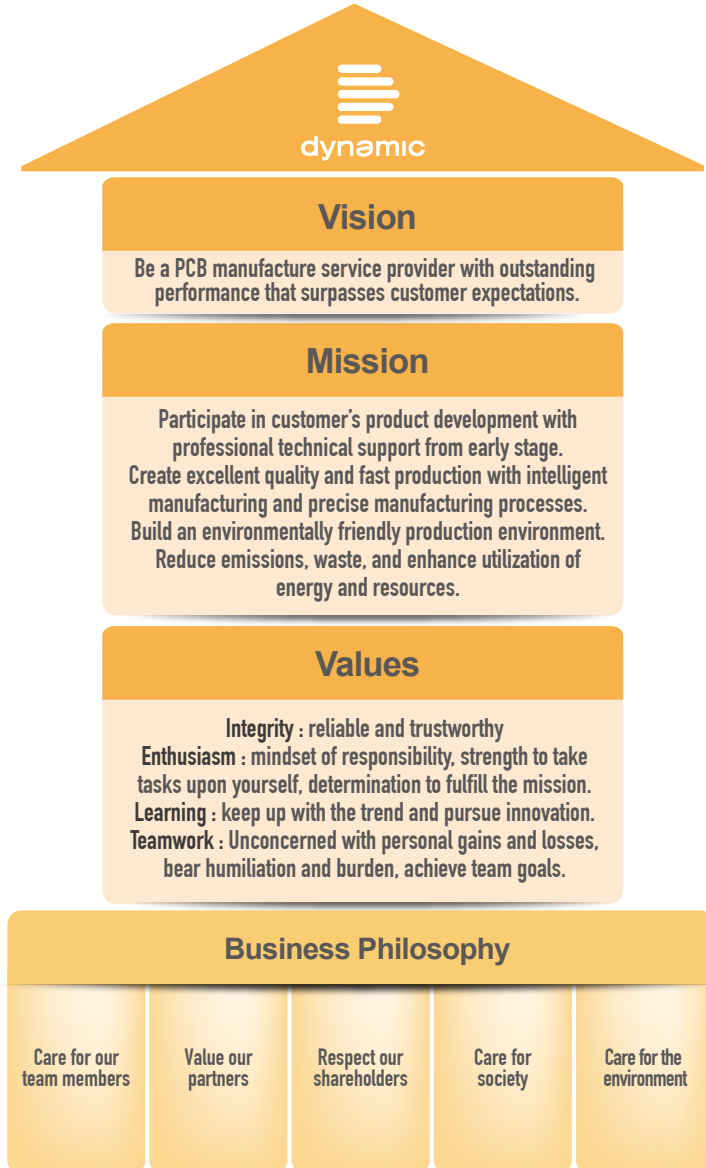




2020 ESG Report Insight





A message from the chairman of Corporate Society Responsibility Committee

The unprecedented impact of Covid-19 swept through the world in year 2020, testing the resilience and recovery ability of all the global corporate organizations. In this turmoil, Dynamic, in addition to ensuring the health of all employees, continuing operations, and shipping to customers; when demand dropped sharply, we also strived to control costs to protect the rights and interests of investors and stakeholders. During this period, Dynamic's board of directors and senior executives upheld their faith and confidence and motivated employees, reviewed the risks and opportunities and made countermeasures. Dynamic promise that nothing could stop Dynamic from continuing to learn, improve technology, pursue excellence and sustainability, and to achieve the mission of sustainability of economy, environment and society.



KEN HUANG
Chairman of Corporate Society Responsibility Committee

Dynamic value corporate governance. The core principle is to protect investors. The goal is to enhance the company's operating performance and strengthen competitiveness while realizing long-term development of Dynamic and the balance of interests of stakeholders. In order to keep Dynamic's corporate governance operations in line with the times and international standards, we follow the corporate governance blueprint issued by the Financial Supervisory Commission. Dynamic have won the top 5% of corporate governance evaluations of listed companies for five consecutive years.

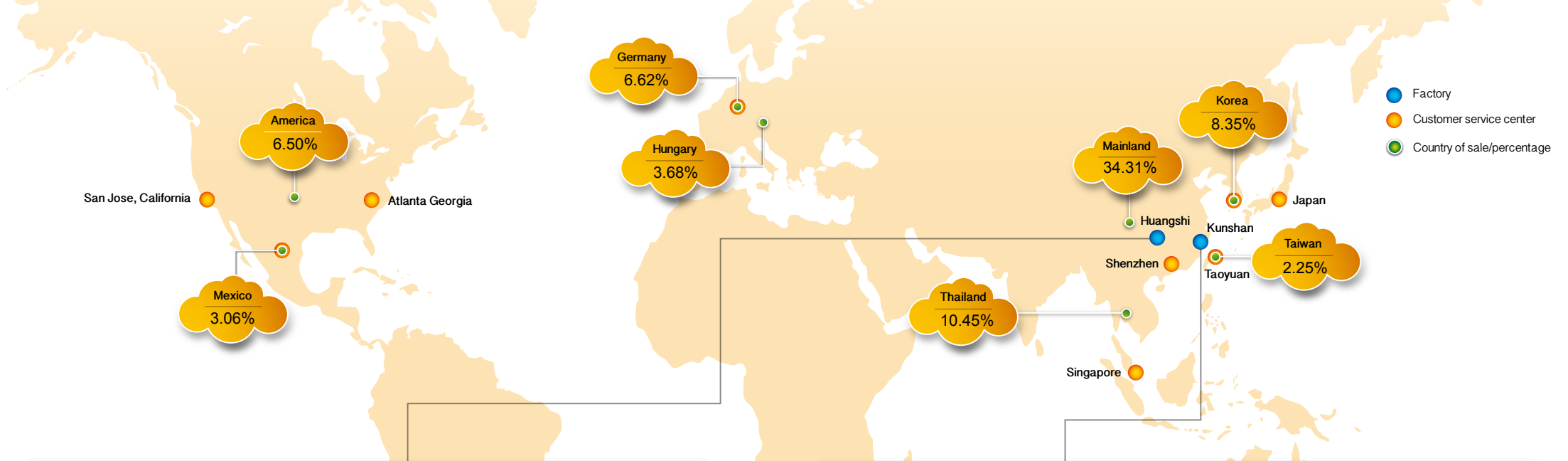
Dynamic established the "Corporate Social Responsibility Committee" in 2013 and published the "Corporate Social Responsibility Report" to disclose our economic, environmental, and social performance as a bridge to communicate with stakeholders. In addition, considering the increasing international emphasis on climate-related financial disclosures, we have initially introduced the recommended core items of the TCFD (Task Force on Climate-related Financial Disclosures) framework in this report: governance, strategy, risk management, indicators and goals, and proceeded Indicator comparison, identification and ranking of climate-related risks. We are also very happy to announce that our 2020 Green Revenues is about 10%, and it will continue to expand in the future!

We join hands with all associates to realize our business philosophy, that is to care for our employees, partners, shareholders, society and the environment, and we will move towards a better future with all stakeholders!

Dynamic is dedicated to producing high-quality, high-tech PCB to meet customer requirements. The PCB industry is highly related to technological development trends. The booming demand for 3C products in the past has also led to the vigorous development of PCB. Despite the decreasing demand for 3C lately, the accelerated expansion of advanced driver assistance systems (ADAS) and electric vehicles have led to new development opportunities for the PCB industry in response to the needs of these emerging technologies. That is why Dynamic continue to improve product quality, strengthen process capabilities and R&D technologies, we also keep going for Industry 4.0 automation and intelligent production. Dynamic focuses on applications such as 5G communications, satellites,

new energy vehicles and autonomous driving in the medium and long-term development. To stay on track of these future development trends, Dynamic has formulated its business strategy and product strategies. The following five types of PCB, high-layer count PCB, HDI, high-frequency boards, thick copper boards, and Flex boards will be focused as the main products of Dynamic.

Dynamic global operation service network includes Taiwan, China, the United States, Mexico, Germany, Czech Republic, Macedonia, Japan, South Korea, Singapore and other countries with factories, subsidiaries and offices to provide timely business product services and technical support to customers around the world.




Huangshi Plant (China)

Capital : \$50 M
 Asset : \$210 M
 Plant Area : 400 K m²
 Floor Area : 120 K m² (A)
 Employee : 1,500
 Feature : High Volume Production and High Reliability Products
 Capacity : 140K m²/MTH (conventional)
 10K m²/MTH (HDI)
 Product mix: Automotive board, Storage device, display, computer and the peripheral, storage device, consumer products
 Plant address: No. 88, Daqi Avenue, Wangren Town, Economic & Technological Zone, Huangshi City, Hubei 435000, China



Kunshan Plant (China)

Capital : \$80 M
 Asset : \$260 M
 Plant Area : 109 K m²
 Floor Area : 142.6 K m²
 Employee : 4,500
 Feature : High Volume Production and High Reliability Products
 Capacity : 170K m²/MTH (conventional)
 20K m²/MTH (HDI)
 Product mix: Automotive board, Storage device, display, netcom and server, consumer products
 Plant address: No. 1688, Jinshajiang North Road, Kunshan City, Jiangsu 215344, China



There are 17 United Nations Sustainable Development Goals (SDGs). Dynamic can engage in 8 goals based on its core competencies. Dynamic will continue to invest more actively at the level of operation and management to achieve the vision of people-oriented, sustainable co-prosperity in the short, middle and long term.

Terms	Goals	Dynamic's Achievements
Short-term	<p>Realize gender equality and empower women.</p>	There is no difference in salary and benefits due to gender.
	<p>Promote the inclusive, safe, resilient and sustainable development of cities and human settlements.</p>	Dynamic is focused on the development of automotive boards as the core product, which is in response to the future Internet of Vehicles, and it is highly related to vehicle safety and urban driving planning.
	<p>Take emergency measures to respond to climate change and its impact.</p>	Dynamic's annual energy saving rate and greenhouse gas emission reduction are set at 1% or more as the target, so as to formulate relevant energy saving implementation plans and actively promote energy-saving improvement plans, such as improving manufacturing processes, replacing and eliminating equipment and planning for power saving, etc.
	<p>Promote a peaceful and inclusive society to implement sustainable development; provide judicial channels and establish an effective, responsible and inclusive system at all levels.</p>	Dynamic set up "unreasonable mailboxes" for employees to provide opinions on improper management, suggestions on administrative operations, and protection of individual rights and interests. Dynamic set "special phone line" to provide multiple and convenient electronic accesses for partners to complain.
Mid-term	<p>Ensure a fair and high-quality education with no distinction between classes and promote life-long learning.</p>	Continue to improve and implement the employee education and training system. Establish iLearning (knowledge and learning) committee, as an advanced education and training unit with the purpose of 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. The Huangshi Plant carried out an activity of Adult University Entrance Exam qualifications of all employees in the plant.
	<p>Promote inclusive and sustainable economic growth, achieve comprehensive and productive employment, and provide everyone with a good job.</p>	Build Huangshi plant to meet customer demands and increase employment opportunities. The Huangshi plant is located in a local industrial zone, which has a clustering effect, supports the upstream and downstream electronics industries, increases local employment rates, and enhances infrastructure in the surrounding areas.
	<p>Build a firm and strong infrastructure, promote an inclusive and sustainable industry, and accelerate innovation.</p>	Dynamic intend to surpass traditional industry and move towards an innovative generation of automation, intelligence, and information, as well as boosting the competitiveness of Dynamic and all its partners in the era of Industry 4.0.
Long-term	<p>Strengthen sustainable development implementation methods and activate sustainable development global partnership.</p>	Dynamic introduce integrated thinking, incorporate corporate operation and sustainable management thinking, and emphasize interaction and co-prosperity with stakeholders, including strengthening global partnerships, serving customers with efficient quality and establishing long-term supply chain partnerships.

Energy

- Dynamic has established an ISO 50001 energy management system to improve energy efficiency and achieve the goals of energy-saving and carbon-reduction.
- Kunshan plant monitors the demand of the load and automatically manages the operation of high-energy-consuming equipment based on actual needs.
- Huangshi Plant has taken the energy-saving efficiency of the equipment into consideration at the beginning of its establishment, such as the design that the boiler incorporates the heat recovery device, and the air conditioner, exhaust gas treatment facilities, scrubber, dust collectors and other electromechanical equipment are designed with frequency conversion. By the end of 2020, the steam boilers used for process and air-conditioning heating will be replaced by hot water boilers with better energy efficiency.
- Huangshi Factory actively applies for national green factory certification.
- Dynamic will continue to pay attention to the amendments to renewable energy laws and cooperate with government policies to accelerate the introduction of renewable energy.

Performance of Kunshan plant

-15% Take 2015 base year as the baseline, the power saving rate in 2020 is **15%**

-2.67 million kWh Saving **2.67 million kWh** of electricity consumption in 2020

Performance of Huangshi plant

-61% Take 2018, the year of establishment of the factory as the baseline, the power consumption per unit of revenue in 2020 has dropped by **61%**

-61.45% Take 2018, the year of establishment of the factory as the baseline, the gas-fired consumption per unit of revenue in 2020 has dropped by **61.45%**

Greenhouse Gas Emission

Both plants have completed greenhouse gas inspections in 2020. The situation and results of the inspections are as follows:

Source of emission \ Plant	昆山廠	黃石廠
Scope 1 emissions/ proportion (metric tons CO2e/%)	5909.59/4%	9255.64/16%
Scope 2 emissions/ proportion (metric tons CO2e/%)	151,662.31/96%	50,360.50/84%
Total annual greenhouse gas emissions (metric tons CO2e)	157,571.90	59,616.14
Remark	Passed WIT's greenhouse gas emission verification on July 6, 2021.	Passed the greenhouse gas emission verification by the unit appointed by the Environmental Protection Department of Hubei Province on May 20, 2021.

The Kunshan plant's boilers were converted to natural gas, and blue fire was monitored to control the gas-fuel ratio; The heat-conducting pipes of the boiler in the Huangshi Plant have been re-insulated for better thermal protection, and the inspection of the heating area has been strengthened to avoid energy waste due to over-temperature or dripping, electric forklifts are adopted, company cars are arranged for multi-function purpose such as carpooling.

Performance of Kunshan plant

-23% Take 2015 base year as the baseline, 2020 greenhouse gas reduction **23%**

Performance of Huangshi plant

-17.24% Take 2018 base year as the baseline, 2020 greenhouse gas per unit reduction is **17.24%**

Water Resources Management

Kunshan plant adopted the following main water-saving measures in 2020: reclaimed water saves about 1,007 tons of water per day, and daily water monitoring to avoid excessive water consumption.

Huangshi Plant manages water resources through water-saving incentives, energy consumption control measures, and process water-saving mode technologies.

	Daily water consumption (CMD)	Water cycle amount	Water recovery rate
Kunshan plant	5,480	1,677	30.61%
Huangshi plant	4,526	1,356	33.20%

Performance of Kunshan plant

30.61% 30.61% Water recovery rate in 2020

-27% Compared with 2015 as the baseline, the water consumption in 2020 is reduced by 38.97%, and the water consumption per unit of revenue is reduced by **27%**

Performance of Huangshi plant

33.2% Water reuse rate reaches **33.2%**, and it is planned to recycle the discharged water. In 2020, 97,600 tons of discharged water was reused, and 150 tons of air-conditioning condensate was recovered.

-23.79% Water consumption per unit of revenue in 2020 was reduced by **23.79%** compared to 2018.



Air Pollution

- ▶ Reduction in sources: implement clean production at the source of production, replace fossil fuels with clean energy (such as diesel replaced by natural gas, etc.), adjust high-polluting chemicals used in the process, etc.
- ▶ Pipe end treatment: In each process, the air pollutants are divided and collected according to the characteristics of the air, and the advanced technology is selected according to different characteristics to effectively reduce the pollutant emissions, and the control items and emission standards listed in the regulations are regularly monitored.

Performance of both plants

- 0** | The number of penalties for air pollution emissions violations is **0**
- 100%** | The monitoring compliance rate of exhaust emissions from 2018 to 2020 is **100%**.

Circular Economy, Waste Reduction

Promoting a circular economy is one of the strategies for waste reduction. Changing the source of raw materials and recycling and reuse of process waste not only had reduced the greenhouse gas emissions caused by the processing of materials, but also reduced the cost of materials for production.

- ▶ **Reduction of waste:** Kunshan plant's "high ammonia nitrogen wastewater evaporation system" and "acid-base etching solution electrolysis equipment" have been added and used in 2020. Hazardous waste has been reduced by 15% compared with 2019, and the volume of waste liquid transportation has been reduced by 34%.

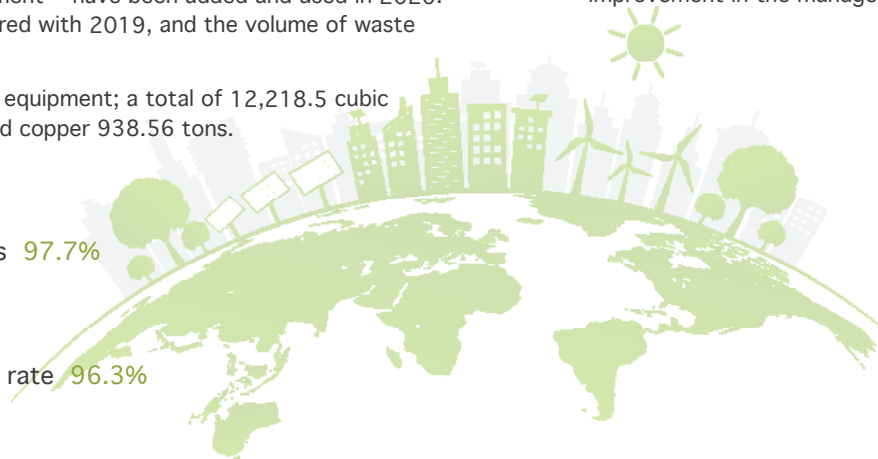
Huangshi Plant's heavy metal waste liquid recovery equipment; a total of 12,218.5 cubic meters of waste liquid output was reduced; recycled copper 938.56 tons.

Performance of Kunshan plant

97.7% | Waste recycling rate in 2020 is **97.7%**

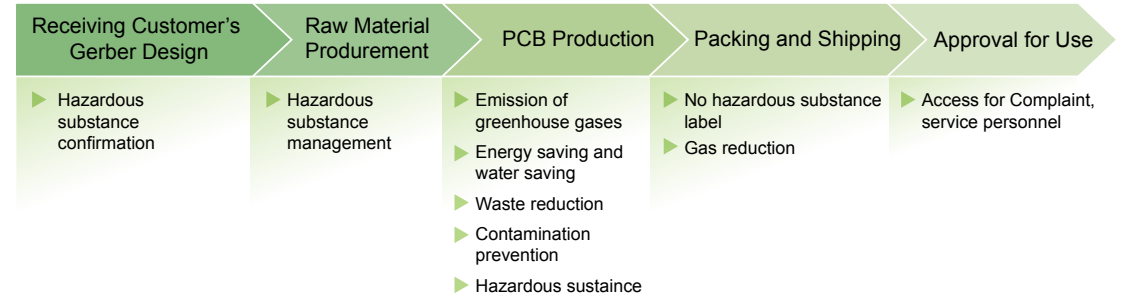
Performance of Huangshi plant

96.3% | Huangshi plant waste recovery rate **96.3%**



Green Product and Process

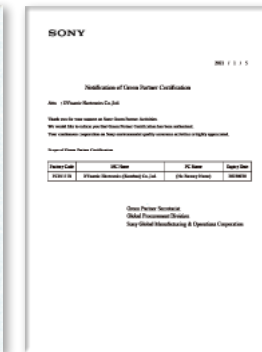
Dynamic attaches great importance to the impact of products and manufacturing processes on the environment and continues to reduce the use of resources and the generation of harmful substances in the process of product design, raw material procurement and production, so as to reduce the impact on the environment and improve the eco-friendly level of the products.



- ▶ Use more environmentally friendly chemicals: Dynamic Chemicals Committee completed the introduction of five chemicals in 2020, which not only reduced production costs, but also had substantial reduction in ammonia and nitrogen emissions in wastewater.
- ▶ Process/material halogen-free: SQE requires all raw material vendor to sign the "Product Does Not Contain Environmentally Hazardous Substances Guarantee", and the sign-back rate is 100%. IQC monitors the halogen content of the materials inspected by suppliers in 2020: undetected 100%.
- ▶ Dynamic has established an IECQ QC080000 hazardous substance management system and obtained relevant customer certifications (such as Sony Green Partner). Dynamic will maintain the continuous effectiveness and improvement in the management system.



Kunshan plant : IECQ QC080000



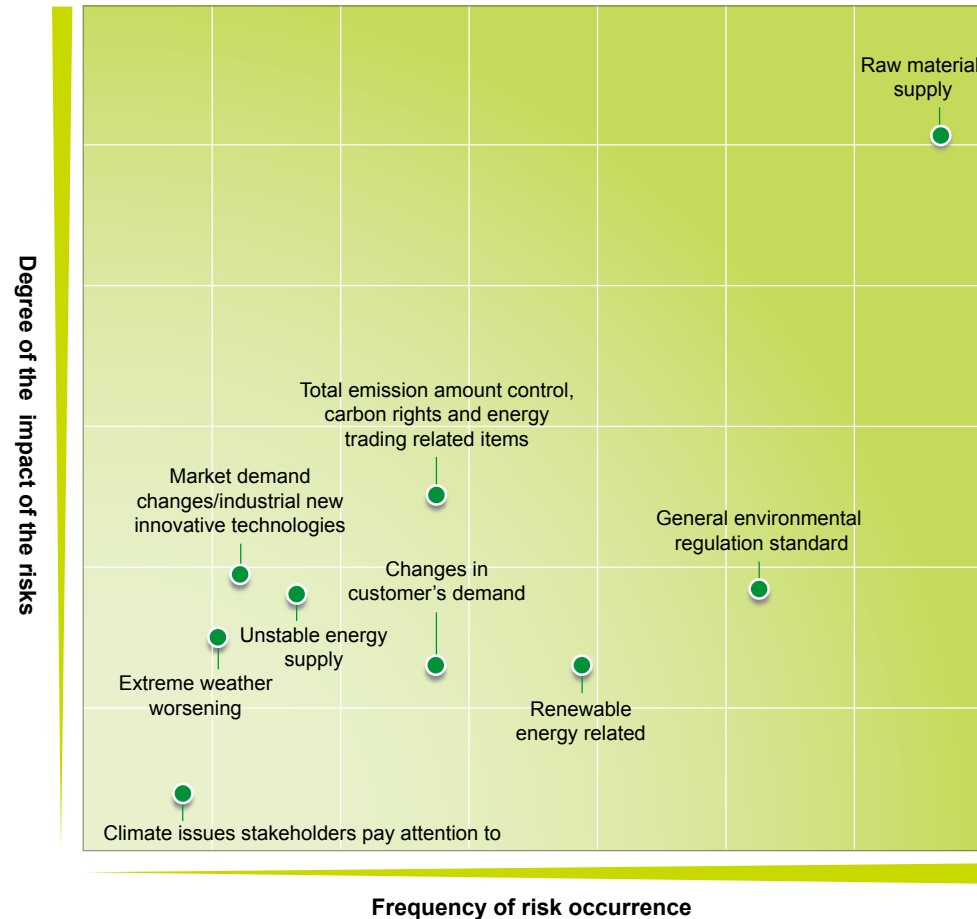
Sony Green Partner



Huangshi plant : IECQ QC080000

TCFD Task Force on Climate-Related Financial Disclosures

In 2020, Dynamic used Task Force on Climate-Related Financial Disclosures and TCFD to make comparison for indicators, then counted and identified the company's various climate change risk issues and ranked them. A total of nine major risk proposals were identified. Dynamic set the tracking management system and goals according to the characteristics of each issue.



Topics	Significant performance in 2020
Raw material supply	<ul style="list-style-type: none"> The number of days of interruption in the supply of raw materials due to climate change is 0 Completed 11 evaluation alternatives to increase the source of supply In 2020, the average utilization rate of the raw materials releasing for the CCL increased by 0.4% compared to 2019 The scrap rate of products in 2020 is reduced by 13% compared to 2019
General environmental laws and regulations	<ul style="list-style-type: none"> No violations of environmental pollution The concentration of pollutants discharged from wastewater is controlled below 50% of the discharge standard, and the pollutant discharge per unit product has been reduced by 2% compared to the previous year Introduced the best and feasible technologies for VOCs to improve treatment efficiency, and have not been listed the severe air pollution shutdowns in the past two years Establish high ammonia nitrogen treatment equipment to reduce waste and convert it into usable raw materials for the chemical industry Continuous monitoring soil and groundwater pollution in the plant area
Total emission amount control, carbon rights and energy trading related items	<ul style="list-style-type: none"> Huangshi Plant completed the purchase of carbon emission rights for Hubei Carbon Trading Center, totaling 6,681 tons The Huangshi Plant has not been suspended or restricted by the government due to total carbon emission control in 2020 Greenhouse gas emissions per unit product of Huangshi Plant reduced by 2.4% The Kunshan plant replaces high-energy-consuming motors and link up with waste gas treatment equipment to reduce the numbers of operation.
Renewable energy related topics	<ul style="list-style-type: none"> Actively paying attention to the trend of renewable energy amendments
Changes in customer's demand	<ul style="list-style-type: none"> Evaluated and reviewed the upstream vendors, vendor improvement rate > 99% Huangshi factory passed ISO14001 audit certification
Unstable energy supply	<ul style="list-style-type: none"> The factory hasn't not stopped production due to energy shortages / unstable supply, and normal production throughout the year. Put forward emergency plans for the replacement of gas and diesel energy to reduce the impact of power rationing.
Market demand changes/industrial new innovative technologies	<ul style="list-style-type: none"> Green revenue from solar energy, electric vehicles... and other related products accounts for 10% of revenue
Extreme weather worsening	<ul style="list-style-type: none"> The environmental safety and transportation cost indicators of the two plants meet the standards Extreme weather causes raw material supply/factory production interruption for 0 days Establish an early warning mechanism for transportation and dispatch, and conduct emergency plan drills for extreme weather
Climate issues Stakeholders pay attention to	<ul style="list-style-type: none"> Actively pay attention to and respond to the climate issues required by the market and stakeholders' concerns.

Human Rights Policy

No human rights relevant complaints in Dynamic in 2020

- Dynamic strictly abides by domestic and foreign labor and human rights regulations, and introduces Responsible Business Alliance, referred to as RBA, to treat all employees fairly, provide equal working opportunities, non-discrimination, no child labor, and prohibit forced and compulsory labor. Employees are infringed on their legal rights or when it is improperly handled and cannot be resolved reasonably, an “unreasonable mailbox” is provided as a complaint channel. The company keeps the identity information of the reporter(whistleblower) confidential. Dynamic's important customers often visit the factory for human rights audits by themselves or by entrusting international certified companies, and Dynamic passed all the audits smoothly. In addition, Dynamic also strictly reviews the contents of all investment agreements and contracts, and specifically reviews and requires the human rights clauses involved.

Occupational Health and Safety

Dynamic per capita education and training hours in 2020			Work Safety Accidents happened at the two Plants in 2020
22 hours Taoyuan Operation Center	18.2 hours Kunshan Factory	16.3 hours Hunagshi plant	0 Major accident

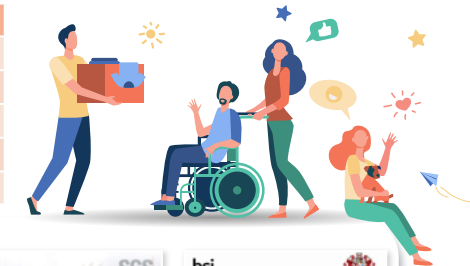
Hazard identification, risk assessment, and accident investigation

Dynamic set up a risk assessment team to be responsible for the identification and evaluation of risks in the workplace, and to conduct hierarchical management and control of each risk, formulate management and control measures in order, and review them every year. The results of the hazard identification of each plant in 2020 are as follows: For those who identify major risk items, set up a project immediately to quickly reduce the risk; for those who are identified as intermediate, they are included in continuous improvement objects; for those that are identified as minor, they are also strictly prevented in accordance with the company's regulations.

Risk analysis	Type	Kunshan plant			Huangshi Plant		
	Accident type	Times of occurrence	Proportion	Accident type	Times of occurrence	Proportion	
Major risk	-	0	0%	-	0	0%	
Mid-degree risk	Other explosion	37	13%	Personal injuries	35	12%	
	Poisoning and suffocation	32		Skin corrosion	10		
	Fire	31		Fire	10		
	Other injuries	30		Smashing, crushing	8		
	Mechanical injuries	5		Explosion accidents	8		
	Burns	5		Respiratory infection	6		
	Electric shock	3		scald	5		
	Boiler explosion	2		Loss of hearing	4		
	-	-		Dust occupational disease	3		
	-	-		Leakage of hazardous chemicals	2		
Minor risk	-	-	87%	Electric shock	2	88%	
	-	-		Poisoning	2		
	-	-		-	-		
	-	-		-	-		
Minor risk	-	983	87%	-	670	88%	

Occupational Safety and Health Staff Training

	Session	Hour	People	Hour*people
Annual safety training for employee	44	2	4,300	8,600
Safety training for new employee	154	2	7,217	14,434
Other work safety advocacy	12	0.5	4,000	2,000
Work safety courses and session	1	8	350	2,800
Total	168	12.5	15,867	2,258,236



Occupational Safety and Health Management System

The two factories set up by Dynamic Electronics in Mainland China have established and improved labor safety and health systems in accordance with the requirements of Article 52 of the Labor Law of the People's Republic of China and have completed the ISO 45001 system verification.



Composition of the staff

Category and allocation of Dynamic's employees

Year		2019	2020
Average age		31.17	31.20
Average time of service		2.49	2.87
By contract	Official	4,938	4,561
	Unofficial	811	1,347
By gender	Male	3,347	3,508
	Female	2,402	2,400
By region	Taoyuan operation center	99	41
	Kunshan plant	4,063	4,385
	Huangshi plant	1,587	1,482
By the nature of work	Direct	4,926	5,181
	indirect	823	727
By education background	Doctor	3	3
	Master	15	16
	College	1,160	1,174
	High school graduates	986	908
	High school and lower	3,585	3,807
Total		5,749	5,908

Maternity leave, communication access

2020 Kunshan/Huangshi Plant Maternal Protection Plan

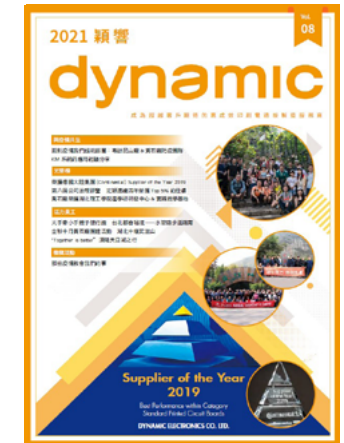
- ▶ There is currently no unpaid leave system for maternity leave in mainland China. Kunshan and Huangshi plants adopt the following maternal protection plans:
- ▶ Counting the number of pregnant women every month. Keep the track of the employees who's over (include) 7 month pregnant. Night shifts and overtime are not allowed. At the same time, the unit is reminded to adjust their job function appropriately and not to let them engage in heavy physical activities.
- ▶ Female employee can take 128 days of maternity leave, and the husband can take 15 days of paternity leave.
- ▶ For female employees who are breastfeeding, they can enjoy one hour of paid breastfeeding leave every day from the birth of the baby to the first anniversary.

Plant name	Pregnant over 7 months	Maternity leave	Paternity leave
Kunshan plant	5	48	48
Huangshi plant	7	18	33

Enterprise internal publication

Beginning in 2014, "Dynamic Magazine" has reported and reviewed all-round activities and achievements inside and outside the group every year, making the most realistic record of the growth process of Dynamic Magazine, and presenting the diverse and colorful lives of employees in Dynamic Magazine.

- ▶ In 2020, the Taoyuan Operations Center did not receive any complaints throughout the year.
- ▶ In 2020, the Kunshan plant received a total of 13 complaints, a decrease of 58% from the 31 in 2019.
- ▶ In 2020, the Huangshi Plant received a total of 4 complaints, a 67% decrease compared to the 12 cases in 2020.



Customer information confidentiality

Dynamic passed all the audits of customers' product and information security and confidentiality in 2020, and there were no complaints about infringement of customer privacy or loss of customer information.

Dynamic attaches great importance to the management, preservation and confidentiality of customer information. "Protecting customer privacy and preventing leakage or loss of customer information" is the established policy and commitment of Dynamic.

- Developed a complete and systematic process for processing customer data, with a dedicated unit responsible for receiving, managing and storing customer data, and relevant personnel have signed confidentiality agreements.
- Non-responsible personnel must go through an application to access the materials, be approved by digital signature, and may not copy the materials.
- IT has built a data encryption system. The person in charge of the data must encrypt the data according to the confidentiality level of the data for security protection.
- Strengthened the governance mechanism for network security, such as blocking network hard drives, instant messaging software, mobile storage media, network mailboxes, etc.
- Strict control over the use of cellphones and mobile networks

Responses to Customer cases

Calculate the number of customer services and the processing timeliness and a review every month.

100%

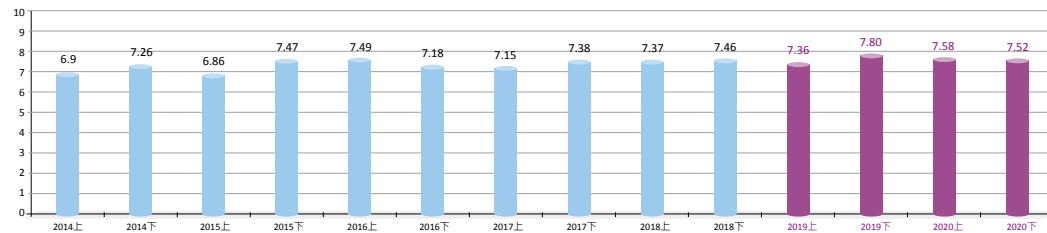
On-time completion rate of customer service at Kunshan plant

100%

On-time completion rate of customer service at Huangshi plant

Customer satisfaction survey

Customer satisfaction surpasses the preset target for 2020 and is moving towards a higher goal.



Dynamic regularly asks the top 15 or 20 customers and important customers to fill in the satisfaction survey form every six months. Due to the impact of the 2020 epidemic, the delivery and freight satisfaction surveys have been slightly affected, and the overall satisfaction in 2020 is slightly declined.

Sustainable supply chain

Local procurement

Dynamic will work together with the local cooperation to reduce costs, shorten delivery time, reduce supply chain risks, and enhance competitiveness and on the premise of a win-win situation. In addition, local procurement are also important indicator of corporate social responsibility and the goal of sustainable development of the United Nations in terms of supporting local economic development, creating job opportunities, paying taxes, and attracting more capital investment. In 2020, the Kunshan plant and Huangshi plant's local purchases accounted for 99% and 98% respectively.

Supply Chain assessment

For the main raw material suppliers, Dynamic requires them to promise and guarantee the following: Comply with Dynamic's integrity policy and conflict minerals policy; meet the requirements of the electronic industry code of conduct (RBA); pass the verification of the ISO 9001 quality management system; in accordance with ISO14001 The spirit of the environmental management system and ISO45001 occupational safety and health management system, to establish and maintain the operation of related systems; follow international standards and regulations for no hazardous substances; formulate corporate social responsibility policies, integrity policies, and energy, environmental, safety and health policies, etc., and promote the corresponding management system. In 2020, the main raw material suppliers of Kunshan Plant and Huangshi Plant have passed the ISO9001 quality management system verification rate of 81.11% and 84.75%, respectively.

Counseling for supplier

Dynamic evaluates the supplier's monthly performance every month, including quality, unit price, delivery time, excess freight, service, etc., and provides guidance to improve suppliers' abnormal performance.



Conflict minerals policy

Dynamic formulated the "Conflict Minerals" policy and commitment in 2013. It not only has sound policies, guidelines, and due diligence procedures, but also requires business partners to cooperate with and implement this policy, and must not use or provide metals from improper sources to be consist with international standards, trends and customer requirements. Dynamic updates the conflict mineral report template regularly for customers to review, and Dynamic's "Conflict Minerals" policy is disclosed on the company's official website for public review.

<https://www.dynamicpcb.com/>

Diversified Board Structure

In 2020, the seven directors of Dynamic with rich operating experience and academic background include four independent directors, and one of the four independent directors is a woman. Dynamic

expects to lead the group through a more professional, independent and diversified board structure and achieve sustainability of the enterprise.

Title	Name	Current post	Gender	Concurrent post	Age (years old)	Incumbency as independent director (year)	Operational management	Leadership and decision making	Finance and accounting	Strategy and risk planning	Industry trend analysis	Industry technology development
Director	Ming-Hung Huang	Chairman and CEO of Dynamic	Male	v	40-50	-	v	v	-	-	v	v
Director	Hong-li investment Representative Ron Ni	Plant GM of Dynamic	Male	v	Over 50	-	v	v	-	v	-	-
Director	Ming-Ji Investment Representative: Yuan-Jung Sun	Finance Manager of JAIN SHIN ELECTRONIC CO., LTD.	Male	-	40-50	-	v	-	v	-	v	-
Independent director	Yi-Chia Chiu	Deputy Dean of NCCU College of Commerce	Male	-	40-50	Under 3 years	-	-	v	v	-	v
Independent director	Su-Fan Liu	Chairman Special Assistant of Foxlink	Female	-	Over 50	Under 3 years	v	-	v	-	v	-
Independent director	Ko-Yi Liu	Full-time Assistant Professor of Yuan Ze University -College of Management	Male	-	Over 50	3-6	v	-	-	v	v	-
Independent director	Chian-Jou Lin	Vice President of Emotibot	Male	-	40-50	3-6	-	v	-	-	v	v

Connection between compensation and sustainability

The compensation of dynamic directors and the composition of the salary of senior executives (CEO, President, Vice President) are determined based on the policies, systems, standards and structure of compensation recommended by the remuneration committee which are closely related to the current year and long-term performance goals (economic , Environment and society).

Green Revenue

Dynamic's green revenue of about 12.6 billion in direct economic value in 2020 is about 10%, including applications in new energy vehicles, solar equipment, batteries, etc., and it is expected to increase in 2021!

Risk Management

In 2020, the Risk Management Committee appointed the person in charge of strategy, operation, finance, hazards, climate changes, etc. to continuously assess the impact of external economic, environmental, and social changes on the organization, in order to find opportunities, and formulate countermeasures and action plans. After the reports were summarized, they were submitted to the chairman for approval and guidance, and then reviewed and advised by the audit committee before being reported to the board of directors. The organization chart of the Risk Management Committee is shown in the figure below.

Organizational chart of Risk Management Committee



2020 Risk assessment

	Risk item	Opportunity
1	The spread of notifiable disease	1. Established an operational continuity plan structure. 2. Enhanced the company's operational resilience.
2	The impact of flood on the operation of Huangshi plant	1. Huangshi Plant has completed the contingency plan for extreme rainstorms and flood disasters and incorporated it into the plan when building new plants. 2. Comprehensively review the resilience of the supply chain and formulate a long-term plan.



Compliance with regulations

The compliance procedure of Dynamic's three line-defense

Dynamic has established three lines of defense for compliance procedures in different regulatory areas, including corporate governance, insider trading, securities regulations, subsidiary supervision, document management and preservation, environmental regulations, occupational safety, labor regulations, intellectual property, confidential information protection, and personal Data protection, export control, etc. Each responsible unit regularly and systematically conducts the identification, amendment, promotion and implementation of regulations to ensure that the regulations are fully complied with. Under this rigorous procedure and actual implementation, the Group has not incurred significant fines in 2020 due to violations of laws and regulations related to the provision and use of products and services, environmental issues, and other issues (fines exceeding NTD1,000,000), and no other penalties caused by other responsibility violation.



Operational continuity management plan

Dynamic has updated its operational continuity plan in 2020. All risks that may cause operational interruption are included in this plan. The chairman's office is responsible for the strategic planning of the operational continuity plan, and the dedicated personnel of each department are responsible for drafting each department's operational continuity plan based on the company and departmental strategies.



Non-stop epidemic prevention and continuous operations

External environment and impacts

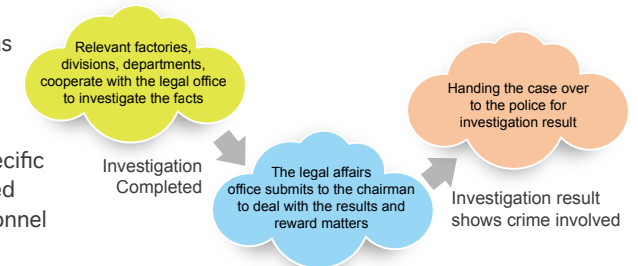
- In the first quarter, strict closed-off management of the factory area was adopted to ensure the health of all employees, and to continue to operate, to supply customers with more than 70% utilization rate;
- In the second quarter, due to the suspension of major European and American automotive customers, demand dropped sharply. We tried our best to control costs to achieve a new high gross profit margin. In the second half of the year, European and American car factories resumed work. The strong rebound in demand from automotive customers stabilized the business recovery. However, the appreciation of the RMB and NTD against the U.S. dollar, the decline in the utilization rate caused by the lack of labor, the increase in labor costs, and the low gross profit of some old parts of auto plates led to decline in profit.
- In response to factors, we have taken corresponding measures, such as signing forward foreign exchange contracts with banks to reduce the impact of exchange rates, accelerating the development of applications such as communications, satellites, new energy vehicles, and advanced driving, and introducing relevant technologies to continuously optimize yield rate and cost, etc.
- At the same time, Huangshi Smart Plant I successfully produced 250,000 square feet of traditional PCB and 50,000 square feet of HDI in the third quarter. Plant II has also begun construction in 2021. With our unremitting efforts, we will be able to demonstrate long-term excellent performance.

Dynamic's anti-epidemic team



Anti-corruption

To comply with anti-corruption policy, Dynamic has established a stricter supervision mechanism for departments and business activities with high risk of dishonesty, and on the other hand stated the "Reporting and Rewarding Practice Measures", specific reporting accesses, rewarding systems, and related confidentiality mechanisms of the dedicated personnel in charge and processing procedures.





For the 6th Corporate Governance Evaluation- Ranked top 5% as the highest scale for four consecutive years.



Awarded "Supplier of the Year 2019" From Continental



Awarded the main PCB supplier of world-class auto parts



Awarded "Year 2020 Harmonious Labor Relations Enterprise of Kunshan city"



Dynamic is awarded the 2020 Huang-shi City Outstanding Water-Saving Enterprise



Holding Opening Ceremony of Industry-University-Research R&D Center with Hubei Polytechnic University in 2020