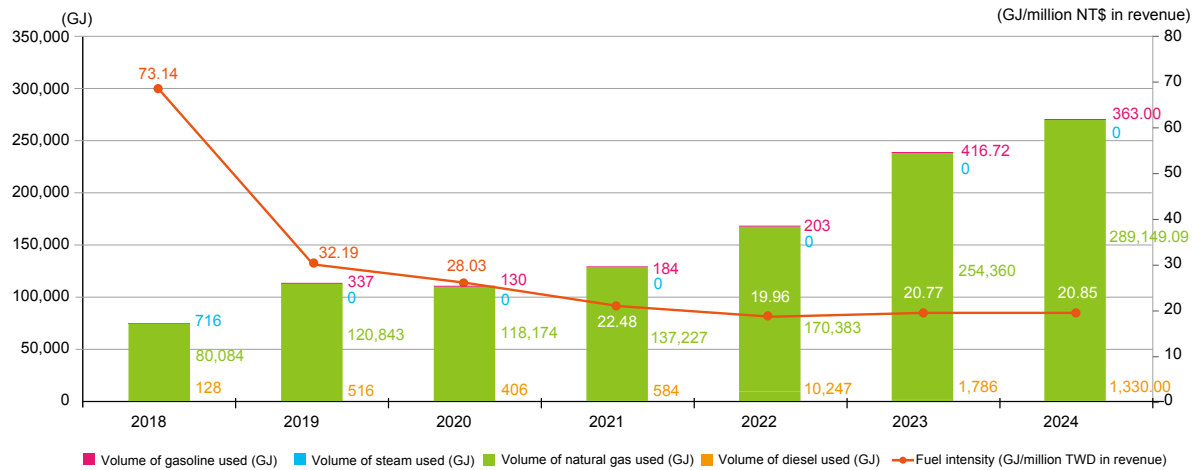
In 2024, the completion and mass production of the Huangshi P2 Plant expansion, along with the trial production at the Thailand Plant at the end of the year, drove up the Group's total electricity consumption. As for the Group's electricity intensity indicator, overall energy efficiency was affected since both plants were still in the process adjustment stage.

THREE·Environmental Performance

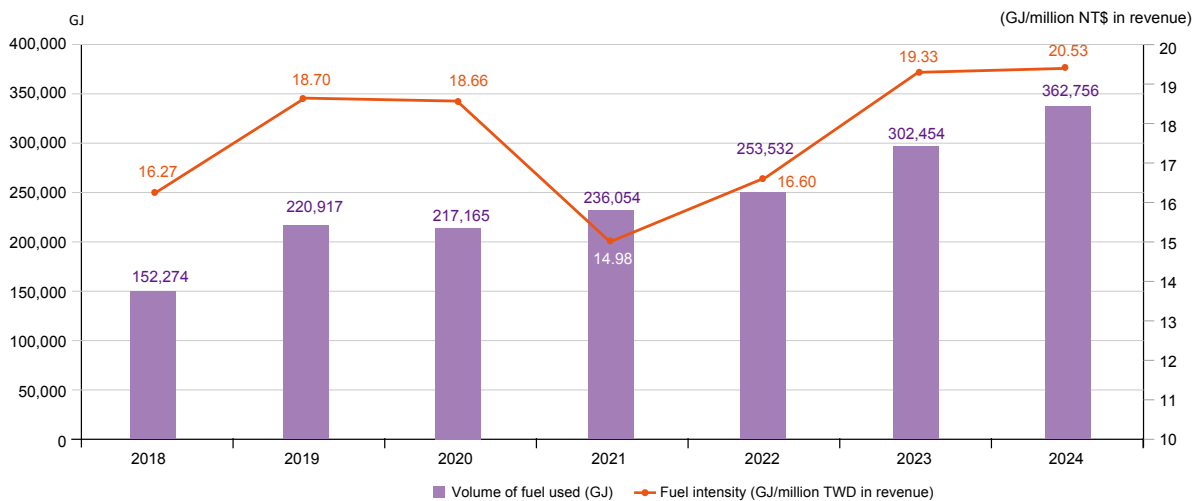
Trends in the Volume and Intensity of Fuels Used at the Kunshan Plant



Trends in the Volume and Intensity of Fuels Used at the Huangshi Plant



Trends in the Volume and Intensity of Fuels Used of the Group



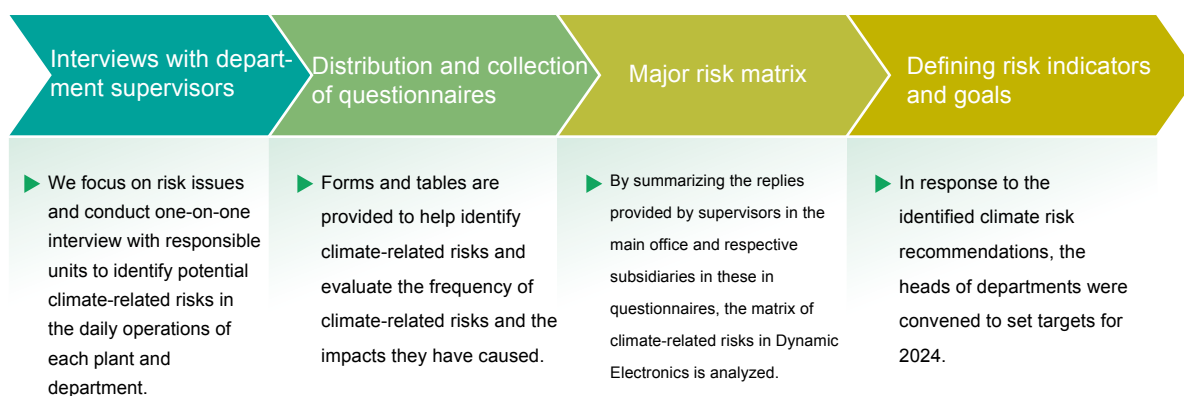
Fuel Consumption and Revenue Intensity Trends at Each Operating Site

Fuel Consumption in 2024 (compared with 2020) Fuel Intensity in 2024 (compared with 2020)		Description	Improvement measure
Taoyuan Operation Center	133 GJ (-2.98%)	The only type of fuel used is gasoline for company vehicles.	Purchase energy-efficient vehicle models and make good use of online meetings.
Kunshan Plant	52,760 GJ (-46.41%) 14.18 GJ/million TWD in revenue (+6.57%)	In December 2023, the Kunshan Plant changed the sludge drying process at the wastewater treatment facility from electric drying to steam drying. Steam drying provides more efficient heat transfer than electric drying, particularly when processing large volumes of sludge. Electric drying requires converting electricity into heat, and the conversion process results in a certain amount of energy loss.	-
Huangshi Plant	290,842 GJ (+145.00%) 20.64 GJ/million TWD in revenue (-26.36%)	The wastewater treatment plant used steam for sludge drying and reduction, which resulted in an additional 173,200 m ³ of natural gas consumption; furthermore, climate factors affecting process heating and air conditioning humidification (including additional equipment consumption from P2) led to an additional 462,000 m ³ of natural gas consumption.	By switching to relatively clean energy and improving equipment energy efficiency, heating methods for air conditioning, and consolidating official vehicles, Scope 1 emissions were reduced.

TCFD Climate Change Risk Identification

In the face of global climate change, the climate crisis has become a major challenge to global development and sustainability. Therefore, it is imperative to identify climate change risks early, strengthen climate resilience adjustment, and reduce the operational impacts that may be caused by climate change. 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 identified and ranked the climate-related risks through internal discussions among each department of the headquarters and subsidiaries to inventory the climate change risk issues. In 2024, 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.

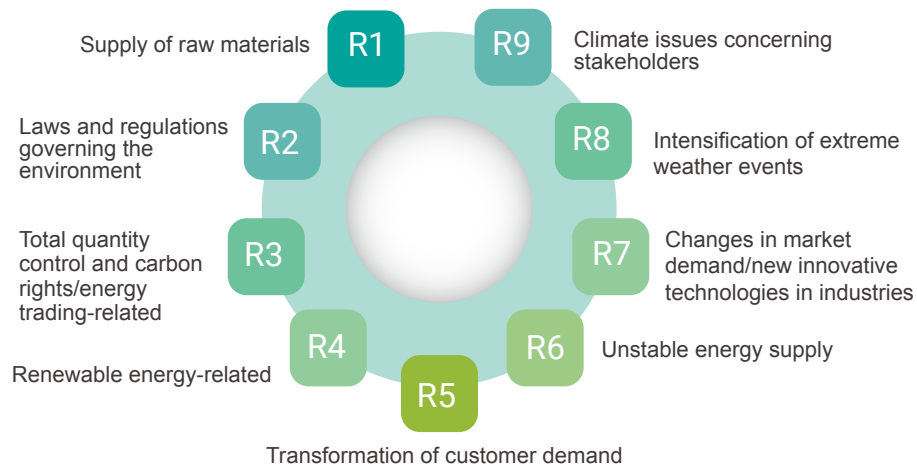
Climate Change Risk Identification Flowchart



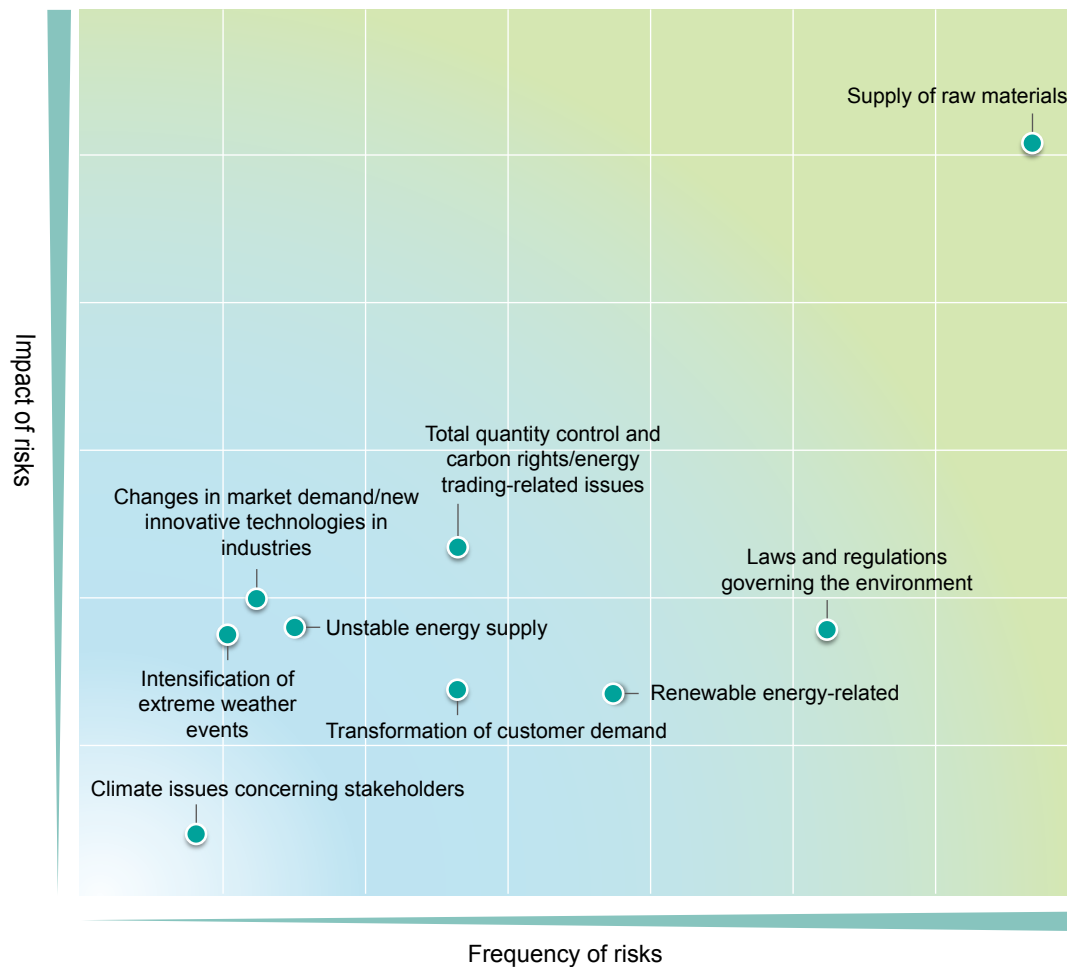
The matrix was produced according to the frequency at which each risk occurred (5 levels) and the extent of impacts of each risk (5 levels) to keep track of material risks and prepare management guidelines to help reduce and transfer impacts when risks occur.

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◆ Sequencing of Climate Change Risks



Dynamic's TCFD Climate Change Risk Matrix



Core TCFD Framework

Governance

Dynamic has established a Sustainable Development Committee to manage and monitor climate change related issues. Under the committee, there are five evaluation and implementation groups, namely Corporate Governance, Environmental Sustainability, Customer Interests and Social Responsibility, Employee Care, and Innovation and Research and Development, which are responsible for the daily management of climate change related issues and tracking the performance of various strategic objectives. In addition, the committee meets on a quarterly basis to fully grasp the progress of the related issues and reports to the Board of Directors on a quarterly basis.

Strategy

Through the Sustainable Development Committee, we continue to incorporate the potential impacts of climate change into our overall operational considerations. Through questionnaires, we analyze the frequency and degree of impact of risks, and formulate management policies and risk response measures. Dynamic has also examined the opportunities brought by the risks of climate change and, in line with the requirements of environmental and energy laws and regulations, has formulated strategies and objectives that are compliant and can effectively enhance corporate efficiency. In terms of manufacturing processes, we optimize the efficiency of energy and resource use, manage waste emissions, and increase the proportion of renewable energy use. In terms of sales, we are responding to the rising demand for sustainable products from the public and consumers by increasing the revenue share in the green energy sector and low-carbon products. Through the promotion of various strategies, we help each plant achieve energy saving and carbon reduction targets, sustainable transformation and adaptation, thus building up Dynamic's strong corporate sustainability resilience.

Risk Management

In accordance with the TCFD guidelines, Dynamic has divided the risk management process into four stages: identification, evaluation, management, and supervision. Through the participation of the Executive Committee, the Risk Management Committee, and the Board of Directors, Dynamic has established a comprehensive mechanism for the management of risks and opportunities related to climate change. The detailed process on how to integrate the Company's overall risk management system through the Risk Management Committee's compilation of all material risk-related information of the Company is set out below:

Committee Member		Risk Management Committee		Board of Directors
		Evaluation	Management	Supervision
Conduct regular evaluation on risks that may affect the Company's operations	Evaluate the impact level of the identified risks on the Company	1. Formulate countermeasures and monitoring mechanisms. 2. Set performance targets 3. Consolidate and implement annual material risks.	4. Consolidate information related to the Company's material risks. 5. Report to the Board of Directors regularly. 6. Announce the Board's risk management decisions.	1. Formulate the Company's risk management policy. 2. Ensure the effectiveness of the risk management mechanism.

Indicators and Goals

1. Reduction of greenhouse gas emission intensity
Reducing energy consumption and increasing the efficiency of energy use: using 2020 as a baseline, we will reduce our electricity use intensity (based on revenue) by 4% per year; by 2025, a reduction of at least 20% will be achieved.
2. Reduction of water consumption intensity: Using the base year of 2020, reduce water consumption intensity (based on revenue) by 4% annually until a total reduction of at least 20% by 2025.
3. Plan solar power generation areas:
 - ① The Huangshi Plant continued expanding solar photovoltaic power generation. In May 2024, it completed the construction of a rooftop solar project with an annual power generation of 2.28 million kWh, which can reduce approximately 1,140 tons of greenhouse gas emissions per year.
 - ② In 2024, the Huangshi Plant replaced 20 aged and damaged traditional streetlights with solar-powered streetlights; the Kunshan Plant replaced 29 streetlights, achieving annual electricity savings of 357,700 kWh.
4. Use of Renewable Energy: In 2024, 91,480 MWh of green electricity was purchased, accounting for about 32.5% of the total annual electricity consumption of the Huangshi Plant. This offsets approximately 49,889 tons of greenhouse gas emissions, with continued planning for green electricity procurement in 2025.
5. Enhancing the resilience of the supply chain to the risk of climate change: For manufacturers of raw materials, supplies, and auxiliary materials that we purchase over USD 6 million in 2024, we have completed 25% of the quarterly energy consumption surveys, and 100% of the surveys will be completed by the end of the year.

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Climate Change Risks and Opportunities

In the face of deteriorating extreme weather conditions, there may be serious potential impacts on the Company's operations and finances. Therefore, based on TCFD, Dynamic has identified climate-related risks and opportunities and considered internal and external environmental changes to identify potential impacts and opportunities on the Company's finances, as well as to make management policies and countermeasures in response to climate change.

Risk Classification (Transition/physical)	Climate-Related Risk	Description of Risk Impact	Potential Financial Impact	Stakeholder
Transition Risk	Supply of raw materials	Extreme weather events will lead to disrupted logistics, production stalemates, or increased risks in the supply of raw materials and standard materials and they will impact plants in terms of downtime and production delays. Moreover, price hikes may occur for raw materials and standard materials.	Natural disasters drive up transport and purchase costs while production delays or downtime will lead to losses of throughput, revenue, and purchase orders.	Supply chain, shareholders, customers, employees
	Laws and regulations governing the environment	The "Environmental Protection Act" came into effect on 1 January, 2015 to strengthen the response to environmental pollution problems, including authorizing environmental protection authorities to seize and detain facilities causing serious environmental pollution, and ordering production restriction and shutdown for remediation of units that have exceeded the standards and volume of emissions, as well as increasing the penalties and punishments for violations. The scope of pollution includes the recycling of waste, discharge of wastewater, emission of waste gas, soil, and groundwater.	1. With stricter protection laws and regulations, the enhancement of pollution prevention and control facilities and the treatment of pollutants to meet stricter requirements can bring up the operational cost. 2. Violating environmental protection laws and regulations is subject to mandated downtime, resulting in delayed shipments. 3. The waste treatment market is eliminating waste while retaining the best, and the treatment capacity of qualified processors is becoming increasingly limited, therefore the treatment cost will increase.	Government, customer, supply chain and community
	Total quantity control and carbon rights/energy trading-related	Hubei Province issued the "Regulations for the Administration of Carbon Emission Credit Trading in Hubei Province" in 2013, and the Hubei Carbon Emission Credit Trading Market was opened in April 2014, then a pilot trading was conducted. China implemented the "Regulations for the Administration of Carbon Emission Credit Trading (for Trial Implementation)" on February 1, 2021 to build a national carbon emission credit trading market, to promote the reduction of greenhouse gases, and to regulate the trading of carbon emission credits and related activities in the whole country. In accordance with the requirements for greenhouse gas emission control, the Shanghai Environmental Energy Exchange also announced the opening of the national carbon emission credit trading market on July 16, 2021, and started to open up for carbon emission trading. The government will set the target carbon emission limit on the market according to the national reduction goals and then assign the carbon emission credit to the corporate entity. If the amount of carbon actually released by the business is higher than that under the contract, the excess will need to be purchased on the carbon quota market; otherwise, a fine will apply.	For emissions in excess, it is required to purchase reduced-emission energy such as photovoltaic or wind power on the market, which will bring up expenditure on energy costs and costs associated with the purchase of carbon credit.	Government, supply chain, customers, employees and shareholders
	Renewable energy-related	The National Energy Administration of China released the "14th Five-Year Guidelines for Renewable Energy Development Planning Notification" on April 15, 2020. The 14th Five-Year Guidelines, in particular, is referred to as an important phase for the promotion of "energy transition" and "green development". Enterprises are asked to fully take advantage of the low cost of renewable energy by prioritizing the use of renewable energy.	The Chinese government promulgated green electricity-related laws and regulations and promotes spontaneous adoption of green electricity, part of renewable energy, among enterprises. It is possible that there will be additional costs from the use of green electricity by enterprises.	Government

Opportunity	Management Policy/Countermeasure
1. We can integrate the selected raw materials and gain greater initiative in supply and cost by increasing our own options. 2. We can increase diversity in the sources of raw materials and standard materials to reduce the risk of disruption.	1. Explore new suppliers and new standard materials, increase the number of suppliers, diversify sources of raw materials and standard materials, and avoid having only one supplier. 2. Create secondary suppliers to avoid supply risks with single suppliers and to guarantee smooth supplies and increase room for price negotiation and service. 3. Periodically reflect upon the supply risk rating of the supply chain and evaluate supplier alternatives. 4. Enhance the raw material utilization rate and lower the scrap rate. 5. Improve process capabilities and reduce consumption of raw materials. 6. Increase the safety inventory of common raw materials and standard materials. 7. Provide sales representatives with trends in the contemporary raw material costs and prices and price hikes among standard materials to propose a price increase to customers, to discuss countermeasures together, and to share the cost rise pressure.
1. Proper management helps enhance the corporate image; enterprises catching more attention will have more positive operational developments. 2. The resource recycling technology turns waste into reusable resources and brings down the waste processing cost. The recycled resources can also be sold to bring about profits. 3. Over the past two years, Dynamic Electronics has not been included by the government on the list of businesses for which reduced production is mandated for severe air pollution caused, indicating that the improvements made by Dynamic Electronics are well approved by the surrounding residents and the local authority and it guarantees the output to meet customers' demand.	Environmental Protection Act: 1. Normalize the management measures, reinforce pollution control hardware equipment, introduce low-pollution raw materials and standard materials to proactively meet the pollution control requirements of the competent authority. Waste recycling: 1. Turn waste into treasure by means of recycling technology, which not only reduces impacts on the environment but also increases profits for the Company. 2. Find qualified waste processors to create a win-win situation. Discharge of wastewater: 1. Select processes with low pollution equivalents and reduce the output and divert water from respective processes according to the quality. 2. Have someone to take charge of managing the adequacy of wastewater systems and to ensure normal operations of equipment. 3. Continue to cooperate by modifying new technologies for improved processing efficiency. 4. Evaluate low-nitrogen boilers. They need to be completely improved ahead of official requests. Soil and groundwater: 1. Improve the source of leakage on the plant compound. 2. Normalize extraction wells on the plant compound. 3. Continue to test soil and groundwater on the plant compound each year.
1. Set emission goals for the Company, start carbon emission deployment early on, reserve momentum for expansion, and ensure smooth production to gain more attention on the market. 2. Expedite clean production, embark on low carbon transformation, sell redundant carbon credit to make profits, or retain it to allow operational developments.	1. Turn the plant compound green, promote green production, reduce energy consumption, plan solar power generation, and enforce ISO 50001 systems to achieve energy-saving goals. 2. Due to the varying progresses made in respective provincial cities, close attention will be paid to the management of carbon emissions in respective provincial cities to comply with applicable regulations. 3. Define the total emissions from operational activities in the plant and prepare plans to improve equipment with maximum emissions and involving high energy consumption. 4. We will define end users of renewable energy and green energy. 5. Continue to promote certification of the environmental protection system. 6. Improve waste gas and wastewater discharge management, define management guidelines, enforce them, and periodically reflect upon them. 7. Embark on water and electricity-saving measures and involve everyone in the Company. 8. Improve the energy and resource use efficiency and increase the utilization rates of water, electricity, and gas; control the unit output. 9. Enhance the use rate of renewable energy. 10. Convert carbon emission issues to management items. 11. Secure sufficient opportunities for the purchase of carbon emission credit to minimize the possibilities of downtime or reduced production. 12. Increase workshops and process yield rates and reduce consumption.
● As the Chinese government urges provincial grid enterprises to take responsibility for renewable energy power at either grid parity or low grid prices, and sign long-term fixed-price contracts (no less than 20 years) with power producers at the local coal-fired benchmark grid price, the price of green power may be in line with the price of coal-fired power. ● The utilization rate of renewable energy has increased, and the percentage of green energy products has increased, which can win the recognition of international customers.	1. Continue to pay close attention to the trends in revisions made to renewable energy laws and regulations and evaluate the cost effectiveness of renewable energy to consolidate the operation of the energy management system and to lower the amount of electricity used in the manufacturing of products. 2. If green electricity is available for purchase, purchase of green electricity is expected to begin in 2022.

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Risk Classification (Transition/physical)	Climate-Related Risk	Description of Risk Impact	Potential Financial Impact	Stakeholder
Transition Risk	Transformation of customer demand	In response to the environmental trend of energy saving and waste reduction, as well as consumers' conscious choice of environmentally friendly green products, name-brand customers, such as Apple and ASUS require their supply chains to use renewable energy and reduce carbon emissions. Moreover, they track the carbon footprints of their production and transportation processes, and their environmental management, which may lead to an increase in environmental-related costs.	With customers emphasizing environmental protection and carbon reduction, costs will rise. The demand for suppliers to join in the green supply chain will also drive up the operational cost for the suppliers, which accordingly will mean additional product costs to be transferred downstream.	Supply chain, customers and community
	Unstable energy supply	To go with the air pollution and carbon emission reduction policies of the government, power plants throughout China are gradually slashing the amount of coal-fired electricity. The economic recovery leads to a significant rise in electricity consumption and the generation of clean energy such as wind and hydropower is subject to environmental factors, which makes a rapid increase in power supply difficult. As a result, power rationing occurs in some provincial cities. The insufficient electricity generated and supply of energy give rise to issues such as discontinued production and reduced capacity.	1. Lost revenue caused by discontinued production and reduced capacity. 2. Increased costs caused by the use of spare electricity from power generators. 3. Cost of overtime due to work behind schedule. 4. Increased cost caused by the purchase of alternative energies.	Supply chain, customers, shareholders, employees, and community
	Changes in market demand/new innovative technologies in industries	Electronic products are growing towards high frequencies and high speeds. PCBs, accordingly, feature high heat dissipation coefficients and thick copper design. As a result, carbon emissions associated with raw materials have increased. The complex and difficult process also drives up carbon emissions. Meanwhile, customers continue to increase their emphasis on environmental protection ratings and their demand for raw materials and standard materials being environmentally friendly is also climbing accordingly.	To meet the environmental protection requirements, new product development and environmental protection test costs and green raw materials purchase costs will be increased.	Supply chain, customers and community
Physical risk	Intensification of extreme weather events	Traffic disruption caused by extreme weather events and the downtime and discontinued production because of floods, power outages, and damaged plant facilities also make the supply throughout the supply chain difficult, elongate the purchase cycle of raw materials and standard materials, and even lead to losses of tangible and intangible assets throughout the enterprise.	1. The frequent occurrence of extreme weather events will increase the costs associated with prevention measures and with aftermath rescues and recoveries. 2. Lost revenue caused by downtime and discontinued production. 3. Increased cost from emergency purchases and tying down of capital from increased stocks. 4. Increased maintenance cost for damaged equipment and facilities.	Supply chain, customers, shareholders, employees, and community
Transition Risk	Stakeholder Climate issues concerned	If it is impossible to continue advancing ESG performance, corporate reputation is likely to be undermined and capital-raising will be affected accordingly.	It may disfavor the intended financing of the Company in the future.	Customers and shareholders

Opportunity	Management Policy/Countermeasure
The promotion of clean production helps boost competitive advantages on the market and shape the positive corporate image to secure approval among international customers.	1. Set up a water reuse system. 2. Evaluate the establishment of a system for recycling and reuse of scraps, such as the etching solution and the gold plating solution, among others, to be introduced. 3. Introduce clean energy; promote and maintain the environmental management system, the system to manage absence of hazardous substances in products, and the energy management system, etc. 4. Set the water and electricity-saving goals for new processes to inspire carbon reduction awareness in suppliers. 5. Create a product environmental footprint management system. 6. The carbon footprint cost must be included as part of the process cost. 7. We will produce products that meet Energy Star's energy-saving label specifications. 8. We will introduce new design/new technology/new materials. 9. Control reasonable cost to ensure revenue and profitability.
1. Enhanced electricity use efficiency throughout the Company will not only bring down production cost but also maintain operations under limited power supply. 2. The use of green alternative energy helps not only avoid the risk of power rationing but also enhance the environmentally friendly image of the Company.	1. Continue to promote ISO 50001 systems and use other heat sources to replace electricity for heating purposes, such as steam. 2. Try to obtain additional energy to reduce impacts of power rationing. 3. Create back-up solutions where fuels and diesel are used alternately. 4. Adjust the production schedule and unnecessary bottleneck processes.
1. Low-energy-consumption materials and process development and investment in advanced processes help satisfy the demand for products in the future. 2. The promotion of green production not only meets the requirements of applicable international organizations but also contributes to more competitive advantages on the market to shape a positive corporate image.	1. We will strictly follow the requirements of "supplier management and raw material evaluation" to manage the suppliers' and raw materials' environmental requirements and implementation status, and review and improve them according to the relevant provisions. 2. We will collect annual test reports on hazardous substances in suppliers' products and set water saving targets in new processes to stimulate suppliers' awareness of carbon reduction. 3. Develop green materials that meet the new environmental protection requirements. 4. Include enhanced high-precision process capabilities as part of the precision process project.
1. Proper disaster prevention enables Dynamic to be relatively minorly impacted when the industry bears the brunt and to be better competitive. 2. With expanded sources for the purchase of raw materials, it helps enhance the ability to respond to insufficient supply of raw materials. 3. Order transfer effect in the event of urgency for other counterparts in the industry to meet delivery deadlines.	1. Reflect upon and enhance the tolerance of environmental impacts. 2. Hold emergency response drills on normal days. 3. Create secondary support for the supply chain. 4. Minimize the public dependency on energy and search for backup energy. 5. Have natural disaster impact evaluations in place on the plant compound and proactively follow up on the developments of various natural disasters. 6. Create a flexible allocation mechanism through different plant compounds and processing plants. 7. Have sufficient materials to meet production demand in advance as soon as expected risks occur. 8. Prepare the Company for risks in advance by elevating the foundation of the plant compound during the early planning stage and planning expensive equipment for higher floors and smooth rainwater drainage systems, among others. 9. Related departments are notified in a timely manner according to the weather forecast and supervise them over proper preparations for the emergency. 9.1. Simulate the secondary travel path in advance. 9.2. Lower the air-conditioning temperature and reduce the high-temperature operating time. Have anti-heat stroke and temperature-lowering medications ready at the health station. 10. Add equipment and facility inspection and maintenance frequencies for the mechanical/ electrical department and do proper equipment monitoring and management 10.1. Introduce smart electrical monitoring systems for the machines. The smart power grid and AI operational mode enable optimization of electricity utilization. 10.2. Increase the setup of UPS systems to be ready upon impacts from sudden shortage in power supply. 10.3. Monitor equipment water consumption by unit to more precisely track changes in usage. 10.4. Activate industrial water tanks throughout the plant for backup and expand the process of recycling water systems. 10.5. Commit to the use of recycled water, which, along with the local government's engineering management, will help reduce the dependency on tap water on the plant compound. 11. Build a normal mechanism for the inspection and prevention of buildings and equipment, among others, by the industrial safety/environmental protection/administration units. 12. Build a pre-warning mechanism for transport and allocation to act early on and to reduce the damage to a minimum.
Obtain ratings and certifications from third-party institutions for investors' reference to stabilize steady funding sources and share prices.	1. Drive ESG actions (targets and strategy, impacts, efficacy, and continuity of implementation, demonstrated outcome, and leadership). 2. Improve the quality of what is included in the Report (integrity, credibility, communicability). 3. Reinforce external disclosure channels (diversified media design and interactive features, stakeholder communication and feedback channels, website CSR section management, electronic version of the Report).

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Climate Change Risk Management and Targets - 2024 Implementation Status and 2025 Targets

Based on these climate change risk issues, Dynamic has formulated a tracking management system, and the implementation status of the 2024 targets and the 2025 targets is shown in the table below:

Project	Target implementation status in 2024	Goal setting in 2025
Supply of raw materials	- Disrupted supply of raw materials for zero days as a result of climate change Huangshi Plant - The annual average utilization rate of raw materials (substrates) reached 80% for P1 factory and 78% for P2 factory - Reduce the scrapping rate of raw materials, with an average scrapping rate of 5.48% for P1 factory and 5.37% for P2 factory Kunshan Plant - The annual average utilization rate of raw materials (substrates) reached 80.17% - The average scrap rate of raw materials has been reduced to 8.75%	- Disrupted supply of raw materials for zero days as a result of climate change Huangshi Plant - Annual average utilization rate of raw materials (substrates) reached 80% - Reduce the scrapping rate of raw materials, with an average scrapping rate of 4.86% for P1 factory and 5.39% for P2 factory Kunshan Plant - Annual average utilization rate of raw materials (substrates) >80% - The average scrap rate of raw materials has been reduced to 7.00%
Laws and regulations governing the environment	Huangshi Plant - Environmental pollution incidents x 0 - All pollutants will be discharged in compliance with the emission standards (the emission intensity will be controlled at less than 50% of the stipulated levels for 359 days) - Achieved 12,768 tons of wastewater utilization and rainwater collection and reuse facilities - Hazardous waste reduction of 32,126 tons at the C4 Resource Recycling Workshop, representing a 178% increase compared with 2023 (11,553 tons) Kunshan Plant - Reduce the cost of environmental treatment. The unit consumption of wastewater treatment chemicals was less than TWD 11/ton - The availability of environmental facilities has been improved, affecting the production of single units for no more than 0.5 days per month - Cooperate 100% with the government in the monitoring and disclosure of each emission to have zero environmental pollution incidents	Huangshi Plant - Environmental pollution incidents x 0 100% compliance in pollutant discharge (with 95% of the days controlling discharge concentration below 50% of the regulatory limit) - We will increase the use of recycled water resources, increase the use of compliant wastewater, and rainwater collection and reuse facilities (150,000 tons/year). - Reduced wastewater treatment costs, with chemical treatment costs in 2025 projected to decrease by 10% compared with 2024 (RMB 7.9/ton) Kunshan Plant - Reduce the cost of environmental treatment. The unit consumption of wastewater treatment chemicals shall not exceed TWD 11/ton - We will improve the operational efficiency of the environmental protection facilities, the impact on production of a single unit should not exceed 0.5 days per month. - Cooperate 100% with the government in the monitoring and disclosure of each emission to have zero environmental pollution incidents
Total quantity control and carbon rights/ Energy trading-related	- Purchased carbon credit as required by the government - Continue to consolidate production lines and optimize product structures to ensure optimized efficacy. - Purchase of raw materials that meet 100% environmental requirements - Grade 1 energy efficiency of newly purchased electrical machinery products is greater than 65% - Purchase of electrical products was fully converted from fixed frequency to variable frequency, achieving 100% implementation Huangshi Plant - Purchase 91,480 MW of green power, accounting for 34.5% of the plant's electricity consumption - Phase II photovoltaic power generation completed in June, with solar PV generation of 1.275 million kWh in 2024 - Greenhouse gas emissions per unit of revenue (0.37 tons/TWD 10,000) decreased by 38% compared with 2020 (0.60) Kunshan Plant - Due to the inclusion of Scope 3 data in 2024 compared with 2020, total carbon emissions decreased by 4% compared with 2020.	- Purchased carbon credit as required by the government - Continue to consolidate production lines and optimize product structures to ensure optimized efficacy. - Purchase of raw materials that meet 100% environmental requirements - Grade 1 energy efficiency of newly purchased electrical machinery products is greater than 65% - Purchase of electrical products has changed from fixed frequency to variable frequency Huangshi Plant - Expected to purchase 80,000 MW of green electricity, accounting for 35% of the factory's electricity consumption. - Generate photovoltaic power of 2,000,000 kWh annually. - Reduce GHG emissions per unit of revenue by 20% compared to 2020 Kunshan Plant - Strengthen water and electricity control, reduce unit energy consumption, and reduce carbon emissions by 5% compared to 2020.

Project	Target implementation status in 2024	Goal setting in 2025
Renewable energy-related	Huangshi Plant • We will purchase 91,480 megawatt-hours of green power, which will offset about 49,000 tons of greenhouse gases. • Phase II photovoltaic power generation completed in June, with solar PV generation of 1.275 million kWh in 2024 • Completed 47 new solar streetlights for Phase II factory roads and living areas, saving approximately 15,000 kWh of electricity annually • Postponed to 2025. Kunshan Plant • We continue to support the Government's renewable energy policy.	Huangshi Plant • We estimate to purchase 80,000 megawatt-hours of green power, which will offset about 45,000 tons of greenhouse gases. • Generate photovoltaic power of 2,000,000 kWh annually, reducing approximately 112 tons of greenhouse gases • Replaced 108 conventional streetlights in Phase I factory roads and living areas with solar streetlights, expected to save 30,000 kWh of electricity annually Kunshan Plant • We will continue to support the Government's renewable energy policy in the next stage.
Transformation of customer demand	• Zero deficiency found during an audit performed by the customer as the goal Huangshi Plant • Fulfilled customer requirements 100% • Conduct ISO 14064 greenhouse gas inventory verification in accordance with customer requirements and establish an internal Product Carbon Footprint (PCF) calculation system within the plant Kunshan Plant • Fulfilled customer requirements 100% • We will continue to maintain the effectiveness of various management systems • Continue to consolidate production lines and optimize product structures to ensure optimized efficacy.	• Zero deficiency found during an audit performed by the customer as the goal Huangshi Plant • Fulfilled customer requirements 100% • Conduct ISO 14064 greenhouse gas inventory verification in accordance with customer requirements to meet customer Product Carbon Footprint (PCF) calculation needs. Kunshan Plant • Fulfilled customer requirements 100% • We will continue to maintain the effectiveness of various management systems • Continue to consolidate production lines and optimize product structures to ensure optimized efficacy.
	Huangshi Plant • Ensure normal energy supply without interruption of power supply. • Government project suspended • Discontinued use of the P1 Plant steam boiler and switched to the more efficient shared P2 boiler, saving natural gas consumption. Kunshan Plant • Ensure normal energy supply without interruption of power supply.	Huangshi Plant • Ensure normal energy supply without interruption of power supply. • Building energy storage equipment allows electricity to be stored during off-peak hours for use during peak periods, while also increasing the reserve capacity during power outages, thereby reducing the risks associated with sudden power interruptions. Kunshan Plant • Ensure normal energy supply without interruption of power supply.
Change in market demand/ New industrial innovation technology	• In 2024, a total of 17 major suppliers obtained ISO 14067 certification. • The Huangshi Plant added two pulse plating VCP lines. • The Huangshi Plant approved 24 low-loss halogen-free materials.	• The 2025 goal is to obtain ISO 14067 carbon footprint reports from 10 designated suppliers. • The Huangshi Plant plans to add: (1) an AIBC automatic impedance measurement machine, (2) one CCD back-drill machine, and (3) one 15μm LDI. • The Huangshi Plant aims to approve 30 materials, including 10 halogen-free materials.
Intensification of extreme weather events	• Disrupted supply of raw materials for zero days as a result of extreme weather events • Continue to update and maintain the traceability of anti-freeze project; inspect and reinforce prior to extreme weather events. • Define the emergency response proposal and backup solution to ensure stable and reasonable rates. Huangshi Plant/Kunshan Plant • Incidence of major risks 0% • Failure of related facilities 0% • Control over response cost 0%	• Disrupted supply of raw materials for zero days as a result of extreme weather events • Continue to update and maintain the traceability of anti-freeze project; inspect and reinforce prior to extreme weather events. • Define the emergency response proposal and backup solution to ensure stable and reasonable rates. Huangshi Plant/Kunshan Plant • Incidence of major risks 0% • Failure of related facilities 0% • Control over response cost 0%
Stakeholder Climate issues concerned	Understand customers' carbon emissions and carbon reduction plan requirements	• Continue to focus on customer demand and understand applicable requirements and plans of each customer group on climate issues.

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◆ Analysis of Scenarios Where Climate Change Impacts Finance

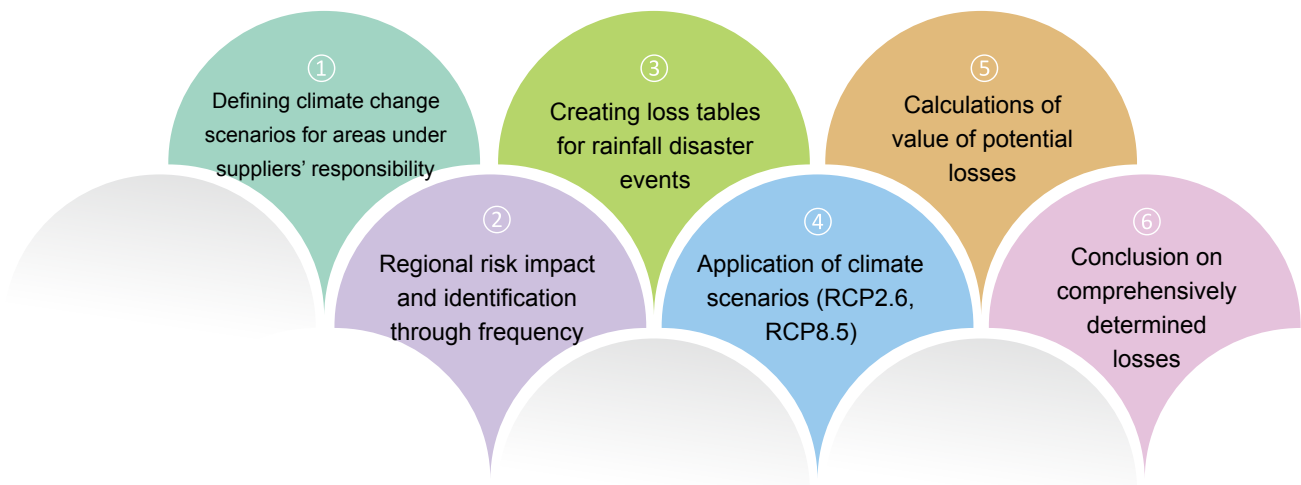
The risk of climate change has had a profound impact on Dynamic's daily operations. The proliferation of extreme weather events in China in recent years, coupled with increasingly stringent environmental regulations in Taiwan and China, will impose significant costs on Dynamic. In other words, for "physical risk" or "transition risk", Dynamic carefully evaluates their resultant impacts and plans ahead of time response mechanisms and related measures to minimize the operational risk.

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 an indicator. 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.

Physical Risk Scenario-based Analysis and Evaluation Procedure



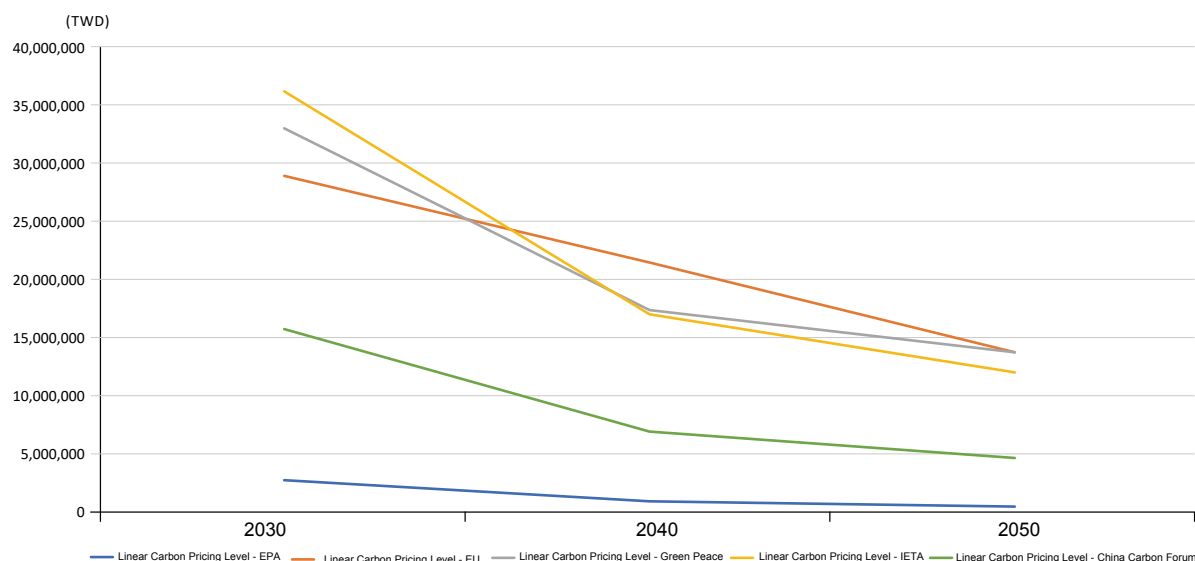
Scenario Analysis of Transition Risk and Financial Impacts - Risk Analysis of Carbon Charge

To achieve the goal of "net zero emissions by 2050", the Executive Yuan of Taiwan recently approved the draft amendment to the "Greenhouse Gas Reduction and Management Act" and the title of the act was changed and modified into "Climate Change Response Act". It is expected that carbon charge will apply to emission sources throughout the nation in the future. In China, on the other hand, under the background goal of "carbon peaking by 2030 and carbon neutralization by 2060", the National Carbon Trade Market was commissioned in 2021. Therefore, Dynamic evaluates the impacts of carbon charge on its finance in the future according to the current climate change strategy and current operational status as the fundamental scenario.

The overall greenhouse gas emissions of Dynamic throughout 2020 came to 217,322.5717 tons (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 it 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 least 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 emissions verification, and gives 100% priority to purchasing raw materials with low carbon emissions per unit of product, to reduce the carbon emissions of each stage in the product life cycle, in the hope of giving customers environmentally friendly products with low carbon emissions.

Carbon Charge Scenario Analysis of Dynamic



Unit: TWD

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 %

Internal Carbon Pricing

In response to the carbon fee–related transition risks identified by Dynamic, and to achieve the Science Based Targets initiative (SBTi) decarbonization pathway and targets committed by the Company, Dynamic plans to implement an internal carbon pricing mechanism in 2025, adopting a shadow pricing approach. This initiative is intended to align with international trends and the Company's decarbonization strategy, while promoting low-carbon investments, enhancing energy efficiency, identifying low-carbon opportunities, and incorporating climate considerations into decision-making and risk assessments. The establishment and implementation results of internal carbon pricing are reported annually to the Board of Directors for supervision and evaluation, and disclosed in the sustainability report and on the Company's website.

Dynamic's internal carbon pricing has been set for its locations in Taiwan, China, and Thailand. Taking international standards, local carbon trading markets, and local carbon fee systems into account, and based on future carbon fee pathways under transition risk scenarios, a risk premium was applied. Accordingly, the internal carbon prices for 2025 have been set at TWD 540, RMB 103.5, and THB 885.8, respectively. The application and evaluation scope of internal carbon pricing covers **Scope 1, Scope 2, and Scope 3**. Initial assessments indicate that it will be applied to the Company's procurement management and product research and development design, with related carbon emissions and carbon footprints incorporated into decision-making considerations.

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II. Greenhouse Gas Emissions

Management approach

Actual and potential positive economic, environmental, and social impacts on Dynamic (opportunities)	Actual and potential negative economic, environmental, and social impacts on Dynamic (risks)	Policy and Commitment	Action Plan	Complaint-filing mechanism
By building a comprehensive system and accelerating the transformation to clean and low-carbon production, the company's image can be enhanced and have a more positive operational development compared to those companies that are under the spotlight.	With the development of electronic products, the complexity and difficulty of manufacturing processes have increased, leading to higher carbon emissions. However, the proportion of environmental protection continues to increase, and the requirements for environmental protection of raw materials are also increasing, which will lead to increased production costs.	Incorporate the potential impact of climate change into overall operation considerations, formulate management approaches and risk response measures, and cooperate with the relevant requirements of environmental and energy regulations to formulate energy-saving and carbon-reduction strategies and goals that are compliant and can effectively improve corporate performance.	- Install hybrid wind-solar green energy streetlights. - Continue expanding rooftop solar power generation facilities and procure green electricity externally. - Promote various environmental management systems to ensure the implementation of policies and programs.	CEO's mailbox

Goal and Performance

Goals	2024 Performance	Goals in 2024	Goals in 2025 (Medium-term)	Goals in 2027 (Long-term)
SBTi Scope 1+2 Reduction Target (taking 2023 as the baseline year)	181,597 (+2.16%)	177,752	-42%	100%
SBTi Scope 3 Reduction Target (taking 2023 as the baseline year)	376,310 (+7.01%)	330,560	-25%	-

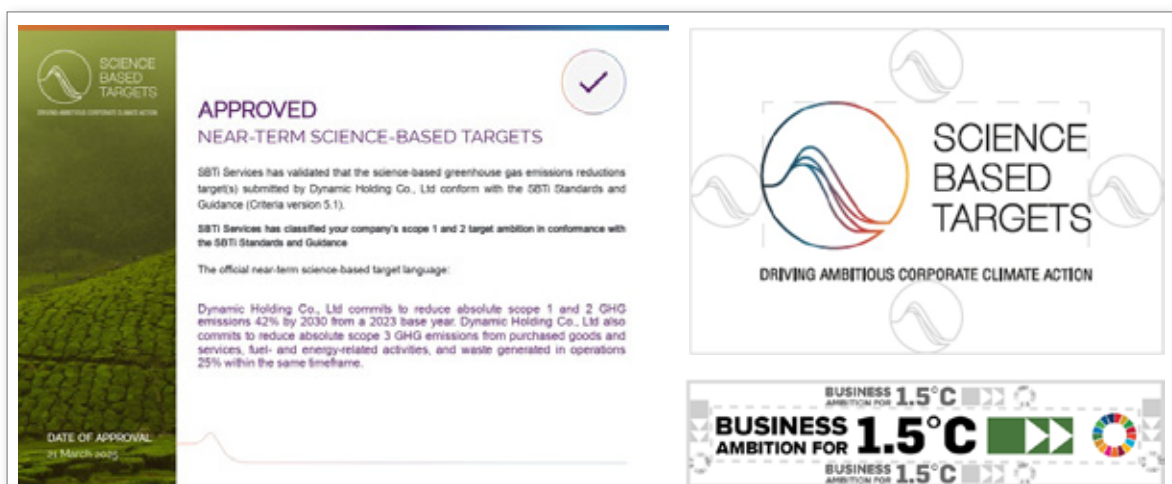
Remarks:

- Taking 2023 as the baseline, Scope 1+2 emissions were 189,098 tCO₂e, and Scope 3 emissions were 351,660 tCO₂e.
- The carbon intensity reduction is the performance indicator of the Board of Directors and senior managers.

The Science Based Targets initiative (SBTi) is a global collaborative initiative and the world's first decarbonization framework designed to support corporate transformation, ensuring that emission reduction targets align with the decarbonization requirements of the "Paris Agreement", with the goal of limiting global temperature rise to 1.5°C or well below 2°C above pre-industrial levels.

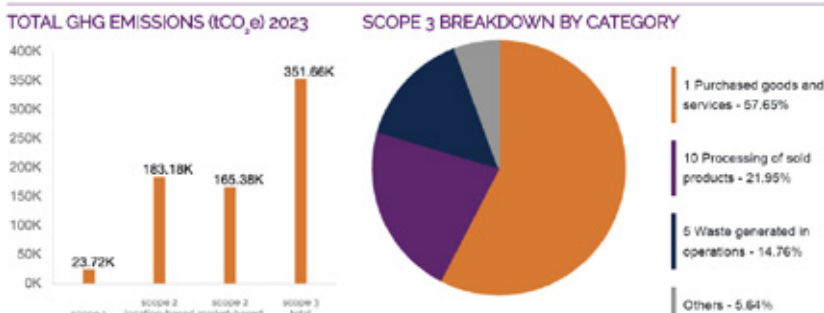
Dynamic has committed to setting near-term emission reduction targets consistent with the science-based climate targets of SBTi, and in April 2025 obtained SBTi approval for its near-term science-based targets. Based on a comprehensive Scope 3 inventory, Dynamic revised its baseline year to 2023 and set a target to achieve an absolute 42% reduction in organizational carbon emissions (Scope 1+2) by 2030. For indirect emissions (Scope 3), Dynamic has proposed a 25% absolute reduction target aligned with the WB2C (Well Below 2°C) pathway, committing to reduce emissions from purchased goods and services, fuel- and energy-related activities, and waste generated in operations by 25% by 2030.

Dynamic's next step is to work toward setting long-term science-based targets, with the aim of achieving net-zero greenhouse gas emissions no later than 2050.

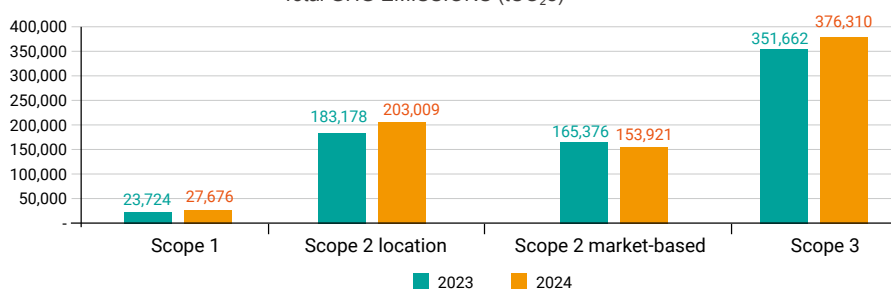


GHG INVENTORY OVERVIEW

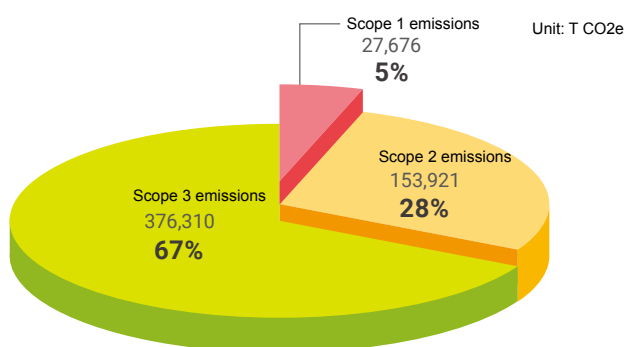
Dynamic Holding Co., Ltd has submitted one GHG inventory for review by SBTi's Target Validation Team. In the calendar year of 2023 the company has reported total of 540,761 GHG emissions (tCO₂e) in the full minimum boundary (scopes 1, 2 and 3). Dynamic Holding Co., Ltd has additionally chosen to report emissions outside the minimum boundary. Dynamic Holding Co., Ltd has reported no emissions from the combustion, processing and distribution phase of bioenergy and the land use emissions and removals, associated with bioenergy feedstocks. The full breakdown of Dynamic Holding Co., Ltd's GHG inventory, including optional emissions, is provided below.



Total GHG EMISSIONS (tCO₂e)



In 2024, the Group's greenhouse gas inventory by scope was as follows:



Taoyuan Operation
Center ISO14064-
1:2018



Kunshan Plant
ISO14064-1:2018

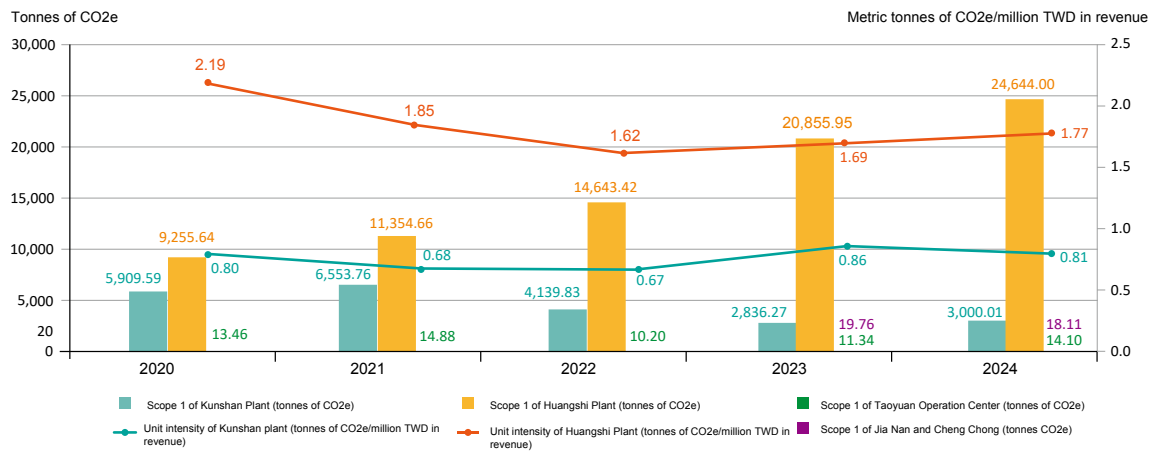


Huangshi Plant
ISO14064-1:2018

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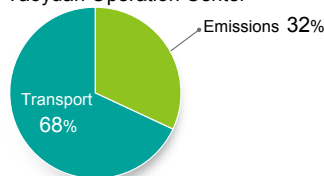
Scope 1 (Direct) Greenhouse Gas Emissions

Historical scope 1 (direct) greenhouse gas emissions

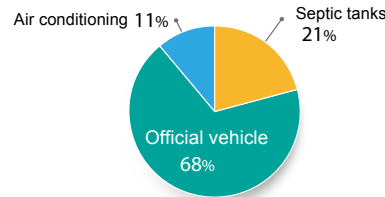


Scope 1 Direct Greenhouse Gas Emissions Analysis Chart

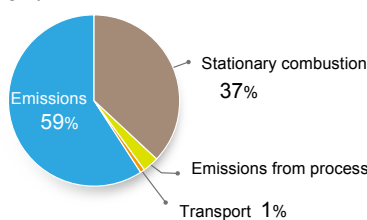
Percentage chart of direct GHG emissions category for Taoyuan Operation Center



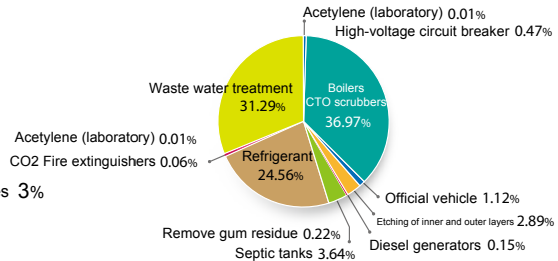
Percentage chart of direct greenhouse gas (GHG) emissions source at Taoyuan Operation Center



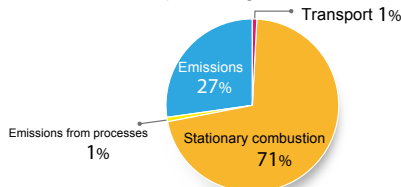
Percentage chart of direct GHG emissions category for Kunshan Plant



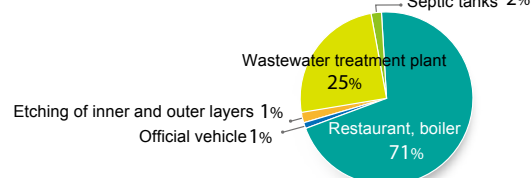
Percentage chart of direct greenhouse gas (GHG) emissions source at Kunshan Plant



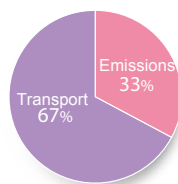
Huangshi Plant's direct GHG emissions category percentage chart



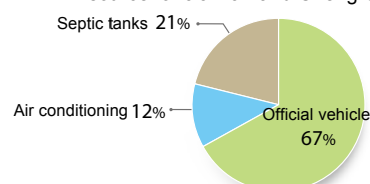
Huangshi Plant's direct GHG emissions source percentage chart



Percentage chart of direct GHG emissions category for Jia Nan and Cheng Chong



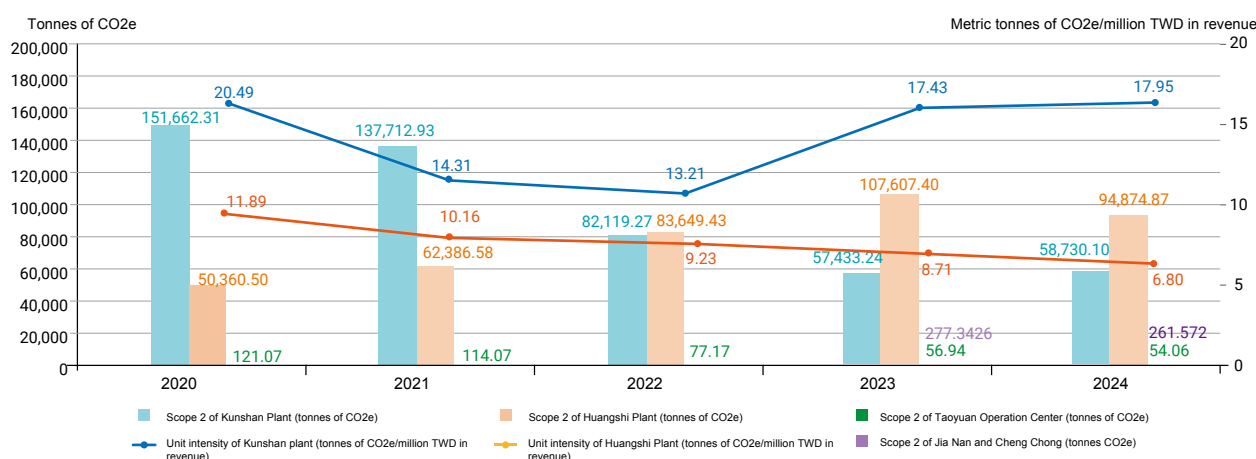
Percentage chart of direct greenhouse gas (GHG) emissions source for Jia Nan and Cheng Chong



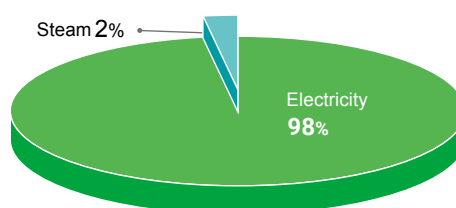
Scope 2 (Indirect) Greenhouse Gas Emissions

	Compare with Base Year (2023)	Description	Improvement measure
Taoyuan Operation Center	Emissions: +24.32% Emission intensity: NA	In response to the factory expansion, the company is actively visiting customers.	Make good use of online meetings to reduce the use of company vehicles.
Kunshan Plant	Emissions: +5.77% Emission intensity: -6.32%	Operate employee cafeteria, increasing Scope 1 emissions and intensity.	Energy efficiency improved through consolidation of facilities and public infrastructure.
Huangshi Plant	Emissions: +18.16% Emission intensity: +4.64%	Increased capacity resulted in higher emissions; Wastewater discharge increased significantly, leading to a substantial rise in anaerobic methane emissions.	By switching to relatively clean energy and improving equipment energy efficiency, heating methods for air conditioning, and consolidating official vehicles, Scope 1 emissions were reduced.

Scope 2 (Indirect) GHG emissions in past years



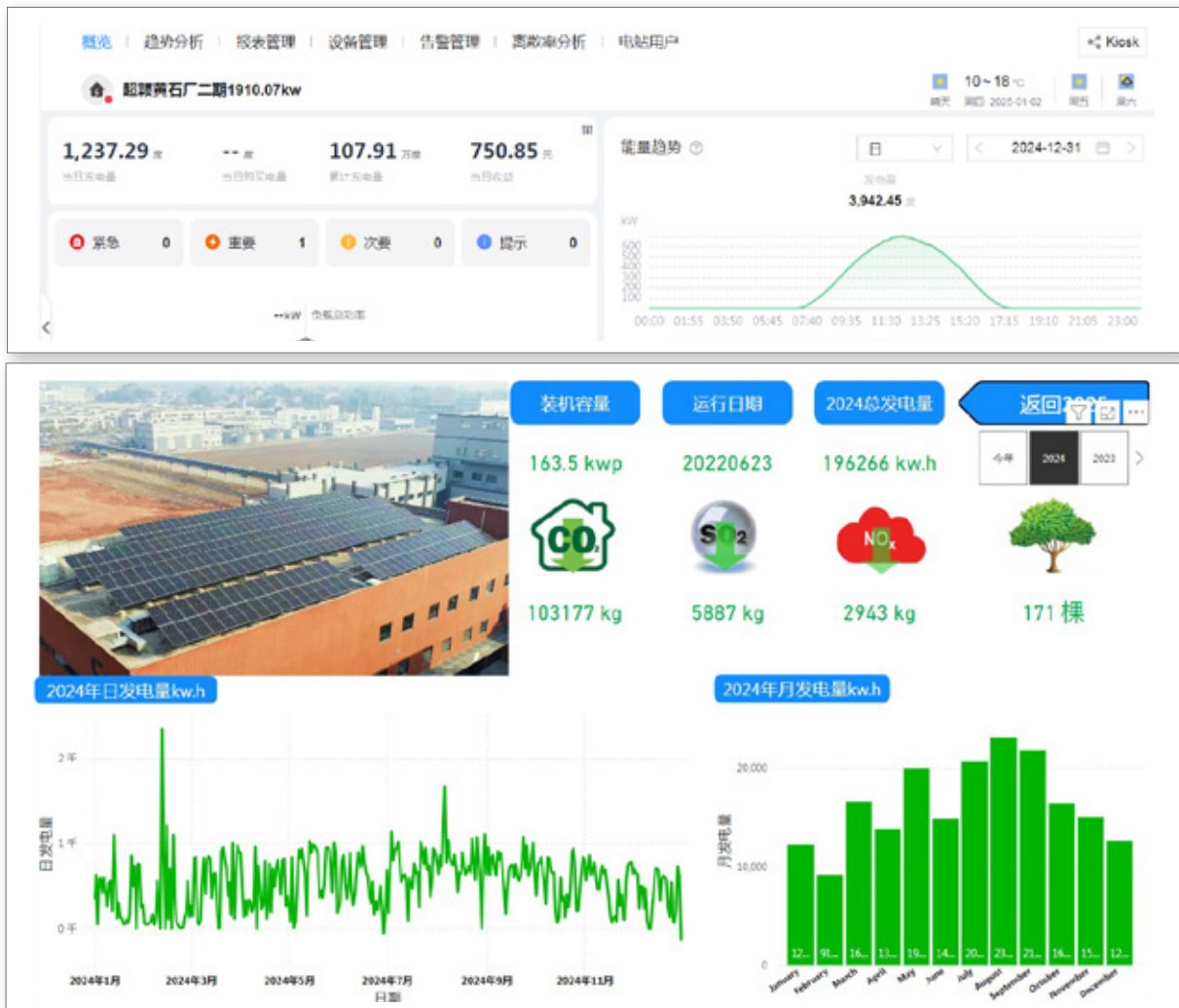
Scope 2 emission source distribution by percentage



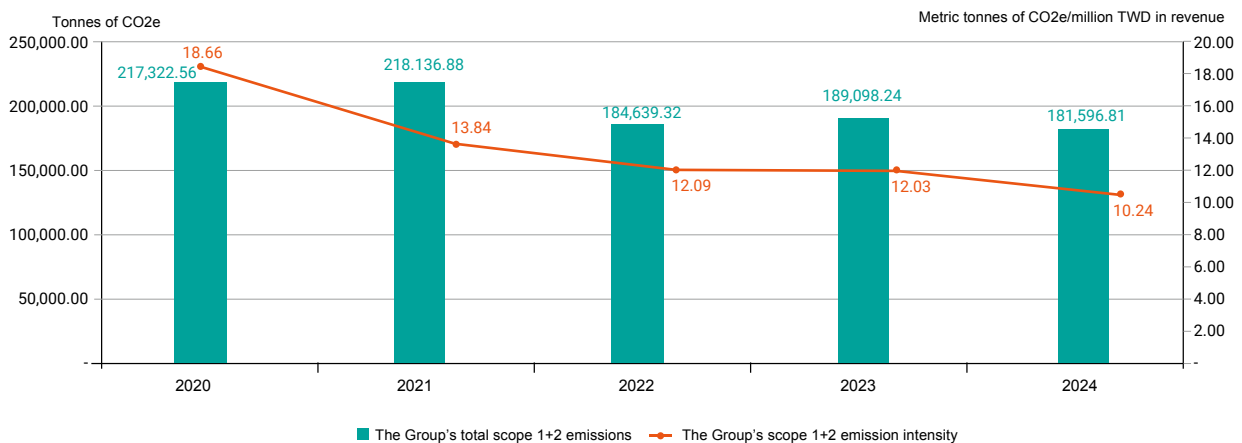
	Compare with Base Year (2023)	Description	Improvement measure
Taoyuan Operation Center	Emissions: -5.05% Emission intensity: NA	Purely office operations, with improvements made through the retrofit of variable frequency air conditioning.	Adjust the indoor air conditioning temperature to reduce employee overtime.
Kunshan Plant	Emissions: +2.26% Emission intensity: +2.98%	Both production capacity and operating revenue declined.	Plan to purchase green power by 2025.
Huangshi Plant	Emissions: -11.83% Emission intensity: -21.93%	Capacity and revenue tripled.	In 2024, 91.48 million kWh of green electricity was purchased, and 1.275 million kWh of rooftop solar power was generated in-house, bringing the green energy utilization rate at the Huangshi Plant to 34.42%. In 2025, green electricity procurement will be further expanded. All roadways and living areas have been fully converted to solar-powered streetlights, with an expected annual electricity savings of 25,000 kWh. In addition, energy online monitoring equipment has been put into use to monitor the plant's energy consumption in real time.

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Huangshi Plant Photovoltaic Power Station Monitoring Screen

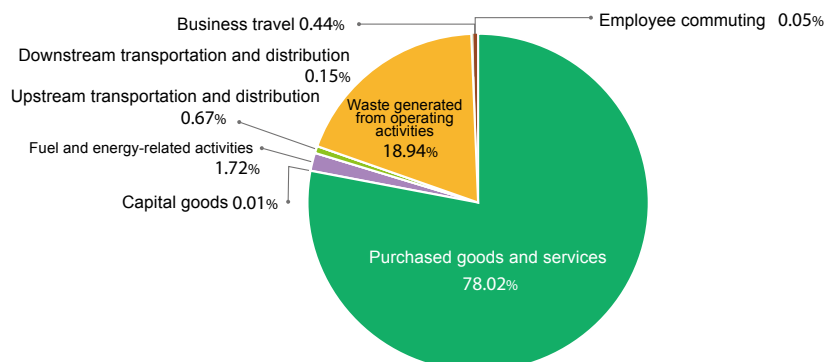


The Group's scope 1 and 2 GHG total emissions and intensity trend



Scope 3 (Other Indirect) Greenhouse Gas Emissions

Overall scope 3 emissions of Dynamic Group in 2024



From the distribution chart, it can be seen that waste generated from operating activities and carbon emissions from purchased goods account for over 90% of Scope 3 emissions. To address this, Dynamic has implemented detailed waste classification and recycling, including dewatering and reducing sludge, nickel waste liquid, and membrane residues to lower waste volume. These measures not only reduce disposal costs but also decrease carbon emissions associated with the use of raw materials and transportation. Since 2023, Dynamic has promoted zero landfill waste and has achieved UL2799's highest Platinum certification for two consecutive years. Going forward, efforts will focus on circular reuse of valuable materials, such as purifying and reusing waste tin-stripping solutions back into the production line. Priority is also given to recycled raw materials (such as recovered copper, nickel, gold, palladium, etc.) for PCB production to reduce the carbon footprint of purchased raw materials. In addition, 99% of raw materials are procured regionally to reduce transportation emissions. Through supplier guidance and management, Scope 3 emissions are further reduced.

In terms of product carbon footprint, in addition to conducting ISO 14067 product carbon footprint verification for representative part numbers, Dynamic has also built a self-developed PCB Carbon Footprint Calculation Tool (PCF System) by accumulating experience from the verification process. By inputting product engineering information, the system can instantly estimate product carbon emissions, helping customers select low-carbon production pathways during product design. At the same time, customers' choice of low-carbon raw materials encourages the supply chain to implement carbon reduction.

Basic Setup

- 6Non-material Carbon Emission Coefficient Setup
- Energy Purchase Quantity Setup
- Department Water, Electricity, and Gas Usage Setup
- Process Waste Generation Setup
- Department Waste Quantity

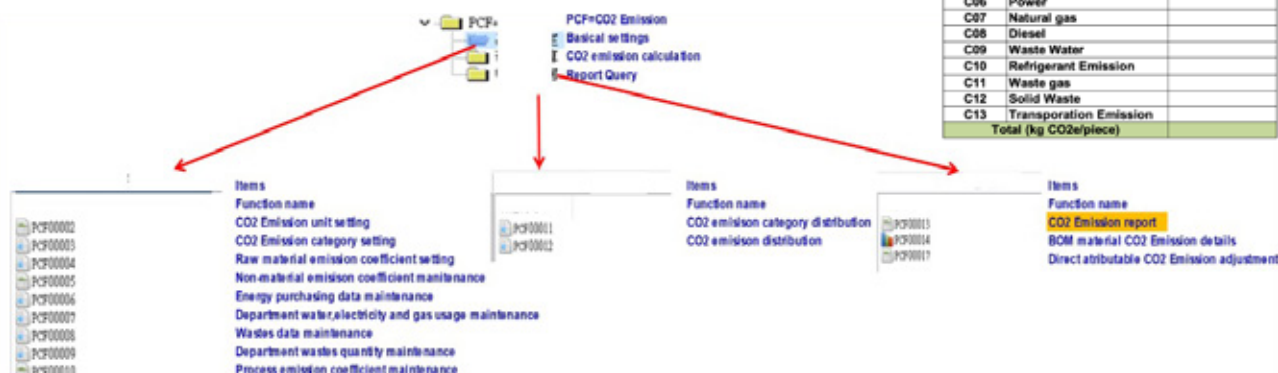
Carbon Emission Calculation

- Classified PCF Calculation
- Process PCF Calculation
- Part Number PCF Calculation
- Energy Saving and Emission Reduction Proposal Operations

Carbon Emission Query Report

- Carbon Emission Query Report
- Raw Material PCF Report
- Waste PCF Report
- Energy Saving and Emission Reduction Effect Report

The PCF data for a produced PN can be directly queried and generated from the system.



As PCB manufacturing involves thousands of materials, chemicals, and auxiliary supplies, the estimation process still has many variables. Therefore, Dynamic continues to work closely with suppliers to reduce carbon emissions and collect data sources, while continuously improving its calculation logic to ensure that estimates are closer to actual emissions.

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III. Water Resources Management



Management approach

Actual and potential positive economic, environmental, and social impacts on Dynamic (opportunities)	Actual and potential negative economic, environmental, and social impacts on Dynamic (risks)	Policy and Commitment	Action Plan	Complaint-filing mechanism
Dynamic can divert operational wastewater to improve wastewater recycling rates and reduce overall corporate water withdrawals by refining water use efficiency. An adequate and stable supply of water resources helps maintain product manufacturing efficiency and supply stability, thereby reducing operational risks and sustaining the Company's long-term competitiveness.	Climate change and man-made wastewater pollution have exacerbated water resource problems around the world. The chain effect of these water resource problems will increase the operating costs of enterprises.	Comply with laws and fulfill responsibilities	Zero water consumption and drainage violations	Plant President, ESG Committee (hotline, complaint mailbox)
		Full participation and enhanced communication	Timely disposal of abnormal water consumption (abnormality does not exceed 3 days)	
		Technical control, pollution reduction	Recycling program of heavy metals in wastewater (zero heavy metals in effluents)	
		Continuous improvement, sustainable management	P1 air-conditioning condensate water recovery expanded (estimated 14,400 tons)	
		Maximize water use efficiency	P2 plant sand filter backwash water source switched to concentrate water (estimated 17,600 tons)	
			Optimization plan for scrubber circulating water	
		Actively promote AWS water resource management certification	Continue production line water circulation and water-saving transformation program	
			Water resource management system promotion program	

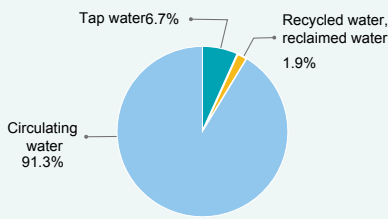
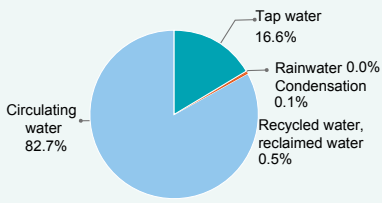
Goal and Performance

Goals	2024 Performance	Goals in 2024	Goals in 2025 (Medium-term)	Goals in 2027 (Long-term)
Annual water conservation rate of the Kunshan Plant (using 2015 as the baseline)	-155.69%	-18%	-20%	-
Annual water conservation rate of the Huangshi Plant (using 2018 as the baseline)	+261.67%	-12%	-14%	-
Water resource recycled for reuse at the Kunshan Plant Percentage	51.95%	33%	35%	36%
Water resource recycled for reuse at the Huangshi Plant Percentage	51.43%	34%	35%	36%
"0" violations in emission (Kunshan Plant, Huangshi Plant)	0	0	0	0

Remarks: This water intensity reduction target serves as a performance indicator for the Board of Directors and senior management.



Assessment of the impacts on sources of water for the Kunshan and the Huangshi Plants of Dynamic

Plant		Kunshan Plant	Huangshi Plant
Source of water		Dual sources from Yangtze River and Kuilei Lake	Dual sources from Yangtze River and Yangxin Xiandao Lake
Water use classification			
Regional risk as determined according to the Aqueduct Water Risk Atlas	Water pressure	High	Low-medium
	Water shortage stress	Low	Low
	Intra-year change	Low	Low
	Quarterly change	Low	Low-medium
	Flood risk	High	Low-medium
Amount of water used in the region		150 million tons/day	47 million tons/day
Amount of water used on the plant compound		0.37 million tons/day	1.1 million tons/day
Proportion of annual water consumption to annual water withdrawal from water supply areas		0.2%	2.3%
Information on water usage		Water is used for cooling, plate cleaning, tank blending, tank washing, firefighting, and household water. The wet process requires a large amount of water to clean the acid and other dirt on the board surface, which accounts for 60%~80% of the total water consumption, and this part of the cleaning wastewater is the focus of water recycling at Dynamic.	
Water-related potential impacts		Water scarcity issue: As drought strikes around the world, the increasingly severe water scarcity problem is highlighted, which could exacerbate operational difficulties for businesses, especially in industries with high water demand, such as electronics manufacturing. Impacts of water intake: Although the Kunshan Plant is located in a high water-stress area, since 2021 the Company has gradually shifted production capacity to the Huangshi Plant. Through prudent planning and the installation of a reclaimed water system, there have been no recent water shortages. In 2024, the Kunshan Plant's municipal water withdrawal amounted to 1.29 million tons, representing a 36% reduction compared to 2020. The Huangshi Plant is not located in a region subject to frequent water shortages. Its primary water source is municipal water, and in 2024 its water consumption had no significant impact on the supply of the withdrawal area (<5%). Impacts of wastewater discharge: Industrial wastewater has a significant impact on the environment, and wastewater treatment therefore increases corporate operating costs! In order to avoid impact on the local water resources and environment, each of the Company's production sites is under strict management, and the water discharged from the production process is first treated in the factory to ensure that the water is better than the legal standard before it is discharged (Kunshan Plant directly discharges surface water, while Huangshi Plant discharges into sewage treatment system of the industrial zone and is discharged after secondary treatment) to minimize the impact on natural water bodies.	

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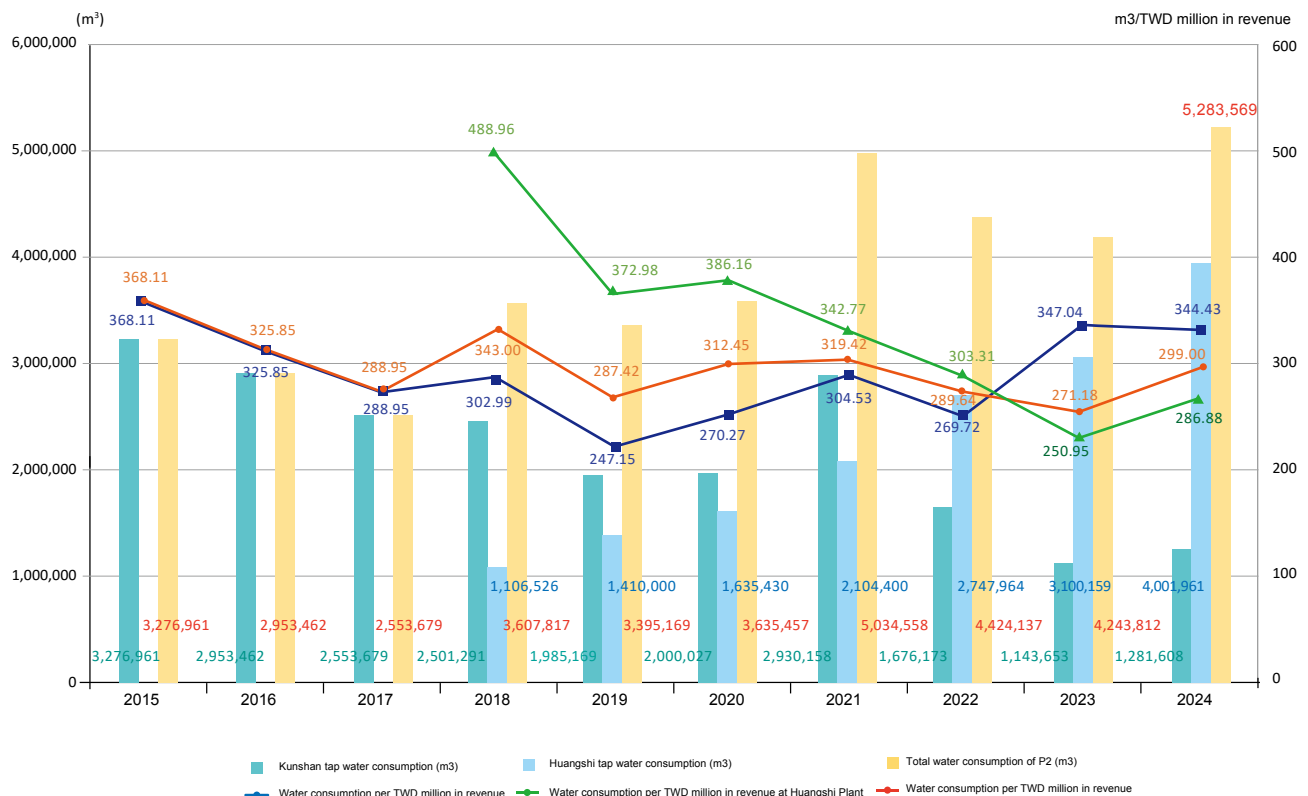
Water resource management system certification

Plant	System name	Certification body	Certification scope	Certificate validity period
Kunshan Plant	Alliance for Water Stewardship (AWS)	TUV Rheinland (Guangdong) Ltd.	Site: Dynamic Electronics (Kunshan) Co., Ltd. Address: 1688 Jinshajiang North Road, 215335, Kunshan City, Jiangsu, CHINA	Date of certification decision: 2022-Aug-09 Validity of certificate: 2025-Aug-09
Kunshan Plant	ISO 14001: 2015	CTi Certification Co., Ltd.	Site: Dynamic Electronics (Kunshan) Co., Ltd. Address: 1688 Jinshajiang North Road, 215335, Kunshan City, Jiangsu, CHINA	Date of certification decision: 2023-06-29 Validity of certificate: 2026-06-28 Issuance No.: 04123E30109R3L
Huangshi Plant	ISO 14001: 2015	BSI Assurance UK Limited	Dynamic Electronics (H.S.) Co., Ltd. No.88, Daqi Avenue, Wangren Town Economic & Technological Development Zone Huangshi Hubei 35003 China (The first phase of the project)	Date of certification decision: 2025-01-03 Validity of certificate: 2028-01-02 Issuance No.: EMS 697792

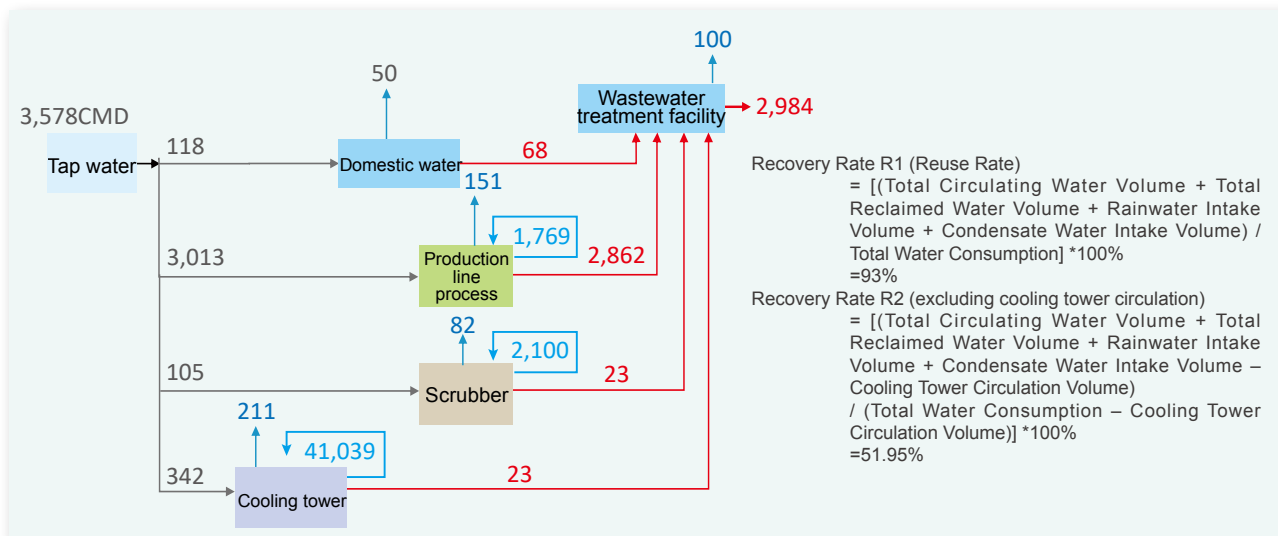


Kunshan Plant Sustainable Water Management (AWS) Standard Certificate

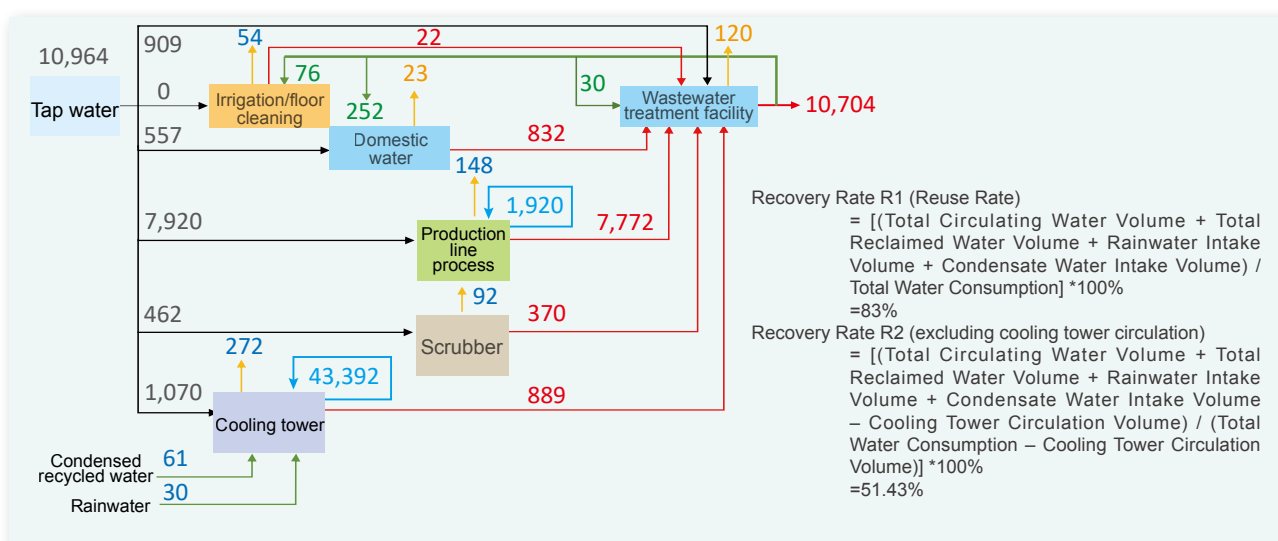
Trends in the Amount and Intensity of Water Consumed at the Kunshan and the Huangshi Plant



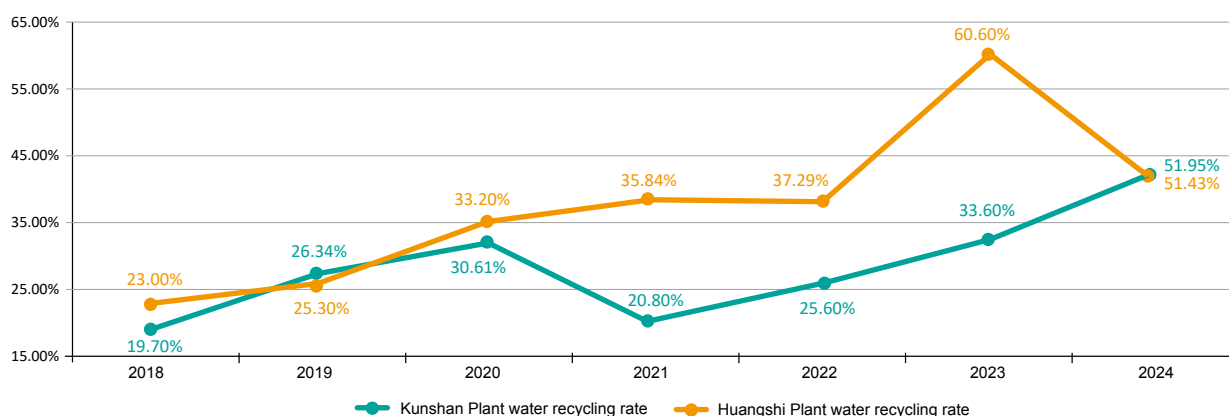
Balance Chart of Water Consumption at the Kunshan Plant in 2024



Balance Chart of Water Consumption at the Huangshi Plant in 2024



Water Resource Recycling and Reuse (Excluding Cooling Tower Circulation)

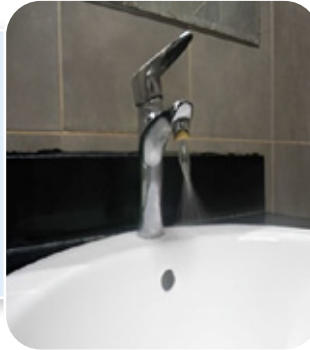


THREE·Environmental Performance

The Huangshi Plant is currently the Group's primary water-consuming facility. In 2024, its water consumption reached 4 million tons, representing an increase of 261.66% from 2018 levels. This was mainly due to the continuous expansion of production capacity, as well as the commencement of mass production at the Huangshi P2 Plant in late 2023, which significantly increased water usage. In response to the substantial growth in water consumption in recent years, the Plant has not only implemented water-saving measures in public facilities but also reduced process water usage through technological improvements.

Improvements in Domestic Water Fixtures

All washroom and pantry faucets at the Huangshi Plant have been retrofitted with spray-type water-saving nozzles, and urinals are fully equipped with sensor-based flushing devices.



Enhanced Recovery of Air-Conditioning Condensate and Rainwater

Condensate generated from outside-air handling units, after contact with chilled water coils, is recovered and stored in secondary water tanks for reuse in cooling towers, scrubbers, and sanitary facilities.

The rainwater harvesting system has also been expanded, with collected rainwater reused for landscaping and washroom flushing within the plant.



Rational Reuse of Public Water

The makeup water and evaporation balance of cooling towers (C/T) and exhaust-gas scrubbing equipment (L/S, C/S) are adjusted to ensure efficient use.

Treated wastewater that meets discharge standards is reused in exhaust-gas scrubbers and the resource recycling workshop as process water, thereby reducing municipal water consumption.



Reclaimed Water Reuse to Reduce Water Load

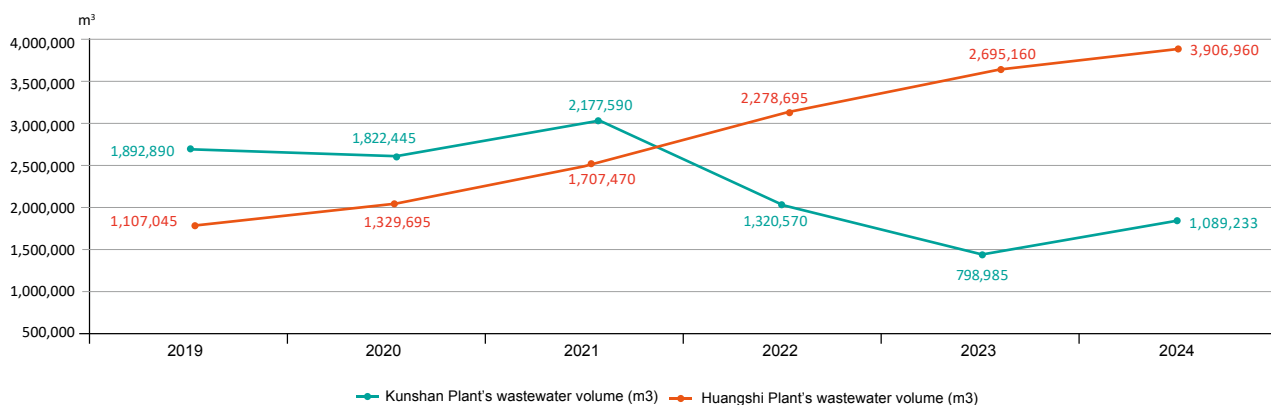
On production lines, circuit board cleaning water is managed through a multi-stage rinsing cycle. For instance, water from the first-stage rinsing system using ultrapure water and secondary RO-treated water is circulated into the second and third rinsing stages. Relatively clean rinsing water is directly reused within production lines, while moderately contaminated water is treated onsite for reuse. Highly contaminated rinsing water is discharged to the wastewater treatment system for further treatment before reuse or discharge. These measures reduce the demand for fresh water and lower the operational load on the wastewater treatment system.

At the P2 Plant, the backwash water for sand filters has been sourced from RO concentrate, thereby reducing municipal water consumption.

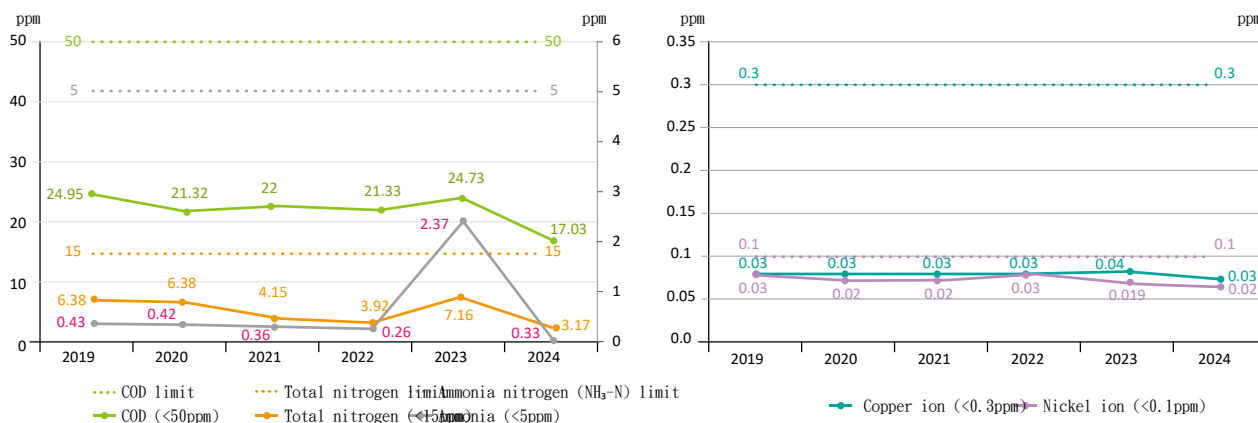


Wastewater/Sewage Management

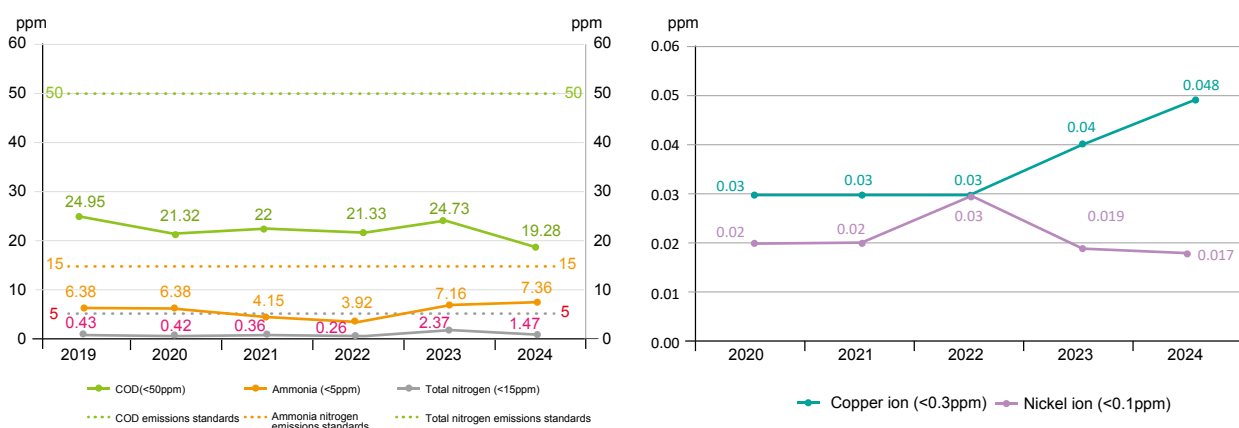
Wastewater discharge trend at the production plant



The wastewater treatment status of the Kunshan Plant in 2024 is as follows (annual average amount of on-line pollution monitoring):



The wastewater treatment status of the Huangshi Plant in 2024 is as follows (annual average amount of on-line pollution monitoring):



In 2024, the wastewater treatment performance at both the Kunshan and Huangshi plants remained excellent, with all indicators showing a downward trend and in compliance with regulatory requirements. In response to the progressive tightening of environmental protection laws and regulations in the future, both factories are committed to reducing pollution at the source through R&D units, and they will continue to invest resources in improving the performance of wastewater treatment facilities.

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IV. Wastes and Hazardous Substances Management



Management approach

Actual and potential positive economic, environmental, and social impacts on Dynamic (opportunities)	Actual and potential negative economic, environmental, and social impacts on Dynamic (risks)	Policy and Commitment	Action Plan	Complaint-filing mechanism
By strengthening the waste resource management model through ESG practices, the Company can significantly reduce energy input and waste disposal costs, thereby bringing about the comprehensive effect of improving operational efficiency and cost control capabilities, increasing the feasibility of waste recycling, and practicing a circular economy.	The constantly shortening product life cycles have led to overproduction of commodities. Improper waste management not only causes serious negative impacts on air, water, and soil, but also makes the disposal process more time-consuming and labor-intensive and increases the operating costs of enterprises.	Reinforce storage facilities and pollution management during the cleaning process and eradicate illegal treatment of hazardous substances	Planning and management of scrap area; on-site inspection of removal and disposal suppliers; maintaining the effectiveness of the management system	Plant President, CSR office (hotline, complaint mailbox)
		Clean production, circular economy	We will increase the recycling rate and reduce the intensity of waste generation (ton/10,000 TWD in revenue).	
		Recycle for reuse and optimize prevention against pollution	We will raise the proportion of metal-containing chemical wastes that are activated and reused in the plant.	
		Sustainable development, zero waste	Maintain the effective operation of UL 2799 system	

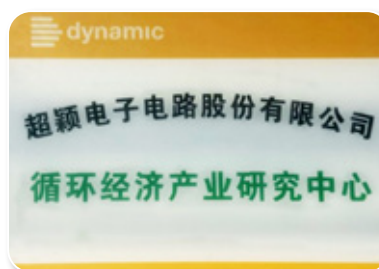
Goal and Performance

Goals	2024 Performance	Goals in 2024	Goals in 2025 (Medium-term)	Goals in 2027 (Long-term)
1. No penalty tickets for storage facilities 2. No cross-border processing 3. 100% qualified suppliers 4. Maintain system operation	The Kunshan and the Huangshi Plant are both in compliance	Conforming at both the Kunshan and Huangshi Plants	Conforming at both the Kunshan and Huangshi Plants	Conforming at both the Kunshan and Huangshi Plants
Percentage of metal-containing etching waste liquid that is extracted and reused in the factory	Huangshi Plant: 50.15%	Huangshi plant: > 29%	Huangshi plant: > 30%	Huangshi plant: > 32%
Acquisition of UL 2799 certification	Huangshi Plant Obtained platinum grade certificate	Huangshi Plant Maintain gold level or above	Huangshi Plant Maintain gold level or above	Huangshi Plant Advanced platinum level
Hazardous industrial waste generation reduction	-17.15%	-1%	-1%	Reduce 1% per year
Hazardous industrial waste generation intensity (metric tons/NT\$10,000 in revenue)	-26.92%	-1%	-1%	Reduce 1% per year
Ultimate recycling ratio	Kunshan Plant: 92.74% Huangshi Plant: 95.51%	Kunshan Plant: >97.2 Huangshi Plant: >96.2	Kunshan Plant: >97.5 Huangshi Plant: >96.5	Kunshan Plant: >98.0 Huangshi Plant: >96.8

Management System Certification

Plant	System name	Certification body	Certification scope	Certificate validity period
Kunshan Plant	ISO 14001: 2015	CTi Certification Co., Ltd.	Site: Dynamic Electronics (Kunshan) Co., Ltd. Address: 1688 Jinshajiang North Road, 215335, Kunshan City, Jiangsu, CHINA	Date of certification decision: 2023-06-29 Validity of certificate: 2026-06-28 Issuance No.: 04123E30109R3L
Huangshi Plant	Environmental Claim Validation Procedure (ECVP) for Zero Waste Classifications, UL 2799A First Edition.	UL Solutions	No.88, Da Qi Avenue, Wang Ren Town, Economic Technical Development Zone, Huangshi, Hubei 435000, China	20 Jun 2024 - 20 Jun 2025 UL Solutions Project No.: 4791230678 platinum grade certified
Huangshi Plant	ISO 14001: 2015	BSI Assurance UK Limited		Date of certification decision: 2025-01-03 Validity of certificate: 2028-01-02 Issuance No.: EMS 697792

Recently, "circular economy" has become a global issue. The production process of the circuit board industry requires a large amount of resources to be invested, including the main raw materials of precious metals such as copper, gold, and palladium, which not only causes the problem of scarcity of resources, but also has an impact on environmental pollution. In order to improve the effective utilization of resources, Huangshi Plant established the Dynamic Circular Economy Industry Research Center to inventory the production process and waste flow from a life cycle perspective and explore opportunities of the circular economy.



Dynamic's Circular Economy Research Center

Waste is divided into general waste and hazardous (dangerous) waste, with the hazardous waste accounting for about 78%. In the recycling part, the overall ratio of diversion is 95%.

Dynamic follows regulations in all waste disposal areas by ensuring proper classification for collection, transportation, and treatment, thereby improving the recyclability of waste. Since 2022, Huangshi Plant has been promoting UL2799 Zero Waste to Landfill Certification and has achieved platinum level for two consecutive years.



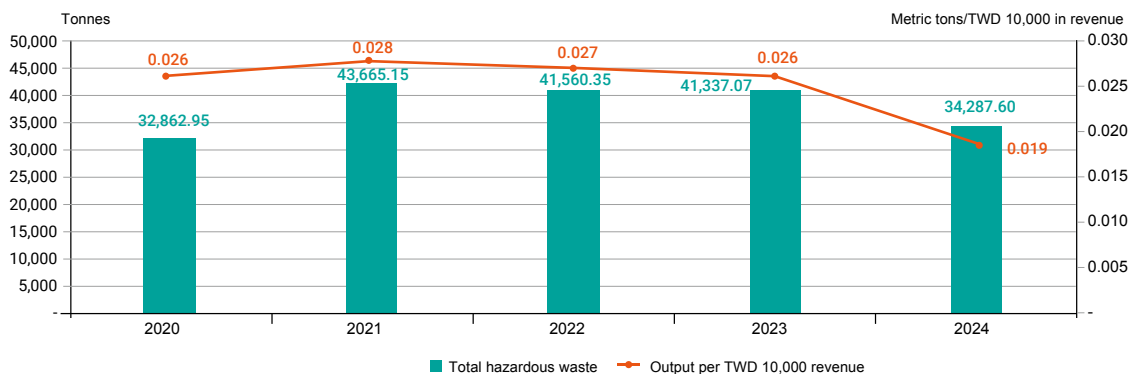
Classification of industrial waste by Dynamic

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Dynamic's Product Life Cycle Circular Economy System

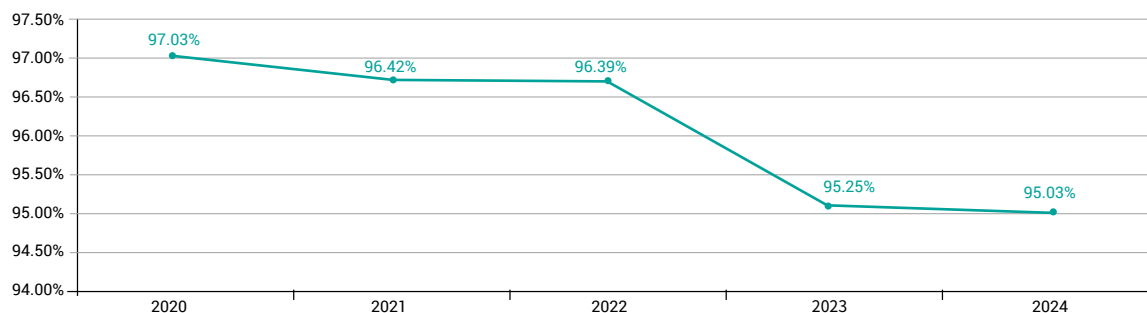


Hazardous Industrial Waste Generation and Intensity Trends of Dynamic Group



Note: Total waste generation decreased by 17.15%; waste intensity decreased by 26.92%.

Waste Reuse Rate Trends of Dynamic Group



In 2024, the recycling and reuse ratio slightly declined, mainly because the membrane residues at the Kunshan Plant, designated for incineration as final treatment, were insufficiently dried on site. Considering manpower and energy constraints, the volume of membrane residue sent offsite for treatment increased by 78%.

Waste Composition of Kunshan Plant in 2024 (Unit: metric tons, t)

Waste category		Waste generation	Directly processed volume	Volume transferred for processing
Hazardous industrial waste	Inhalation-toxic industrial waste	3.21	3.21	0
	Leachate-toxic industrial waste	4,795.43	272.10	4,523.33
	Corrosive industrial waste	2,385.53	0	2,385.53
	Total	7,184.17	275.31	6,908.86
General business waste		391.78	274.40	117.38
Total amount of business waste		7,575.95	549.70	7,026.23

Waste Transferred from Disposal to Recycling Operations at the Kunshan Plant in 2024 (Unit: metric tons, t)

Transfer classification		On-site	Off-site	Cap
Hazardous waste	Preparation for reuse	0	0	0
	Renewal and reuse	0	6,270.82	6,270.82
	Other recycling processes	0	638.035	638.04
	Subtotal	0	6,908.85	6,908.85
Non-hazardous waste	Preparation for reuse	0	0	0
	Renewal and reuse	0	44.72	44.72
	Other recycling processes	0	72.66	72.66
	Subtotal	0	117.38	117.38
Total recyclables		-	-	7,026.23

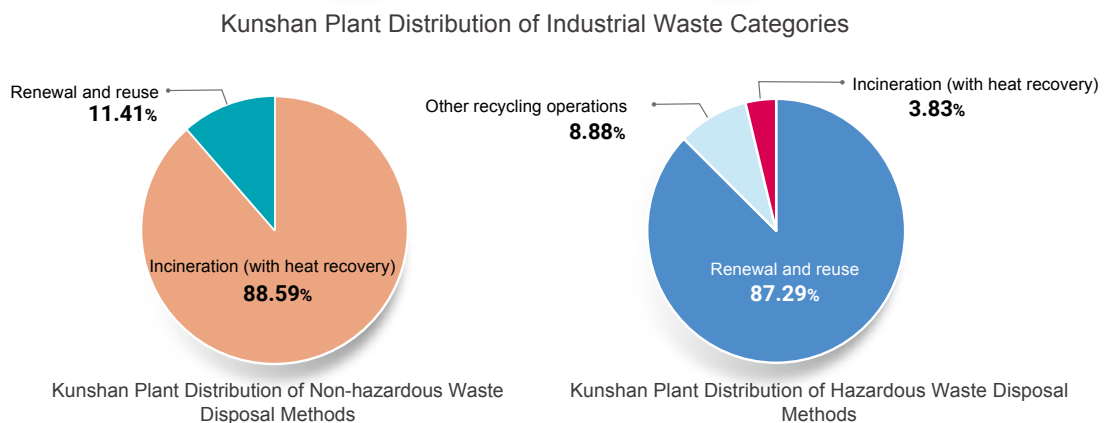
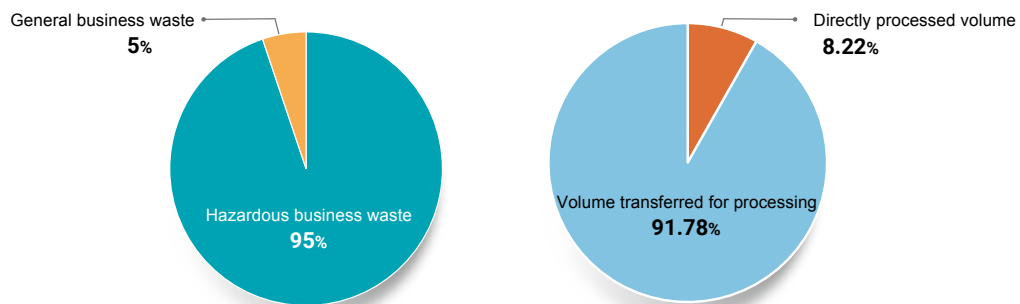
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Kunshan Plant 2024 Directly Disposed Waste by Disposal Operation (in metric tons, t)

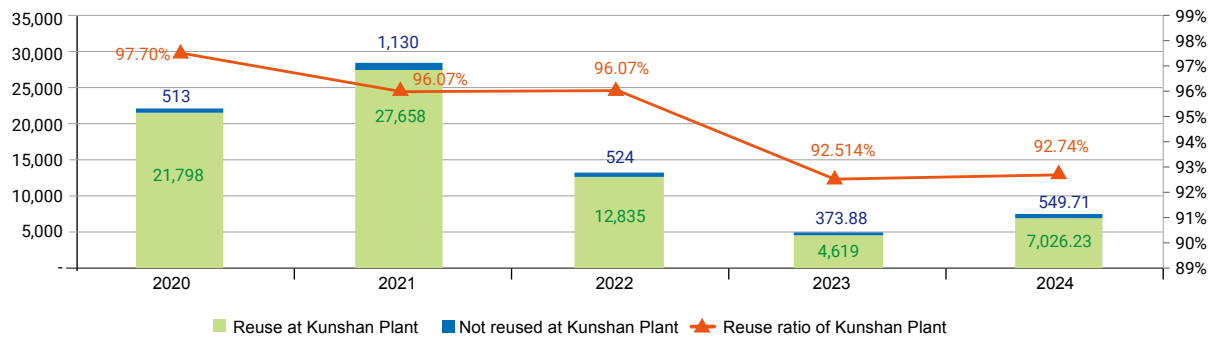
Disposal classification		On-site	Off-site	Cap
Hazardous waste	Incineration (excluding energy recovery)	0	275.31	275.31
	Incineration (including energy recovery)	0	0	0
	Landfill	0	0	0
	Other dispositions	0	0	0
	Cap	0	275.31	275.31
Non-hazardous waste	Incineration (excluding energy recovery)	0	0	0
	Incineration (including energy recovery)	0	274.40	274.40
	Landfill	0	0	0
	Other dispositions	0	0	0
	Cap	0	274.40	274.40
Total non-recyclable		-	549.71	549.71

Kunshan Plant Circular Economy Actions

Name	Content	2024 Performance
Waste micro-etching liquid electrolytic copper	The copper-containing waste liquid (waste) generated in the production process is electrolyzed to recover the metallic copper from the waste liquid and then replaced with new raw copper balls from the copper ball supplier in proportion.	Actual volume of electrolytic copper sold: 19.72 T
Recovery of electrolytic gold from aging liquid in gold baths	The gold in the gold-containing waste liquid is recovered through resin recovery and electrolysis.	0.6385 kg
Copper stripping from plated substrate	The copper-containing plate from the accompanying plate in the electroplating production is stripped off as a copper foil for sale.	Actual copper stripped: 22.967 T
Membrane residue drying for weight reduction	The membrane residue and waste liquid in the production process is concentrated by drying to reduce the amount of hazardous waste transported for disposal.	Actual transport volume: 187.19 t Reduce transport volume by 50%.



Trend of waste production and reuse percentage in Kunshan Plant



Waste Composition of Huangshi Plant in 2024 (Unit: metric tons, t)

Waste category		Waste generation	Directly processed volume	Volume transferred for processing
Hazardous industrial waste	Inhalation-toxic industrial waste	8.89	8.89	-
	Toxic industrial waste	-	-	-
	Leachate-toxic industrial waste	19,117.84	1,616.88	17,500.96
	Corrosive industrial waste	7,976.70	-	7,976.70
	Total	27,103.43	1,625.77	25,477.66
General business waste		9,070.60	-	9,070.60
Total amount of business waste		36,174.03	1,625.77	34,548.26

Waste Transferred from Disposal to Recycling Operations at the Huangshi Plant in 2024 (Unit: metric tons, t)

Disposal classification		On-site	Off-site	Cap
Hazardous waste	Preparation for reuse	12,000.7	6,548.3	18,549
	Renewal and reuse	351.7	6,576.96	6,928.66
	Other recycling processes	0	0	0
	Subtotal	12,352.40	13,125.26	25,477.66
Non-hazardous waste	Preparation for reuse	-	-	0
	Renewal and reuse	-	9,070.60	9,070.60
	Other recycling processes	-	-	0
	Subtotal	0	9,070.60	9,070.60
Total recyclables		12,352.40	22,195.86	34,548.26

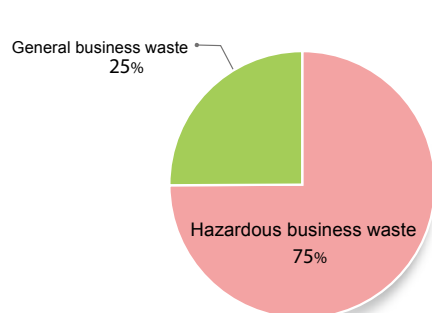
Huangshi Plant Directly Disposed Waste by Disposal Operation in 2024 (in metric tons, t)

Disposal classification		On-site	Off-site	Cap
Hazardous waste	Incineration (excluding energy recovery)	-	-	0.00
	Incineration (including energy recovery)	-	1,625.77	1,625.77
	Landfill	-	-	0.00
	Other dispositions	-	-	0.00
	Cap	-	1,625.77	1,625.77
Non-hazardous waste	Incineration (excluding energy recovery)	-	-	0.00
	Incineration (including energy recovery)	-	-	0.00
	Landfill	-	-	0.00
	Other dispositions	-	-	0.00
	Cap	-	-	0.00
Total non-recyclable		-	-	1,625.77

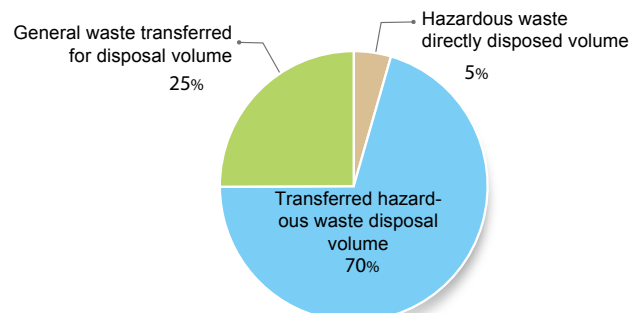
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Huangshi Plant Circular Economy Actions

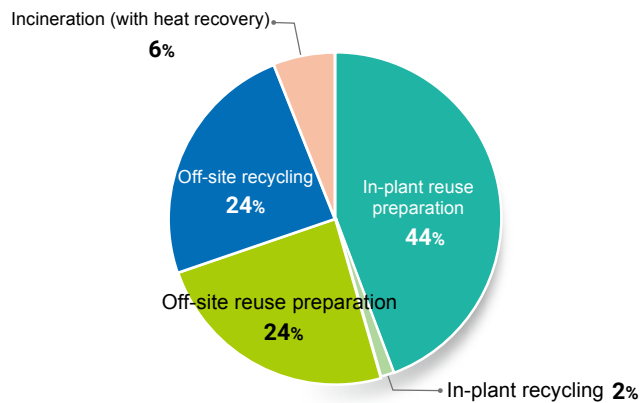
Name	Content	Performance
Waste micro-etching liquid electrolytic copper	The copper-containing waste liquid (waste) generated in the production process is electrolyzed to recover the metallic copper from the waste liquid and then replaced with new raw copper balls from the copper ball supplier in proportion.	In 2024, the external transportation and disposal volume of copper-containing waste liquid was reduced by 26,869 tons; the proportion of recycled copper balls accounted for 55% of the total consumption.
Recycling and reuse of tin stripping waste liquid	The tin-containing waste liquid generated in the production process is recycled through the filter press to tin sludge for sale, and the remaining tin-containing liquid is reused as raw material for production.	In 2024, about TWD 4.45 million of tin sludge was sold, and 42,500 kg of regenerated tin-stripping solution was reused in production.
Activated palladium recovery from electroplating wires	The palladium-containing waste liquid generated in the production process is adsorbed on activated carbon for sale.	In 2024, 515kg of palladium-containing activated carbon was sold
Recovery of electrolytic gold from aging liquid in gold baths	The gold in the gold-containing waste liquid is recovered through resin recovery and electrolysis.	In 2024, revenue from recovered gold reached RMB 8 million.
Copper stripping from plated substrate	The copper-containing plate from the accompanying plate in the electroplating production is stripped off as a copper plate for sale.	In 2024, 127 tons of copper plates were recycled
Membrane residue drying for weight reduction	The membrane residue and waste liquid in the production process is concentrated by drying to reduce the amount of hazardous waste transported for disposal.	In 2024, the transportation and disposal volume of membrane slag was reduced by 500.4 tons, saving TWD 675,000 in disposal expenses.
Sludge drying for weight reduction	Reduced the amount of hazardous waste disposed by drying the sludge generated in the wastewater biochemical treatment to reduce the weight.	In 2024, the sludge transport and disposal volume was reduced by 1,049 tons.
Copper carbonate (New item added in March 2024)	Copper-containing spent etching solution was neutralized to generate copper carbonate for external sale.	In 2024, 968.5 tons less copper-containing waste liquid was generated, with revenue of RMB 5.75 million.



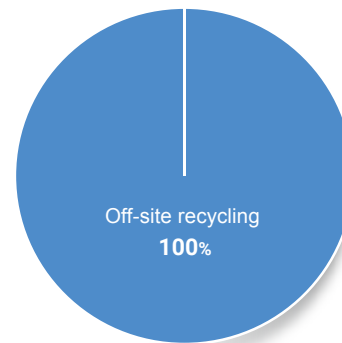
Distribution of general and hazardous waste at Huangshi Plant



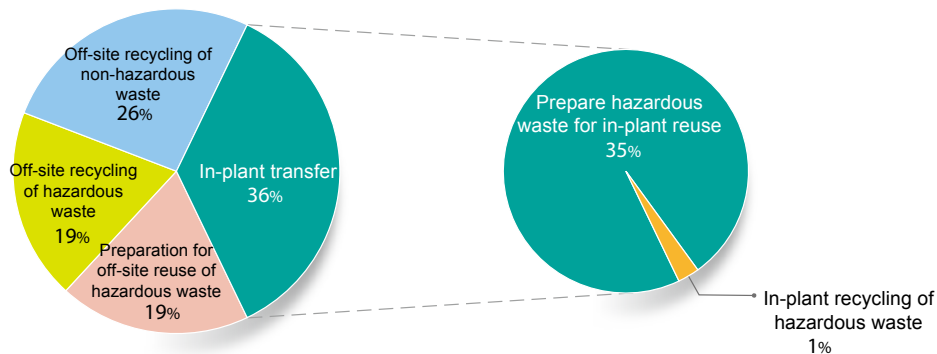
Distribution of waste disposal methods at Huangshi Plant



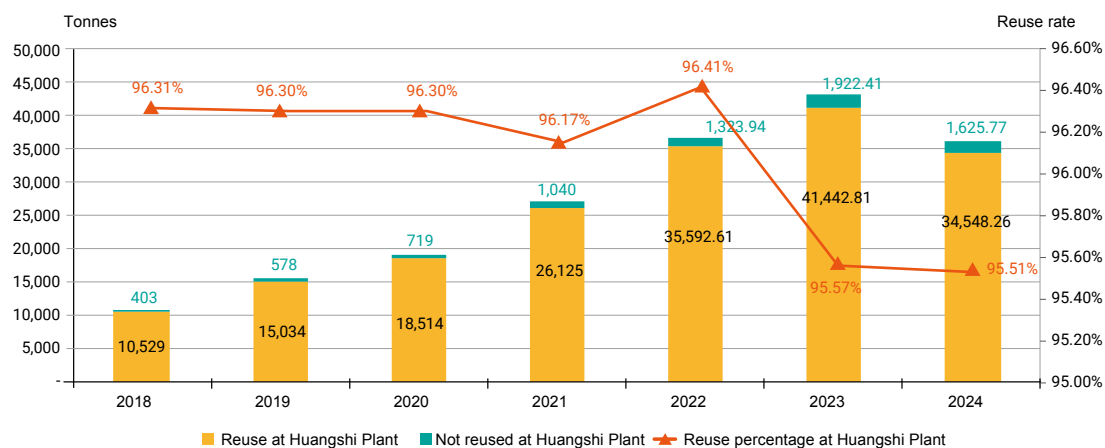
Distribution of disposal methods for hazardous waste at Huangshi Plant



Distribution of disposal methods for general waste at Huangshi Plant



Distribution of on-site and off-site transfer disposal ratios at Huangshi Plant



In 2024, 1,625.77 metric tons of non-recyclable waste, accounting for 4.49% of total waste generated, were classified as hazardous waste from the production process, including phenolic resin boards, film residue, used gloves, rags, waste ink, filter cartridges, etc. More than 95% of waste was recyclable; among the recyclable portion, 50.15% was reused or recycled directly within the plant.

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V. Environmental Investments



Management approach

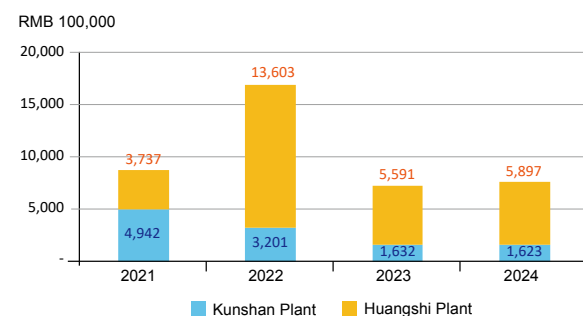
Actual and potential positive economic, environmental, and social impacts on Dynamic (opportunities)	Actual and potential negative economic, environmental, and social impacts on Dynamic (risks)	Policy and Commitment	Action Plan	Complaint-filing mechanism
Investing resources in environment-related issues can not only improve the efficiency of water and energy use, increase the water and waste recycling rate, increase circular economy benefits, and reduce the amount of pollutants generated per unit of production area, but also enhance the corporate image.	If the resources invested are not properly planned, resources may be wasted; if the resources are insufficient, inefficient use of energy and resources may occur, weakening competitiveness, and even causing excessive pollution and environmental violations, which will affect the Company's reputation.	"Technical control, reduce pollution; green procurement, energy efficiency enhancement; continuous improvement, and sustainable management" are the policies of Dynamic. Dynamic is committed to continuous environmental improvement and compliance with relevant laws and regulations, and at the same time spreads its philosophy to the upstream supply chain.	Establish a Resource Management Department to actively develop and find high-efficiency recycling solutions; plan renewable energy solutions, set up solar power generation facilities and purchase green electricity; implement various environmental management systems to ensure the implementation of policies and programs.	CEO's mailbox

Goal and Performance

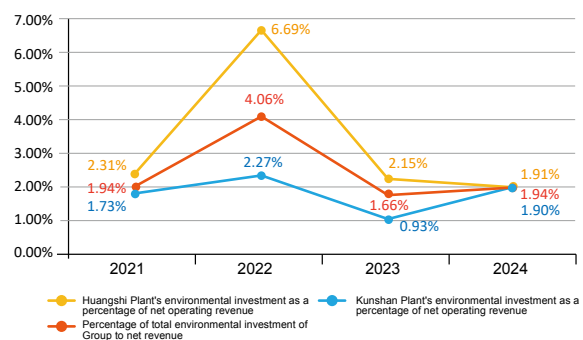
Goals		2024 Performance	Goals in 2024	Goals in 2025 (Medium-term)	Goals in 2027 (Long-term)
Environmental protection expenses as a percentage of revenue	Kunshan Plant	1.94	1.0	1.2	1.2
	Huangshi Plant	1.60	2.20	2.25	2.50

Dynamic's environmental expenditures include costs related to environmental treatment and testing, equipment maintenance and servicing, pollution prevention, and environmental management.

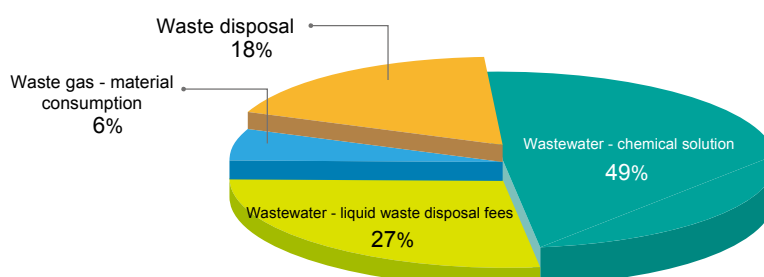
Historical Environmental Expenditure Amounts



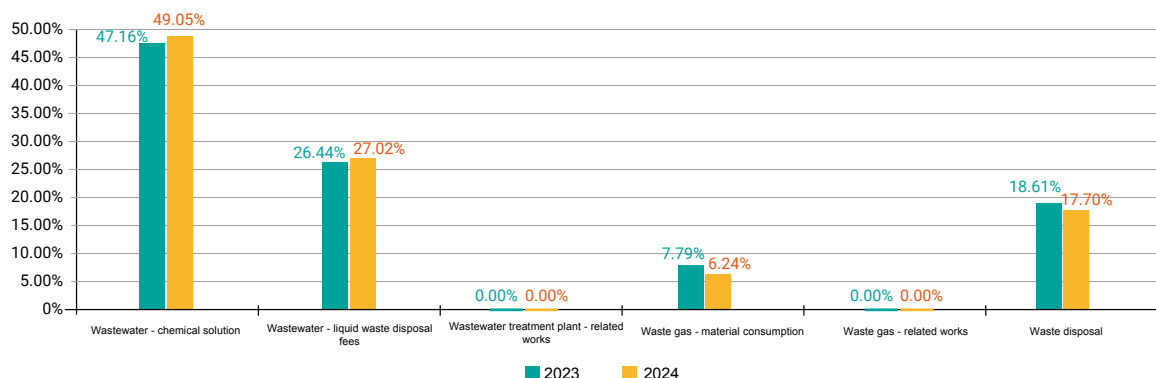
Environmental Protection Expenses as a Percentage of Revenue



Environmental investment ratio of Kunshan Plant in 2024

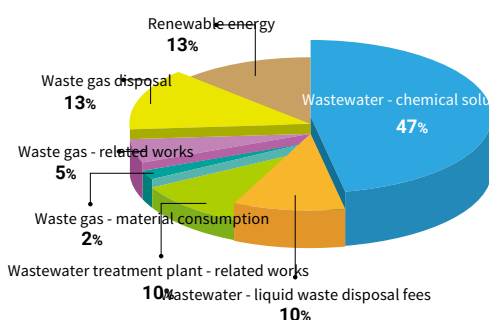


Percentage Trend of Environmental Expenditure Categories at the Kunshan Plant

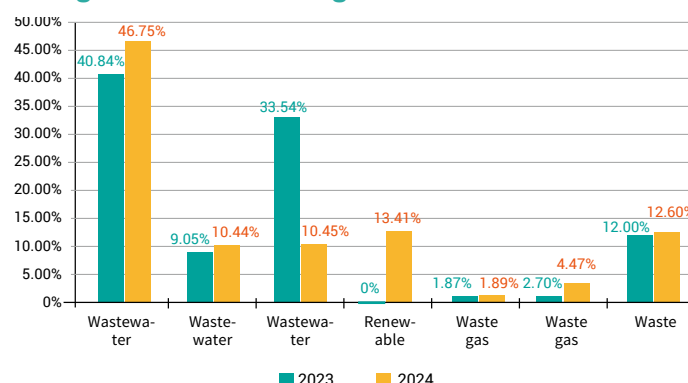


In 2024, the allocation of environmental expenditures at the Kunshan Plant remained similar to that of the previous year. For air pollution treatment, expenses on material consumption slightly decreased due to rational adjustments in the scrubbing frequency of circulating water in the scrubbers. In the short term, focus will be placed on the maintenance of pollution control facilities, while budget will also be reserved for improvements required under special regulatory requirements.

Environmental investment percentage at Huangshi Plant in 2024



Percentage Trend of Environmental Expenditure Categories at the Huangshi Plant



2024 Major Environmental Capital Expenditure Projects

Serial No.	Project	Efficacy	Expenditure (RMB)
1	Addition of micro-etching electrolytic equipment at Huangshi Plant No. 2	Reduction of hazardous waste transported off-site by approximately 500 tons/year, recovery of 60 tons of copper/year	1.3 million
2	Rooftop photovoltaic power generation project at the Huangshi Plant living quarters and wastewater plant	Annual power generation of 2 million kWh	7.22 million
3	Renewable energy procurement	Carbon reduction benefits of 94,874.86 metric tons CO ₂ e	630,000
4	Huangshi Plant Phase I conversion of standard streetlights to solar-powered streetlights and addition of solar-powered streetlights in the processing area (26 units)	Annual electricity savings of 9,500 kWh, with a carbon reduction benefit of 5.10 tons Co ₂ e	RMB 60,000
5	Huangshi Plant I hydrochloric acid tower maintenance and addition of a preliminary screening process	Optimization of the production environment, enhancement of exhaust gas treatment efficiency, and reduction of visible white smoke emissions	RMB 27,000

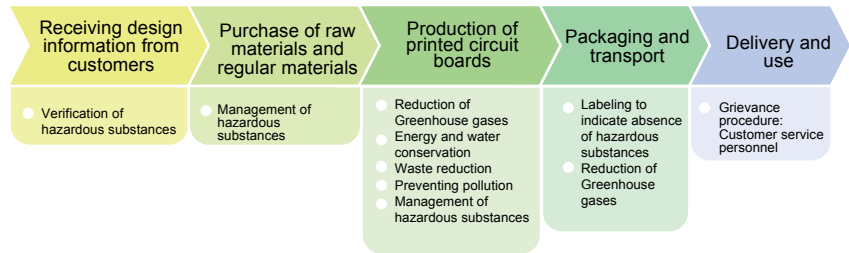
In 2024, environmental expenditures at the Huangshi Plant declined compared with 2023 as the P2 wastewater treatment facility was completed, reducing project-related spending. However, with a significant increase in treated water volume, the proportion of operation and maintenance costs rose markedly. Waste disposal costs recorded a slight increase, as the Huangshi Plant strongly promoted circular economy practices. More reusable resources were treated and reused internally, and continuous development of recycling technologies significantly reduced overall disposal costs.

With the growing global emphasis on sustainable development, sustainable investment has become an important benchmark for evaluating corporate governance, with environmental protection being a critical issue. In addition to adhering to existing environmental policies, Dynamic is committed to promoting the use of renewable energy to reduce its carbon footprint. Looking ahead, the Company will also focus on biodiversity and the development of recyclable materials, thereby creating greater sustainable corporate value.

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VI. Green Products & Processes

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



Use more environmentally friendly chemicals and technologies

Huangshi Plant introduced 2 new pulse lines in 2024 to produce through holes and blind vias with pulse electroplating solution, which can improve the filling capacity of through holes by 20% and reduce the weight of copper-plated copper balls by 15-20%.

Halogen-free Processes/Materials

Huangshi Plant

- In 2024, the proportions of halogen-free materials for the three materials of substrate/PP/ink were: 74%, 75%, and 89%, respectively. Since a considerable amount of halogen-containing materials are still used in automotive sheets, they cannot be replaced immediately.
- Reducing and controlling the content of halogen in halogen-free materials:
Laws and regulations: Cl<900ppm, Br<900ppm, Cl+Br<1500ppm, we assist suppliers to further develop reduction plans and control them according to Cl<700ppm, Br<700ppm, Cl+Br<1000ppm. In 2024, among the main material and auxiliary material manufacturers, only Sun Hong Kong's halogen test report met the requirements. However, it did not agree to provide a letter of guarantee or "Halogen-free Declaration of Conformity", while all other manufacturers complied and signed the "Halogen-free Declaration of Conformity".
- SQE requires all raw material suppliers to sign the "Guarantee That Products Are Free From Environmentally Hazardous Substances", including major and auxiliary material manufacturers, except for Sun Hong Kong, a total of 95 manufacturers (48 major suppliers, 47 auxiliary material suppliers) have completed the response.
- In 2024, IQC monitored the halogen content of the incoming materials of suppliers: 927 batches, with an achievement rate of 100%.
- Subsequent action: IQC continues to monitor the halogen content of supplier materials according to sampling frequency (main materials: by model/vendor/semiannual). SQE continues to promote slashing or replacement among the suppliers and provide assistance in making purchases at the same time. For non-conforming ones or those unable to meet the slashing and control criteria of our Company, gradual replacement by other materials will be considered.

Kunshan Plant

- In 2024, the proportions of halogen-free materials for the three materials of substrate/PP/ink were: 56.15%, 34.92%, and 76.39%, respectively. Since a considerable amount of halogen-containing materials is still used in automotive sheets, they cannot be replaced immediately;
- Reducing and controlling the content of halogen in halogen-free materials:
Laws and regulations: Cl<900ppm, Br<900ppm, Cl+Br<1500ppm, we assist suppliers to further develop reduction plans and control them according to Cl<700ppm, Br<700ppm, Cl+Br<1000ppm. In 2024, among the main material and auxiliary material manufacturers, only Hangzhou Wazam and Sun Hong Kong's halogen test report met the requirements. However, they did not agree to provide a letter of guarantee or "Halogen-free Declaration of Conformity", while the other manufacturers complied and signed the "Halogen-free Declaration of Conformity".
- SQE requires all raw material suppliers to sign the "Guarantee that Products are Free from Environmentally Hazardous Substances", including major and auxiliary material manufacturers, a total of 99 manufacturers (41 major suppliers, 58 auxiliary material suppliers) have completed the response.
- In 2024, IQC monitored the halogen content of the incoming materials of suppliers: 629 batches, with an achievement rate of 100%.
- Follow-up actions: IQC continues to monitor the halogen content of the supplier's materials based on the frequency of HSF testing (main materials/quarterly; auxiliary materials/six months). SQE continues to encourage suppliers to reduce or substitute, and asks for simultaneous assistance from procurement. If the products fail to meet or cannot comply with our halogen reduction control standards, we will consider gradually replacing them with other materials.

Green Product Management System

The green product management system of Dynamic has been approved by international organizations, other countries, customers, and its validity and continuous improvements are maintained.

Certificate name	Plant	Certificate number	Certificate validity period
IECQ QC080000 Hazardous Substance Process Management Certificate	Kunshan Plant	50600203 QC	2027-02-04
	Huangshi Plant	20000857 QC	2025-10-15
Sony Green Partner Environmental Quality Certification	Kunshan Plant	FC015421	2026-09-30
	Huangshi Plant	FC011178	2026-09-30

VII. Air Pollution Prevention

Policy and Commitment

Actual and potential positive economic, environmental, and social impacts on Dynamic (opportunities)	Actual and potential negative economic, environmental, and social impacts on Dynamic (risks)	Policy and Commitment	Action Plan	Complaint-filing mechanism
Through hazard analysis of production line processes, potential risk factors that may lead to unexpected air pollution incidents have been identified. Air pollution risk management and contingency plans are established to mitigate the likelihood or severity of non-compliant emissions through effective management measures, thereby enhancing satisfaction among neighboring communities.	The production process involves the use of various chemicals, and improper management may result in fugitive emissions or excessive discharges that could adversely affect the health of employees and nearby residents, while also damaging the Company's reputation.	Comply with laws and regulations and fulfill corporate responsibilities. Full participation and enhanced communication Technical control, pollution reduction Continuous improvement, sustainable management	- Conduct regular compliance reviews and audits of applicable regulations - Implement annual training programs and awareness initiatives to prevent non-compliant emissions - Fully utilize clean energy and adopt the best available control technologies (BACT) for exhaust gas treatment - Ensure all production sites continuously maintain ISO 14001 environmental management system operations	CEO's mailbox

Goal and Performance

Goals	Accomplishment in 2024	Goal in 2024	2025 Target (medium-term)	2027 Target (long-term)
Kushan Plant - number of complaints filed by surrounding residents	0	0	0	0
Huangshi Plant - number of complaints filed by surrounding residents	0	0	0	0
Kuanshan Plant - number of penalties imposed due to non-conforming air-polluting emissions	0	0	0	0
Huangshi Plant - number of penalties imposed due to non-conforming air-polluting emissions	0	0	0	0
Operating parameter compliance rate of fixed air pollutants at the Kunshan Plant	100%	100%	100%	100%
Operating parameter compliance rate of fixed air pollutants at the Huangshi Plant	100%	100%	100%	100%

Air pollutant emissions and emission intensity trends of the Kunshan Plant

	2020	2021	2022	2023	2024	Permitted emissions
Nitrogen Oxide (kg)	17,782.31	20,281.76	8,524.42	6,574.02	6,264.63	6,140
Revenue (millions)	7,400.06	9,622.04	6,214.59	3,295.48	3,720.97	-
Nitrogen Oxide (kg/million in revenue)	2.40	2.11	1.37	1.99	1.68	-
Volatile organic compounds (VOCs, Kg)	3,341.50	7,520.21	1,632.64	435.18	1,041.38	1,210
Revenue (millions)	7,400.06	9,622.04	6,214.59	3,295.48	3,720.97	-
Volatile organic compounds (kg/million in revenue)	0.45	0.78	0.26	0.13	0.28	-

In 2024, VOCs emission intensity showed an upward trend, and the total emissions approached the permitted limit. To address this, VOCs reduction measures focus on both source reduction and end-of-pipe treatment, adopting appropriate control technologies such as regenerative thermal oxidizers (RTO) to achieve emission reduction targets.

Air pollutant emissions and emission intensity trends of the Huangshi Plant

	2020	2021	2022	2023	2024	Permitted emissions
Nitrogen Oxides (kg)	22,158.48	23,999.26	23,602.90	11,499.00	13,068.63	62,850
Revenue (millions)	4,235.11	6,139.45	9,059.91	12,353.80	13,950.00	-
Nitrogen oxide emission intensity (kg/million in revenue)	5.23	3.91	2.61	0.93	0.94	-
SOx (kg)	3,452.27	653.91	434.81	891.00	746.77	4,540
Revenue (millions)	4,235.11	6,139.45	9,059.91	12,353.80	13,950.00	-
SOx emission intensity (kg/million in operating revenue)	0.82	0.11	0.05	0.07	0.05	-
VOCs (kg)	4,409.44	518.66	569.87	2,145.00	3861.02	7,260
Revenue (millions)	4,235.11	6,139.45	9,059.91	12,353.80	13,950.00	-
VOCs emission intensity (kg/million in operating revenue)	1.04	0.08	0.06	0.17	0.28	-

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VIII. Biodiversity

◆ Biodiversity and Zero-Deforestation Policy

Biodiversity and the stability of nature are inextricably linked. They affect the ability of the natural environment to recover, and this is also critical for the symbiosis between human beings and nature. Dynamic recognizes that biodiversity has a significant impact on the natural environment, corporate operations, and even the physical and mental health of employees. In order to maintain biodiversity, Dynamic has formulated “Dynamic’s Biodiversity and Zero-Deforestation Policy”, and is committed to maintaining the natural environment and biological habitats around its operating sites, and actively invests in biodiversity affairs to ensure that all operating sites meet zero-deforestation standards and continue to move towards a net positive impact on biodiversity.

Dynamic Biodiversity and Zero-deforestation Policy

- Our Commitment -

- The Company shall not conduct business activities in sensitive biodiversity hotspots and adjacent ecological areas listed globally or in various countries to avoid negative impacts on protected species.



- New factory buildings shall adopt construction methods that mitigate environmental impact and take green building design into consideration.



- We will propose mitigation, restoration, and compensation plans for biodiversity hotspots around existing operating locations.



- Compensation will be invested in forest restoration for the consumption of paper, packaging, building materials used for business activities.



- Ensure that new developments comply with environmentally-friendly design and economically feasible.



- Regularly disclose the implementation results of biodiversity and zero-deforestation on the official website or in the sustainability report.



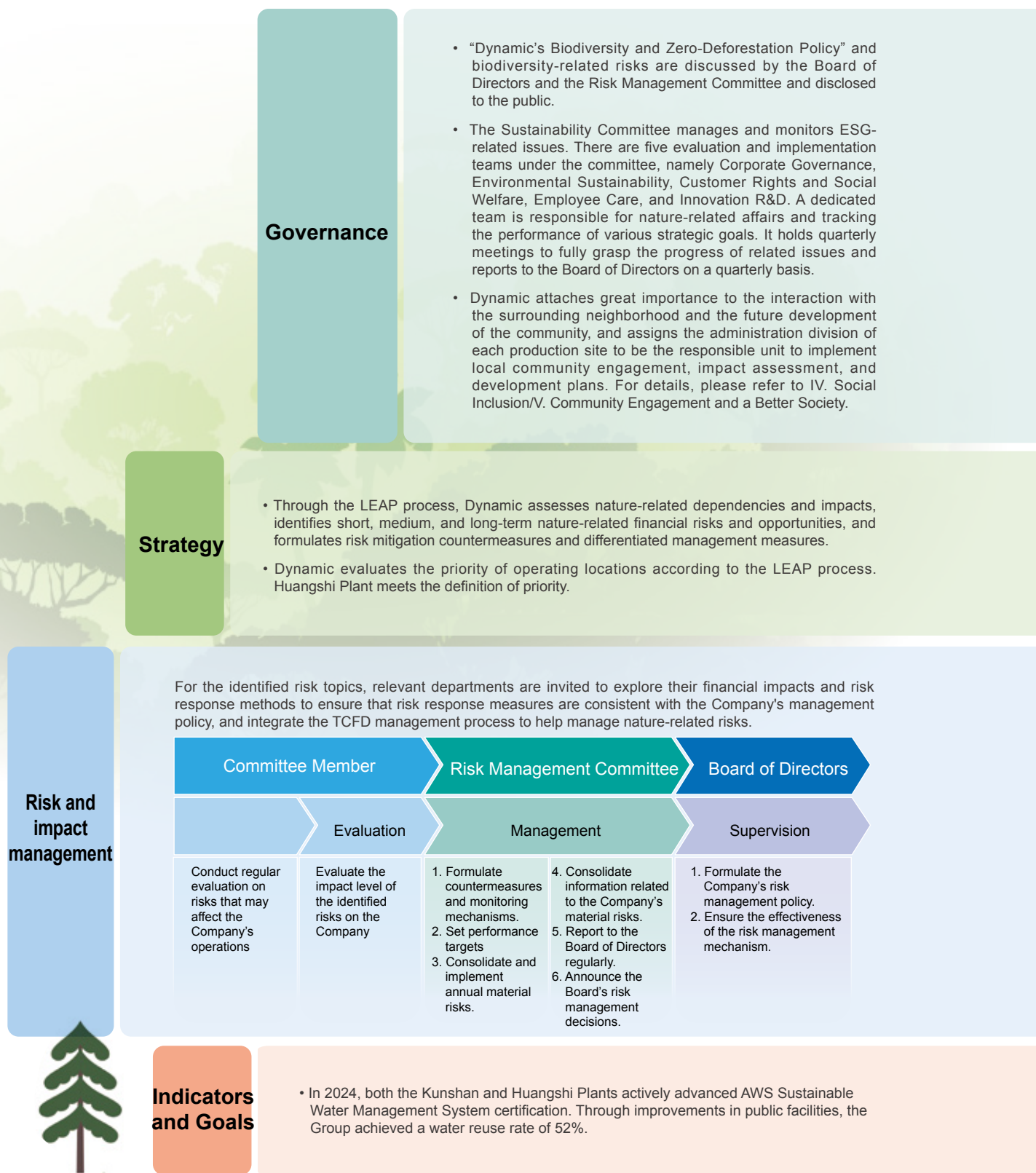
- Continue to raise awareness of the importance of biodiversity and forest conservation in the value chain, plan to work with suppliers and partners to abide by the commitment to zero-deforestation, and work together to realize the vision of the United Nations Convention on Biological Diversity.



◆ Taskforce on Nature-related Financial Disclosures (TNFD)

To consolidate Dynamic’s determination to protect the natural environment, Dynamic introduced the Taskforce on Nature-related Financial Disclosures (TNFD) in 2024. The operations of Dynamic are closely related to the natural environment, and some of the manufacturing processes involve raw materials or technologies that may impact the environment. If the natural environment is affected by business activities, it will affect potential benefits. Therefore, Dynamic has introduced the TNFD framework and will regularly review operating activities and the natural ecology to understand possible risks and opportunities, and formulate relevant countermeasures in a timely manner. Dynamic manages the environment and biodiversity with the frameworks of “governance”, “strategy”, “risk management”, and “indicators and targets”.

Core TCFD Framework



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Identification of natural risks and opportunities

Dynamic introduced “Nature-related Financial Disclosures” in 2024 to inventory the impact of its operating activities on the environment and habitat restoration. Dynamic will follow the TNFD’s LEAP framework to analyze and define the relationship between Dynamic and the natural environment, biodiversity, etc., assess the impacts of business on the natural environment and biodiversity, propose relevant countermeasures and development directions, and disclose the assessment results.

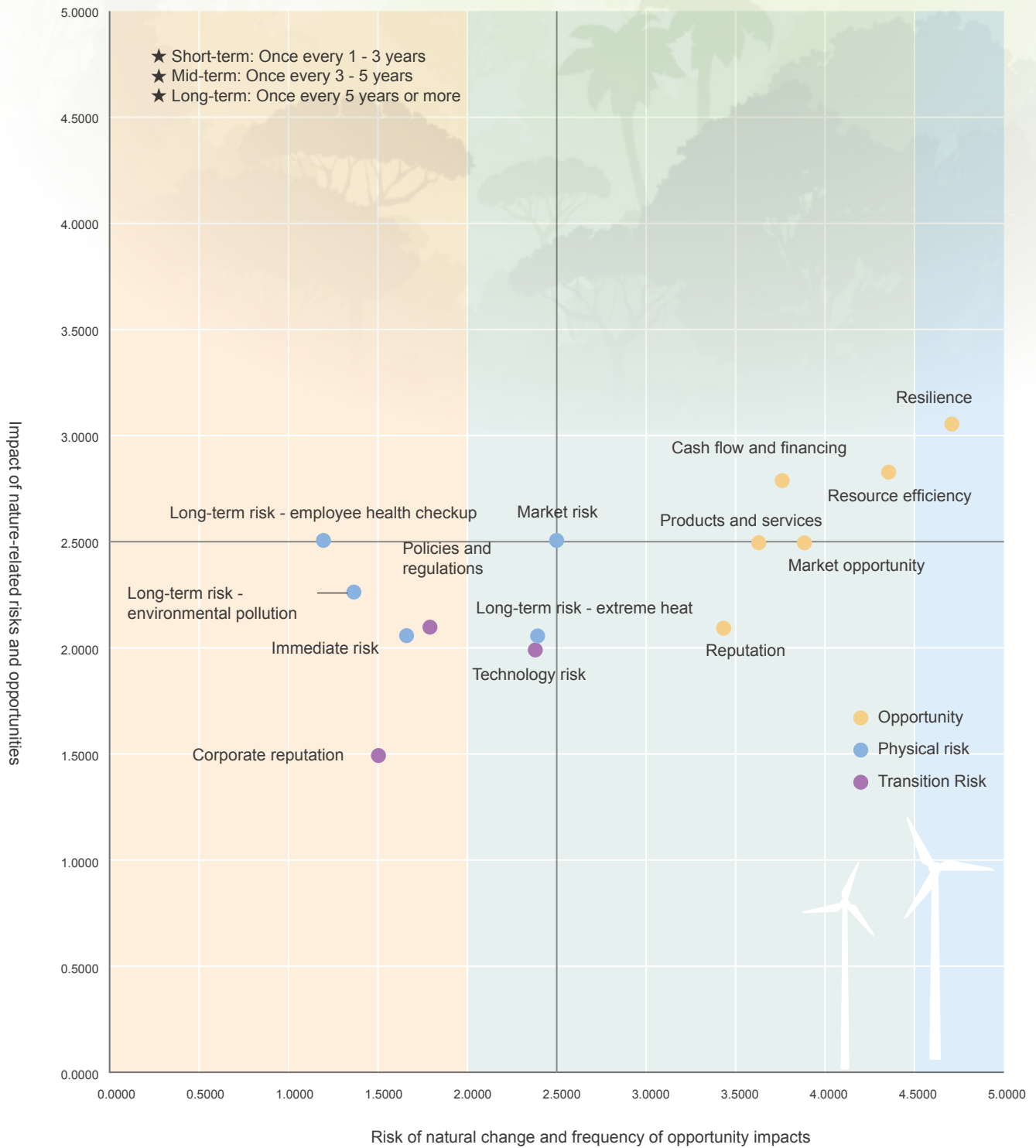
Dynamic’s LEAP evaluation process



Priority location identification

Assessment item	Assessment results	
Key Biodiversity Areas, KBAs	None	
Protected Areas, PAs	Yes	
Water resource risk	None	
(hotspots of natural capital depletion)	Yes	

Results of nature and biodiversity risk-opportunity matrix analysis



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Nature-related risk response strategies

Risk Classification	Risk name	Risk description	Related financial impacts
Physical risk	Immediate risk	Factory operations or those of upstream and downstream suppliers may be disrupted by extreme events such as water shortages, wildfires, or tropical cyclones, leading to supply chain interruptions or operational setbacks.	- Water shortages, wildfires, and tropical cyclones may cause temporary suspension of factory operations, resulting in increased operating costs. - Upstream suppliers affected by water shortages, wildfires, or tropical cyclones may drive up raw material and transportation costs for the Company.
Physical risk	Long-term risks	- Factory operations may be disrupted by chronic climate change impacts such as extreme heat, which could harm employee health or result in excessive use of cooling equipment. - The use or construction of renewable energy facilities during operations may cause environmental pollution. - Damage to the ecosystems and loss of biodiversity may increase the risk of disease transmission, adversely affecting employee health.	- Extreme heat and ecosystem degradation may impact employee health, causing factory operations to be interrupted and operating costs to rise. - In responding to extreme heat, the Company's excessive use of electricity and water resources may lead to a higher burden of future carbon fees or taxes, thereby increasing operating costs. - Pollution caused by renewable energy equipment or operational equipment may require the plant to be relocated or the equipment to be dismantled, leading to increased operating costs.
Transition Risk	Policies and regulations	- The factory was fined by the Chinese local government for violating waste discharge-related regulations. - Failure to comply with biodiversity-related regulatory changes may result in factory fines.	The government imposed a fine for failing to comply with China's "Law on the Prevention and Control of Environmental Pollution by Solid Waste", resulting in an increase in operating costs.
Transition Risk	Technology risk	- Failure to improve hazardous substances in the production process, resulting in insufficient orders or violation of local regulations. - To reduce hazardous substances in the manufacturing process, significant resources are invested in the development of new processes or equipment.	R&D costs for finding alternative raw materials or alternative processes.
Transition Risk	Market risk	The Company's orders decreased due to consumers' preference for environmental products.	Affected by consumers' market preferences, the Company lost orders and revenue decreased.
Transition Risk	Corporate reputation	The Company's reputation is questioned by the media, the community, or other stakeholders, which affects business activities.	Affected by negative news, the factory's operations were hindered by the loss of orders or protests, resulting in an increase in operating costs.

Strategies for responding to nature-related opportunities

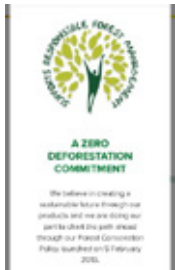
Name of opportunity	Description of opportunity	Relevant financial impact
Resilience	Improve resource management procedures and establish emergency response measures to reduce losses caused by sudden disasters and reduce the risk of material outages.	The resource management and recycling system improves the utilization efficiency of recycled information, reduces water resources or waste discharge, and reduces resource-related costs.
Resource efficiency	Properly manage waste and set up a recycling system to reduce waste for disposal and sale through waste.	Reduce the cost of waste disposal and increase profit by selling waste through the waste recycling system.
Cash flow and financing	Adopt actions in compliance with the Convention on Biological Diversity or regulations to improve the ESG score and obtain more opportunities for international investment and financing.	Good ESG actions increase the possibility of a company being invested in, thereby increasing capital.
Products and services	Develop new alternative raw materials or new technologies and apply them to products and services to launch green products.	New technologies or new raw materials can reduce the cost of treating pollutants or recycling harmful substances.
Market opportunity	In response to market preference for environmentally friendly products, launch consumer-friendly products and increase order volumes.	Environmentally friendly products have been valued by the market, and the number of orders has increased significantly, enabling the Company to grow its revenue.
Reputation	Successful protection of the environment and natural habitats, positive media coverage, and increased corporate popularity.	The increase in corporate popularity and exposure leads to new business cooperation opportunities, growth of orders, and increase of revenue.

Frequency of occurrence	Management approach
Long-term occurrence	• Develop new suppliers, new materials, or establish second suppliers to diversify the supply sources of raw materials to avoid supply interruption. • Increase the safety stock of normal raw materials. • Have natural disaster impact evaluations in place on the plant compound and proactively follow up on the developments of various natural disasters. • Prepare the Company for risks in advance by elevating the foundation of the plant compound during the early planning stage and planning expensive equipment for higher floors and smooth rainwater drainage systems, among others.
Long-term occurrence	• Create secondary support for the supply chain. • Lower the air-conditioning temperature and reduce the high-temperature operating time. Have anti-heat stroke and temperature-lowering medications ready at the health station. • Introduce electrical smart monitoring systems for the machines. The smart power grid and AI operational mode enable optimization of electricity utilization. • Monitor equipment water consumption, managing it by individual units to track changes in water use more precisely. • Organize employee ecological education activities to provide opportunities to engage with nature, thereby enhancing environmental awareness while also improving physical and mental health.
Long-term occurrence	• Normalize the management measures, reinforce pollution control hardware equipment, introduce low-pollution raw materials and standard materials to proactively meet the pollution control requirements of the competent authority. • Turn waste to treasure by means of recycling technology, which not only reduces impacts on the environment but also increases profits for the Company. • Continue to cooperate by modifying new technologies for improved processing efficiency.
Long-term occurrence	• Set up various incentives for proposals on improvements. • Increase the amount of investment in the innovation of R&D technologies and effectively distribute resources to the most forward-looking and sustainable products. • Develop green materials that meet new environmental requirements.
Long-term occurrence	• Create a product environmental footprint management system. • The carbon footprint cost must be included as part of the process cost.
Long-term occurrence	• Improve ESG practices and strengthen external disclosure channels (multiple media design and interactive function, stakeholder communication and feedback channels, CSR section management on the website, electronic version of the report).

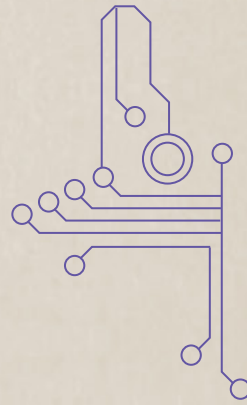
Corresponding risks	Future management approach
Physical risk - immediate risk Physical risk - long-term risk	• Include the aspect of biodiversity in supplier evaluation, and conduct regular audits to track improvements on a regular basis. • The evaluation results of the biodiversity tool are used as one of the criteria for selecting new suppliers.
Transition risk - policies and regulations	• Optimize and improve the product and waste recycling system, properly manage the recycled products and waste, and establish good and long-term cooperative relations with third-party recycling vendors.
Transition risk - policies and regulations	• Plan the Company's ESG management actions in accordance with international conventions or standards and actively participate in the standards or index scoring mechanisms to obtain more international funds.
Transformation risk - Technology risk	• Design low-energy products and provide energy-saving or low-carbon products.
Transition risk - market risk	• Develop products meeting the Energy Star label requirements.
Transition risk - corporate reputation	• Engage in public welfare activities related to the natural environment or biological habitats (sponsoring public welfare organizations, organizing ecological education).

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Nature-related indicator results

Indicators	Environmental friendliness indicator results	
Water recycling rate	In 2024, both the Kunshan and Huangshi plants actively advanced AWS Sustainable Water Management System certification. Through improvements in public facilities, the Group achieved a water reuse rate of 52%.	
Ecology	The Huangshi Plant has made long-term efforts in environmental landscaping, cultivating a diverse ecosystem of seven tree species (osmanthus, camphor, cherry blossom, ginkgo, photinia, palm, and privet), along with three rare native tree species of Huangshi. In 2024, an additional 20 cherry blossom saplings, 1,000 camphor saplings, and 220 osmanthus trees were planted to further enrich biodiversity.	   Osmanthus tree Camphor tree Cherry blossom tree
Greenery	The green area of Huangshi Plant is about 141,426 square meters (grass), with a greening rate of 35.21%. The green plants have a carbon reduction effect of about 1,032 metric tons of CO₂ per year; in 2024, an additional 2,460 square meters of greenery were added to the western residential area. Although the Kunshan Plant is an older facility, it preserved 7,950m² of green space and plantings at its inception. With the plant's development, additional distinctive vegetation has been introduced, including Boston ivy cultivated on the reclaimed water pool walls.	    
Carbon reduction	Dynamic is committed to setting short-term emission reduction targets aligned with the SBTi. In April 2025, the Company received SBTi approval for its near-term science-based emission reduction targets. Using 2023 as the base year, Dynamic aims to achieve an absolute 42% reduction in organizational carbon emissions (Scopes 1 and 2) by 2030. In 2024, due to production expansion and the operation of an employee cafeteria at the Kunshan Plant, Scope 1 and 2 emissions increased by 2.16% compared with 2023.	
Zero deforestation	Dynamic has replaced wooden pallets with polypropylene integrated injection-molded pallets, eliminating the need for deforestation and helping to support biodiversity. At the Huangshi Plant, all material suppliers are prohibited from using wooden pallets for shipments to Dynamic. In 2024, the plant also procured 3,610 pallets to replace old wooden ones, which are continuously reused in circulation. Sustainable Product Selection: Dynamic ensures that all office paper purchases are environmentally certified, including FSC (Forest Stewardship Council), PEFC (Program for the Endorsement of Forest Certification), Zero Deforestation Commitment International Technical Label, and China Green Product Certification. These measures ensure that paper is sourced from responsibly managed forests, thereby promoting afforestation, biodiversity conservation, the fight against illegal logging, and paper traceability for sustainable forest management. In 2024, a total of 10,125 packs of certified copy paper, equivalent to 32,380 kilograms, were purchased.	  
Ecological public welfare	Dynamic has established a long-term partnership with OKO, the first Fairtrade licensee in the Chinese-speaking world, to source eco-friendly coffee. "OKO" promotes Fairtrade products and selects shade-grown coffee that provides consumers with a sustainable choice. Shade-grown coffee is cultivated within agroforestry systems, where coffee trees are interplanted with fruit trees or other native crops, enabling the coffee to grow under the protection of these trees. Such agroforestry systems foster high levels of biodiversity. The flowers and fruits of the shade trees attract birds, butterflies, amphibians, and other species, offering food and shelter while enhancing ecosystem resilience. These trees also act as carbon sinks, capturing carbon dioxide from the atmosphere and helping to mitigate greenhouse gas emissions. This farming approach improves soil health by replenishing water and nutrients, while also providing farmers with additional crops and stable income. In 2024, Dynamic supplied 32.5 kilograms of Fairtrade-certified coffee in its office pantries, offered free of charge to employees during working hours as part of its commitment to sustainable consumption and fair trade.	





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Project

Group overview

Corporate identity in employees

In 2024, Dynamic was honored as a Model Enterprise upon completion of the program at the “Taoyuan Dual-Axis Smart Manufacturing Sharing Forum”, showcasing its outstanding achievements in integrating AI with smart manufacturing and its continued efforts to drive industrial upgrading.

That's Not Right mailbox case

Taoyuan Operation Center: 0
Kunshan Plant: remained the same
Huangshi Plant: decreased by 50%

Amount involved in participation in charity and academic groups

2 million

Occupational health and safety

Huangshi Plant was awarded the Enterprise of Safety Production Standardization
Kunshan Plant was awarded the Excellent Enterprise in Chemical Management



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Dynamic's core value is "people", and therefore Dynamic's human resource system emphasizes talent cultivation, stimulating individual potential and helping employees to grow. Moreover, it provides a safe and friendly working environment and comprehensive welfare measures to attract talent, increase employee cohesion, reduce staff turnover rate, and build a more competitive organization. Meanwhile, Dynamic cares for relatively disadvantaged populations in society and does what it can to boost and spread love toward others and the wider community!

I. Human Rights

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 procedures and the Responsible Business Alliance (RBA) Code of Conduct, the Company has formulated human rights protection policies and procedures, and is committed to protecting the human rights of workers and respecting them. These topics cover the following: freedom of choice of occupation, young workers, working hours, wages and benefits, humane treatment, non-discrimination, and freedom of association.

Dynamic's Human Rights Policy is disclosed on the Company's website. The full text can be accessed by scanning the QR code on the right.



Important customers of Dynamic also often audit the plants themselves or through authorized international verifying institutions for human rights, and all the plants have passed these audits. Dynamic strictly reviews all investment agreements and contracts, too, particularly their terms and conditions on human rights.

Dynamic has a supplier management policy in place that requires major raw material suppliers to commit and ensure compliance with relevant regulations on issues such as business ethics, environmental protection, occupational safety and health, and labor rights. The suppliers' sign-up rate is 100%.

Dynamic's "Supplier Code of Conduct" is disclosed on the Company's website. The full text can be accessed by scanning the QR code on the right.



The following is an overview of how Dynamic assesses and manages the impact of human rights issues:

Human Rights Topics	Impact Assessment Method	Management Measures	Category of measures
Prohibition of forced labor	- Laborers must be hired on a voluntary basis. - Managers must not abuse their authority to force others to work.	- Management and control procedures for prohibiting forced labor. - The Company has established a complaint and grievance mechanism. If employees find any misconduct, they can directly complain to a higher-level supervisor or the President.	Complaint-filing mechanism
Prohibition of child labor and protection of underage workers	- Audit and evaluation on misuse of child labor - Evaluation on protection of minor workers	- Prohibit child labor and underage labor and specify remedies for misuse of child labor in the control program. - Specialized files (registration forms for underage workers) are set up for underage workers, and we are regularly informed of their work, physical and living conditions, to ensure the protection of the physical and mental health of underage workers.	Complaint-filing mechanism
Working hours	- Managerial evaluation on extended working hours on weekdays - Managerial evaluation on extended working hours on holidays - Managerial evaluation on total monthly working hours	- Working hours and salary management program and clearly defined working hours. - Employees have the right to refuse to extend working hours without their prior consent. - We strictly enforce the attendance system. Employees should have a complete record of their working hours, including the time they go to work, the time they leave work and the time they work overtime.	Complaint-filing mechanism
Remuneration and benefits	The Company must not withhold employees' salaries as liquidated damages or compensation costs	- Work hours and salary management program to clearly define salary distribution. - Employees sign labor contracts with the Company that specify salary standards and calculation methods. Salary records are retained for five years.	Complaint-filing mechanism
Humane treatment	Employee's illegal, abusive, or inappropriate behaviors that violate rights and interests or disrupt the normal course of business.	- We have clearly set out the rules for the management of the "That's Not Right" mailbox. - Preventive measures against sexual harassment, complaints, and penalties.	Complaint-filing mechanism
Prohibition of discrimination	The Company prohibits all forms of discriminatory behavior and adheres to the principles of fairness and equality in its policies on recruitment, wages, benefits, training, promotion, dismissal, or retirement.	The Company has established a grievance and complaint mechanism. If discriminatory behavior is discovered, complaints can be made directly to higher-level supervisors or the general manager.	Complaint-filing mechanism
Freedom of association	Assessment of violations of employees' right to freedom of association	Management programs for freedom of association and collective bargaining. The Company assists all employees to obtain independence and freedom of association and bargaining through similar channels.	Complaint-filing mechanism

Education and Training

The number of participants and the total number of hours of internal education and training courses on ethical corporate management and human rights protection in 2024:

Course description		Plant	Headcount	Total hours
 Integrity management	• Corporate culture • Code of integrity • Ethics and integrity • Employees' work ethics	Taoyuan Operation Center	3 persons	1.5 hours
	 Human rights protection	Kunshan Plant	1,243 persons	621.5 hours
		Huangshi Plant	1,915 persons	957.5 hours

Anti-discrimination

This includes discrimination based on factors such as gender, race, religion, and age. It is unfair and violates morality. It will lead to employee dissatisfaction and further negative repercussions. Therefore, by establishing an anti-discrimination management system, Dynamic can better protect the rights and interests of employees, promote a fair and inclusive work environment, and convey the Company's positive image and values to the outside world. It defines anti-discrimination policies and guidelines, and provides clear reporting channels and handling procedures.

Dynamic's "Anti-Discrimination and Anti-harassment Policy" is disclosed on the Company's website. The full text can be accessed by scanning the QR code on the right.



II. Talent Structure and Development

Talent Structure

Due to the nature of the Company's manufacturing industry, 60% of employees have a college education or above. The overall qualification level of the Company's employees is relatively high compared to its regional peer companies. To further optimize the Company's talent structure, stabilize current employees while attracting external talent, and enhance corporate competitiveness, Dynamic has implemented the following measures. Recruitment and Selection: The Company prioritizes recruiting individuals with experience in the PCB manufacturing industry, ensuring their suitability for the job and increasing retention stability. Comprehensive Training System: A robust training system has been established, offering comprehensive training programs according to the annual training plan. These programs are conducted during the onboarding period, before job assignments, and during employment, aimed at enhancing employees' knowledge, mindset, and practical skills. At the same time, the Company leverages its compensation and benefits system to promote corporate culture both internally and externally. It also provides annual career planning guidance to raise awareness among all employees and team leaders about career development. This guidance offers ideas for career progression, helping employees set clear goals, fostering their motivation, and driving continuous growth and improvement. Dynamic values its people and treats all of them as family members. For all the people who join Dynamic, a series of tailor-made training courses are held every year. From the awakening and enhancement of personal awareness to the refinement of professional skills, we provide comprehensive planning and counseling for their careers in all aspects.

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Distribution of employees by type in 2024

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	15	19	0	34	100%	3,407	1,720	0	5,127	100%
Contract type	Indefinite	15	19	0	34	100%	3,156	1,537	0	4,693	91.54%
	Definite	0	0	0	0	0%	251	183	0	434	8.46%
Age	Under 30 years old	1	1	0	2	5.88%	1,621	496	0	2,117	41.29%
	30-50 years old	8	14	0	22	64.71%	1,674	1,173	0	2,847	55.53%
	50 years and above	6	4	0	10	29.41%	112	51	0	163	3.18%
Job type	Management (associate or above)	9	11	0	20	58.82%	66	27	0	93	1.81%
	Indirect employees	6	8	0	14	41.18%	316	252	0	568	11.08%
	Direct employees	0	0	0	0	0.00%	3,025	1,441	0	4,466	87.11%

Note 1: "Others" refers to gender as determined by the employees themselves.

2: Job type* Direct employees refer to personnel actually engaged in production-related operations; and indirect employees refer to all other staff.

3: The plants' outsourced workers include 172 non-employee staff such as security, cleaning, and catering personnel, a 9% decrease compared with 2023.

4: Type of employees without guaranteed hours.

Distribution of employees by job level in 2024

Region Project	Project	Taiwan - Taoyuan Operation Center				Mainland China Plants - (Kunshan + Huangshi)				All factories			
		Male	Female	Others*	Total	Male	Female	Others*	Total	Male	Female	Others*	Total
Management (associate or above)	Number of people	9	11	0	20	66	27	0	93	75	38	0	113
	Ratio (%)	45.00%	55.00%	0.00%	100.00%	70.97%	29.03%	0.00%	100.00%	66.37%	33.63%	0.00%	100.00%
Technicians	Number of people	4	3	0	7	312	154	0	466	316	157	0	473
	Ratio (%)	57.14%	42.86%	0.00%	100.00%	66.95%	33.05%	0.00%	100.00%	66.81%	33.19%	0.00%	100.00%
Other employees	Number of people	2	5	0	7	3,029	1,539	0	4,568	3,031	1,544	0	4,575
	Ratio (%)	28.57%	71.43%	0.00%	100.00%	66.31%	33.69%	0.00%	100.00%	66.25%	33.75%	0.00%	100.00%

Management level and employment in 2024

Project		Male				Female					Total number of people	2026 target value
		Asia China	Asia Taiwan	Total	Percentage of managerial positions and employees	Asia China	Asia Taiwan	Asia Philippines	Total	Percentage of managerial positions and employees		
Top managerial positions	Number of people	1	4	5	83.33%	0	1	0	1	16.67%	6	25%
	Ratio (%)	20.00%	80.00%	100%		0.00%	100.00%	0.00%	100%			
Entry-level managerial positions	Number of people	22	17	39	59.09%	18	8	1	27	40.91%	66	50%
	Ratio (%)	56.41%	43.59%	100%		66.67%	29.63%	3.70%	100%			
Revenue generation from managerial positions	Number of people	6	3	9	50.00%	7	2	0	9	50.00%	18	55%
	Ratio (%)	66.67%	33.33%	100%		77.78%	22.22%	0.00%	100%			
STEM managerial Position	Number of people	18	4	22	95.65%	1	0	0	1	4.35%	23	15%
	Ratio (%)	81.82%	18.18%	100%		0.00%	0.00%	0.00%	0%			
Total number of management level (associate or above)	Number of people	47	28	75	66.37%	26	11	1	38	33.63%	113	45%
	Ratio (%)	62.67%	37.33%	100%		68.42%	28.95%	2.63%	100%			
Technicians	Number of people	312	4	316	66.81%	154	3	0	157	33.19%	473	37%
	Ratio (%)	98.73%	1.27%	100%		98.09%	1.91%	0.00%	100%			
Other employees	Number of people	3,028	3	3,031	66.25%	1,539	5	0	1,544	33.75%	4,575	40%
	Percentage (%)	99.90%	0.10%	100%		99.68%	0.32%	0.00%	100%			
Total number of employees	Number of people	3,387	35	3,422	66.30%	1,719	19	1	1,739	33.70%	5,161	45%
	Percentage (%)	98.98%	1.02%	100%		98.85%	1.09%	0.06%	100%			

Note: 1. Supervisors refer to senior and entry-level supervisors (above the managerial level) who are subdivided into the Company's departments and are responsible for the leadership and management of business, including personnel from professional technical and management units. The highest managerial positions are above the factory manager level, while entry-level managerial positions include administrative and factory department supervisors. Revenue-generating managerial positions include the sales and management departments. STEM managerial positions include the R&D and technology departments.

2. Technicians: IT and engineering-related technicians. Other employees: all other non-supervisory and technical personnel

3. The number of people in each managerial position is indicated by the nationality of the location.

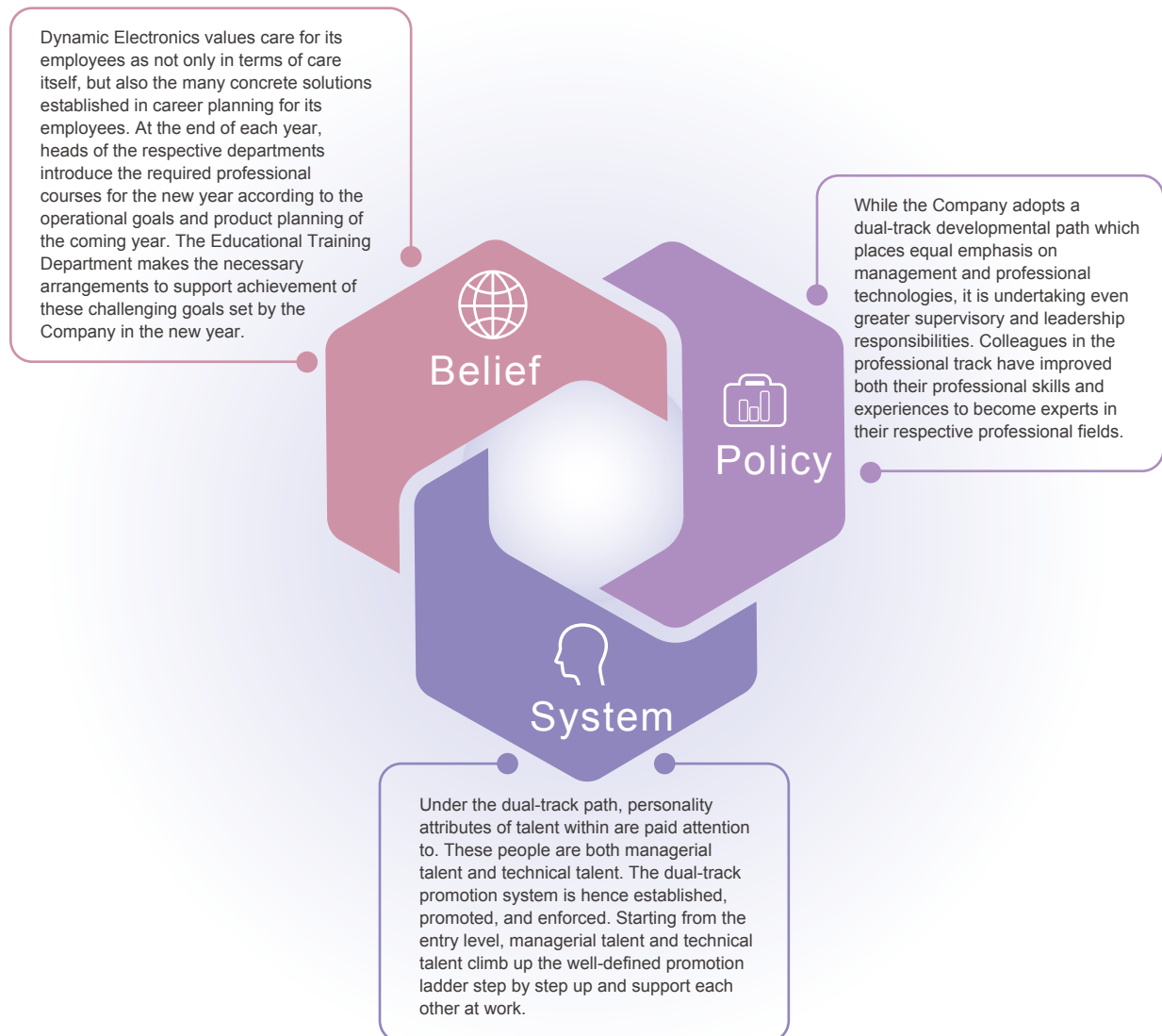
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Return on investment in human capital (HC ROI) from 2021 to 2024

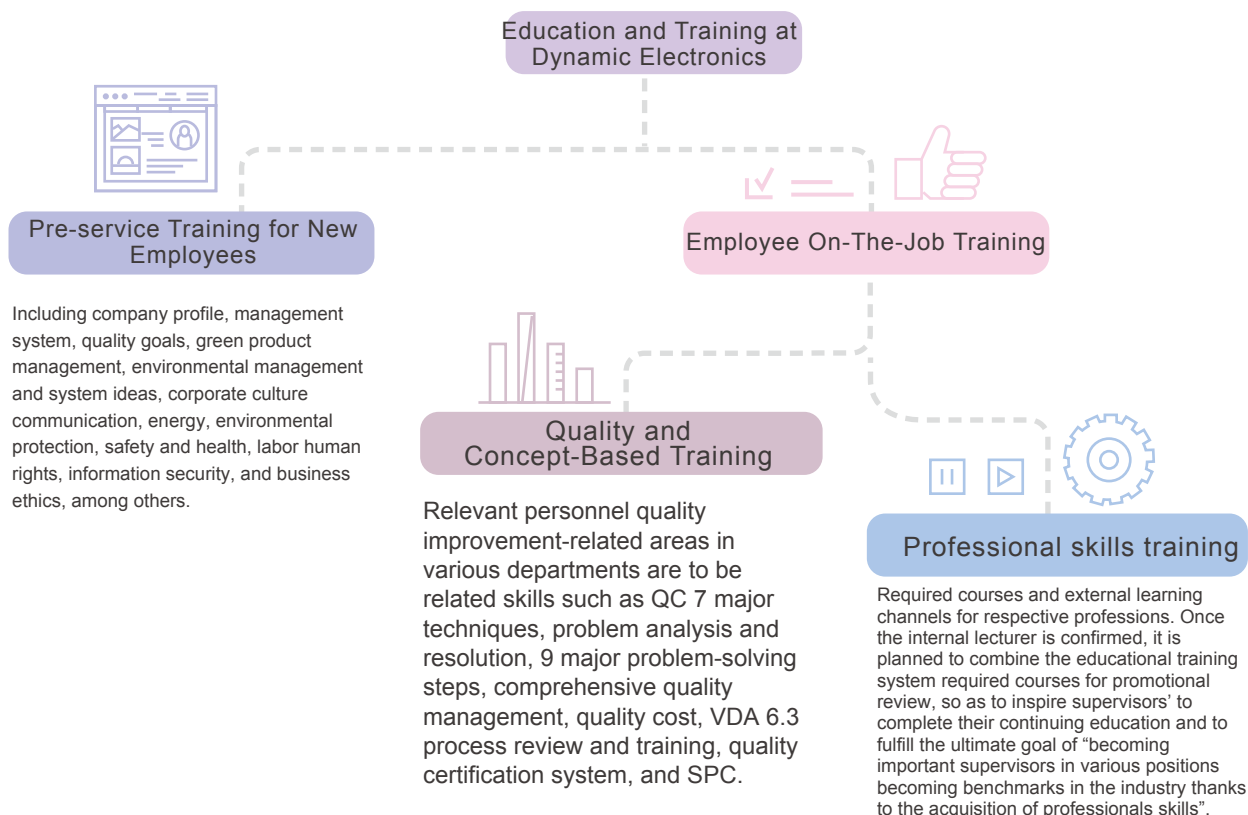
Item/Year		2021	2022	2023	2024
a	Operating revenue	15,753,057,000	15,297,012,000	15,713,954,000	17,787,004,000
b	Operating expenses + operating costs	15,103,757,000	14,463,529,000	14,072,688,000	16,249,808,000
c	Total employee expenses	2,509,735,000	2,013,428,000	2,227,682,000	2,841,758,000
HC ROI	(a - (b-c)) / c	1.259	1.414	1.737	1.541
Number of employees		4,869	4,113	4,809	5,161

Note: HC ROI = {a revenue - [b operating expenses - c (salary cost + welfare cost)]} / c (salary cost + welfare cost)

Career Development



Dynamic Educational Training Framework



Employee Development Program

Course theme		2021	2022	2023	2024
Quality and Concept-Based Training	Relevant personnel quality improvement-related areas in various departments are related skills such as QC 7 major techniques, problem analysis and resolution, comprehensive quality management, and quality certification system.	Level 1: Reaction Evaluation	Level 2: Learning Evaluation	Level 3: Behavior Evaluation	Level 4: Results Evaluation
Training subjects	Quality Assurance Division, Plant Engineering Division, Process Technology Division: total 10,000 participants	Training course feedback survey	Post-training evaluation result analysis (written test, oral test, practical test, reflection)	Training effectiveness evaluation (effects on quality, process improvement, attitude, knowledge)	Improvement of product quality and customer satisfaction. 1. Customer satisfaction in 2024: +0.1%. 2. Number of defects per million products in 2024: 0.45, achieving the 2024 target of 1.1.
Effectiveness of training	Enhance personnel quality capabilities and better mastery of the quality management system				

III. Talent Attraction/Retention and Employee Benefits

Management approach



Actual and potential positive economic, environmental, and social impacts on Dynamic (opportunities)	Actual and potential negative economic, environmental, and social impacts on Dynamic (risks)	Policy and Commitment	Action Plan	Complaint-filing mechanism
Employees are the foundation of Dynamic's development. Cultivating and retaining talented people can support Dynamic to achieve its challenging goals in the coming year.	If the turnover rate is too high, the Company will have to spend heavily on recruitment and re-education, which will be a significant cost and may reduce the efficiency of the Company's development.	1. Build optimal labor-management relations 2. Reinforce bilateral communications between employees and the enterprise and enhance corporate identity 3. Provide sound career planning and compensation and welfare 4. Optimize the production line and workplace 5. Enhance employee technical skills and process speed to improve product quality	1. All-around training plans 2. The process engineer is promoted through two channels 3. Hold employee seminars 4. Improve experience and technology inheritance 5. Reduce the turnover rate	President Chairman That's Not Right Mailbox (Hotline, mailbox)

Taoyuan Operation Center

Goals	2024 Performance	Goals in 2024	2025 Goal (Medium-term)	2027 Goal (Long-term)
Employee turnover rate	3%	20%	20%	15%
Average number of hours of educational training provided	23.1	23.0	24.0	26.0

Kunshan Plant

Goals	2024 Performance	Goals in 2024	2025 Goal (Medium-term)	2027 Goal (Long-term)
Employee turnover rate	8%	32%	32%	31%
Average number of hours of educational training provided	29.0	21.0	21.0	22.0

Huangshi Plant

Goals	2024 Performance	Goals in 2024	2025 Goal (Medium-term)	2027 Goal (Long-term)
Employee turnover rate	33%	32%	32%	31%
Average number of hours of educational training provided	24.3	21.0	21.0	22.0

Turnover rate=Number of resigned people/(number of resigned people+number of in-service people)

Taoyuan Operation Center Training Hours Statistics in 2024

Category	Male			Female			Category Total number of participants	Category Total hours	Category Average number of hours
	Number of people	Total number of hours (hour)	Average number of hours (hours/person)	Number of people	Total number of hours (hour)	Average number of hours (hours/person)			
Managerial level and above	9.0	375.5	41.7	11.0	210.5	19.1	20.0	586.0	29.3
Indirect employees	6.0	186.0	31.0	8.0	12.0	1.5	14.0	198.0	14.1
Total number of people	15.0	561.5	37.4	19.0	222.5	11.7	34.0	784.0	23.1

Kunshan Plant Training Hours Statistics in 2024

Category	Male			Female			Category Total number of participants	Category Total hours	Category Average number of hours
	Number of people	Total number of hours (hour)	Average number of hours (hours/person)	Number of people	Total number of hours (hour)	Average number of hours (hours/person)			
Managerial level and above	12.0	572.0	47.7	16.0	801.0	50.1	28.0	1373.0	49.0
Indirect employees	57.0	2,100.5	36.9	85.0	3,216.0	37.8	142.0	5,316.5	37.4
Direct employees	779.0	21,163.5	27.2	542.0	15,381.0	28.4	1,321.0	36,544.5	27.7
Total number of people	848.0	23,836.0	28.1	643.0	19,398.0	30.2	1,491.0	43,234.0	29.0

Huangshi Plant Training Hours Statistics in 2024

Category	Male			Female			Category Total number of participants	Category Total hours	Category Average number of hours
	Number of people	Total number of hours (hour)	Average number of hours (hours/person)	Number of people	Total number of hours (hour)	Average number of hours (hours/person)			
Managerial level and above	54.0	2,807.0	52.0	11.0	577.0	52.5	65.0	3,384.0	52.1
Indirect employees	259.0	6,299.0	24.3	167.0	4,385.0	26.3	426.0	10,684.0	25.1
Direct employees	2,246.0	54,439.0	24.2	899.0	19,976.5	22.2	3,145.0	74,415.5	23.7
Total number of people	2,559.0	63,545.0	24.8	1,077.0	24,938.5	23.2	3,636.0	88,483.5	24.3

Trainings Held at the Three Plants in 2024

Plant	Taoyuan Operation Center (number of sessions)	Kunshan Plant (number of sessions)	Huangshi Plant (number of sessions)	Total
Educational training for newcomers	3	91	175	269
In-service educational training - internal	24	640	453	1,117
Specialized educational training - external	66	246	13	325
Total number of sessions	93	977	641	1,711
Total training hours	784.0	43,234.0	88,483.5	132,501.5
Total expenses (currency)	NTD 920,100	RMB 56,699	RMB 583,482	NTD 3,672,878

In 2024, Dynamic recorded a total of 132,501.5 training hours and total training expenses of TWD 3,672,878. Based on a headcount of 5,161 employees as of December 31, 2024, the average training hours per employee were 25.7 hours, and the average training expense per employee was TWD 712.

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Build Corporate Identity in Employees

Dynamic has respective measures in place so that while employees continue to contribute and grow within the Company, they can also enjoy an enriched life, realize their personal ideals, and bring about shared success and development for themselves and for the Company.

Starting with recruitment and throughout the whole career path, Dynamic is building corporate identity in its employees.

1. Comprehensive recruitment channels (network, talent market/campus/internal employee referral/media advertisement/labor/academia-business collaboration/recruitment post/internal corporate recruitment, etc.)
2. From interview - salary verification - physical examination - registration - training, etc., to provide personalized services to improve the corporate image and enable employees to establish corporate identity.

On November 2, 2024, Dynamic was honored as a Model Enterprise upon completion of the program at the "Taoyuan Dual-Axis Smart Manufacturing Sharing Forum", showcasing its outstanding achievements in integrating AI with smart manufacturing and its continued efforts to drive industrial upgrading.



Labor-management relations

Guided by the harmonious concept, Dynamic adopts a communicative and cooperative approach when dealing with labor relations. In addition to maintaining a smooth communication system, Dynamic also holds regular labor-management meetings to fully explain the company's operating conditions to employees and listen to the voices of the grassroots and make appropriate responses.

Departmental meeting

In order to reach an agreement, supervisors and subordinates exchange sufficient ideas on the directions and highlights of the production process, control over safety, health, and quality through this meeting.

Employee Welfare Committee Meeting

The Welfare Committee representatives are elected from amongst employees to discuss with Company representatives about various welfare measures to improve mutual trust, which thus serves as the basis for preparing the administrative management guidelines.

Other meetings

Other meetings such as employer-employee meetings, union, and labor safety meetings, are all called for periodically by members elected among employees.

For the transfer of employees, if the regulatory transfer principle is fulfilled, the Company's "Employee Transfer Regulations" must be followed to avoid undermining the workplace rights of employees. In cases of unexpected important matters for which decisions need to be made, besides workshops where all employees are briefed, such decisions must be made known through the internal bulletin board and emails. Negotiation and announcement deadlines in governmental laws and regulations must be followed. When the company faces major operational changes that may affect employees, those changes will be handled in accordance with the company's management rules and procedures and will be implemented within the time frame stipulated by the relevant laws and regulations.

- The Taoyuan Operation Center - in accordance with Taiwan's "Labor Standards Act", the notice period for labor contract termination is as follows:
 1. For those who have worked continuously for more than three months but less than one year, notice shall be given 10 days in advance.
 2. For employment of more than 1 year but less than 3 years, notice shall be given 20 days in advance.
 3. For employment of more than 3 years, notice is given 30 days in advance.
- Kunshan Plant/Huangshi Plant - According to China's "Labor Contract Act", the notice period for termination of labor contract is 30 days

About the collective negotiation mechanism, decisions are made through labor-management meetings for the Taoyuan Operation Center and through discussions in the labor unions at the Kunshan and the Huangshi Plant. All decisions apply to all employees. In other words, employees are 100% protected by collective negotiation at Dynamic.

Meetings and Announcements in 2024

Type of Meeting	Intended Audience	Taoyuan Operation Center (number of sessions)	Kunshan Plant (number of sessions)	Huangshi Plant (number of sessions)
Operational meeting	Supervisors at all levels	12	12	12
Labor-management meeting	Labor representatives	4	0	0
Employee Welfare Committee	Employee representatives	4	0	0
Labor union	Members of the union	0	1	1
Employee workshop	Employee representatives	0	0	2
Announcement	All employees	20 and above	100 and above	100 and above

Clarification: No employee workshops have been held at the Taoyuan Operation Center because employees can fully express their opinions through their labor/employee representatives in the labor-management meetings or the Employee Welfare Committee.

Employer-employee Relations

The 2024 performance is summarized below based on the operating sites.

Overview of New Employees in 2024

Region		Taoyuan Operation Center			Kunshan Plant			Huangshi Plant		
Age	Gender	Number of newcomers	Number of in-service people	Ratio of newcomers	Number of newcomers	Number of in-service people	Ratio of newcomers	Number of newcomers	Number of in-service people	Ratio of newcomers
Under 30 years old	Male	1	1	100.00%	61	192	31.77%	1,065	1,429	74.53%
	Female	0	1	0.00%	24	73	32.88%	288	423	68.09%
	Total	1	2	50.00%	85	265	32.08%	1,353	1,852	73.06%
30-50 years old	Male	1	8	12.50%	33	576	5.73%	395	1,098	35.97%
	Female	1	14	7.14%	19	543	3.50%	141	630	22.38%
	Total	2	22	9.09%	52	1,119	4.65%	536	1,728	31.02%
50 years and above	Male	0	6	0.00%	0	80	0.00%	0	32	0.00%
	Female	0	4	0.00%	0	27	0.00%	0	24	0.00%
	Total	0	10	0.00%	0	107	0.00%	0	56	0.00%
Total number throughout the year		3	34	8.82%	137	1491	9.19%	1,889	3,636	51.95%

New employee recruitment rate = Total number of new employees in the current year (number of employees working for more than 90 days)/Number of employees working at the end of the year on December 31 The number of employees by age group

Overview of Resigned Employees in 2024

Region		Taoyuan Operation Center			Kunshan Plant			Huangshi Plant		
Age	Gender	Number of resigned people	Number of in-service people	Turnover rate	Number of resigned people	Number of in-service people	Turnover rate	Number of resigned people	Number of in-service people	Turnover rate
Under 30 years old	Male	0	1	0.00%	77	192	40.10%	985	1,429	68.93%
	Female	1	1	100.00%	33	73	45.21%	281	423	66.43%
	Total	1	2	50.00%	110	265	41.51%	1,266	1,852	68.36%
30-50 years old	Male	1	8	12.50%	85	576	14.76%	357	1,098	32.51%
	Female	0	14	0.00%	70	543	12.89%	197	630	31.27%
	Total	1	22	4.55%	155	1,119	13.85%	554	1,728	32.06%
50 years and above	Male	0	6	0.00%	1	80	1.25%	4	32	12.50%
	Female	0	4	0.00%	23	27	85.19%	2	24	8.33%
	Total	0	10	0.00%	24	107	22.43%	6	56	10.71%
Total number throughout the year		2	34	5.8%	289	1,491	19.38%	1,826	3,636	50.22%

Employee severance rate = Total number of employees severed throughout the year (in service for > 90 days)/Number of people in service as of December 31 for the specific age group

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Overview of Resigned Employees from 2021 to 2023

Item/Region		Taiwan - Taoyuan Operation Center		China - Kunshan Plant		China - Huangshi Plant		Total	
Age	Gender	Number of resigned people	Turnover rate	Number of resigned people	Turnover rate	Number of resigned people	Turnover rate	Number of resigned people	Turnover rate
2023									
Under 30 years old	Male	0	0.00%	18	1.20%	627	18.59%	645	13.14%
	Female	0	0.00%	21	1.40%	239	7.09%	260	5.30%
	Total	0	0.00%	39	2.60%	866	25.67%	905	18.44%
30-50 years old	Male	1	2.78%	77	5.14%	357	10.58%	435	8.86%
	Female	1	2.78%	71	4.74%	305	9.04%	377	7.68%
	Total	2	5.56%	148	9.87%	662	19.63%	812	16.54%
50 years and above	Male	0	0.00%	6	0.40%	6	0.18%	12	0.24%
	Female	0	0.00%	4	0.27%	1	0.03%	5	0.10%
	Total	0	0.00%	10	0.67%	7	0.21%	17	0.35%
Total number throughout the year		2	5.56%	197	13.14%	1,535	45.51%	1,734	35.33%
Total number of employees in the year		36		1,499		3,373		4,908	
2022									
Under 30 years old	Male	0	0.00%	477	31.82%	299	11.61%	776	18.87%
	Female	0	0.00%	262	17.48%	111	4.31%	373	9.07%
	Total	0	0.00%	739	49.30%	410	15.92%	1,149	27.94%
30-50 years old	Male	0	0.00%	590	39.36%	144	5.59%	734	17.85%
	Female	1	2.63%	474	31.62%	129	5.01%	604	14.69%
	Total	1	2.63%	1,064	70.98%	273	10.60%	1,338	32.53%
50 years and above	Male	1	2.63%	7	0.47%	0	0.00%	8	0.19%
	Female	0	0.00%	4	0.27%	0	0.00%	4	0.10%
	Total	1	2.63%	11	0.73%	0	0.00%	12	0.29%
Total number throughout the year		2	5.26%	1,814	121.01%	683	26.51%	2,499	60.76%
Total number of employees in the year		38		1499		2576		4113	
2021									
Under 30 years old	Male	0	0.00%	752	27.32%	141	6.75%	893	18.29%
	Female	0	0.00%	524	19.03%	71	3.40%	595	12.19%
	Total	0	0.00%	1,276	46.35%	212	10.15%	1,488	30.47%
30-50 years old	Male	0	0.00%	739	26.84%	98	4.69%	837	17.14%
	Female	2	4.88%	738	26.81%	130	6.22%	870	17.82%
	Total	2	4.88%	1,477	53.65%	228	10.91%	1,707	34.96%
50 years and above	Male	1	2.44%	6	0.22%	0	0.00%	7	0.14%
	Female	0	0.00%	11	0.40%	0	0.00%	11	0.23%
	Total	1	2.44%	17	0.62%	0	0.00%	18	0.37%
Total number throughout the year		3	7.32%	2,770	100.62%	440	21.06%	3,213	65.80%
Total number of employees in the year		41		2,753		2,089		4,883	

Employee turnover rate = Number of local employees, and their age and gender, who left the Company/Total number of local employees for the year

Number of Recruits from 2021 to 2024

Region		Total number of people	Taoyuan Operation Center	Kunshan Plant	Huangshi Plant
Age	Gender		Number of newcomers	Number of newcomers	Number of newcomers
2024					
16-under the age of 18	Male	0	0	0	0
	Female	0	0	0	0
	Total	0	0	0	0
19-30 years old	Male	1,127	1	61	1,065
	Female	312	0	24	288
	Total	1,439	1	85	1,353
31-50 years old	Male	429	1	33	395
	Female	161	1	19	141
	Total	590	2	52	536
51 years and above	Male	0	0	0	0
	Female	0	0	0	0
	Total	0	0	0	0
Total number throughout the year		2,029	3	137	1,889
2023					
16-under the age of 18	Male	0	0	0	0
	Female	0	0	0	0
	Total	0	0	0	0
19-30 years old	Male	802	1	25	776
	Female	245	0	11	234
	Total	1,047	1	36	1,010
31-50 years old	Male	387	0	19	368
	Female	246	1	19	226
	Total	633	1	38	594
51 years and above	Male	5	1	1	3
	Female	1	0	1	0
	Total	6	1	2	3
Total number throughout the year		1,686	3	76	1,607
2022					
16-under the age of 18	Male	11	0	11	0
	Female	23	0	23	0
	Total	34	0	34	0
19-30 years old	Male	787	0	177	610
	Female	360	2	101	257
	Total	1,147	2	278	867
31-50 years old	Male	589	1	155	433
	Female	474	1	119	354
	Total	1,063	2	274	787
51 years and above	Male	3	0	2	1
	Female	2	0	0	2
	Total	5	0	2	3
Total number throughout the year		2,249	4	588	1,657
2021					
16-under the age of 18	Male	114	0	114	0
	Female	53	0	53	0
	Total	167	0	167	0
19-30 years old	Male	1,454	0	967	487
	Female	726	0	500	226
	Total	2,180	0	1,467	713
31-50 years old	Male	756	1	439	316
	Female	892	2	508	382
	Total	1,648	3	947	698
51 years and above	Male	3	1	1	1
	Female	0	0	0	0
	Total	3	1	1	1
Total number throughout the year		3,998	4	2,582	1,412

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Taoyuan Operation Center Employee Retirement Benefit Plan

6%

Percentage of contribution
in compensation

100%

Compulsory participation

On July 1, 2005, after the new pension system was implemented by the government, the Company began to appropriate 6% of employees' monthly salaries in accordance with laws and regulations.

Summary of Unpaid Parental Leave in Taoyuan Operation Center in 2024

1. Dynamic fully supports parental leave. After being employed for six months, an application can be made in accordance with the "Gender Equality in Employment Act" and "Implementation Measures for Parental Leave Without Pay". Primary and non-primary caregivers can also apply for childcare subsidies for up to six months (calculated based on 60% of the average insured salary over the past six months).
2. Flexible working hours: This policy allows employees to reduce their working hours by one hour per day (no compensation is allowed) or adjust their working hours at their own discretion while raising children under the age of three.

Description	Number of males	Number of females	Total
Total number of employees entitled to parental leave	0	0	0
Application for unpaid parental leave	0	0	0
(1) Persons to be reinstated in 2024		0	
(2) Reinstated persons in 2024		0	
Reinstatement rate=(2)/(1)		NA	
(3) Reinstated last year		0	
(4) Having been reinstated for one year		0	
Retention rate=(4)/(3)		NA	

Kunshan/Huangshi Plant's pension insurance fund (including five insurances: pension, medical care, unemployment, work injury, and maternity)

Structure	Kunshan Plant	Huangshi Plant
	Defined contribution system	Defined contribution system
Ratio of unit contribution to overall social security payment base	25.00%	25.76%
Ratio of personal contribution to overall social security payment base	10.50%	10.30%
Enrollment	100 % compulsory	100 % compulsory

The pension premium is shared by the Company, the employee, and the government. The amount is deposited to the personal account of the employee on a monthly basis as required by law.

2024 Kunshan/Huangshi Plant Maternity Protection Plan

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 employees 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 instead of assigning them strenuous physical tasks.
- The mother is entitled to 128 days of maternity leave while the father has 15 days of paternity leave.
- For mothers who are breastfeeding, one hour of paid breastfeeding leave is available each day starting from the baby's first birthday.

Plant	Number of people who are more than 7 months pregnant	Maternity leave Number of people	Paternity leave Number of people
Kunshan Plant	0	20	9
Huangshi Plant	4	20	42

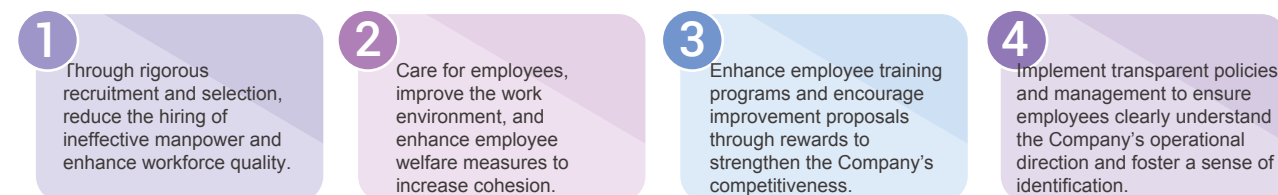
Base date: December 31, 2024

The above headcount number includes employees covered under the maternity protection program.

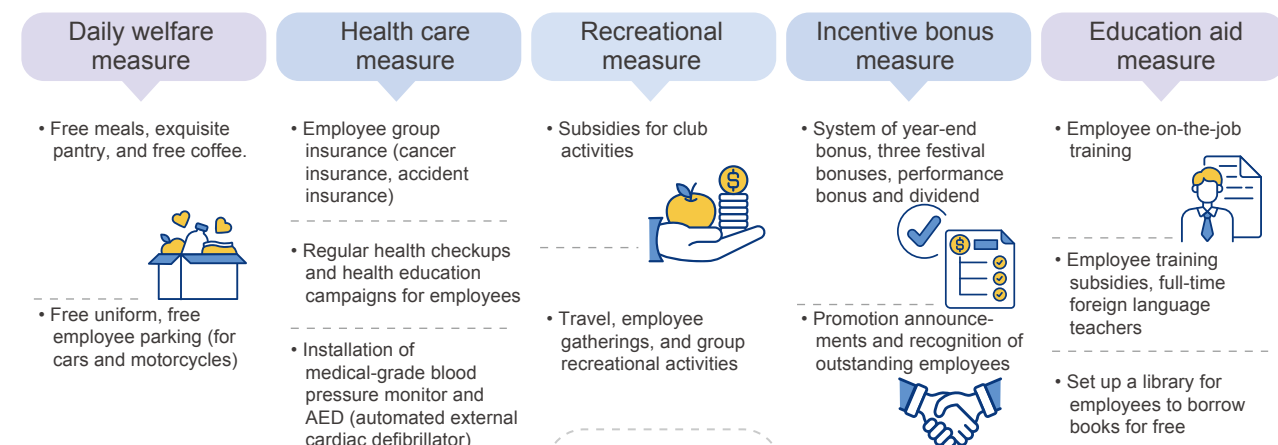
Compensation and Welfare

Dynamic has formulated a compensation and position/ranking system. By using a reasonable position/ranking system, we have established a compensation system and used it as the basis for salary and benefits, to make the compensation policy fair. Regarding compensation standards, the salary structure is based on grade, rank, job responsibilities, technical and professional experience, and personal performance in the Company. Starting salaries and wages do not vary based on gender, race, religion, political position, or marital status. In terms of performance evaluation, employees are first evaluated by themselves. Then, the evaluations will be sent to the supervisors whose positions are two levels higher. Objective and fair evaluations will be made according to the actual situation to achieve a motivational effect, and the results will be used as the basis for granting bonuses, promotions, salary adjustments, and reassignments. Employees are informed about the assessment items, grading criteria and calculation methods in advance.

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

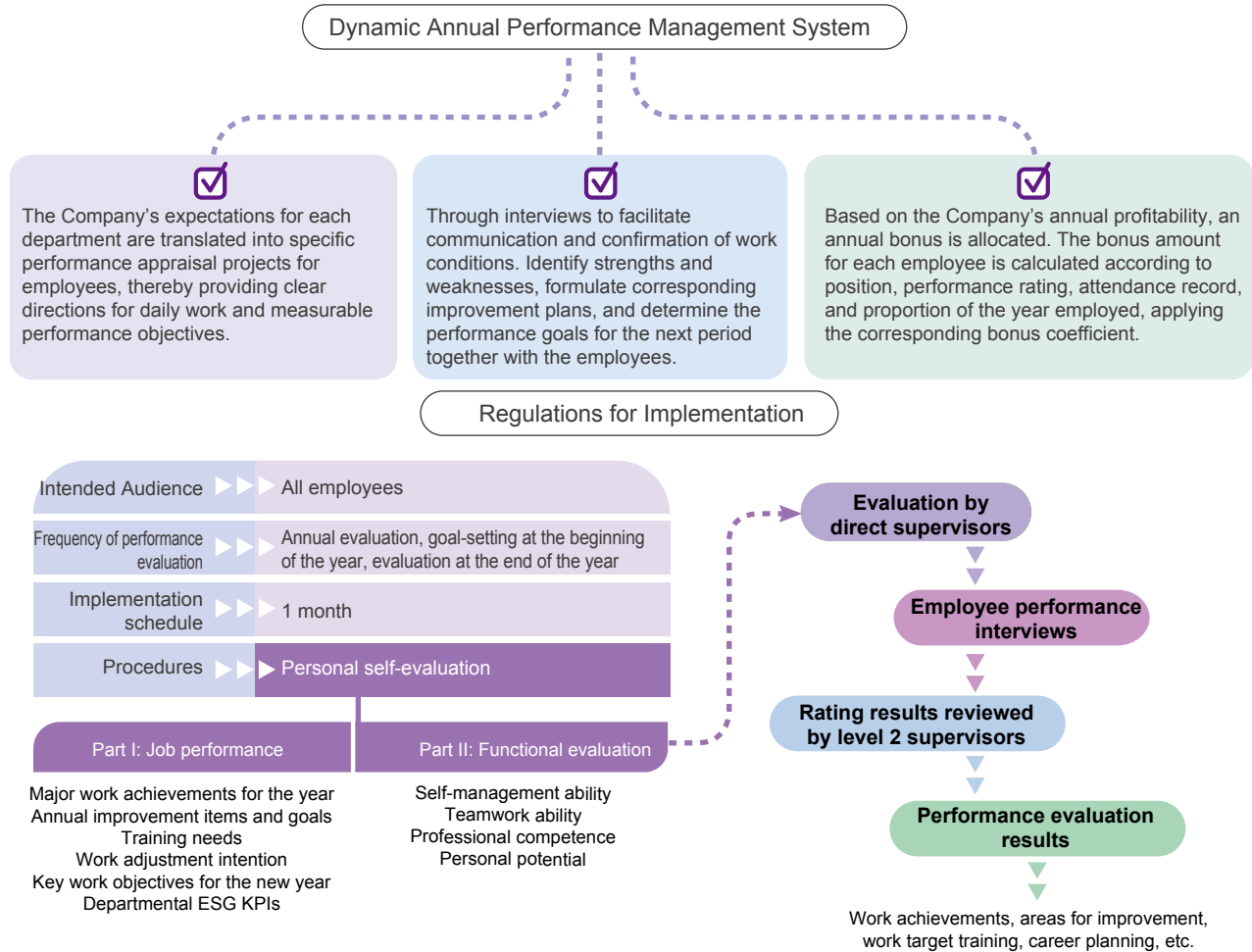


Benefit measures:



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Performance management



Appraisal statistics table in 2024

Assessment frequency	Regional Item	Taiwan - Taoyuan Operation Center		Mainland China Plants - (Kunshan + Huangshi)			
		Male	Female	Male	Female	Total	Percentage of performance appraisals completed
Year End-of-period evaluation	Management (associate or above)	8	11	64	26	90	100%
	Indirect employees	6	8	310	248	558	100%
	Direct employees	0	0	2607	1240	3847	100%

Note: 1. The evaluation targets are full-time employees who have completed their probationary periods (three months before the end of the current year's probation period on December 31). Employees who are on a dispatch contract will not participate in the evaluation.
Note: 2. Achieved 100% completion rate of performance appraisals in 2023 and 2024.

Ratio of entry-level staff's starting salary to local basic salary in 2024

Gender/Region	Taiwan factories	Kunshan Plant, Jiangsu, China	Huangshi Plant, Hubei, China
Male (%)	100	100	110
Female (%)	100	100	110

Note: Basic salary standards are in accordance with local legal requirements. The base salary of entry-level employees does not include any allowances.

Gender Remuneration Gap by Employee Category in 2024

Project	Type/Region Item	Taiwan - Taoyuan Operation Center		Kunshan Plant, Jiangsu, China		Huangshi Plant, Hubei, China	
		Male	Female	Male	Female	Male	Female
Average salary gap by gender	Managerial level (Assistant Manager and above)	1	0.72	1	1.06	1	0.96
	Non-managerial staff	1	0.85	1	1.00	1	0.89
Median base salary gap by gender	Managerial level (Assistant Manager and above)	1	0.87	1	1.29	1	1.10
	Non-managerial staff	1	0.80	1	0.92	1	0.92
Average bonus gap by gender	Managerial level (Assistant Manager and above)	1	0.96	1	0.94	1	0.63
	Non-managerial staff	1	0.36	1	1.19	1	1.36
Median bonus gap by gender	Managerial level (Assistant Manager and above)	1	0.83	1	0.74	1	0.92
	Non-managerial staff	1	0.35	1	1.00	1	0.71

Note 1: Salary refers to basic monthly salary, excluding variable pay. 2. Bonuses are calculated based on the annual profit bonus.

The Company discloses the average and median salary of full-time employees who are not in managerial positions, as well as changes compared with the previous year.

The relevant information has been disclosed on the "Market Observation Post System" under [Corporate Governance Section > Corporate ESG Information]. By entering > Electronic Components > Dynamic (Stock Code: 3715) and scanning the QR code on the right, the above information can be accessed.



Communication Platform

Interaction and communication are skills in life and at work. They help us grow inter-personal relationships, understand one another, support one another, be tolerant of other people, and share love, learn, and grow together. Considering this, we have an internal publication called "Dynamic". It is our hope that each Dynamic employee (Dynamicer) can share their delights, knowledge, and spread positive energy, and build a consensus by exchanging ideas and forming the correct concepts. "Dynamic" is meant to make a difference and build a unique corporate culture at 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. It also records the colorful lives of Dynamic's employees. We hope that "Dynamic" will not only spread inside the Company, but also convey Dynamic's dedication and hard work in every aspect to the stakeholders, thereby obtaining their recognition, support, and advice.

Over the years, "Vitality" has covered employee events, club events, and sports events truthfully each year. "Employee Articles" encourages employees to make their writing skills seen by documenting what came to their mind at Dynamic Electronics besides their performance at work. "Honor Roll" lists affirmations from customers and competent authorities of Dynamic Electronics to share the pride with colleagues. "Charity" records the unchanged insistence of Dynamic Electronics in helping the disadvantaged to motivate employees to turn their love into action and to get involved in the various charity events organized by Dynamic Electronics. "Cover Story" features face-to-face interviews with our outstanding supervisors who share information about the latest product technologies and teams available at Dynamic Electronics and brings readers closer to the supervisors by sharing their attitudes toward work and life philosophies, thereby inspiring employees to reflect on themselves and aspire to become cornerstones of Dynamic Electronics someday.



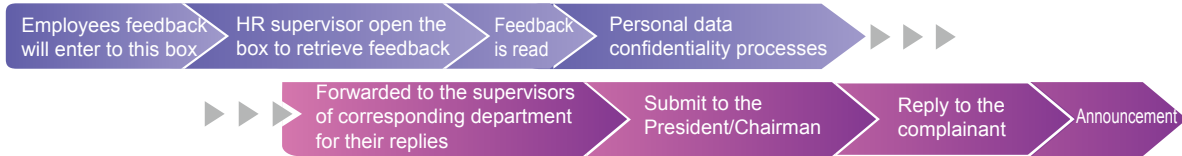
Highlights of the 12th Issue of Dynamic in 2024:

- I. This issue features an exclusive interview with two managers from the Kunshan Plant, sharing how they achieved the 2024 targets with limited resources and equipment. The Kunshan Plant has contributed not only stability to the Group's overall operations but also profitability through its "small yet efficient" capacity model. The plant's breakthrough performance exemplifies the strong teamwork and unity of purpose across all levels of the organization.
- II. For the first time, a Thai-language edition was prepared for the Thailand Plant, with the aim of helping colleagues there gain a deeper understanding of Dynamic's corporate culture. As a key site entrusted with the Company's resource integration and future growth, the Thailand Plant plays an essential role in driving development. Dynamic hopes that the Thailand team will embrace and put into practice the Company's vision, mission, core values, and management philosophy, continuously inspiring one another to pursue excellence in their work and to jointly propel the Company toward new heights and greater achievements.

FOUR•Co-prosperity in Society

Complaint-filing mechanism

Dynamic established the “That’s Not Right Mailbox Regulations” in 2013. Employees can express their opinions in writing and place the completed form in the “That’s Not Right Mailbox”. The supervisor at the Human Resources Department is responsible for opening the mailbox each day to collect the opinions. The person opening the letters must keep the writer permanently confidential and may not spread or talk about the person, event, or matter mentioned in the letters freely in private and must cut off the area on the form showing the name of the employee after the opinions are registered before handing the letters to the person in charge at the corresponding department to address the opinions further. After the President and Chairman of the Board of Directors have reviewed the results, a reply must be sent to the complainant within 7 days. The handling procedure is shown below:



Taoyuan Operation Center

No further “That’s Not Right” complaints were received throughout the year 2024. Every year, we communicate face-to-face with labor representatives through several labor-management meetings and employee welfare committee meetings. The company carefully evaluates the constructive opinions put forward by the representatives, which are therefore generally accepted by the employees.

Analysis of Complaints Filed Over the Years by the Type at the Taoyuan Operation Center

Type of complaint	2021	2022	2023	2024
Administrative advice	0	0	0	0
Reporting of “That’s Not Right” events	0	0	0	0
Advice about public safety	0	0	0	0
Protection of individual rights	0	0	0	0
Total	0	0	0	0

Kunshan Plant

Kunshan Plant received 3 “That’s Not Right” complaints in 2024, remaining unchanged from 2023. Work is the key foundation of the declining market economy. In response to “That’s Not Right” complaints, we give prompt replies and penalize those who have been complained about for dereliction of duty or wrongdoing, and we also take immediate action to solve problems that can be improved immediately. After handling each “That’s Not Right” opinion, a formal reply will be given to the staff via the bulletin board.

Analysis of Complaints Filed Over the Years by the Type at the Kunshan Plant

Type of complaint	2021	2022	2023	2024
Protection of individual rights	2	0	2	3
Administrative advice	1	1	0	0
Reporting of “That’s Not Right” events	2	3	1	0
Advice about public safety	0	0	0	0
Others	0	0	0	0
Total	5	4	3	3

Huangshi Plant

In 2024, the Huangshi Plant received a total of two “That’s Not Right” complaints, representing a 50% decrease compared with 2023. With the Company’s administrative measures, active employee communication, and enhanced management efforts through training and awareness programs, significant progress was achieved in 2024.

Analysis of Complaint Types Over the Years at the Huangshi Plant

Type of complaint	2021	2022	2023	2024
Protection of individual rights	1	1	0	2
Administrative advice	5	0	1	0
Reporting of “That’s Not Right” events	3	3	1	0
Advice about public safety	0	0	2	0
Total	9	4	4	2

IV. Occupational Health and Safety



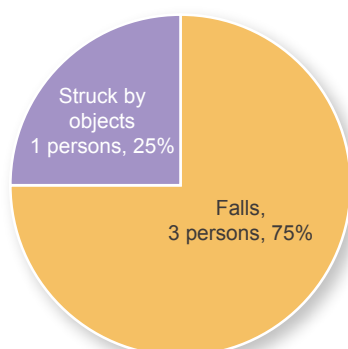
Management approach

Actual and potential positive economic, environmental, and social impacts on Dynamic (opportunities)	Actual and potential negative economic, environmental, and social impacts on Dynamic (risks)	Policy and Commitment	Action Plan	Complaint-filing mechanism
Occupational health and safety can reduce the risk of business operations, reduce the loss of manpower, material resources, time and money due to occupational injuries and diseases, enhance the image and reputation of enterprises, and enhance their innovation capabilities and market competitiveness.	Direct impacts: Manpower loss, occupational accident compensation, medical loss, etc. Indirect impacts: Production disruption, lost wages. Other impacts: Damage to the public image, deterioration of product quality, insufficient labor skills, reduced work efficiency, impacted employee morale, impacted labor-management relations, etc., which increase the pressure on organizational operations.	1. Comply with energy, environmental, safety, and health regulations and other requirements of the government. 2. Continue to provide employees with environmental safety and health training and listen to their suggestions. 3. Implement due diligence on environmental safety and health matters in the supply chain and communicate with stakeholders. 4. Conduct hazard identification and risk assessment and immediately improve unacceptable risks. 5. Promote the occupational health and safety management system and continuously improve the occupational health and safety performance.	1. Regularly collect the applicable laws and regulations and conduct compliance assessment: no fines were incurred during the year. 2. Continue annual occupational safety and health training; convene the Safety Production Management Committee quarterly. 3. In 2024, completed on-site CSR (including EHS) audits of 56 key target suppliers. 4. Continue to conduct workplace hazard identification every year. 5. Continue to maintain the effectiveness of the ISO 45001 system in each plant.	CEO Mailbox

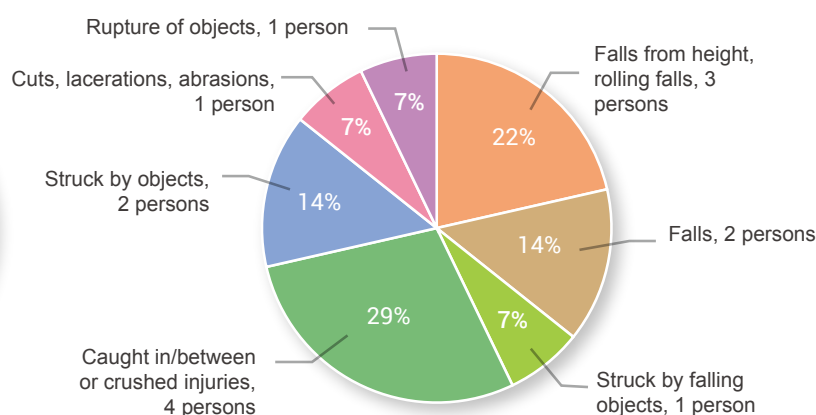
Occupational Disaster

Goals	Plant	Goals in 2024	2024 Performance	2025 Target (medium-term)	2027 Target (Long-term)
Frequency of disabling injuries	Kunshan Plant	<1.50	2.67(↑) failed to achieve target	<1.35	<1.20
	Huangshi Plant	<1.50	1.32 (↓) failed to achieve target	<1.35	<1.20
Disabling injury severity rate	Kunshan Plant	<50	80.33 (↓) failed to achieve target	<45	<35
	Huangshi Plant	<50	65.01 (↓) failed to achieve target	<45	<35
Total injury index	Kunshan Plant	<0.27	0.46(↑) failed to achieve target	<0.25	<0.18
	Huangshi Plant	<0.27	0.29 (↓) failed to achieve target	<0.25	<0.18
Incidents resulting in death	Kunshan Plant	0	0	0	0
	Huangshi Plant	0	0	0	0

Kunshan Occupational Injury Analysis



Huangshi Occupational Injury Analysis

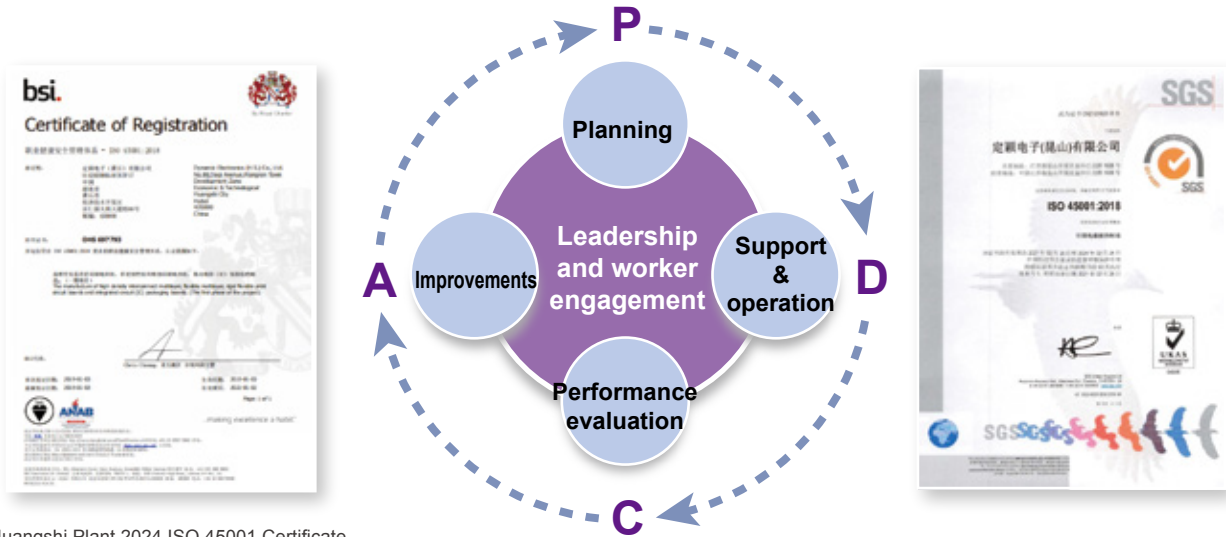


FOUR•Co-prosperity in Society

Occupational Safety and Health Management System

Dynamic has always adhered to labor safety regulations and diligently fulfilled its responsibilities by providing employees with a healthy, safe, and clean working environment. This is the sole objective of implementing occupational safety policies. By applying the P-D-C-A (Plan-Do-Check-Act) management principles, the Company promotes management reviews, internal audits, and safety and health inspections to identify potential safety concerns and opportunities for improvement. This ensures that the factory operates smoothly while safeguarding workers' health, protecting corporate assets, and ensuring that employees' lives are not at risk.

Systematized Occupational Safety and Health Management System Developed by Dynamic



Huangshi Plant 2024 ISO 45001 Certificate

Kunshan Plant 2024 ISO 45001 Certificate

All of Dynamic's production plants have passed the ISO 45001 system verification. The scope of verification includes:

1. This applies to all occupational health and safety management system activities related to the land, buildings, equipment, and business activities, products, and services of the Company's factories.
2. This applies to all personnel (including employees, contractors and visitors), production, and operational activities in the Company's factories.

Recent Safety and Health Enterprise Honors of the Company



Kunshan Plant was awarded the Excellent Enterprise in Chemical Management



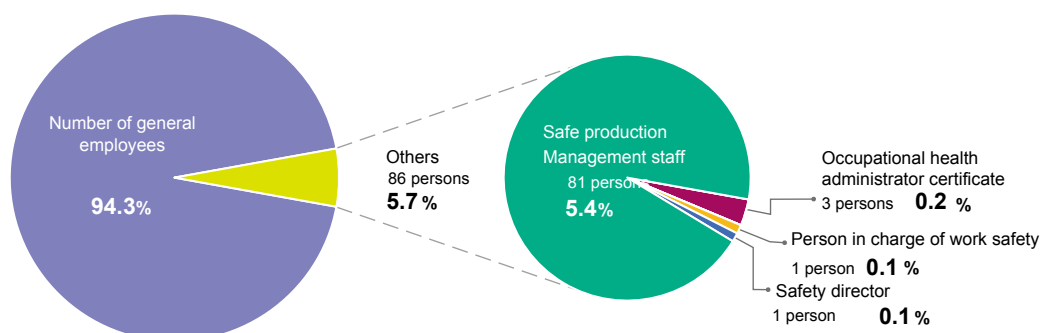
Huangshi Plant - Enterprise of Safe Production Standardization



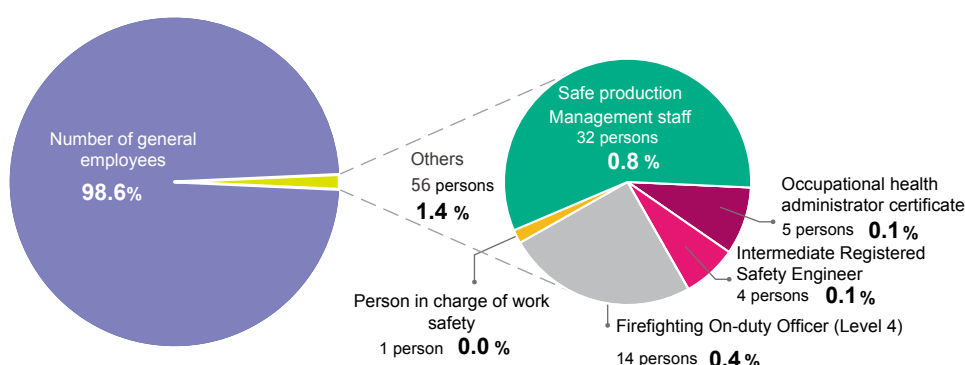
Huangshi Plant - Healthy Enterprise of Hubei Province

Each factory of Dynamic has established its own occupational safety and health management unit, staffed with full-time personnel holding national licenses. Each production line unit has also established its own occupational safety and health inspector, whose operation is supervised by the Ministry of Industrial Safety. To encourage employees to further study, Kunshan Plant requires all cadres at team leader level and above to obtain safety production management personnel certificates (at the Huangshi Plant, this requirement applies to managers at the production unit manager level).

Safety and Health Managers at the Kunshan Plant



Safety and Health Managers at the Huangshi Plant



Hazard identification, risk assessment, and accident investigation

investigation

The objective is to prevent potential hazards from operations, activities, and facilities that could result in loss of personnel or property. A dedicated Environmental Health and Safety (EHS) officer conducts daily inspections to identify and eliminate hidden dangers in the workshop. Production site managers carry out self-checks on safety conditions, and employees participate in risk identification at their workstations. At the end of each year (or as needed in special circumstances), the EHS officer re-assesses workplace hazards and evaluates the danger level of working conditions. Major hazards are controlled through five measures: engineering and technical controls, safety management, training and education, personal protective equipment, and emergency response. Relevant departments are required to scan codes and check records monthly to ensure the continued effectiveness of these measures.

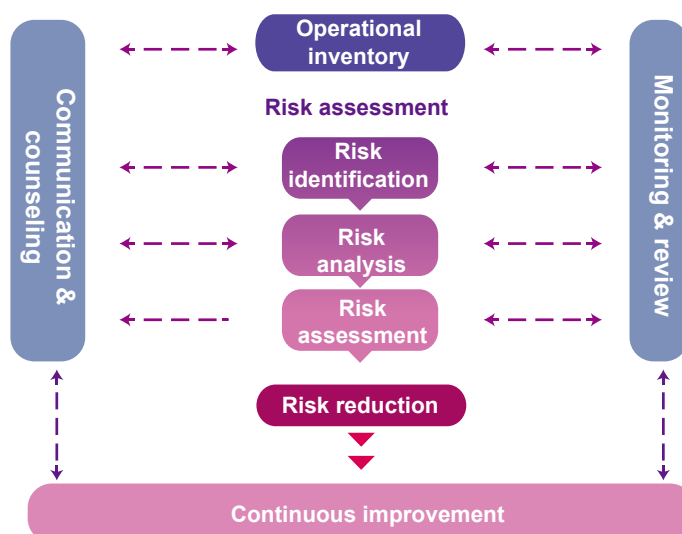
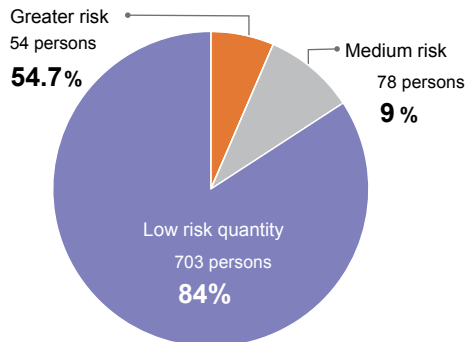


Figure. Risk management process of Dynamic

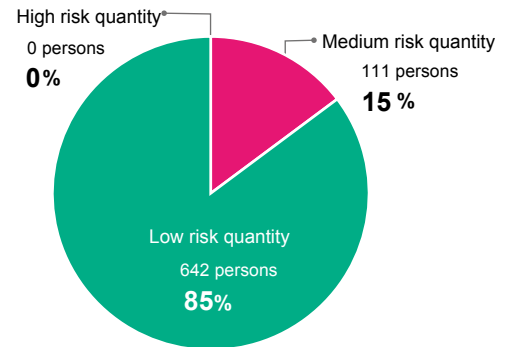
FOUR·Co-prosperity in Society

Risk assessment and hazard identification results in 2024

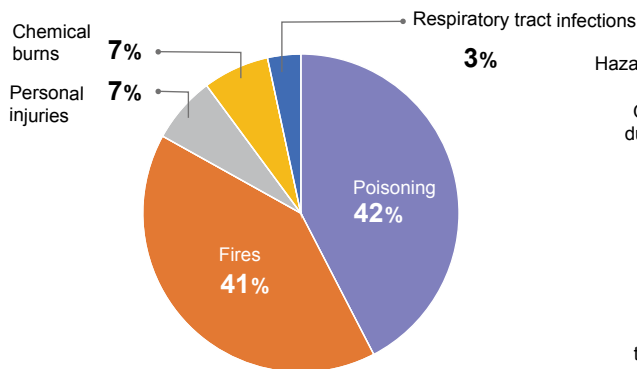
Kunshan Plant's Hazard Identification/Classification in 2024



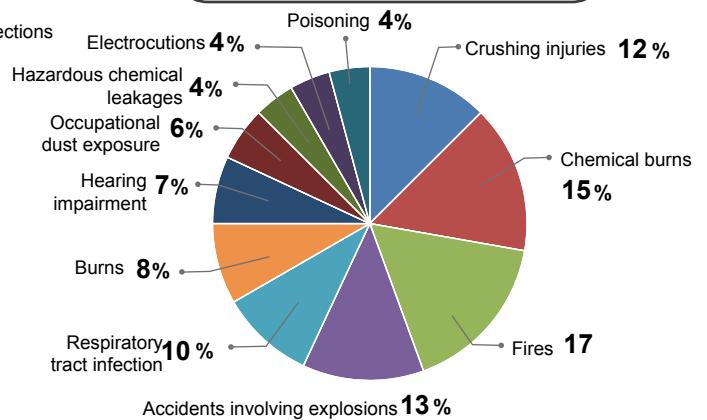
Huangshi Plant's Hazard Identification/Classification in 2024



Kunshan Plant's Intermediate or Higher Risks in 2024



Huangshi Plant's Intermediate or Higher Risks in 2024



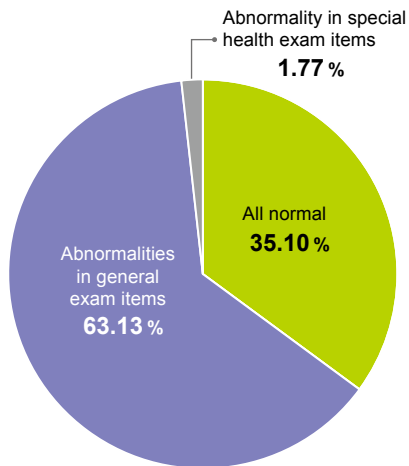
Occupational Health Service

Occupational health services aim to protect the health of workers and ensure a safe work environment. All employees of the Company should receive a general physical examination at the beginning of employment to determine their suitability for work. Health examinations for in-service employees are carried out annually, organized by the Ministry of Environmental Safety and conducted by accredited hospitals. They record personal health information year by year to continuously track employees' health and provide timely work adjustments, allowing them to better understand their physical conditions. Records of the physical checkups and health exams are to be retained by the assigned associate and will be kept strictly confidential.

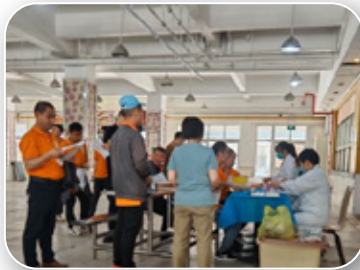
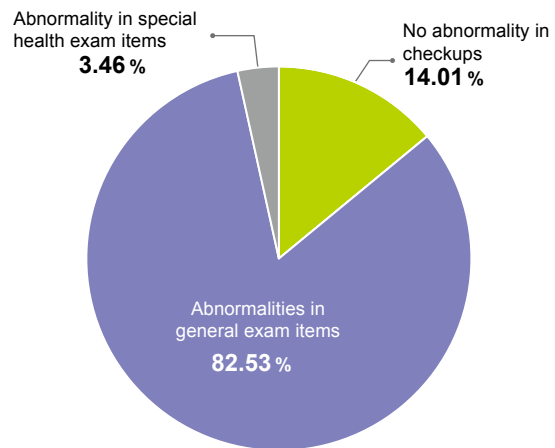
For workplaces with occupational disease hazards, the Company engages professional occupational health technical service institutions and hospitals to test occupational disease hazard factors on relevant workplaces and personnel according to the testing regulations promulgated by the country to facilitate the identification and evaluation of occupational disease hazards, and eliminate hazards and minimize risks. The implementation items are as follows:

Item No.	Occupational health service items	Frequency of implementation	Job description	Effectiveness evaluation indicators	Implementation results in 2024
1	Occupational disease hazard testing	Once a year	Workplace occupational disease hazard testing	Occupational disease hazard testing report	All factory employees
2	Testing for dust, toxins, and physical factors in the workplace	Once a year	Workplace occupational disease hazard testing	Test report on dust, toxins, and physical factors in the workplace	All factory employees
3	X-Ray inspection	Once a year	Workplace occupational disease hazard testing	X-Ray inspection report	X-Ray personnel
4	Evaluation of the current situation of occupational disease hazards	Once every three years	Assess the risk of occupational hazards, improve the standard of occupational health management, and effectively prevent occupational diseases	Occupational hazard status evaluation report	All factory employees
5	Pre-job, during-job, and off-job occupational health physical examination	Once a year	Health monitoring of occupational hazards on employees	Occupational health checkup report	Occupational hazards personnel
6	Labor protection equipment	Once a month	Reduce physical injuries to employees in workplaces with occupational hazards	Labor protection equipment requisition form	All factory employees

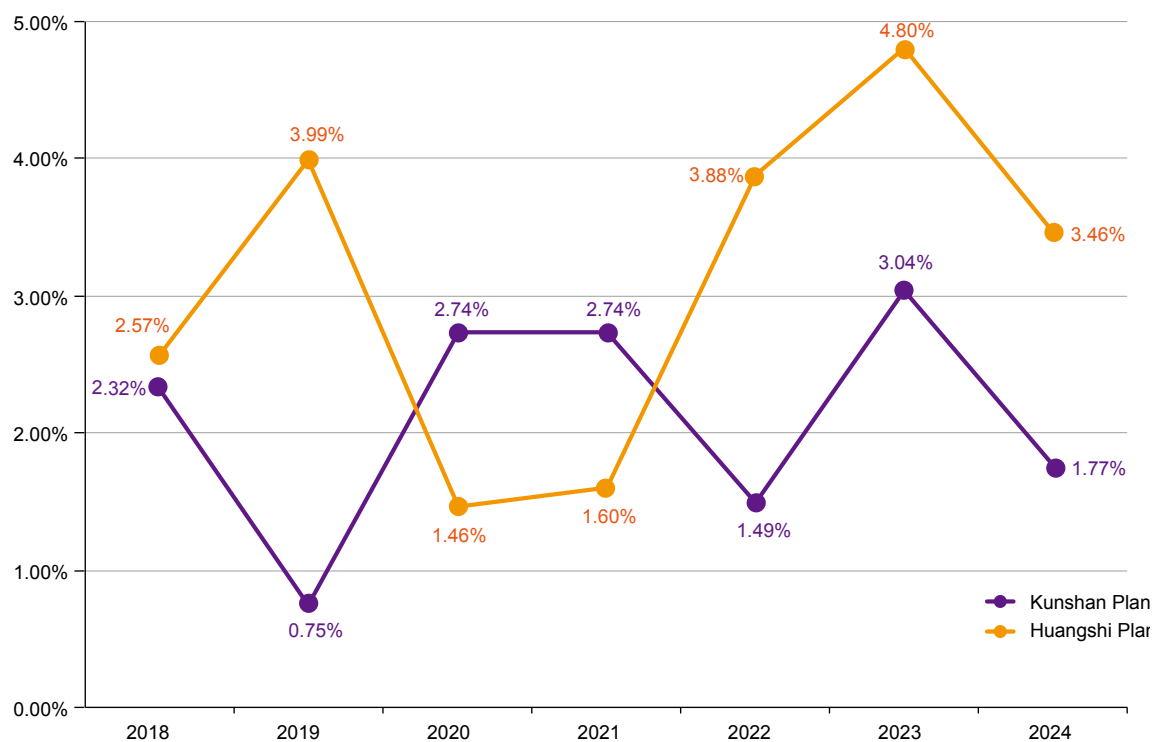
Analysis of the Kunshan Plant's Health Checkup Results



Analysis of the Huangshi Plant's Health Checkup Results



Employee abnormality trend of special health examination



FOUR•Co-prosperity in Society

Worker Health Promotion

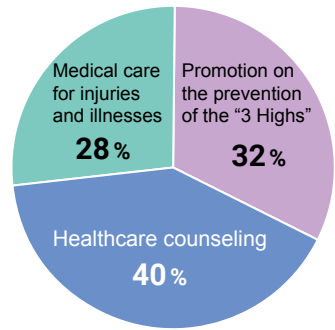
Employee cafeterias are set up in all business locations of the Company, where meals with less oil, less salt, and fewer calories are provided to care for the health of employees. A gym in the living area provides a variety of fitness equipment and encourages employees to exercise. To protect the life safety of employees and visitors, in addition to the deployment of qualified first aid personnel and first aid kits in each unit, AEDs are installed in each factory area and employees are trained by professional instructors to operate them.



Healthy meals

In 2024, Huangshi Plant had 10 physicians stationed at the factory on a rotating basis to support the physical and mental health of employees through health promotion efforts. The total number of hours at the factory was 1,248.

Ratios of Services Provided by Specialists at the Huangshi Plant

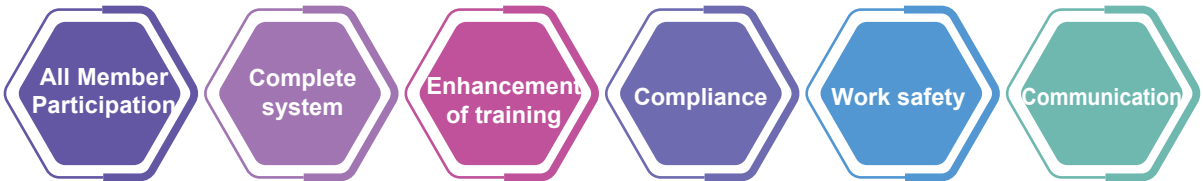


AED education and training



Gym

Involving, Counseling, Communication, and Training of Occupational Safety and Health Workers

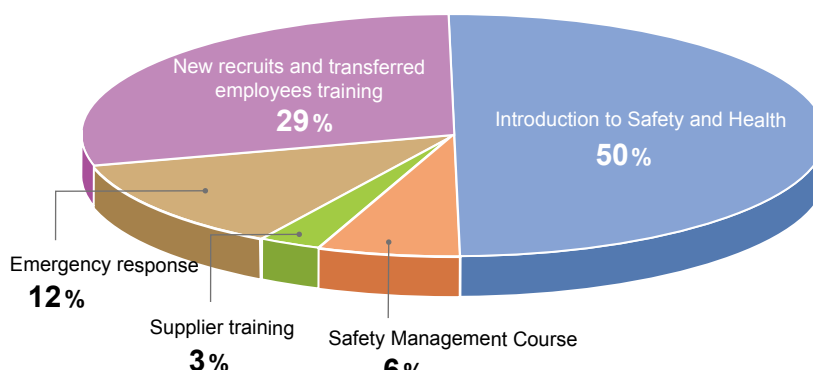


The implementation of safety can only be ensured by a work safety policy that involves all employees. Dynamic understands that the only way to make employees prioritize safety is through continuous communication and training. Through training, employees will not only become accustomed to safe operation, but also understand the hazards in the work environment and have the awareness of preventing hazards in the workplace.

Industrial Safety-Related Educational Training		Safety Production Management Committee	
33 sessions 21,713 people/43,756 person-hours Kunshan Plant	102 sessions 11,547 people/23,094 person-hours Huangshi Plant	4 sessions Kunshan Plant	4 sessions Huangshi Plant
Safety training for new recruits and transferred employees	979 people 5,874 person-hours Kunshan Plant	5,649 people 33,894 person-hours Huangshi Plant	Emergency response rehearsal
			14 sessions 2,530 people Kunshan Plant
			20 sessions 7,758 people Huangshi Plant
Safety Management Course	3,896 people 7,804 person-hours Kunshan Plant	156 people 312 person-hours Huangshi Plant	Health Workshop
			1 sessions Kunshan Plant
			0 sessions Huangshi Plant
Industrial Safety Department Bulletin Board		Email	
Kunshan Plant 5 times	Huangshi Plant 2 times	Kunshan Plant 1 times	Huangshi Plant 0 times

The Work Safety Management Committee is composed of personnel recommended by each department and holds quarterly meetings to communicate on safety topics such as hazardous chemicals, confined spaces, and occupational health. The communication topics include hazard identification, risk assessment, application of graded control, accident investigation, audits, and discussions on the use of contractors and outsourcing. The action summary is entrusted to the Ministry of Environmental Safety to complete the tasks, and the Environmental Safety Department will track the results and sign the report for filing.

Course content or topic	Training subjects	Willingness to participate	Training frequency	Annual man-hours
Introduction to Safety and Health Safety production laws and regulations, safety rules and systems, occupational health knowledge, employee safety awareness, electrical safety, "Six Preventive Measures" training, training on habitual violations, personal protective equipment, equipment safety education, confined space knowledge training, hazardous chemicals management, use of safety facilities, dust explosion safety training, hazardous operations training	All employees	As needed	Once a month or as needed	66,454
Safety Management Course Accident case analysis, self- and mutual-rescue knowledge, safety risk identification and control, team leader training, post safety operating procedures, training on habitual violations, post emergency response cards, interpretation of supplier-related EHS standard requirements	Management staff, procurement personnel	Mandatory	Once a year	8,116
Level 3 education, job transfer and off-job training, and four new training	New recruits and transferred employees	Mandatory	Subject to actual conditions	39,768
Personnel qualification and evidence collection training	All employees	Mandatory	On demand	396
Emergency response	Team member	Mandatory	At least once a month	15,516
Interpretation of EHS requirements and standards for contractors and suppliers	Suppliers	Mandatory	Once a month	4,676



Occupational Injury

When an industrial safety accident occurs in the workplace involving an employee, the EHS Department will organize an investigation team. If the cause of the accident is an identified risk, in addition to continuously strengthening control, the effectiveness of existing management measures will also be reviewed.

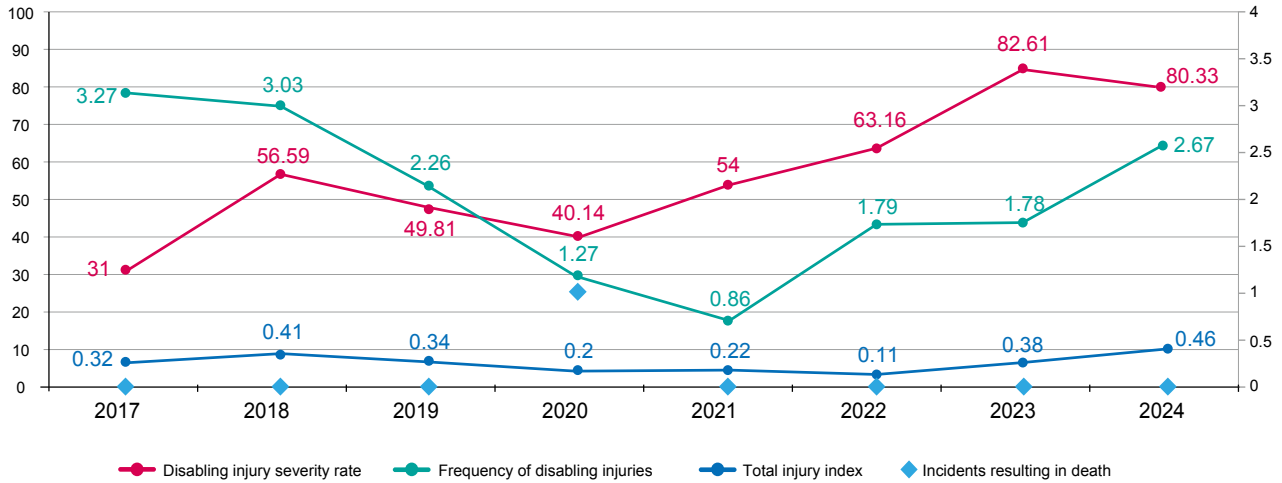
In 2024, a total of 14 work-related injuries occurred in Huangshi Plant, resulting in a total of 736 lost days. Both the number of incidents and the total lost workdays showed a declining trend. Analysis revealed that many of the accidents were caused by overturned semi-finished products during manual handling, falling objects, and slip-and-fall incidents. To reduce accidents related to manual handling, the Company has comprehensively promoted the use of Automated Guided Vehicles (AGVs). Equipped with navigation systems, sensors, and control mechanisms, AGVs can autonomously navigate along designated routes, dock at specific locations, and interact with their surrounding environment. Replacing manual handling with AGVs improves efficiency, reduces costs, and enhances operational safety.



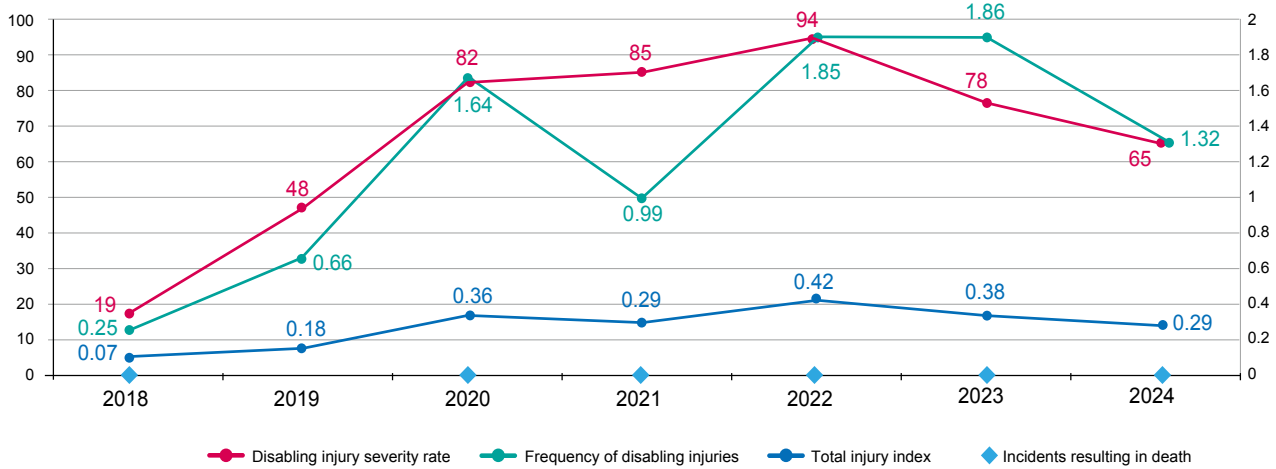
The Huangshi Plant has introduced AGVs to transport products, thereby reducing occupational safety risks associated with manual cart handling.

FOUR•Co-prosperity in Society

Trends in the Occupational Disaster Statistical Indicators of the Kunshan Plant



Trends in the Occupational Disaster Statistical Indicators of the Huangshi Plant



Statistics of Occupational Disasters and Accidents Throughout 2024 by the Severity

Severity of Accident	Definition	Kunshan Plant	Huangshi Plant
Disabling injuries	Death	0	0
	Injuries that make returning to work the next business day impossible	6	15
	Total number of hours lost	391	736
Mild injuries and hazards requiring medical attention	Workers who are injured and must be taken to an off-site medical facility for treatment by physicians or specialists but can return to work on the following workday and perform their full duties in their original department.	0	3
Mild injuries and accidents only requiring first aid	The staff suffers mild injuries that only require simple first aid to make it possible for them to return to work.	0	0

Note: In 2024, there were no industrial safety accidents among non-employees working in the factory.

Employee Disabling Injury Statistics from 2021 to 2024

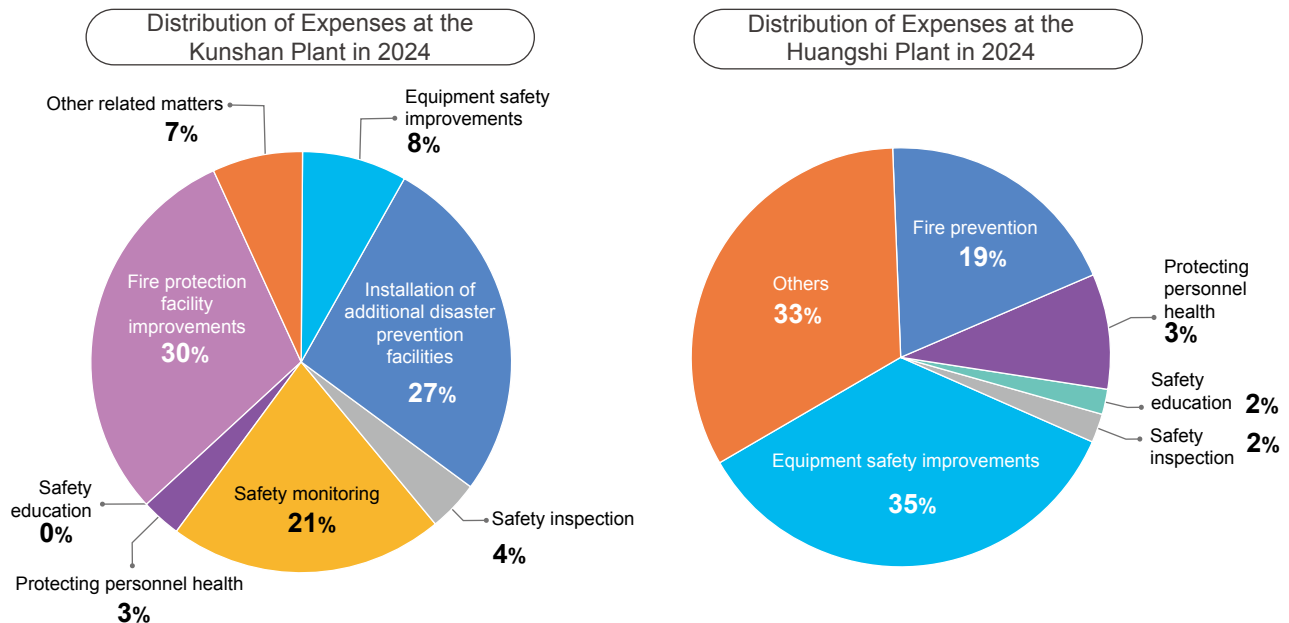
Project	Plant	2021 Performance	2022 Performance	2023 Performance	2024 Performance
Employee Disabling Injury Frequency Rate (FR)	Kunshan Plant	0.86	1.79	1.78	2.67
	Huangshi Plant	0.99	1.85	1.86	1.33
	Group	NA	1.84	1.84	1.73
Employee Disabling Injury Severity Rate (SR)	Kunshan Plant	32	63.16	82.61	80.33
	Huangshi Plant	85	94	78.00	65.02
	Group	NA	79.88	79.88	69.62
Total Employee Injury Frequency Severity Index (FSI)	Kunshan Plant	0.22	0.11	0.38	0.46
	Huangshi Plant	0.29	0.42	0.38	0.29
	Group	NA	0.38	0.38	0.35
Employee Fatalities	Kunshan Plant	0	0	0	0
	Huangshi Plant	0	0	0	0
	Group	0	0	0	0
Employee Lost Time Injury Frequency Rate (LTIFR)	Group	NA	1.8212	1.8373	1.73
Employee Lost Time Injury Rate (LTIR)		NA	0.3642	0.3675	0.35
Employee Lost Workday Rate (LWR)		NA	11.6307	15.9768	13.92
Employee DART Rate (Days Away, Restricted, or Transferred)		NA	4.1639	5.7176	0.33
Contractor Lost Time Injury Frequency Rate (LTIFR)	Contractor	NA	0	0	0
Contractor Lost Time Injury Rate (LTIR)		NA	0	0	0
Contractor Lost Workday Rate (LWR)		NA	0	0	0
Contractor DART Rate (Days Away, Restricted, or Transferred)		NA	0	0	0
Contractor Fatalities		0	0	0	0

Note: In 2024, there were no industrial safety accidents among non-employees working in the factory.

FOUR•Co-prosperity in Society

Industrial Safety-Related Expenses in 2024

In 2024, the Kunshan Plant's occupational safety expenditures totaled RMB 5.86 million, representing a 10% increase compared with 2023, mainly for replacing outdated fire protection facilities and adding disaster prevention and safety monitoring equipment. The Huangshi Plant's annual expenditures amounted to RMB 9.137 million, primarily for equipment safety and fire protection improvements. Approximately 33% of other categories were related to investments in safety production informatization and digitalization, operation and maintenance and network security, as well as insurance premiums for work safety liability insurance.



V. Societal Involvement and Social Wellness

Due to the scale and process characteristics of the production sites, Dynamic attaches great importance to interaction with the surrounding neighborhood and the future development of the community, and assigns the "Administration Division" of each production site to be responsible for implementing local community engagement, impact assessments and development plans, and to respond positively to various problems reported by the community and actively handle them.

Community communication platform and impact assessment

Plant	Community	Communication Platform	Impact Assessment
Taoyuan Operation Center	Sun Brothers Development Zone	Administration of Sun Brothers Development Zone	Access control, parking lot planning, utilities supply, disinfection against disease-carrying vectors, communication with neighbors, engineering, among other regular affairs
	Residents of Luzhu Community		
	Surrounding plants	Administration of Sun Brothers Development Zone	Establishment of an external communication platform
	Local competent authority	City government, district office, fire brigade	Labor-management, industrial safety, fire prevention declaration
	Stock market investor	Financial Supervisory Commission	Supervision over corporate finance and business operation, auditing and review and management of securities being placed and issued.
	Local union and association	Taoyuan Enterprise Chamber, PCB Association	Evaluation of revisions made to laws and regulations, reflection of operational difficulties encountered, safety criteria for industrial facilities
Kunshan Plant	Administrative Center of the Kunshan Economic Development Zone	Development Zone meeting	Industrial safety and environmental protection-related issues
Huangshi Plant	Management Committee of the Huangshi Economic Development Zone	Respective managing units	Safety supervision, environmental protection, construction, human resources, and social security

2024 Communication Contents



FOUR•Co-prosperity in Society

Social Care

Dynamic's social care is driven by heartfelt responsibility and includes education, charity, sports, academics, culture, and other aspects. Grasping the principle of "from near to far", our social care is continuously demonstrated. The "ESG Committee" is responsible for planning and execution, and it regularly reports to the Board of Directors. The total value of purchases placed with charity groups throughout 2024 came to TWD 1,273,027 and the overall expenditure totaled TWD 220,000 + RMB112,805.

Social care - Taoyuan Operation Center

Serial No.	Description	Cost of purchase (NT\$)	Expenditure (NT\$)
TY-1	The souvenirs for the shareholders' meeting were 13,000 pieces of handmade soap from the Little Lamb Shelter Workshop and 10,000 pieces of handmade soap from the Star Child Workshop of the Taoyuan Autism Association.	1,035,000	-
TY-2	This year, Dynamic provided two types of Mid-Autumn Festival gift boxes for employees and customers: First, products from the sheltered workshop under the Merry House Social Welfare Foundation (organic eggs and organic vegetables). Second, handmade, additive-free cookies from Yu & Qiao Bakery, produced by a single mother supporting her two children through her own efforts.	238,027	-
TY-3	National Chengchi University Academic Research Fund		200,000
TY-4	Medical Education Foundation of National Sun Yat-sen University	-	20,000
Total		1,273,027	220,000

Social care - Huangshi Plant

Serial No.	Description	Cost of purchase (RMB)	Expenditure (RMB)
HS-1	The donation was made by the Hubei University of Technology Education Fund to set up the Company's special project fund account and the research and application of key technologies for recycling of metal waste liquid in the electronics industry.	-	30,000
HS-2	On the Dragon Boat Festival, we donated charity materials to orphans, disabled children and the elderly at Wangren Welfare Home.	-	2,805
HS-3	Donated 18 computers valued at RMB 80,000 to Huangjinshan No. 3 Primary School in the Huangshi Economic and Technological Development Zone to improve teaching conditions in rural schools.	-	80,000
Total		0	112,805

Education

- The donation was made by the Hubei University of Technology Education Fund to set up the Company's special project fund account and the research and application of key technologies for recycling of metal waste liquid in the electronics industry.



- Donated 18 computers to Huangjinshan No. 3 Primary School in the Huangshi Economic and Technological Development Zone to improve teaching conditions in rural schools.



Charity

- For the Mid-Autumn Festival, employee gifts were sourced to support local employment of persons with disabilities, including products (organic eggs and organic vegetables) from the sheltered workshop of the Merry House Social Welfare Foundation in Taoyuan, as well as handmade additive-free cookies prepared by a single mother.

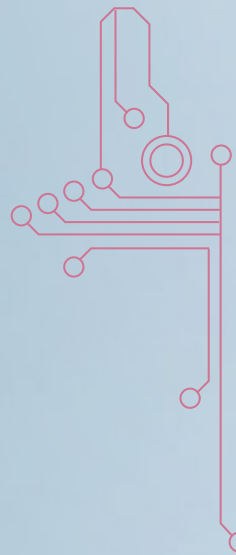


- Handmade soaps from Eden Mall and Taoyuan City Autism Association were used as souvenirs for the shareholders' meeting.
- Huangshi employees visited the Huangshi Welfare Home and warmed up the hearts of orphans, disabled children, and elderly people during the Dragon Boat Festival.



- Through the procurement of Fairtrade coffee, Dynamic not only provides farming communities with essential infrastructure such as water, electricity, healthcare, and education, but also effectively reduces the carbon footprint compared with conventional coffee by as much as 70%, demonstrating the Company's strong commitment to environmental sustainability and social responsibility.





CH 5

Economic Performance and Corporate Governance

Project

Group overview

Economic performance

In the past five years, the annual profit of business has increased to provide capital for the future development of the Company.

Corporate governance

Ranked in the top 5% of listed companies in the 2024 (11th) "Corporate Governance Evaluation"
Independent directors accounted for more than one-third of the Board
Female directors accounted for more than one-third of the Board

Sustainable supply chain

Local procurement exceeded 99%.

Information security management

No major losses were incurred due to information security incidents.



FIVE · Economic Performance and Corporate Governance

I. Economic Performance

◆ Generation and Distribution of Economic Value

Information about the generation and distribution of economic value, among others, reflects how an organization creates value for its stakeholders. According to GRI 201-1, the economic performance mainly focuses on the direct economic value generated and distributed from organizational operation. The fundamental elements include the following:

1. Generated direct economic value: income.
2. Distributed economic value: operational cost, employee salaries and benefits, payments made to investors, payments made to the government, investment in the community.
3. Retained economic value: "Generated direct economic value" minus "distributed economic value".

The following is the relevant information of Dynamic in recent years. All figures are extracted from the contents of the reports audited by CPAs.

Unit: TWD thousand

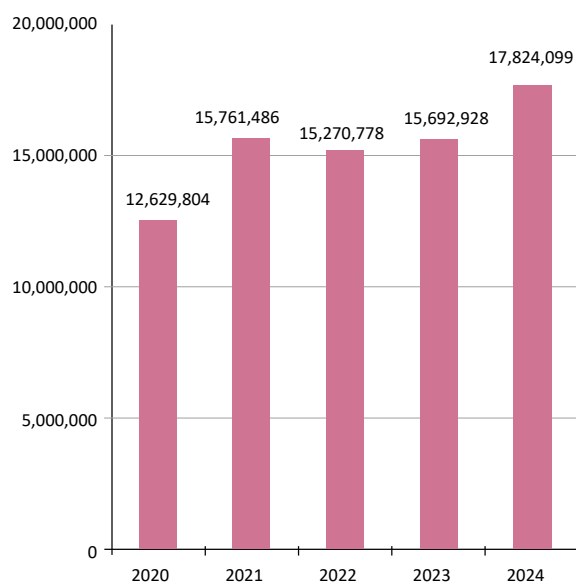
Project	Fundamental element	2020	2021	2022	2023	2024
Generated direct economic value	Income (including net sales, income from financial investments, income from the sale of assets)	12,629,804	15,761,486	15,270,778	15,692,928	17,824,099
Distributed economic value	Operating cost	9,611,137	12,725,983	12,383,063	11,890,236	13,200,714
	Employee salaries and benefits	2,113,086	2,361,297	1,992,405	2,188,915	2,841,083
	Payments made to investors	202,463	161,465	273,278	450,772	527,334
	Payments made to the government	23,906	40,995	38,863	137,375	179,200
	Community investment	147	1,292	430	988	229
Economic value retained		679,065	470,454	582,739	1,024,642	1,075,539

Note: Taoyuan Plant was sold off in 2020, and Taoyuan Operation Center invested in R&D, product technical services, and the receiving of orders from the Group.

Note: The information for 2022 and 2023 did not include Mold Business Division.

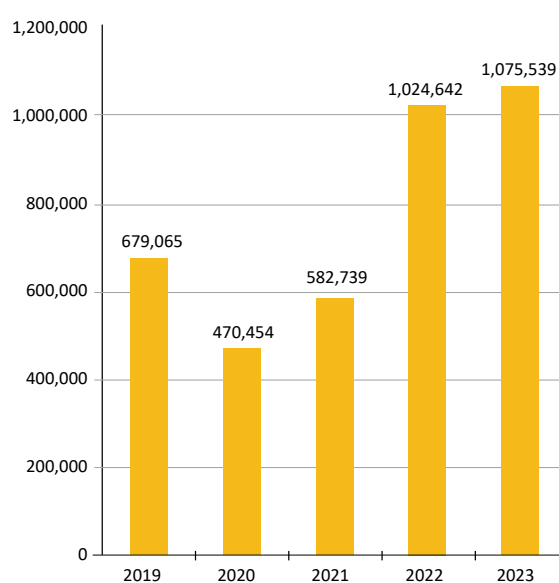
Generated direct economic value

Unit: TWD 1,000



Economic value retained

Unit: TWD 1,000



Note: TWD 679 million profit in 2020 includes TWD 426 million from the sale of the Taoyuan Plant, which resulted in an operating profit of TWD 253 million.

FIVE · Economic Performance and Corporate Governance

In 2024, with the increase in business scale, the distributed economic value also rose accordingly. Retained economic value showed only a slight increase compared with 2023, as the Thailand Plant, which began mass production in 2024, remained in an initial stage of operational loss. In terms of significant government financial subsidies, in 2024 the Kunshan Plant received a total of RMB 805,000 in subsidies from agencies including the Kunshan Bureau of Industry and Information Technology, the Bureau of Commerce, the Economic Development Promotion Bureau, and the Bureau of Human Resources and Social Security. The Huangshi Plant received a total of RMB 34.506 million in subsidies, including listing incentive funds from the Huangshi Municipal Bureau of Local Financial Supervision, input tax credit subsidies from the Tax Bureau, and construction investment subsidies from the Private Enterprise Development Promotion Center of the Huangshi Economic and Technological Development Zone and Tieshan District.

In 2024, Dynamic had four PCB operating sites: Taoyuan Operation Center, Kunshan Plant, Huangshi Plant, and Thailand Plant, as well as a Taoyuan Molding Department. Their respective contributions to total revenue were 0.13%, 20.97%, 78.59%, 0.02%, and 0.30%. The following provides an overview of how the four PCB operating sites and the Molding Department created economic value for their local communities.

Unit: TWD 1,000

Project	Fundamental element	Taoyuan Operation Center	Kunshan Plant	Huangshi Plant	Thailand Plant	Taoyuan Molding Department
Direct economic value generated by the Company	Income (including net sales, income from financial investments, income from the sale of assets)	22,336	3,737,799	14,007,459	3,566	52,939
Distributed economic value	Operating cost	-290,346	2,589,461	10,570,041	304,506	27,051
	Employee salaries and benefits	278,108	745,956	1,602,792	186,975	27,252
	Payments made to investors	60	58,505	432,280	36,488	-
	Payments made to the government	-	-	177,678	0	1,522
	Community investment and social care	220	-	-	9	-
Retained economic value		34,293	343,877	1,224,668	-524,413	-2,886

Looking ahead to 2025, network communications, servers, storage devices, and the automotive business will be the main drivers of growth. Among them, network communications and servers are expected to experience the strongest growth, storage devices will maintain steady expansion, and the automotive business will show moderate improvement.

The Thailand Plant achieved construction at "light speed", completing the entire process from piling to mass production in just one year, setting a new record! Since commencing production, despite facing many unprecedented challenges, we have continued to improve the yield, quality, and revenue of target products, striving to meet our profitability goals. The Thailand Plant focuses on advanced multilayer boards and high-end HDI technologies, with product applications covering GPUs, AI servers, switches, 5G communications, and new energy vehicles (including smart driving, millimeter-wave radar, and ADAS), as well as storage devices. Our goal is to earn the trust and orders of top-tier international customers, establishing the Thailand Plant as the largest, most technologically advanced, and ESG-driven high-end PCB manufacturing base in Thailand, thereby continually strengthening our sustainable growth capabilities!

In terms of human resources development, in response to the Company's new product development and factory expansion plans, we will actively cultivate internal personnel and recruit professional talents to ensure that there is no talent gap in the Company's long-term development. In terms of payment to funders, we will face increased capital needs due to the expansion of the Thailand Plant. In terms of payments to the government, we will continue to pay taxes as our profitability continues to improve. In terms of community investment and social care, we will continue to support community development, social welfare, and care for disadvantaged groups.

Taxation Governance

On November 3, 2023, the Group's tax policy was approved by the Board of Directors to implement tax governance, comply with the tax laws and regulations of each operating location, and ensure that the transactions between each operating site comply with normal practices. We also disclose this information in the financial report and corporate sustainability report to improve the transparency of tax information and increase stakeholders' understanding of the Company's tax governance.

We are committed to not engaging in any improper tax arrangements solely for the purpose of reducing the tax burden or diverting profits to low-tax regions or tax havens.

As we satisfy the requirements of Article 39 of the Income Tax Act, we currently have a deduction of loss for the previous 10 years to offset the income of the current year. All other subsidiaries apply for tax incentives and subsidies depending on the type of business and the tax regulations of the regions where they are located. Transactions among affiliates are based on normal transaction rules and the master file of reports from the previous year is declared at the end of each year and the report of the transfer of prices is prepared as required for reference.

Tax policy is an important part of business operations. The formulation and implementation of tax-related decisions in the Company are subject to internal supervision or external regulatory requirements and are supervised and approved by the Board of Directors before implementation.

We recognize enterprises that honestly pay taxes and are transparent and open to the public as it helps avoid the unnecessary social cost, while at the same time restoring the confidence that stakeholders have in public service and strengthen governmental efficacy. Therefore, in accordance with GRI Standard 207, the following information is provided for negotiation with stakeholders.

Taxation Policy

Dynamic implements tax governance, complies with the tax laws and regulations of each operating location, and ensures that the transactions between various operating locations comply with these principles. We also disclose the Company's tax policies and tax information in the financial report and corporate sustainability report to improve the reliability of tax information. Transparency also enhances stakeholders' understanding of the Company's tax governance.

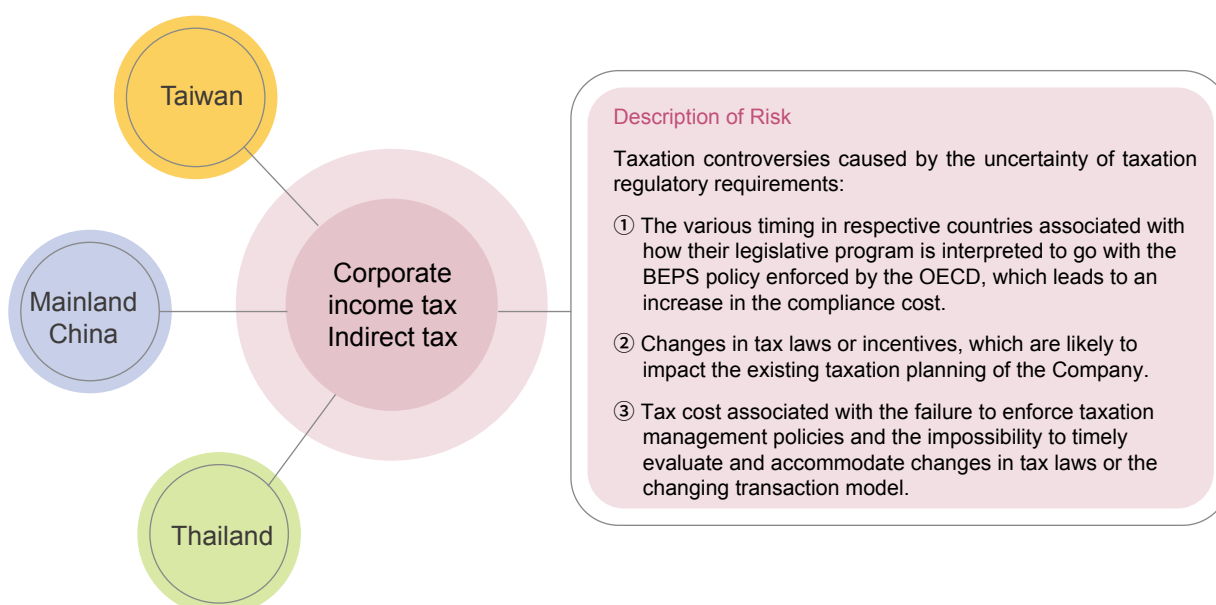
Since Dynamic meets the requirements of Article 39 of the Income Tax Act, it currently has the right to use the loss incurred in the previous ten years to offset its current year's income from operations. All other subsidiaries apply for tax incentives in accordance with the tax regulations of their respective business forms and localities. Transactions between affiliated enterprises shall follow the principles of regular transactions, and the Group's master report and transfer pricing report of the previous year shall be submitted at the end of each year for reference.

Taxation Risk Management

Dynamic mainly invests in Mainland China and follows the local taxation regulatory requirements. Since changes in taxation regulatory requirements may significantly impact the effective tax rate and operational accomplishments, taxation changes and taxation risks in the localities with investments are closely monitored. Dynamic complies with internal regulations to perform tax identification and assessment to manage and control tax risks.

Dynamic's finance department is responsible for tax governance. All significant transactions and decisions are assessed for tax risk and planned in accordance with relevant tax laws and regulations. The Vice-President of Finance is ultimately accountable for taxation governance. The daily operations and administration, on the other hand, are outsourced to the head of accounting at each operating site and the taxation duties are fulfilled with assistance from related taxation specialists. The authorized external professional taxation advisory institution also provides professional services to keep track of new information on taxation.

Possible taxation risks as determined by Dynamic:



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Taxation Information

Information on income tax

Unit: NT\$ thousands, %

Project		2023	2024	Average
Net income before tax (A)		1,465,523	1,567,588	1,516,556
Income tax expense (B)	Current Income Tax	159,118	187,193	173,156
	Deferred income tax	275,752	304,856	290,304
Effective tax rate (B)/(A)		29.67%	31.39%	30.56%
Tax payment (C)		159,146	177,249	168,198
Cash effective tax rate		10.86%	11.31%	11.09%

Lower-than-average effective tax rate on cash was due to:

1. Part of the Group's profits are generated from the tax-free country, Seychelles.
2. The tax liability in Taiwan was deducted from losses of previous years, so no tax payable was incurred.

Information related to tax jurisdictions in 2023

Dynamic's principal operating and manufacturing sites are located in Taiwan, Mainland China, and Thailand. For 2024, the Company's main activities, headcount, tangible assets, current income tax, and income tax paid are disclosed by operating site. Details by operating location are as follows.

Taxable area	Number of employees	Intangible assets	Current Income Tax	Income tax paid
Taiwan (NTD thousand)	67	3,490	801	1,522
Mainland China (RMB 1,000)	5,127	2,231,405	36,138	39,344
Thailand (THB 1,000)	947	5,558,941	-	-





II. Corporate Governance

Management approach

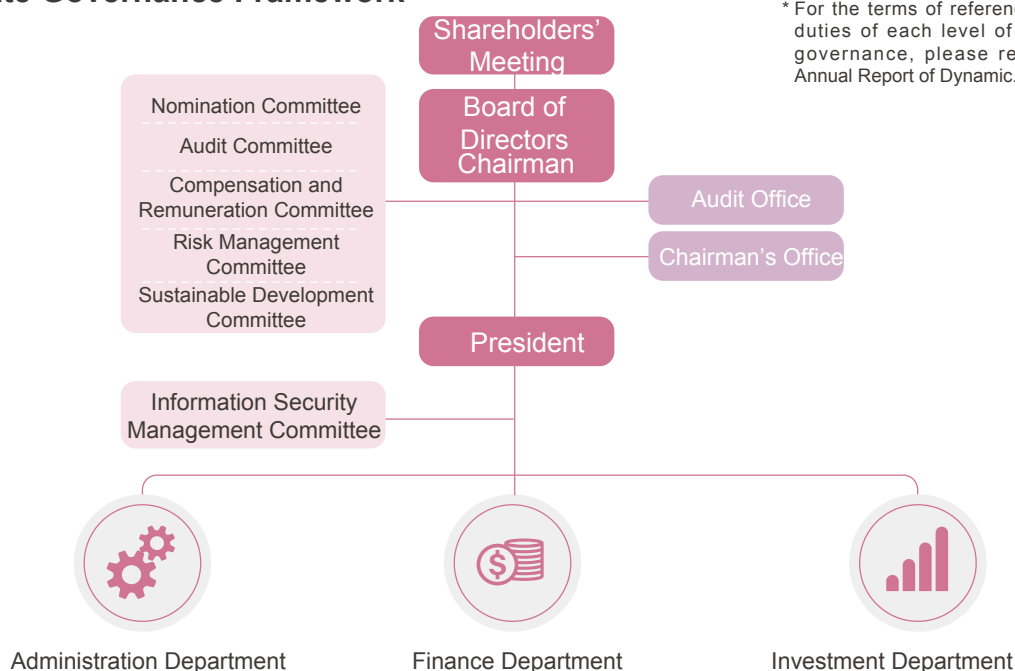
Actual and potential positive economic, environmental, and social impacts on Dynamic (opportunities)	Actual and potential negative economic, environmental, and social impacts on Dynamic (risks)	Policy and Commitment	Action Plan	Complaint-filing mechanism
The Board of Directors is closely related to the Company's future development. With the assistance of Nomination, Audit, Remuneration, Risk Management and Sustainable Development Committees, we jointly create an open, transparent, and sustainable future for Dynamic.	If the Board of Directors is not effective and information transparency is low, the Company will not be able to create good communication and interaction with stakeholders, and to accept guidance and supervision. The ESG system will not be perfect, and it will not be able to integrate with international standards, resulting in the Company's operations becoming unsustainable.	We will implement corporate governance to enhance corporate sustainability. Create a sound ESG ecosystem, align with international standards, and strengthen international competitiveness in the capital market.	1. The performance of the Board of Directors and its members is evaluated annually and also evaluated externally at least once every three years. The evaluation results are published on the Company's website and in the annual report. 2. Release the Sustainability Report annually. 3. Periodically update information on the Company's website. 4. All Directors and the corporate governance officer complete continuing education each year.	Chairman Independent director (Hotline, mailbox)

Goal

Target project	2024 Performance	Goals in 2025	2026 Target (medium-term)	2027 Target (Long-term)
Corporate governance review rankings	Top 5% of listed companies	Top 5% of listed companies	Top 5% of listed companies	Top 5% of listed companies
Attendance rate of the Board of Directors	100%	100%	100%	100%
Attendance rate of the functional committee members	100%	100%	100%	100%
Percentage of independent directors	More than 1/3	More than 1/3	More than 1/3	More than 1/3
Percentage of female directors	More than 1/3	More than 1/3	More than 1/3	More than 1/3

Dynamic is committed to building an effective corporate governance structure: Strengthen the functions of the Board of Directors, consider diverse composition, create good communication and interaction with stakeholders, improve information transparency, establish a sound ESG system, and align with international standards to promote the Company's sustainable development. We have established the "Corporate Governance Best-Practice Principles", "Ethical Corporate Management Best-Practice Principles", "Risk Management Best-Practice Principles", and "Sustainable Development Best-Practice Principles", which are disclosed on the Company's website and on the Market Observation Post System (MOPS) as the implementation guidelines.

Corporate Governance Framework



* For the terms of reference and the duties of each level of corporate governance, please refer to the Annual Report of Dynamic.

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◆ Overview of the Protection of Shareholder Equity and Fair Treatment Status

The shareholders' meeting is the highest decision-making unit at Dynamic. In order to protect the rights and interests of shareholders and treat all shareholders equally, Dynamic has implemented electronic voting and case-by-case voting since 2016, and records the results of consent, objection, and abstention for each proposal in the meeting minutes, which are disclosed in the MOPS and on the Company's website. The implementation status of the resolutions is also explained in the annual report. In order to consider a balanced and stable dividend policy, depending on the investment capital needs and the degree of dilution to earnings per share, Dynamic adopts stock dividends or cash dividends, of which cash dividends are distributed at an amount of no less than 10% of the total dividends for the year. The percentage of dividends distributed from distributable earnings ranges from 0% to 75%. In 2024, a cash dividend of \$1.5 per share was distributed.

In order to protect the rights and interests of shareholders and ensure equal treatment of shareholders, the Company prohibits insiders and employees from profiting from non-public information by trading securities, including stock trading by insiders from the date of learning of the Company's financial reports or related performance contents, and control measures including (but not limited to) prohibiting directors from trading their shares during the book closure period, which is 30 days prior to the publication date of the annual financial report and 15 days prior to the publication date of the quarterly financial report.

◆ Directors and the Committee's Nomination and Selection Process

The Nomination Committee set by the Company must exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the Board of Directors for discussion:



The nominating committee's duties include:



The Company has a nomination system for the election of Directors in accordance with the Company's articles of incorporation. All members of the board must have the knowledge, skills, and experience necessary to perform their duties, such as the ability to make operational judgments, perform accounting and financial analysis, conduct management administration, manage crises, possess industry knowledge, maintain an international market perspective, and provide leadership.

Diversified Composition of Board of Directors

In 2024, six of Dynamic's directors had abundant business administration and academic experience, including three independent directors, and three female directors. Dynamic hopes to have a more specialized, independent, and diversified Board of Directors to lead the Group towards sustainable corporate development.

Diversification of Dynamic's Board of Directors

Title	Name	Nationality	Gender	Part-time employee of the Company	Age	Term of office of independent directors (years)	Operation and management	Leadership and decision-making	Finance and Accounting Laws	Strategy and risk planning	Analysis of industrial trends	Technological developments in the industry	GIICS L1 Industry Experience
Chairman	Ming-Hung, Huang	Republic of China	Male	-	41-50	-	v	v	-	-	v	v	-
Legal representative of director	Li-Hsien, Chen	Republic of China	Female	-	41-50	-	v	v	v	-	-	-	-
Legal representative of director	Rui-Hsia, Liu	Republic of China	Female	v	41-50	v	-	-	-	-	v	v	-
Independent director	Yi-Chia, Chiu	Republic of China	Male	-	51-60	0-3	-	v	v	v	-	v	-
Independent director	Wen-Xin, Weng	Republic of China	Male	-	51-60	0-3	v		v	v	v	-	Finance
Independent director	Hui-Ju, Chien	Republic of China	Female	-	31-40	0-3	-	-	v	v	-	-	-

Chair of the Highest Governance Body

The Chairman and President are not the same person.

Directors' Independence and Management of Conflicts of Interest

The Company currently has three independent directors and has established the "Rules of Responsibilities for Independent Directors", which clearly stipulate: "if an independent director has dissenting or reserved opinions, they should be recorded in the Board meeting minutes", "the Company shall not obstruct, refuse, or evade the independent directors in the performance of their duties", and "if deemed necessary while performing their duties, independent directors may request the board of directors to assign relevant personnel or independently hire experts for assistance". These provisions ensure that independent directors can fully fulfill their responsibilities and effectively enhance the operation of the Board. Additionally, the Company has set up Audit, Compensation, and Nomination Committees, and relevant proposals are submitted to the Board for discussion only after being approved by these committees to prevent and mitigate conflicts of interest. The Company's "Integrity Management Guidelines" also stipulate: "if a company director, manager, or any stakeholder attending or present at a Board meeting has an interest in any agenda item that may conflict with the Company's interests, they must disclose the important aspects of their interest at the Board meeting and recuse themselves from the discussion and voting on that item", ensuring the Company's commitment to integrity in operations.

Collective Wisdom of Highest Governance Body

In 2024, all newly appointed and incumbent directors completed the statutory training courses. The curriculum covered: ESG sustainability and financial reporting self-preparation policy development and internal control practices, corporate sustainability development and ESG strategy integration, industry analysis and corporate diagnosis, insider trading prevention seminars, Net Zero Summit, Sustainable Finance and Climate Change Summit, corporate sustainability and resilience management, corporate risk management and corporate governance, common deficiencies in corporate financial report preparation and compliance with internal audit and internal control regulations, the impact of climate change on financial reporting and valuation, code of integrity and how to avoid breaching director and supervisor responsibilities, latest ESG sustainability policies and regulations related to annual report preparation and practical analysis of net zero carbon emissions impact on financial reports, common deficiencies in financial report reviews and practical analysis of key internal control regulations, and practical seminars on board performance evaluation. In addition, through the quarterly ESG Sustainability Committee's reports at Board meetings and the management team's project reports, the Company enhances the Board members' awareness of and participation in economic, environmental, and social issues.

FIVE · Economic Performance and Corporate Governance

◆ Important Decisions Made by Board of Directors in 2024 and Related Actions Taken to Supervise Performance in Sustainability

The Board of Directors of Dynamic meets at least once a quarter and met eight times throughout 2024, with Director attendance of up to 100%, to review corporate operational performance and discuss important strategic topics, including economic, environmental, and social impacts, risks, and opportunities, etc. In 2024, the Board of Directors' supervision of sustainability performance included the adoption of the Company's "Procedures for Prevention of Insider Trading", "Risk Management Policies and Procedures", "Sustainable Development Best-Practice Principles", "Sustainable Development Committee Charter", "Corporate Value Enhancement Plan", and "Anti-bribery and Anti-corruption Policy". The Board also approved amendments to the "Code of Ethical Conduct", "Regulations Governing Remuneration for Board of Directors", "Corporate Governance Best-Practice Principles", "Audit Committee Charter", "Rules of Procedures for Board of Directors' Meetings", and "Regulations Governing Performance Evaluation of Managerial Officers". Furthermore, the Board approved the results of the Board performance evaluation, the update of the Group's succession plan, the assessment of the independence of the certified public accountant, the implementation of corporate social responsibility, and the issuance of the ESG Sustainability Report.

◆ 2024 Board of Directors Performance Review Outcome

In 2024, Dynamic conducted an annual internal performance evaluation of the Board of Directors. The evaluation period was from January 1, 2024 to December 31, 2024, and the evaluation scope included the overall Board of Directors, individual performance evaluations, Board members, functional committees such as the Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee, and Sustainable Development Committee.

Internal assessment

Internal evaluation methods: the self-evaluation of the Board of Directors, the self-evaluation of the directors, and the internal self-evaluation of the functional committees.

Contents of internal assessment:

- I. For the Board of Directors: The level of participation of the Board of Directors in the Company's operations, improvement of the Board's decision-making quality, composition and structure of the Board of Directors, election and continuing education of directors, and internal control.
- II. For the directors: Comprehension of the Company's goals and tasks, awareness of directors' duties, participation in the Company's operations, management relationships and communication, directors' professional and continuing education, and internal control.
- III. Functional committees: Participation in the operations of the Company, awareness of the duties of functional committees, improvement of the decision-making quality of functional committees, composition and appointment of functional committees, and internal control.

Comprehensive comments:

1. The Board of Directors convenes and operates in compliance with corporate governance principles, effectively enhancing performance.
2. The Board thoroughly executes and supervises the Company's operations and future strategies.
3. The Board continues to implement sustainable development strategies and has effectively linked senior management compensation to ESG-related performance.
4. Each functional committee works in synergy with the Board of Directors, creating complementary effectiveness.
5. This year, more comprehensive functional committees were established under the Board, resulting in clearer division of responsibilities and improved meeting efficiency.

Action plan:

1. Have management report to the Board of Directors on information about the upstream, downstream, and industry changes at least quarterly, and provide industry reports from time to time.
2. Ensure that directors receive sufficient information and reports prior to meetings, allowing adequate time to review and prepare for discussions and decision-making.
3. The meeting affairs unit shall provide directors with operational performance reports in a timely manner.
4. Offer directors more professional training courses, with training not limited to the statutory minimum of six hours per year.

The relationship between Board members' remuneration and sustainability performance

In terms of the connection between the remuneration of Board members and sustainability performance:

- I. The annual performance evaluation of the Board of Directors, functional committees and individual directors accounts for 20% of remuneration.
- II. The KPIs of the Company's overall operational performance (including annual operating revenue, net profit after tax, and return on shareholders' equity) account for 20% of remuneration.
- III. Sustainability ESG KPIs (including 4% annual reduction in greenhouse gas emissions intensity, 4% annual reduction in water consumption intensity, promotion of work environment safety, core talent development, risk assessment and management, and improvement of supply chain's climate change risk resilience) account for 20% of remuneration.
- IV. The future risks and development trends of the industry (including the evaluation of risk items and formulation of future development strategies) account for 20% of remuneration.
- V. The level of participation and special contribution of individual directors accounts for 20% of remuneration.

Directors' performance indicators

Performance percentage of each item	Annual performance evaluation accounts for 20% of remuneration	The Company's overall operational performance accounts for 20% of remuneration	Sustainable ESG performance accounts for 20% of remuneration	Future risks and development trends in the industry account for 20% of remuneration	Personal contribution accounts for 20% of remuneration
Evaluation indicators	Annual performance evaluation results of the Board of Directors, functional committees, and individual directors.	Operating revenue, net profit after tax, and return on equity for the year.	Reduce greenhouse gas emissions intensity by 4% per year, reduce water consumption intensity by 4% per year, promote work environment safety, core talent development, risk assessment and management, and improve supply chain resilience to climate change risks.	Assess the risk items and formulate future development strategy.	Individual participation and special contributions.

Note: Relevant performance evaluations and the rationality of remuneration are reviewed by the Remuneration Committee and approved by the Board of Directors.

Remuneration for Board members of the Company is based on the requirements in Article 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. Regarding the process for determining remuneration, the Company adheres to "Director Remuneration Management Procedures" as the basis for evaluation. This process considers the performance evaluation of the Board of Directors, the Company's overall operational performance, sustainability indicators, future industry risks, and development trends. It also takes individual participation levels and unique contributions to the Company into account, ensuring reasonable compensation. The relevant performance evaluations and remuneration reasonableness are reviewed by the Remuneration Committee and the Board of Directors. The remuneration system is regularly reviewed according to actual business conditions and relevant laws to balance the Company's sustainable operations with risk management.

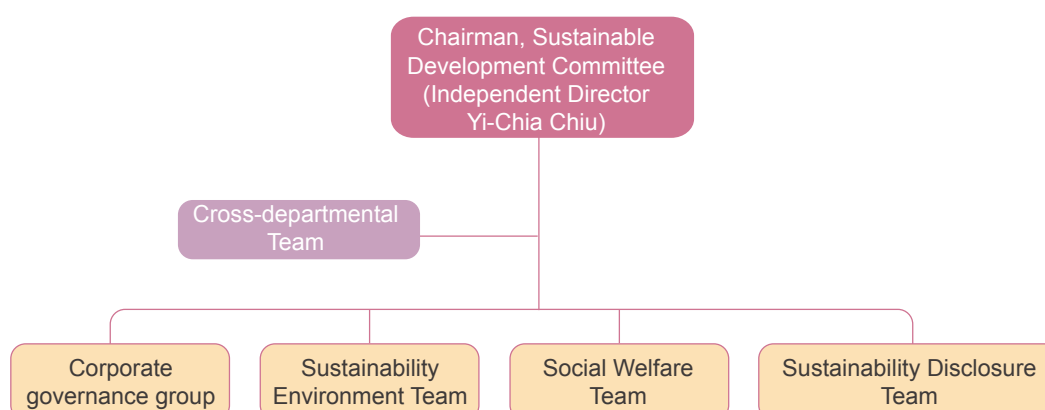
Dynamic has established the "Regulations for Annual Performance Evaluation of Managerial Officers", which are disclosed on the Company's website. The full text may be accessed by scanning the QR code on the right.



Sustainable Development Committee

The Company established the "ESG Sustainability Committee" on February 23, 2022. To further advance sustainable development and strengthen sustainability governance, on October 27, 2024, with the approval of the Board of Directors and pursuant to Article 27, Paragraph 3 of the "Company's Corporate Governance Best-Practice Principles" and Article 9, Paragraph 1 of the Company's "Sustainable Development Best-Practice Principles", the committee was elevated to a Board-level "Sustainable Development Committee", and the Sustainable Development Committee Charter was adopted. The first term of the Sustainable Development Committee takes effect on October 27, 2024, and will run until May 17, 2026, aligned with the term of the current Board of Directors. All members elected Independent Director Yi-Chia, Chiu as the Convener and Chair of the meeting.

Organizational Structure of the Sustainable Development Committee



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The Sustainable Development Committee includes all relevant departments, such as operations, environmental safety and health, public affairs, R&D, quality assurance, sales, supply chain management, human resources, information, finance, and legal affairs. With sound corporate governance as the cornerstone, we set strategic goals and action plans for each aspect of sustainability, and then gradually adjust the direction and expand the scope, hoping to establish a top-down operating model and integrate it into our daily business operations.

Responsibilities of the Sustainable Development Committee

1

- Formulate, promote, and strengthen the Company's sustainability policies, annual plans, and strategies.

2

- Review, track, and revise the implementation status and effectiveness of sustainability initiatives.

3

- Supervise sustainability information disclosure and review the sustainability report.

4

- Oversee the execution of the Company's Sustainability Principles and other sustainability-related tasks as resolved by the Board of Directors.

The dedicated (or concurrent) sustainability units assist the Committee in implementing various initiatives, carry out the assigned tasks, and report to the Committee on the execution of sustainability practices.

Corporate governance group

Responsible for legal compliance in corporate governance, formulating reasonable compensation policies and employee performance appraisal systems, conducting education and training, and establishing stakeholder communication mechanisms to achieve the Company's sustainability objectives.

Sustainability Environment Team

Responsible for environmental management systems, compliance with environmental laws and international standards, assessing sustainable transformation, improving resource efficiency, establishing mechanisms to address climate change, and setting up dedicated environmental management units and personnel to achieve environmental sustainability goals.

Social Welfare Team

Responsible for human rights management policies and procedures, compliance with human rights-related laws and international standards, establishing internal and external communication with all members of the organization (such as employees, subsidiaries, and joint ventures) and key members of the value chain, assessing related risks and management mechanisms, and promoting community and cultural development to achieve the goal of sustainable operations.

Sustainability Disclosure Team

Responsible for sustainability information management policies, compliance with laws and international standards related to sustainability disclosure, and fully discloses relevant and reliable sustainability information to enhance transparency.

Cross-departmental Team

Carry out the duties of the units in the preceding paragraph, consolidate implementation plans and other sustainability-related matters, and report the implementation results to the Sustainable Development Committee.

In 2024, the Sustainable Development Committee reported to the Board of Directors on topics including the Company's sustainability strategy and short-, medium-, and long-term goals, the sustainability governance structure, and the linkage between sustainability performance and compensation. The Board of Directors regularly listens to reports from the management team, examines the progress of strategies, assesses the probability of success of strategies, and urges the management team to strengthen or adjust as necessary.

III. Legal Compliance

Management approach

Actual and potential positive economic, environmental, and social impacts on Dynamic (opportunities)	Actual and potential negative economic, environmental, and social impacts on Dynamic (risks)	Policy and Commitment	Action Plan	Complaint-filing mechanism
Good compliance with the regulations can enhance stakeholders' trust in Dynamic and establish a mutually beneficial and trusting relationship.	Incidents that may result in heavy fines (exceeding TWD 1 million) due to violation of relevant laws and regulations related to the provision and use of products and services, environmental issues or other topics, or sanctions due to other liabilities.	Compliance with international regulations and local government's regulatory requirements	1. Education and training must be held for business executives. 2. Each department independently conducts its own compliance audits.	Chairman Independent director (Hotline, mailbox)

Target project	2024 Performance	Goals in 2025	2026 Target (medium-term)	2027 Target (Long-term)
Major fines resulting from non-compliance	0	0	0	0

Dynamic promises compliance with international standards and the regulatory requirements of governments at the operational sites and no violation of requirements is allowed. The responsible unit is the Legal Affairs Office, and the authority to handle complaints lies with the Chairman and Independent Directors. Complaints can be filed through the hotline or the mailbox.

Dynamic has established three regulatory frameworks to address different regulatory areas, including corporate governance, insider trading, securities regulations, supervision of subsidiaries, product compliance, technology patents, environmental safety, occupational safety, labor regulations, intellectual property, confidential data protection, and export control. Each responsible unit regularly and systematically identifies, revises, promotes, and implements laws and regulations to ensure full compliance.

Three-Pronged Defense Program for Regulatory Compliance

Mechanism	Implementation Methods		
Regulatory compliance The Three Lines of Defense	To fulfill compliance, Dynamic has established three lines of protection for compliance programs, 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 departments designate personnel to identify, revise, promote, and implement laws and regulations. The responsible personnel receive external courses and educational training every year to continue to strengthen their awareness of legal compliance, keep up with developments in their professional fields, and incorporate them into their 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 to reasonably ensure the fulfillment of internal control goals.

In 2024, Dynamic ensured the implementation of its regulatory compliance system through three lines of defense, and during this year, the Company did not incur any significant fines (exceeding TWD 1 million) for violations of relevant laws and regulations related to the provision and use of products and services, nor in the areas of environmental, social, or human rights. Additionally, there were no sanctions imposed due to other liabilities. In addition, in 2024, Dynamic did not pay any illegal fines and the amount thereof.

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Legal Compliance						
First line of protection – Spontaneous inspection						
Regulatory requirements	Corporate governance	Insider trading	Security laws and regulations	Subsidiary supervision	Product compliance	Technology patents
Plant	Taoyuan Operation Center	Taoyuan Operation Center	Taoyuan Operation Center	Taoyuan Operation Center	Kunshan Plant Huangshi Plant Thailand Plant	Kunshan Plant Huangshi Plant
Responsible unit	Chairman's Office	Chairman's Office	Chairman's Office Finance Department	Finance Department	Process Technology Center Global Technology Service Division	R&D Department Process Technology Center
Governing Guidelines	Starting from the end of 2026, the evaluation will be transformed from Corporate Governance Evaluation to ESG Evaluation.	Procedures for the "Management of Insider Trading Prevention"	Securities and Exchange Act, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Independent Auditor's Report	Subsidiaries are supervised and managed under the "Regulations Governing Establishment of Internal Control Systems by Public Companies"	Hazardous substances related to laws and regulations, product safety standards, and customer requirements for products	Applicable domestic/ international regulatory guidelines for hazardous substances in products and technical patents
Renewal frequency	Quarterly	Anytime	Quarterly	Monthly	Anytime	Anytime
Communication frequency	Quarterly	Quarterly	Anytime	Anytime	Anytime	Anytime
Key projects for 2024	Increase the percentage of female directors to more than one-third; publish the English annual report and the financial statements in both Chinese and English at least 18 days prior to the shareholders' meeting.	Directors and insiders are prohibited from trading their shares during the 30-day closure period prior to the announcement of the annual financial report, and the 15-day closure period prior to the announcement of the quarterly financial report.	In line with company operations, appoint a Chief Information Security Officer and relevant personnel, and amend the Company's "Internal Control System". In accordance with the revisions to the "International Code of Ethics for Professional Accountants" by the International Ethics Standards Board for Accountants (IESBA), strengthen and ensure the independence of the auditing CPA firm from the audited company by updating the Company's "General Policy for Pre-approval of Non-assurance Services".	Pursuant to the "Regulations for the Supervision of Subsidiaries", perform monthly routine management of subsidiary operations.	The products have consistently complied with relevant safety standards and hazardous substance regulations, as well as customer requirements, so that customers are satisfied.	Development of product traceability systems, product testing methods and production automation systems, and development of recycling and utilization of waste materials, waste gas, and waste liquids.
Second line of protection - Compliance (Legal Affairs Office)						
Key projects for 2024	1. Periodically inspect applicable operational laws and regulations to keep track of the revision trends and the latest regulatory requirements. 2. Inspect the alignment between actual implementations and regulatory requirements in prioritized fields (environmental protection, labor, risk review, etc.) 3. The Global Technical Service Department, the Environmental Safety Department, and the Information Technology Center organize cross-functional fact checking.					
Third line of protection - Internal audit						
Key projects for 2024	According to "Regulations Governing Establishment of Internal Control Systems by Public Companies", the Audit Office has listed "regulations and regulatory compliance matters" as mandatory annual audit items, covering the above areas.					

Environmental protection and occupational safety			Labor laws and regulations			Intellectual property and confidential data protection	Export control
Taoyuan Operation Center	Kunshan Plant	Huangshi Plant	Taoyuan Operation Center	Kunshan Plant	Huangshi Plant	Taoyuan Operation Center Kunshan Plant Huangshi Plant	Kunshan Plant Huangshi Plant
Environmental Safety Department			Human Resources Department			Information Technology Center	Customs Affairs Section
Environmental protection regulations, climate change regulations, Carbon Border Adjustment Mechanism (CBAM), occupational health and safety, fire safety regulations and standards, Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, EU Packaging and Packaging Waste Directive, Responsible Business Alliance (RBA) Code of Conduct, Task Force on Climate-related Financial Disclosures (TCFD), Global Reporting Initiative (GRI) Sustainability Reporting Standards			Applicable labor regulatory requirements and respective social security regulatory requirements	Labor Law, Labor Contract Law, special requirements for the protection of female workforce, and Social Security Law		ISO 27001 Information Security Management System	Export Control Act, Intellectual Property Protection Act, Customs Act, Foreign Trade Act
Quarterly	Quarterly	Quarterly	Monthly	Monthly		Yearly	Anytime
Quarterly	Quarterly	Quarterly	Monthly	Quarterly		Yearly	Anytime
Promote the classification and recycling of resource waste, epidemic prevention and control, fire safety management, labor health protection rules, greenhouse gas inventory and management, and the development of product carbon footprint platforms.	Pollutant emission standards, soil pollution prevention and control, use and storage management of hazardous chemicals, recycling economy, management of greenhouse gas emissions and emission source update, volatile organic compounds emissions, regulations related to hazardous operations such as confined space, and requirements related to risk assessment of safe production.	Compliance in the disposal and discharge of environmental pollutants; certification of waste reduction and zero landfill; safe storage and use of hazardous chemicals; establishment of water management system; audit and counseling of supply chain ESH, energy conservation and carbon reduction, and continue to advance emissions reduction work.	The base salary was TWD 27,400 on January 1, 2024.	In January 2024, the social security's salary base was adjusted from RMB 4,494 to RMB 4,879; in July 2024, the salary base for provident fund contributions was adjusted from RMB 4,500 to RMB 4,879.	Starting from July 2024, the monthly social security payment base was adjusted from RMB 3,800 to RMB 4,097. Each enterprise must combine the annual gross salaries of employees and submit them to the Social Security Bureau for review as the approval payment base.	Replacement and upgrade of wireless and network management equipment, implementation of information environment monitoring systems, introduction of remote collaboration equipment, and expansion of UPAS system licenses.	Attend trade compliance knowledge trainings held by the Customs Authority for improved compliance and risk awareness, and to strengthen control over trade compliance, promptly verify whether registered brands have obtained valid brand authorization letters so that compliance risks present in import/export business can be identified and corrected in a timely manner to help prevent the accumulation of risks.

view, and equipment procurement and maintenance, etc.)
 onal teams to conduct internal audits according to the relevant international management systems, including compliance with applicable laws and regulations, and

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IV. Ethics and Integrity

To enable normalized ethical corporate management throughout the organization and to define an optimal business model, Dynamic has the “Ethical Corporate Management Best Practice Principles” in place. The Board of Directors and the management are committed to proactive fulfillment of the ethical corporate management policy. In addition, Dynamic set up the “Legal Affairs Office” to be the responsible unit for the promotion of ethical corporate management under the Board of Directors to take charge of defining and supervising ethical corporate management policies and safeguard solutions and periodically report to the Board of Directors.

The substantial actions taken by Dynamic to enforce its ethics and integrity policies are as follows:

The substantial actions taken by Dynamic to enforce its ethics and integrity policies are as follows:

1. Set up the “Ethical Code of Conduct for Directors, Supervisors, and Managers” and the “Ethical Code of Conduct for Employees” to help with thorough disclosures of the Ethical Code of Conduct for Directors, managers, and employees. They are to be followed by everyone.
2. Sign quality contracts, procurement commitments, integrity commitments, and non-use of hazardous substances guarantee with agents, suppliers, customers, and other business partners to help partners understand and accept Dynamic's corporate culture, form a positive force to jointly implement the cooperation model of ethical and honest management, and to regularly issue “Integrity Notification Letters” reminding suppliers and partners every year.
3. Set up “CEO Mailbox” (ceo@dynamicpcb.com) for employees, business partners, and third-party suppliers to file complaints directly against corruption, solicitation of bribes, acceptance of bribes and other dishonest acts within the Company. It is the direct way to have their voices heard by the highest-ranking official in the Company. Only the CEO can open the e-mail for inspection, and personally handle, reply, or instruct to investigate, in order to achieve absolute confidentiality and effectively prevent dishonesty. The CEO's mailbox is communicated to all new employees during orientation, included as a specific clause in all external contracts of Dynamic, and publicly announced on the Company's website. No letter of complaint was received by the CEO's mailbox in 2023.
4. An “Unreasonable Mailbox” is set up internally for employees to report unreasonable behaviors or behaviors that violate professional ethics. It is hoped that the supervision of employees can better implement the Company's ethical standards. In 2024, the Taoyuan Operation Center did not receive any unfounded complaints; the Kunshan Plant received three unfounded complaints, and the Huangshi Plant received two. The complaints at the two plants were all individual cases related to the protection of employee personal rights and have been properly handled in accordance with the actual circumstances.
5. Formulate the “Regulations for Whistleblowing Rewards” and “Whistleblowing Channel and Protection System Operational Procedures” to encourage internal personnel and external partners to report violations of integrity and ethics and set up protection procedures to strictly prevent retaliation.
6. Set up a “dedicated hotline” to provide multiple and convenient electronic reporting methods for business partners on both sides of the Taiwan Strait. In 2024, no complaints or reports from the “dedicated hotline” were received.
7. Formulate the “Integrity and Anti-fraud Prevention Plan” to strengthen governance and internal control, reduce the Company's risks, ensure the achievement of the Company's business goals and sustainable, stable and healthy development, and protect the legitimate rights and interests of shareholders.
8. The legal office regularly reviews the implementation of the integrity and ethical standards.

Anti-corruption

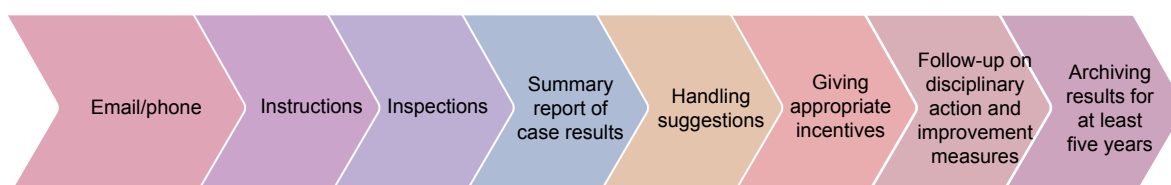
In line with the anti-corruption policy, on one hand, Dynamic has established a relatively strict supervision mechanism for departments and business activities with higher risks of dishonesty, and on the other hand, has promulgated “Regulations for Whistleblowing Rewards”, which provides the specific reporting channels and information required by whistleblowers, the information and acceptance level of different reported items, dedicated personnel, handling process, time limit of process, reward system, and related confidentiality mechanisms are as follows:

1. Whistleblowing channels
 - (1) Chairman's mailbox (ceo@dynamicpcb.com); hotline (+886-980-051-059)
 - (2) Other methods E.g. The Company's website, That's Not Right Mailbox in the Company, writing letters or emails to the Company's supervisor's mailbox, etc.
2. Information to be provided by whistleblowers:

The information should include the name of the whistleblower or other documents that identify the whistleblower, specific evidence to be investigated, and corroborating circumstantial evidence of dishonesty or misconduct (whistleblowers who report on hearsay alone are not eligible for investigation).
3. Levels of acceptance for different reported items: The reported misconduct shall be escalated to the head of the department concerned if it involves an employee or to an independent director if it involves a director or senior executive.
4. Dedicated receiving officer: After the Chairman of the Board of Directors confirms the case, the case will be referred to the Legal Affairs Office for investigation.

5. Procedure:

The whistleblower may report on the record with their real name (name, ID number, address, contact method) or report anonymously (with at least contact information). The Chairman receives and reads the case facts, and instructs the dedicated legal affairs department to investigate and contact/protect the whistleblower. Subsequently, the legal affairs department will report the investigation results to the Chairman, make recommendations on the handling of the case (distribution of bonuses, disciplinary actions, and directions for improvement by the unit), and retain the investigation results as sealed documents, in writing or electronically, for a period of at least five years.



6. Handling deadline: two weeks for an ordinary case and four weeks for a complicated case. Whether a case is complicated or not is to be determined by the Chairman at the time of registry.

7. Reward system:

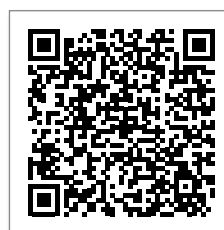
Criterion	Value	Maximum	Time of release
Reported using one's real name, with evidence provided	50 % of the total losses recovered or reduced	TWD 10 million	After the case is closed and the value is finalized
Reported without giving a real name and no evidence provided	25 % of the total losses recovered or reduced	TWD 5 million	
With particularly significant contributions	Upon approval from the Chairman, the above ratios may be disregarded as justified by the case.	None	

8. Relevant confidentiality mechanisms: In addition to strictly maintaining the confidentiality of cases and whistleblowers during the handling process, and in accordance with the "Whistleblower Channel and Whistleblower Protection System and Operating Procedures", the protection of whistleblowers includes but is not limited to the following prohibited actions: unfavorable treatment of the whistleblower, demotion or decrease in remuneration, coercion, insults, and harassment. In effect, the whistleblower must not be subject to any actions threatening their life, health or property, or their work rights, and economic rights.

Number of reported cases over the years

	2021	2022	2023	2024
Electronic reporting	0	3	0	0
Dedicated hotline for reporting	0	0	0	0
Others (e.g. in person)	0	0	0	0

Dynamic's "Regulations for Reporting Rewards" and "Procedures for Whistleblower Management and Protection" are disclosed on the Company's website. The full text may be accessed by scanning the QR code on the right.



Regulations for Reporting Rewards



Procedures for Whistleblower Management and Protection

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Information confidentiality

Through the ISO 27001 information security management system, we identify risks and take appropriate measures to manage or reduce risks, flexibly adapt to the management of all or specific fields, ensure stakeholders and customers trust in our ability to protect their data, and demonstrate the Company's compliance with regulations and laws, thus becoming a preferred supplier.

For the Company's business involving technical secrets, process technology, and product development, as well as business personnel and administrative management personnel who may become aware of these secrets through their work, they are required to sign an intellectual property protection agreement, a confidentiality agreement, and a pre-departure agreement regarding confidential information. For personnel whose technical knowledge significantly impacts the Company, a non-compete clause is established upon resignation. Additionally, technical secret files originating from customers are managed with a firewall, prohibiting unauthorized opening, copying, or transmission.

Dynamic has formulated "Personal Data Protection and Management" regulations, which are disclosed on the Company's website to implement the protection and management of personal data. The full text can be accessed by scanning the QR code on the right.



Conflicts of interest

The Company has formulated management measures to identify, prevent, and properly handle conflicts of interest in the following three relationships:

Relationships between directors, officers and the Company

If any of the Company's directors, managers, or other stakeholders attending or present at the board meeting have a conflict of interest with the matters listed in the agenda, and the conflict relates to themselves or the legal entity they represent, they must explain the important aspects of this conflict of interest during the meeting. If the conflict may harm the Company's interests, they shall not participate in the discussion or voting on the matter, and must recuse themselves from the discussion and voting process. Furthermore, they are not permitted to act as a proxy for other directors in exercising their voting rights. Directors are also required to exercise self-discipline among themselves and must support each other. In 2024, the Board of Directors had three proposals involving recusals due to conflicts of interest: (1) one case involved the Chairman's own interest, and therefore the Chairman recused himself from discussion and voting; the proposal was approved after the acting chair inquired and confirmed no objections from the remaining attending directors; (2) one case involved the allocation of weighting for other significant contribution items in directors' compensation. As this case concerned the distribution of compensation for each director, all directors had a conflict of interest regarding their own compensation. The compensation allocation for each director was discussed and voted on individually, and each director recused himself when his own compensation was being discussed and voted upon. The proposal was approved after the chair inquired and confirmed no objections from the other attending directors; (3) one case involved the appointment of the first-term members of the Sustainability Development Committee, where three independent directors were nominated as members. During the nomination, the nominees recused themselves, and the proposal was approved after the Chair inquired and confirmed no objections from the remaining attending directors.

The Company's directors, managers, employees, agents and substantial controllers shall not exploit their position or influence within the Company to allow improper gains for themselves, their spouses, parents, children, or any other persons. There was no such occurrence in 2024.

Between customers, suppliers and the Company

The Company, and all other businesses it enters into business arrangements with agree that such contractual partner, and any affiliates, shareholders, officers, employees, and their relatives shall not treat or give gifts, or covertly offer kickbacks, commissions, or marketable securities to the employees or their relatives of Dynamic and its affiliates for business or settlement purposes, in-kind benefits, or other forms, otherwise, once seized, the seller shall pay TWD 2.5 million or 30% of the total business volume incurred as compensation for liquidated damages (whichever the higher amount). If a contractual partner is deemed to have breached the contract, Dynamic may terminate the contract and handle the breach as liability. If the seller discovers that any Dynamic employee has made the aforementioned requests, the seller shall proactively report directly to Dynamic, or file a real-name report through Dynamic's complaint hotline at 0980-051-059 or by email at ceo@dynamicpcb.com.tw. There were no complaints in 2024.

Relationship between employees and the Company

Dynamic adheres to a code of conduct that states that fairness, justice, honesty, and customer interests come first. Employees are obliged to be sensitive to conflicts of interest, identify and report conflicts of interest during business implementation.

◆ Antitrust/anti-competitive practices

For antitrust/anti-competitive behaviors, Dynamic has qualified and professional personnel to identify and reduce risks and regularly review legal risk assessments to avoid litigation. Since the establishment of the Company, Dynamic has never been involved in any legal litigation related to antitrust/anti-competition and monopoly behaviors.

Dynamic's Anti-monopoly Administration Regulations are disclosed on the Company's website. The full text can be accessed by scanning the QR code on the right.



◆ Money laundering

Anti-money laundering has always been the focus of regulatory agencies in various countries, and anti-money laundering regulatory concepts and measures are developing towards international standards and practices. Dynamic keeps up with the pace of supervision and prepares for known and expected regulatory changes, and strategically deploys an effective and sustainable money laundering risk management system that meets international standards. Dynamic actively works with banks to steadily improve anti-money laundering work in stages, effectively integrate resources to improve the effectiveness of anti-money laundering compliance, regularly review the standard supervision and expected improvement compliance system and governance framework, and strengthen system support capabilities to achieve differentiated risk management.

◆ Insider trading

Dynamic aims to promote fairness in securities market transactions and maintain public confidence; to facilitate the flow of information in the securities market, enabling investors to make optimal investment evaluations and decisions; to ensure that the Company's stock price reflects its true value and to guide market funds for more effective allocation; to prevent the moral risks of company insiders and avoid breaches of fiduciary duty; to enhance the soundness of decision-making and ensure the proper use of proprietary information. To these ends, Dynamic conducts at least one annual training course for company insiders on awareness of and compliance with insider trading regulations to prevent insiders and related personnel from inadvertently violating insider trading rules due to negligence. The Company releases material financial and business information on a regular and non-scheduled basis in accordance with the regulations of the Stock Exchange, and inputs the description of material information on the MOPS within the specified time.

Dynamic's "Procedures for Prevention of Insider Trading" are disclosed on the Company's website. The full text may be accessed by scanning the QR code below.



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V. Risk Management

In order to establish a sound risk management system, operate the business prudently, and move towards the goal of sustainable development, the Company has formulated “Risk Management Best Practice Principles” for compliance, and has disclosed them on the Company’s website.

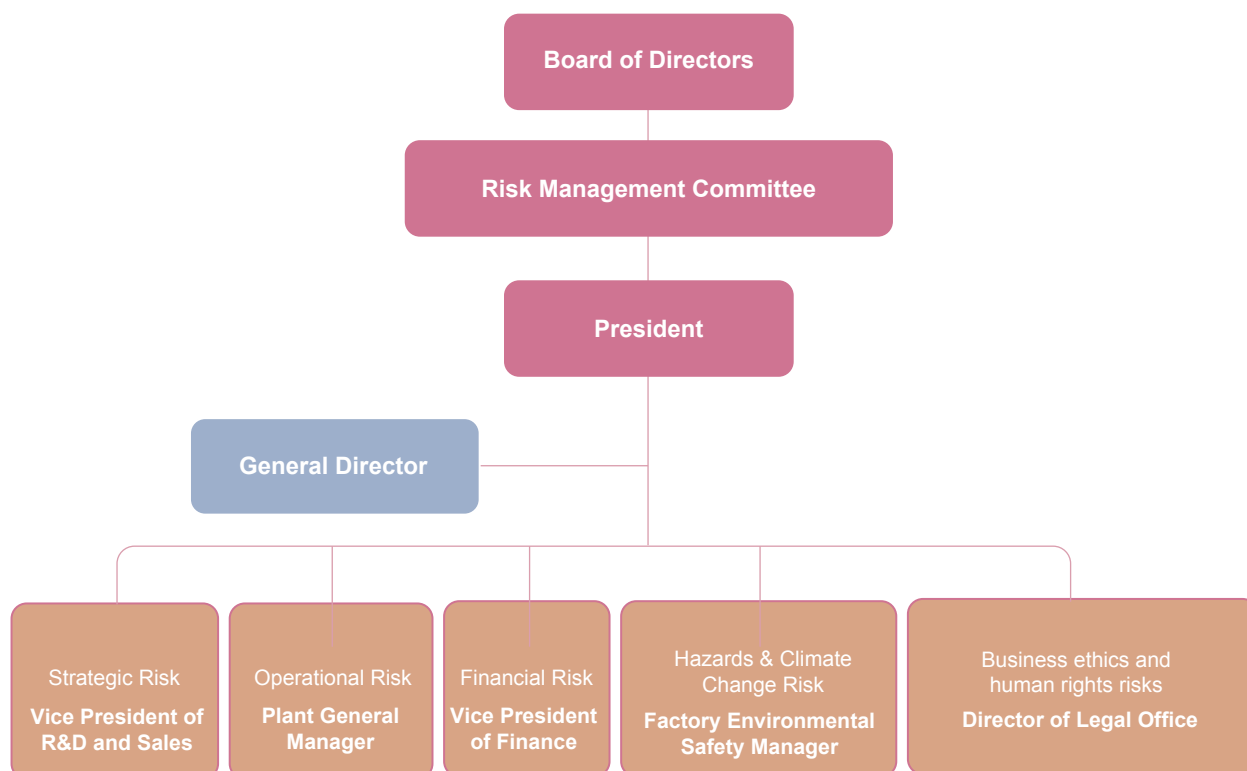
On May 29, 2023, the Company established the Risk Management Committee under the Board of Directors, which operates in accordance with the “Risk Management Committee Charter” approved by the Board. The term of office of members of the first Risk Management Committee is from May 29, 2023 to May 17, 2026, which is the same as the term of the current Board of Directors. On July 29, 2024, the “Risk Management Policies and Procedures” were approved.

The duties of the committee are as follows:

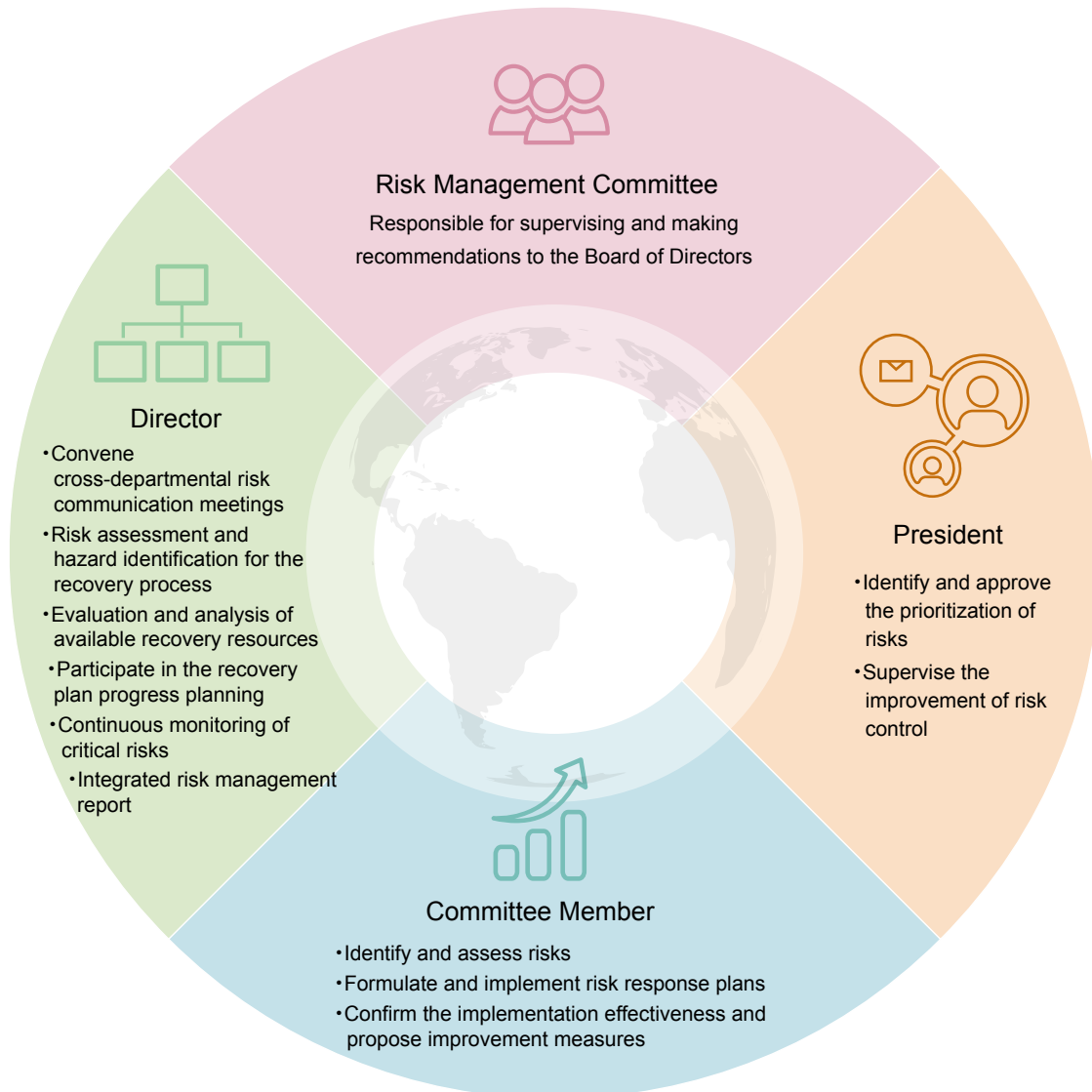
- ▶ Responsible for the overall risk management of the Company, formulating risk management policies, structures, organizations, and mechanisms, and establishing qualitative and quantitative management standards.
- ▶ Implementing the risk management decisions of the Board of Directors and regularly reviewing the development, establishment, and implementation performance of the Company’s overall risk management mechanism.
- ▶ Coordinating and promoting cross-organizational risk control plans.
- ▶ Supervise and manage the overall risk control and improvement mechanism of the Company and its subsidiaries.
- ▶ Review and integrate all risk control reports, and submit regular reports to the Board of Directors every year, reflecting the implementation of risk management and making necessary improvement suggestions.

In 2024, the Risk Management Committee convened three meetings, during which it reviewed and approved the “Risk Management Policies and Procedures”, and reported on risk assessment and the tracking of improvement measures.

Organizational Chart of Risk Management Committee



The Risk Management Committee under the Board of Directors is responsible for supervising the risk management of Dynamic and making recommendations to the Board of Directors. Regarding implementation, the executives in the management team are responsible for strategy, operations, finance, hazards, climate change, business ethics, human rights, etc. and continue to assess the impact of external economic, environmental, and social changes on the organization, so as to find opportunities and formulate countermeasures and action plans, which are summarized in the report and submitted to the general manager for approval before handing them over to the Risk Management Committee for supervision. Its operations are as follows:



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Risk Topics of 2024

	Internal and External Situations and Demand From Stakeholders	Stakeholders	Impacts on the Company		Residual Risk Analysis		
			Impact/Disadvantage	Advantage/Opportunity	Severity	Likelihood of Occurrence	Risk Class
1	External topic Geopolitics Geopolitical Risk Assessment	Customers Supply chain Shareholders	In the event of an emergency in Taiwan, the command system may be affected by factors such as network connectivity, information sharing, financial reporting, and accounts receivable, making it difficult to maintain business continuity and stability. The Group also faces challenges in information integration.	1) We do not have a factory in Taiwan; therefore, there are no inbound or outbound logistics issues caused by a lockdown. 2) Our ERP database is distributed across various plants and operates independently. 3) The mail server is located in Singapore and will not be affected. 4) There is a production plant in Thailand	8	8	Unacceptable risk
2	Internal issue Information security risk Hidden information security risks arising from the rise of AI applications	Customers Supply chain Employees	All text entered and documents uploaded by employees may be learned by AI software such as ChatGPT. Even if such data can no longer be retrieved online in the future, it may continue to reside within the AI, creating the risk that sensitive information could be disclosed during future interactions with others.	The development of AI-related products is expected to drive demand for PCBs	8	8	Unacceptable risk
3	External topic Climate Change GHG emissions and Carbon credit trading	Government Customers Supply chain Employees Shareholders	1) Excessive use of cooling equipment during extreme heat consumes large amounts of energy. 2) The burden of increased carbon fees and carbon taxes from overconsumption of electricity raises costs.	1) The Company has set carbon reduction targets in advance to ensure smooth production and gain more recognition from the market. 2) Accelerate the low-carbon transition to cleaner production. Excess carbon rights can be sold for profit, or reserved for operational development.	6	10	Unacceptable risk
4	External topic Business ethics An increasing number of customers are requesting Dynamic to commit to ethical business practices and to provide due diligence information.	Customers Government Shareholders Employees Supply chain	If the Company were to cooperate with business partners involved in unlawful activities without conducting due diligence, it could incur significant financial losses and suffer severe reputational damage due to violations of law or contract, and senior management could even face criminal liability.	Conducting due diligence helps screen business partners and safeguard the Company's reputation.	6	6	Medium risk
5	Internal issue Plant capacity expansion Increase capacity of the plant in Thailand	Customers Employees Shareholders	1) Due to language and cultural differences, Thai employees may have varying levels of understanding of document content. 2) Deploy employees from other plants to provide support on business trips when necessary.	1) Due to language and cultural differences, Thai employees may have varying levels of understanding of document content. 2) Deploy employees from other plants to provide support on business trips when necessary.	8	8	Unacceptable risk
6	Internal issue Rising operating costs Network coverage and signal strength required for digitalization	Customers Employees Supply chain	Weak network signals result in low efficiency when performing inspections with PAD connections. This may lead to data errors.	Digitalization of information facilitates analysis and can effectively prevent or improve existing deficiencies.	6	6	Medium risk
7	Internal issue Major product defects Inconsistent defect names and IDs across plants	Customers Employees	Different defect names and IDs are used across plants, which may cause misunderstandings in cross-plant communication.	Integration will improve communication between plants and prevent cognitive discrepancies.	6	6	Medium risk

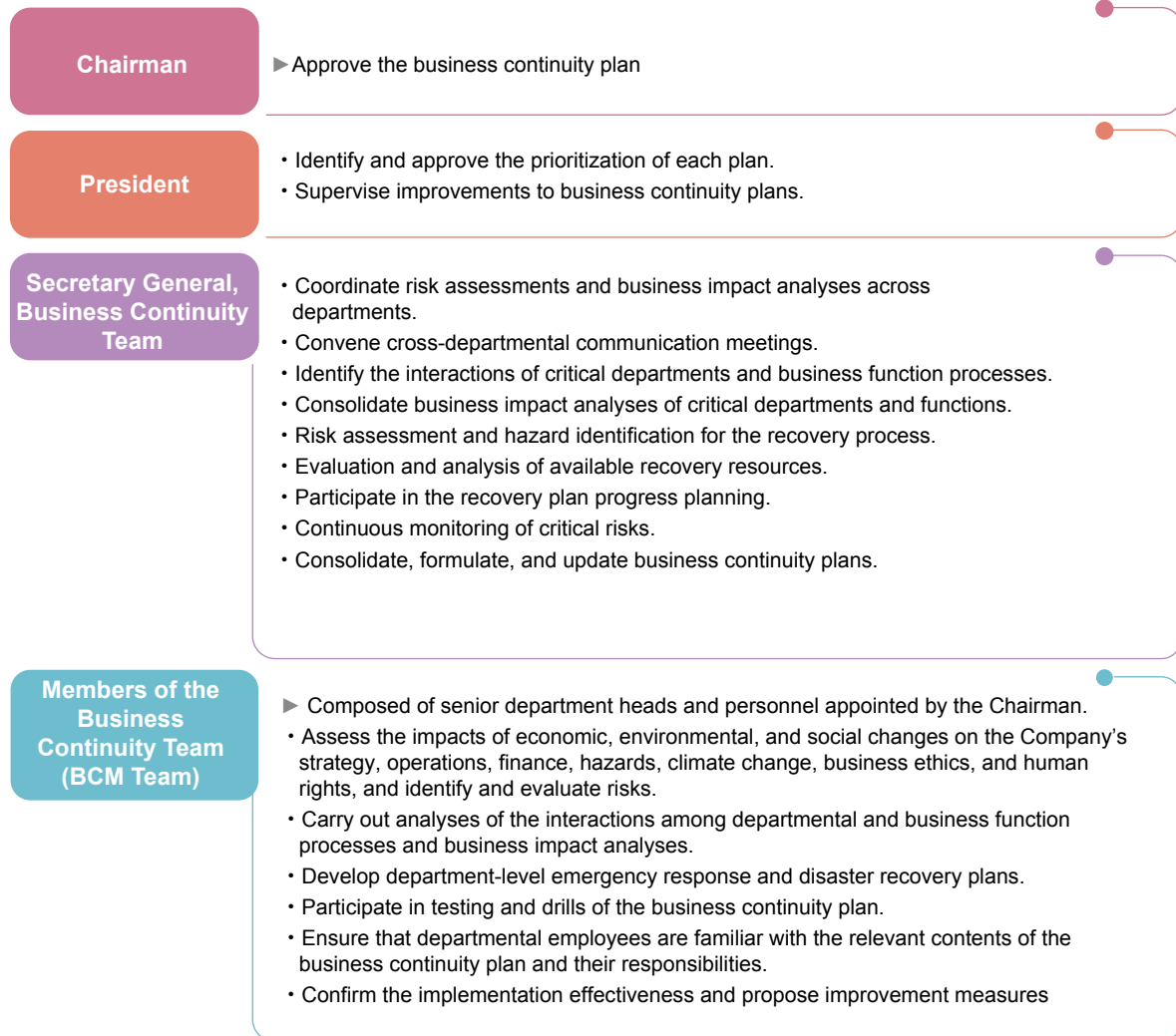
Countermeasures	Management System-related Process	Responsible Department	Residual Risk Analysis		
			Severity	Likelihood of Occurrence	Risk Class
1) The database in Taiwan is backed up in Thailand. 2) For Taiwan's financial operations, Thailand must have personnel familiar with Taiwan's "treasury management" and "accounting processes" so that, if necessary, they can immediately take over Taiwan's finance and accounting operations, including collections and payments. 2.1) Complete the ERP operating SOPs for Taiwan's treasury management and accounting processes. 2.2) Add personnel in the Finance Department of the Thailand Plant to learn Taiwan's finance and accounting operations. 2.3) Conduct a practical simulation drill at the Thailand Plant in Q2 2025 to ensure the effectiveness of the contingency measures. 3) Accelerate customer certification of the Thailand Plant and its transition to mass production.	Equipment Resources Human resources Situational Risks and Target Planning Customer-related	IT HR Finance Sales Technology GTS Each Department	6	8	Medium risk
1) Employees are in principle prohibited from using such tools; only those who have applied and received approval may use them. 2) When using ChatGPT or other AI software for work assistance, it is prohibited to upload documents from the company management system, meeting minutes, customer-related data, trade secrets, R&D data, production information, equipment parameters, program code, or other sensitive information. 3) Conduct awareness campaigns and regular training for both senior management and frontline employees to ensure that staff understand the security risks of uploading data and text. 4) Contracts are signed with external information security companies periodically to ensure that service provided through software installed in the terminal system, including those for the IT and OT equipment are kept up to date and all the loopholes are patched. 5) Implement multi-engine protection (e.g., bastion hosts) and procure additional firewalls and other security measures. 6) Develop AI-related customers.	Equipment Resources Human resources Situational Risks and Target Planning Customer-related	IT HR Sales Each Department	6	8	Medium risk
1) Purchase green electricity and build new photovoltaic solar power systems to reduce the consumption of fossil energy, and reduce carbon emissions. 2) Introduce an intelligent monitoring system for equipment electricity and water consumption, utilizing AI operation models to achieve optimal use of water and electricity.	Equipment Resources Operation planning and change control Situational Risks and Target Planning	ES Public facility Engineering Technology	4	6	Acceptable risk
1) Establish policies and procedures to ensure regulatory compliance. 2) Designate at least one senior (executive) manager specifically responsible for promoting compliance with laws and regulations. 3) Report implementation results to the Board of Directors regularly. 4) Provide education and training courses. 5) Establish internal control, audit, and reporting mechanisms.	Human resources Customer-related Supply Chain Control Situational Risks and Target Planning	HR Procurement Sales Each Department	6	4	Acceptable risk
1) Give priority in recruitment to Thai employees who are proficient in English or Chinese. 2) Transfer existing customer standards, requirements, and lessons learned cases to the Thailand Plant with appropriate language conversion. 3) Strengthen training for Thai employees. 4) Deploy employees from other plants to provide support on business trips when necessary.	Human resources Operation planning and change control Customer-related Production operational control Product and nonconformity control Situational Risks and Target Planning Documentation and knowledge management	HR Technology Sales GTS Mfg. QRA	6	8	Medium risk
Prepare a Wi-Fi layout and equipment coverage map, compare coverage areas, and install additional wireless routers in uncovered or weak signal areas.	Equipment Resources	IT	6	4	Acceptable risk
1) Integrate defect names and IDs across all plants. 2) Ensure that each plant's ERP system uses the same defect names and IDs.	Product and nonconformity control Equipment Resources Documentation and knowledge management	QRA IT GTS	4	4	Acceptable risk

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VI. Business Continuity Management

Dynamic has established a Business Continuity Plan (BCP) to provide predefined contingency and recovery procedures for events that may disrupt ongoing operations, ensuring that the Company can continue to deliver critical services to key customers at an acceptable minimum level of operation. The plan covers enterprise risk assessment, business impact analysis, emergency/recovery/communication plans, and testing and drills.

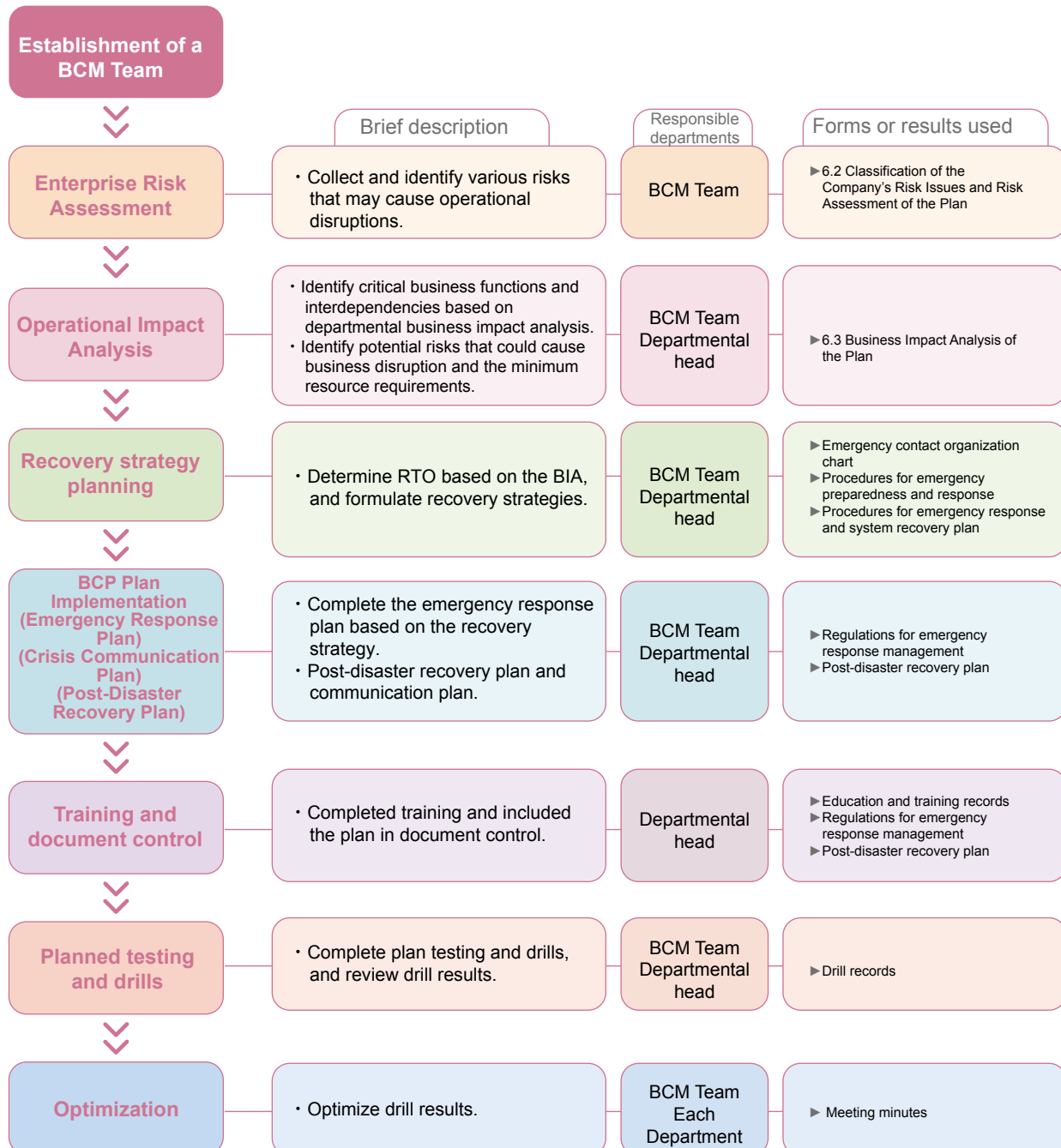
Rights and responsibilities



Dynamic's Procedures for Business Continuity Management are disclosed on the Company's website. The full text may be accessed by scanning the QR code on the right.



Procedures



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Recovery strategy planning

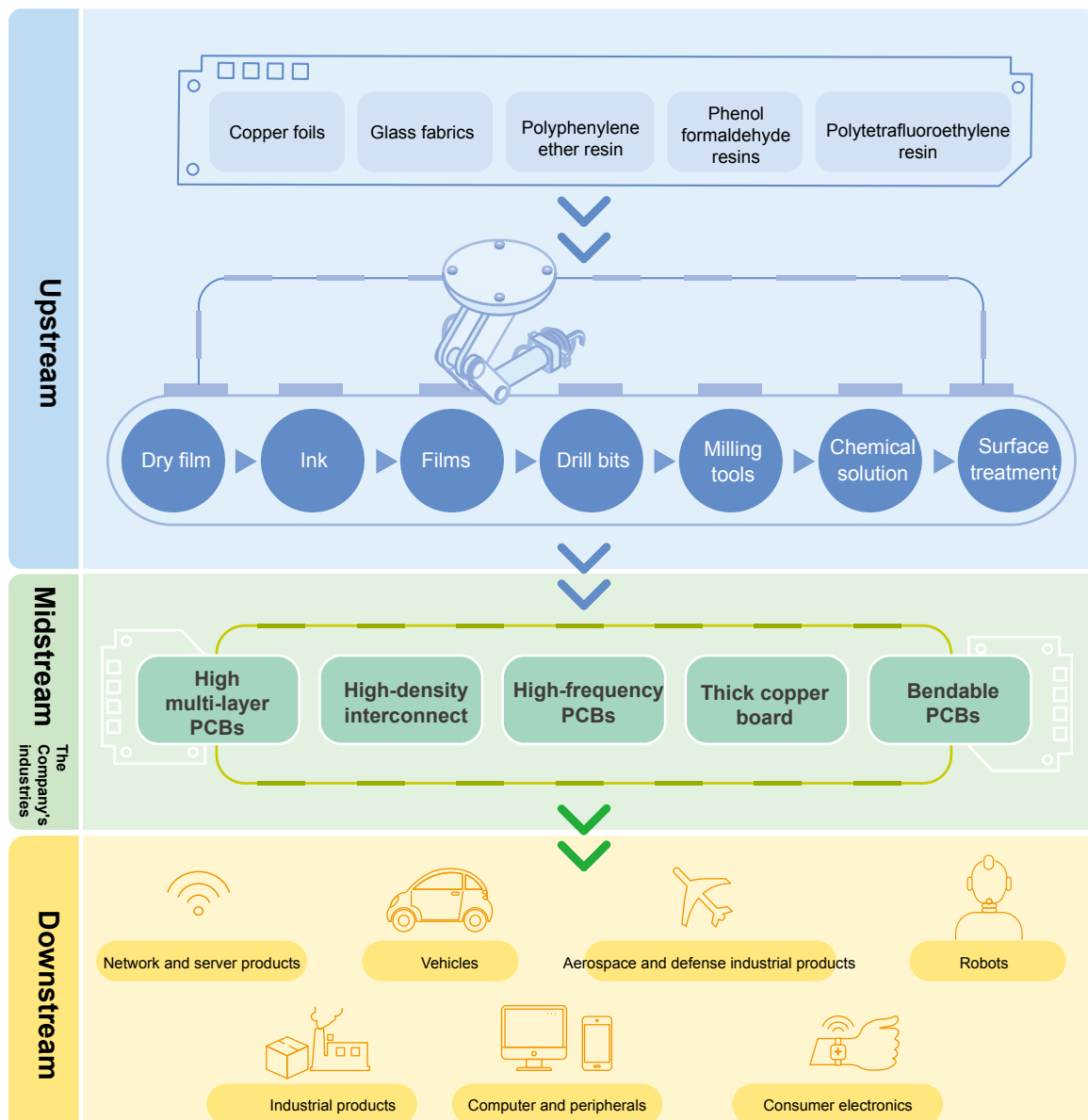
Project	Department	Operational Function	Management of Accident	RTO	Priority
1	External Communication System	Collect and consolidate information and make external statements.	Serve as a unified external channel to provide event-related information to regulators, news media, customers, investors, and others.	4 hours	Extremely important
2	Sales	Stability of existing business	• Ongoing communication with customers • Reassure customers and stabilize the market	4 hours	Extremely important
3	Engineering	Production line (Maintain the normal operation of equipment)	• Recognition of damage to in-plant facilities • Plan and install the recovery site equipment • Initiate the emergency maintenance of material preparation system • Equipment recovery testing • Online trial operation	8 hours	Extremely important
4	Quality assurance	Damaged product assessment	• Statistics of part numbers and quantities of damaged products in each process • Quality inspection and risk assessment of damaged products	24 hours	Extremely important
5	Quality assurance	Operation of testing instruments (Maintain the normal operation of testing instruments)	• Recognition of damage to in-plant testing instruments • Planning and installation of testing instruments at the recovery site • Activation of support from partner laboratories • Procurement of necessary testing instruments • Recovery testing for testing instruments • Online trial operation	24 hours	Extremely important
6	Factory affairs	Water, gas, and electricity supply (water cut-off, power outage, etc.)	• Dispatch temporary power generation facilities to maintain the operation of important equipment • Add a temporary water storage tank and dispatch water trucks for the temporary use of important production lines • Complete the restoration of public facilities as soon as possible	8 hours	Extremely important
7	Procurement	Supply of raw materials (sudden incidents encountered by suppliers)	• Conduct supply chain evaluation regularly • Perform risk assessments on all single-source materials or those with long lead times • Urgent contact with relevant suppliers to confirm the damage to upstream and downstream suppliers • Check the factory's internal inventory and the supplier's available inventory • Seek out other sources for procurement of backup resources and carry out relevant emergency procurement operations • Collect information on the manufacturers of substitute raw materials, and purchase substitute materials to maintain the normal supply of customers' products, if necessary • Smooth procurement process and channels • Order new equipment or parts to replace damaged equipment • Assistance in clearing and transporting damaged equipment	24 hours	Extremely important
8	Environmental safety	Environmental safety issue (Response of sudden environmental pollution)	• Activate the emergency preparedness plan and reserve emergency supplies and personnel • Activate the emergency collection tank to ensure that polluted wastewater does not affect the external environment and normal production capacity of the factory • Plan the classification, storage, and transportation methods for waste and discarded equipment after disasters	4 hours	Extremely important

Project	Department	Operational Function	Management of Accident	RTO	Priority
9	Environmental safety	Environmental safety issue (emergency handling of fires and safety incidents)	• Activate corresponding emergency preparedness plan and safety operation regulations for recovery work • Establish a temporary medical care team during the recovery period • Strengthen the control over personnel entering and leaving the redevelopment area • Strengthen safety and health promotion during recovery work • Initiate safety and health audits during the recovery period	0.5 hours	Extremely important
10	Information	Information security issue (Response of equipment hit by virus or hacked)	• Check for damage to the host computer • In the case of hacker intrusion or virus attack, the information is immediately isolated to the network segment, and the cause of the infection is investigated • Upon discovery of information leakage, the unit that owns the data shall assess the significance of the leak and notify the legal affairs department to handle it according to the law • Confirm that hardware facilities have been restored and put online • Remote backup data recovery • Assist each department to restore the interrupted computer system • Activate the temporary information management center	12 hours	Extremely important
11	Production and Distribution	Maintain the production scheduling operation	• Assess the impact on delivery schedules • Evaluate cross-plant support, including plant capacity status, delivery schedule assessment, and feasibility assessments for design, quality control, and technical support • Activate supply chain support • Reschedule production plans and delivery schedule	24 hours	Extremely important
12	Environmental safety	In-plant prevention of infectious disease outbreaks	• Assessment of business trips to affected areas • Activate epidemic prevention measures at factories and customer service centers in the affected areas	1 week	Important
13	Management	Public disaster (Operation of employee injury, food poisoning handling, and general affairs)	• Internal communication with various departments • Collect and schedule recovery resources available to enterprises • Photograph and document the recovery process • Assist with insurance claim filing • Provide employees with daily life and catering supplies • Establish and plan temporary workspaces	8 hours	Important
14	Finance	Support post-disaster financial needs	• Initiate planning for recovery funds • Maintain the normal distribution of salaries • Investigate property damage from disasters	3 days	Important
15	Human resources	Production line (Maintain a stable and sufficient production manpower)	• Flexibly allocate and arrange staff among production lines • Establish recovery shift schedules and group work procedures • Activate the job substitution mechanism • Conduct emergency recruitment of new employees • Provide care and assistance to injured colleagues and support follow-up arrangements • Assist in the distribution of allowances and consolation payments	8 hours	Important
16	Legal affairs	Handling the legal matters	• Handling fines and litigations resulting from disasters • Assist in the processing of insurance claims • Assist the Company in handling complaints from relevant stakeholders	1 month	Secondary

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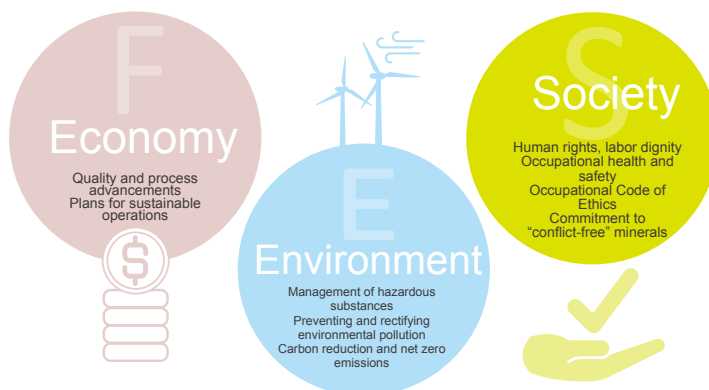
VII. Sustainable Supply Chain

◆ Supply Chain Structure



◆ Sustainable Operation Goals

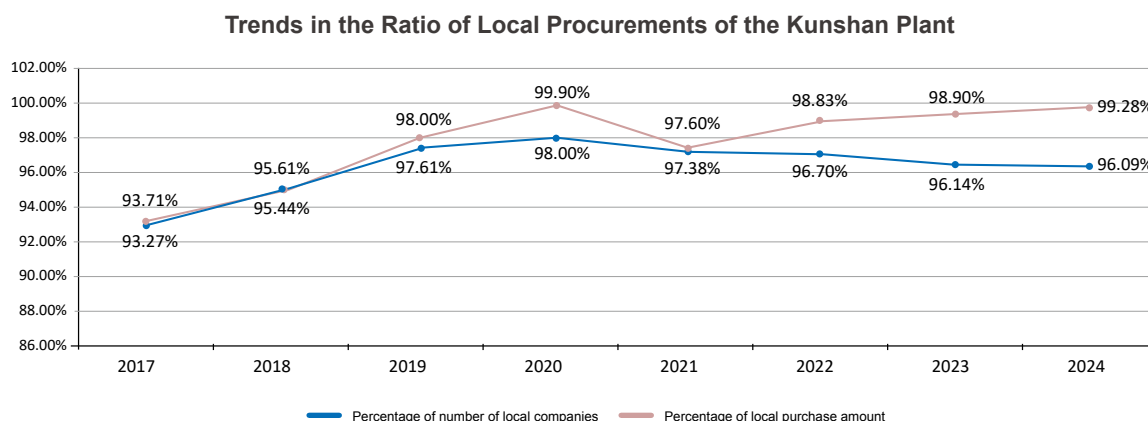
Dynamic is happy to work with suppliers to build a sustainable supply chain and continue to promote local procurement and supplier guidance projects to improve the overall standard in the following three aspects and achieve the goal of sustainable management:



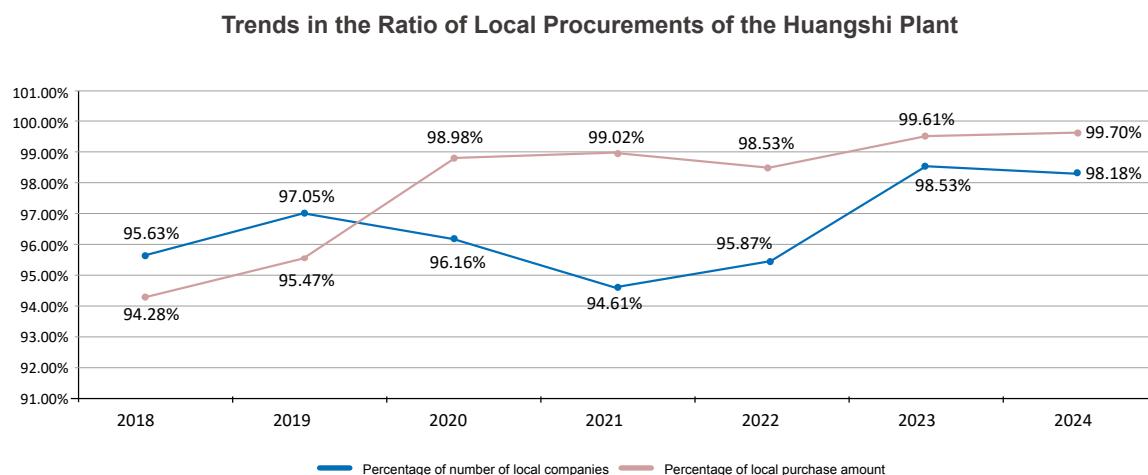
Local Procurement Strategy

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 responsibility 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 2024, the Kunshan Plant continued to rely primarily on local suppliers. Local suppliers accounted for 96.09% of the total number of suppliers, while local procurement accounted for 99.28% of the total procurement amount, as shown in the figure below.

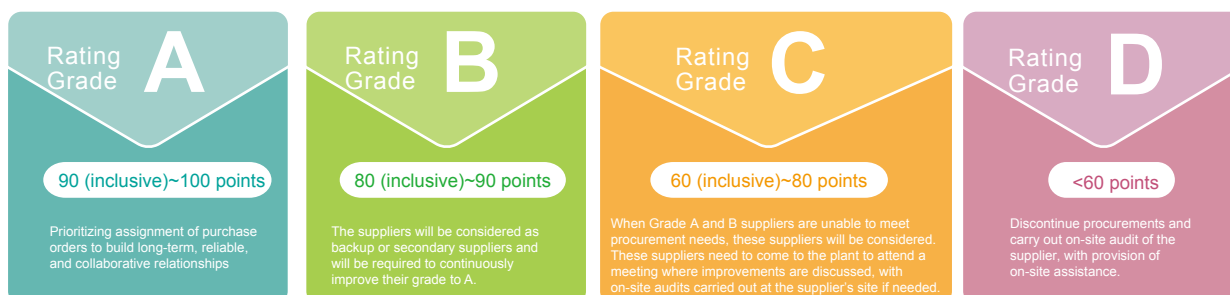


In 2024, both the number of local suppliers and the overall number of suppliers of the Huangshi Plant climbed. Nevertheless, local suppliers accounted for a majority 98.18% and the value of local procurements accounted for 99.70%. See the figure below.



Supplier Scoring and Counseling

Dynamic rates the monthly performances of suppliers. The evaluation covers quality, unit prices, lead times, excess shipping cost, and service, among others. For each rating, the handling approach is described below:



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In 2024, the Kunshan Plant evaluated a total of 42 suppliers, of which 4 had no incoming materials. There were 35 suppliers rated Grade A, accounting for 92.11%, and 3 suppliers rated Grade B, accounting for 7.89%. No suppliers were rated Grade C or Grade D.

Number of Main Suppliers Evaluated		Supplier counseling and improvement projects		Counseling Results	
		Number of Cases	Reasons	Improvement Status	Number of removed companies
Grade A	35	3	Abnormal quality	After counseling, 3 of them moved from Grade B suppliers to Grade A suppliers	0
Grade B	3				
Grade C	0				
Grade D	0				

In 2024, the total number of suppliers evaluated by the Huangshi Plant was 56, of which 47 (83.93%) were grade A, 7 (12.50%) were grade B, and 2 (3.57%) were grade C.

Number of Main Suppliers Evaluated		Supplier counseling and improvement projects		Counseling Results	
		Number of Cases	Reasons	Improvement Status	Number of removed companies
Grade A	47	2	Abnormal quality	After counseling, 2 of them moved from Grade C suppliers to Grade A suppliers.	0
Grade B	7				
Grade C	2				
Grade D	0				

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 standard materials are asked to promise and undertake that they will:

1. Abide by Dynamic's integrity and conflict mineral policies.
2. Follow the requirements set forth in the RBA Code of Conduct for the electronics industry.
3. Pass the certification of ISO 9001 quality control system.
4. Establish and maintain the relevant systems in accordance with the spirit of 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. Define their Corporate Social Responsibility Policy, Integrity Policy, and Energy, Environment, Safety, and Health Policy and enforce corresponding management systems.

Dynamic promotes "Green Procurement". When the R&D department evaluates raw materials, we require our supplier partners to submit test reports from a third impartial organization, material Safety Data Sheets (SDS), and sign a "Guarantee of Products Free of Environmentally Hazardous Substances" to ensure that their products are free of environmentally hazardous substances prohibited by the international standards during the design and manufacturing process, and that they strictly comply with the laws and regulations on environmental protection and non-hazardous substances, as well as with the requirements of the domestic and foreign directives/regulations, such as RoHS and REACH. For collaborating suppliers that are unable to provide the aforementioned third-party test report or who do not sign the "Pledge to Not Use Hazardous Substances", the procurement practices will be adjusted and qualifying alternative suppliers will be sought.

All of Dynamic's supplier partners have signed the "Procurement Pledge" and "Integrity Pledge", and have agreed to comply with the RBA Code of Conduct and labor rights regulations to ensure adherence to the prohibitions against child labor, reasonable work hours, employment freedom, prohibitions against discrimination and threats, a healthy and safe working environment, open communication mechanisms, labor dignity, environmental protection, and professional ethics, as well as to adhere to the principles of ethical conduct and to oppose bribery, solicitation, and extortion. Upon receipt of a report, complaint, or suspicion of violations, the Legal Affairs Office will begin an investigation right away. When validated or supported by substantial evidence, the guidelines in the "Integrity Pledge" must apply. Under severe circumstances, a supplier may be removed from the roster of qualified suppliers and the partnership will be discontinued permanently. The Company has set up a CEO mailbox (ceo@dynamicpcb.com) to receive reports, complaints, or feedback from employees, suppliers, third-party suppliers, and customers.

Coverage of various assessments

Assessment indicators	Calculation instructions	Numerator	Denominator	Coverage rate	Target coverage rate
Percentage of buyers in all regions who have received sustainable procurement training	$\left(\frac{\text{Number of the Company's procurement personnel who have received training on sustainable procurement}}{\text{Total number of procurement personnel}} \times 100\% \right)$	13	13	100%	100%
Percentage of target suppliers who have signed the Sustainable Procurement Charter/Supplier Code of Conduct	$\left(\frac{\text{Number of suppliers that have signed Sustainable Procurement Charter/Supplier Code of Conduct}}{\text{Number of all suppliers}} \times 100\% \right)$	496	496	100%	100%
Percentage of target suppliers with clauses that include environmental, labor, and human rights requirements	$\left(\frac{\text{Number of suppliers that have signed contracts that include environmental, labor, and human rights requirements}}{\text{Number of all suppliers}} \times 100\% \right)$	496	496	100%	100%
Percentage of target suppliers that have undergone corporate social responsibility (CSR) assessments (e.g. questionnaires)	$\left(\frac{\text{Number of target suppliers that have undergone CSR assessments (e.g. questionnaires)}}{\text{Number of target suppliers}} \times 100\% \right)$	70	70	100%	100%
Percentage of target suppliers that have undergone on-site corporate social responsibility (CSR) audits	$\left(\frac{\text{Number of target suppliers that have undergone on-site CSR audits}}{\text{Number of target suppliers}} \times 100\% \right)$	64	64	100%	100%
Percentage or number of audited/assessed target suppliers that participate in improvement actions or capability development	$\left(\frac{\text{Number of suppliers that have passed environmental or social audits}}{\text{Number of target suppliers}} \times 100\% \right)$	70	70	100%	100%
What percentage of suppliers has information on conflict minerals been obtained from?	$\left(\frac{\text{Number of suppliers that have obtained conflict mineral information}}{\text{Number of target suppliers}} \times 100\% \right)$	10	10	100%	100%

Implementation and supervision of supplier's ESG plans

Dynamic continues to review the implementation of the supplier code of conduct to ensure consistency with ESG requirements and to avoid potential ESG conflicts. When selecting suppliers of similar performance, we assign contracts to suppliers with better ESG performance. If a supplier cannot meet the minimum ESG requirements within the set time, the cooperation will be voided. The Board of Directors is the body with the highest decision-making responsibility.

Dynamic has established a "Supplier Code of Conduct", which is disclosed on the Company's website. The full text can be accessed by scanning the QR code on the right.



Planning of education and training programs for the supply chain

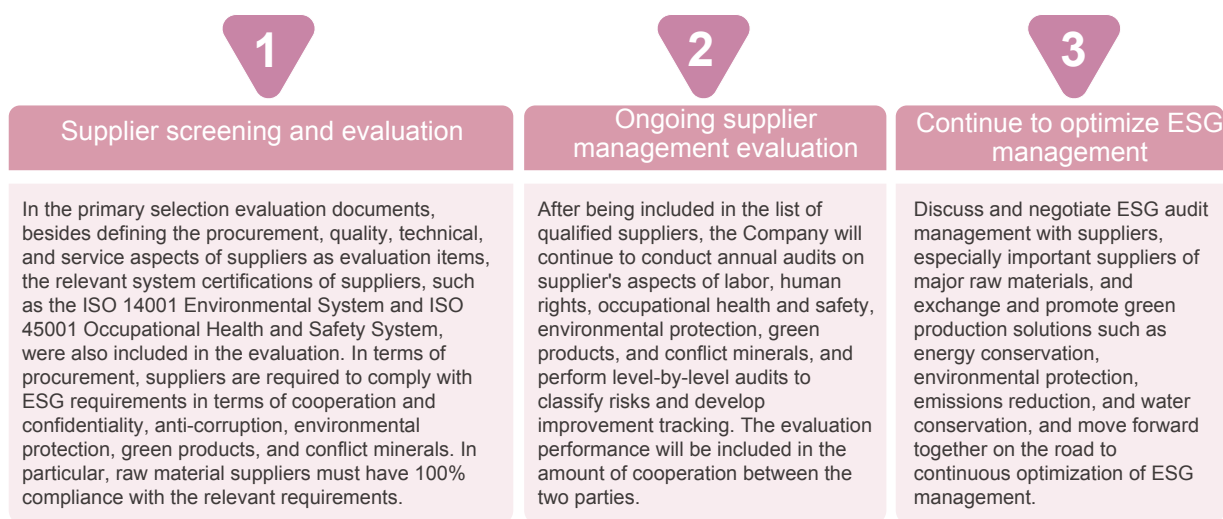
1. Re-identify and sort out the internal talent structure, establish an ESG-related project organization, build a corresponding talent team, and conduct a series of professional training and assessments.
2. Incorporate ESG into the supply chain review process, evaluate suppliers' capabilities and ESG contributions from different dimensions, and establish an ESG supply chain management system, such as supplier selection, training, evaluation, supervision and elimination system, and suppliers' ESG management policies.

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Supplier screening

Formulate supplier evaluation and management documents. In particular, at the initial stage of supplier selection, focus on investigating suppliers' ESG requirements in terms of labor, human rights, occupational health and safety, environmental protection, green product management practices, and the use of conflict minerals and other ESG requirement items, and continue to implement them in subsequent review management. In addition, the risk levels are divided, and on-site audits are conducted for high-risk items to ensure that both parties have a consensus on the identified ESG risk items, confirm the improvement plan and progress tracking, and discuss with suppliers in the follow-up cooperation to optimize the ESG implementation of both parties. In addition to specific commodity risks, special risks such as water, energy consumption, and biodiversity risks are also included in the assessment of country-specific risks and specific industry risks.

Supply chain management process



Composition and types of suppliers

In 2024, Huangshi Plant had direct transactions with a total of 496 suppliers, which were defined as "Grade 1 suppliers". We divided suppliers into raw material manufacturers, precious metal manufacturers, pharmaceutical solution manufacturers, auxiliary material manufacturers, and hardware manufacturers according to the type of materials purchased. Among them, there are 30 strategic partners of raw materials and precious metal manufacturers, which are defined as "Grade 1 important suppliers", including seven categories of key raw materials (substrate PP) and precious metals (copper foil, copper oxide powder, phosphorus copper balls, gold salts, pure tin hemispheres, tin bars), accounting for 48.8% of the total expenditure of Grade 1 suppliers. These manufacturers are the targets of our ESG management, and we audit their compliance every year in terms of labor, human rights, occupational health and safety, environmental protection, corporate integrity, anti-corruption, non-use of conflict minerals, and continuous implementation of net-zero carbon emissions.

According to DJSI, Grade 1 suppliers refer to suppliers that provide goods, materials, or services (including intellectual property (IP) and patents) directly to the Company. If companies do not specify, DJSI assumes they are Grade 1. Non-Grade 1 suppliers are suppliers that provide products and services to the Company through Grade 1 suppliers. Non-Grade 1 suppliers exclude Grade 1 suppliers and are Grade 2, 3, or Grade N of the Company's supply chain. According to DJSI's definition, there is no other condition for specifying Grade 1 suppliers, so the total number of suppliers with direct transactions is the total number of Grade 1 suppliers; among non-Grade 1 suppliers, Dynamic assesses that there are no important suppliers.

Supplier screening key performance indicators



Supplier evaluation and development of key performance indicators

Supplier evaluation	2024 Actual	Goals in 2024
1 Total number of suppliers passing the written/on-site assessment	70	70
2 Percentage of important suppliers assessed	100%	100%
3 Number of suppliers assessed to have significant actual/potential negative impacts	0	0
4 Percentage of suppliers with a large number of actual/potential negative impacts that have been approved for corrective action/improvement	NA	NA
5 Number of terminated suppliers with significant actual/potential negative impacts	0	0

Capacity construction plan

Capacity construction plan	2024 Actual	Goals in 2024
1 Total number of suppliers included in the capacity construction plan	8	8
2 Percentage of key suppliers participating in the capacity building plan	100%	100%

Enhance the supply chain's resilience to climate change risks

- To strengthen the supply chain's resilience against climate change risks, in 2024 we launched an ISO 14067 product carbon footprint certification project for key suppliers. The goal is for primary data to account for more than 80% of the data used in Dynamic's carbon footprint platform when calculating the carbon emissions of each part number.
- From several key raw material categories, we selected 34 representative core suppliers and actively collaborated with them to promote ISO 14067 certification.
- As of 2024, a total of 12 suppliers successfully obtained ISO 14067 carbon footprint certification, covering 2 base material suppliers, 3 copper foil suppliers, 3 ink suppliers, 2 chemical suppliers, as well as suppliers of copper balls and dry films. This project will continue to progress in 2025 and is expected to achieve full carbon emissions data coverage from all key suppliers by 2026.

“Conflict Minerals” Policy and Commitment

Dynamic has established a “Conflict Minerals Policy and Commitment” since 2013 to ensure that the metals used in its products and processes do not come from conflict zones. These measures and policies include:

Policy and Commitment	Policies and procedures	Requirements for business partners	Report and review	Public information
• We have established the “Conflict Minerals Policy and Commitment” to ensure that no metals used come from the Democratic Republic of Congo or its neighboring countries, or areas controlled by the military.	• Appropriate policies, guidelines and due diligence procedures are in place to ensure the transparency and compliance of the supply chain.	• All business partners are required to cooperate with this policy and shall not use or provide metals from improper sources, in order to comply with international trends and customer requirements.	• Regularly update the conflict mineral report template for customer review to ensure transparency and the right to know.	• The “Conflict Minerals Policy” and “2024 Conflict Minerals Management and Implementation Report” are disclosed on the Company's official website for public inspection.

These measures demonstrate that Dynamic attaches great importance to ethical responsibilities and compliance requirements in global supply chain management, and is committed to working with supply chain partners to comply with international standards. More details and related documents can be found on the Company's official website: Corporate Sustainability/Corporate Governance/Sustainable Supply Chain. <https://www.dynaholding.com/csr/rule.html#s6>

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According to the 2024 survey results, Dynamic's use of metal raw materials was as follows:

1. Metal raw materials used: The tin balls purchased by the Company contain tin (Sn), gold salts contain gold (Au), and copper foil supplied by some manufacturers contain cobalt (Co).
2. Supplier status:
 - ⊙ There are 5 suppliers of tin (Sn).
 - ⊙ There are 2 suppliers of gold (Au).
 - ⊙ There are 3 suppliers of cobalt (Co).
3. Supplier qualification status: All 10 suppliers have been audited as qualified conflict mineral suppliers.
4. Commitment and disclosure: All of these 10 suppliers have signed a "Non-use Conflict Minerals Commitment". They have disclosed the sources (smelters) of these metals and pledged not to come from conflict mineral regions.
5. Percentage of qualified suppliers: Between 2021 and 2024, the proportion of conflict minerals qualified suppliers has remained at 100%.

The above indicates that Dynamic attaches great importance to ethics and compliance in supply chain management to ensure that metal raw materials used do not come from conflict mineral regions.

VIII. Information Security Management

◆ Information Security Management Strategy and Framework

Definition of information security

Information security management has become a management issue that cannot be ignored nowadays. Its main spirit is to identify important information assets of an organization and the threats it faces, and to plan reasonable control measures with the effective allocation of resources to minimize risks to an acceptable level.

This is a risk management process. The focus of management should be on the protection of the confidential data of the organization, not on the access channels for all information assets, as this will waste costs and blur the focus of enterprises. In recent years, endless information security incidents at home and abroad have been caused by the lack of the above-mentioned information security risk management mechanism.

Information security risk

The main information security risks we face are as follows:

- Virus/worm/ransomware attacks: Attacks caused by personnel accidentally or maliciously clicking on unknown files or links.
- Natural disasters: Power interruption caused by typhoons, floods, and indirect interruption of system/equipment maintenance services
- Man-made disasters: Carrying or sending confidential information, improper destruction procedures, etc.
- Recovery plan: Whether the backup data can be completely recovered and used

The Company will formulate response plans for the above information security issues and conduct drills for different information security scenarios to strengthen the response capabilities of personnel, expecting to detect and complete obstructions at the earliest opportunity. In addition, Dynamic conducts security audits on a regular basis, such as vulnerability scanning or penetration testing, to ensure that information systems and network environments comply with security implementation standards.

Information Security Policy

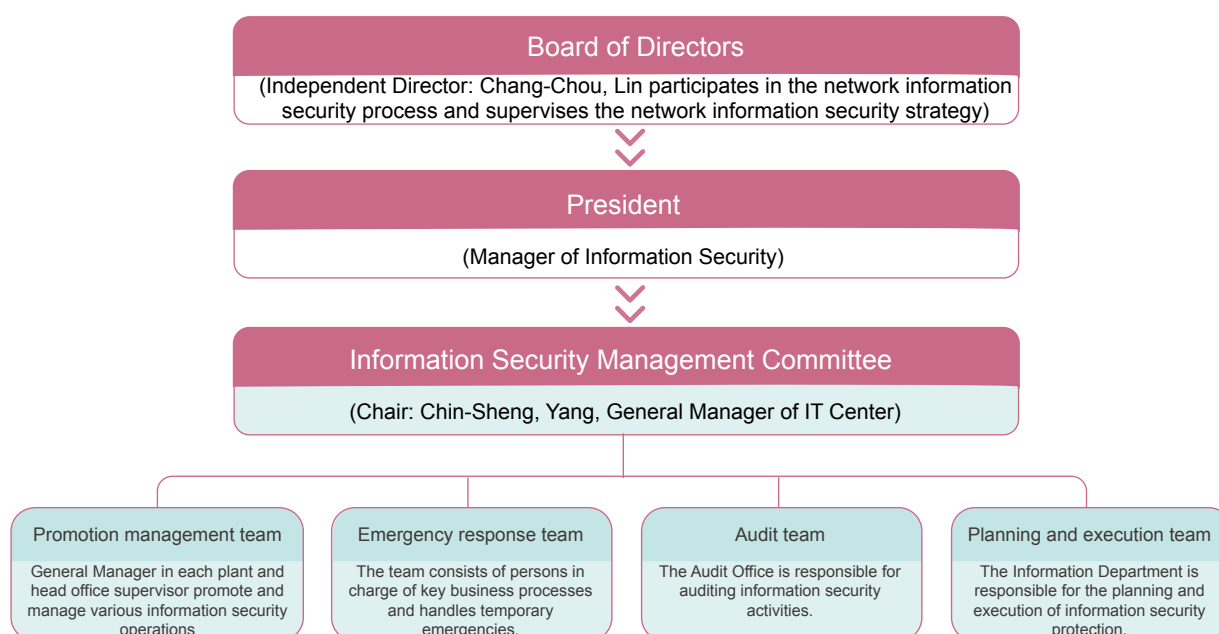
- The information security policy of Dynamic Holding Co., Ltd. applies to the Company and its domestic and overseas subsidiaries.
- Establish the concept of "everyone is responsible for information security", raise employees' awareness of information security, and supervise their implementation of information security protection.
- Comply with international information security standards and local information security laws and regulations.
- Establish information security management regulations in line with legal requirements and customer needs.
- Appropriate protection measures are provided for customer information and the Company's important information assets to maintain the normal and continuous operation of the Company's business.
- Continue to pay attention to changes in the information environment and conduct relevant risk assessments.
- Focus on antivirus, anti-hacking, and anti-leakage as the three pillars of information security, by implementing firewalls, intrusion detection, antivirus systems, and various internal control mechanisms to strengthen the Company's ability to defend against external attacks and safeguard internal confidential information.

Information security implementation plan

- Establish a compliance cycle mechanism and regularly review and revise internal operating specifications to comply with international information security standards and local information security laws and regulations.
- Complete information security regulations and train high-quality information security talents.
- Help employees understand the risks of using email, the internet, and routine file access, and raise employees' awareness of crisis prevention in order to reduce risks and protect customer data, and the Company's important operational information and service.
- Formulate disaster prevention measures and disaster recovery plans for the Company's important information assets.
- Regularly review the information security policy and report to the Board of Directors on a regular basis (at least once a year).

Information Security Management Committee

The Company established the "Information Security Management Committee" on August 5, 2020, dedicated to the governance and planning of the Group's information security management. The Committee is responsible for establishing and maintaining the information security management system, as well as formulating, implementing, and promoting related policies in a coordinated manner. With the goal of enhancing the Company's overall information security defense capabilities and strengthening employees' information security awareness, the Committee is chaired by the General Manager of the Information Technology Center. It regularly reports work progress to the President, evaluates information security risks, and reports relevant outcomes to the Board of Directors.



Information security responsibilities

The Company's employees, contractors, and external personnel must comply with the relevant provisions of the information security policy to ensure the security of the Company's production areas, office areas, and information assets and equipment.

- All units: The operation of equipment within the scope of work must comply with the Company's information security policy
- Information unit: Communicate information security risks and raise risk issues and improvement measures
- Contractors: Must comply with the Company's information security policy and accept the necessary audit mechanisms
- Information Security Committee: responsible for the establishment, amendment, and abolition of regulations, and for reviewing and approving major information security incident losses.

ISO 27001 Certificate



Huangshi Plant's ISO 27001 certification
(Validity period: September 13, 2024 - September 12, 2027)



ISO 27001 certification for Thailand Plant
(Validity period: September 13, 2024 - September 12, 2027)

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Specific Management Programs

- Regularly automate website and system vulnerability scans.
- Regularly sign contracts with external information security companies to ensure that all software services installed on terminal systems, including IT and OT equipment, are kept up-to-date and that all vulnerabilities have been patched.
- Manage and monitor movable corporate equipment.
- Introduction of bastion servers and multi-factor authentication for operation and maintenance personnel.
- Firewall integration and replacement to enhance protection.
- The information security management system certification ISO 27001:2022.
- Daily offline record backups, weekly offline cloud backups, and regular restoration drills every six months to prevent ransomware.
- Regularly review the legitimacy of account privileges, terminate the account privileges of resigned employees, and regularly change internal passwords.
- Regularly organize information security training for senior executives and entry-level employees to effectively establish an information security line of defense.
- Regularly implement information security incident response drills.
- Use Sangfor Internet Behavior Management System to conduct web page filtering, behavior control, traffic management, prevention of intranet leaks, prevention of legal risks, internet security, etc.; set up firewalls and antivirus walls to block malicious attacks and viruses from spreading to the intranet, and prevent unauthorized users from entering the system; use WhatsUp system to monitor the network status of servers, switches, and other equipment.
- Became a member of the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT) in 2024 and shared information security intelligence with other members.
- The Board of Directors' meetings were held on December 15, 2023, and December 16, 2024.
- There were no incidents of data breaches in 2023 and 2024.

Invest resources in information and communication security management

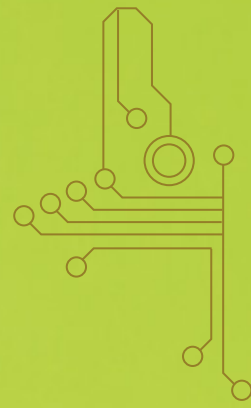
- Currently, there are 8 information security personnel in total, and the number will continue to increase.
- Currently, the construction cost of information security software and hardware is about TWD 44.2 million.
- The budget for information security in 2025 is about TWD 17.11 million.

Number and hours of employees receiving information security education and training

- Course title: Information Security and Confidentiality Awareness Training
- In 2024, a total of 170 personnel received information security training, with a total of 174 hours.

Information Security Management Strategy and Framework

In 2024, Dynamic did not experience any major information security incidents. The threats detected during the year were mainly malicious software (Trojans), found on 13 office PCs and notebooks. After being quarantined and removed by antivirus software, the threat did not spread to other devices. The Company's antivirus software is configured to update automatically on a daily basis, and the use of information devices is strictly controlled. At the same time, dedicated antivirus software has been deployed to protect production line equipment.



CH 6

Appendix



I. Assurance Report of Independent Auditors



安永聯合會計師事務所

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English Translation of a Report Originally Issued in Chinese

CPA's Limited Assurance Report

To Dynamic Holding Co., Ltd.

Assurance Scope

The CPA was engaged by Dynamic Holding Co., Ltd. (hereinafter referred to as Dynamic Holding) to perform assurance procedures on the selected sustainability performance information identified by the Company and reported in 2024 sustainability report and to issue a limited assurance report based on the criteria for "limited assurance cases" published by Accounting Research and Development Foundation.

Information and applicable standards

The information and applicable standards selected by Dynamic Holding are provided in Attachment 1.

Responsibility of the Management

It is the responsibility of the management of Dynamic Holding to reference suitable standards, including the GRI Standards 2021 published by the Global Reporting Initiative, to prepare the information. The management of Dynamic Holding shall be responsible for the baseline it selected and the appropriateness of the subject information in all major respects. This responsibility includes establishing and maintaining internal controls relevant to the compilation of the subject information, maintaining adequate records, and making relevant estimates to ensure that the subject information is free from material misstatement, whether due to fraud or error.

Responsibility of the CPA

The responsibility of the CPA is to form conclusions regarding the subject information based the evidence obtained by the CPA.

The CPA planned and conducted assurance tasks on the information in this report in accordance with the TWSAE3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Accounting Research and Development Foundation, and issued a limited assurance report on whether the subject information needs to be revised in any material aspect because it was not prepared in accordance with the standard. The CPA determines the nature, time, and scope of the assurance



procedures based on professional judgments, including the assessment of the risks of material misstatement due to fraud or error.

The CPA believes that sufficient and appropriate evidence has been obtained to provide a basis for the conclusions of the limited assurance.

Independence and Quality Management of the CPA

The CPA and CPA firm have followed the Code of Ethics for Professional Accountants regarding the independence and other ethical requirements. The basic principles of the regulations are to maintain integrity, fairness, objectivity, expertise and comply with requirements for professional attention, confidentiality and professional conduct.

The CPA firm complies with TWSQC1 “Quality Control for Public Accounting Firms” which outlines the organizational design, implementation and quality management system including policies and procedures to ensure compliance with professional ethics, professional regulations, and applicable laws.

Description of Implementation Procedures

The nature and timing of implementation procedures in limited assurance cases are different from and less extensive than those applicable to reasonable assurance cases. Therefore, the degree of certainty obtained in limited assurance cases are significantly lower than that obtained in reasonable assurance cases. The CPA designed the procedures to obtain limited assurance and to reach conclusions based on the assurance without providing all of the evidence necessary for reasonable assurance.

Although the CPA considered the effectiveness of the internal control of Dynamic Holding when deciding the nature and scope of assurance procedures, the assurance is not an opinion on the effectiveness of Dynamic Holding's internal control system. The procedures implemented by the CPA do not include tests on the control or implementation or the review of the compilation or calculation procedures of data in the information technology (IT) system.

Limited assurance cases included inquiries which mainly consisted of interviews of personnel responsible for preparing the subject information and related information, and the use of analyses and other suitable procedures.



The procedures implemented by the CPA include:

- The CPA conducts interviews of the management and employees of Dynamic Holding to learn about the overall conditions of Dynamic Holding's performance of corporate social responsibility, and the reporting procedures;
- The CPA uses interviews and document reviews to learn about the expectations and needs of the main stakeholders of Dynamic Holding, the communication channels between the Company and stakeholders, and how Dynamic Holding responds to such expectations and needs;
- The CPA conducts analysis procedures for the sustainability performance information selected in the Report. The CPA collects and evaluates other supporting evidence and the management statements obtained. Where necessary, the CPA conducts sampling tests;
- The CPA reads the Sustainability Report of Dynamic Holding to verify its consistency with the information on the overall corporate social responsibility performance obtained by the CPA firm.

Inherent Limitations

As non-financial information contained in the Sustainability Report is subject to uncertainties in measurement, the selection of different measurement methods could result in material differences in the performance measurement. As the assurance process is conducted based on sampling and as there are inherent limitations in any internal control, it may not be possible to identify all existing material misstatements, whether due to fraud or error.

Conclusion

According to the procedures implemented and evidence obtained, the CPA has not found any matter in the subject information that is not prepared based on applicable standards and requires material correction.

/s/Lo, Hsiao Chin
Ernst & Young, Taiwan
August 18, 2025



Appendix 1 :

NO.	Page	Corresponding report title	Corresponding subject matter	Applicable benchmark
1	29	2 Sustainable performance IV. Stakeholder Interaction and Management: Identification and analysis of major topics	Material topic identification process in 2024.	Company Statistics
2	116	4 Co-prosperity in Society V. Societal Involvement and Social Wellness: Social Care	The total procurement and expenditure of public welfare organizations in 2024.	Company Statistics
3	148	5 Economic performance and corporate governance VII. Sustainable Supply Chain	Supplier screening key performance indicators in 2024.	Company Statistics

II. Global Reporting Initiative (GRI) Standards Content Index

Disclaimer of adoption : Dynamic has reported the content for the period from January 1, 2024, to December 31, 2024, in accordance with the GRI Standards

Adopted GRI 1 : GRI 101: Foundation 2021

Applicable GRI sector standards : N/A

GRI Guidelines	Disclosure Item	Corresponding section	Page No.	Remarks
General Disclosures				
GRI 2: General Disclosures 2021	Organization and reporting practices			
	2-1	Organizational details	One. Introduction/ I. About This Report IV. Company Overview	11
	2-2	Entities included in the organization's sustainability reporting	One. Introduction/ I. About This Report	5
	2-3	Reporting period, frequency and contact point	One. Introduction/ I. About This Report	5
	2-4	Editing of Information		No information was edited
	2-5	External Assurance/Validation	Six. Appendix/ I. Assurance Report on Independent Auditors	154-157
	Activities and workers			
	2-6	Activities, value chain and other business relationships	One. Introduction/ IV. Company Overview Five. Economic Performance and Corporate Governance/ VIII. Sustainable Supply Chain	5-17 144
	2-7	Employees	Four. Co-prosperity in Society/ II. Talent Structure and Development	90
	2-8	Workers who are not employees	Four. Co-prosperity in Society/ II. Talent Structure and Development	90
	Governance			
	2-9	Governance structure and composition	Five. Economic Performance and Corporate Governance/ III. Corporate Governance	123
	2-10	Nomination and selection of the highest governance body	Five. Economic Performance and Corporate Governance/ III. Corporate Governance	123
	2-11	Chair of the Highest Governance Body	Five. Economic Performance and Corporate Governance/ III. Corporate Governance	124
	2-12	Role of the highest governance body in overseeing the management of impacts	Five. Economic Performance and Corporate Governance/ III. Corporate Governance	124
	2-13	Delegation of responsibility for managing impacts	Five. Economic Performance and Corporate Governance/ III. Corporate Governance	124
	2-14	Role of the highest governance body in sustainability reporting	Five. Economic Performance and Corporate Governance/ III. Corporate Governance	7 124
	2-15	Conflicts of interest	Five. Economic Performance and Corporate Governance/ III. Corporate Governance	124
	2-16	Communication of critical concerns	Five. Economic Performance and Corporate Governance/ III. Corporate Governance	124
	2-17	Collective Wisdom of Highest Governance Body	Five. Economic Performance and Corporate Governance/ III. Corporate Governance	124

GRI Guidelines	Disclosure Item		Corresponding section	Page No.	Remarks
General Disclosures					
GRI 2: General Disclosures 2021	2-18	Evaluation of the performance of the highest governance body	Five. Economic Performance and Corporate Governance/ III. Corporate Governance	126	
	2-19	Remuneration policies	Five. Economic Performance and Corporate Governance/ III. Corporate Governance	126	
	2-20	Process to determine remuneration	Five. Economic Performance and Corporate Governance/ III. Corporate Governance Four. Co-prosperity in Society/ III. Talent Attraction/Retention and Employee Benefits	126 101	
	2-21	Annual total remuneration rate	-		The maximum annual total remuneration is the organization's confidential information
	Strategy, policy, and application				
	2-22	Statement of sustainable development strategy	One. Introduction/ II. Message from the Chairman of the ESG Sustainability Committee	6-7	
	2-23	Policy commitments	Five. Economic Performance and Corporate Governance/ V. Ethics and Integrity	132-135	
	2-24	Embedding policy commitments	Five. Economic Performance and Corporate Governance/ V. Ethics and Integrity	132-135	
	2-25	Processes to remediate negative impacts	Five. Economic Performance and Corporate Governance/ V. Ethics and Integrity	132-135	
	2-26	Mechanisms for seeking advice and raising concerns	Five. Economic Performance and Corporate Governance/ V. Ethics and Integrity	132-135	
	2-27	Legal compliance	Five. Economic Performance and Corporate Governance/ IV. Compliance	129	
	2-28	Union and Association Membership	One. Introduction/ IV. Company Overview	10	
	Stakeholder Engagement				
	2-29	Approach to stakeholder engagement	TWO. Sustainability Performance/ IV. Stakeholder Engagement and Materiality Analysis	26-29	
	2-30	Group Treaty	FOUR. Co-prosperity in Society/ III. Talent Attraction and Retention	96	
Material topic					
GRI 3: Material topics 2021	3-1	Process to determine material topics	TWO. Sustainability Performance/ IV. Stakeholder Engagement and Materiality Analysis	29	
	3-2	List of material topics	TWO. Sustainability Performance/ IV. Stakeholder Engagement and Materiality Analysis	30	
Customer Service					
GRI 3: Material topics 2021	3-3	Management of material topics	TWO. Sustainability Performance/ V. Product Quality and Customer Service	32	
GRI 418: Customer Privacy in 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	TWO. Sustainability Performance/ V. Product Quality and Customer Service	32	
Product quality					
GRI 3: Material topics 2021	3-3	Management of material topics	TWO. Sustainability Performance/ V. Product Quality and Customer Service	32	

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GRI Guidelines		Disclosure Item	Corresponding section	Page No.	Remarks
Material topic					
R&D and innovation					
GRI 3: Material topics 2021	3-3	Management of material topics	TWO. Sustainability Performance/ VI. R&D and Innovation	37	
Management of waste and hazardous substances					
GRI 3: Material topics 2021	3-3	Management of material topics	THREE. Environmental Performance/ IV. Wastes and Hazardous Substances Management	68	
GRI 306: Waste management 2020	306-2	Management of significant waste-related impacts	THREE. Environmental Performance/ IV. Wastes and Hazardous Substances Management	68	
	306-3	Waste generated	THREE. Environmental Performance/ IV. Wastes and Hazardous Substances Management	71-75	
	306-4	Waste diverted from disposal	THREE. Environmental Performance/ IV. Wastes and Hazardous Substances Management	71-75	
Corporate governance					
GRI 3: Material topics 2021	3-3	Management of material topics	FIVE. Economic Performance and Corporate Governance/ III. Corporate Governance	123	
Development of new markets					
GRI 3: Material topics 2021	3-3	Management of material topics	TWO. Sustainability Performance/ VII. New Market Development	39	
Environmental Investment					
GRI 3: Material topics 2021	3-3	Management of material topics	THREE. Environmental Performance/ V. Environmental Investments	76	
Employee welfare					
GRI 3: Material topics 2021	3-3	Management of material topics	FOUR. Co-prosperity in Society/ III. Talent Attraction/Retention and Employee Benefits	94	
GRI 401: Employment 2016	401-1	Newcomers and resigned employees	FOUR. Co-prosperity in Society/ III. Talent Attraction/Retention and Employee Benefits	97	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	FOUR. Co-prosperity in Society/ III. Talent Attraction/Retention and Employee Benefits	101	
	401-3	Childcare leave	FOUR. Co-prosperity in Society/ III. Talent Attraction/Retention and Employee Benefits	100	

GRI Guidelines		Disclosure Item	Corresponding section	Page No.	Remarks
Material topic					
Talent Attraction and Retention					
GRI 3: Material topics 2021	3-3	Management of material topics	FOUR. Co-prosperity in Society/ III. Talent Attraction/Retention and Employee Benefits	94	
GRI 402: Labor/ management relations 2016	402-1	Shortest notice about operational changes	FOUR. Co-prosperity in Society/ III. Talent Attraction/Retention and Employee Benefits	96	
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	FOUR. Co-prosperity in Society/ III. Talent Attraction/Retention and Employee Benefits	95	
Management of water resources					
GRI 3: Material topics 2021	3-3	Management of material topics	THREE. Environmental Performance/ III. Water Resources Management	62	
GRI 303: Water and effluents in 2018	303-3	Water withdrawal	THREE. Environmental Performance/ III. Water Resources Management	63	
	303-4	Discharge volume	THREE. Environmental Performance/ III. Water Resources Management	67	
	303-5	Water consumption	THREE. Environmental Performance/ III. Water Resources Management	64	
General topics					
GRI 415: Public policy in 2016	GRI 415-1	Political contributions	ONE. Introduction IV. Company Overview	10	No political contributions

III. Comparison Table of Indicators of Sustainability Accounting Standards Board (SASB)

Based on the industry classification query results on the SASB official website, Dynamic selected 11 sectors and 77 industries in the SASB Materiality Map. The disclosure of applicable indicators was as follows:

Sector: Technology & Communications

Industry: 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 malicious attacks and viruses from spreading to the Intranet and prevents 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 emails containing threats. 7. Strict safeguard against outgoing equipment - UPAS: Control and block unauthorized equipment from connecting to corporate systems. 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 infected by viruses. 6. Mail filtering system - SPAM: Updates the definition library, improves the filtration strategy, reinforces blockage of sources of emails carrying threats, such as viruses and advertisements 7. Strict safeguard against outgoing 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	P FOUR. Co-prosperity in Society II. Talent structure and development, and analysis of the distribution of Dynamic's employees
Product life cycle	TC-HW-410a.1	Percentage of IEC 62474 declarable substances in product revenue	Quantification	The raw materials and standard 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 undergone 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.
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 in line with international trends and meet customer requirements. 2. Regularly update the conflict minerals report template for customers' review. Dynamic's "Conflict Minerals" policy can be found on the Company's official website: Corporate Sustainability/Corporate Governance/Sustainable Supply Chain https://www.dynaholding.com/csr/rule.html#s6 3. Among the metals such as tantalum (Ta), tin (Sn), gold (Au), tungsten (W), and cobalt (Co), tin, gold, and cobalt are used in both the Kunshan and Huangshi Plants. There are two suppliers of tin, three suppliers of gold, and three suppliers of cobalt. All 9 suppliers have signed "Non-use of Conflict Minerals Commitment" and have disclosed the sources (smelters) of these metals to ensure that they do not come from conflict mineral regions.

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Topic	Indicator Code	Indicator	Nature	Abstract and Description		
Industrial activities	TC-HW-000.A	Production volume in each category	Quantification	The volume of PCBs produced is 32,354 thousand 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:		
					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>

IV. “Guidelines for the Preparation and Filing of Sustainability Reports by Listed Companies” - sustainability disclosure indicators for the electronic components industry

Serial number	Indicators	Type of indicator	Annual disclosure	Unit	Remarks
1	Total energy consumption, percentage of purchased electricity, and utilization rate of renewable energy	Quantification	Total energy consumption of 1,778,459.81 GJ, percentage of purchased electricity of 99.73%, and renewable energy utilization rate of 18.79%	Gigajoules (GJ), percentage (%)	
2	Total water withdrawal and consumption	Quantification	The total water withdrawal was 5,511,573 m³ and Total water consumption was 555,571 m³	Thousand cubic meters (1,000 m³)	
3	Weight of hazardous waste generated and percentage recycled	Quantification	The weight of hazardous waste generated was 34,287.6 tons. and the recycling percentage was 95.03%	Metric tons (t), percentage (%)	
4	Describe the type, number of people, and rate of occupational accidents	Quantification	Category: 21 (cases/people) occupational injuries, mainly caused by a trolley in the walking room, pinching/tipping/cutting, abrasions, etc. and 0 (cases/people) of commuting incidents. There were 0 employees in the Taiwan factory and 21 employees in the China factory, with a rate of 0.43%	Quantity, percentage (%)	
5	Disclosure of product life cycle management: including the weight of end-of-life products and electronic waste, and the percentage of recycling (Note 1)	Quantification	Dynamic is not a manufacturer of end products and customers recycle scraps on their own. Therefore, no related statistical information is available.	Metric tons (t), percentage (%)	
6	Description of the management of risks associated with the use of critical materials	Qualitative description	THREE. Environmental Performance/ I. Energy and Climate Change Strategy/VII. Biodiversity FIVE. Economic Performance and Corporate Governance/VII. Sustainable Supply Chain	Not applicable	
7	Total financial losses resulting from legal proceedings related to anti-competitive behavior regulations	Quantification	0	Reporting currency	
8	Production of main products by product category	Quantification	PCB production volume was 32,354 thousand square feet.	Varies by product type	

V. Climate-related information of “Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies”

Serial number	Project	Implementation status
1	Specify the Board of Directors' and management's supervision and governance on climate-related risks and opportunities.	Dynamic's "Sustainable Development Committee" reports to the Board of Directors on a quarterly basis on the performance of greenhouse gas emissions intensity and water consumption intensity reduction, and on the nature-related risk that may arise from the Company's activities at the Board of Directors' meeting. It receives supervision and guidance from the Board of Directors.
2	Specify how the identified climate risks and opportunities affect the sales, strategy, and finances of the Company (short, medium, and long term).	Sales: To respond to the increasing demand from the public and consumers for more sustainable products, we are increasing our share of revenue from green and low-carbon products. Strategy: Carbon emissions can be reduced by promoting strategies in various aspects, assisting each plant to achieve autonomous energy saving and carbon reduction, self-built solar power system, purchase of green power, etc. Finance: We conducted a scenario analysis of the financial impact of climate change, including: (1) Rainfall disaster analysis for major suppliers, with the results showing that current major suppliers have insignificant physical risk exposures and no significant financial impacts; (2) Carbon fee risk analysis with assessment results showing that there is no harmful impact on the Company's operations. However, as the Company is highly concerned about carbon-related issues, in addition to actively introducing the construction of renewable energy equipment, we also promote upstream carbon emissions. We conduct emissions verification and prioritize the procurement of raw materials with low carbon emissions per unit of product to reduce carbon emissions in each step of the product life cycle, hoping to provide customers with environmentally-friendly and low-carbon products.
3	Specify how extreme climate events and transformational actions will affect finances.	Extreme weather causes traffic disruptions, flooding, power outages, and production stoppages due to damage to factory facilities, as well as difficulties in supplying goods in the supply chain, resulting in longer procurement cycles for raw materials, price increases, factory shutdowns or production delays, and even loss of tangible and intangible assets of enterprises. To reduce the risk of material shortage due to extreme weather conditions, Dynamic has increased the number of diversified sources of raw materials and increased its options to seize the supply of raw materials. Dynamic has also enhanced its preparations against risks by raising the foundation of buildings at the early stage of plant planning, locating valuable equipment on higher floors, providing smooth rainwater and sewage drainage systems, and perfecting various emergency response plans, thus enhancing the resilience to the impacts of extreme weather conditions. Transformational actions and their financial impacts: tightening environmental regulations, strengthening of pollution prevention and control facilities and stricter requirements for treating pollutants, will increase operating costs; excess carbon emissions may have to be purchased from the carbon market, thus increasing energy costs and the cost of purchasing carbon credits; the additional costs that may increase due to the use of green electricity; the increased costs due to the development of green products and the purchase of green raw materials, etc.
4	Specify how the process of climate risk identification, assessment and management is integrated into the overall risk management system.	In compliance with the TCFD guidelines, Dynamic has divided the risk management process into four stages: identification, assessment, management, and supervision. Through the participation of the Executive Committee, the Risk Management Committee, and the Board of Directors, Dynamic has established a comprehensive management mechanism for risks and opportunities related to climate change. In particular, the risk management committee compiles all significant risk-related information of the Company to integrate into the Company's overall risk management regulations. The detailed process is as follows: Committee Member Risk Management Committee Board of Directors Identification Evaluation Management Supervision Conduct regular evaluation on risks that may affect the Company's operations Evaluate the impact level of the identified risks on the Company 1. Formulate countermeasures and monitoring mechanisms. 2. Set performance targets 3. Consolidate and implement annual material risks. 3. Consolidate information related to the Company's material risks. 4. Report to the Board of Directors regularly. 5. Announce the Board's risk management decisions. 1. Formulate the Company's risk management policy. 2. Ensure the effectiveness of the risk management mechanism.
5	If scenario analysis is applied to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and key financial impacts applied must be stated.	(1) The Company takes an inventory check of the exposure to the climate risk among its Top 3 suppliers and evaluates the disasters brought about by rainfall in the locations of major suppliers. With the difference equivalent between 2100 and 1750 of radiative forcing as the benchmark according to "Representative Concentration Pathways" (RCPs) in the Fifth Evaluation Report of the United Nations Intergovernmental Panel on Climate Change (IPCC), Dynamic adopts RCP 2.6 and RCP 8.5 as two scenarios and cites data of these two scenarios from Climate Analytics. 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. (2) The overall greenhouse gas emissions of Dynamic throughout 2020 came to 217,322.5717 tons (only Scopes 1 and 2). With 2020 as the baseline year, 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 "Recommended rate by the Environmental Protection Administration", "Estimated rate of EU carbon tax", "Estimated rate by the International Energy Agency (IEA)", "Recommended rate by Greenpeace", and "Estimated carbon price of the China Carbon Forum" and is calculated according to China's 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 estimated rate by Greenpeace and the minimal with the recommended rate by the Environmental Protection Administration. Although the results of the analyses did not indicate that there would be any harmful impact on the Company's operations, we are highly concerned about carbon-related issues. In addition to proactively installing renewable energy equipment, we have also encouraged our upstream suppliers to carry out carbon emission verifications and give 100% purchase priority to raw materials that have low carbon emissions per unit of product, to reduce the amount of carbon emissions from each stage in the products' life cycle, in the hope of providing our customers with environmentally friendly products with low carbon emissions.

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Serial number	Project	Implementation status																								
6	If there is a transition plan for managing climate-related risks, the contents of the plan and the indicators and targets applied to the identification and management of physical and transformation risks must be stated.	(1) We will develop low-carbon raw materials (2) We will hasten our clean production and low-carbon transition (3) Increase the percentage of green energy products																								
7	If internal carbon pricing is applied as a planning tool, the basis for price setting must be stated.	The Company has begun planning the potential use of internal carbon pricing as a planning tool and will engage professional consultants for guidance.																								
8	If relevant climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planned schedules, and the annual progress toward achievement must be stated. If carbon offsets or renewable energy certificates (RECs) are applied to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of RECs must be stated.	(1) GHG emissions intensity reduction target: Using the base year of 2010, reduce the GHG emissions intensity (based on revenue) by 4% per year, and at least reduce it by 20% in 2025. (2) Activities and scopes of GHG emissions covered in 2024: <table><tr><th>Activities covered</th><th>Scope</th><th>Description</th><th>Plant</th></tr><tr><td>Plant areas have been equipped with solar-powered streetlights</td><td>II</td><td>Gradually replace traditional street lights year by year.</td><td>All Plants</td></tr><tr><td>Convert to low-carbon fuels Improve energy efficiency</td><td>I</td><td>Replaced boilers with natural gas boilers</td><td>All Plants</td></tr><tr><td>Energy conservation and carbon reduction of processes Introduced high-efficiency power equipment</td><td>II</td><td>Adjust the optimal operating power of secondary pumps in chillers to avoid unnecessary energy waste, and appropriately consolidate cooling towers.</td><td>Kunshan</td></tr><tr><td>Self-built solar power generation</td><td>II</td><td>Continue expanding solar photovoltaic power generation. In May 2024, we completed the construction of a rooftop solar project with an annual power generation of 2 million kWh, which can reduce approximately 1,140 tons of greenhouse gas emissions per year.</td><td>Huangshi</td></tr><tr><td>Proactively procure green electricity</td><td>II</td><td>In 2024, 8,748 MWh of green electricity was purchased, accounting for about 32.5% of the total annual electricity consumption of the plant. This offsets approximately 49,889 tons of greenhouse gas emissions.</td><td>Huangshi</td></tr></table>	Activities covered	Scope	Description	Plant	Plant areas have been equipped with solar-powered streetlights	II	Gradually replace traditional street lights year by year.	All Plants	Convert to low-carbon fuels Improve energy efficiency	I	Replaced boilers with natural gas boilers	All Plants	Energy conservation and carbon reduction of processes Introduced high-efficiency power equipment	II	Adjust the optimal operating power of secondary pumps in chillers to avoid unnecessary energy waste, and appropriately consolidate cooling towers.	Kunshan	Self-built solar power generation	II	Continue expanding solar photovoltaic power generation. In May 2024, we completed the construction of a rooftop solar project with an annual power generation of 2 million kWh, which can reduce approximately 1,140 tons of greenhouse gas emissions per year.	Huangshi	Proactively procure green electricity	II	In 2024, 8,748 MWh of green electricity was purchased, accounting for about 32.5% of the total annual electricity consumption of the plant. This offsets approximately 49,889 tons of greenhouse gas emissions.	Huangshi
Activities covered	Scope	Description	Plant																							
Plant areas have been equipped with solar-powered streetlights	II	Gradually replace traditional street lights year by year.	All Plants																							
Convert to low-carbon fuels Improve energy efficiency	I	Replaced boilers with natural gas boilers	All Plants																							
Energy conservation and carbon reduction of processes Introduced high-efficiency power equipment	II	Adjust the optimal operating power of secondary pumps in chillers to avoid unnecessary energy waste, and appropriately consolidate cooling towers.	Kunshan																							
Self-built solar power generation	II	Continue expanding solar photovoltaic power generation. In May 2024, we completed the construction of a rooftop solar project with an annual power generation of 2 million kWh, which can reduce approximately 1,140 tons of greenhouse gas emissions per year.	Huangshi																							
Proactively procure green electricity	II	In 2024, 8,748 MWh of green electricity was purchased, accounting for about 32.5% of the total annual electricity consumption of the plant. This offsets approximately 49,889 tons of greenhouse gas emissions.	Huangshi																							
9	Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and specific action plans (indicated separately in 1-1 and 1-2).																									

1-1 The Company's greenhouse gas inventory and assurance in the past two years

Scope 1	Total emissions in 2024 (metric tons of CO ₂ e)	Intensity in 2024 (metric tons of CO ₂ e/TWD million)	Total emissions in 2023 (metric tons of CO ₂ e)	Intensity in 2023 (metric tons of CO ₂ e/TWD million)	Assurance organization	Description of Assurance Status
The Company	14.1	NA (revenue was 0)	11.2646	NA (revenue was 0)	DQS	The 2024 inventory was verified externally in early May 2025 by DQS Group, and the certificate number is 50600533 GHG-3.
Kunshan Plant	3,000.01	0.8062	2,836.2657	0.8607	WIT	The 2024 external verification was conducted in late March 2025 by WIT Certification Co., Ltd., and the certificate number is 15/WITGHG2025092.
Huangshi Plant	24,643.995	1.7666	21,147.5190	1.7118	BSI	The 2024 inventory was externally verified in late March 2025 by BSI, with the certificate number CFV 825309.
Total	27,658.108	1.5651	23,995.0493	1.5333		

Scope 2	Total emissions in 2024 (metric tons of CO ₂ e)	Intensity in 2024 (metric tons of CO ₂ e/TWD million)	Total emissions in 2023 (metric tons of CO ₂ e)	Intensity in 2023 (metric tons of CO ₂ e/TWD million)	Assurance organization	Description of Assurance Status
The Company	54.06	NA (revenue was 0)	58.0173	NA (revenue was 0)	DQS	The 2024 inventory was verified externally in early May 2025 by DQS Group, and the certificate number is 50600533 GHG-3.
Kunshan Plant	58,730.10	15.7835	57,433.2352	17.4279	WIT	The 2024 external verification was conducted in late March 2025 by WIT Certification Co., Ltd., and the certificate number is 15/WITGHG2025092.
Huangshi Plant	94,874.865	6.8011	128,663.6698	10.4149	BSI	The 2024 inventory was externally verified in late March 2025 by BSI, with the certificate number CFV 825309.
Total	153,659.025	8.6951	186,154.9223	11.8954	-	-

1-2 Greenhouse gas reduction goals, strategies and specific action plans

Climate-related goals	Activities covered	Scope of GHG emissions	Implementation plan	Reduction achievement progress
The intensity of greenhouse gas emissions per unit of revenue will be reduced by 4% per year using the base year of 2020 and a 20% reduction by 2025	Set up electric vehicle charging station at the factory	Scope 1	EV charging stations have been installed in the parking lot of the Huangshi Plant.	Reduced carbon intensity by 21.96% per million dollars in revenue by 2023
	Convert to low-carbon fuels Improve energy efficiency	Scope 1	Replaced oil-fueled boilers with natural gas boilers in all plants.	
	Energy conservation and carbon reduction of processes Introduced high-efficiency power equipment	Scope 2	For the new D2 wastewater treatment system, all aeration fans will be high-efficiency and energy-saving air suspension fans to replace the roots blowers. We purchased two units in 2023, and one unit in 2024. At the Kunshan Plant, cooling towers for the chiller system were appropriately consolidated, and chilled water pipelines in idle production areas were disconnected, resulting in annual electricity savings of 65,700 kWh. We adjusted the optimal operating power of secondary pumps in chillers to avoid unnecessary energy waste.	
	Self-built solar power generation	Scope 2	We continue expanding solar photovoltaic power generation. In May 2024, we completed the construction of a rooftop solar project with an annual power generation of 2.28 million kWh, which can reduce approximately 1,140 tons of greenhouse gas emissions per year.	
	Switch to solar energy and wind-powered automatic circuit lights	Scope 2	In 2024, the Huangshi Plant replaced 20 aged and damaged traditional streetlights with solar-powered streetlights; the Kunshan Plant replaced 29 streetlights, achieving annual electricity savings of 357,700 kWh.	
	Proactively procure green electricity	Scope 2	In 2024, 8,748 MWh of green electricity was purchased, accounting for about 32.5% of the total annual electricity consumption of the Huangshi Plant. This offsets approximately 49,889 tons of greenhouse gas emissions.	

Note

An aerial photograph of a dense, vibrant green forest. A winding river flows through the center of the image, surrounded by thick foliage. A small waterfall is visible on the left side of the river. The overall scene is lush and natural, with a mix of deep green and lighter green hues. A diagonal orange and white graphic element is in the top-left corner, and a solid orange bar is at the bottom.

**Dynamic
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