



Stock Code : 6173

# Prosperity Dielectrics Co., Ltd.

## 2024 Sustainability Report



**Published on August 1, 2025**

**Sustainability report inquiry link :**

**Market Observation Post System website : <http://mops.twse.com.tw>**

**Prosperity Dielectrics Co., Ltd. Website : <https://www.pdc.com.tw/tw>**

*(This English translation is prepared in accordance with the Chinese version and is for reference only. If there is any inconsistency between the Chinese version and this translation, the Chinese version shall prevail.)*

# Letter from the Chairman

## Value Key Stakeholders, Make ESG as PSA's DNA!

Although there are global economy changes and geopolitical conflict in the past year, PSA still grows steadily and even expands our enterprises gradually. Till 2024, we have grown into an international group with ten listed companies, approximately 39,000 employees, and the total revenue is about NT\$ 104.5 billion. These achievements are attributed to the dedication of PSA colleagues and the support of our shareholders. Therefore, we place great emphasis on the core principle of "Value Key Stakeholders, including shareholder value, employee well-being, and social responsibility" among PSA's seven key management philosophies. We strive to ensure corporate profitability and reasonable returns for shareholders while actively taking action on corporate social responsibility, creating a high-quality work environment where employees can thrive together with the company. This, in turn, enhances operational performance and ultimately benefits both shareholders and society, achieve a win-win cycle of sustainable management. We will continue to take action in ESG—Environmental, Social, and Governance—to build a solid foundation for the group's sustainable development.

The 2024 United Nations Climate Change Conference (COP29) embraces the vision of "United for a Green World," inspiring us to continue advancing environmental protection policies. PSA keeps taking action in environmental-friendly products and supplier management. We strictly abide by international environmental protection laws, develop environmental-friendly products that comply with international environmental standards. Also, we enforce a local procurement policy and conduct supplier evaluations based on economic, environmental, and social criteria. Since investing in Hannstar Board New Energy Corporation in 2023, we have engaged in renewable energy investment, development, construction, operation, maintenance, and energy storage deployment, fully launching our green transformation with the goal of gradually increasing the use of renewable energy. Protecting the environment and promoting the sustainable development of our planet is our responsibility.

In social responsibility and employee benefits, PSA establish systematic policies for human rights, employment relationship, salary, training, promotion, retirement, etc. Starting from the aspects of cultivating talents, retaining talents, communication, and living assistance, we care for employees and value talents, in order to lead group companies to become social enterprises. We value employees' health and occupational safety, comply with occupational health and safety regulations, conduct regular health and safety training to all employees, create a smoke-free and pregnant-friendly working environment, provide health checks, set up health-care stops in each plant and hold health lectures.

In terms of talent development, as the group expands globally, we not only allow employees to apply for overseas assignments but also continue to cultivate local talent at various operational sites to enhance operational efficiency and drive growth momentum. At present, a considerable proportion of management is from

local talents. In addition, we design training courses and set up an online learning system, which provide employees with convenient and efficient learning tools to enhance self-growth and industrial competitiveness. We also plan a complete performance and function evaluation, refers to the reasonable salary level of the talent market, and implement a dividend and incentive bonus system in accordance with the annual assessment performance of employees, so that employees can work with peace of mind, continue contributing talents, and grow with the company.

In order to achieve transparent communication, we have established proposal systems and suggestion boxes, which help knowing colleagues' suggestions and timely response, and facilitate internal company communication within the company. PSA Charity Foundation, which is also attached to the group, has a unique employee assistance program "EAP (Employee Assistance Program)". Professionals provide employee confidentiality and professional consulting services to assist colleagues in solving work and psychological emotions, stress, health, family, finance, and law problems. In addition, we also conduct interviews with new employees through the "Qingyutang" to help them quickly adapt to the company's culture, which solve emotional problems that affect employees' working performance. At present, there are more than 7,500 employees join in the official Line account, which can help solve employees' problem by private and bilateral communicate. Till 2024, 465 care management and stress relief courses have been completed, 82 courses are completed in 2024. 645 employee care interviews have been completed from 2020 to 2024, total 4,847 employees have benefited over the years.

Continuing the concept of giving back to the society, PSA Charity Foundation continues devoting to five major services, including hearing health care services, volunteering services, children's reading, short-term breaks for caregivers, and friendly workplaces. Up to now, the Foundation has donated over NT\$120 million, mobilized over 5,500 manpower, funded almost 400 hearing aid subsidy cases, over NT\$11 million donation, held more than 1,000 community hearing care awareness campaigns, offered hearing health care to almost 30,000 seniors, provided free hearing aids bank service to over 2,500 hearing-impaired people, developed the "Hearing Care Cloud Knowledge" website and the "PSA Charity Foundation Hearing Screening Method" to promote awareness of hearing health care, and recruited and trained 3,500 volunteers. It is the foundation that conducts the most hearing care in community care centers in Taiwan. Furthermore, there are 5,846 classes, 94,966 elementary and junior high school students in Pingtung and Taoyuan have benefited from taking part in sponsored courses for reading Mandarin newspaper, and relieved for more than 1,250 caregivers through stress-relief courses. We hope that through continuous adherence to the promotion of ESG concept, more people will feel its importance and raise awareness.

Colleagues in PSA group also set up public welfare organization spontaneously to care for rural schools and children with insufficient resources, such as providing long-term transportation vehicles, class assistance and talent learning, fresh milk, computer equipment, and English passports.

In terms of corporate governance and shareholder value, we believe that good financial performance, healthy cash flow, sustained growth of operating income and

profitability are important keys to a company's sustainable operation. The quality of financial performance even affects the value of the company's investment. Therefore, PSA puts forward a clear quantitative financial performance target, enhances shareholders and investors' confidence in the long-term investment value of the group, creates greater economic value through stable operations, giving back to shareholders, investors, employees, and business partners.

As a role in the supply chain, we will continuously make ESG as PSA's DNA, hope this spirit could be put into practice in more aspects, and create a sustainable future with all stakeholders.



PSA Chairman Chiao Yu-Heng

# About This Report

With its comprehensive product selection and global supply platform, Prosperity Dielectrics CO., Ltd. (hereinafter referred to as PDC) has become a trusted passive component supplier among top-tier international enterprises. Our products, integral to a myriad of consumer electronics applications, have seamlessly integrated into the lives of consumers worldwide. Embracing a spirit of corporate citizenship, we fulfill our societal responsibilities by actively engaging in corporate governance, environmental stewardship, and social initiatives, thus demonstrating our commitment to sustainable development. The topics presented in this report have been identified through a systematic analysis to discern the sustainability issues of interest to stakeholders, prioritize them, and serve as the foundation for information disclosure in this report.

## Scope of the Report

This report covers the corporate social responsibility performance from January 1, 2024 to December 31, 2024. There were no significant changes in the institutional size, structure, or ownership during the reporting period. The main indicators cover all Taiwan facilities of PDC- Yangmei Plant, Taoyuan Plant, and some indicators include all facilities of PDC in Taiwan, as well as PDC Electronics (Suzhou) Co., Ltd. (Wujiang Plant) and Dongguan Frontier Electronics Co., Ltd. (Dongguan Plant) in China. It does not cover information from other subsidiaries included in the consolidated financial statements.

## Guidelines for Report Composition

This report is compiled in accordance with the 2021 edition of the Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards).

The information presented in this report is based on the company's internal statistics and survey findings. Prior to publication, it undergoes a review process by unit supervisors overseen by the sustainability development committee. Following this, it is approved by the general manager and the board of directors. Financial data is audited by certified accountants. Our environmental and occupational health and safety management systems undergo both internal audits conducted annually and external audits for ISO 14001 and ISO 45001 certifications. Unless otherwise noted, all figures are reported in New Taiwan Dollars (NTD).

## External Verification

The Chinese version of this report was externally reviewed by Deloitte & Touche in accordance with the Statements of Assurance Engagements Standards No. 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" providing limited assurance. For the scope of assurance and conclusion, please refer to the accountant's limited assurance report in the appendix.

## Date of Publication

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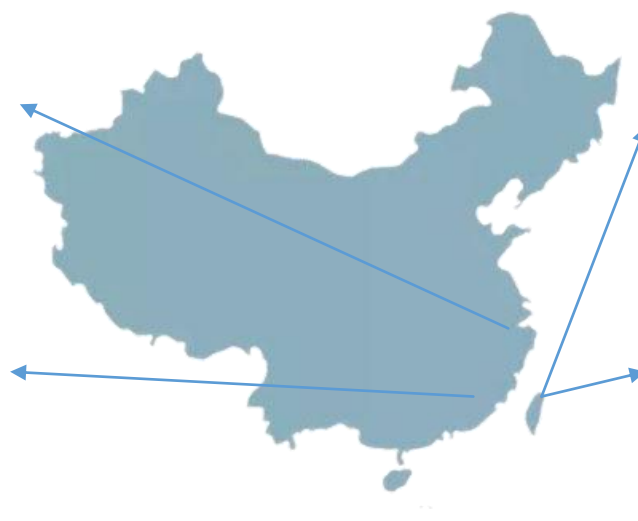
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# Chapter 1 Company Overview

## 1-1 Company Profile

<b>Market</b>	TPEX Listed Company
<b>Code</b>	6173 P.D.C.
<b>Industry</b>	Electronic Parts and Components
<b>Main Application</b>	applied to computer peripherals, communications products and consumer electronics, automotive and industrial electronics
<b>Date of Establishment</b>	1990-05-21
<b>Date of Listing</b>	2002-04-19
<b>Capital Stock</b>	NT 1.72 Billion
<b>Chairman</b>	Chiao Yu-Heng
<b>General Manager</b>	Chun-Hsueh Chen
<b>Headquarter</b>	No.566-1, Kaoshi Rd., Yangmei, Taoyuan
<b>Number of employees</b>	730
<b>Stock Transfer Agency</b>	Shareholder Services Office of Prosperity Dielectrics Co., Ltd.
<b>Accounting Firm</b>	Deloitte & Touche





## 1-2 Brands and Products

PDC operates in the electronic parts and components manufacturing industry. The company engages in the manufacturing, processing, and sales of dielectric ceramic powder, multilayer ceramic capacitor (MLCC) of high-specification for military, AI power Applications, aerospace, automotive, new energy, 5G communication, and industrial special applications, as well as chip resistors (Chip-R). Additionally, to comprehensively expand its product applications in power supply, the company is actively establishing strategic alliances with internationally recognized electronic component distributors and agents to enhance its product specifications and services. There were no significant changes in the scale and operations of the company during the reporting period.



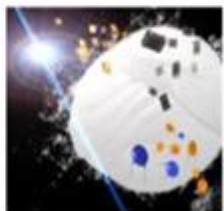
### 1-2-1 Main Brands

The company uses the “PDC” and “Frontier” brands to market globally. The related brand applications are as follows:

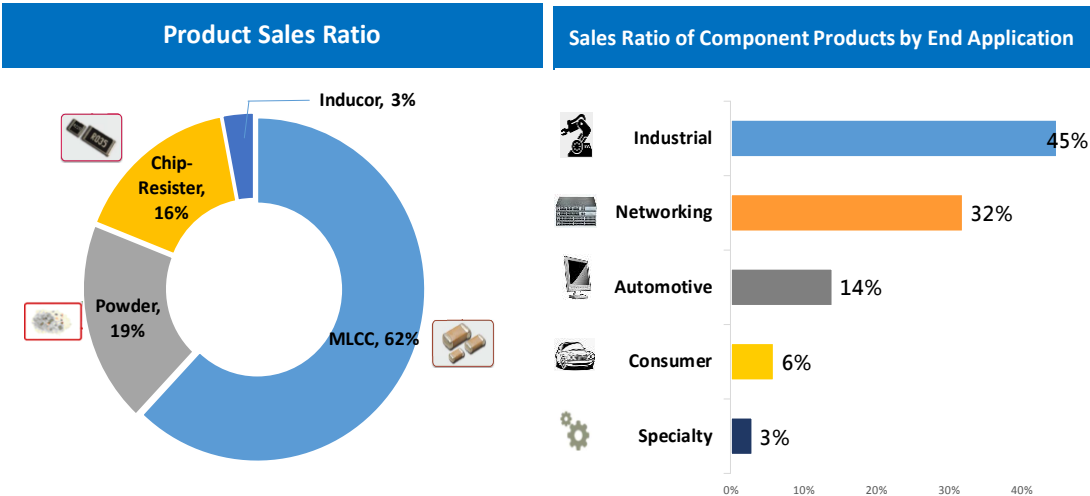
Member Company	Brand Owned	Product Offering
<b>Prosperity Dielectrics</b> (6173.TW)  Joined PSA in 2005	 PDC	MLCC, Chip-R, ceramic dielectric powders, disc type semi-conductive capacitor elements
	 FRONTIER ELECTRONICS	Inductor, Protective Choke, Diode, Coil

### 1-2-2 Main Products, Applications, and Sales Ratio

#### Main Products

<p>► <b>MLCC</b></p>  <ul style="list-style-type: none"><li>■ Safety Certified X1/Y2, X2</li><li>■ High Voltage: 100V – 10KV</li><li>■ Big Size: 3035–13060</li><li>■ Custom Made Available</li></ul>	<p>► <b>Chip-R</b></p>  <ul style="list-style-type: none"><li>■ Current Sensing : down to 1mΩ</li><li>■ Triple Power: up to 3W</li><li>■ Automotive Grade</li><li>■ Safety Certified Chip Resistor</li></ul>
<p>► <b>Dielectrics Powder</b></p>  <ul style="list-style-type: none"><li>■ BT Series</li><li>■ Disc Series</li><li>■ MLCC Series</li><li>■ Microwave Series</li></ul>	

# Distribution of Sales and Applications for Each Product in 2024

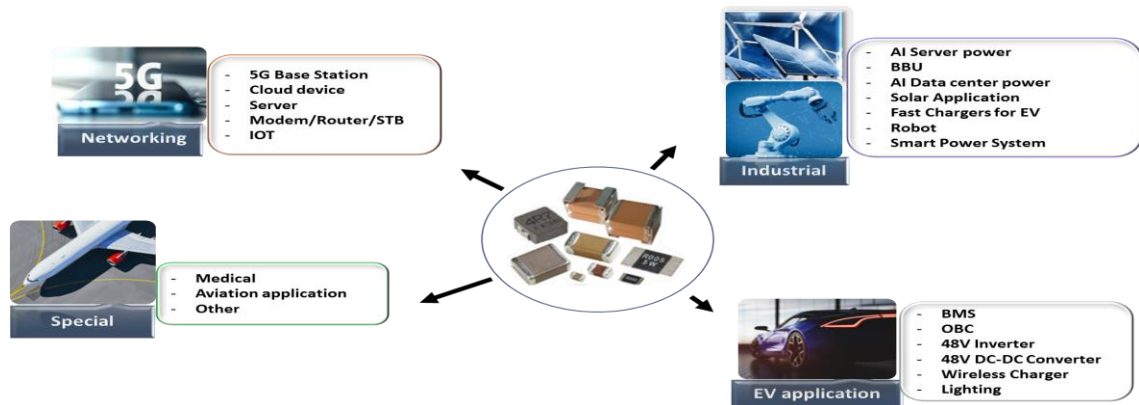


## 1-3 Product Applications and Innovative Research and Development

### Innovation Research and Development

PDC strongly believes that research and development (R&D) and innovation are the foundation of future core competitiveness and the source of enhancing product portfolio and profitability. Therefore, in addition to the establishment of R&D centers in Taoyuan and Yangmei factories, the company has consistently invested nearly 2% of its annual revenue in technological R&D and innovation over the past few years. The company is committed to developing mid-to-high-end dielectric ceramic materials and functional materials for high-niche applications like automotive electronics and 5G communications. Our goal is to advance into high-value-added functional components fields. It masters the key technologies of materials and processes to develop niche product differentiation strategies, such as: high temperature and high pressure applications, high reliability, safety, medium and high voltage, high precision, large size, customized chip capacitors and safety, anti-sulfide, anti-surge, high power, high precision and low resistance chip resistors and other high value-added products. Its scope covers materials and various new products, with sales expanding from mainly consumer products in the past to include a diverse range of products such as AI power, communications, power supplies, automotive electronics, industrial electronics, green energy generation of electricity, energy storage, and energy-efficient lighting systems. In addition, in terms of new product development and internal process improvement, it includes lead-free manufacturing processes, reducing the use of hazardous substances, and using recycled materials to ensure that the manufacturing and use of MLCCs meet environmental requirements and reduce negative impacts on the environment. The adoption of energy-efficient equipment and processes, as well as improvements in equipment efficiency, reduce energy consumption, increase production output efficiency, and lessen environmental impact to achieve the goal of corporate sustainability.

## Main Application



## Intellectual Property Rights

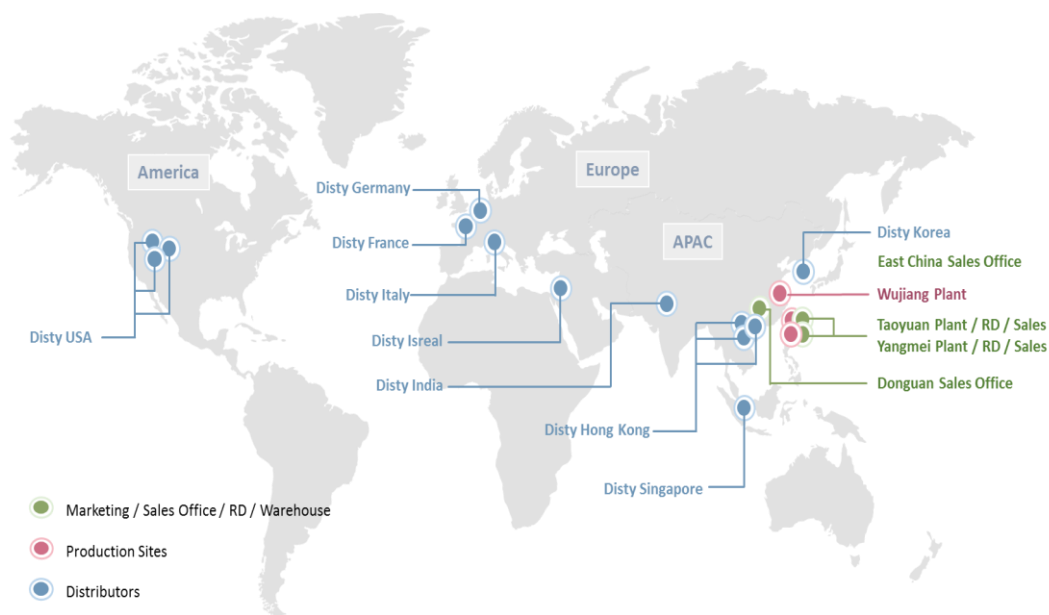
Innovation and R&D have always been the driving forces behind the company's advancement. To effectively manage and utilize the company's intellectual property and maximize its benefits, the company has adopted the following measures:

- Apply for patent rights for various inventions and new designs.
- Establish regulations related to intellectual property rights, including patent creation management and trade secret protection and management regulations.
- The company's intellectual property is managed externally by the Legal Department, which takes measures to avoid infringement and maintain rights. All relevant documents are centrally managed by the R&D Department, which also implements related control measures (including access control, business information, technical information, and training) to ensure the integrity and security of intellectual property rights.

## 1-4 Sales System

PDC is the only domestic manufacturer capable of upstream production of dielectric ceramic powder and vertical integration downstream into passive chip components. By mastering critical material and process technologies, the company focuses on the niche market of specialized passive components and high-end upstream materials. Through comprehensive distribution channels, both domestically and internationally, the company markets its products worldwide.

The number of countries where PDC operates and a map of the geographical locations of the markets it serves are as follows:



## 1-5 Major Events

Year	Major Events
1983	TCC Research Laboratory established a precision R&D center to engage in the development of electronic ceramics and disc capacitor powders.
1988	Taiwan Precision Materials Co., Ltd. was established to manufacture and develop disc capacitor powders.
1990	Acquired MetaMate Electronics Company and established PDC in Nantou to manufacture multilayer ceramic chip capacitors.
1995	Started producing ceramic chip resistors and ceramic chip inductors. PDC merged with Taiwan Precision Materials Company.
2001	First supplier in Asia to receive SEMKO safety certification. First passive component manufacturer in Taiwan to self-supply dielectric ceramic powder for chip capacitors.
2002	PDC was officially listed on the OTC market, and all plants passed ISO 9001 certification.
2004	Achieved TS16949, ISO 14001, and OHSAS18001 certifications. Awarded the Industrial Excellence Award by the Industrial Development Bureau, Ministry of Economic Affairs.
2005	Formed a strategic alliance with Walsin Technology Corporation.
2007	Strategic alliance with Frontier Electronics Co., Ltd. to., which produces diodes and magnetic material components. Ranked 705th in Commonwealth Magazine's Top 1000 Manufacturers.
2008	PDC is positioned as a specialty products and materials business group within the PSA Group. Listed in Deloitte's Asia Pacific Technology Fast 500. Ranked 682nd in Commonwealth Magazine's Top 1000 Manufacturers.
2009	Ranked 677th in Commonwealth Magazine's Top 1000 Manufacturers.
2012	Won the National Invention and Creation Award - Silver Medal for the "Dielectric Ceramic Composition for Co-firing with Copper and its Alloys."
2015	The company obtained IECQ third-party certification and passed the AS9100 Aerospace industry Quality Management System certification.
2016	The company's capacitor automotive series products meet the quality requirements of AEC-Q200 and have obtained IECQ third-party certification.
2018	The company has obtained the IATF 16949:2016 version of the automotive industry quality management system certification. Shenzhen factory was established.
2019	Acquired real estate of Yangmei Plant. Listed in Commonwealth Magazine's Top 100 Fast-Growing Enterprises of 2019. Listed in Deloitte's Asia Pacific Technology Fast 500.

2020	Ranked 569th in Commonwealth Magazine's Top 2000 Manufacturers.
2021	Transferred 100% equity of Hunan Frontier Electronics Co., Ltd to Inpaq Technology (Suzhou) Co., Ltd.
2022	Obtained 26.38% equity of Joyin Co., Ltd. Acquired real estate in Liujia District, Tainan for operation and production.

## Chapter 2: Stakeholders and Issue Management

### 2-1 Identification and Communication with Stakeholders

PDC identifies its key stakeholders according to GRI guidelines, including shareholders/investors, employees, suppliers, contractors, corporate clients, government agencies, and other non-profit organizations (as PDC operates under a B2B business model, general consumers are not included). For the various stakeholders mentioned above, PDC establishes various communication channels. These channels not only provide necessary information to stakeholders concerning our operations but also enable the company to receive feedback and suggestions, guiding future planning and initiatives. This facilitates effective two-way communication, fostering collaborative problem-solving through various communication platforms.

Stakeholders	Communication platforms
Group employees	<ul style="list-style-type: none"> <li>Internal Network Message System (Available at all times): Announced and accessible through the internal network.</li> <li>Annual Strategy Planning Meeting: Discussion on company strategy objectives and execution planning.</li> <li>Labor-Management Meeting (Quarterly) and Welfare Committee Meeting (Not regularly): Proposing suggestions and negotiating with the company.</li> <li>Management Two-Way Communication (Monthly): Communication meeting between senior managers and top executives at the director level and above.</li> <li>Various Survey Investigations (Annually), including surveys conducted for the compilation of ESG reports.</li> <li>Complaint Hotline (Available at all times): Available for employees to report issues or concerns. Upon receiving a report, it is promptly logged and handled by designated personnel.</li> <li>"Qingyutang" : Counseling services provided by professionals from the PSA Charity Foundation, listening to employees' thoughts and feedback, and relaying relevant opinions to the company.</li> </ul>
Shareholders/ Investors	<ul style="list-style-type: none"> <li>Investor Conference (Not regularly), Periodic dissemination of operational updates (Monthly).</li> <li>Annual Shareholders' Meeting: Preparation and disclosure of financial reports and annual reports in accordance with regulations.</li> <li>Establishment of Investor Relations Section on the official website: Shareholders can access operational, financial, and dividend information.</li> <li>Survey Investigation (Annually): Stakeholder survey.</li> <li>Establishment of Spokesperson/Investor Relations Contact Window.</li> </ul>

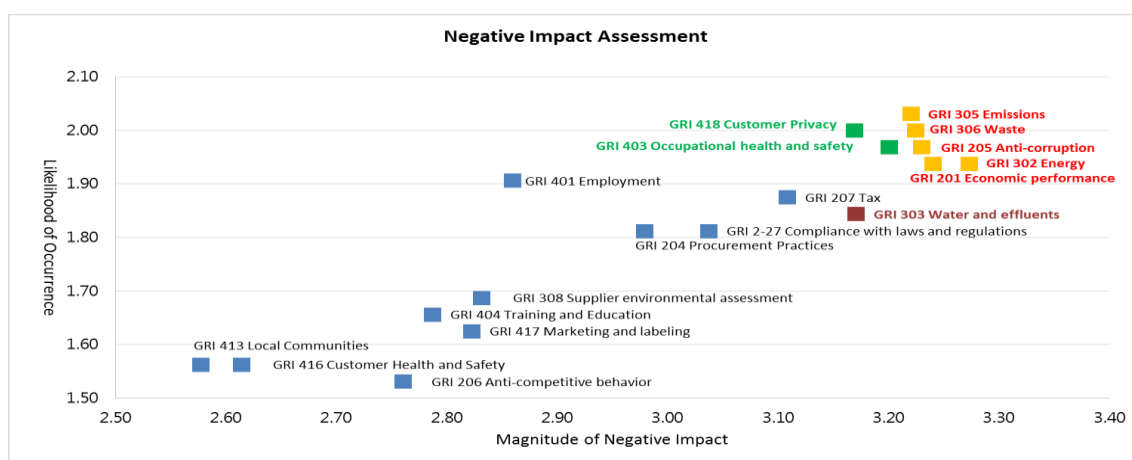
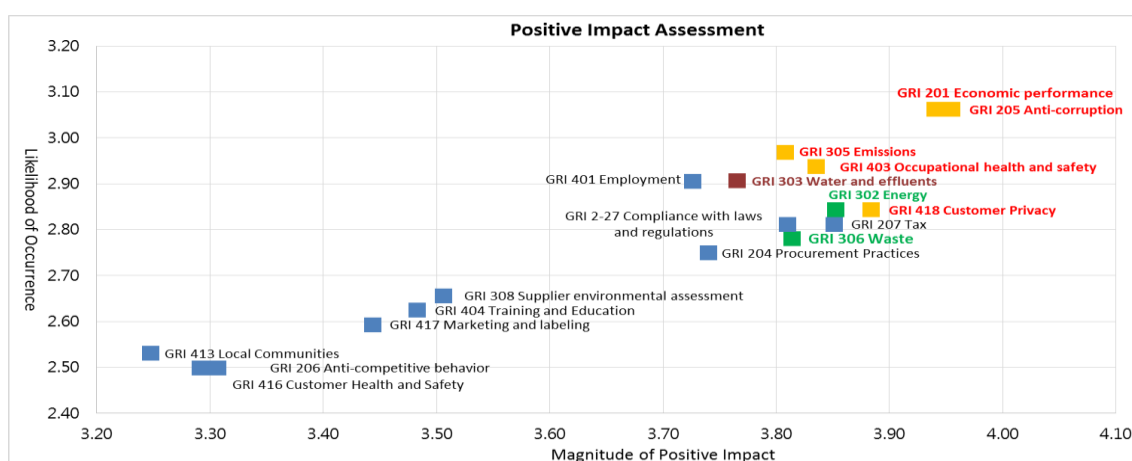
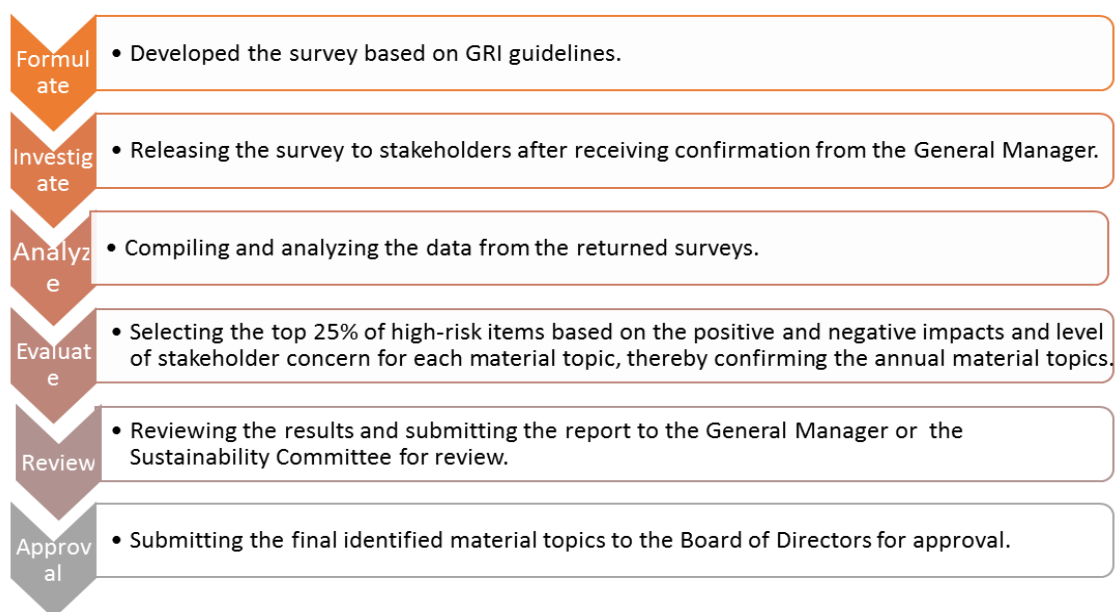
Stakeholders	Communication platforms
Corporate clients	<ul style="list-style-type: none"> <li>▪ Customer Satisfaction Survey (Annually).</li> <li>▪ Customer Service Online Email (Not regularly).</li> <li>▪ Various Survey Investigations (Annually), including surveys conducted for the compilation of ESG reports.</li> <li>▪ Official Website.</li> <li>▪ Participation in relevant product exhibitions to directly understand customer and market development directions (Not regularly).</li> <li>▪ Sales Team Visits to Customers (Not regularly).</li> </ul>
Suppliers and contractors	<ul style="list-style-type: none"> <li>▪ Supplier Audits and Interviews (Not regularly).</li> <li>▪ Various Survey Investigations (Annually), including surveys conducted for the compilation of ESG reports.</li> </ul>
Government agencies and other non-profit organizations	<ul style="list-style-type: none"> <li>▪ Maintaining good interaction with regulatory authorities and actively participating in public hearings (Not regularly) and legal seminars.</li> <li>▪ Compliance with regulations.</li> <li>▪ Correspondence of official documents, project seminars, compliance with all requirements outlined by regulatory authorities in written communications.</li> <li>▪ Various surveys conducted annually, including those conducted for compiling ESG reports.</li> <li>▪ Maintaining good interactive relationships with local community leaders/residents.</li> <li>▪ Organizing hearing care activities through the Cihui Club or in cooperation with PSA Charity Foundation, and assisting disadvantaged social welfare units or other charitable activities.</li> </ul>

## 2-2 Major Issue Identification

Collection of major corporate issues, external sources include the Global Reporting Initiative Standards (GRI Standards) released by the Global Sustainability Standards Board; internal sources include feedback from stakeholders through various channels. To identify significant issues, our company follows three evaluation criteria: "Relevance to Stakeholders with Communication Intent," "Stakeholder Concern Level on the Issue," and "Impact of the Issue on Achieving Company Strategic Goals." The company distributes surveys on stakeholder concern levels and the impact of concerned issues on the company to different stakeholder groups and internal senior management. In 2024, we collected 32 survey responses from managers and executives within the company and 176 responses from our stakeholders, including investors, employees, suppliers, customers, and government/non-governmental organizations. Based on the collected survey data, we conduct cross-analysis and select the top 8 (25%) high-risk items as the significant issues disclosed in this report. However, based on the principle of prudence, information regarding each significant issue is disclosed only within the organization, with disclosure to external entities withheld for the time being.



## Process of Identifying and Analyzing Significant Issues



### Comparison of Major Issues Between 2023 and 2024

Major Issues of 2023		Major Issues of 2024	
Effluents and Waste	Water and Effluents	Emissions	Water and Effluents
Socioeconomic Compliance	Customer Health and Safety	Anti-corruption	Occupational health and safety
Economic Performance	Marketing and Labeling	Economic Performance	Waste
Environmental Compliance	Customer Privacy	Energy	Customer Privacy

Based on the latest GRI Standards, the 2024 materiality survey was designed to exclude "Environmental Compliance" and "Socioeconomic Compliance." Following the results of this survey, we have also removed "Customer Health and Safety" and "Marketing and Labeling" from our list of topics, while adding four new ones: "Emissions," "Anti-corruption," "Energy," and "Occupational Health and Safety."

### Evaluation of the Impact of 2024's Key Issues on Business Operations and the Upstream and Downstream Supply Chain




● Actual Impact; ▲ Potential Impact




Major Issues	GRI Title	Description of Impact (Positive/Negative)	Impacted parties and Evaluation		
			Upstream (Suppliers/Contractors)	The Company	Downstream (Customers)
Anti-corruption	GRI 205 : Anti-corruption	Positive: Maintain the company's positive image and protect stakeholder rights. Negative: Cause the company's negative image and harm stakeholder rights.	▲	▲	▲
Economic performance	GRI 201 : Economic performance	Positive: Sound economic performance enables sustainable business operations, provides employment opportunities, and rewards investors. Negative: Poor operational performance affects employee welfare, hiring, and investor returns.	▲	●	▲
Emissions	GRI 305 : Emissions	Positive: Balancing production costs and environmental protection. Negative: Causing environmental pollution and increasing operational costs, which also leads to a negative corporate image.	▲	●	▲
Occupational health and safety	GRI 403 : Occupational health and safety	Positive: Provide employees and non-employees with a safe and comfortable working environment, reducing the occurrence of occupational safety incidents. Negative: Increased occupational safety incidents, leading to disruptions in company operations.	●	●	▲



● Actual Impact; ▲ Potential Impact

Major Issues	GRI Title	Description of Impact (Positive/Negative)	Impacted parties and Evaluation		
			Upstream (Suppliers/ Contractors)	The Company	Downstream (Customers)
Customer privacy	GRI 418 : customer privacy	Positive: Ensuring the best interests of customers and suppliers to maintain long-term partnerships. Negative: Inability to maintain relationships with customers and suppliers, leading to a loss of orders.	▲	●	●
Energy	GRI 302 : Energy	Positive: Implementing energy-saving measures can lower operational costs while reducing resource consumption and environmental impact. Negative: Failure to implement energy-saving measures results in increased operational costs and environmental impact.	▲	●	▲
Waste	GRI 306 : Waste	Positive: Waste reduction lowers operational costs while minimizing environmental impact. Negative: Improper disposal can lead to environmental pollution and harm to human health, resulting in penalties from regulatory authorities.	▲	●	●
Water and effluents	GRI 303 : Water and effluents	Positive: Lowering operational costs and reducing environmental impact. Negative: Increasing operational costs and environmental impact, as well as the corresponding fines.	▲	●	●

## 2-3 Management Approach for Material Issues and Alignment with SDGs

Major Issues	ESG-Related Chapters	Management Approach and Performance		SDGs Alignment
		Action Plan	2024 Performance	
Anti-corruption	3-1 Business Philosophy and Regulatory Compliance	<ol style="list-style-type: none"> <li>Internal: Formulate an "Employee Code of Ethical Conduct" that all employees of the company and its subsidiaries must adhere to, regardless of their position, rank, or location.</li> <li>External: Require suppliers to sign an Integrity Commitment and strictly prohibit contractors from engaging in improper business competition and bribery.</li> </ol>	<ul style="list-style-type: none"> <li>No incidents of corruption or significant penalties have occurred.</li> <li>No contracts with business partners were terminated or not renewed due to corrupt practices.</li> <li>100% of employees at our Taiwan facility have received anti-corruption training.</li> </ul>	
Economic performance	3-3 External Participation 3-6 Risk Management 3-7 Operational Performance 5-4 Compensation and Benefits	<p>The company adheres to the principle of steady growth and continues to expand into new customers and new markets. Internally, we strengthen resource integration, optimize manufacturing processes, and improve output efficiency. We are also focused on developing new products and controlling management costs. Additionally, we are optimizing our product and client portfolios while continuing to expand our presence in niche markets to ensure steady growth in business operations and shareholder value.</p>	<ul style="list-style-type: none"> <li>In 2024, our revenue was NT3.724 billion, with net profit after tax NT498 million and a return on equity of 7.32%.</li> </ul>	
Emissions	4-1 Environmental Management Systems 4-4 Pollution Prevention	<ol style="list-style-type: none"> <li>By using the ISO 14001 Environmental Management System, we drive continuous improvement in our environmental management programs through the P-D-C-A management model.</li> <li>In 2021, our Yangmei facility installed</li> </ol>	<ul style="list-style-type: none"> <li>In 2024, the greenhouse gas inventory for our Taiwan plants showed a total Scope 1 and Scope 2 carbon emissions of approximately 31,688 metric tons of CO<sub>2</sub>e, calculated using the market-based method.</li> </ul>	

Major Issues	ESG-Related Chapters	Management Approach and Performance		SDGs Alignment
		Action Plan	2024 Performance	
		additional air pollution control equipment to meet legal standards, ensuring that our exhaust gas treatment efficiency complies with the EPA's emission regulations.		
Occupational health and safety	3-6 Risk Management 5-6 Employee Health and Care 5-7 Safe and Healthy Work Environments	<ol style="list-style-type: none"> <li>1. We provide regular health check-ups for employees and have occupational nurses and on-site doctors at each facility to offer a variety of medical consultations, ensuring the health and well-being of our staff.</li> <li>2. Each plant has implemented the ISO 45001 Occupational Health and Safety Management System and established an Occupational Health and Safety Committee to ensure effective management of occupational health and safety.</li> </ol>	<ul style="list-style-type: none"> <li>• In 2024, the number of occupational injuries was 5, a decrease of 2 from the previous year.</li> <li>• There were no cases of major fines or non-monetary sanctions due to non-compliance with relevant regulations in 2024.</li> </ul>	
Customer privacy	3-9 Information Security and Privacy Protection	To minimize the risk of cyberattacks and prevent data corruption or loss, which ensures uninterrupted company operations, The company has implemented relevant response measures. The company also regularly publishes and promotes its information security management policies and regulations to enhance all employees' cybersecurity awareness.	<ul style="list-style-type: none"> <li>• There were no incidents of customer data infringement, leakage, theft, or loss. The company has maintained a record of no violations.</li> </ul>	
Energy	4-2 Material and Energy Management 4-4 Pollution Prevention 4-5 Energy-Saving Measures	<ol style="list-style-type: none"> <li>1. We are committed to optimizing process design and enhancing technology to reduce raw material consumption. This is included in our annual goals and drives the implementation of energy-saving measures, thereby fulfilling our energy conservation policy.</li> <li>2. In 2024, we purchased an energy management</li> </ol>	<ul style="list-style-type: none"> <li>• All products' unit energy consumption in 2024 was lower than in the previous year. °</li> </ul>	

Major Issues	ESG-Related Chapters	Management Approach and Performance		SDGs Alignment
		Action Plan	2024 Performance	
		system for NT\$1.5 million to monitor the operations of our chillers and air compressors. This system will be used for future energy consumption management and improvement.		
Waste	4-4 Pollution Prevention	<ol style="list-style-type: none"> <li>1. The company has established a "Waste Management Operating Guideline" that covers waste classification and storage, on-site signage, regular reporting, and scheduled waste treatment with qualified contractors.</li> <li>2. We have installed a sludge filter press to separate, treat, and reuse sludge.</li> </ol>	<ul style="list-style-type: none"> <li>•In 2024, waste generated was reduced by 3 metric tons compared to 2023.</li> </ul>	
Water and effluents	4-3 Water Resources Management 4-5 Energy-Saving Measures	<ol style="list-style-type: none"> <li>1. The company has establish a "Wastewater Management Operating Guideline" that includes procedures for wastewater discharge control and regular inspection and maintenance.</li> <li>2. Implement water conservation measures.</li> </ol>	<ul style="list-style-type: none"> <li>•In 2024, our total water consumption increased due to higher production volume and new construction projects. However, our water consumption per unit of product slightly decreased due to changes in our product mix.</li> </ul>	

## Chapter 3 Corporate Governance

### 3-1 Business Philosophy and Regulatory Compliance

The company regards "integrity" as the fundamental core value and business philosophy. We concretely implement this value in our requirements for professional ethics and regulatory compliance, considering it the highest principle in executing all business activities. Therefore, our company is committed to providing professional services of the highest quality and continuously enhancing service quality and business performance to strengthen the company's operational structure, laying the foundation for sustainable operation.

Group Business Philosophy
<ul style="list-style-type: none"><li>▪ Integrity first</li><li>▪ Treat Customers as Partners</li><li>▪ Focus and Quality as top priority</li><li>▪ Globalization</li><li>▪ Stabilization and Talent development</li><li>▪ Value key Stakeholders</li><li>▪ Collaboration</li></ul>

Business Strategy (Mission)
<ul style="list-style-type: none"><li>▪ Enhance product quality to achieve world-class standards for high-end market applications.</li><li>▪ Value employees and cultivate the interests of stakeholders.</li><li>▪ Fulfill the green citizenship responsibility for the Earth.</li></ul>

The company holds an internal awareness campaign annually, where the Chairman, CEO, or senior management conveys the importance of integrity to directors, employees, and appointees, and assesses and evaluates the effectiveness of integrity management measures established by the management team, in addition, evaluates compliance with relevant business processes and report annually to the board of directors.

#### 3-1-1 Compliance with Code of Ethics

The company provides guidelines for all employees in carrying out company operations. All employees of both the company and subsidiaries are required to adhere to the "Employee Code of Ethics," regardless of their position, rank, or location. This code encompasses guidelines for workplace environment, equal opportunities, confidentiality clauses, prohibition of moonlighting and avoidance of conflicts of interest, gift-giving and receiving etiquette, respect for employees and customers, whistleblowing, protection, and exemptions. Adhering to these principles aims to earn public trust, enhance corporate image, and ensure the sustainable growth and development of the company.

### **3-1-2 Anti-Corruption**

To uphold the principle of integrity in our operations, the company strictly prohibits any form of corruption, bribery, and extortion. Internally, employees are required to adhere to the principles of integrity and fairness at all times. The company's code of conduct and disciplinary procedures clearly outline the penalties for accepting improper benefits. To ensure that all employees fully understand these rules, 100% of our staff at the Taiwan facilities have received relevant training. Externally, we strictly forbid unfair business competition and bribery among our partners and require suppliers to sign an integrity commitment. The company manages related risks through audits, reporting, or complaints at all locations. Over the years, there have been no lawsuits or investigations related to corruption. In 2024, no employees were dismissed or disciplined for corruption, and the company did not terminate or fail to renew any contracts with business partners due to corruption. This year's risk assessment identified no significant corruption risks.

### **3-1-3 Anti-Competitive Practices, Anti-Trust, and Monopoly**

The company publicly announces and adheres to anti-trust laws, and periodically conducts relevant practical courses and provide them on our E-Learning system, allowing employees to engage in self-paced training at any time. We aim to instill important concepts deeply within every employee through ongoing education and training. Over the years, the company has not been involved in any legal litigation related to anti-competitive practices, anti-trust, or monopolistic measures.

### **3-1-4 Health and Safety, and Legitimacy of Marketing Labels**

Over the years, the company has not violated any regulations or voluntary guidelines related to the health and safety impact of products and services, product and service information, and marketing promotions (including advertising, sales, and sponsorship).



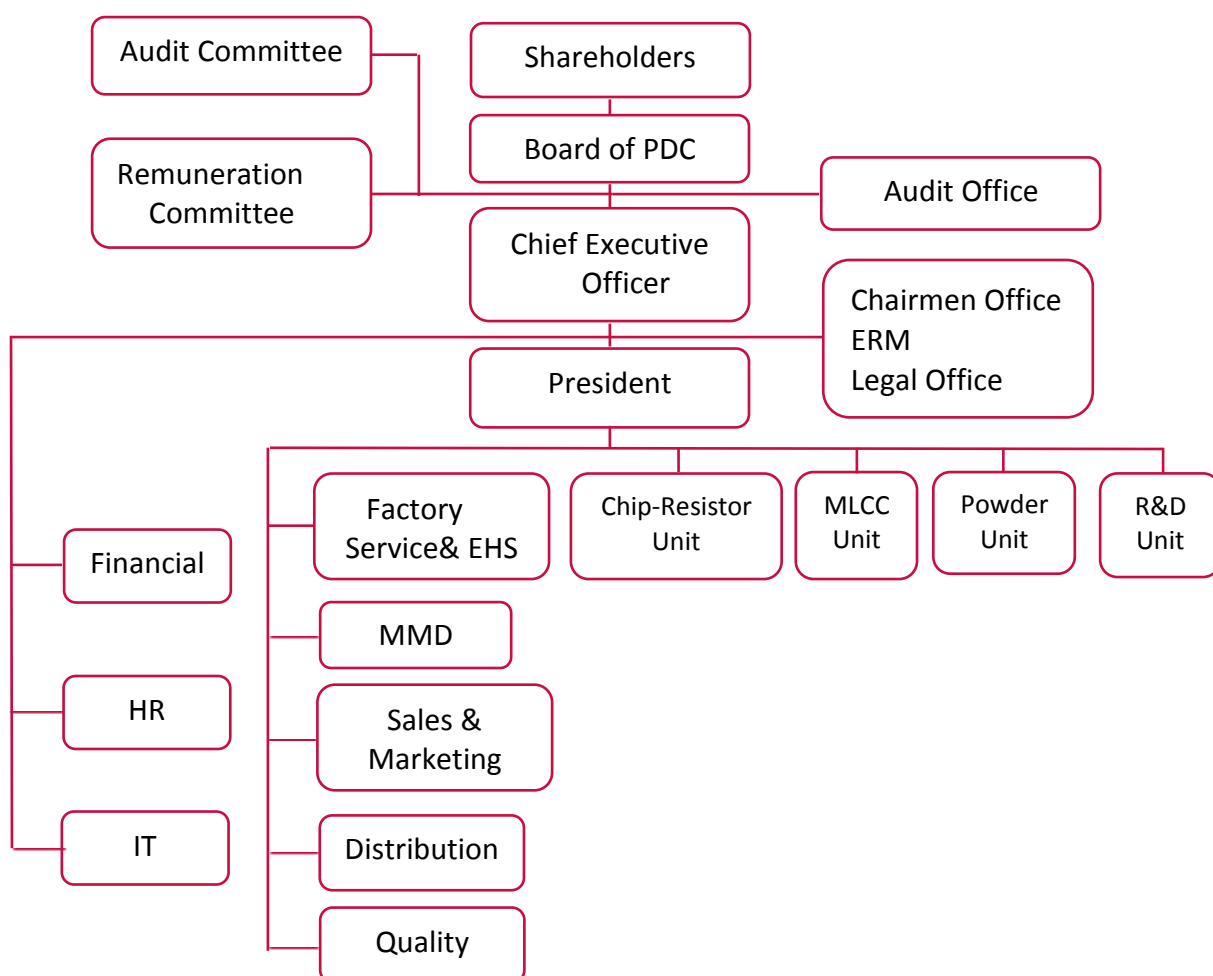
## 3-2 Governance Organization

### 3-2-1 Organizational Structure

The company's governance policies primarily adhere to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and relevant legal regulations. The chairman of the company is responsible for the operations and decision-making of the company and all related enterprises. We believe that sound corporate governance can establish a solid foundation for operational development, provide high-quality products and services to the market, and simultaneously enhance long-term corporate value.

In adherence to the principles of operational transparency, prioritization of shareholder rights, and the belief that a sound and efficient board of directors is the cornerstone of good corporate governance, the company's board of directors has authorized the establishment of its audit committee and compensation committee. These committees assist the board in carrying out its supervisory responsibilities, with each committee chair providing regular reports on their activities and decisions to the board.

In the company's efforts to promote corporate sustainability management strategies, a "Sustainable Development Committee" has been established to provide annual reports to the board of directors on progress. The board of directors also serves as a supervisory and guiding entity in this regard.



### 3-2-2 Board of Directors

The Board of Directors serves as the central body for significant operational decisions of PDC with responsibilities including the appointment and supervision of the company's management team and overseeing the overall operations of PDC. PDC's directors are appointed in accordance with the Company Act, the Company's Articles of Incorporation, and the Company's Director Election Rules. The current board consists of seven directors, including three independent directors, and convenes regular board meetings as required by law. The Chairman oversees the operations and decision-making of PDC and all its affiliated enterprises. To establish a sound corporate governance system, enhance supervisory functions, and strengthen management capabilities, the company has formulated its Board of Directors Meeting Rules in accordance with Article 26-3, Paragraph 8 of the Securities and Exchange Act and the "Rules of Procedure for Meetings of the Board of Directors of Publicly Traded Companies" for compliance.

The Board of Directors of the company regularly receives reports from the management team every quarter. The management team is required to present proposed company strategies to the board, which must assess the likelihood of success of these strategies. The board also regularly reviews the progress of these strategies and urges adjustments from the management team when necessary.

Each year, the company purchases liability insurance for all directors and key officers. Additionally, the attendance rate of directors at board meetings is disclosed annually through the annual report, enhancing accountability and ensuring that directors fulfill their duties and obligations, thereby effectively exercising oversight and management functions.

To strengthen corporate governance and enhance the effectiveness of the board of directors, the company has instituted the "Performance Evaluation Measures for the Board and Functional Committees." These measures require the board of directors to conduct an internal performance evaluation at least once annually. Furthermore, an external performance evaluation must be carried out by an independent professional entity or a team of external experts at least once every three years. The results of both the internal and external evaluations of the Board should be finalized by the end of the first quarter of the following year.

For information regarding the members of our company's board of directors and its operation, please refer to the "2. Corporate Governance Report" of the company's 2024 Annual Shareholders' Meeting Report.

Key Material Events communicated by the Board of Directors	Y2024
Number of material messages	6(related to economic performance issue)

Note: please refer to the Market Observation Post System(MOPS) website for details)

### Compensation to Directors

The remuneration of directors in the company and its consolidated subsidiaries includes transportation subsidy and profit distribution for directors. In terms of transportation subsidy, it refers to the industry standard, and individual compensation

amounts are determined through review by the Compensation Committee. With respect to compensation for profit distribution, it is processed according to the provisions of the company's articles of association for both the company and consolidated subsidiaries. The Board of Directors proposes a distribution plan, which is then submitted for approval by the shareholders' meeting. The remuneration of management includes salaries, bonuses, and employee benefits, which are determined based on the positions held, responsibilities undertaken, and reference to industry standards for similar positions, and the remuneration is also subject to review by the Compensation Committee based on operational performance results.

### **Conflict of Interest**

In the Company's Regulations Governing Procedure for Board of Directors Meetings, there are provisions regarding directors' conflict of interest. In cases where directors or their representative legal entities have a vested interest in the agenda items, they are required to disclose the significant details of their conflict of interest during the board meeting. If there is a risk of harm to the company's interests, they are prohibited from participating in discussions and voting on the matter. They must also abstain from discussions and voting and are not allowed to act as proxies for other directors in exercising their voting rights. The resolutions of the Board of Directors regarding directors who are prohibited from voting as per the aforementioned provisions shall be handled in accordance with Article 206, Paragraph 4 of the Company Act, applying the provisions of Article 180, Paragraph 2 *mutatis mutandis*.

Furthermore, the company has appointed independent directors, who provide recommendations based on their professionalism and experience from an objective and impartial standpoint. During board discussions on any agenda item, due consideration is given to the opinions of independent directors. Their reasons for agreement or disagreement are documented in the meeting minutes, adhering to the principle of conflict of interest, effectively safeguarding the interests of the company.

## Directors' Training Status

PDC periodically arranges for board members to participate in external training programs. The following table outlines the board members' training activities related to sustainability themes in 2024, with a total of 27 hours of training completed.

Title	Name	Organizer	Course Name	Training Hours
Independent director	Lau Boon Leng	Accounting Research and Development Foundation	Building an ESG sustainability strategy to enhance competitiveness	3
		Accounting Research and Development Foundation	Effective internal controls for sustainability reporting	3
Director	Wang, Por-Yuan	Taiwan Institute for Sustainable Energy	Sustainable finance disclosure	3
		Taiwan Institute for Sustainable Energy	Taiwan's just transition to net zero for hard-to-abate sectors	3
Director	Chiao, Yu-Heng	Securities and Futures Institute	Carbon credit trading mechanisms and carbon management applications	3
Independent director	Chiu, Chin-Tain	Independent Director Association Taiwan	[ESG Sustainability Forum] 2024 A Win-Win for the Environment and Economy: Taiwan's Path to ESG Implementation	3
Director	Hung, Chih-Mou	Securities and Futures Institute	Carbon credit trading mechanisms and carbon management applications	3
Director	Chu, Yeu Yuh	Securities and Futures Institute	Carbon credit trading mechanisms and carbon management applications	3
Independent director	Eric Chen	Securities and Futures Institute	Carbon credit trading mechanisms and carbon management applications	3

## 3-2-3 Audit Committee

The Audit Committee is responsible for assisting the Board of Directors in performing oversight duties and exercising the authority prescribed by Securities and Exchange Act, Company Act, and other statutory regulations. The Audit Committee regularly communicates with the company's external auditors and conducts reviews on their appointment, independence, and performance. Simultaneously, internal audit personnel within the company submit periodic audit summary reports to the Audit Committee based on the annual audit plan. The Audit Committee also conducts regular assessments of the company's internal control system, internal audit personnel, and their work.

For information regarding the members of the company's Audit Committee and its operation, please refer to the "2. Corporate Governance Report" of the company's 2024 Annual Shareholders' Meeting Report.

### 3-2-4 Remuneration Committee

To establish a sound salary and compensation system for the directors and executives, PDC set up the " Remuneration Committee " on December 29, 2011, in accordance with the provisions of the " Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange " and formulated the " Remuneration Committee Charter ". The Remuneration Committee consists of three members, currently composed of three independent individuals, aiming to assist the Board of Directors in formulating and regularly reviewing policies, systems, standards, and structures for performance evaluation and compensation of directors and executives, as well as periodically evaluating the compensation of directors and executives.

For information regarding the members of the company's Remuneration Committee and its operation, please refer to the "2. Corporate Governance Report" of the company's 2024 Annual Shareholders' Meeting Report.

### 3-2-5 Sustainable Development Committee

In order to fulfill corporate social responsibility and achieve the goal of sustainable development, the company adopted the "Corporate Social Responsibility Practice Guidelines" in 2020, approved by the Board of Directors, and established a dedicated department for promoting corporate social responsibility. Furthermore, in January 2022, the Board of Directors approved a name change and revision to "Sustainable Development Practice Principles" and "Sustainable Development Committee."

The committee is composed of department heads from various fields, serving as the top management organization for promoting sustainable development. It is responsible for formulating and implementing sustainable development policies, systems, or related management strategies, as well as proposing and executing specific implementation plans.

Responsibilities of ESG Committee Members		
Committee Members	Scope of Responsibility	Stakeholders
Legal	Corporate governance, code of ethics, regulatory compliance, intellectual property, corporate confidential information	Employees, Government, Society (Note)
Sales and Marketing	Customer service and satisfaction, customer trust, customer privacy, responsible business alliances and their code of conduct	Customers
Information Technology	Information security	Employees, Shareholders/Investors , Customers, Suppliers/Contractors
Risk Management	Risk management, crisis management, emergency response procedures and action plans	Employees, Shareholders/Investors , Customers, Suppliers/Contractors, Government, Society
Materials	Raw material and supply chain risk management,	Suppliers/Contractors

Management	supplier management, responsible business alliances and their code of conduct	
Quality	Product quality and reliability, product recall management mechanism	Customers, Suppliers/Contractors
Research and Development	Innovation management, green products	Employees, Customers, Suppliers/Contractors
Manufacturing Operations	Operational environmental efficiency, pollution prevention and control, water resource risk management, green manufacturing	Customers, Shareholders/Investors , Suppliers/Contractors
Financial	Financial information disclosure, dividend policy, tax-related strategies	Employees, Shareholders/Investors , Customers, Suppliers/Contractors, Government
Investor Relations	Addressing investor concerns appropriately, establishing long-term trust relationships, conducting effective two-way communication, compiling annual reports	Shareholders/Investors
Environmental Health and Safety	Environmental policy and management systems, pollution prevention and control, energy efficiency, climate change adaptation and energy-saving carbon reduction management, product environmental responsibility, environmental issue feedback mechanisms, environmental expenditure, green supply chains; occupational safety and health policies and management mechanisms, workplace safety, occupational disease prevention and health promotion; communication on environmental, safety, and health regulations	Employees, Shareholders/Investors , Customers, Suppliers/Contractors, Government, Society
Human Resources	Attracting and retaining talent, employee physical and mental health and work-life balance, labor-management relations and employee identification, labor rights, nurturing and career development, responsible business alliances and their code of conduct	Employees
Foundation	Charitable philanthropy	Society
Public Relations	Interaction and management of stakeholders, media relations	Society

Note: "Society" encompasses communities, non-governmental organizations, non-profit organizations, and the general public.

## 3-3 External Participation

### 3-3-1 Participating Organizations

In 2024, the company's participation in business associations or memberships in national and international organizations include the following:

Name	Management Position	Project	Membership
Electrical and Electronic Manufacturers' Association			V
Chinese National Association of Industry and Commerce			V

### 3-3-2 Government Subsidies

The government subsidy projects for the year 2024 are as follows:

Item	Subsidy Project	Amount (New Taiwan Dollar)	Region
1	Government interest subsidy for long-term loans	1,416,273	Taiwan
2	Steady Employment Program 2.0 grant	75,000	Taiwan
3	Employment insurance hiring grant	53,000	Taiwan
4	Subsidy for small and micro enterprise union fees	27,651	Suzhou
5	Enterprise job stability subsidy	21,377	Suzhou

### 3-3-3 Political Donation

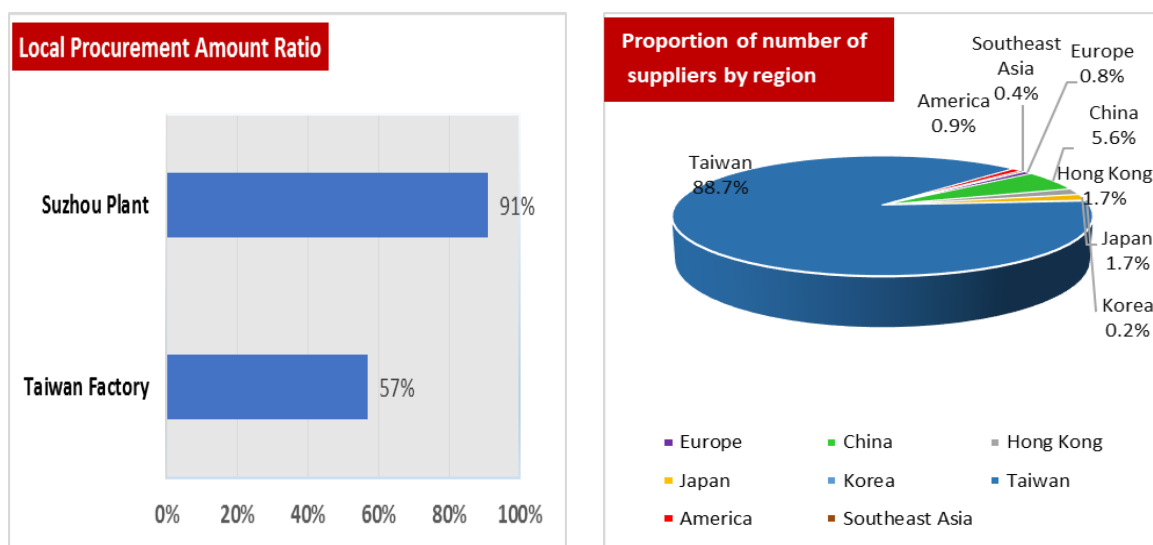
Irregular donation amounts used by unspecified political parties or politicians for public affairs contributing to the local community or society, such as aiding individuals, organizing events, assisting in epidemic prevention and relief, etc.

### 3-4 Supply Chain Management

PDC has long valued supplier relationships and regards suppliers as important partners. It formulates relevant supplier management policies in accordance with regulations to ensure that the quality and quality systems of the products provided by suppliers meet requirements. Through close cooperation, it maintains the stability of the long-term supply chain.

#### 3-4-1 Local Procurement

In recent years, to ensure supply efficiency, we have actively implemented a policy of local procurement. In Taiwan, 57% of procurement expenditures are sourced from Taiwanese suppliers, while in Prosperity Dielectrics Co., Ltd. (Suzhou), 91% of procurement expenditures are sourced from suppliers in Mainland China.



Note: Local suppliers are defined as suppliers engaged in domestic transactions and issuing domestic invoices.



### 3-4-2 Supplier Policy and Audit

Raw material suppliers are selected based on environmental and social standards, and relevant management measures are formulated for evaluation and control. For introduced primary material suppliers, periodic assessments are conducted based on the level of risk, ranging from 1 to 3 years, to promote and continuously improve practices, in pursuit of sustainable business operation and growth together.



Documents Signed by All New Raw Material Suppliers in 2024:

Document Name	New Introduced Raw Materials in 2024	Remarks
Environmental Assurance Certificate for Raw Materials	23 items of raw materials	Already signed
Supplier Environmental Survey Form	12 suppliers	Already signed

In 2024, PDC added 44 new suppliers. All of them have signed the "Integrity Commitment," "Confidentiality Commitment," and agree to adhere to the "Code of Conduct for Responsible Business Alliances," and provide a complaint channel.

### **3-4-3 Conflict Minerals Response**

The company has already implemented policies regarding the sourcing of metals such as gold (Au), tantalum (Ta), tungsten (W), tin (Sn), and cobalt (Co) in our produced products. For procurement from "conflict-affected and high-risk areas," we conduct due diligence through supplier evaluation processes to ensure that our mineral and metal supply comes from legitimate sources, in line with responsible sourcing practices.

### **3-4-4 Concerns about Labor Rights of Supplier and Contractor**

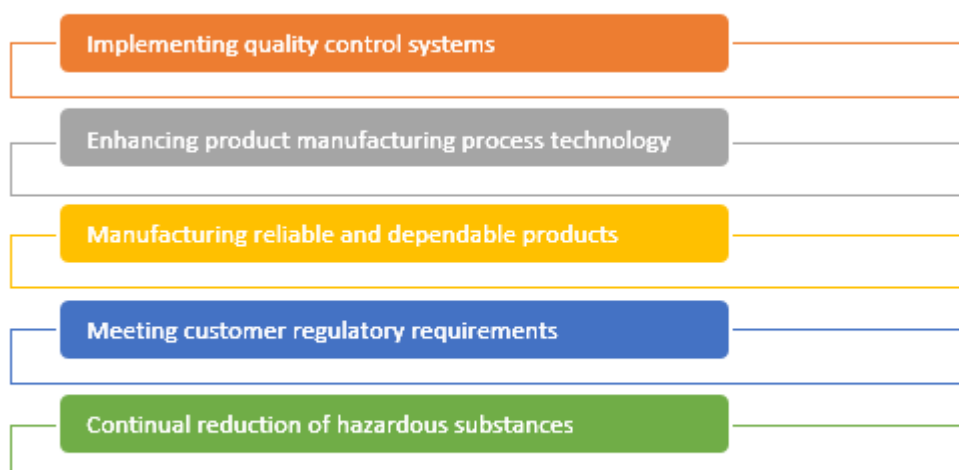
The company's supplier selection and safety management procedures explicitly stipulate that suppliers and contractors must comply with relevant labor rights regulations, including the prohibition of child labor and forced labor. During supplier selection, all suppliers and contractors are required to sign the "Integrity Commitment," "Confidentiality Commitment," and adhere to the "Code of Conduct for Responsible Business Alliances." They are also informed that they must comply with the company's "Supplier Code of Conduct." For key suppliers, compliance with environmental safety and the RBA Responsible Business Alliance Code of Conduct is also one of the audit items during the annual audit.

## 3-5 Quality Management

The highest-ranking executive in the company is the General Manager, who assigns the quality center supervisor to oversee and drive the company's quality management system, ensuring the effective operation of both the quality management system and hazardous substance management system, in accordance with international standards and customer requirements, and continuous improvement.

### 3-5-1 Quality Policy

Based on the corporate spirit and business philosophy of the company, we explicitly define its policies regarding HSF/quality :



### 3-5-2 Quality System and Responsible Units

The General Manager of the company assigns the head of the Quality Assurance Department to serve as the comprehensive quality management representative, who is responsible for overseeing and driving the company's quality system and environmental material management system. This ensures the effective operation of the quality management system and hazardous material management system, in accordance with ISO international standards and customer requirements, and continuous improvement.

Under the operation of the quality system, each department has made tangible efforts and contributions to quality, with specific actions and standards :

<b>Design Quality</b> The marketing department conducts market research to understand customer demand, providing the research and development department with insights to develop products that meet those needs. They also formulate product specifications and technical standards.	<b>Supplier Quality</b> The procurement department seeks qualified suppliers and provides the best raw materials according to approved standards. They also promote quality awareness and education to suppliers, fostering a symbiotic environment of mutual benefit and prosperity.	<b>Manufacturing Quality</b> The manufacturing department obtains technical specifications from the research and development department and raw materials from the materials department. By integrating statistical techniques, advanced equipment technology, comprehensive document control procedures, and an ongoing spirit of improvement, flawless products are manufactured to meet customer needs. Many quality-related activities are implemented at this stage, such as: <ul style="list-style-type: none"> <li>• Incoming inspection, in-process inspection, and outgoing inspection.</li> <li>• Product reliability testing and equipment instrument calibration.</li> <li>• Application of statistical techniques.</li> <li>• Quality project improvement activities.</li> </ul>
<b>Sales and Service Quality</b> When the product is manufactured, the process of delivering it to the customer and subsequent services are also very important activities. Sales and quality control personnel maintain close communication with customers at all times, striving to enhance customer satisfaction and minimize complaints.	<b>Operations Management Quality</b> We are dedicated to strengthening the efficiency and effectiveness of our support process management, including the operational models for human resources, finance, customer relations, and information management. The goal is to enhance the company's overall operational performance.	

### 3-5-3 Quality Certification

PDC has obtained certifications for ISO 9001 Quality Management System, IATF 16949 Automotive Quality Management System, IECQ QC080000 Hazardous Substance Process Management System for electronic and electrical components and products, UL and TUV product safety certifications, AS9100 Aerospace Industry Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System.

QC 080000 (Taoyuan Factory)  
(Expiration date:2026.06.07)



QC 080000 (Yangmei Factory)  
(Expiration date:2026.06.07)



AS9100  
(Expiration date:2027.08.09)



IATF 16949(Taoyuan Factory)  
(Expiration date:2026.12.16)



IATF 16949(Yangmei Factory)  
(Expiration date:2026.12.16)



ISO 14001  
Expiration date:2025.10.13



ISO 9001(Yangmei Factory)  
(Expiration date:2026.12.16)



ISO 9001(Taoyuan Factory)  
(Expiration date:2026.12.16)



ISO 45001  
Expiration date:2025.10.03



## 3-6 Risk Management

According to the internal "Risk Management Policy and Procedures," the company's risk control center annually formulates risk assessment topics based on company objectives and current domestic and international situations. These topics are then provided to relevant departments for feedback. After consolidating the results into a risk assessment report, it is submitted to the General Manager for approval. High-risk areas are extracted and presented to the Board of Directors for approval in accordance with corporate governance regulations. The Board of Directors approves them accordingly. The contents of the risk assessment report are provided to the audit department for reference in the preparation of the audit plan for the following year.

The organizational structure of our company's risk management is as follows:

Risk Item	Departments Responsible for Each Risk	Risk Business Matters
Strategic Risk	President Office	The strategic planning and coordination to achieve the company's goals, the grasp and feedback of business information, and the promotion of the improvement of business management physique, and related enterprise operation management.
Operational Management and Market Risk	Powder Unit MLCC Unit Chip-resistor Unit Research and Development Unit Sales and Marketing	Adhering to the strategic goals, strategies and related high-level goals formulated by the president and the heads of each business divisions, implement product R&D, manufacturing, sales, production technology improvement, quality improvement, cost reduction, production system improvement and related enterprise operation management.
Purchasing Costs and Inventory Risk	MMD	Procurement of raw materials, processing of semi-finished products, outsourcing of finished products, inventory control, cost control and supply chain management.
Customs and Transport Management Risk	Distribution	Customs abnormal event management and control, customs declaration cost management, customs information update and personnel training, bonded product management and control, cargo transportation management and cost control operations.
Quality Management Risk	Quality	Improve and maintain the quality system, product quality control system, product inspection standards, quality assurance of mass-produced products and materials, and handling of customer complaints.
Customer Credit Risk	Enterprise Risk Management	Establishment and review of customer credit limit, collection management of accounts receivable.
Operation of Risk Management	Enterprise Risk Management	Assist each operating unit in regular risk identification, analysis, planning and implementation of risk appetite and response, valuable waste management and auction.
Environmental and Factory Safety Risk	Factory Service & EHS	Factory safety, control of hazardous materials and environmental safety, update of environmental regulations and personnel training.
Manage Information Risk	Financial	The company's accounts are properly recorded and analyzed.
Financial and Liquidity Risk	Financial	Hedging of interest rates and exchange rates, bank quota management and relationship maintenance, and monitoring of overseas funds.
Subsidiary Supervision	Financial	Supervision of financial information and accounting systems of overseas subsidiaries.
Legal Risk	Legal Office	Review contracts and company authorizations to reduce corporate legal risks and protect company assets and goodwill.
Personnel Risk	Human Resources	Human capital development planning and implementation,

<b>Risk Item</b>	<b>Departments Responsible for Each Risk</b>	<b>Risk Business Matters</b>
		sensitive work personnel, follow company norms to reduce the risk of fraud.
Information Data Risk	Information Technology	Formulate information security management-related specifications, promote information security-related activities, and ensure information data accuracy, timeliness, integrity, access control, security, and system recovery mechanisms.
Sustainable Business Operations	Sustainable Development Committee	Responsible for sustainable development vision and policies, holding regular management review meetings, in addition to re-examining the code of conduct, and adjusting the direction of implementation in response to changes in the internal and external environment.
Personal Data Management Risk	Data Security and Personal Data Protection Executive Group	Assessment and management of personal information privacy risks, review, review and assessment of the legality and suitability of personal information management systems, response, handling and notification of personal information security incidents, planning and implementation of personal information protection and management.
Information Management Risk	Information and Communications Security Committee	Develop information security management related specifications and promote related activities, establish and implement risk management systems, establish emergency response and recovery measures for security incidents, implement audit improvement recommendations, plan and implement corrective measures, research new information security products or technologies, and identify information security Relevant regulations and contracts.



## 3-6-1 Risk Response

### ■Economic situation

- ◆Due to inflationary pressures and geopolitical influences, global investment risks have increased. It's important to adjust investment strategies and manage currency risks in a timely manner.
- ◆To respond to changes in international economic and political situations, adjustments will be made to the production capacity and the expansion progress of each factory .

### ■Climate Change

- ◆ Implement according to "Emergency Response Measures".
- ◆ Regularly conducting biannual drills, spot checks and disaster preparedness organization training each year
- ◆During occurrences such as typhoons, earthquakes, heavy rainfall, etc., personnel are on duty at the factory to inspect the condition of the premises. In addition, security personnel are available to mutually ensure safety.
- ◆ Factory Service &EMS unit inspect and prepare sandbags in advance before the arrival of the typhoon season.
- ◆ Monitor whether the customer's location is affected by typhoons, hurricanes, earthquakes, heavy rainfall, etc., and access if it impacts the customer's business operations or results in disaster losses. This helps reduce the risk of bad debts."

### ■Environmental Protection and Occupational Health and Safety

- ◆ Reducing greenhouse gases to mitigate the effects of climate change.  
Implementing energy-saving and carbon reduction measures and the use of renewable energy in various factory areas, continuously promoting the Restriction of Hazardous Substances (RoHS) policy, actively promoting green production and procurement, improving and replacing old, energy-consuming production equipment, implementing clean production technologies, and effectively utilizing resources to reduce waste and production costs, and promote the circular reuse of resources.
- ◆ Environmental regulations in various countries are becoming increasingly stringent.
  - Adhere to local regulations to avoid penalties from local environmental agencies, orders to cease operations, or being banned by customers, which could pose operational risks.
  - Allocate funds and human resources to establish/maintain/upgrade air pollution and wastewater treatment equipment systems, striving to meet local regulatory standards.
- ◆ Strengthening the implementation of environmental protection policies.
  - Enhance supervision and implementation of environmental protection policies. Each factory reviews and implements control measures for potential pollution issues related to water, air, land, and processes on a monthly basis. Additionally, professional personnel are trained to obtain relevant certifications.
  - The HR unit collaborates with Factory Service &EMS unit to organize relevant training courses on green products and environmental issues, educating employees on the importance of environmental protection.
- ◆ Factory Service &EMS unit arranges annual fire drills for employees to participate in operations, and also periodically conducts fire and earthquake evacuation drills. It emphasizes educating and promoting environmental protection and occupational health and safety concepts to all employees. Additionally, it establishes effective communication channels and consultations, strengthens interactions with employees, suppliers, contractors, surrounding communities, and stakeholders, to convey the company's environmental, safety, and health policies and related requirements.

## 3-6-2 Climate Change

Climate change triggers rising global temperatures, storms, snow, droughts and other abnormal weather conditions, which have an impact on corporate operations and production activities. It also brings impacts such as property losses and threats to labor health and safety, posing challenges to the sustainable development of companies. Global businesses and their supply chains must address this issue seriously, collectively enhancing their ability to respond to climate change and solve associated challenges. The company will effectively manage and address the impacts of climate



change risks by integrating them into management processes and promoting relevant procedures, while also evaluating significant opportunities and risks.

### **Climate change related governance**

The Board of Directors of the company has approved the formulation of the "Sustainable Development Practice Principles" and the establishment of a "Sustainable Development Committee" to promote corporate social responsibility. This committee is composed of department heads from various fields and serves as the highest management body for promoting sustainable development. It is responsible for proposing and implementing sustainable development policies, systems, relevant management guidelines, and specific action plans. The committee reports the status of sustainable development execution to the Board of Directors annually. Additionally, the company complies with the timeline set by the government or relevant regulatory authorities for disclosing climate-related information, and completes an annual greenhouse gas inventory, with the results reported to the Board of Directors.

In accordance with the "Risk Management Policies and Procedures", the company controls climate change risks to ensure they remain within acceptable limits. To effectively identify, measure, monitor, and control these risks, each year we develop risk assessment topics based on company objectives and the prevailing domestic and international conditions. These topics are provided to the relevant risk management departments for evaluation. We then report on the status of these risk assessments to the Audit Committee and the Board of Directors for approval.

### **Financial impacts and opportunities arising from climate change**

Climate change poses significant risks and opportunities that could lead to major changes in operations, revenue, or expenses. While the company has not yet conducted a TCFD (Task Force on Climate-related Financial Disclosures) simulation exercise, we have formulated response strategies for various climate change risks as follows:

## ■ Climate risks and response strategies

Item	Risk Type	Risk projects	The potential impacts on our company	potential cycles of occurrence	Scope of impact			Potential impacts on operations or finances	Response strategies
					Up-stream	Operations	Down-stream		
1	Transformation risks	Policies and regulations increase the cost of greenhouse gas emissions (carbon pricing, greenhouse gas inventories, etc.)	Governments worldwide are gradually requiring companies or products to conduct greenhouse gas inventories and levy carbon fees. If companies do not have specific energy-saving and carbon-reducing measures, they will increase future operating expenses.	Short-term	V	V		Conducting greenhouse gas inventories and paying carbon fees will increase operational expenses.	<ul style="list-style-type: none"> <li>■ Implementing various energy-saving measures (refer to sections 4-5 on energy conservation measures) to reduce energy consumption and lower greenhouse gas emissions.</li> <li>■ Voluntary greenhouse gas inventory and third-party certification.</li> </ul>
2	Transformation risks	Renewable energy quota requirements	Government requires large electricity consumers to install renewable energy generation facilities or purchase green energy.	Short-term		V		<ul style="list-style-type: none"> <li>■ If electricity consumption reaches the standard, purchasing green energy or installing renewable energy devices will increase capital expenditure.</li> <li>■ Failure to comply with regulatory requirements may result in fines imposed by the authorities.</li> </ul>	In addition to continuing to improve various processes or add energy-saving facilities to reduce energy consumption, we will also add renewable energy devices in response to capacity expansion.
3	Transformation risks	Increased customer demands related to climate change	Customers are further extending their own carbon reduction to the supply chain, requiring suppliers to also reduce carbon emissions.	Mid-term		V	V	<ul style="list-style-type: none"> <li>■ Complying with regulatory authorities or international initiatives will lead to increased operating costs.</li> <li>■ In the future, meeting customer demands for purchasing green energy or installing renewable energy devices will lead to increased capital expenditures.</li> </ul>	<ul style="list-style-type: none"> <li>■ We have currently completed greenhouse gas inventories and related information disclosures in response to regulatory authorities or customer requirements.</li> <li>■ In the future, we will comply with customer requests to purchase green energy or install renewable energy devices.</li> </ul>

4	Transformation risks	Low-carbon process, product development difficulties	Green and low-carbon products are the trend of sustainable development in the future. Companies must develop or improve low-carbon products and processes, which will increase R&D expenditures and capital expenditures.	Long-term		V		Investing in the research and improvement of low-carbon products and processes will increase both research and development expenditures and capital expenditures.	Developing low-energy processes, technologies, new products, and applications.
5	Transformation risks	Impact on company image	In the event of major environmental violations such as pollution, it will not only affect the company's image, but may even cause a shutdown crisis.	Short-term		V	V	<p>■ In order to maintain or enhance the company's image, investments related to the company's environment or sustainability will be increased.</p> <p>■ If the company's sustainability image is poor, it may affect the purchase intention of stakeholders, resulting in a reduction in revenue.</p>	<p>■ The implementation of the ISO 14001 management system aims to effectively enhance overall environmental performance and ensure compliance with wastewater, waste, and air pollution management, thereby preventing legal violations.</p> <p>■ Issue sustainability reports and disclose sustainability-related information to respond to various stakeholders and enhance the company's image.</p>
6	Physical risks	Global average temperature rise	The energy consumption of air conditioning and chilled water systems has increased, leading to higher costs.	Long-term		V		The increased energy consumption of HVAC and chiller systems will result in higher operating costs.	Implement various energy-saving measures (refer to section 4-5 on energy conservation measures) to reduce energy consumption and adapt to extremely high temperatures.
7	Physical risks	Torrential rain	Short-term heavy rainfall may cause flooding, resulting in equipment damage, increased maintenance costs, and reduced revenue.	Short-term		V		<p>■ Repairing equipment damaged by short-term heavy rainfall will increase operational costs.</p> <p>■ Equipment damage or production line shutdowns caused by short-term heavy rainfall will lead to reduced revenue.</p>	Incorporate into future factory site selection considerations (currently none of the operating locations are subject to flooding from heavy rains).

8	Physical risks	Drought	Water scarcity or water restriction policies will impact production.	Long-term		V		<ul style="list-style-type: none"> <li>Starting water trucks to transport water will increase operating costs.</li> <li>If production decreases due to water shortage, revenue will decrease.</li> </ul>	Start water trucks to transport water and implement various energy-saving measures (refer to section 4-5 on energy conservation measures), such as expanding water recycling and reuse.
9	Physical risks	Typhoon intensity has increased	Extreme weather causes the intensity of typhoons to increase, which may cause direct impacts such as equipment damage, power outages, and casualties. It may also affect the upstream and downstream supply chains.	Short-term	V	V	V	<ul style="list-style-type: none"> <li>To address equipment damage and power outages caused by typhoons, it will lead to increased operational costs.</li> <li>Operational disruptions caused by typhoons will lead to reduced revenue</li> </ul>	In the future, extreme weather scenarios such as heavy rainfall, droughts, and typhoons should be incorporated into TCFD (Task Force on Climate-related Financial Disclosures) simulation procedures.
10	Physical risks	Extreme weather affects the supply chain	Extreme climate changes affect both upstream and downstream supply chains and transportation, leading to increased transportation costs or delays and disruptions in product delivery due to extreme weather.	Mid-term	V	V	V	Extreme climate changes can impact both upstream and downstream supply chains and transportation, leading to increased transportation costs or delays in product delivery due to extreme weather conditions. This can adversely affect revenue or production continuity.	<ul style="list-style-type: none"> <li>Implementing more efficient production and distribution processes.</li> <li>Selecting alternative materials to avoid dependency on a single supplier, reducing supply chain risks and ensuring continuity of product production.</li> </ul>

Note: short-term: 1 to 3 years; mid-term: 4-6 years; long-term: above 7 years

## ■ Climate opportunities and response strategies

Item	Risk type	Opportunity projects	Description of opportunities	potential cycles of occurrence	Scope of impact			Potential impacts on operations or finances	Response strategies
					Up-stream	Operations	Down-stream		
1	Market	Increased demand in the electric vehicle market	As the demand for electric vehicles increases, the demand for related components (including passive components) increases accordingly.	Short-term	V	V	V	Expanding long-term business collaborations with car manufacturers or dealerships to boost revenue.	Continuously monitoring developments in the electric vehicle market and actively conducting research and development on related products.

2	Market	Enhancing transparency to attract investment and improve performance	Publicly disclosing sustainable-related information to gain trust from investors and customers.	Mid-term		V	V	Establishing a strong sustainable brand image and fostering good relationships and communication with stakeholders can enhance trust among investors and customers, ultimately increasing revenue.	<ul style="list-style-type: none"> <li>■ Regularly publish sustainability reports and disclose relevant sustainability information to enhance company information transparency .</li> <li>■ Continue to pay attention to market trends and policies of competent authorities .</li> <li>■ Regularly conduct greenhouse gas inventories and verification, and review the effectiveness of project implementation.</li> </ul>
3	Market	Developing low-carbon products	Green and low-carbon products are a trend in future sustainable development and a key criterion for customers when selecting suppliers. Developing such products can enhance a company's competitiveness.	Long-term		V		Developing low-carbon products that meet customer demands can enhance the company's competitiveness and thereby increase revenue.	Continue to understand customer and market needs, and invest in research and development and equipment upgrades.
4	Resource efficiency	Enhancing recycling of waste materials	Recycle and reuse waste generated during the manufacturing process to reduce waste production, promote sustainable use of resources, and reduce production costs.	Mid-term		V		Recycling and reusing waste generated during the manufacturing process can reduce waste disposal costs and thereby reduce production costs.	<ul style="list-style-type: none"> <li>■ Outsourcing the recycling and reuse of plastic waste generated during the manufacturing process (including reels, raw material packaging bags, etc.) can reduce waste.</li> <li>■ Add a filter press to separate, dispose and recycle the sludge generated during the manufacturing process to reduce the amount of sludge and reduce the impact on the environment.</li> </ul>
5	Resource efficiency	Improving energy efficiency	By examining the overall operational efficiency of factories and equipment, we aim to identify opportunities to improve energy efficiency. This initiative not only ensures compliance with regulations but also reduces energy consumption, thus lowering operational costs.	Short-term		V		Continuously improving energy efficiency will reduce electricity consumption and therefore save operational costs.	Implementing various energy-saving measures (refer to sections 4-5 on energy-saving measures) to reduce energy consumption and lower greenhouse gas emissions.

6	Resource efficiency	Enhancing water resource efficiency	Enhancing water resource recycling.	Short-term		V		Continuously improving water resource utilization will effectively reduce water consumption and thereby save operating costs.	Implementing various water-saving measures (refer to sections 4-5 on energy-saving measures): including recycling process cooling water, recovering RO concentrate water, reclaiming air conditioning condensate water, and monitoring all water usage.
7	Toughness	Strengthening natural disaster resistance	Cultivate the ability to adapt to climate change, identify and manage risks related to climate change, establish disaster protection measures and formulate emergency response strategies, and reduce the financial impact of risks arising from climate change on operations.	Mid-term		V		Implementing protective measures to reduce financial and material losses caused by operational interruptions due to natural disasters.	Regularly inspecting plant facilities to ensure the adequacy of protective measures.

Note: short-term: 1 to 3 years; mid-term: 4-6 years; long-term: above 7 years

## 3-7 Operational Performance

Good financial performance is primarily reflected in the growth of operating income and the continuous improvement of profitability, which is the key to the sustainable operation of the company. The quality of financial performance directly affects the investment value of the company, making it more important for shareholders/investors. PDC strives for excellent financial performance by setting clear quantitative financial goals, allowing investors to better understand the long-term investment value of PDC. This enhances investors' confidence in our ability to sustain profit growth and provide good returns on shareholders' equity. Through excellent financial performance, PDC consistently creates higher economic value in the long term and returns it to all stakeholders, including shareholders/investors, employees, customers, suppliers/contractors, government, and society.

### 3-7-1 Economic performance over the past two years

Unit : NT\$ thousand

Items	2023	2024
Operating Revenue	3,653,839	3,724,038
Gross Profit(Loss)	701,746	798,013
Income(Loss) from Operations	390,382	490,676
Non-operating Income and Expenses	174,432	140,876
Profit(Loss) before Income Tax	564,814	631,552
Income tax benefit(expense)	(113,440)	(133,433)
Net Income	451,374	498,119
Net Income attributed to shareholders of the Parent company	451,374	498,119
Earnings(Loss) Per Share	2.64	2.91

Note: For detailed financial data, please refer to the PDC 2024 Consolidated Financial Report.

### 3-7-2 Production and Sales Volume of Products

#### ■ Output Volume and Value

Units : Kpcs ; Kg ; NT\$ thousand

Year	QTY/ Value	2023			2024		
Product	Unit	Capacity	QTY	Value	Capacity	QTY	Value
MLCC	Kpc	5,460,000	1,969,627	1,394,329	5,460,000	2,113,526	1,472,116
Chip-R	Kpc	5,400,000	2,658,956	523,138	5,400,000	2,549,529	507,647
Powder	Kg	5,370,000	2,377,198	782,836	5,370,000	2,566,518	833,088
Others	Kpc	162,504	77,344	68,269	-	-	-
Total	Kpc	11,022,504	4,705,927	2,768,572	10,860,000	4,663,055	2,812,851
	Kg	5,370,000	2,377,198		5,370,000	2,566,518	

#### ■ Sales Volume and Value

Units : Kpcs ; Kg ; NT\$ thousand

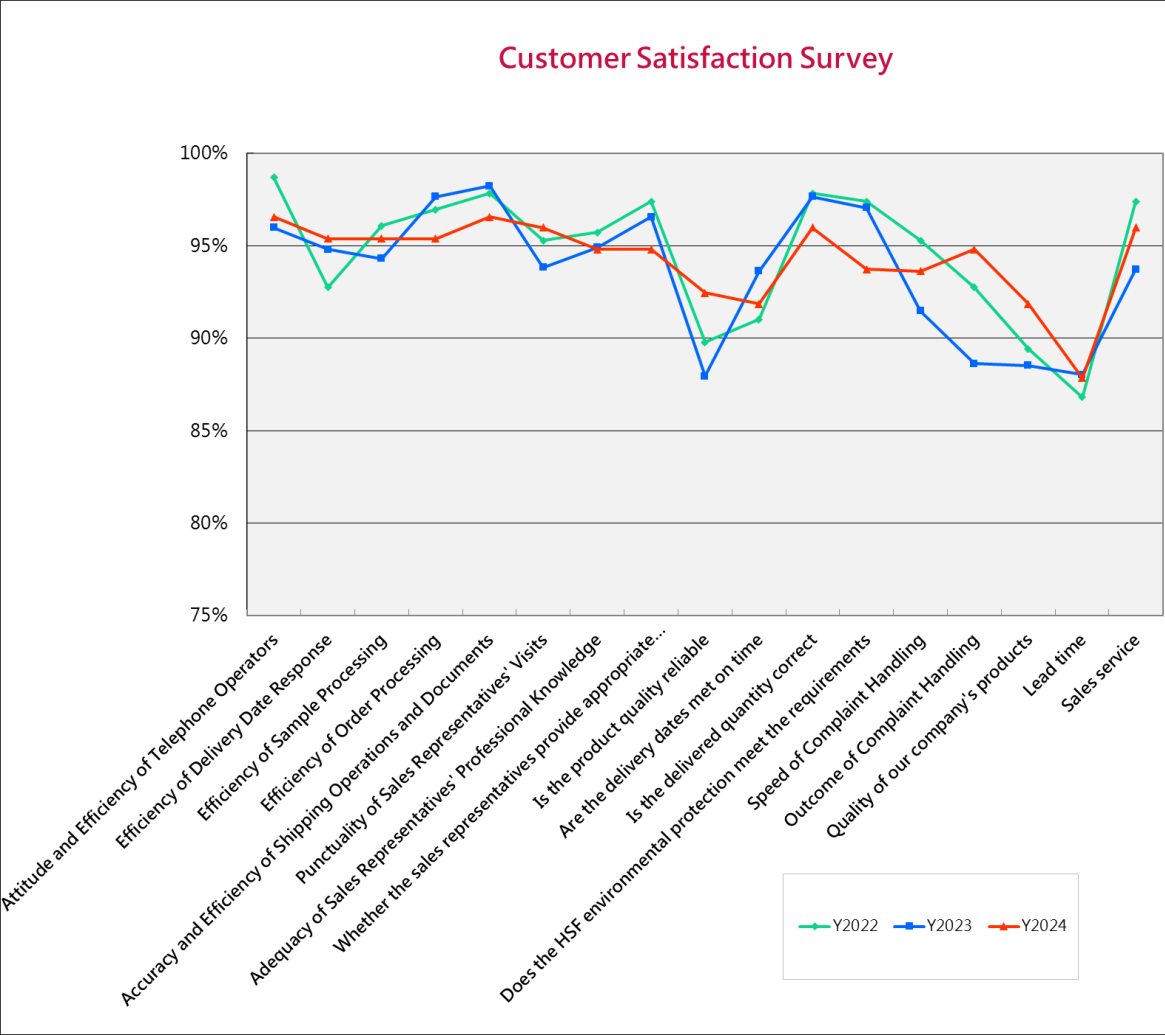
Year	QTY / Value	2023		2024	
Product	Unit	QTY	Value	QTY	Value
MLCC	Kpc	15,963,092	2,178,774	24,025,583	2,295,632
Chip-R	Kpc	6,301,602	573,665	6,538,593	578,242
Powder	Kg	2,120,838	715,906	2,164,572	707,705
Others	Kpc	229,718	185,494	204,042	142,459
Total	Kpc	22,494,412	3,653,839	30,768,218	3,724,038
	Kg	2,120,838		2,164,572	

For information on the company's consolidated financial statements, please refer to the "5. Financial Overview" section of our 2024 Annual Shareholders' Meeting Report.



### 3-8 Customer Relationship

To maintain competitiveness and understand customers' satisfaction with PDC's products and services, PDC has established a customer satisfaction survey procedure within its management system. We utilize the results of the Customer Satisfaction Survey as references for company strategy planning and continuous improvement, aiming to meet customers' genuine needs and enhance the company's competitiveness.



Customer satisfaction with the company's overall performance in 2024 was 94.30%, increase of 0.59% compared to 2023. In terms of individual indicators, there was significant improvement in three aspects: "Outcome of Complaint Handling," "Is the product quality reliable," and "Quality of our company's products." However, satisfaction with "Lead time" indicators was lower. In response to the survey results, the company continues to make improvements to enhance competitiveness.

## 3-9 Information Security and Privacy Protection

The company understands that information security is one of the fundamental core competencies in business competition. We fully protect business-sensitive information and acknowledge our commitments and responsibilities to customers, shareholders, and employees. Therefore, we establish clear information security policies and management standards, strictly control the company's trade secrets and undisclosed confidential information, ensuring the best interests of customers, the company, shareholders, suppliers, and employees.

### 3-9-1 Information Security Organization

To enhance the level of information security management, a "Information Security Committee" has been established. This committee is responsible for reviewing the company's information security governance policies, overseeing the operation of information security management, and convening regular meetings to review matters related to information security governance. It continuously strives for improvement to ensure the effectiveness of the formulation and implementation of information security policies. The convener of the "Information Security Committee" is responsible for information security governance, planning, supervision, and promoting execution, aiming to establish comprehensive information security defense capabilities and enhance employees' awareness of information security. The head of the company's business departments is one of the members of this committee.

The information management organization of the company is mainly led by the Information Department as the dedicated core Department. We have appointed an information security supervisor and allocated sufficient information security personnel. Additionally, we will invite personnel from relevant departments to participate in collaborative operations to jointly promote and handle information security-related matters.

### 3-9-2 Information Security Risks and countermeasures

To mitigate the risk of cyber attacks and prevent data corruption or loss, ensuring uninterrupted operations of the company, we have implemented the following relevant controls and response measures:

- a. Joining the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) as a member, actively receive and disseminate cybersecurity intelligence to enhance response capabilities.
- b. Continuously strengthening the backup and backup mechanisms for critical hosts and network devices, protecting them through firewalls, and regularly conducting computer virus scans to ensure system security.
- c. Periodically announcing and promoting company information security management policies and regulations to enhance the information security awareness of all employees.
- d. Given the continuous evolution of cybersecurity technologies, such as Distributed Denial of Service (DDos) attacks, ransomware, social engineering, and phishing websites, the company regularly monitors cybersecurity-related information. We

- conduct drills for different security incidents to enhance the response capabilities of our staff, aiming to mitigate the harm caused by cybersecurity threats.
- e. In addition to holding quarterly group cybersecurity meetings and an annual "Cybersecurity Committee" meeting for continuous review and improvement, an annual cybersecurity performance report is submitted to the Board of Directors.

### **3-9-3 The Resources Invested in Information Security Management and Achievements**

The resources invested in information security management and achievements for the year 2024 are as follows:

- a. The total investment in information security resources for the year 2024 amounted to NT\$5,247,000, including personnel costs of NT\$3,441,000 and capital expenditure for cybersecurity management amounting to NT\$1,806,000.
- b. In 2024, 3 people and 24 hours of education and training have been conducted for the company's information security personnel. Additionally, for all employees, apart from regular announcements and promotions, an hour "Information Security Education and Training" course was implemented, with a total of 222 participants and 222 hours. Furthermore, a "Social Engineering Drill" was conducted with 197 participants, totaling 197 hours.
- c. No significant cybersecurity incidents occurred in the year 2024.

### **3-9-4 Customer Privacy**

To protect the company's trade secrets, information security, and the information of employees, customers, and suppliers, the company has formulated regulations such as the "Trade Secret Protection and Management Regulations," "Information Security Management Regulations," and "Personal Data Protection Management Regulations," along with corresponding control measures. There were no incidents of infringement of customer privacy, complaints from regulatory authorities, or incidents of information leakage, theft, or loss of customer data in 2024.

## Chapter4 Environmental Protection

### 4-1 Environmental Management Systems

Since its establishment in 1990, PDC has been committed not only to the development of electronic ceramic products but also to environmental protection. This commitment has been upheld consistently by PDC since its inception. Despite facing financial storms, the European debt crisis, and the increasingly volatile economic environment and stringent environmental safety regulations, the company remains steadfast in its commitment.

To achieve the aforementioned goals, the specific policies are as follows:

#### 4-1-1 The Company's Environmental Policy

##### Environmental Policy

Prosperity Dielectrics Co., was established on May 21, 1990, as a manufacturer of high-end electronic ceramic products. Based on the principle of ensuring quality, try to select low-pollution process equipment and raw materials to pursue pollution prevention in the process of design, manufacture, sales and disposal of products, and the goal is to prevent or reduce the risks caused by processes, facilities and activities to employees, suppliers, contractors, surrounding people and stakeholders. We promise to abide by the following principles to implement the operation of the environmental and safety and health management system:

- ①. Compliance with laws and regulations: Comply with relevant environmental protection, safety and health regulations, international environmental safety conventions, requirements of customers and other relevant groups.
- ②. Continuous improvement: Establish and implement improvement plans to reduce environmental impact, reduce safety and health risks, and continuously improve environmental safety performance.
- ③. Risk reduction: Through appropriate management measures to prevent pollution and recycle, grasp and control various sources of hazards, and to prevent all personnel from injury, disease or other disasters.
- ④. Implement education: educate and publicize the concept of environmental protection, safety and hygiene for all employees, so that they can recognize their personal responsibilities and implement it in daily business operations.
- ⑤. Good communication: Establish a good communication and consultation channel, strengthen the interaction with employees, suppliers, contractors, surrounding people and stakeholders, so as to convey the company's environmental safety policy and related requirements.

General Manager : Chun-Hsueh Chen

## **4-1-2 Environmental Management System**

PDC, driven by its commitment to environmental responsibility, has successively initiated environmental protection mechanisms. In 2019, it revised its ISO 14001 Environmental Management System to the 2015 version, which was subsequently certified by SGS. PDC's ISO 14001 Environmental Management System prioritizes pollution prevention, considering it a primary responsibility. Through this system, PDC adopts the Plan-Do-Check-Act (PDCA) management model to promote continuous improvement in environmental management practices, while balancing production costs and environmental protection efforts. During the process, indicators are established to monitor the correlation between various factors such as electricity consumption, water usage, wastewater generation, waste production, and production capacity density. These indicators are monitored continuously. The environmental and energy objectives are to "prevent pollution, enhance energy resource efficiency, create sustainable operations, and fulfill corporate social responsibility."

PDC's factories are all situated in industrial zones, which are not designated as sensitive ecological conservation areas or protected habitats. The activities, products, and services of the company have no significant impact on protected areas or other regions of significant biodiversity importance. Since its establishment, the company has not received any petitions concerning the impact on ecological areas. Furthermore, it encourages employees to voluntarily participate in conservation activities related to ecology. In accordance with environmental regulations, dedicated environmental management personnel are appointed. Currently, designated personnel include those responsible for wastewater management, air pollution control, hazardous substances, and waste management.

## **4-1-3 Environmental Accounting System**

PDC has implemented an environmental accounting system to enhance the dissemination and collection of environmental accounting information. This initiative enables various departments to utilize accurate environmental accounting items and project codes when procuring environmentally friendly expenditures. It aims to improve efficiency and accuracy in future data statistics.

## **4-1-4 Compliance with Environmental Legislation**

In 2024, the company did not suffer significant fines or non-monetary penalties for violating environmental regulations (referring to orders from relevant authorities to cease operations, revoke permits related to pollution, or cumulative fines exceeding NT\$1,000,000 for a single event), and there are no other violations.

#### 4-1-5 Control of Hazardous Substances

The company is dedicated to significantly reducing the environmental impact of its products and actively complies with international environmental regulations and standards mandated by customers. It extends these standards to its supply chain, ensuring that all products sold by the company meet the aforementioned environmental standards, such as EU RoHS, EU REACH, SONY SS-00259, and others. Currently, all products sold by the company fully comply with significant environmental regulations such as RoHS and REACH. Additionally, we obtained ISO 14001 environmental certification in October 2004, OHSAS 18001 certification in October 2004, ASUS certification in December 2005, and IECQ QC080000 certification in June 2008.

PDC has established the "Environmental Substance Control Standard Management Measures" for addressing customer concerns regarding Restriction of Hazardous Substance (RoHS). We require our raw material suppliers to ensure the control of hazardous substances to meet the requirements of both the European Union and our customers. In 2008, to enhance hazardous substance management, we implemented the Hazardous Substance Management System (IECQ QC 080000). This included establishing a Hazardous Substance Free (HSF) policy and objectives, identifying risks of restricted substances based on customer requirements, regional regulations, products, and processes, managing necessary processes and objectives, providing essential resources, monitoring products, processes, and systems to understand product and management capabilities. Through continuous improvement, we established a comprehensive PDCA cycle to achieve hazardous substance management goals and reduce risks effectively.

## 4-2 Material and Energy Management

### 4-2-1 Material Consumption and Recycling

The company's primary materials include ceramic powder, internal electrodes, terminal electrodes, and alumina substrates. Over the years, we have dedicated ourselves to process design and technological advancements, aiming to reduce raw material consumption. We have incorporated resource conservation into our annual PDIP goals, aiming not only to reduce pollution emissions at the source but also to lower operational costs by minimizing resource consumption and environmental impact.

The company's products are not suitable for using recycled materials due to their specific characteristics. Additionally, our products are B2B in nature, with both the sold products and packaging materials intended for use by downstream corporate customers.

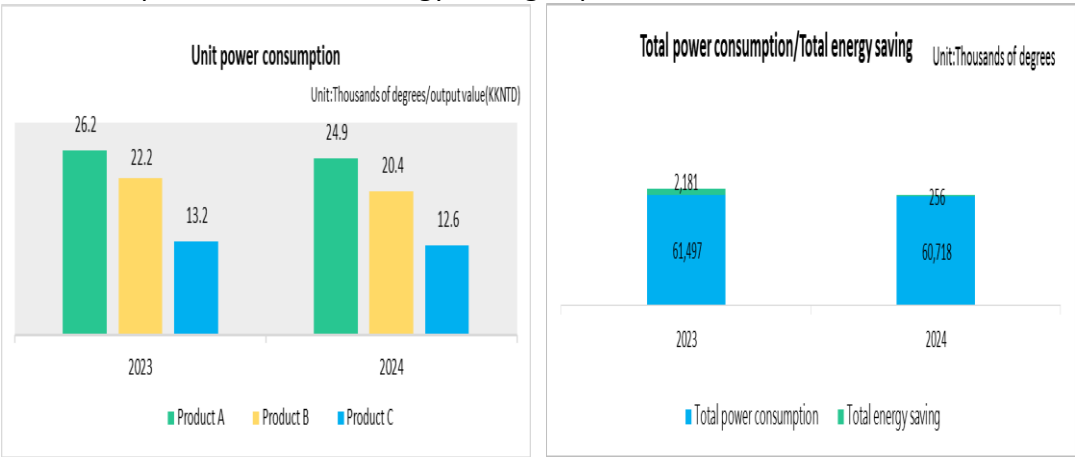
### 4-2-2 Direct and Indirect Energy Consumption

#### Direct Energy

PDC primarily consumes direct energy sources, including natural gas, diesel, gasoline, and liquefied petroleum gas (LPG). Natural gas is used as fuel for the incinerators that burn combustible gases. Diesel is utilized for emergency generators, forklifts, and trucks. Gasoline is used for company vehicles and executive cars. LPG is used for process heating, as well as fuel for incinerators and production processes. Direct energy accounts for less than 5% of the company's total energy consumption.

#### Indirect Energy

The company's main manufacturing facilities are located in Taiwan. The electricity consumption and energy savings for the past two years are as follows. In 2024, our overall electricity consumption and per-unit electricity consumption both decreased slightly. This was driven by a combination of a favorable product mix and our continued implementation of energy-saving improvements.



In 2024, our company actively promoted various energy reduction measures, selecting equipment with high energy efficiency and energy-saving designs. We aim to

reduce enterprise and product energy consumption, and optimize energy efficiency by promoting the use of renewable energy.

The following are the specific electricity savings achieved compared to last year, which have also been reported to the Energy Administration:

- a. Installation of variable frequency drives on air conditioning fan motors saves 126,493 kwh of electricity annually.
- b. Adjustment of air compressor configuration and usage based on demand resulted in a 17% annual electricity saving, approximately 83,147 kwh in 2024.
- c. Replacement of old light fixtures with LED lights saved approximately 20,089 kwh of electricity in 2024.
- d. Modification of the PDR plant's exhaust fan motor piping to reduce the number of motors in operation saved approximately 9,344 kwh of electricity in 2024.

## 4-3 Water Resources Management

In recent years, influenced by global climate change, the development and distribution of water resources have become crucial issues for countries worldwide. Consequently, water resource management, water conservation, and emergency response to water scarcity have become integral components of corporate climate change risk management and disaster adaptation. The company recognizes the limited nature of water resources, thus water conservation has consistently been one of our most prioritized resource management initiatives. In addition to facility and equipment improvements, we promote behavioral changes among employees to enhance water conservation efficiency. Furthermore, we have implemented a management scheme for the recovery and reuse of RO concentrate water, effectively conserving potable water resources.

PDC's Taiwan facility sources its water from a third-party provider, Taiwan Water Corporation, with all the water being freshwater. Water discharge data, primarily from production processes, is disclosed and reported to the competent authorities as required by law. According to the World Resources Institute's Aqueduct Water Risk Atlas, Taiwan is located in a region with low water stress.

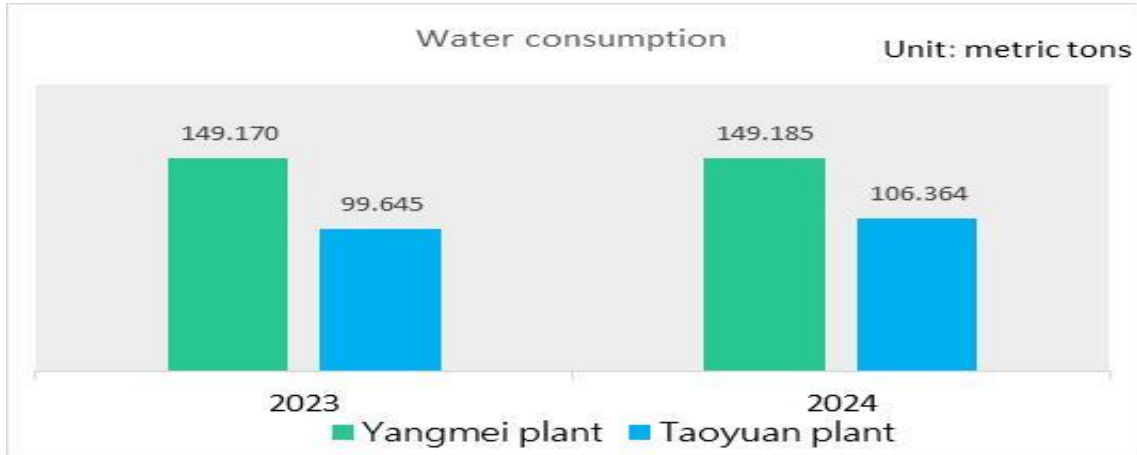
### 4-3-1 Water Consumption

In response to climate change and to promote the sustainable operation of the company in the future, the company will continue to develop and implement various conservation plans in order to continuously reduce water consumption. In 2024, the overall water consumption increased due to increased production value and new construction projects, while the unit water consumption decreased slightly due to the product mix.

Year	Total Water Consumption (Million Liters)	Output Value (Million NTD)	Unit Water Consumption (Million Liters / Million NTD)
2023	248.815	2,665	0.0934
2024	255.549	2,775	0.0921
Note: 1. The denominator for calculating water consumption is the output value of all plants in Taiwan.			



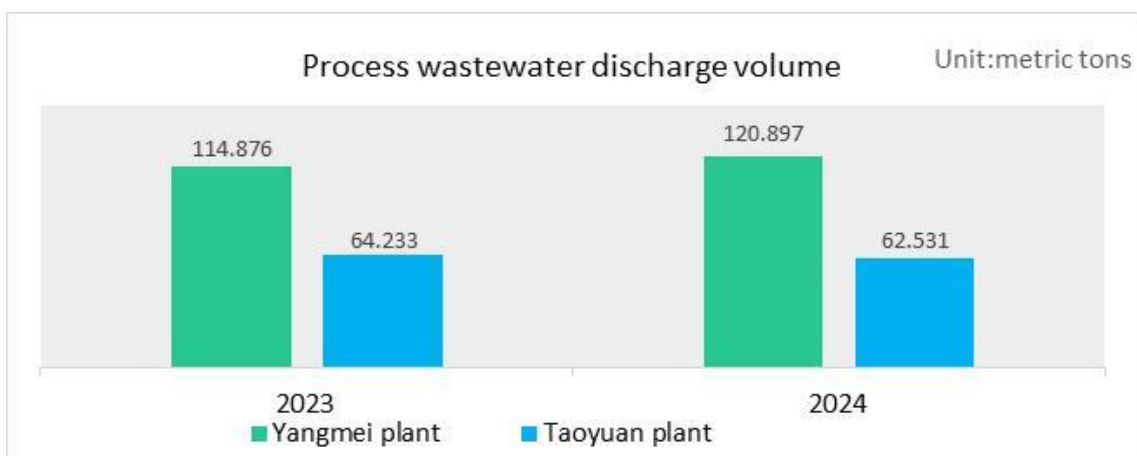
2. The total water consumption for the Taoyuan Plant is based on the water supply invoice, and the total water consumption for the Yangmei Plant is also based on the water supply invoice and shared with other companies within the plant area.



#### 4-3-2 Discharge of Wastewater

PDC ensures proper treatment of wastewater from various plant processes, with discharged water quality meeting regulatory requirements set by the governing authorities. This practice has no significant impact on the ecological environment. After undergoing chemical sedimentation treatment at the Yangmei Plant in Taiwan, the discharged wastewater is released into the receiving water body, the Shuoshui River; after undergoing chemical sedimentation treatment at the Taoyuan Plant, the discharged wastewater is released into the receiving water body, the Nankan River. The discharged water is freshwater.

Plant	Discharge Method	Emission Standards
Yangmei	Groundwater	Water pollution prevention and control permit application to the Taoyuan city government
Taoyuan	Groundwater	Water pollution prevention and control permit application to the Taoyuan city government



- Note: 1. Statistics are based on flow meter readings.  
 2. Domestic water use is not included in the statistics.  
 3. The discharge volume of process wastewater at the Yangmei Plant has slightly increased due to changes in the product mix.

## 4-4 Pollution Prevention

### 4-4-1 Waste Recycling

The company has established an ISO 14001 Environmental Management System to properly handle environmental issues arising from activities, services and products ; In order to achieve sustainable resource reuse, the company's waste treatment principle is to prioritize reuse in the factory to reduce the use of raw materials; secondly, reuse and recycle, and finally adopt incineration or landfill. Reducing waste is the ultimate goal of the company's waste management. Source control, including process improvements and reducing raw material usage, is indeed the primary method for reducing waste generation and achieving waste reduction. However, effective waste management through classification and analysis is also an integral part of our management approach.

In 2024, the waste output per unit of product (kg/KKNTD) slightly decreased compared to the previous year. We attribute this improvement to our enhanced waste recycling and reuse programs, which directly led to a decrease in waste incineration. As a result, our total waste generation in 2024 decreased by 3 metric tons from 2023.

Over the past two years, the company has implemented several management measures. In 2022, the company installed a sludge filter press to separate, dispose and reuse the chamfered sludge. The sludge waste reuse rate reached 12%. Additionally, we designated a separate disposal area for waste plastics, such as conveyor belts and raw material packaging bags, which were previously disposed of as general industrial waste. These plastics are now disposed of through reuse methods, resulting in a 13% increase in reuse rate.

Year	Hazardous Waste (Metric Tons)	Non-Hazardous Waste (Metric Tons)	Output Value (Million NTD)	unit product output (Metric Tons/Million NTD)
2023	983	689	2,665	0.627
2024	1,109	560	2,775	0.601

Note: The denominator for calculating the unit product output is the total output value of all plants in Taiwan.

The disposal situation for 2024 is shown in the table below. :

Waste-Transfer	Weight (Metric Tons)	Waste - Direct Disposal	Weight (Metric Tons)	Note
Hazardous Waste		Hazardous Waste		1. Hazardous Waste Categories: E0217 Waste electronic components, scraps materials, and defective products; C0301 Waste toluene and alcohol; D1799 Waste oil mixtures; A8801 Electroplating sludge. 2. Non-Hazardous Waste Categories: H0002 Domestic waste from industrial employees; D-1801 General waste generated from business activities; R0403 Waste ceramics, alumina powder; R0201 Waste plastics, plastic hardware; D-1099 Collected Dust; D0902 Inorganic sludge. 3. Direct Disposal Waste Content: E0217 Waste electronic components, scraps, and defective products; H0002 Industrial employees' domestic waste; A8801
Preparation for Reuse	-	Incineration (including energy recovery)	-	
Recycling	-	Incineration (excluding energy recovery)	78	
Other Recycling Operations	190	Landfilling	-	
		Other Disposal Operations	841	
Subtotal of Hazardous Waste	190	Subtotal of Hazardous Waste	919	
Non-Hazardous Waste		Non-Hazardous Waste		
Preparation for Reuse	-	Incineration (including energy recovery)	-	
Recycling	-	Incineration (excluding energy recovery)	68	

		energy recovery)		Electroplating sludge; C0301 Waste toluene and alcohol; D-1801 General waste generated from business activities; D1799 Waste oil mixtures. 4. All waste is handled by qualified third-party disposal contractors. 5. Data sources are based on weighbridge tickets and triplicate reports. 6. Annual audits are conducted on waste disposal contractors.
Other Recycling Operations	439	Landfilling	-	
		Other Disposal Operations	53	
Subtotal of Non-Hazardous Waste	439	Subtotal of Non-Hazardous Waste	121	
Total Waste-Transfer	629	Total Waste-Transfer	1,040	

## 4-4-2 Air Pollution Control

PDC committed to air pollution prevention by first optimizing processes to minimize pollutants entering exhaust gases. These pollutants are then treated with air pollution control equipment. The emission levels of pollutants into the atmosphere must be less than or comply with government regulations.

In 2021, our Yangmei Plant installed air pollution control equipment, including a zeolite rotor and a regenerative thermal oxidizer (RTO), to ensure that treatment efficiency meets regulatory standards. Beginning in Q3 2022, there was a significant reduction in volatile organic compounds (VOCs), resulting in noticeable air quality improvements. Consequently, we were honored to receive the 2023 Air Quality Improvement Excellence Award from the Taoyuan City Government Environmental Protection Bureau, personally presented by the mayor. In 2024, we were once again honored with the Class A Award for Air Quality Improvement in 2023 from the Taoyuan City Government Environmental Protection Bureau.

The company remains committed to environmental protection, diligently working to improve air quality, reduce waste generation, and minimize the discharge of process wastewater. We strive to contribute to the sustainable development of the planet, create a better working environment, and fulfill our corporate social responsibility.

The air pollution emissions and intensity for the Taiwan plants (Yangmei Plant and Taoyuan Plant) over the past two years are as follows:

Item	Emissions (kg)		Output Value (Thousand NTD)		Emissions per unit of product (kg/ Thousand NTD)	
	2023	2024	2023	2024	2023	2024
Nitrogen Oxides (NOx)	5,641	5,840	2,664,851	2,774,987	0.00212	0.00210
Sulfur Oxides (SOx)	1,930	2,230			0.00072	0.00080
Volatile Organic Compounds (VOC)	147,020	46,181			0.05517	0.01664
Total Suspended Particulate (TSP)	1,826	1,961			0.00069	0.00071

Note 1: The denominator for calculating emissions per unit of product is the total output value of all plants in Taiwan.

Note 2: Emission data is calculated based on information provided by Environmental safety department and is reported to the Ministry in accordance with statutory requirements.

Note 3: The Yangmei Plant has installed a Regenerative Thermal Oxidizer (RTO) to mitigate VOC emissions; consequently, data on nitrogen oxides (NOx) and sulfur oxides (SOx) is available from the third quarter of 2022 onwards.

## 4-4-3 Greenhouse Gas Inventory

### Greenhouse Gas (GHG) Inventory and Verification Information

Since 2019, all of the company's plants in Taiwan (Yangmei Plant and Taoyuan Plant) have successively complied with ISO 14064-1 requirements to identify key items and complete greenhouse gas inventories for Scopes 1, 2, and 3. These inventories have been verified by third-party organizations such as SGS and DQS. The verification scope has also gradually expanded to include subsidiaries, with the subsidiary (Wujiang Plant) completing its greenhouse gas inventory in 2022 based on ISO 14064-1:2018. The company applies the "Operational Control Approach" to define its organizational boundaries for greenhouse gas emissions, encompassing seven greenhouse gas as specified by ISO 14064 (including carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), nitrogen trifluoride (NF<sub>3</sub>), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>)). The following table presents the greenhouse gas emissions for all Taiwan plants (parent company) and Wujiang plant (subsidiary) over the past two years, in accordance with ISO 14064-1:2018.

Unit: metric tons CO<sub>2</sub>e

Year	Boundary	Scope 1	Scope 2	Output Value (Million NTD)	Scope 1 and 2 Emissions Per Unit of Product (metric tons CO <sub>2</sub> e/Million NTD)	Scope 3	Scope 3 Emissions Per Unit of Product (metric tons CO <sub>2</sub> e/Million NTD)	Assurance Statement
2023	Parent Company	1,586	30,441	2,665	12.018	6,539	2.454	Certificate obtained on April 2, 2024.
	Subsidiary	334	993	35	35.737	934	26.686	Self-verification
	Total	1,920	31,374	2,700	12.331	7,473	2.768	
2024	Parent Company	1,693	29,995	2,775	11.419	6,529	2.353	Certificate obtained on April 8, 2025.
	Subsidiary	285	958	38	32.827	974	25.723	Self-verification
	Total	1,978	30,953	2,813	11.707	7,503	2.668	

Note 1: Parent company: The denominator for calculating the unit product output is the total output value of all plants in Taiwan.

Emissions are calculated based on the IPCC 2021 guidelines, Ministry of Economic Affairs' energy bureau emission factors, Environmental Protection Agency's Emission Factor Management Table 6.0.4, Carbon Footprint Information, and the ICAO platform.

Note 2: Subsidiary: The denominator for calculating the unit product output is the total output value of Wujiang plant.

Emissions are calculated based on the China Product Lifecycle Greenhouse Gas Emission Factor Database, the Product Carbon Footprint Information Website, and the ICAO platform.

Our greenhouse gas (GHG) inventory for all Taiwan-based plants (Yangmei plant and Taoyuan plant) for both 2023 and 2024 was verified by SGS Taiwan Ltd. in accordance with the ISO 14064-1:2018 standard. For Categories 1 and 2, the verification achieved a reasonable level of assurance. For Categories 3 to 6, a limited level of assurance was obtained.

In 2024, our Taiwan plant's combined greenhouse gas emissions for Scopes 1 and 2 totaled 31,688 metric tons of CO<sub>2</sub>e, with a total carbon emission of 38,217 metric tons of CO<sub>2</sub>e. The primary source of emissions was Scope 2, which accounted for 78.5% of total emissions due to purchased electricity. The next largest contributors

were natural gas and LPG, included in Scope 1, which accounted for 3.2% of total emissions. The overall carbon emissions for Scopes 1 and 2 decreased compared to the previous year, mainly due to continuous energy-saving improvements, in addition to product mix factors. These improvements in 2024 included equipment and process optimizations, an ongoing heat recovery management program for air compressors, replacing old factory lighting with LED fixtures, and other energy-saving measures described in Section "4-5 Energy-Saving Measures" of this report. In response to climate change and to promote our company's sustainable operations, we will continue to develop and implement various carbon reduction plans to achieve further emission reductions.

### Direct Emissions of Various Greenhouse Gases for 2024 are as follows:

Unit: Metric tons Co2e

Type of greenhouse gases	All of the plants in Taiwan	Wujiang Plant
CO2	1,230.48	0.21
CH4	62.01	1.45
N2O	0.75	0.10
HFCs	399.36	282.88
PFCs	-	-
SF6	-	-
NF3	-	-
Total	1,692.60	284.64

### Other Indirect Emissions of Greenhouse Gases for 2024 are as Follows:

Unit: Metric tons Co2e

Item	All of the plants in Taiwan	Wujiang Plant
Emissions from business travel	10.37	0.65
Emissions from purchased goods	6,293.35	960.09
Emissions from solid and liquid waste management	225.41	13.69
Total	6,529.13	974.43

### Greenhouse Gas Emission Reduction Targets, Strategies, and Concrete Action Plans

In 2024, our company's plants continued to implement energy-saving initiatives and improve energy efficiency. For a detailed overview of the results, please refer to the "2 Corporate Governance Report / 2.3. Implementation of Corporate Governance / 2.3.6 Fulfillment of Sustainable Development Implementations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and "4. Operational Highlights / 4.4 Disbursements for Environmental Protection." We will continue to plan and execute energy-saving and carbon reduction measures in the future to achieve sustainable development.

### 4-4-4 Environmental Protection-Related Expenditures

Environmental protection-related expenditures from all of the plants in Taiwan for 2024 are as follows:

Unit: KNTD

Classification	Description	Expenses	Capital Expenditures
<b>1.Direct Cost of Reducing Environment Load</b>			
(1) Pollution Prevention	Including air pollution prevention, water pollution control, and other pollution prevention	12,490	0
(2) Save resource Consumption	The cost of saving resources (e.g. water resource)	0	0
(3) Business Waste Disposal and Recycling	The Cost of disposal of business waste (including reuse, incineration, burial, etc.)	14,150	0
<b>2. Indirect Cost of Reducing Environment Load (Environmental Protection-Related Management Costs)</b>	Including (1) Employee environmental protection education expenses; (2) Environmental management system structure and certification acquisition costs; (3) Monitoring environmental load costs	2,927	0
<b>3. Other Environmental Protection-Related Costs</b>	Fine of environmental issue	126	0
Total		29,693	0

## 4-5 Energy-Saving Measures

Electricity	♦ Adjust the operation of facility equipment to coincide with the shutdown of production machinery.
	♦ Reduce the exhaust and intake airflow of the drying oven in CHIP-R plant.
	♦ After reasonable calculations, each plant will reduce its contracted capacity.
	♦ Installing timers for office lighting and air conditioning to save energy.
	♦ Each factory will improve power factor to over 95% for electricity usage.
	♦ Installing frequency converters on UPW supply water pumps for energy savings.
	♦ Consolidating transformers for dual usage to save energy.
	♦ Installing energy-saving devices on public utilities equipment to improve power factor and save energy.
	♦ Monitoring electricity consumption monthly, and investigating the source of abnormal consumption if detected
	♦ Installing frequency converters on motors or replacing them with energy-efficient motors.
Air Conditioning	♦ Moderately raising the chilled water temperature from each plant's chiller.
	♦ Replacing outdated components and facilities of the chiller units.
	♦ Replacing the old circulating pumps used in the chiller units.
	♦ By increasing the filter mesh size of the circulating pump in the chiller, the number of pump rotations can be reduced, thus decreasing power consumption.
	♦ Installing a frequency converter on the air conditioning blower fan helps save electricity.
	♦ Installation of temperature control on the outdoor air conditioning unit's heater enables automatic shutdown.
	♦ The chiller adjusts its startup capacity based on the outdoor air temperature setting.
	♦ Installing a timer and temperature control on the air conditioning system saves energy.
	♦ Installing a frequency converter on the air conditioning water pump saves energy.
	♦ Installing negative pressure water curtains for cooling helps save energy.
	♦ Running only the fan of the air conditioner during winter helps save energy.
	♦ Installation of temperature controllers on the cooling tower's heat dissipation fans.
	♦ Adjusting the chilled water supply temperature of the chiller according to the outdoor air temperature in each season.
	♦ Installing ceiling-mounted circulating fans in the office area to enhance the cooling effect of the air conditioning.

Air Conditioning	◆ Using curtains or heat-insulating stickers to reduce outdoor radiant heat intrusion.
	◆ Using fans to enhance indoor air circulation to lower the temperature set by the air conditioning.
	◆ Office and other air-conditioned areas maintain a temperature of at least 26°C.
	◆ Regularly inspecting the air conditioning system to ensure that it operates efficiently.
	◆ Keeping the intake and exhaust vents of the cooling tower and air conditioning unit clean to maintain air circulation.
	◆ Using high-efficiency energy equipment and employing air conditioning barrier facilities to prevent air leakage.
Compressed Air	◆ Lowering the discharge pressure of the air compressor to save energy.
	◆ Replacing old equipment with new ones.
	◆ Installing heat pumps for energy savings.
	◆ Improving exhaust ducts to enhance energy efficiency.
	◆ Controlling the air volume during the day and night to reduce the number of operating units.
	◆ Installing variable frequency drives for energy savings.
	◆ Improving the drainage system of air compressors and dryers to reduce exhaust waste.
	◆ Regularly checking for gas leaks in pipelines and promptly replacing leaking pipes.
	◆ Installing flow meters to monitor air compressor usage, effectively managing air volume for energy savings.
Heat Exhaust	◆ Lowering the discharge pressure to save energy.
	◆ Consolidating multiple heat exhaust fans into one unit and shutting down the excess fans.
	◆ Installing variable frequency drives on the heat exhaust fans to save electricity.
	◆ Wrapping insulation around the exhaust ducts in the production furnace area to reduce air conditioning energy consumption.
	◆ Adding air pollution exhaust equipment, integrating the ducts of multiple existing heat exhaust fans into the air pollution equipment, and keeping the deactivated fans as backups.
	◆ Reducing the airflow of the heat exhaust fan in the production area to lower air conditioning energy consumption.
	◆ Partitioning the production furnace area to reduce air conditioning energy consumption.
	◆ Regularly replacing exhaust ducts to increase exhaust volume and reduce energy consumption.
	◆ Using heat exhaust for supplying warm water for electroplating.



Illumination	◆ The production areas, meeting rooms, laboratories, common areas, and warehouses of each factory are gradually replacing T8 and T5 fluorescent lights with LED lights.
	◆ The indoor illumination meets the CNS national illumination standard.
	◆ The covered walkways and courtyards within the factory premises utilize natural daylight through skylights during the daytime, eliminating the need for artificial lighting.
	◆ Motion detectors are used for lighting in public corridors and restroom areas.
	◆ Emergency exit signs are equipped with LED lights.
	◆ Intermittent lighting is adopted in public corridors and areas with lower foot traffic frequency.
	◆ Outdoor nighttime lighting is automatically adjusted according to the seasonal variations in daylight and darkness.
	◆ Reduce the number of light tubes in non-primary operational/office areas.
	◆ Subsequent additions of emergency exit signs will be replaced with glow-in-the-dark stickers.
Water Usage	◆ The pure water equipment recycles RO concentrated water to supplement cooling tower water.
	◆ Condensate water from air conditioning is reclaimed for flushing toilets.
	◆ Recycling of electroplating cooling water for reuse.
	◆ Each factory's faucets are being replaced with water-saving nozzles.
	◆ Cooling water from the production process is recycled for reuse.
	◆ Install water-saving label devices and use water-saving toilets and urinals across the board.
	◆ Monitor water consumption monthly and investigate the source of abnormal usage if detected.

# Chapter 5 The Best Workplace

## 5-1 Human Resources Policy

PDC adheres to the Responsible Business Alliance (RBA) Code of Conduct and relevant labor and gender equality regulations in the operating location. We have established human rights protection and labor policies, which are openly communicated to all employees, fostering a high-quality working environment where mutual prosperity is cultivated. In 2024, no significant legal violations occurred. To date, our operations have not been involved in any discrimination, indigenous rights violations, or human rights-related cases filed through formal channels. Additionally, we have not undergone any human rights audits or impact assessments.

We are committed to upholding internationally recognized human rights standards, including the Universal Declaration of Human Rights, International Labour Organization Conventions, and the United Nations Guiding Principles on Business and Human Rights. In our human resources policy, we pledge to:

- Eliminate all forms of discrimination, ensuring equal opportunities in recruitment, training, promotion, and beyond.
- Provide fair wages and benefits while maintaining good working conditions.
- Ensure a safe and healthy work environment, preventing occupational hazards.
- Respect employees' freedom of association and support the right to collective bargaining.

We implement these commitments through dedicated monitoring mechanisms and regular human rights risk assessments, and we provide channels for employee grievances.



Corporate Social Responsibility Policy



Internal And External Grievance Channels



### 5-1-1 Human Rights

The human resources (HR) policy upholds the principle of fairness and equity towards all employees. Adhering to national regulations, HR management ensures a balance between institutionalization and humanization. In aspects such as recruitment, compensation, training, promotion, termination, and retirement, decisions are not influenced by factors such as race, social class, gender, or political affiliation. Additionally, in compliance with personal data protection laws, utmost care is taken to safeguard the confidentiality of employees' personal information.

### **5-1-2 Gender Equality in the Workplace**

PDC complies with regulations, explicitly outlines and actively promotes gender equality laws, and implements various policies and measures for the prevention of sexual harassment to foster a working environment that promotes gender equality in the workplace.

### **5-1-3 Prohibition of Child Labor**

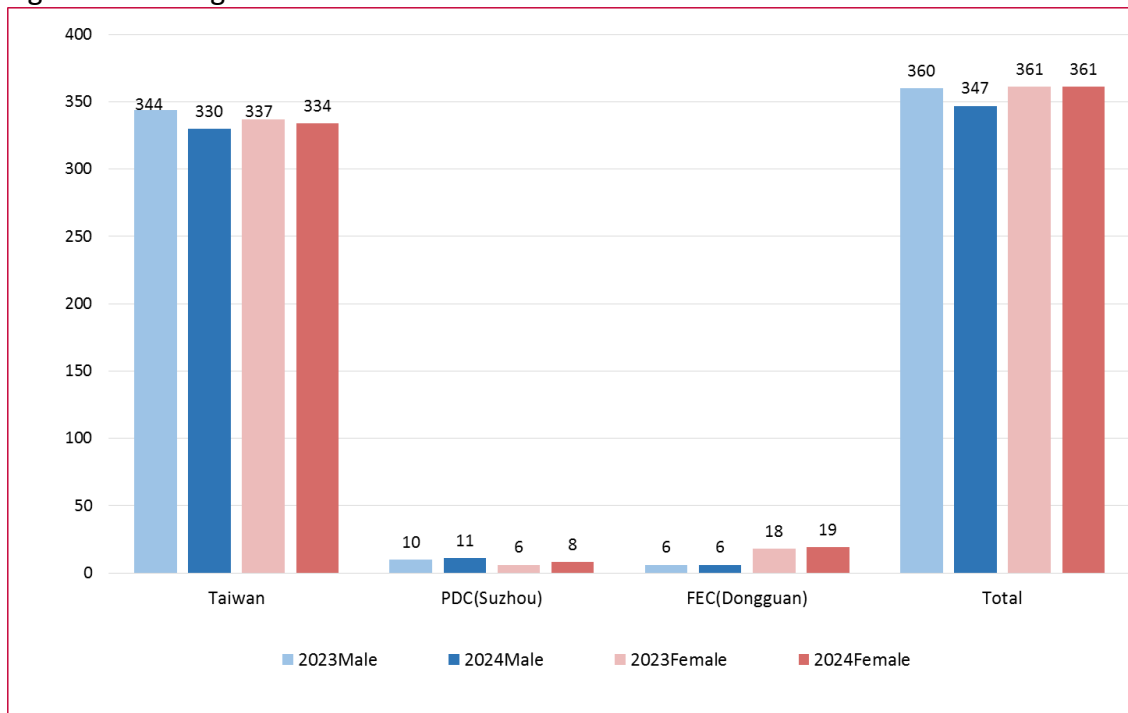
In both the Employee Recruitment and Management Regulations and the Code of Conduct for Social Responsibility, it is explicitly stipulated that the employment of child labor is prohibited. The company does not engage in forced labor, does not employ child labor, does not use foreign illegal labor, and strictly prohibits underage workers from engaging in hazardous work. Additionally, all wages, labor conditions, and safety and health standards are established in accordance with national and regional laws and regulations. Furthermore, internal company regulations are formulated to enforce these standards.

### **5-1-4 Employment of Local Management**

The company believes that employing local individuals not only benefits the local economy but also helps the company understand local needs and culture, thereby strengthening human capital. The company's key operational locations are all plants in Taiwan. The management team in Taiwan is entirely composed of Taiwanese nationals, while management at the plants in China consists of local personnel, depending on the circumstances. In 2024, local Chinese managers accounted for 80% of the management teams in Dongguan Plant and Wujiang Plant.

## 5-2 Employee Demographics

All employees at our various plants are full-time. The plants in Taiwan do not employ part-time staff, while the plants in China adhere to local laws and regulations. In order to achieve gender equality in the workplace, as of 2024, the combined workforce of Taiwan and subsidiaries consists of 49% male and 51% female employees. In terms of management positions, males account for 65% and females for 35%. Compared to last year, there has been a 2% increase in female managers, with no significant change in their number.



The number of non-employee workers at PDC as of the end of the past two years :

Category	2023	2024
Guards and security personnel	7	7
Cleaning staff	5	5
Cafeteria staff	5	5
Construction contractor	31	84

### 5-2-1 Employee Numbers by Job Type/Gender at Key Operational Locations in 2024

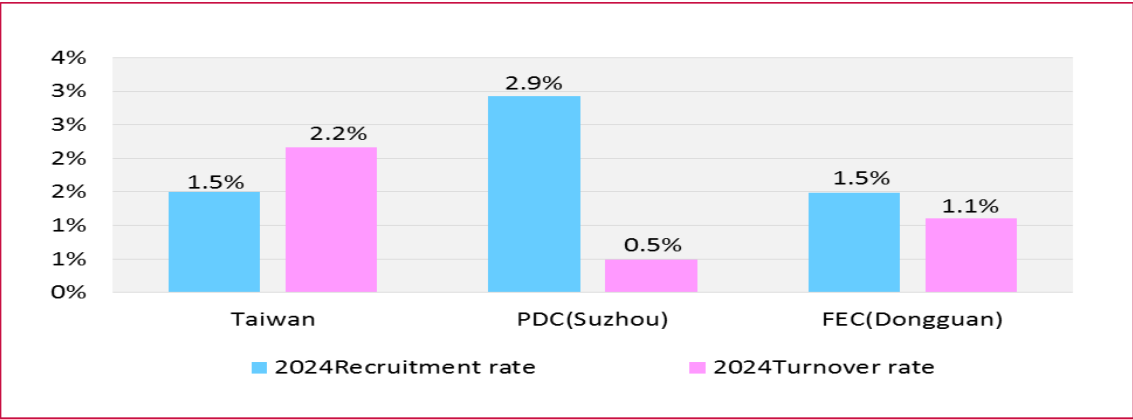
Region / Personnel Type		Management Personnel	Professional Staff	Administrative Staff	Technical Staff	No distinction	MaleFemale%
Taiwan	Male	48	58	7	217	330	50%
	Female	21	33	42	238	334	50%
	Total	69	91	49	455	664	100%
PDC(Suzhou)	Male	1	1	0	9	11	58%
	Female	4	0	3	1	8	42%
	Total	5	1	3	10	19	100%
FEC(Dongguan)	Male	2	0	1	3	6	24%
	Female	2	11	0	6	19	76%
	Total	4	11	1	9	25	100%
Total	Male	51	59	8	229	347	49%
	Female	27	44	45	245	361	51%
	Total	78	103	53	474	708	100%

### 5-2-2 The Number of Employees Categorized by Employment Contract and Type in 2024

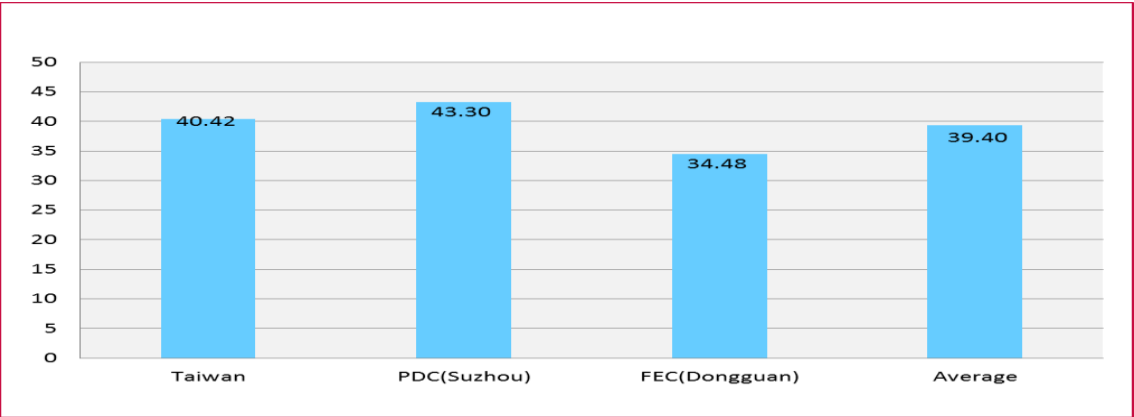
Region / Personnel Type		Employment Contracts			Employment Types		
		Full-time	Temporary	Total	Full-time	Part-time	Total
Taiwan	Male	330	0	330	330	0	330
	Female	334	0	334	334	0	334
	Total	664	0	664	664	0	664
PDC(Suzhou)	Male	10	1	11	11	0	11
	Female	7	1	8	8	0	8
	Total	17	2	19	19	0	19
FEC(Dongguan)	Male	6	0	6	6	0	6
	Female	19	0	19	19	0	19
	Total	25	0	25	25	0	25
Total	Male	346	1	347	347	0	347
	Female	360	1	361	361	0	361
	Total	706	2	708	708	0	708

### 5-2-3 Total Number and Proportion of New Hires and Resignations in 2024

Company	Gender	Resignations	New hires	Turnover rate	Recruitment rate
Taiwan	Male	90	65	2.2%	1.6%
	Female	85	56	2.1%	1.4%
	Total	175	121	2.2%	1.5%
PDC(Suzhou)	Male	1	4	0.8%	3.1%
	Female	0	2	0.0%	2.6%
	Total	1	6	0.5%	2.9%
FEC(Dongguan)	Male	0	0	0.0%	0.0%
	Female	3	4	1.5%	2.0%
	Total	3	4	1.1%	1.5%
Total	Male	91	69	2.1%	1.6%
	Female	88	62	2.0%	1.4%
	Total	179	131	2.1%	1.5%



### 5-2-4 The Average Age of Employees in 2024



## 5-3 Training and Performance

PDC is a continuously developing enterprise operating in a fiercely competitive environment. In order to thrive, it is imperative for employees' capabilities to continuously improve. Training serves as one of the methods to enhance employees' technical proficiency, thus strengthening the company's competitive edge. Not only does it establish a skill foundation for individual employees and meet their personal development needs, but it also equips the company with sufficient adaptability to address rapid internal and external changes, industry demands, and various challenges.

### 5-3-1 Training Planning and Execution

The company annually drafts an “Annual Training and Development Plan,” incorporating relevant development strategies and implementations aligned with our growth and the introduction of various competencies. We also conduct periodic reviews and make suggestions, which are then used to formulate the company's training plan. Through the execution of human resource management planning and systems, we ensure the company maintains a competitive edge in the fiercely competitive global market and continuously achieves high-performance business results.

Additionally, we encourage employees to continue their self-improvement and participate in external courses during their spare time. We provide financial support and time off for employees to pursue these opportunities, ensuring they can learn without any worries. In addition to face-to-face courses, our company has established an online learning system (E-Learning) covering management, business marketing, and general education courses, allowing employees to have a diverse range of options for unrestricted learning.

### 5-3-2 Operational Procedures and Training

The company and employees are required to comply with relevant laws and policies related to our business operations. Employee training is one of the most important aspects of our compliance program. In addition to training for new hires, we regularly offer training courses each year to keep employees informed about the latest legal regulations and to strengthen their commitment to ethical standards in their work. Recognizing the increasing importance stakeholders place on issues such as the environment, human rights, product and service health and safety, labeling, and anti-competitive behavior, the company continuously monitors these issues and strives to comply with regulations. We also incorporate education and training on these topics into our employee training programs.

The number of new hires trained on human rights policy in 2024			
Plant	New hires	Training hours	Total training hours
Taiwan	121	3	363
PDC(Suzhou)	6	3	18
FEC(Dongguan)	4	10	40
Total	131	16	421

The training hours for employees at each factory in 2024			
Plant	training participants	Total training hours	The average training hours per employee
Taiwan	2,145	5,744	2.68
PDC(Suzhou)	99	111	1.12
FEC(Dongguan)	129	241	1.87
Total	2,373	6,096	2.57

### 5-3-3 Training on Human Rights Policies and Procedures-Related to Security

The security personnel at the company's Taiwan and overseas plants are all hired from legitimate professional security companies. They undergo training approved by local governments and participate in relevant internal company training. The training content includes topics such as non-discrimination, non-use of force, no insults, and etiquette.

Plant	Self-Hiring or Outsourcing	Current Number	Names and Durations of Human Rights-Related Training Courses Conducted by the Security Company	Names and Durations of Human Rights-Related Training Courses Provided to Security Personnel by the Company
Taiwan	Outsourcing	7	1. New employee training for 8 hours. 2. On-site security briefing for 1 hour	1. Security guard position responsibility training* 2 hours. 2. Access control and vehicle management regulations training* 2 hours. 3. Fire safety theory training*2 hours.
Wujiang	Outsourcing	3	1. New employee training for 8 hours. 2. On-site security briefing for 1 hour	4. Firefighting training (fire hose and extinguisher)*2 hours per month. 5. Emergency notification and emergency response training* 2 hours.

### 5-3-4 Fair Performance Management System

The purpose of PDC's performance management and development system is to enhance both individual and organizational performance, implement two-way communication and employee development planning, and conduct fair and equitable performance evaluations through a performance appraisal process, which serves as the basis for job promotions, salary adjustments, bonus distributions, employee development, and training needs.

Except for new employees who have been with the company for less than three months, all employees are required to undergo performance evaluations annually. Through the setting and execution of organizational and individual goals, and through



semiannual performance assessments, the achievement of goals is measured. Indirect staffs undergo a three-stage assessment to ensure fairness. Additionally, the performance appraisal incorporates competency as a criterion for evaluation, with six categories: "Integrity and Honesty," "Proactivity/Self-Management," "Continuous Learning and Improvement," "Communication and Coordination," "Execution," and "Teamwork." Based on the assessment results, training courses are determined for individuals and areas for improvement in the future are identified, providing proper assistance for employees' career development.

## 5-4 Compensation and Benefits

### 5-4-1 Salary System

As a globalized enterprise, we establish reasonable and competitive salary levels based on the talent market conditions of overseas locations. We also design incentive bonus systems by referencing local regulations, industry practices, and the operational performance of each subsidiary to motivate overseas colleagues for long-term commitment and mutual growth with the company. The total amount and distribution method of cash bonuses and employee dividends are determined according to company policies and relevant regulations. However, salaries and rewards for directors and managers are subject to review by the Compensation Committee and approval by the Board of Directors before issuance. The issuance standards are closely tied to the company's financial and operational performance.

PDC places great importance on the consistency and fairness of salary operations and management. Each employee's salary is determined based on their education, expertise, and professional experience, without discrimination based on race, religion, color, political affiliation, age, gender, marital status, or disability. Additionally, we adjust salaries in accordance with changes in the minimum wage and external salary survey standards.

#### The Taiwan factory pays employee salaries and benefits expenses

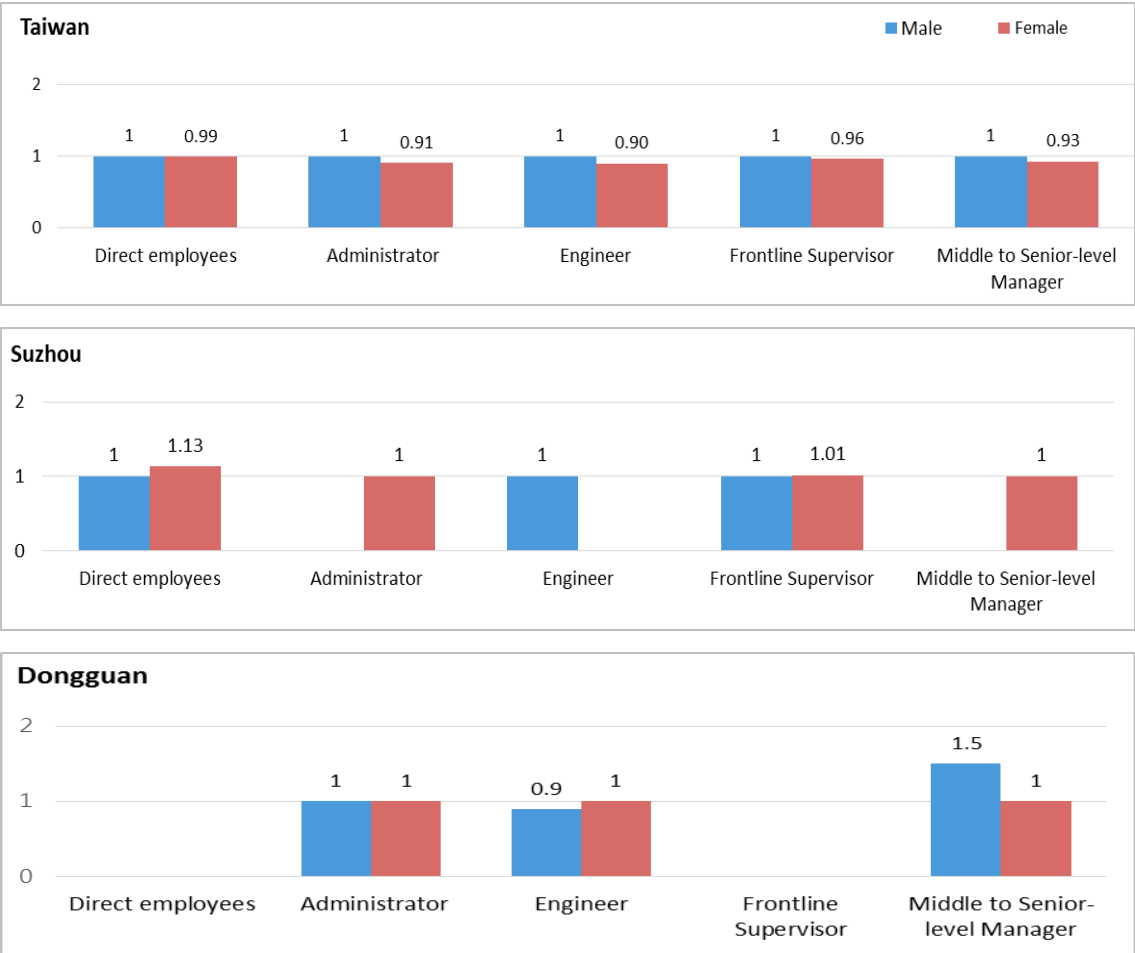
Year	2022	2023	2024
Total Salary Amount (in thousands of NT dollars)	520,414	496,748	484,351
Total Benefits Amount (in thousands of NT dollars)	98,698	102,655	103,946

Note: The company's salaries are linked to its operational performance, with allocations made based on quarterly and annual profits

#### The salaries of full-time employees in non-supervisory positions at the Taiwan factory

Year	2023	2024	Difference from the Previous Year (Percentage)
The number of full-time employees	679	640	-6%
Average Salary per Year (in thousands of NT dollars per person)	715	751	5%
Median Salary per Year (in thousands of NT dollars per person)	623	667	7%

### Basic Salary Ratio by Gender for Various Employee Categories in Each Region in 2024



Note1: Key operational locations: All of the plants in Taiwan.  
 Note2: Dongguan plant is a trading company; Suzhou (Wujiang Plant) produces and sells dielectric ceramic powder.

### 5-4-2 Employee Comprehensive Benefits

In addition to statutory labor insurance and national health insurance, the company provides additional group insurance coverage, including life insurance, personal accident insurance, group accident medical insurance, hospitalization medical insurance, cancer medical insurance, etc., to ensure employees receive comprehensive protection.

### 5-4-3 Parental Leave

The company implements a parental leave policy in accordance with government regulations and the commitment to caring for the employees. We promise to safeguard employees' original positions and roles after their parental leave. Additionally, we have set up safe and comfortable lactation rooms in each of our plants to encourage female employees to breastfeed, creating a supportive workplace environment.

Item	2023			2024		
	Femal	Male	Total	Femal	Male	Total
Actual number of employees applying for parental leave	7	3	10	10	7	17
Number of employees expected to return to work in the current year	4	2	6	6	6	12
Number of employees who actually returned to work in the current year	4	2	6	5	3	8
Return-to-work rate %	100%	100%	100%	83%	50%	67%
Number of employees still employed twelve months after returning to work	4	2	6	5	3	8
Retention rate %	100%	100%	100%	100%	100%	100%

#### 5-4-4 Enhancing the retirement system

The company has established a retirement scheme in accordance with relevant provisions of the Labor Standards Act, and formed the 'Labor Retirement Reserve Supervision Committee' to regularly monitor the allocation of retirement reserves and oversee the review of retirement applications. For employees covered by the Labor Pension Act, the company allocates no less than six percent of their monthly salary to their individual retirement accounts, with the allocation amount displayed on their monthly payroll for transparency and verification by employees. As the company has been in operation for over 30 years, some employees may find it challenging to keep pace with the company's operations due to aging or changes in job requirements. In consideration of the company's sustainability, we have introduced preferential retirement measures for employees with seniority under the old retirement scheme, facilitating smooth organizational restructuring and improving overall resilience. For more details, please refer to the 2024 Consolidated Financial Statements, Note 19: "Post-Employment Benefits Plan" (disclosed on the Market Observation Post System at <http://mops.twse.com.tw> and on our company's website: <https://www.pdc.com.tw/tw>).

#### 5-4-5 Employee Benefits and Diversity Initiatives

##### Employee Benefits

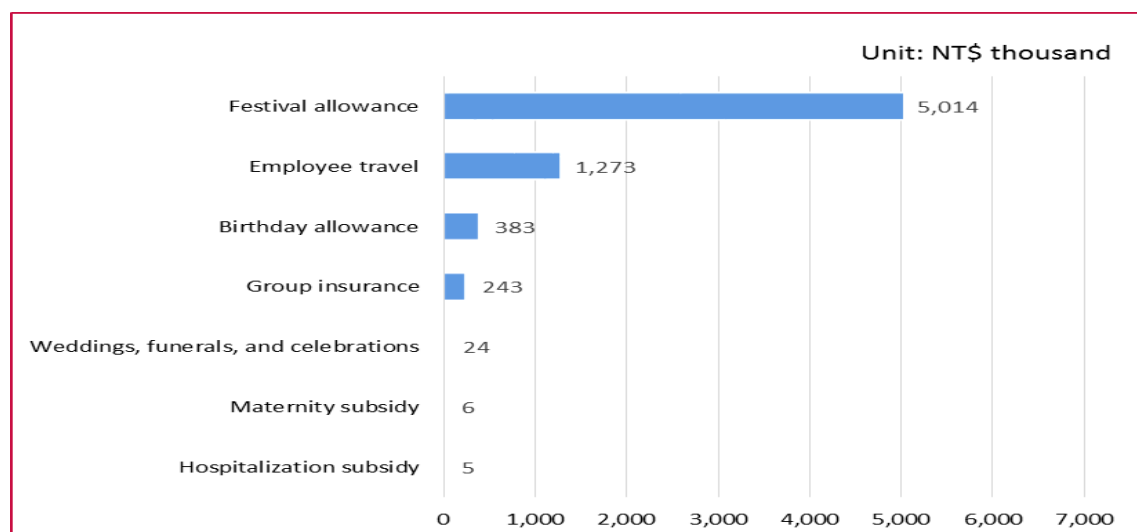
Employee welfare planning is an essential factor beyond salaries in maintaining labor-management relations. Since the establishment of the Employee Welfare Committee on December 18, 1997, the company has been planning various welfare measures (including gifts or bonuses for festivals and Labor Day, birthday vouchers, travel subsidies, subsidies for weddings, funerals, and celebrations, designated stores, etc.). Additionally, the company provides dormitory subsidies, transportation services, improved employee meals, discounts at designated medical institutions, regular health check-ups, employee education scholarships, emergency assistance, and group insurance. To ensure employee satisfaction with the provided welfare measures, we not only have suggestion boxes for continuous feedback but also conduct regular employee satisfaction surveys. This integration of employee feedback helps us improve

our welfare initiatives. These efforts greatly contribute to enhancing employee morale, promoting harmonious labor relations, and yielding significant benefits.

## Holding Diverse Activities

To alleviate employees' work pressure and promote interaction among colleagues and with their families, the company organizes a variety leisure activities each year, such as employee trips, relaxing activities like scented sachet making, Christmas flower arranging, and free visually impaired massage services. Financial subsidies are also provided annually to encourage active participation, with the aim of promoting physical and mental well-being.

Living allowance and subsidies	Holiday celebrations and bonuses
<ul style="list-style-type: none"> <li>Wedding gifts</li> <li>Funeral etiquette</li> <li>Maternity benefits</li> <li>Hospitalization condolence money</li> <li>Rental allowance/dormitory subsidy</li> <li>Employee cafeteria/meals</li> <li>Transportation shuttle service</li> <li>Car/motorcycle parking lot</li> <li>Employee emergency relief</li> </ul>	<ul style="list-style-type: none"> <li>Holiday gifts/bonuses</li> <li>Birthday vouchers</li> <li>Labor Day vouchers</li> <li>Year-end vouchers</li> <li>Employee bonus shares</li> <li>Employee suggestion rewards</li> <li>Employee patent application incentives</li> <li>Incentive bonus</li> </ul>
Diverse activities	Other benefits
<ul style="list-style-type: none"> <li>Year-end banquet and lucky draw</li> <li>Year-end raffle</li> <li>Departmental dinner</li> <li>Employee excursion</li> <li>Subsidies for domestic and international travel</li> </ul>	<ul style="list-style-type: none"> <li>Regular health check-ups</li> <li>Preferred provider discounts at medical facilities</li> <li>Preferred partner stores</li> <li>Employee education scholarships</li> <li>On-the-job training/educational assistance program</li> <li>Club subsidies</li> <li>Vendor stalls on site</li> </ul>



## 5-5 Employee Care and Communication

In terms of employee care and communication, besides enhancing employees' self-esteem and self-growth abilities to seek overall organizational efficiency improvement, our company also provides a safe working environment for employees. Additionally, we are committed to promoting communication, protection, and discipline.

### Diverse communication channels

We actively create an environment conducive to communication, providing diverse channels to ensure smooth communication between the company and colleagues.

Diverse communication channels include:

1. Regular labor-management meetings.
2. Various channels for employee feedback and improvement activities planned in response to employee feedback.
3. Utilizing internal websites for real-time communication, including important internal messages and recent activity promotions.

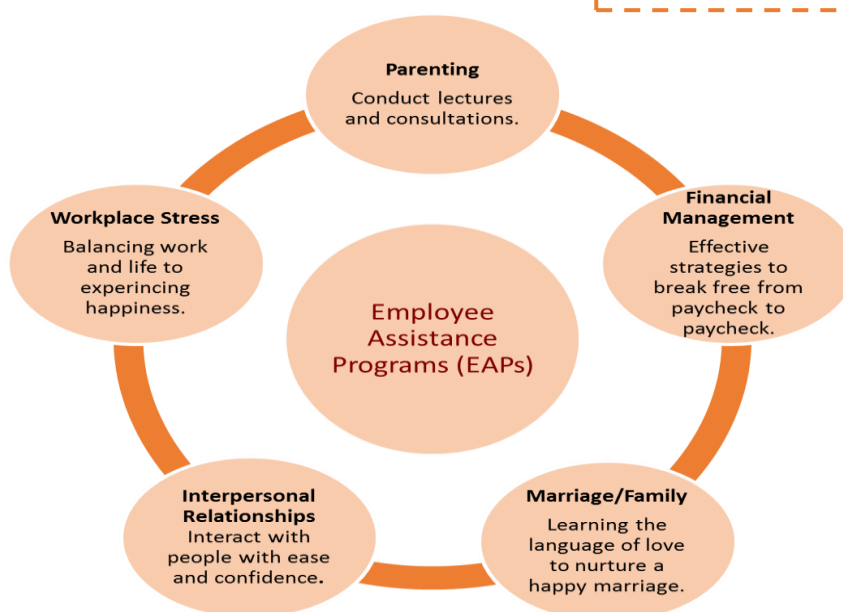
Colleagues can express their voices and provide suggestions through various communication channels, and responsible units will respond and handle them promptly. Over the years, labor-management relations have been maintained harmoniously through addressing feedback and issues in a timely manner.

### Encouragement of proposals

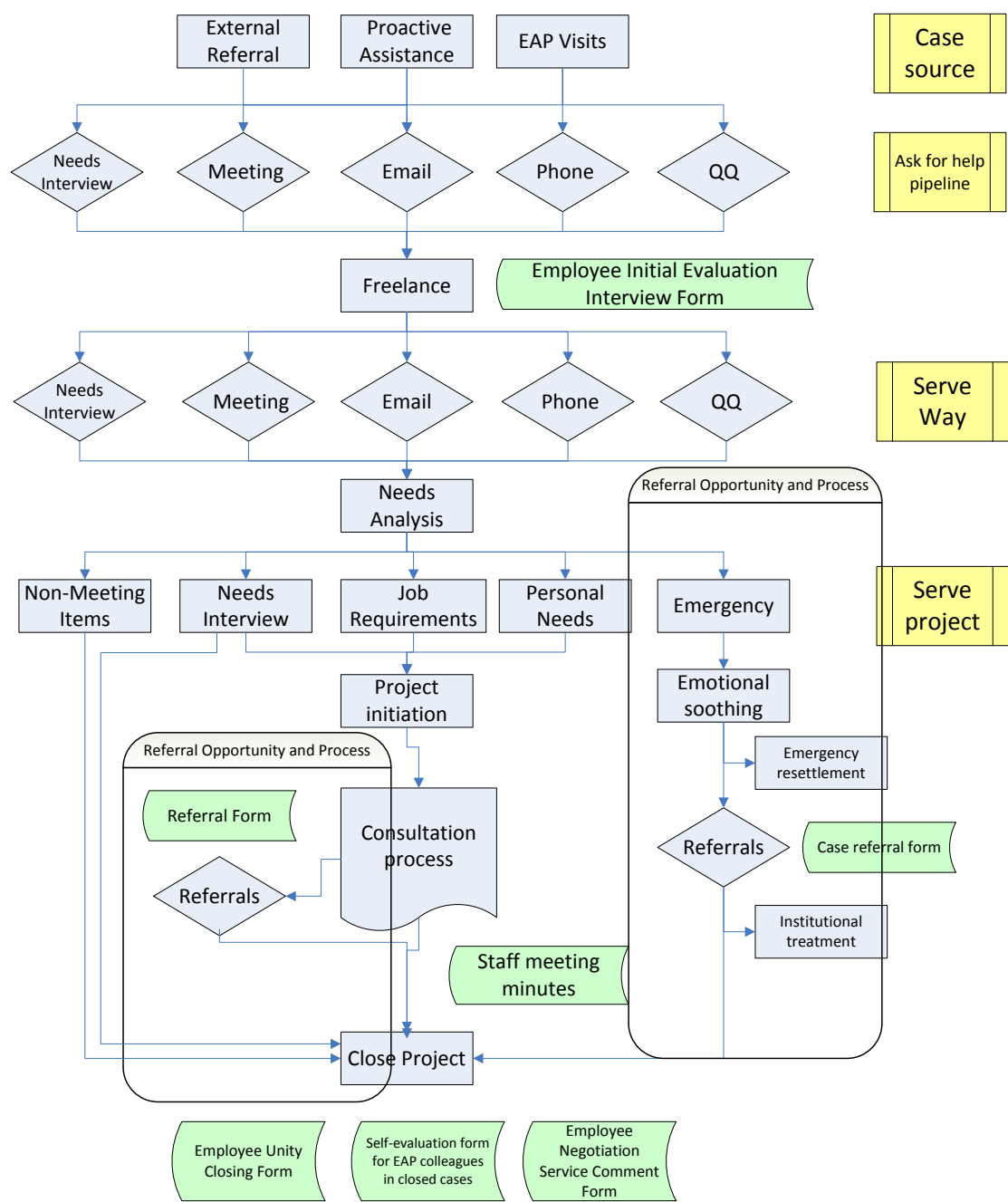
The company encourages colleagues to propose various improvements at any time, and rewards them with different bonuses based on the effectiveness of the improvements.

### Employee Assistance Program (EAP)

To assist colleagues in resolving current work, life, and psychological challenges or issues they may face, such as (but not limited to) health, marriage, family, finance, legal, emotional, stress, and other personal problems, PSA Charitable Foundation provides confidential and professional counseling services.



# EAP Execution Process



## 5-6 Employee Health and Care

Employee health is the company's greatest asset. In addition to setting up relevant equipment and implementing related measures as required by regulations, our company actively promotes workplace and employee health through various screenings, seminars, and activities.

### 5-6-1 Regular Health Checkups

In addition to requiring new employees to undergo routine health checkups, the company provides regular health checkups for employees who have been with the company for over a year (or as required by law) during their tenure. These checkups not only allow employees to understand their own health status but also provide health care for employees with abnormal checkup results, offering relevant health information or assistance with medical referrals.

Medical	Taoyuan Plant	Yangmei Plant
General health check-ups	once every 2 years	once every 2 years
Special task-related health check-ups	once every 1 year	once every 1 year
Executive/overseas assignment health check-ups	once every 1 year	once every 1 year



### 5-6-2 On-Site Physician and Nurse Service Mechanism

In accordance with the regulations of the Labor Health Protection Act regarding staffing and the frequency of on-site services, each plant is equipped with nursing staff and on-site physicians. They provide employees with various medical consultations, on-site visits to work environments, implementation and follow-up of health check-up procedures, planning and execution of health promotion activities, emergency medical services, and ensure the health of employees.

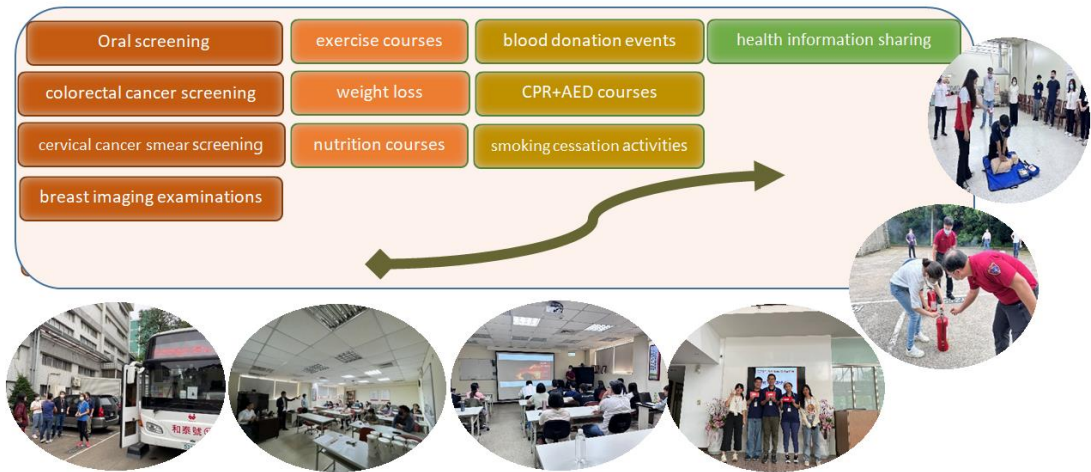
### 5-6-3 Smoke-Free Workplace Promotion

To promote workplace and employee health, the company actively advocates for smoke-free workplaces. Apart from designated outdoor smoking areas, smoking is strictly prohibited within the company premises. We actively promote a smoke-free working environment to safeguard the physical and mental health of all employees, avoiding the health hazards and environmental pollution caused by tobacco products. Through internal website



education, brochures, posters, and smoking cessation activities, we provide smoking cessation counseling and referral services, fostering a fresh and smoke-free working environment.

### 5-6-4 Other Health Promotion Activities



We actively organize employee health promotion activities. These include health lectures that enhance employees' knowledge and understanding of self-managed health, as well as a health point system that encourages them to take care of their well-being outside of work. The company also regularly promotes and effectively implements government policies, and continues to hold planned health promotion activities. We will keep providing care for our employees to ensure their physical and mental well-being in a friendly workplace.

## 5-7 Safe and Healthy Work Environments

The company prioritizes employee health and the working environment. All plants have implemented the ISO 45001 Occupational Health and Safety Management System. We conduct comprehensive hazard identification both inside and outside the plants, assess their risks, and implement effective controls to reduce the occurrence of occupational accidents. This system not only fulfills our responsibilities for safety and health but also ensures that both employees and non-employees working in areas controlled by the company enjoy a safe and comfortable working environment.

ISO 45001  
Occupational health and  
safety management  
systems

### 5-7-1 Occupational Health and Safety Policy

Preventing occupational injuries and illnesses

Continuously improving occupational safety management systems and performance

Complying with occupational health and safety regulations and other requirements

Using PDIP as the framework for setting and reviewing occupational safety

### 5-7-2 Occupational Health and Safety Management Committee

Each of plants at PDC has established an Occupational Health and Safety Management Committee chaired by management representatives who hold decision-making authority. Committee members include occupational safety and health personnel, department heads, supervisors, commanding officers, engineering and technical personnel related to occupational safety and health, medical personnel providing labor health services, and labor representatives. Workers represent at least one-third of all committee members. To ensure effective control of occupational health and safety, meetings are held quarterly.

Responsibilities of the Occupational Health and Safety Committee	
◆ Provide recommendations on the occupational health and safety policies proposed by the employer	◆ Review matters related to self-inspections and safety audits conducted by the business unit
◆ Coordinate and propose occupational health and safety management plans	◆ Review preventive measures for hazards related to machinery, equipment, raw materials, and materials
◆ Review the implementation plan for safety and health education and training	◆ Review occupational accident investigation reports
◆ Review the plan, results, and measures taken for workplace environmental monitoring	◆ Assess the performance of on-site occupational health and safety management
◆ Review matters related to health management, occupational disease prevention, and health promotion	◆ Review safety and health management matters related to contracted operations
◆ Review various proposals for safety and health	◆ Other matters related to occupational health and safety management

### 5-7-3 Safety and Health Measures

Safety and Health Manual	Develop a safety and health manual that outlines safety management procedures for employees to follow.
Labor Safety and Health Management Unit	According to the provisions of the Labor Safety and Health Act, establish a labor safety and health management unit, with the company's top management serving as the head of safety and health affairs. Each factory should staff safety managers, hygiene managers, safety and health officers, fire managers, first aid personnel, nurses, and other dedicated personnel as needed. Safety and health performance reports should be submitted monthly.
Facility Safety	<ul style="list-style-type: none"><li>◆All production equipment should be equipped with safety protection devices, such as grinder guards, paint machines, stackers with safety doors, cutting machines with safety guards, etc.</li><li>◆Hydrogen consumption areas should be equipped with detectors to prevent leaks and hazards.</li><li>◆Hazardous machinery (e.g., forklifts) should be maintained and inspected regularly by the original manufacturers on a monthly basis.</li><li>◆LPG tank areas should have gas leak detectors installed in guard booths to prevent leaks and hazards.</li><li>◆Contractors should be informed in writing about safety and environmental precautions when signing contracts for projects.</li></ul>
Zero Accident Workplace Initiative	Target cumulative accident-free work hours: 1 million hours each for the Yangmei and Taoyuan factories.

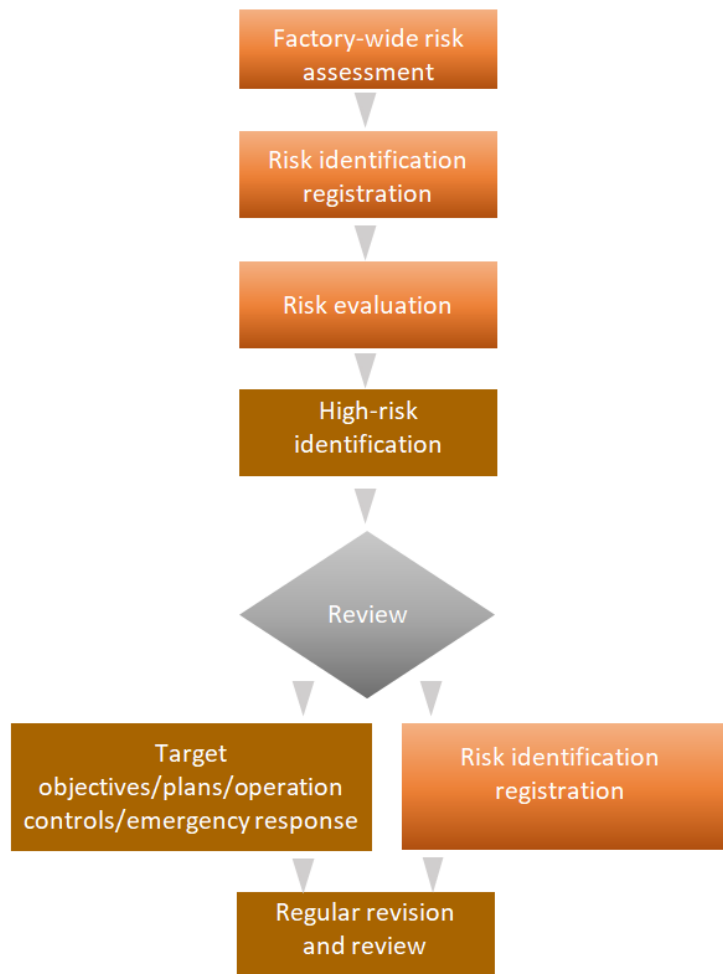
### 5-7-4 Safety and Health Training

The company places great emphasis on occupational safety and health training for employees. In addition to ensuring that personnel involved in occupational safety and health complete refresher training within the specified timeframe and undergo general safety and health education, we also offer courses on SDS hazardous substances, RoHS-related prohibited substances, and other relevant topics for general staff. Furthermore, we conduct regular fire safety drills, emergency evacuation drills, and other training exercises annually.

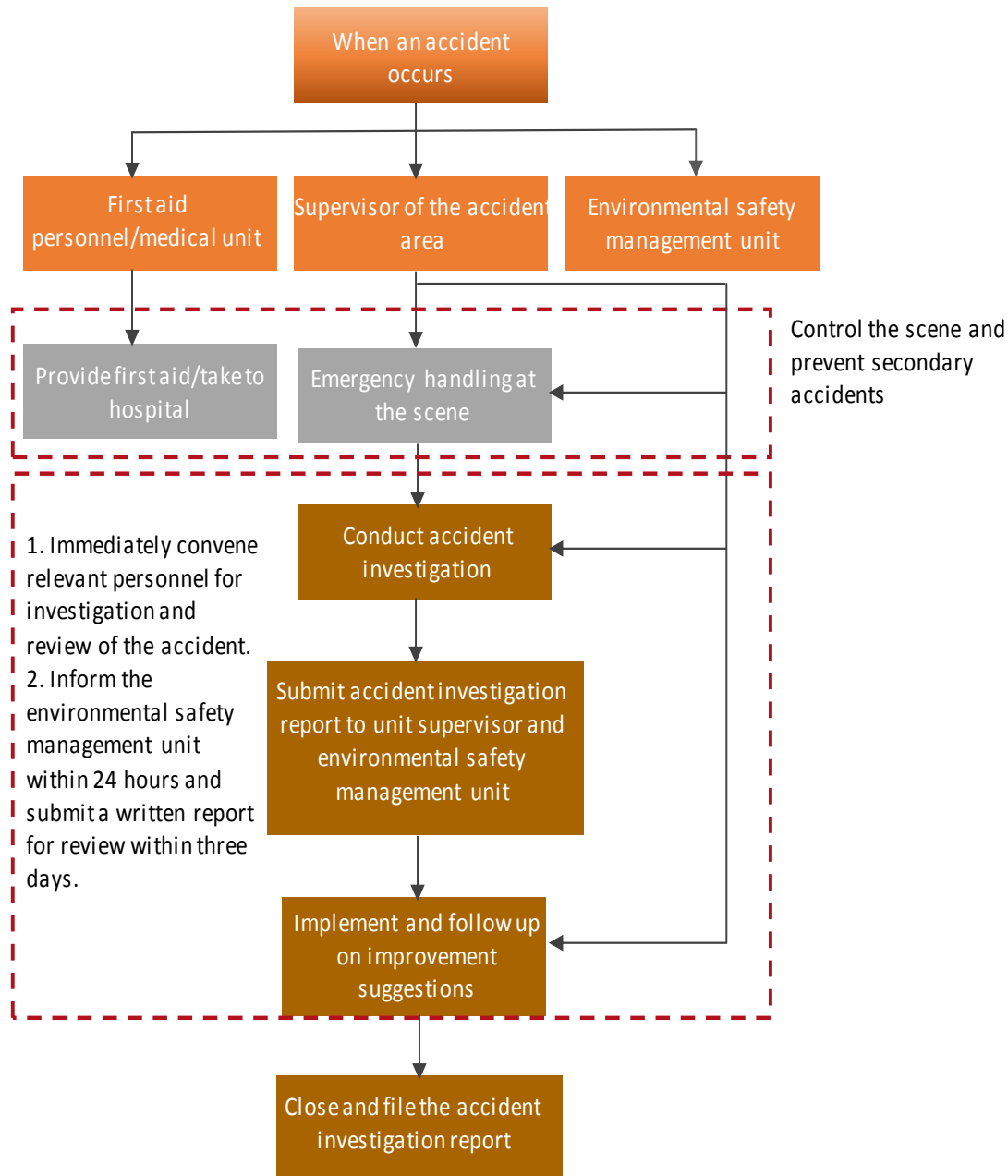
### 5-7-5 Hazard Identification

To promptly identify potential hazards in the workplace and assess the associated risks, the company has established corresponding procedures, such as the Safety and Health Hazard Identification and Risk Assessment Management Regulations, Emergency Incident and Accident Handling and Investigation Operating Procedures, and others.

## ■ Safety and Health Hazard Identification Management Process



## ■ Accident Investigation and Handling Process



### 5-7-6 Risk Reduction and Prevention

Both employees and contractors of the company adhere to safety and health guidelines. If abnormalities are detected during work, employees promptly report them to their superiors to prevent occupational hazards. If the company identifies any immediate concerns regarding potential dangers in the workplace, operations are immediately halted, and personnel are directed to safe areas. Additionally, the company has established a complaint mechanism to ensure that employees are not penalized or affected in their performance for reporting abnormalities. Furthermore, proposal bonuses are provided to encourage feedback. Contractors entering the premises are required to sign safety and health contracts in accordance with

regulations to ensure that all construction activities on-site comply with relevant safety and health laws. Before entering the premises, contractors are briefed on hazards and reminded of safety and health precautions during operations. Supervision is conducted during construction, and deductions are made for any violations of relevant operational standards, serving as a reminder to contractors to prioritize safety and health during construction.

Occupational health services that minimize risks	Taoyuan	Yangmei
Environmental assessments to identify potential health hazards	once every six months	once every six months
Specialized health checks to confirm if employees are exposed to hazardous contaminants	once a year	once a year
Implementation of preventive measures against repetitive tasks that trigger musculoskeletal disorders	ongoing implementation	ongoing implementation
Implement preventive measures against diseases triggered by abnormal workloads such as shift work, night shifts, and long hours of work.	ongoing implementation	ongoing implementation
Implementation of preventive measures against physical or mental harm due to the actions of others	ongoing implementation	ongoing implementation

### 5-7-7 Emergency Response Mechanism and Training

The company has prepared relevant emergency response plans for various potential emergencies, which have been standardized. These include mechanisms for fire, chemical leaks, typhoons, earthquakes, abnormal discharge of wastewater (gas), power outages, and accidents etc. Each plant has established emergency response teams to deal with various sudden situations. In addition to developing contingency plans in advance, the company spares no effort in providing emergency response training for employees. The types of regular training are as follows:

- ◆RoHS Environmental Prohibited Substances
- ◆Chemical and Gas Leak Education and Training
- ◆SDS Hazardous Substance Education and Training
- ◆Self-defense Fire Brigade Training
- ◆Emergency Evacuation Training

The company various factories all set up fire protection equipment in accordance with or exceeding local regulations, and ensure fire safety through the following measures to safeguard property and lives:

- Fire facility maintenance declaration: Each year, qualified organizations are commissioned to carry out fire equipment maintenance to ensure its effectiveness.
- Strict implementation of open flame management: Smoking is prohibited except in designated smoking areas in specific factory buildings.
- Hot work management: Any engineering work involving open flames or generating sparks must prioritize non-open flame construction methods. When open flame methods are necessary, prior approval must be obtained, proper precautions taken, and post-inspections conducted to prevent fire hazards.
- Insurance coverage: Providing coverage for residual risks.

-Fire drills: Fire drills are conducted annually to ensure swift fire suppression and correct evacuation procedures in the event of a fire, minimizing losses.



## 5-7-8 Occupational Diseases and Injuries

The company has had no incidents of work-related diseases or fatalities over the years, nor have there been any cases classified as grade four in special health examinations. Regarding occupational injuries, the company is committed to reducing the number of industrial safety accidents. For all occupational injury cases, root cause analyses are conducted, improvement plans are formulated and executed, and regular statistical analyses are performed on units with higher incidence rates of occupational accidents and types of occupational accidents. Those with relatively higher severity, higher frequency, or occurring across units and repeatedly are identified as focal points for education, training, and management.

In 2024, there were 5 occupational accidents (minor or above), with a disabling injury frequency of 5, involving 5 individuals, accounting for 0.8% of the total number of employees at the end of 2024, failing to achieve the goal of zero incidents. An analysis of the 5 accidents in 2024 shows the following categories: 1 case of falling objects, 1 case of entanglement injury, 2 cases of being struck, and 1 case of improper movement injury. To reduce the occurrence of injuries, continuous efforts are being made to promote hazard awareness education and training, as well as hazard elimination improvements.

### Recordable occupational injuries

Recordable occupational injuries				
Year	Total experienced work hours	Number of occupational injuries (including severe occupational injuries)	Recordable occupational injury rate	Rate of severe occupational injuries
2023	1,401,328	7	5.00	0
2024	1,322,432	5	3.78	0

Note1: The data includes all employees (excluding non-employees whose work or workplace is under control).

Note2: An occupational injury is considered severe if it results in a condition where the individual cannot return to their pre-injury health within six months.

Note3: Recordable occupational injury rate: Number of occupational injuries / Total experienced work hours x 1,000,000.

Note4: Rate of severe occupational injuries: Number of severe occupational injuries in the workplace (excluding fatalities) / Work hours \* 1,000,000.

Note5: There were zero fatalities due to occupational accidents in 2024.

Note6: Total work hours are calculated as the sum of each month's actual employee count multiplied by the number of working days announced by the Executive Yuan for that month, and then multiplied by 8 hours, for the entire year.

### **5-7-9 Compliance with Occupational Safety and Health Regulations**

In 2024, the company did not incur any significant fines or non-monetary sanctions due to violations of relevant regulations.



## Chapter 6 Social Care and Participation

To care for society and promote public welfare, the company conducts related activities through the following aspects: (1) the Cihui Club, (2) the company itself, (3) PSA Charitable Foundation, and (4) PSA VVG Culture and Arts Foundation. The explanations for each aspect are as follows:

### 6-1 Internal and PSA Charity Organizations

#### ★ The Charity Activities of the Cihui Club and Company

Fulfilling corporate social responsibility is a crucial part of the company's pursuit of professional technology enhancement and company growth. Therefore, we actively participate in social welfare activities, continuously contributing to social returns, and striving to create a better and friendlier social environment through our modest efforts.

In 2005, employees voluntarily formed the Cihui Club, which receives annual donations from both employees and the company. Under the premise of stable company profits, the company, with a sustainable management philosophy, actively engages in public welfare activities. Through the Cihui Club, we lead colleagues to participate in aid for disadvantaged groups and disaster relief, deepening their recognition of corporate philanthropy, and aiming for common development with society.

In September 2024, our company's Welfare Committee collaborated with the Happy Kids Social Welfare Foundation to purchase Mid-Autumn Festival gift boxes. This initiative supports the sustainable operations of a local social welfare organization and helps create employment opportunities for individuals with intellectual disabilities.

#### ★ PSA Foundation Operations

Due to the limited workforce and resources of the Cihui Club, the company annually donates to the "PSA Charitable Foundation". Through the workforce and resources of the group, this allows the company's public welfare efforts to reach further and wider, more effectively fulfilling the commitment to giving back to society. Additionally, the company donates to the "PSA VVG Culture and Arts Foundation" every year. Through the group's workforce and resources, it promotes the green life aesthetics of "local," "humanistic conservation" and "ecological sustainability" as the core, to enhance people's connection and appreciation of the growing land, to achieve the corporate social responsibility of cultural heritage, biodiversity protection and ecological sustainability.

PSA is dedicated to charitable and public welfare causes. In 2007, it consolidated the strengths of various companies within the group to establish the PSA Charitable Foundation, which has since promoted numerous care programs. Upholding the belief in giving back to society, integrating social resources, and maximizing these resources, the foundation has actively worked towards aiding disadvantaged children and providing elder care services since its inception. The foundation offers five major services: hearing care, volunteer participation, newspaper reading education, caregiver

respite, and employee assistance programs for a friendly workplace. Public welfare and giving back have become integral parts of PSA's corporate culture.

## 1. Auditory Care and Concern

- Auditory Care for the Elderly in Community Centers

Since 2015, the foundation has been providing free hearing screenings and health promotion seminars for the elderly in community care centers. In 2023, it combined efforts with promoters to use the "Walsin Technology Hand-Rubbing Hearing Screening Method" or the "Medical Insurance Ear Happiness" board game to spark public interest and awareness in hearing issues. In 2024, the foundation conducted over 223 hearing care services for the elderly in community centers, serving more than 1,113 community centers in total, making it the foundation that provides the most hearing care services at community care centers across Taiwan.

- Hearing Aid Bank

Integrating hearing aids from multiple brands, the foundation allows those in need to experience them for free and understand the benefits of hearing aids through professional services. In 2021, the PSA Charitable Foundation collaborated with the Taoyuan City Government's Social Affairs Bureau to establish the "Walsin Technology Taoyuan City Hearing Aid Bank" at the Bade Disabled Care Center. This initiative offers hearing aid consultations, trials, loans, and community advocacy, providing a diverse range of auditory health resources. With a one-stop, comprehensive service approach, it serves the elderly effectively. In 2024, the company organized 57 ear care promotion events in the Taoyuan community. Additionally, professional audiology services were provided at 30 community service sessions.

- Hearing Aid Subsidy

To assist economically disadvantaged individuals with hearing impairments and to supplement the shortcomings of social welfare, we provide subsidies for hearing aids through referrals from public sector and social welfare organizations. In 2024, a total of 75 subsidy applications were submitted, with a total grant amount exceeding NT\$1.52 million.

- Scholarships and Subsidies for Hearing-Impaired Students

To support hearing-impaired high school and university students, and to encourage them to be diligent, self-reliant, and to overcome their limitations, we have established scholarships specifically for them. Since 2016, we have awarded a total of 122 scholarships amounting to 1.62 million NTD. Additionally, in 2024, we provided funding support for 14 instances of hearing transcription services for hearing-impaired university students.

- Hearing Care and Ear Protection Promotion

We conduct community hearing awareness campaigns, school hearing lectures and online instant consultation services to reach different venues and audiences, aiming to raise awareness about the importance of hearing health. We launched the "Walsin Technology Ear Protection Buddy Dodo" Line official account, where professional audiologists offer individual consultation services, including assistive device consultations and ear health care. In 2024, a total of 16,780 online instant ear care consultations were conducted.

To encourage hearing-impaired children to develop a habit of exercise, we launched the "Balance Bike Introductory Training Program for Hearing-Impaired

Children" in 2024. A total of 13 children participated in the program, and parents praised the activity for improving their children's "focus" as well as their "balance and coordination skills." Parents were also thrilled to see unexpected gains, such as an "increase in personal confidence" and "greater passion for exercise." Since 2022, we have been training ear care promoters to become first-line caregivers in their communities. In 2024, we held 2 refresher training sessions and 4 new training sessions, successfully training a total of 84 promoters who continue to raise awareness about ear care in various communities.



## 2. Caregiver Respite

No matter how strong a person's shoulders are, there will always be moments of fatigue. In the past, the focus has often been on the individuals receiving care within families, while the family caregivers who bear long-term caregiving pressures have received less attention and recognition. To address this, the foundation actively plans diverse and engaging stress-relief activities, allowing caregivers to get appropriate respite and regain their energy through supportive measures to continue moving forward.

Since 2016, in collaboration with associations and foundations such as Angel Heart, Syin-Lu, Eden, Yung Shin, Down Syndrome Foundation, Red Cross, the Multiple Disability Association, Dandelion Hearing and Speech Association, Chiayi County Wisteria Women and Children's Care Association, the Audiobook Project of Chung Shan Medical University, the Taipei Datong and Zhongshan District Early Intervention Community Resource Center, the Siaoming Social Welfare Foundation, and the Taipei ADHD Association. The foundation has been organizing activities. Both the participating units and the caregivers involved have been very satisfied with these activities, providing more families with the support they need. In 2024 alone, 455 caregivers benefited from respite and stress-relief activities, with a total of 136 caregiver respite events held.





### 3. Social Worker Respite

The foundation is focused on social workers who are on the front lines of helping others. For the first time, it has planned respite and cross-disciplinary exchange activities to provide encouragement and care for social work partners. Social workers from five social welfare centers in Kaohsiung City and those from Chiayi City were invited to participate, facilitating cross-disciplinary exchanges and expanding the horizons of social workers. The events included therapeutic and stress-relief activities with 242 participants, as well as a community trip with 50 participants.



### 4. Friendly Workplace EAP Employee Assistance Program

The PSA Foundation, believing that those who help others also need attention and care, has promoted the Friendly Workplace EAP Employee Assistance Program to non-profit organizations. The goal is for every helper to be as mentally and physically healthy as any other workplace employee. Through course sharing and experiential activities, participants can relieve stress while recharging, preparing themselves to serve others. Over the years, 416 stress management and relief courses have been held, and more than 5,060 employee care interviews have been conducted.



### 5. Pingtung County Newspaper Reading Education and Bilingual Newspaper Reading

The PSA Charitable Foundation sponsors and promotes the NIE experimental class project in Pingtung County, implementing experimental teaching in newspaper reading education. Teachers lead students in learning activities using newspapers as teaching materials, developing diverse and innovative teaching methods based on newspaper content in various subjects (Chinese, mathematics, natural science, arts, and humanities, etc.). The foundation has sponsored children's newspaper reading education for 17 years, supporting schools and students in Pingtung, Kaohsiung, and

Taoyuan, thereby promoting Chinese language learning for 89,000 elementary and middle school students.



## 6-2 Social Care Activities over the Years

The company's investment in public welfare and charitable activities over the years (excluding those operated by the PSA Foundation) has totaled more than 10.03 million TWD.



**One Acre of Field**—Since 2009, the Cihui Club of the company has been working with rice farmers in Yilan. Through rice field adoption, we increase the income of local professional rice farmers. These "new tenant farmers" then rent and cultivate more rice fields, ensuring sustainable development of Taiwan's rice fields, ecological environment, and soil and water conservation. The "My Acre of Field" adoption activity allows employees to personally experience the joy and hardship of planting and harvesting rice, creating a close connection between employees, the land, and agriculture.



In 2011, we participated in the 2011 Centennial Special Exhibition "Century Glory—Classic Taiwanese Ceramic Brands" at the Yingge Ceramics Museum, showcasing the development history of Taiwan's industrial ceramics industry through the evolution of the company's ceramic electronics.

The Cihui Club visited elderly individuals living alone and donated supplies in collaboration with Huashan Foundation.



Through youth career exploration activities, underprivileged students gain firsthand experience of workplace life, enhancing their exploration of vocational interests and improving their future competitiveness.

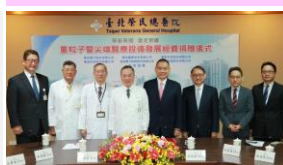


In 2020, to respond to Taoyuan City's initiative to strengthen the social safety net with the "Happy Family Support Vehicle" project, our company donated one car and four electric motorcycles to the Social Affairs Bureau of Taoyuan City Government for visiting high-risk vulnerable families.



In 2021, due to the ongoing COVID-19 pandemic, to protect frontline medical personnel, the company donated 1,000 isolation gowns to the Yang Ming Chiao Tung University Hospital.

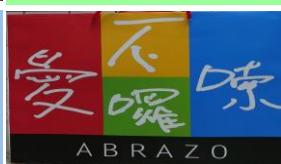
The company participated in joint donation with the Walsin Group to the Taipei Veterans General Hospital for the acquisition of advanced medical equipment for the Heavy Particle Cancer Treatment Center in 2019 and 2020. We hope to leverage the synergy of the group's public welfare spirit, gather more social forces, improve medical standards, and benefit the people.



In January 2022, to support local government pandemic prevention needs, our company donated 1,053 disposable protective suits to the Taoyuan City Government.



In May 2022, the company collaborated with the Taiwan Foundation for the Blind to purchase handmade soap sets as souvenirs for the shareholders' meeting. This not only helped the charitable organization through the pandemic but also aligned with environmental awareness and maximized resource utilization, demonstrating our commitment to cherishing and protecting the earth.



In September 2022, the company's Welfare Committee collaborated with the Down Syndrome Foundation to purchase Mid-Autumn Festival gift boxes, assisting individuals with Down syndrome in achieving independent living and supporting the foundation's "Love Without End" campaign.

The company's Welfare Committee collaborated with the Grace Hearing Impairment Bakery to purchase Mid-Autumn Festival gift boxes in September 2023. This initiative supports the bakery in establishing a friendly employment environment and helps individuals with hearing impairments enhance their self-worth through baking.



In September 2024, our company's Welfare Committee collaborated with the Happy Kids Social Welfare Foundation to purchase Mid-Autumn Festival gift boxes. This initiative supports the sustainable operations of a local social welfare organization and helps create employment opportunities for individuals with intellectual disabilities.



Over the years, we have periodically sponsored charitable organizations caring for the poor, disadvantaged, and abused children.

- ★The company continues to sponsor the PSA Charitable Foundation to conduct hearing care activities and assist underprivileged social welfare units or other charitable activities.
- ★The company also continues to sponsor the "PSA VVG Foundation for Culture and Arts" every year. Through the group's manpower and resources, it promotes the green life aesthetics of "local", "humanistic conservation" and "ecological sustainability" as the core, to enhance people's connection and appreciation of the growing land, to achieve the corporate social responsibility of cultural heritage, biodiversity protection and ecological sustainability.

# Chapter 7 Appendix

## Appendix 1 Global Sustainability Reporting Standards - GRI Content Index

<b>Declaration of Use</b>	<b>PDC has reported on the period from January 1, 2024, to December 31, 2024, in accordance with GRI standards.</b>
<b>GRI 1 Used</b>	<b>GRI 1: Foundation 2021</b>
<b>Applicable GRI Industry Standards</b>	<b>No applicable GRI industry standards were issued during the reporting period of this report.</b>

GRI Standards	Items disclosed	Related chapters and sections	Page No.	Notes
GRI 2 : General Disclosures 2021				
<b>1. The organization and its reporting practices</b>				
2-1	Organizational details	About This Report 1-1 Company Profile	4 7	
2-2	Entities included in the organization's sustainability reporting	About This Report	4	
2-3	Reporting period, frequency and contact point	About This Report	4	
2-4	Restatements of information			This situation does not exist.
				This situation does not exist.
2-5	External assurance	About This Report	4	
<b>2. Activities and workers</b>				
2-6	Activities, value chain and other business relationships	1-2 Brands and Products	8	
2-7	Employees	5-2 Employee Demographics	67	
2-8	Workers who are not employees	5-2 Employee Demographics	67	
<b>3. Governance</b>				
2-9	Governance structure and composition	3-2 Governance Organization	24	
2-10	Nomination and selection of the highest governance body	3-2 Governance Organization	24	
2-11	Chair of the highest governance body	3-2 Governance Organization	24	
2-12	Role of the highest governance body in overseeing the management of impacts	3-2 Governance Organization	24	
2-13	Delegation of responsibility for managing impacts	3-2 Governance Organization 3-6 Risk Management	24 37	
2-14	Role of the highest governance body in sustainability reporting	3-2 Governance Organization	24	
2-15	Conflicts of interest	3-2 Governance Organization	24	
2-16	Communication of critical concerns	3-2 Governance Organization	24	
2-17	Collective knowledge of the highest governance body	3-2 Governance Organization	24	
2-18	Evaluation of the performance of the highest governance body	3-2 Governance Organization	24	
2-19	Remuneration policies	3-2 Governance Organization	24	
2-20	Process to determine remuneration	3-2 Governance Organization	24	
2-21	Annual total compensation ratio			The ratio of the annual total compensation of the highest-paid individual in the organization to the median annual total compensation of other employees (excluding the highest-paid individual) is considered confidential information by the company and is therefore not disclosed.

GRI Standards	Items disclosed	Related chapters and sections	Page No.	Notes
<b>GRI 2 : General Disclosures 2021</b>				
<b>4. Strategy, policies and practices</b>				
2-22	Statement on sustainable development strategy	Letter from the Chairman	1	
2-23	Policy commitments	3-1 Business Philosophy and Regulatory Compliance	22	
		3-4 Supply Chain Management	31	
		4-1 Environmental Management Systems	51	
		5-1 Human Resources Policy	65	
2-24	Embedding policy commitments	3-1 Business Philosophy and Regulatory Compliance	22	There were no significant regulatory violations this year.
		3-4 Supply Chain Management	31	
		4-1 Environmental Management Systems	51	
		5-1 Human Resources Policy	65	
		5-7 Safe and Healthy Work Environments	81	
2-25	Processes to remediate negative impacts	2-1 Identification and Communication with Stakeholders	14	
		3-6 Risk Management	37	
2-26	Mechanisms for seeking advice and raising concerns	2-1 Identification and Communication with Stakeholders	14	
		3-6 Risk Management	37	
2-27	Compliance with laws and regulations	3-1 Business Philosophy and Regulatory Compliance	22	There were no significant regulatory violations this year.
2-28	Membership associations	3-3 External Participation	30	
<b>5. Stakeholder engagement</b>				
2-29	Approach to stakeholder engagement	2-1 Identification and Communication with Stakeholders	14	
2-30	Collective bargaining agreements			This situation does not exist.
<b>GRI 3 : Material Topics 2021</b>				
3-1	Process to determine material topics	2-2 Major Issue Identification	15	
3-2	List of material topics	2-2 Major Issue Identification	15	
		2-3 Management Approach for Material Issues and Alignment with SDGs	19	
3-3	Management of material topics	2-3 Management Approach for Material Issues and Alignment with SDGs	19	



GRI Standards	Items disclosed	Related chapters and sections	Page No.	Notes
GRI 201-206 : Economic				
GRI 201 : Economic performance 2016				
201-1	Direct economic value generated and distributed	3-7 Operational Performance	46	
		5-4 Compensation and Benefits	73	
201-2	Financial implications and other risks and opportunities due to climate change	3-6 Risk Management	37	
201-3	Defined benefit plan obligations and other retirement plans	5-4 Compensation and Benefits	73	
201-4	Financial assistance received from government	3-3 External Participation	30	
GRI 202 : Market presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5-1 Human Resources Policy	65	
		5-4 Compensation and Benefits	73	
202-2	Proportion of senior management hired from the local community	5-1 Human Resources Policy	65	
GRI 205 : Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	3-1 Business Philosophy and Regulatory Compliance	22	
205-3	Confirmed incidents of corruption and actions taken	3-1 Business Philosophy and Regulatory Compliance	22	
GRI 206 : Anti-competitive behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3-1 Business Philosophy and Regulatory Compliance	22	
GRI 301-308 : Environmental				
GRI 302 : Energy 2016				
302-4	Reduction of energy consumption	4-2 Material and Energy Management	54	
GRI 303 : Water and effluents 2018				
303-2	Management of water discharge-related impacts	4-3 Water Resources Management	55	
303-3	Water withdrawal	4-3 Water Resources Management	55	
303-4	Water discharge	4-3 Water Resources Management	55	
GRI 305 : Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	4-4 Pollution Prevention	57	
305-2	Energy indirect (Scope 2) GHG emissions	4-4 Pollution Prevention	57	
305-3	Other indirect (Scope 3) GHG emissions	4-4 Pollution Prevention	57	
305-4	GHG emissions intensity	4-4 Pollution Prevention	57	
305-5	Reduction of GHG emissions	4-4 Pollution Prevention	57	
305-6	Emissions of ozone-depleting substances (ODS)			This situation does not exist.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4-1 Environmental Management Systems	51	

GRI Standards	Items disclosed	Related chapters and sections	Page No.	Notes
GRI 306 : Waste 2020				
306-1	Waste generation and significant waste-related impacts	4-4 Pollution Prevention	57	
306-2	Management of significant waste-related impacts	4-4 Pollution Prevention	57	
306-3	Waste generated	4-4 Pollution Prevention	57	
GRI 308 : Supplier environmental assessment 2016				
308-1	New suppliers that were screened using environmental criteria	3-4 Supply Chain Management	31	
308-2	Negative environmental impacts in the supply chain and actions taken	3-4 Supply Chain Management	31	
401-419 : Social				
GRI 403 : Occupational health and safety 2018				
403-1	Occupational health and safety management system	5-7 Safe and Healthy Work Environments	81	
403-2	Hazard identification, risk assessment, and incident investigation	3-6 Risk Management	37	
		5-7 Safe and Healthy Work Environments	81	
403-3	Occupational health services	5-7 Safe and Healthy Work Environments	81	
403-4	Worker participation, consultation, and communication on occupational health and safety	5-7 Safe and Healthy Work Environments	81	
403-5	Worker training on occupational health and safety	5-7 Safe and Healthy Work Environments	81	
403-6	Promotion of worker health	5-6 Employee Health and Care	79	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3-6 Risk Management	37	
		5-7 Safe and Healthy Work Environments	81	
403-8	Workers covered by an occupational health and safety management system	5-7 Safe and Healthy Work Environments	81	
403-9	Work-related injuries	5-7 Safe and Healthy Work Environments	81	
403-10	Work-related diseases	5-7 Safe and Healthy Work Environments	81	There have no cases of work-related diseases among employees this year.
GRI 416 : Customer health and safety 2016				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			This situation does not exist.
GRI 417 : Marketing and labeling 2016				
417-2	Incidents of non-compliance concerning product and service information and labeling			This situation does not exist.
417-3	Incidents of non-compliance concerning marketing			This situation does not exist.
GRI 418 : Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3-9 Information Security and Privacy Protection	49	

## Appendix 2 Climate-Related Disclosures

### Implementation of Climate-Related Disclosures

Item	Implementation Status / Report Sections	Report Page Numbers
1. Describe the board's and management's oversight and governance of climate-related risks and opportunities.	3-6 Risk Management	37
2. Describe how the identified climate risks and opportunities impact the company's business, strategy, and financials (in the short, medium, and long term).	3-6 Risk Management	37
3. Describe the financial impacts of extreme weather events and transition actions.	3-6 Risk Management	37
4. Describe how the process for identifying, assessing, and managing climate risks is integrated into the company's overall risk management system.	3-6 Risk Management	37
5. If using scenario analysis to assess resilience to climate change risks, the company should disclose the scenarios, parameters, assumptions, analytical factors, and key financial impacts used in the analysis.	Our company does not currently use scenario analysis to assess our resilience to climate change risks. We will gradually establish a relevant assessment mechanism in the future.	-
6. If a transition plan is in place to manage climate-related risks, describe the plan's content and the metrics and targets used to identify and manage physical and transition risks.	Under planning.	-
7. If using an internal carbon price as a planning tool, the basis for setting the price should be explained.	Our company has not yet established a carbon pricing plan. In the future, we will formulate our scenario assumptions based on international trends and the national carbon fee mechanism.	-
8. If a climate-related target is set, the company should disclose information regarding the activities covered, the scope of greenhouse gas emissions, the planned timeline, and annual progress. If carbon offsets or Renewable Energy Certificates	Recognizing that greenhouse gas emissions harm the environment, our Taiwan facilities have systematically completed a greenhouse gas inventory and created an emission ledger since 2019. In recent years, we have implemented various measures to	-

Item	Implementation Status / Report Sections	Report Page Numbers
(RECs) are used to achieve the target, the company should specify the source and quantity of the offset credits or the number of RECs.	achieve our goals of energy conservation, industrial waste reduction, and resource recycling and reuse. These initiatives include: heat recovery from air compressors, upgrading outdated factory lighting and exhaust fans, improving chilled water pipeline systems, and installing a new filter press. The new press separates plating and chamfering sludge, allowing us to reuse the chamfering sludge and reduce carbon emissions. To effectively manage our energy consumption, prevent resource waste, and improve efficiency, our company has also implemented an energy monitoring and management system. We aim to comply with government energy-saving regulations by setting a goal of an annual electricity reduction rate of over 1%. We also conduct an annual greenhouse gas inventory, and our Taiwan facilities are currently verified by a third party each year. Our facilities in China are actively in the planning phase for similar initiatives.	
9. Greenhouse Gas Inventory and Assurance Status, along with Reduction Targets, Strategies, and Concrete Action Plans	4-4-3 Greenhouse Gas Inventory	59

## Appendix 3 Report of Independent Accountant with Limited Assurance

**Deloitte.**

**勤業眾信**

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### INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

Prosperity Dielectrics Co., Ltd.

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report (“the Report”) of Prosperity Dielectrics Co., Ltd. (“the Company”) for the year ended December 31, 2024.

#### Subject Matter Information and Applicable Criteria

See Appendix 1 for the Company’s selected performance indicators (“the Subject Matter Information”) and applicable criteria.

#### Responsibilities of Management

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI), the benchmarks designed by Prosperity Dielectrics Co., Ltd. and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that are free from material misstatement resulted from fraud or error.

#### Auditors' Responsibilities

Our responsibility is to plan and conduct our limited assurance engagement in accordance with Standard on Assurance Engagement 3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on whether the Subject Matter Information (see Appendix 1) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We based on our professional judgment in the planning and conducting of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material

misstatement of the Subject Matter Information is likely to arise.

- Selecting sample items from the Subject Matter information and performing procedures such as inspection, re-calculation, re-performance, re-execution and observation procedures to obtain evidence supporting limited assurance.

### **Inherent Limitations**

The Subject matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

### **Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Standard on Quality Management 1 “Quality Management for Public Accounting Firms” issued by the Accounting Research and Development Foundation of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### **Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

### **Other Matters**

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the limited assurance report is Yi-Min Huang

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
July 23, 2025

#### Notice to Readers

*For the convenience of readers, the independent auditors’ limited assurance report and the accompanying summary of subject matter information have been translated into English from the original Chinese version prepared and used in the the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ limited assurance report and summary of subject matter information shall prevail.*

## Attachment 1

## Summary of Assurance Items

No.	Subject Matter Information					Corresponding Section	Applicable Criteria										
1	The Company was not involved in any legal actions related to anti-competitive practices, antitrust, or monopolistic measures in 2024.					3-1 Business Philosophy and Regulatory Compliance	GRI 206-1 : 2016 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices										
2	<ul style="list-style-type: none"><li>● Total water intake for Yangmei and Taoyuan plants in 2024: 255.549 million liters.</li><li>● PDC’s Taiwan plants source their water from third-party suppliers—Taiwan Water Corporation and all are freshwater sources. Taiwan is classified as a low-water-stress region, based on the “World Resources Institute's Aqueduct Water Risk Atlas.”</li></ul>					4-3 Water Resources Management	GRI 303-3 : 2018 Water withdrawal										
3	<ul style="list-style-type: none"><li>● Discharge of Wastewater in 2024 :<table><tr><td>Plant</td><td>Process wastewater discharge volume(Million liters)</td></tr><tr><td>Yangmei</td><td>120.897</td></tr><tr><td>Taoyuan</td><td>62.531</td></tr></table></li><li>● The discharged wastewater from the Yangmei Plant is released into the receiving water body, the Shuoshui River; after undergoing chemical sedimentation treatment at the Yangmei Plant. At the Taoyuan Plant, the discharged wastewater is released into the receiving water body, the Nankan River. The discharged water is freshwater.</li></ul>					Plant	Process wastewater discharge volume(Million liters)	Yangmei	120.897	Taoyuan	62.531	4-3 Water Resources Management	GRI 303-4 : 2018 Water discharge				
Plant	Process wastewater discharge volume(Million liters)																
Yangmei	120.897																
Taoyuan	62.531																
4	<table><tr><td>Year</td><td>Hazardous Waste (Metric Tons)</td><td colspan="3">Non-Hazardous Waste (Metric Tons)</td></tr><tr><td>2024</td><td>1,109</td><td colspan="3">560</td></tr></table>					Year	Hazardous Waste (Metric Tons)	Non-Hazardous Waste (Metric Tons)			2024	1,109	560			4-4 Pollution Prevention	GRI 306-3 : 2020 Waste generated
Year	Hazardous Waste (Metric Tons)	Non-Hazardous Waste (Metric Tons)															
2024	1,109	560															
5	<table><tr><td>Year</td><td>Total experienced work hours</td><td>Number of occupational injuries (including severe occupational injuries)</td><td>Recordable occupational injury rate</td><td>Rate of severe occupational injuries</td></tr><tr><td>2024</td><td>1,322,432</td><td>5</td><td>3.78</td><td>0</td></tr></table>	Year	Total experienced work hours	Number of occupational injuries (including severe occupational injuries)	Recordable occupational injury rate	Rate of severe occupational injuries	2024	1,322,432	5	3.78	0	<ul style="list-style-type: none"><li>● No deaths resulted from occupational accidents in 2024.</li><li>● In 2024 shows the following categories: 1 case of falling objects, 1 case of entanglement injury, 2 cases of being struck, and 1 case of improper movement injury.</li></ul>			5-7 Safe and Healthy Work Environments	Custom Indicator: Total Employee Occupational Injuries Reference Standard GRI 403-9 : 2018 Work-related injuries	
Year	Total experienced work hours	Number of occupational injuries (including severe occupational injuries)	Recordable occupational injury rate	Rate of severe occupational injuries													
2024	1,322,432	5	3.78	0													

(Accountant assurance is provided only in the Chinese version of the Corporate Social Responsibility report. This English translation is prepared in accordance with the Chinese version and is for reference only. In the event of any discrepancies between the Chinese version and this translation, the Chinese version shall prevail.)

## Group Business Philosophy

- ⊙ Integrity first
- ⊙ Treat Customers as Partners
- ⊙ Focus and Quality as top priority
- ⊙ Globalization
- ⊙ Stabilization and Talent development
- ⊙ Value key Stakeholders
- ⊙ Collaboration