

Dynamic 2021 ESG Report Insight

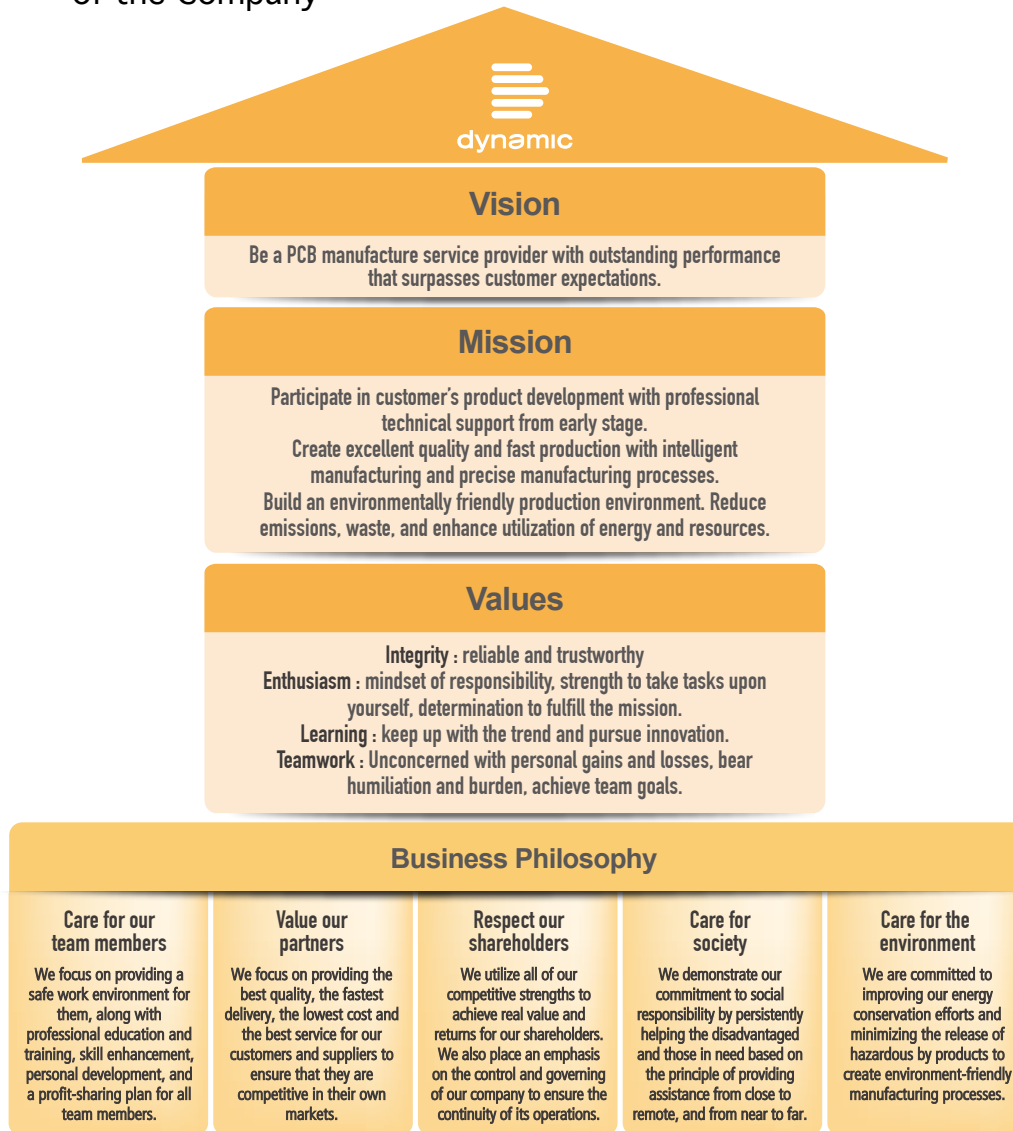
ESG
Report
Insight

20
21


dynamic



The Vision, Mission, Values, and Business Philosophy of the Company



ESG Message from the Chairman of Sustainability Committee

2021 was a challenging year for everyone. Covid-19 has been with us for two entire years. The recurrence of the epidemic and the emergence of virus variation do not allow us to guard down even a little bit; at the same time, the world continued to experience rare extreme weather which has caused serious casualties and property damage, and the problem of climate change is increasing day by day. It has been sitting top 1 risk for six consecutive years, making the importance of ESG a global consensus.

For this reason, we decided to define ourselves with "sustainability". While taking into account the growth of profits, we bring out positive influence through the practice of sustainability, so as to benefit the "global environment" and "social human beings" at the same time. In order to achieve this corporate goal, we first integrate sustainability into the board of directors and set up an ESG sustainability committee. Under the guidance and supervision of the board of directors, we recruited all relevant departments, including Operations, Environmental Safety and Health, Public Affairs, R&D, Quality Assurance, Sales, Supply Chain management, Human Resources, IT, Finance, Legal Affairs, etc., with sound corporate governance as the cornerstone, set strategic goals for all aspects of ESG and planned action items, adjust the direction and expand the scope step by step, hoping to establish a top-to-bottom operating model and incorporate it in our day-to-day business.

Our priority is to activate the "governance" area to ensure the overall progress towards a clear target, and then link the compensation of directors and senior managers to the overall "environmental" and "social" performance of the company. In terms of age and gender diversity of board members, we allow more young people's voices to be included in the decision-making process, and at the same time make the employees' daily work an inseparable part of the power of good deed, and to be inspired to take more effective actions for sustainability.

To establish a sustainability system and improve information transparency, we carried out the identification of climate-related risks and opportunities based on TCFD in our sustainability report last year, and formulated management policies and countermeasures in response to climate change. This year, we have further introduced the scenarios of climate change risks in a complete manner. At the same time, in order to more fully demonstrate long-term performance and value, this year we also tried to prepare ESG information in accordance with SASB standards to meet the comprehensive needs of stakeholders.

I would like to thank all the partners who share the same vision to go on this challenging path of sustainability. We are inseparable, let us fulfill the sustainability vision of governance, earth, human and prosperity with the most sincere attitude!

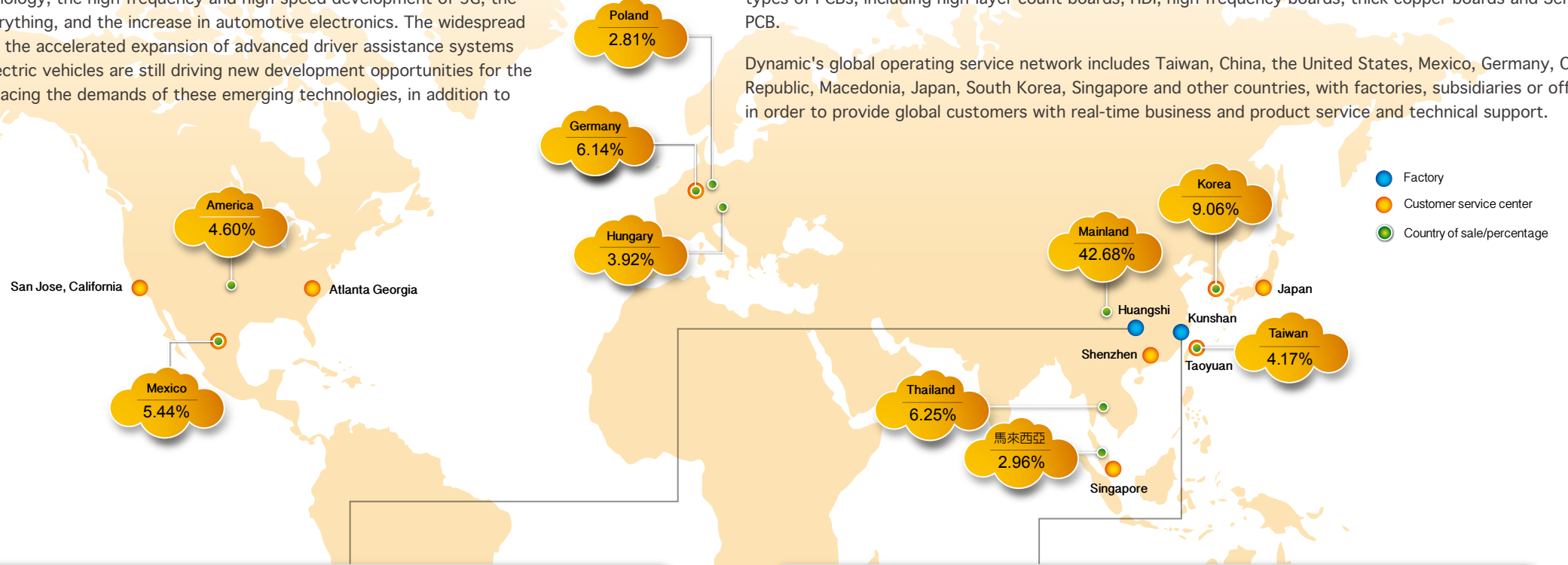


KEN HUANG
Chairman of Sustainability Committee

Dynamic is committed to producing high-quality, high-tech printed circuit boards to meet customer needs. The PCB industry is highly related to the development trend of Technology. In the past, the explosive growth of demand for 3C products has also led to the vigorous development of circuit boards. Nowadays, the demand for 3C has slowed down. However, under the topics of emerging technology, the high-frequency and high-speed development of 5G, the Internet of Everything, and the increase in automotive electronics. The widespread application and the accelerated expansion of advanced driver assistance systems (ADAS) and electric vehicles are still driving new development opportunities for the PCB industry. Facing the demands of these emerging technologies, in addition to

continuously improving product quality, strengthening process capabilities and R&D technologies, automation and intelligent production are constantly deepening. Dynamic takes 5G communications, satellites, electric vehicles and autonomous driving as its mid- and long-term development priorities. Based on these future development trends, Dynamic plans an operational strategy and then sets a product strategy, focusing on five types of PCBs, including high-layer count boards, HDI, high-frequency boards, thick copper boards and Semi-Flex PCB.

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



Huangshi Plant

Capital : US\$130 M
 Asset : RMB 2.79B(US\$430M)
 Plant Area : 400 K m²
 Floor Area : 120 K m²
 Capacity : 1.6M sqft/mth (Multilayer)
 100K sqft/mth (HDI)
 Employee : 1,879
 Feature : High Volume Production and High Reliability Products
 Product mix : Automotive, display, computer and peripheral, storage device, consumer products
 Plant address : No. 88, Daqi Avenue, Wangren Town, Economic & Technological Zone, Huangshi City, Hubei 435000, China



Kunshan Plant

Capital : US\$80 M
 Asset : RMB 1.97B(US\$310M)
 Plant Area : 109 K m²
 Floor Area : 142 K m²
 Capacity : 1.7M sqft/mth (Multilayer)
 200K sqft/mth (HDI)
 Employee : 2,949
 Feature : High Volume Production and High Reliability Products
 Product mix : Automotive, Storage device, display, netcom and server, consumer products
 Plant address : No. 1688, Jinshajiang North Road, Kunshan City, Jiangsu 215344, China



A total of 17 United Nations Sustainable Development Goals (SDGs) were set. Dynamic, based on its own core competencies and 8 goals, continues to invest more actively in operation and management in the short, middle and long term to achieve the vision of people-oriented, sustainable and common prosperity.

Responses to SDGs	Implementation Results
<p>Gender Equality</p>	<ol style="list-style-type: none"> Both male and female are paid according to the same and transparent salary scale. The number of female supervisors in 2021 was 40, the same as i2020, and the proportion increased from 31% to 32%. There is one female director among the independent directors.
<p>Sustainable Cities</p>	<p>In 2021, the overall proportion of automotive boards in total revenue has increased to 52%, and the proportion of electric vehicle boards has also reached 13% of total revenue, which will continue to increase. At the technical level, it has also expanded to HDI, high-frequency radar boards, thick copper boards, and Semi-Flex PCB.</p>
<p>Climate Action</p>	<ol style="list-style-type: none"> Complete the assessment of climate scenarios and risk impact ranges according to the TCFD framework. The Kunshan Plant takes 2015 as the baseline, and the power saving rate in 2021 is -10%, mainly through energy-saving control of high energy-consuming equipment; the greenhouse gas reduction is -30%, mainly because 15% of the electricity consumption structure is green electricity , reducing CO2 emissions. Taking 2018 as the baseline, the power saving rate and GHG reduction of the Huangshi Plant in 2021 was +87% and +122%, respectively, mainly due to revenue growth (454.6% increase over the base period); if calculating by the electricity consumption and emissions per unit of revenue, they decreased by 66% and 44% respectively compared with the base period. The Huangshi factory has been announced as a national green factory in 2021.
<p>Peace and Justice System</p>	<ol style="list-style-type: none"> The total reported number of complaints in 2021 is 14, a 7% decrease from 15 in 2020, showing most issues have been improved. The CEO mailbox in 2021 didn't receive any complaints. No reports were received on the whistleblower hotline in 2021.
<p>Quality Education</p>	<ol style="list-style-type: none"> In 2021, the average hours of education and training for all employees in the Taoyuan Operation Center, Kunshan Plant and Huangshi Plant reached 19, 19 and 18 hours, respectively. In response to Covid-19, the courses were changed to online courses as much as possible, tests were taken at the end of the training to ensure the result and effect. The yield rate of the two factories increased, the quality cost decreased, and the income of employees increased, making the working environment stable. In 2021, Huangshi Plant had 40% of its employees with a college degree or above. At the same time, 45 employees have further pursued their on-the-job education and successfully graduated from Hubei University of Technology and Hubei Normal University.
<p>Decent Work & Economic Growth</p>	<ol style="list-style-type: none"> By the end of 2021, the production capacity of Huangshi Plant I has been fully opened, reaching 1.7 million square feet, and the construction of Huangshi Plant II has begun in Q1 of 2021. It is expected to open 10~15% of production capacity in Q3 of 2022. Profits continue to grow, providing employees with a stable employment environment. The local procurement ratio of raw materials for the Huangshi Plant is 99%, and the local employment ratio of Hubei Province is 60%.
<p>Industry/Innovation/ Infrastructure</p>	<p>The planning of Huangshi Plant I focuses on the application of automation, intelligence and networking, and at the same time meets the requirements of energy conservation, emission reduction, water conservation and electricity conservation, environmental protection and industrial safety. It is a modern plant area that combines economy, environment and the latest technology. The construction of Huangshi Plant II will place more emphasis on reducing the impact on climate change, as well as on adaptation and resilience to climate change.</p>
<p>Global Partners</p>	<ol style="list-style-type: none"> Dynamic has been ranked among the top 5% of listed companies in the evaluation of corporate governance for five consecutive years. Dynamic cooperates with more than 1,000 suppliers around the world to jointly promote Corporate Social Responsibility. Prepare ESG information in accordance with SASB standards.

Energy

- ▶ Dynamic maximizes energy efficiency by establishing ISO 50001 energy management system, showing improved performance, lower energy costs, and more energy-saving and to reach carbon-reduction goals.
- ▶ Kunshan Plant implements an energy-saving plan for fixed-frequency and high-energy-consuming equipment, flexibly adjusts the number of ice machines to be turned on according to the weather and temperature, and flexibly adjusts the dust collector air valve according to the equipment load of the production line to control the flow of current, and the electricity consumption is reviewed every morning.
- ▶ In addition to continuing to pay attention to the trend of renewable energy law amendments, Kunshan plant has purchased green power from 2021, and build a photovoltaic power generation project with an annual power generation capacity of about 150,000 kWh to provide electricity for living areas.

Performance of Kunshan plant

-10% | 10% energy savings in 2021 taking 2015 as the baseline

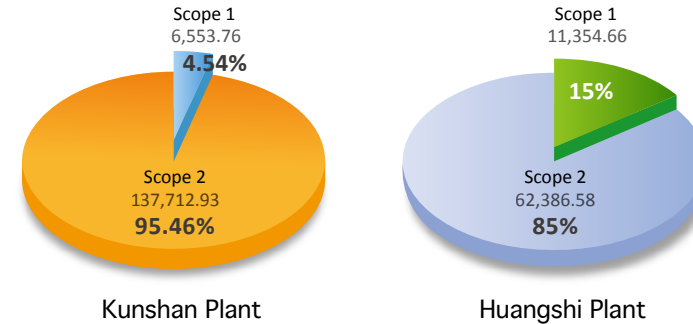
-18.81% | Electricity intensity per unit of revenue in 2021 decreased by 18.81% compared with 2020

Performance of Huangshi plant

-14.54% | Electricity intensity per unit revenue in 2021 decreased by 14.54% compared with 2020

Greenhouse Gas Emission

Both plants have completed greenhouse gas inspections in 2021. The situation and results of the inspections are as follows:



The kerosene boilers of the Kunshan Plant have been switched to natural gas since 2021, and the boiler efficiency can theoretically increase by about 6%; the Huangshi Plant has changed the process heating and air conditioning heating to hot water boiler heating at the end of 2020, and the heat exchange stability is higher than that of the steam boiler, the consumption of natural gas is lower than that of steam boilers.

Performance of Kunshan plant

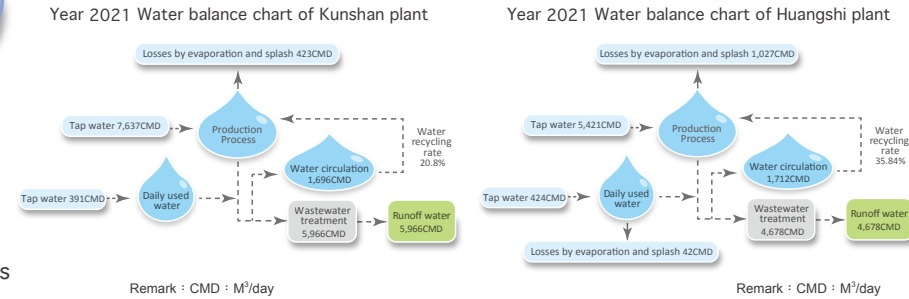
-23.38% | Fuel Intensity decreased by 23.38% in 2021 compared to 2020

Performance of Huangshi plant

-19.80% | Fuel Intensity decreased by 19.80% in 2021 compared to 2020

Water Resource Management

- ▶ Dynamic carried out the impact assessment of water intake at the Kunshan and Huangshi plants to ensure the sustainability of water resources and the water rights of the surrounding residents.
- ▶ Huangshi Plant implements water-saving incentive energy management and control measures and process water-saving mode technology.
- ▶ Huangshi Plant won the honor of National Green Factory for Advanced Unit of Energy Use.



Performance of Kunshan plant

20.80% | 20.80% water recycling rate in 2021

-17.27% | The water consumption in 2021 was reduced by 10.6% compared with the base period of 2015, and the water consumption per unit of revenue was reduced by 17.27% compared with the base period of 2015

Performance of Huangshi plant

35.84% | The water reuse rate reached 35.84%, and it was planned to recycle and reuse discharge water in 2021. In 2021, 98,300 tons of discharge water and 3,500 tons of air-conditioning condensate water were recycled.

-11.24% | 2021 Water consumption per unit of revenue decreased by 11.24% compared to 2020



Air Pollution

- ▶ The Kunshan Plant responded positively to the government's policy and completed the boiler low-nitrogen energy-saving burner improvement project in October 2021. The boilers with higher emission coefficients were rectified for low-nitrogen, and CTO, RCO and activated carbon adsorption towers were added. Effectively reduce VOC emission concentration.
- ▶ In addition to using the most feasible control technology to effectively reduce pollutant emissions, Huangshi Plant has also added special control equipment for high-pollution emission sources, such as adding 2 sets of activated carbon adsorption towers, separately treating the inner and outer coating organic waste gas, and adding electrostatic photolysis precipitator, completely removes the smoke and odor emitted by the tin spraying process by ionizing the smoke particles and then electrostatic adsorption.

Performance of both plants

0 | The number of penalties for air pollution discharge violations is **0**

100% | The monitoring compliance rate of exhaust emissions from 2018 to 2021 is **100%**

Circular Economy, Waste Reduction

The newly built plant area of Huangshi Plant has fully introduced online recycling, such as acid/alkali etching solution online electrolytic recycling system, electroplating process nitric acid electrolytic recycling equipment to reduce harmful waste water. In addition, a membrane residue reduction and recovery system, a sludge drying equipment, and a cotton filter bag are set up to reduce the amount of filtered water.

Item	Description	Year 2019	Year 2020	Year 2021
The amount of self-used copper-containing waste liquid	Pickling etching processing capacity (m ³)	1,463	5,746	8,246
	Metallic copper extracted by etching solution electrolysis (kg)	166,006	692,411	993,340
	Metallic copper extracted by micro-etching electrolysis (kg)	17,495	68,138	83,934
Recycling equipment for electrolytic nitric acid	The electroplating nitric acid with 68% nitric acid added to remix after copper extraction through electrolysis that is reused for electroplating (m ³)	0	0	413
	metallic copper extracted through electrolysis (kg)	0	0	28,000

Performance of Kunshan plant

96.07% | 2021 waste recycling rate **96.07%**

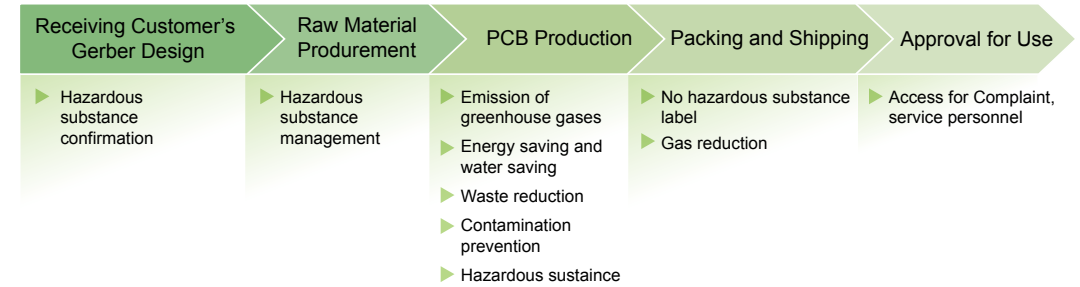
Performance of Huangshi plant

96.73% | 2021 waste recycling rate **96.73%**

Promoting UL2799 Certification

Green Product and Process

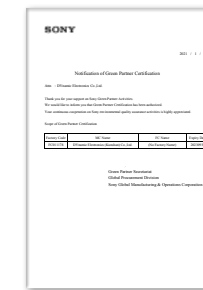
Dynamic attaches great importance to the impact of products and manufacturing processes on the environment and continues to reduce the use of resources and the generation of harmful substances in the process of product design, raw material procurement and production, so as to reduce the impact on the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



- ▶ Choose more environmentally friendly chemicals: The Dynamic Chemicals Committee has completed 1 chemical import in 2021. The introduction of electroplating chemicals through through-hole and blind-hole co-plating can improve through-hole filling capacity by 10%, and reduce wastewater treatment and discharge by approximately 5%. The copper ion in the brown-oxide waste liquid is extracted from 22g/L to 2g/L by electrolysis, which can reduce the wastewater treatment volume by about 3%.
- ▶ Process/Material non-halogenation: SQE requires all raw material manufacturers to sign the "Guarantee of Products Not Containing Environmentally Hazardous Substances" for the control of environmentally hazardous substances, and all manufacturers have completed signing back. In 2021, the achievement rate of the halogen content of the incoming materials monitored by IQC: 100%.
- ▶ Dynamic's green product management system has been recognized by international organizations, countries and customers, and maintains the continuous effectiveness and improvement of the management system.



Kunshan plant : IEC QC080000



Sony Green Partner



Huangshi plant : IEC QC080000

Dynamic Electronics conducts indicator comparisons according to the Task Force on Climate-Related Financial Disclosures (TCFD) to identify risks and opportunities related to climate change. In 2020, the head office and subsidiaries of Dynamic Electronics have implemented the identification and ranking of climate-related risks after internal discussions and listed various climate change risk topics. In 2021, the identification results of 2020 were continued to be used and nine major climate issues were disclosed risk issues, a climate risk materiality matrix was made, revealing the potential financial impact of climate change and related risk management policies and countermeasures to improve stable climate change governance.

Dynamic's TCFD Climate Issue Risk Matrix Diagram



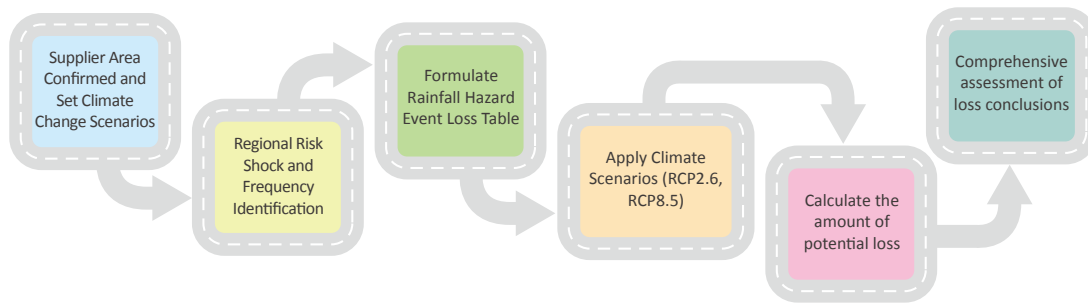
Item	Implementation status of 2021's goal	
Raw material supply	<ul style="list-style-type: none"> 0 days for raw material supply disruptions due to climate change Completed 3 Alternative Assessments, 2 Copper Foil, 1 Dry Film The average utilization rate of raw materials was 79.79%, an increase of 0.09% from 79.7% in 2020 The average scrap rate of raw materials is 8.44% 	
General environmental law and regulation	<p>Huangshi Factory</p> <ul style="list-style-type: none"> 0 environmental pollution incidents occurred Pollutant discharge compliance rate of 100%; 89% compliance rate of stricter 50% discharge. Waste liquid reduction and recovery system: Concentrated treatment of 409 cubic meters of nickel waste liquid, reducing outgoing volume by 80%. Newly added nitric acid electrolysis and reuse equipment, producing 28 tons of copper and reusing 474.5 cubic meters of nitric acid. Planning the installation of sludge dryer equipment Membrane slag reduction and recovery system: the moisture content of membrane slag is reduced from 80% to 15%, and the total outgoing amount is reduced by 394 tons Acid pickle etching solution, etching solution, micro-etching copper-containing waste solution electrolytic extraction of metallic copper, reducing the etching solution by 11,809.5 cubic meters and producing 939 tons of copper 14% reduction in pollutant emissions per NT10,000 dollars of output value 	<p>Kunshan Plant</p> <ul style="list-style-type: none"> Replace the boiler burner head, increase combustion efficiency and reduce energy consumption and NOx emissions Add CTO, RCO and activated carbon adsorption tower, effectively improve the VOC treatment efficiency to more than 95% After replacing the filter with new material cloth, the moisture content of the sludge was reduced to 63% Internal pipeline inspection, isolation of pipelines and repair of damaged pipelines, the test results of subcontractors inside and outside the perimeter are normal, and monitoring inside and outside the perimeter is required twice a day.
Total emission amount control, carbon rights and energy trading related items	<ul style="list-style-type: none"> The purchase of raw materials meets the environmental protection requirements 100%. First purchases the electrical products with first-class energy efficiency in the market; the first-class energy efficiency of newly purchased electrical products is greater than 50% <p>Hungshi Plant</p> <ul style="list-style-type: none"> 519 tons of carbon trading rights purchased in November 2021 GHG emissions per unit of revenue decreased by 11.63% compared with the previous year The actual amount paid for environmental protection tax was RMB 59,000, an increase of 7.78% compared with 2020 	<p>Kunshan Plant</p> <ul style="list-style-type: none"> 4 boiler combustion heads have been remodeled, and the original diesel boilers have been changed to natural gas and diesel dual-purpose boilers (diesel backup), which is estimated to reduce carbon dioxide emissions by 27% 15% reduction in emissions intensity units (metric tons CO2/sq ft) in 2021 compared to the previous year The actual amount paid for environmental protection tax was RMB 570,000, a decrease of 1.96% from 2020
Renewable energy related topics	<p>Huangshi Plant</p> <ul style="list-style-type: none"> Has won the honor of Hubei Province Water Saving Advanced Enterprise Approved by the Ministry of Industry and Information Technology of the People's Republic of China in December 2021, and obtained the title of National Green Factory - Advanced Energy Use 	
Changes in customer's demands	<p>Huangshi Plant</p> <ul style="list-style-type: none"> 100% in line with customer requirements Negotiated with the certification unit for AWS water management system certification 	<p>Kunshan Plant</p> <ul style="list-style-type: none"> The 2020 greenhouse gas verification has been certified by Wantai, and the verification in 2021 is expected to be completed in August 2022
Unstable energy supplies	<p>Huangshi Plant</p> <ul style="list-style-type: none"> Continue to maintain the connection An energy emergency response plan has been established 	<p>Kunshan Plant</p> <ul style="list-style-type: none"> Q4 production capacity reduced to an average of <1.4 million square feet per month
Market demand changes/ industrial new innovative technologies	<ul style="list-style-type: none"> The improvement rate in the assessment and review of upstream manufacturers is >99%, and the upstream is called for carbon emission verification, and 100% of the same products are purchased from raw materials with low carbon emissions per unit product as priority In the 4 major precision processes, the fine line capacity has been improved from the inability to produce 2/2 line width products to the mass production, but the yield still needs to continue to improve The black hole line has been discontinued due to the limitation of the equipment manufacturer's ability to meet the technical needs of high-end products in the factory. 	
Extreme weather worsening	<p>Huangshi Factory</p> <ul style="list-style-type: none"> No major natural disaster event occurred No facility failure due to natural disasters No additional costs incurred due to natural disasters 	<p>Kunshan Plant</p> <ul style="list-style-type: none"> Internal pipeline inspections have been completed and repairs and optimizations have been completed Completed the dual-channel mechanism of electricity and steam for heaters in 3 major production equipment, which can switch sources in response to emergencies Completed 4 natural gas and diesel dual-channel mechanisms, which can switch sources in case of emergencies
Climate issues Stakeholders pay attention to	<ul style="list-style-type: none"> Aware of carbon emission and carbon reduction plan requirements of some customers 	

The risk of climate change has seriously impacted the daily operations of Dynamic Electronics. In recent years, extreme climate incidents in China have happened one after another, and environmental regulations in Taiwan and China have become increasingly strict, all of which will cause a substantial increase in costs for Dynamic. Therefore, whether it is the "physical risk" or the "transition risk" of climate change, Dynamic will carefully assess the impact and plan response mechanisms and related measures in advance to reduce operational risks.

Scenario Analysis and Financial Impact of Physical Risks - Rainfall Hazard Analysis of Major Suppliers

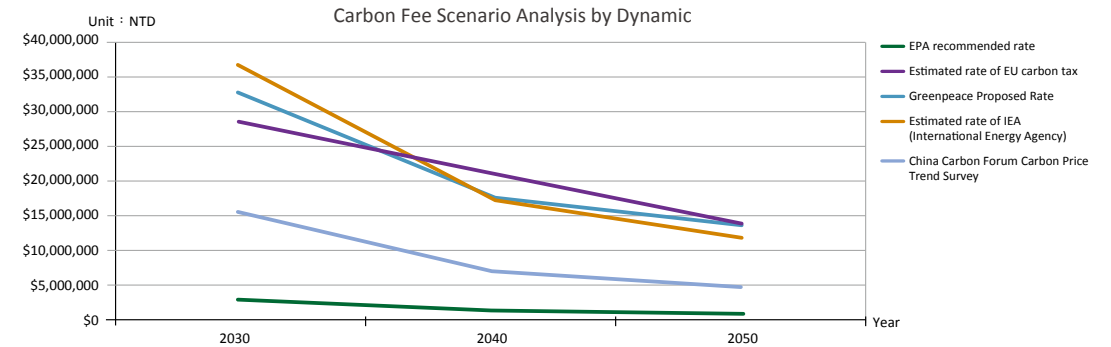
Dynamic Electronics conducts climate risk exposure items inspection for the top three suppliers, and conducts rainfall disaster assessment for the locations of major suppliers. Dynamic uses the difference between 2100 and 1750 in Radiative Forcing as an indicator according to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) "Representative Concentration Pathways, RCPs", using two scenarios of RCP2.6 and RCP8.5, and citing the RCP2.6 and RCP8.5 scenario data of Climate Analytics.

The evaluation results show that the percentage of revenue exposure after the RCP2.6 scenario simulation analysis is 0.0160%, while in the case of RCP8.5, the percentage of revenue is 0.0169%. The actual climate risk exposure of Dynamic's main supplier is not large, there will be no significant financial impact.



Scenario Analysis and Financial Impact of Transition Risk – Carbon Fee Risk Analysis

Based on the total GHG emissions of 217,322.5717 metric tons in 2020 (only Scope 1 and 2), the annual carbon reduction ratio is based on the Steady carbon reduction target – a linear decrease of 4% per year, using the five carbon price levels, "EPA recommended rate", "Estimated rate of EU carbon tax", "Estimated rate of EU carbon tax", "Estimated rate of IEA International Energy Agency", "Greenpeace Proposed Rate" and "China Carbon Forum Carbon Price Trend Survey" to forecast and based on the current China's actual carbon rights trade ratio to calculate and assess that the extent to which Dynamic will be exposed to different scenarios from the future to 2050.



The assessment results show that when Dynamic is under the five carbon fee forecast scenarios in 2050, the largest financial impact will come from the "EU carbon tax" and "Greenpeace projected rates", while the EPA recommends rates as the lowest impact. Although the analysis results do not have a harmful impact on the operation of Dynamic Electronics, Dynamic is highly concerned about carbon-related issues. In addition to actively introducing the construction of renewable energy equipment, it also promotes upstream carbon emission verification, and 100% priority of purchasing raw materials with low carbon emissions per unit product first, reducing carbon emissions at each stage of the product life cycle, and expecting to provide customers with an environmentally friendly and low-carbon product.

The Years of Projection		2030	2040	2050
Carbon emission scenario	Carbon emission scenario			
Dynamic's carbon reduction target by year - A linear decrease of 4% per year	EPA recommended rate	\$2,868,658	\$1,051,841	\$595,464
	Estimated rate of EU carbon tax	\$28,893,253	\$21,463,560	\$13,758,692
	Greenpeace Proposed Rate	\$33,020,861	\$17,403,522	\$13,758,692
	Estimated rate of IEA (International Energy Agency)	\$36,138,570	\$17,035,885	\$12,046,190
	China Carbon Forum Carbon Price Trend Survey	\$15,744,929	\$7,032,929	\$4,712,192

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

Human Rights Policy

No human rights relevant complaints in Dynamic in 2021

- 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.

Talent Recruitment and Retention

Dynamic builds a good labor-management relationship, strengthens the two-way communication between employees and the company, improves corporate loyalty, and provides comprehensive career planning, salary and benefits. In addition, Dynamic labor relations take harmony as the priority, mainly through communication and coordination. In addition to maintaining smooth communication channels, labor-management meetings are held regularly to fully explain the company's operating conditions to employees and listen to the voice of entry level staff, then give an appropriate response. For employee transfer, it must be implemented in accordance with the company's "employee transfer management measures" under the principle of compliance with laws and regulations, so as to avoid damage to employees' rights and interests at work.

Departmental meetings

Management personnel and subordinates can fully communicate the direction and focus of production operations, safety and health and quality control, and reach a consensus through this meeting.

Employee Welfare Committee Meeting

Welfare committee representatives elected by employees and company representatives discuss various welfare measures to strengthen mutual trust and serve as a basis for formulating administrative management measures.

Other meetings

Other meetings such as labor-management meeting, labor union, labor-safety meeting, etc. are to appoint committee member through employee election, and these meetings are held regularly.

Kunshan Plant Outdoor Learning

Huangshi Plant Outdoor Activity

Huangshi Track Activity

Composition of Employees

Year		2020	2021
Average Age		31.20	33.26
Average Time of Service		2.87	2.65
Employment by Contract	Official	4561	4255
	Unofficial	1347	614
By gender	Male	3508	2758
	Female	2400	2111
By region	Taoyuan Operational Center	41	41
	Kunshan Plant	4385	2949
	Huangshi Plant	1482	1879
By nature of job	Direct	5181	4154
	Indirect	727	715
By education background	Doctor	3	2
	Master	16	17
	College	1174	1220
	High School Graduates	908	739
	High School and lower	3807	2891
Total		5908	4869

* Direct employees refer to those who actually engage in production-related operations; indirect employees are other employees.

Maternal Protection Plan

2021 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. 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	Pregnant over 7 months	Maternity leave	Paternity leave
Kunshan Plant	3	41	40
Huangshi Plant	1	23	36

Communication Channel

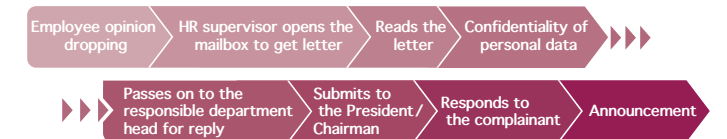
Enterprise internal publication

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.



Whistleblower Mechanism

In 2013, Dynamic formulated the "Opinion mailbox management regulation for unreasonableness", and employees can directly put the Employee's Opinion Form in the "unreasonable mailbox".



- Taoyuan Operations Center received no complaints throughout 2021
- Kunshan plant received a total of 5 complaints, 44% decrease from 2020
- Huangshi Plant received a total of 9 complaints in 2021, an increase of 125% compared with 2020

Occupational Health and Safety

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.

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 2021 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.



COVID-19 Outbreak Response

At the beginning of 2020, with the spread of the new coronavirus epidemic, many industries in Wuhan, China and even Hubei Province were forced to shut down. On January 2, Dynamic Electronics established a cross-strait "epidemic prevention and control response team" and established an epidemic prevention management SOP, all personnel enter or exit the production line area is strictly controlled according to SOP.

	Kunshan Plant	Hunagshi Plant
Vaccinated of three doses or more (Proportion of employee)	94.28%	100%
Number of infected people	0	0
Number of production line down days	0	0



Rehearsal for urgent test of infection



Vaccination for anti-epidemic

Social care

Dynamic's social care is driven by "responsibility", but from the "heart", including education, charity, sports, academic, cultural and other aspects, [CSR Office] is responsible for planning and implementation, and regularly reports to the board of directors. The total purchase amount from Charity Groups in 2021 was NT\$898,849 and the total expenditure was NT\$500,000 and RMB33,178.



Sponsor the archery team of the National Hsinchu Commercial Vocational High School and the learning expenses of students from poor families. The picture shows the mixed doubles silver medal at the 2021 National Games.



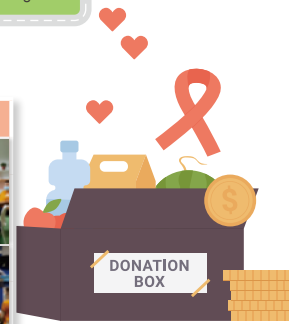
Mid-Autumn Festival gifts for employees, choosing products from Taoyuan City Sheltered Workshop to support the employment of local disabled people, and handmade non-additives cookies by single mother.



The souvenirs of the shareholders meeting are handmade soaps from Xiaoyangmiao Sheltered Workshop and Taoyuan Autism Association.

Industrial Safety Education & Training Results

Industrial safety education and training	
Kunshan plant : 38 sessions/ 2,949 times of participant/ 5,898 time of participation Huangshi plant : 40 sessions/ 2,854 times of participant/ 5,708 time of participation	New employee safety training Kunshan plant : 143 session/8,959 times of participant Huangshi plant : 136 sessions/2,776 times of participant
	Other industrial safety advocacy Kunshan plant : 12 sessions/3,044 times of participant Huangshi plant : 12 sessions/19,856 times of participant



Funding lunch for students from poor families.



Huangshi employees visited the Huangshi Welfare Institute to send warmth to orphans, disabled children and the elderly on the Dragon Boat Festival.

Customer information confidentiality

Dynamic passed all the audits of customers' product and information security and confidentiality in 2021, 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.

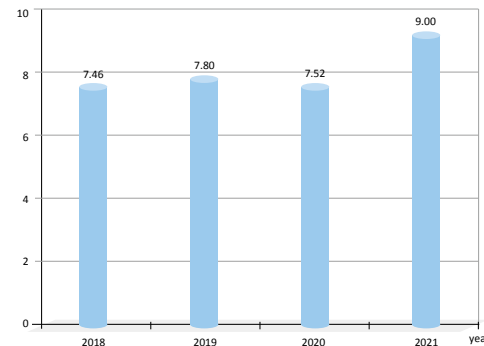
Responses to Customer cases

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



Customer satisfaction survey

The 2021 comprehensive customer satisfaction has improved significantly compared with the previous year, and we will aim at a higher goal in the future.



Dynamic regularly asks the top 15 or 20 customers and important customers to fill in the satisfaction survey form every six months. In 2021, the epidemic was alleviated by increasing the coverage of vaccines, and other methods was found to deal with logistics problems. Therefore, customers' evaluation of delivery time has rebounded.

Sustainable supply chain

Local procurement

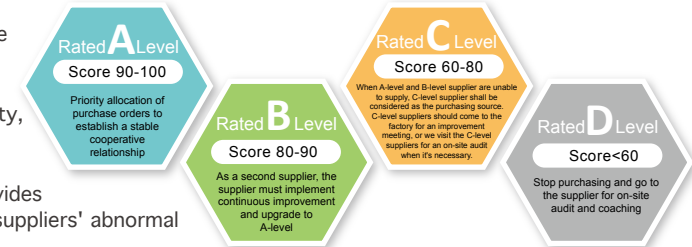
Dynamic work together with the local cooperation to reduce costs, shorten delivery time, reduce supply chain risks, and enhance competitiveness and on the premise of a win-win situation. In addition, local procurement are also important indicator of corporate social responsibility and the goal of sustainable development of the United Nations in terms of supporting local economic development, creating job opportunities, paying taxes, and attracting more capital investment. In 2021, the Kunshan plant and Huangshi plant's local purchases accounted for 97.6% and 99.02% respectively.

Supply Chain assessment

When selecting suppliers or signing contracts with them, Dynamic evaluates suppliers' fulfillment of corporate social responsibility in three aspects: economy, environment and society. The current bottom line of control is that there should be no significant actual or potential negative impact. If there is, then Ask its commitment to improve within the deadline, and Dynamic will continue to track it to completion; if one cannot cooperate, then there'll be no business cooperation. At the same time, the main raw material suppliers are required to promise and guarantee: **1.** Comply with Dynamic's Integrity Policy and Conflict Minerals Policy. **2.** Comply with the requirements of the Electronics Industry Responsible Business Alliance (RBA). **3.** Pass the verification of ISO 9001 quality management system. **4.** Comply with ISO14001 Environmental Management System and ISO45001 Occupational Safety and Health Management System. **5.** Comply with the requirements of international standards and regulations without hazardous substances, such as RoHS, REACH, and Dynamic Green Product Management Standards. **6.** Formulate corporate social responsibility policies, integrity policies, energy, environmental, safety and health policies, etc., and promote corresponding management systems.

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 2021, Dynamic has eight experienced business and academic directors, including four independent directors, and one of the four independent directors is a woman. Dynamic expects to lead the group

towards sustainable development with the more professional, independent and diversified board structure.

Title	Diversity Name of directors	Current post	Gender	Concurrently served as an employee of the Company	Age (years old)	Time served as independent director	Operation Management	Leadership / decision making	Finance/ Accounting/ Law	Strategy / risk assessment	Industrial trend analysis	Industrial technology development
Director	Ken Huang	Chairman cum. CEO of Dynamic	Male	v	41-50	-	v	v	-	-	v	v
	Bill Nee	Plant President of Dynamic	Male	v	61-70	-	v	v	-	v	-	-
	Stephen Tsai	Plant President of Dynamic	Male	v	41-50	-	v	v	-	-	-	v
	Yuan-chun Sun	Finance Manager of Jain Shin Electronic Co., Ltd.	Male	-	41-50	-	v	-	v	-	v	-
Independent Director	Yi-chia Chiu	Vice President of Business School, Chengchi University	Male	-	41-50	3-6	-	-	v	v	-	v
	Vincent Lin	Technical VP, Emotibot Technologies Limited	Male	-	41-50	6-9	-	v	-	v	-	v
	Cheryl Chien	LST&C Legal Lawyer	Female	-	31-40	0-3	-	-	v	v	-	-
	Vincent Weng	Independent director of Dynamic	Male	-	41-50	0-3	v	-	v	-	v	-

Compensation and Sustainability Link

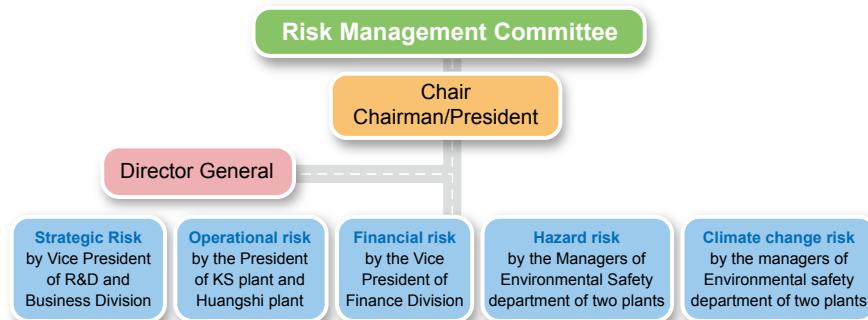
Connection between board member compensation and sustainability performance

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).

Risk Management

In 2021, 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



2021 Risk issue description and measures

Risk issues	Opportunities	Countermeasures
Strategy Class : Expansion of Huangshi Plant II - Obtained energy/energy assessment	<ol style="list-style-type: none"> China has preferential policies to support energy use in green factories. The total energy consumption of Huangshi Plant is within the approved value of the National Development and Reform Commission; the energy intensity is at an excellent level. 	<ol style="list-style-type: none"> Select first-class energy-consuming equipment and establish a smart energy management system to optimize energy use intensity and reduce total energy use. Collect and keep track of government energy control information to promote the use of green energy. Plan the solar power generation area. Actively look for resources and purchase green electricity.
Strategy Class : Changes in market demand-Industry innovation & new technology	<ol style="list-style-type: none"> Governments around the world have launched various green transformation measures and policies, which will drive the demand for green energy-related products. Low energy consumption materials, process development and advanced process investment will meet the needs of future products. Promote green production (energy saving and carbon reduction) and use raw materials that meet environmental protection requirements, which can enhance the strength of competition and create a positive image of the company. 	<ol style="list-style-type: none"> Discuss with suppliers, introduce new designs/new technologies/new materials, and develop energy-saving and carbon-reducing materials and equipment that meet environmental protection requirements. Set up a recycling system (eg: water, tailings, etc.). Establish a product environmental footprint management system, include the carbon footprint cost in the process cost, and control the reasonable cost. Newly set up process equipment to set water saving and energy saving target values. Enhanced high-precision process capability, included in the precision process project

Business continuity management plan

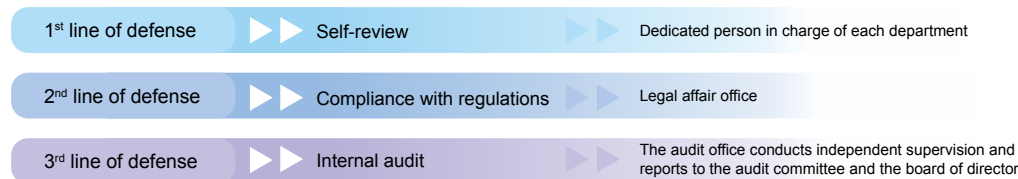
Dynamic has updated its operational continuity plan in 2021. All risks that may cause operational interruption are included in this plan. The chairman's office is responsible for the strategic planning of the business continuity plan, and the dedicated personnel of each department are responsible for drafting each department's business continuity plan based on the company and departmental strategies.



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 2021 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.



Ethics and integrity

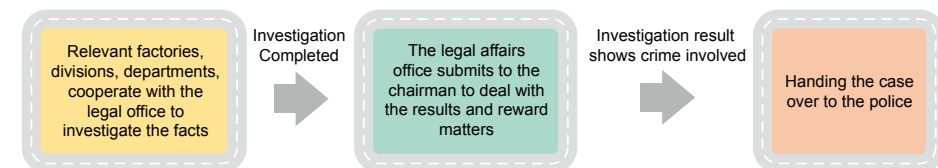
In order to make integrity management develop soundly in the organization and establish a good business model operation, Dynamic has formulated the "Integrity Management Code", the board of directors and the management team promise to actively implement the integrity management policy; in addition, Dynamic has set up [Legal Office] As a dedicated unit that promotes the integrity of the enterprise, it is responsible for the formulation and supervision of the integrity management policy and prevention plan, and regularly reports to the board of directors.

The specific practices of Dynamic in implementing the ethics and integrity policy include the following:

- Formulate the management measures of "Directors, Supervisors and Managers' Code of Ethics and Conduct" and "Staff Code of Ethics and Conduct" .
- Sign quality contracts, purchase commitments, integrity commitments, and non-use of hazardous substances guarantees with agents, suppliers, customers and other business partners, and regularly remind suppliers and partners with an "integrity notification letter" every year.
- Set up a "CEO mailbox" (ceo@dynamicpcb.com) for employees, business partners and third parties to complain or report any corruption, bribery request, bribery acceptance and dishonest behavior within the company.
- Internally set up an "unreasonable mailbox" for employees to report unreasonable systems or behaviors that violate professional ethics.
- Set up a "hotline" to provide multiple and convenient electronic reporting methods for partners in cross-strait.
- At the end of February 2021, the "Code of Integrity Management" was revised and updated, and the "Honesty and Integrity Anti-Corruption Prevention Plan" was analyzed and drafted in April to strengthen governance and internal control, reduce company risks, ensure the realization of the company's business objectives and sustainable and stable development, Protect the legitimate rights and interests of shareholders.

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.



According to the results of the industry classification query on the official website of SASB (Sustainability Accounting Standards Board), Dynamic Electronics selected the applicable indicators from 11 sectors and 77 industries in the SASB Materiality Map of SASB Standards to disclose:

Sector: Technology & Communications

Industry: Hardware

Disclosed issue	Indicator code	Disclosed indicator	Nature	Content and Explanation																					
Product Life Cycle	TC-HW-230a.1	Description of the Methods to identify and resolve data security risks of products	Discussion and Analysis	<p>Dynamic data security risk identification measures are as follows:</p> <ol style="list-style-type: none"> 1. Regular vulnerability scanning: Use high-efficiency vulnerability scanning tools to assess whether the scanning target has known security weaknesses. 2. Firewall: Block malicious attacks and viruses from spreading to the internal network, and prevent unauthorized users from entering the system. 3. Antivirus: Prevent viruses, spyware, spam, phishing, and bot worm attacks from entering the enterprise's internal systems. 4. Antivirus software - AsialInfo NOD32: Real-time program monitoring and identification, malware scanning and removal, and automatic update of virus data. 5. Network monitoring system - Whats Up: Network monitoring of servers, switches and other equipment. 6. Mail Filtering System-SPAM: Analyze incoming and outgoing emails with the outside, and intercept threatening emails. 7. Strictly prevent external devices - UPAS: block the environment where unfamiliar devices are connected to the company through device control. 8. Document Encryption-IP Guard: Encrypt important files, only edit and browse in specific environments. 9. Internet behavior management-Sangfor: Web filtering, behavior control, traffic management, prevention of intranet leakage, prevention of legal risks, Internet access behavior records, Internet security and other Internet behavior management. 																					
Supply Chain Management	TC-HW-330a.1	Gender/race/ ethnicity ratio of management and all other employees	Quantification	<p>1. Gender distribution of management and all other employees (%)</p> <table border="1"> <thead> <tr> <th>Types of Employees</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Management personnel</td> <td>49%</td> <td>51%</td> </tr> <tr> <td>Technical personnel</td> <td>54%</td> <td>46%</td> </tr> <tr> <td>All other employees</td> <td>49%</td> <td>51%</td> </tr> <tr> <td>Total:</td> <td>49%</td> <td>51%</td> </tr> </tbody> </table> <p>Note: * Management personnel: including high-level and entry-level supervisors * Technical personnel: Information and engineering related technical personnel * All other employees: All other non-supervisors and technical personnel</p> <p>2. U.S. Employee Race/Ethnic Percentage</p> <table border="1"> <thead> <tr> <th>U.S. Employee (2 people)</th> <th>Asian</th> <th>Caucasian</th> </tr> </thead> <tbody> <tr> <td>Management personnel</td> <td>50%</td> <td>50%</td> </tr> </tbody> </table> <p>* The above two personnel serve in Dynamic Electronics (Seychelles)</p>	Types of Employees	Male	Female	Management personnel	49%	51%	Technical personnel	54%	46%	All other employees	49%	51%	Total:	49%	51%	U.S. Employee (2 people)	Asian	Caucasian	Management personnel	50%	50%
Types of Employees	Male	Female																							
Management personnel	49%	51%																							
Technical personnel	54%	46%																							
All other employees	49%	51%																							
Total:	49%	51%																							
U.S. Employee (2 people)	Asian	Caucasian																							
Management personnel	50%	50%																							

Disclosed issue	Indicator code	Disclosed indicator	Nature	Content and Explanation
Product Life Cycle	TC-HW-410a.1	Percentage of IEC 62474 declarable Substances Included in Product Revenue	Quantification	The raw materials currently used by Dynamic do not contain IEC 62474 declarable substances, so this indicator is not applicable.
	TC-HW-410a.2	Percentage of revenue from certified products that meet EPEAT registration requirements or equivalent	Quantification	Dynamic is not a manufacturer of end products, so this indicator does not apply.
	TC-HW-410a.3	Revenue percentage of certified products	Quantification	Dynamic is not a manufacturer of end products, so this indicator does not apply.
	TC-HW-410a.4	Weight and percentage of recycled end-of-life products and electronic waste	Quantification	Dynamic is not a manufacturer of end products, and customers will recycle waste products by themselves, so there is no relevant statistical information.
Supply Chain Management	TC-HW-430a.1	After (a) all factories and (b) high risk factories are classified, the percentage of (1) physical factories and (2) Tier 1 suppliers audited through RBA (Responsible Business Alliance)'s RBA VAP (Validated Assessment Program) Operations Manual or equivalent	Quantification	At present, Dynamic requires all suppliers to sign the "Purchase Commitment" and "Integrity Commitment", agreeing to abide by the RBA code of conduct and labor rights and other relevant regulations, and hasn't carried out the auditing of whether the supplier has passed the code of conduct of RBA (Responsible Business Alliance)'s RBA VAP (Validated Assessment Program) Operations Manual or equivalent effectiveness.
	TC-HW-430a.2	Tier 1 Supplier's (1) Nonconformance Rate of RBA VAP Operations Manual (VAP) of Responsible Business Alliance (RBA) and (2) Corrective Action Rate for (a) Priority Nonconformance Rate and (b) Other Nonconformance Rates	Quantification	As above, Dynamic does not count and make statistics on the pass rate of suppliers in the "RBA VAP Operations Manual".

Disclosed issue	Indicator code	Disclosed indicator	Nature	Content and Explanation									
Raw Material Purchasing	TC-HW-440a.1	Description of risk management for managing the use of key materials	Discussion and Analysis	<ol style="list-style-type: none"> 1. Dynamic has stipulated the "Conflict Minerals" policy and commitment in 2013, with proper policies, guidelines and due diligence procedures to ensure that the metals used in the process or contained in the products do not come from the Democratic Republic of Congo or any neighboring countries or the "Conflict minerals" from the areas controlled by armed military, also require business partners to cooperate with and implement this policy, not to use or provide metals from improper sources to meet international trends and customer requirements. 2. Regularly update the conflict minerals report template for customers to review. Dynamic's "conflict minerals" policy is placed on the company's official website (https://www.dynamicpcb.com/) for public viewing. 3. For metal raw materials such as (Ta), (Sn), (Au), (W) and (Co), (Sn), (Au) and (Co), (Sn) are used in both Dynamic Kunshan and Huangshi plants. 2 suppliers (Sn), 1 suppliers of (Au), and 1 suppliers of (Co). All 4 supplier partners have signed the "Not Using Conflict Minerals Commitment", and have also disclosed the source (smelter) of these metals to ensure that they are not from conflict mineral regions. 									
				<p>PCB production capacity is 38,462,000 square feet.</p>									
Industrial Activities	TC-HW-000.A	Capacity of each product category	Quantification	Dynamic Electronics has two production sites located in Huangshi City, Hubei Province and Kunshan City, Jiangsu Province, China. The land size and floor area size are shown in the table below:									
	TC-HW-001.B	Land size of the Plant	Quantification	<table border="1"> <thead> <tr> <th></th> <th>Hunagshi plant</th> <th>Kunshan plant</th> </tr> </thead> <tbody> <tr> <td>Land area (square meter)</td> <td>400 thousand</td> <td>109 thousand</td> </tr> <tr> <td>Floor area (square meter)</td> <td>120 thousand</td> <td>142 thousand</td> </tr> </tbody> </table>		Hunagshi plant	Kunshan plant	Land area (square meter)	400 thousand	109 thousand	Floor area (square meter)	120 thousand	142 thousand
		Hunagshi plant	Kunshan plant										
Land area (square meter)	400 thousand	109 thousand											
Floor area (square meter)	120 thousand	142 thousand											
TC-HW-000.C	percentage of Production by self-owned equipment	Quantification	The self-made rate of all PCB products is 100%.										

SASB Materiality Map: <https://materiality.sasb.org/>
 SASB Website: <https://www.sasb.org>



The following lists the performance of the key indicators of the PCB business group in the past two years and the goals for the next year and long-term:

Key Indicators	Plant Area	2020 Performance	2021 Target	2021 Performance	Target reached	Description	Countermeasure	2022 Target	2025 Target
Revenue Growth Rate	Group	-8.0%	22.8%	24.8%	☺	The newly opened capacity of the Huangshi plant meets the strong market demand.	-	*	*
EPS	Group	2.58	1.53	1.70	☺	ESP \$2.58 includes selling Taoyuan factory \$1.62 and operating profit \$0.96. If calculated by operating, EPS increased by 77%.	-	*	*
Automotive board to revenue ratio	Group	47%	51%	52%	☺	In 2021, the demand for automobiles is strong, especially the rapid growth of electric vehicles.	-	57%	*
Operating performance growth rate**	Group	-11%	5%	51%	☺	The production capacity of the Huangshi Plant has been gradually opened, and through the improvement of process capabilities and the deepening of intelligent manufacturing, it has brought positive operational performance.	-	5%	Achieve the expected growth rate through automation, intelligence and higher average selling price per unit.
Customer Satisfaction Survey Score	Group	7.55	7.60	9.00	☺	While the epidemic eased, we also found other ways to deal with logistics problems, so that customers' evaluation of delivery time was recovered. Electronically manage customer service, provide in-plant improvement directions, and enhance customer satisfaction.	-	9.00	9.00
Proportion of the amount of raw materials purchased from local manufacturers	Kunshan Plant	100%	95%	98%	☺	Dynamic's local procurement strategy not only reduces transportation costs, shortens delivery time, and reduces supply chain risks, but also supports local economic development, creates employment opportunities, and attracts more capital investment, which is an important indicator of Dynamic's corporate social responsibility. achieve the goals of sustainable development of the United Nations.	-	95%	95%
	Huangshi Plant	99%	95%	99%	☺		-	95%	95%
The ratio of suppliers who sign the guarantee that products do not contain environmentally harmful substances, follow the RBA code of conduct, commitment to integrity, and commitment to not use conflict minerals	Kunshan Plant	100%	99%	100%	☺	Under the continuous promotion, suppliers pay more attention to the fulfillment of corporate social responsibility.	-	100%	100%
	Huangshi Plant	100%	99%	100%	☺		-	100%	100%
Annual power saving rate (Kunshan Plant takes 2015 as the baseline, Huangshi Plant takes 2018 as the baseline)	Kunshan Plant	-15%	-6%	-1.32%	☹	As the revenue increased by 8.1% compared with the base period, the power saving failed to meet the target.	Prioritize the purchase of energy-saving equipment; reduce unit energy consumption through energy-saving control of high-energy-consuming equipment.	***	***
	Huangshi Plant	+51%	-3%	+82.5%	☹	Due to the growth of revenue (454.6% increase compared with the base period), the electricity consumption has increased significantly, but in terms of electricity consumption per unit of revenue, it has decreased by 66.33% compared with the base period.	Actively promote the use of renewable energy, and continue various energy-saving and clean production plans.	***	***
Greenhouse gas emission increase and decrease rate (Kunshan Plant takes 2015 as the baseline, Huangshi Plant takes 2018 as the baseline)	Kunshan Plant	-23%	-6%	-29.8%	☺	The main reason is that 15% of the electricity consumption structure in 2021 is to purchase green electricity, which reduces CO2 emissions.	-	***	***
	Huangshi Plant	+46%	-3%	+121.9%	☹	Due to the growth of revenue, the amount of greenhouse gas emissions showed a relatively increasing trend, but if calculated in terms of the amount of greenhouse gas emissions per unit of revenue, it decreased by 43.59% compared with the base period.	New photovoltaic power generation projects, purchase of green electricity, rectify high energy consumption equipment, etc.	***	***
Annual water saving rate (Kunshan Plant takes 2015 as the baseline, Huangshi Plant takes 2018 as the baseline)	Kunshan Plant	-39%	-12%	-10.58%	☹	In 2021, the water consumption of the Kunshan plant is about 2.93 million tons, which is 10.6% lower than the base period of 2015, and the water consumption per unit of revenue is 17.27% lower than the base period of 2015.	In 2022, optimal production adjustments will be made to continuously reduce water consumption.	-14%	-20%
	Huangshi Plant	+48%	-6%	+90.18%	☹	Due to the growth in revenue (454.6% increase from the base period), the consumption of tap water also increased relatively. However, in terms of water consumption per unit of revenue, it was a decrease of 55.83% compared with the base period.	In 2022, the Huangshi Plant plans to add a reclaimed water reuse system to increase the daily reuse water consumption and reduce the consumption of tap water and RO water.	-8%	-14%
Water Recycling Percentage	Kunshan Plant	30.61%	31%	20.80%	☹	In 2021, the amount of water reused in the Kunshan Plant is limited by the scale of the facility. Although the amount of water reuse has increased, the water consumption has increased due to the increase in production capacity, resulting in a decrease in the water reuse rate.	Through optimal production adjustment, the total water consumption is reduced to maximize the water reuse rate.	30%	35%
	Huangshi Plant	33.20%	31%	35.84%	☺	Through the recycling of runoff water, the recycling of air-conditioning condensate water, the collection and utilization of rainwater, etc. In 2021, it has been approved by the Ministry of Industry and Information Technology of the People's Republic of China to obtain the honor of advanced unit of national green factory.	-	32%	35%
Safe Production	Kunshan Plant	0	No major incident	0	☺	On-site supervisors use the pre-shift to educate employees, improve their safety awareness, implement the use of personal protective equipment, and regularly eliminate hidden dangers and timely rectification of on-site equipment, facilities and environmental conditions.	-	No major incident	No major incident
	Huangshi Plant	0	No major incident	0	☺	The President leads the team to carry out at least 2 large-scale inspections of the whole plant every year, and external safety experts are hired to conduct safety inspections every month, and respond to feedback in a timely manner.	-	No major incident	No major incident
Average Training hours	Taoyuan Operational Center	22.0	21.0	18.8	☹	In response to the business environment, cultivate supervisors with strategic planning capabilities for new markets and new industry development, and assist enterprises to master the business environment.	Start tracking of personal training plans, and actively arrange training courses required for supervisory functions.	21.0	24.0
	Kunshan Plant	18.2	19.0	19.6	☺	Improve the management concept of middle-level managers, broaden their thinking, and enhance their comprehensive management capabilities, innovation capabilities and execution capabilities.	-	19.5	21.0
	Huangshi Plant	16.3	19.0	17.6	☹	Quality assurance and engineering related departments carry out training on five major TS tools related to production products, quality system, internal audit training, etc. to ensure the professionalism of relevant personnel. However, the physical operation courses are reduced due to the epidemic, so failed to meet the standards.	The course is mostly conducted by live video, and the test is conducted at the end of the training to confirm the training effect.	19.5	21.0

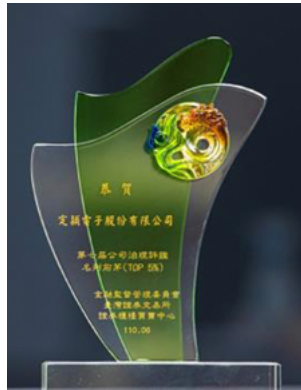
* Please refer to MOPS or Annual Report of Shareholders' Meeting for information.

** Operational performance = total revenue / number of employees, growth rate = (this year's operational performance - previous year's operational performance) / previous year's operational performance

*** Starting from 2022, the target is revised to: Based on the 2020 baseline, the energy consumption intensity and GHG emission intensity (based on revenue) will be reduced by 4% per year, and at least 20% by 2025.

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

In the journey of promoting corporate governance, Dynamic has actually felt the long-term benefits brought by the implementation of corporate governance, especially the completeness of governance structure and procedures. Corporate governance is a race with no end. We will make persistent efforts to pursue excellence and move towards sustainable development of the enterprise.



Listed Company Top 5%



Mid & Small-cap Company Top 5%



Dynamic Huangshi Factory Announced as National Green Factory

After long-term efforts, Dynamic Huangshi Plant was listed on the list of 2021 Green Plants released by the Ministry of Industry and Information Technology. The indicators of this green factory performance evaluation include: Land intensification, harmless raw materials, clean production, recycling of waste and low carbon energy.



Dynamic won the Huangshi Intelligent Transformation Demonstration Enterprise

Through the high automation of equipment, intelligent information and huge quantification, Huangshi Factory reduces manpower dependence, improves yield, and increases output value, becoming a pioneer of intelligent factories. The advanced process of the newly built Huangshi Plant II focuses more on the breadth of intelligence to achieve the coverage of the whole plant, so that technology and quality can be further improved.



Contact Information

Dynamic Electronics Co., Ltd.
 ESG Sustainability Committee Irene Tsai
 Address: 6th Floor, No. 50, Minquan Road, Luzhu District, Taoyuan City, 33846
 Tel: 03-349 3300 ext. 7107
 Fax: 03-357 3300
 Email: Irene_Tsai@dynamicpcb.com
 Website: www.dynamicpcb.com