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## 2023 Sustainability Report

AN INTRODUCTION FROM OUR CHAIRMAN AND CEO COMPANY PROFILE



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We are dedicated to creating and maintaining long-term value for our stakeholders and we engage in activities that will lead to sustainability and shared prosperity for our business and our communities.

As an international semiconductor company with a

global footprint, Diodes Incorporated (Diodes) and its

our stakeholders-customers, shareholders, employees,

committed to maintaining a sustainable and successful

business over the long term by taking a stakeholder-

worldwide subsidiaries are committed to prioritizing

suppliers, and the communities in which we operate.

We recognize the role we play in society and are

Building on the foundation of our core values—integrity, commitment, and innovation—and advancing the mission of profitability growth to expand shareholder value, we are committed to:

- Fostering a corporate culture of trust, diversity, and inclusion where everyone is treated with dignity and respect, and diverse perspectives are valued;
- Delivering products to our customers through innovation and responsible supply chain management that promote sustainability;
- Dealing fairly and ethically with our suppliers and engaging a diverse supplier base;
- Investing in our employees through fair compensation and benefits as well as professional development opportunities;

- Supporting the communities in which we live and work by protecting our environment through sustainable business practices and being involved in community engagement; and
- Generating long-term profits for our shareholders through continuous investment, business growth and innovation, as well as transparency and effective engagement with our shareholders.

Each of our stakeholders is integral to our sustained success. We value the feedback and perspectives from our stakeholders and take our commitments to our stakeholders seriously.

The Diodes hotline, hosted by an independent third party, provides employees, suppliers, and others an opportunity to report concerns regarding potential compliance, ethical, or safety matters on a confidential or anonymous basis. These perspectives allow us to continuously improve and challenge ourselves to always do better and achieve higher goals.

By leading with **integrity, commitment, and innovation**, and serving our stakeholders through these commitments, we believe everyone will enjoy and benefit from the long-term prosperity of Diodes.

Sincerely,

#### Dr. Keh-Shew Lu

Chairman and Chief Executive Officer, Diodes Incorporated

Keh Shew The

Our sustainability efforts are built on the foundation of our core values - integrity, commitment, and innovation.



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oriented approach.

An introduction from our Chairman and CEO

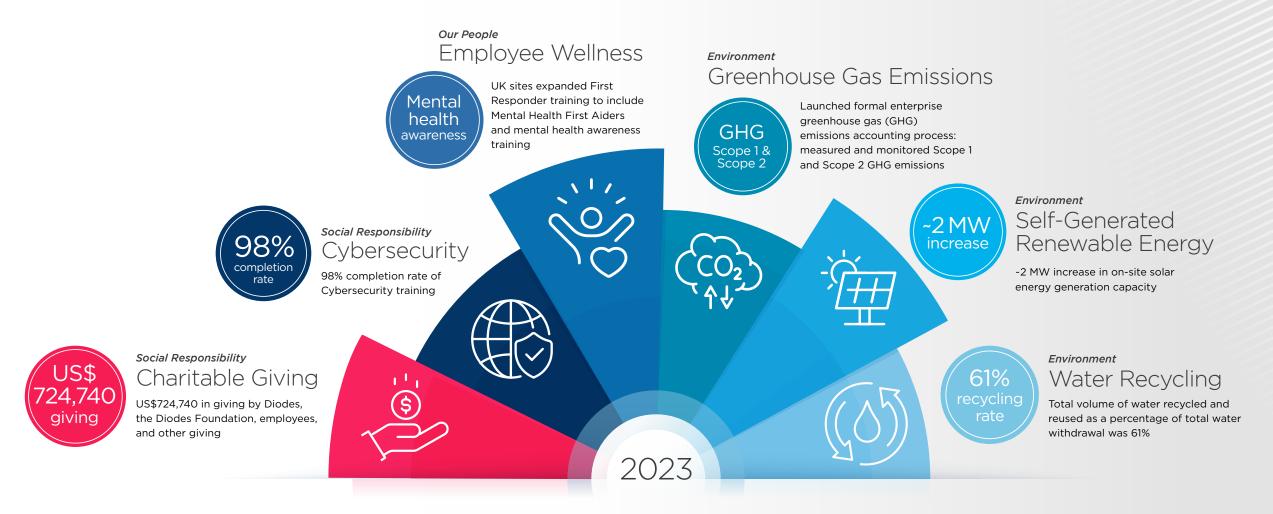
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2023 Highlights

Sustainability is a journey, and we are making steady progress.



INTRODUCTION



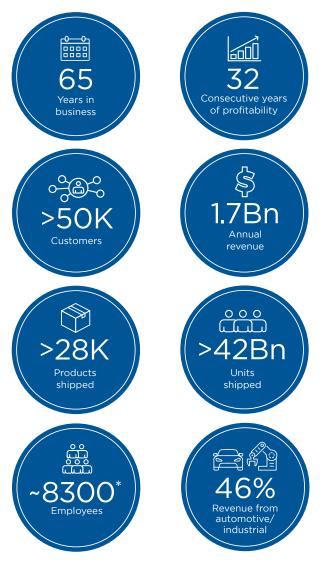
## Company Profile

Diodes Incorporated delivers high-quality semiconductor products to the world's leading companies in the automotive, industrial, computing, consumer electronics, and communications markets.

We leverage our expanded product portfolio of discrete, analog, and mixed-signal products and leading-edge packaging technology to meet our customers' needs. Our broad range of applicationspecific solutions and solutions-focused sales, coupled with worldwide operations including engineering, testing, manufacturing, and customer service, enables us to be a premier provider for high-volume, highgrowth markets.

### **Company Profile**

Diodes at a Glance



#### Our major sites are listed below, with support offices throughout the world.



#### Corporate Headquarters

Plano, Texas, United States

#### Design, Marketing, & Engineering Centers

- Shanghai and Yangzhou, China
- Oldham, England
- Neuhaus, Germany
- Taipei, Tainan, and Taoyuan City, Taiwan
- Milpitas, California, and Plano, Texas, United States

#### Wafer Fabrication Facilities

- Shanghai and Wuxi, China
- Oldham, England
- Greenock, Scotland
- Hsinchu and Keelung, Taiwan
- South Portland, Maine, United States

#### Assembly & Test Facilities

- Shanghai, Chengdu, and Wuxi, China
- Neuhaus, Germany
- Jhongli, Taiwan

#### Sales, Warehouse, & Logistics Offices

- Hong Kong, Shanghai, Beijing, Shenzhen, Wuhan Yangzhou, and Qingdao, China
- Oldham, England
- Frankfurt and Munich, Germany
- Milan, Italy
- Tokyo, Japan
- Singapore City, Singapore
- Seongnam-si, South Korea
- Taipei and Kaohsiung, Taiwan
- Milpitas, California, and Plano, Texas, United States



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COMMITMENT

Stakeholder

Engagement

SUPPLY CHAIN SOCIAL RESPONSIBILITY

Dverview Our commitment to sustainability is represented in our core values of Integrity. Commitment. and Innovation.

COMPANY PROFILE

We strive for environmental sustainability, social responsibility, responsible sourcing, business ethics and compliance, corporate citizenship, and employee volunteerism to have a sustainable operation and a longterm, positive impact on our stakeholders: investors, customers, employees, suppliers, and our communities.

We adopt a stakeholder-orientated approach to governance and are committed to conducting an ethical, lawful, profitable, and sustainable business that creates value over the long term.

We are not actively or directly involved in any political advocacy or lobbying groups, nor do we provide financial contributions to political organizations or political campaigns. During the 2023 reporting year, the amount of financial contributions made on political advocacy was zero. Our engagements on these issues are mainly through industry or trade associations that we support together with our industry peers, or through community engagement with non-profit organizations and taxexempt groups.

Through our extensive sales and distribution network, we provide customers around the globe with a broad portfolio of innovative semiconductor products that help our customers with their development of innovative and energy-efficient applications and end products.

It is our firm belief that our stakeholders' well-being is supported by sustainability considerations, and such considerations are integral to our ongoing organizational success and operational resilience.

By engaging with stakeholders to identify sector- and company-specific risks and opportunities, we may develop proactive strategies to uphold our sustainability standards. We also assess our progress and leverage industry-standard certification and audit processes to ensure sustained accountability and long-term performance. We are privileged to partner with our customers in building sustainable products and applications that contribute to the health and well-being of our communities and our planet.

Conduct published by the Responsible Business Alliance (RBA), a leading industry coalition dedicated to corporate social responsibility in global supply chains.

GOVERNANCE

Diodes' CSER Code of Supplier Conduct and Human Rights and Workforce Labor Rights Policy are based on the RBA Code of Conduct. The RBA Code of Conduct establishes standards to ensure safe working conditions in the electronics industry and in industries in which electronics is a key component, including the supply chains that support those industries.

The RBA Code of Conduct seeks to ensure workers are treated with respect and dignity, and that business operations are environmentally responsible and ethically conducted. The RBA Code of Conduct is in alignment with the UN Guiding Principles on Business and Human Rights and is based on international principles and norms that we support and incorporate in our business practices, including the United Nations (UN) Universal Declaration of Human Rights, the International Labor Organization's (ILO) International Labor Standards and Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and ISO standards.

Through the rigorous RBA Validated Assessment Program (VAP), Diodes' operational activities are consistently conducted in alignment with the RBA Code of Conduct and Diodes' guality standards and procedures. Please refer to Awards and Recognitions for the RBA recognitions awarded to our manufacturing sites.

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capital management, research and development, product innovation,

citizenship. We engage with our stakeholders; specifically employees,

We view sustainability as a competitive advantage and have adopted a

sustainability-oriented approach to assess and address related risks that

may influence our operational activities, business results, and financial

performance. This includes considering the importance of economic,

environmental, and social factors as they impact our business and

customers, and investors; for feedback on our sustainability efforts.

supply chain management, business ethics, investor relations, and corporate



## Governance and Oversight

Sustainability is a strategic focus for the Diodes management team and the Diodes Board of Directors (Board). To further accelerate our commitment to sustainability, we created a Sustainability Steering Committee to focus on sustainability and the ongoing assessment of our operations and their impact on the communities in which we operate. The Steering Committee periodically reports to the Board (at least three times a year) regarding Diodes' sustainability-related strategies, policies, initiatives, and disclosures.

COMPANY PROFILE

#### Sustainability Steering Committee, Corporate Social and Environmental Responsibility (CSER) Task Force, and Energy & Climate Initiatives Team (ECIT)



The **Sustainability Steering Committee** is comprised of members of the senior management team, including the President, Chief Financial Officer, Corporate Secretary, the General Counsel and Vice President of Sustainability, the Worldwide Quality Director, and the Worldwide Human Resources Director.

The Sustainability Steering Committee holds regular meetings (at least six times a year) to approve sustainability-related policies, long-term objectives, and external disclosures and reporting, and to review Diodes' sustainability initiatives and goals as well as the progress towards achieving those goals. The Sustainability Steering Committee has operational control of environmental, health and safety, and social risks, and provides guidance on actions needed to address critical risks.

The Sustainability Steering Committee oversees and monitors engagement with external stakeholders on sustainability-related issues. We engage in regular dialogue with stakeholders and sustainability rating agencies to solicit feedback as we continue to sharpen our focus on sustainability.

Given our global manufacturing footprint and strong commitment to environmental responsibility, we also formed a **CSER Task Force** represented by regional environmental, health, and safety (EHS) subject matter experts and supply chain and human resources professionals to review, assess, and address the various operational impacts to Diodes in areas such as water, waste, energy, supply chain, and human capital management.

Additionally, the **ECIT** was established to specifically address climaterelated risks and opportunities, exercise oversight over potential climate impacts on our operations, and provide guidance on regulatory reporting requirements.

The Sustainability Steering Committee, the CSER Task Force, and the ECIT conduct regular review meetings to assess performance and drive continuous improvement. Taking into account sustainability standards that are appropriate for the semiconductor industry, and for companies with a manufacturing footprint and scale of operations that are comparable to ours, specific sustainability performance metrics are identified where appropriate as we strive for continuous improvement. We believe these collective sustainability efforts help us create and maintain long-term profitability for our shareholders.

GOVERNANCE

With oversight and support from the Board, we have developed and implemented various company policies (including Environmental Policy, Climate Change Policy and Human Rights and Workforce Labor Rights Policy) and business strategies, and managed business operations in ways that are resilient to sustainability-related risks, including the impacts of climate change and pandemics. In addition to the Board's increased oversight of sustainability efforts, our executive bonus compensation includes a measurable sustainability component to further demonstrate and enhance management's commitment to sustainability.



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## Responsible Disclosures

Our 2023 Sustainability Report was prepared in accordance with the Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD), and Sustainability Accounting Standards Board (SASB) standards.

COMPANY PROFILE

As part of responsible reporting to our stakeholders, and specifically institutional investors, we are committed to providing information that reflects the Seven Principles for Effective Disclosures published by **TCFD**. We also refer to the TCFD voluntary framework around these thematic areas of corporate activities—governance, strategy, risk management, and metrics and targets.

We support the industry metrics recommended by the **SASB** for the Technology and Communications Sector specific to the semiconductor industry ("SASB Standards") and use them as guidance in our development of disclosures.



We focus our disclosures on the key sustainability issues identified by the **SASB Materiality Map**<sup>\*</sup> and will continue to update these to provide material and relevant information to our stakeholders.

We actively work to make our sustainability disclosures more comprehensive, accurate, and transparent. The information disclosed is based on internally available data and the management's good faith estimates, approximations, and analysis.



Unless otherwise explicitly stated, the information contained in this report has not been independently audited or verified by third parties. Past performance is not an indication of our future performance or results. Our performance, the measurement of our performance, and any assumption used in measuring our performance on these environmental and social factors will continue to evolve over time.

We value feedback from our stakeholders, and we can be reached at <a href="mailto:compliance@diodes.com">compliance@diodes.com</a>.

#### SASB Sustainability Disclosure Topics and Accounting Metrics

We strive to align our disclosures with the framework provided by the **SASB** for the Technology and Communications Sector specific to the semiconductor industry ("SASB Standards"). Please see <u>this mapping of how our latest disclosures align with the SASB Standards</u>.

As we continue to collate information required under the SASB Standards for the various accounting metrics, we will publish additional disclosures as part of our efforts to provide transparency and accountability to our stakeholders.

## Corporate Social & Environmental Responsibility Conduct

Diodes' CSER Code of Supplier Conduct is based on the Responsible Business Alliance (RBA) Code of Conduct, as it establishes standards to ensure safe working conditions in the electronics industry and in industries in which electronics is a key component, including the supply chains that support those industries.

The RBA is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains, and the RBA Code of Conduct seeks to ensure workers are treated with respect and dignity and that business operations are environmentally responsible and ethically conducted.

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## United Nations Global Compact Principles Index

The <u>United Nations Global Compact</u> provides a principle-based framework for companies worldwide to adopt and integrate sustainable and socially responsible policies into their business activities and encourages companies to strive towards achieving the Sustainable Development Goals to provide a better and more sustainable future for all.

COMPANY PROFILE

As a global corporate citizen, Diodes embraces the ten general principles outlined in the UN Global Compact that are founded on internationally recognized conventions relating to human rights, labor, environment, and anti-corruption.



We are committed to these sustainability and responsible business practices. Referenced opposite are links to the relevant portions of Diodes' Sustainability Report that support the corresponding UN Global Compact principles.

| Categories      | Principles  | Diodes' Response  | Categories                 | Principles   | Diodes' Response  |
|-----------------|---|---|----------------------------|--|---|
| Human<br>Rights | <b>Principle 1:</b><br>Businesses should support and respect the protection<br>of internationally proclaimed human rights.        | See " <u>Commitment</u> " section.  |                            | Duinciple 7  | See "Social Responsibility", "Sustainable<br>Products", and "Responsible Use of Materials and<br>Chemicals in Our Products", and "Supply Chain  |
|                 | <b>Principle 2:</b><br>Businesses should make sure that they are not<br>complicit in human rights abuses.                         | See " <u>Commitment</u> ", " <u>Social Responsibility</u> ", and " <u>Business Ethics</u> " sections.   |                            | <b>Principle 7:</b><br>Businesses should support a precautionary<br>approach to environmental challenges.                        | Management" within "Supply Chain" sections.<br>Also refer to our "Environmental Policy"   |
|                 | <b>Principle 3:</b><br>Businesses should uphold the freedom of association<br>and the effective recognition of the right to       | See " <u>People</u> " section.  |                            |  | and " <u>Climate Change Policy</u> ".   |
|                 | collective bargaining.  |   |                            |  | See "Social Responsibility", "Sustainable<br>Products", and "Responsible Use of Materials and<br>Chemicals in Our Products", and "Supply Chain<br>Management" within "Supply Chain" sections. |
|                 | <b>Principle 4:</b><br>Businesses should support the elimination of all<br>forms of forced and compulsory labor.                  | See <u>"Supply Chain"</u> and " <u>People</u> " sections.   | Bu<br>gr<br>Pr<br>Bu<br>an | <b>Principle 8:</b><br>Businesses should undertake initiatives to promote<br>greater environmental responsibility.               |   |
|                 |   | Also refer to our " <u>Human Rights and Workforce</u><br>Labor Rights Policy", "UK Modern Slavery Act   |                            |  |   |
|                 |   | Statement", and "California Transparency in<br>Supply Chains Act Statement".  |                            |  | Also refer to our " <u>Environmental Policy</u> " and " <u>Climate Change Policy</u> ".   |
| Labor           | <b>Principle 5:</b><br>Businesses should support the effective abolition of child labor.  | See " <u>Supply Chain</u> " and " <u>People</u> " sections.   |                            | <b>Principle 9:</b><br>Businesses should encourage the development<br>and diffusion of environmentally friendly<br>technologies. | See " <u>Sustainable Products</u> " within " <u>Social</u><br><u>Responsibility</u> ".  |
|                 |   | Also refer to our "Human Rights and Workforce<br>Labor Rights Policy", "UK Modern Slavery Act<br>Statement", and "California Transparency in<br>Supply Chains Act Statement". |                            |  |   |
|                 |   |   |                            |  | See " <u>Combating Corruption and Bribery</u> "<br>within " <u>Social Responsibility</u> ".   |
|                 | <b>Principle 6:</b><br>Businesses should support<br>the elimination of discrimination in respect of<br>employment and occupation. | See " <u>Diversity &amp; Inclusion</u> " within " <u>People</u> "<br>and " <u>Supplier Diversity &amp; Inclusion</u> " within   | A                          | <b>Principle 10:</b><br>Businesses should work against corruption in all its forms, including extortion and bribery.             |   |
|                 |   | "Supply Chain".   | Anti-<br>Corruption        |  | Also refer to our " <u>Anti-Bribery and Anti-</u><br><u>Corruption Policy</u> ".  |
|                 |   | Also refer to our " <u>Human Rights and Workforce</u><br>Labor Rights Policy".  |                            |  |   |

知识产权管理体系认证证书

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## Awards and Recognitions

COMPANY PROFILE

At Diodes, we set high performance targets for our business operations, and seek continuous improvement daily. We appreciate awards and recognitions bestowed upon us as they represent stakeholder feedback and acknowledgment of our continuous efforts to strive for excellence, add value to the communities in which we live and work, and successfully contribute to science, technology, engineering, arts, and mathematics (STEAM) education.

The following are examples of honors received in 2023:

#### Environment

One of our wafer fabs in Taiwan received an "Excellence" award from Taiwan's National Science and Technology Council (NSTC) 2023 Science Park Carbon Reduction Competition. The fab achieved an efficient greenhouse gas (GHG) emission reduction of 26% compared to the 2021 baseline by investing in solar energy systems and perfluorocarbons (PFCs) GHG treatment systems.

#### Supply Chain

- The Diodes AL5887 received the "Lighting Product of the Year" award at the Electronics Weekly Elektra Awards. The product was judged by an independent panel as to the degree to which it addresses and solves design issues, and how it is differentiated from competing products launched in the last year;
- In January 2023, one of our
- assembly and test sites in China received the "2022 Industrial Output Excellence" award, recognizing it as a high-quality development enterprise in the Science and Technology Innovation Corridor;



Asia President Andy Tsong receiving the Excellence Award



Members of our UK team celebrating at the Electronics Weekly Electra Awards

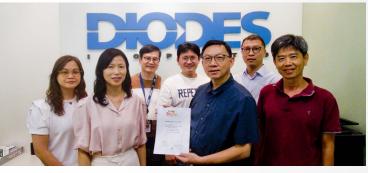
- One of our wafer fabs in Taiwan received "Platinum Status" recognition by the Responsible Business Alliance;
- One of our assembly and test sites in China received "Silver Status" recognition by the Responsible Business Alliance.

#### Social Responsibility

One of our wafer fabs in China earned the "Enterprise Intellectual Property Management System" certification issued by Zhonggui (Beijing) Certification Co., Ltd. in connection with a review of Diodes' adherence with the China GB/T 29490-2013 National Standard, which specifies the corporate planning, implementation, inspection, and improvement of intellectual property management system requirements.

#### People

- One of our wafer fabs in the United Kingdom received an "ICON" award for Diversity from the Inverclyde, Scotland Chamber of Commerce, recognizing the Company's commitment to diversity;
- The Company's Hong Kong site was awarded the "Good MPF Employer" five-year award by the Mandatory Provident Fund Association (MPFA) in recognition of the Company's efforts to enhance retirement protection for employees consistently for the past five years;



Employees from the Hong Kong office accepting the Good MPF Employer award

An employee at one of our UK wafer fabs, Alex Jarvis, received the "Bright Sparks" award from Electronics Weekly. This award highlights the brightest and most talented young engineers in the UK today. To assist with training events, Jarvis designed and developed a range of demonstration units to show how Diodes' products (Hall Sensors and LED drivers) work in specific applications. The demo units have been used at events in Europe and for use by engineers in North America;

GOVERNANCE

The Company received the "Outstanding Community Service" award from the Chinese Institute of Engineers (Dallas/Fort Worth Chapter).



President Gary Yu receiving the Outstanding Community Service award from the Chinese Institute of Engineers

For additional awards and recognition received in the recent years, please click <u>here</u>.



## Environment

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Diodes recognizes that environmental responsibility is integral to producing world-class products. We understand the impact our operations have on the environment and the community, as well as the health and safety of our employees, contractors, and suppliers. We are committed to ensuring environmentally sustainable business practices to help minimize the environmental impact of our supply chain.

For our commitments to environmental sustainability, please refer to our <u>Environmental Policy</u> and <u>Climate Change Policy</u>.

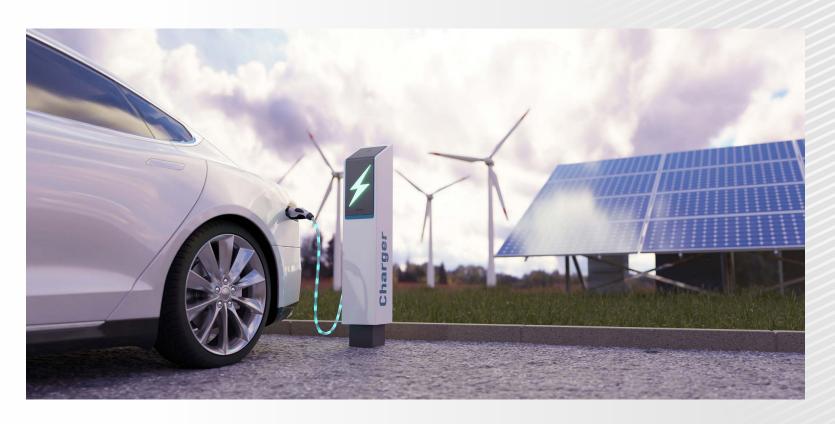
We expect our suppliers and vendors to also subscribe to standards and commitments described in these policies so that we collectively manage a responsible supply chain. As such, Diodes has based its <u>Code</u> of <u>Supplier Conduct</u> on the <u>Responsible Business Alliance (RBA) Code</u> of <u>Conduct</u> to help ensure that business operations are environmentally responsible and compliant, at a minimum, with applicable environmental laws and regulations of the countries in which they have operations. Diodes' direct suppliers are expected to implement the Code of Supplier Conduct as well as an adequate management system to ensure continued compliance with this code.

All Diodes' internal manufacturing sites are certified to the ISO 14001 (Environmental) management system standard and ISO 45001 (Occupational Health & Safety) management system standard.

The expectation for external suppliers is to be ISO 14001 certified as well or, as a minimum, to submit a plan to become certified.

Click here for Diodes Certifications.





Over the past few years, Diodes has made significant strides in monitoring and managing energy, water, waste, and greenhouse gas emissions metrics across our global operations.

There was a stronger focus on quantifying our progress companywide in 2023. We actively worked to reduce energy consumption and overall environmental impact. Each year we invest in projects that target this impact reduction, while also enhancing the efficiency of our manufacturing facilities.

At Diodes, our environmental sustainability strategy in our global manufacturing operations focuses on the following objectives:

- Water stewardship: increase water recycling and reuse to reduce overall water withdrawal;
- 2. **Energy efficiency**: increase the percentage of renewable energy in total energy consumption;
- 3. **Waste reduction**: maintain a recycling rate of 100% for e-waste generated and improve waste diversion rate from disposal.

While we are committed to accomplishing these objectives, the extent to which these objectives are met depends on several factors, including technical and commercial feasibility and cost considerations. Costs avoided come from energy conservation, reduction of waste, recycling, tax incentives, process improvements, and are best estimates made with reasonable assumptions.

## Environmental Policy

#### Last Updated: January 2023

Diodes Incorporated designs, manufactures, and delivers high-quality semiconductor products to the world's leading companies in the consumer electronics, computing, communications, industrial, and automotive markets. Our expanded product portfolio of discrete, analog, and mixed-signal products and leading-edge packaging technology are developed to meet our customers' needs and we are committed to continual improvement. Our worldwide operations including engineering, testing, manufacturing, and customer service, enable us to be a premier provider for high-volume, high-growth markets. We expect our suppliers and vendors to adhere to this environmental policy.

#### Our commitments to environmental sustainability as a responsible corporate citizen are to:

| <ul> <li>Protect the health and<br/>safety of our employees and<br/>partners on a worldwide<br/>basis;</li> </ul>               | <ul> <li>Recycle materials wherever<br/>practical and economically<br/>reasonable;</li> </ul>   |
|---|---|
| <ul> <li>Comply with regulatory and<br/>other requirements;</li> </ul>  | <ul> <li>Minimize waste and<br/>dispose of waste safely and<br/>responsibly</li> </ul>  |
| <ul> <li>Use natural resources, energy,<br/>and materials efficiently and<br/>reduce consumption where<br/>possible;</li> </ul> | <ul> <li>Implement specific measures<br/>to prevent and minimize<br/>hazards to humans and<br/>the environment including<br/>pollution prevention; and</li> </ul> |
| <ul> <li>Substitute sustainable<br/>resources in place of non-<br/>renewable resources;</li> </ul>                              | <ul> <li>Consult with and encourage<br/>the participation of all<br/>employees.</li> </ul>  |



Regulatory Compliance We will comply with, or exceed, applicable legal requirements, codes of practice, and industry guidelines.

#### Continual Improvement

Our environmental policy has four main objectives:

We will consider environmental implications in making company decisions at all levels. We will reduce the impact of our emissions to air, land, water, and noise generated by our operations. We will promote waste minimization, take reasonable steps to facilitate waste recycling, and ensure waste disposal is handled in a safe and environmentally acceptable manner.

#### Communication with Stakeholders

We will coordinate with relevant external bodies and work with our own employees to improve environmental performance. We will provide appropriate environmental training and self-monitoring at all levels, particularly those that impact health, safety, and environmental matters. We will record and investigate promptly any matters brought to our attention by members of the public or any regulatory bodies, taking appropriate action as necessary. We will actively promote environmentally sensitive behavior by our employees.

#### Environmental Management System

We will manage our environmental responsibilities within the framework of ISO 14001. We will carry out periodic environmental self-audits as a means of setting objectives, monitoring achievements, and promoting further improvement. We will submit our environmental management system, performance and achievements to independent verification by third parties as appropriate.

Please click here for our Environmental Policy

## Climate Change Policy

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Last Updated: June 2023

Diodes Incorporated recognizes our responsibility as a global corporate citizen to do our part to minimize our contribution to climate change. Operating in a sustainable way benefits the economic, social, and environmental interests of our company, our employees, and the customers and communities we serve.



Climate change creates risks for our

company and our industry. Our facilities are subject to the physical risks associated with increasing temperatures and extreme weather conditions. We depend on critical raw materials and natural resources that are subject to scarcity. We are subject to regulatory and legislative constraints which may impact the manufacture of our products.

As part of our business operations, we ship billions of semiconductor devices to our customers worldwide. During the design, development, and manufacture of those devices, we consume raw materials, chemicals, energy, and water. Our manufacturing processes produce wastewater and solid waste. Our operations generate greenhouse gases and other emissions that contribute to climate change.

Protecting the environment represents an important challenge and valuable opportunity to our operations and to the semiconductor manufacturing industry. To address this challenge, Diodes has prioritized reduced generation of greenhouse gases and improvements in energy efficiencies across our entire enterprise. In addition to complying with all relevant regulations and established industry guidelines, Diodes is committed to establishing goals and objectives which reduce our overall carbon footprint and support energy conservation, reduced water usage, and minimized waste generation.

Please click here for our Climate Change Policy

## Energy Policy

Last Updated: June 2021

Diodes Incorporated recognizes climate change as a global risk as it affects the environmental, social, and economic landscape of the communities in which we live and work. Since semiconductor manufacturing is an energy-intensive process, our manufacturing sites, as well as office buildings, are contributors to our carbon footprint. The majority of our energy is consumed within our wafer fabrication and assembly and test facilities with energy required to maintain very demanding physical and climate conditions for production of our products in a cleanroom environment. We are strongly committed to reducing energy consumption and improving energy efficiency across our operations worldwide. In addition, we focus on developing and manufacturing products that help reduce power consumption and minimize energy requirements when included in our customers' applications.

As a responsible corporate citizen, our commitments to minimize the impact on climate change are:

- Conduct corporate-wide energy assessments to derive suitable and reasonable measures for further increasing energy efficiency and reducing total energy usage and consumption;
- Measure and reduce electricity usage in our manufacturing sites;
- Reduce energy consumption from the electric grid and increase usage of renewable energy;
- Drive and invest in energy conservation programs;
- Reduce energy intensity of our manufacturing processes;
- Deploy energy-efficient manufacturing and office equipment and modify energy efficiency of existing equipment in manufacturing sites and office buildings;
- Implement equipment for active heat recovery;
- Support sustainable energy management of our facilities, i.e. use of high efficiency lighting technologies and HVAC systems, powering down unutilized equipment; and
- Design semiconductor products with optimized energy consumption performance to support our customers' expectations for energyefficient end applications.

Please click here for our Energy Policy

## Resource-Efficient Workplace

We intend to protect and preserve the environment and provide a safe and healthy workplace for all employees. We are committed to the continual improvement of environmental, health, and safety performance, as well as compliance with all applicable laws, regulations, permits, internal worldwide standards, and other social responsibility requirements to which we subscribe.

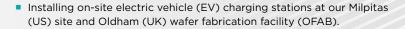
We recognize the impact of our business operations on the environment, the ecosystem, and the communities in which we work and reside. Consistent with our commitment to environmental stewardship, and as reflected in our company's <u>Code of Business Conduct</u>, we have policies and processes in place that incorporate assessment of environmental impact as part of our business decision-making process.

While Diodes continues to build on past implemented programs, our actions in 2023 for a more sustainable and healthy office environment included:

- Reducing paper use through multiple IT improvements including a shift to using electronic signatures which resulted in an estimated cost saving in one department alone of more than US\$45,000 annually, from saved material and labor costs;
- Reducing plastics consumption and encouraging reusable water bottles. We replaced the 5-gallon plastic bottled drinking water delivery service with plumbed and filtered drinking water systems and dispensers at our Plano, (US) site; This eliminated the delivery of approximately 1,200 5-gallon water bottles annually. Employees are also encouraged to bring a glass/cup to reduce waste from disposable cups.



New drinking water station at our Plano (US) site



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EV charging station Oldham, UK



EV charging stations in front of Diodes' Milpitas building

Our resource conservation efforts are also recognized by local governments in the form of financial incentives. For example, in China we received recognition for our deployment of an online electricitymonitoring system and LED lighting projects.

We continue to review business opportunities and monitor local government initiatives and incentives to leverage innovative technologies and solutions to enhance energy savings and reduce the climate impact. energy

• ENVIRONMENT

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## Energy Management

We are committed to reducing energy consumption by applying responsible energy management practices at our manufacturing sites and office buildings we occupy worldwide. In addition, we develop and manufacture semiconductors that make end products more energyefficient, thereby helping our customers reduce their carbon footprints.

Please refer to our Energy Policy that outlines our position on energy management.

#### Energy Consumption and Management

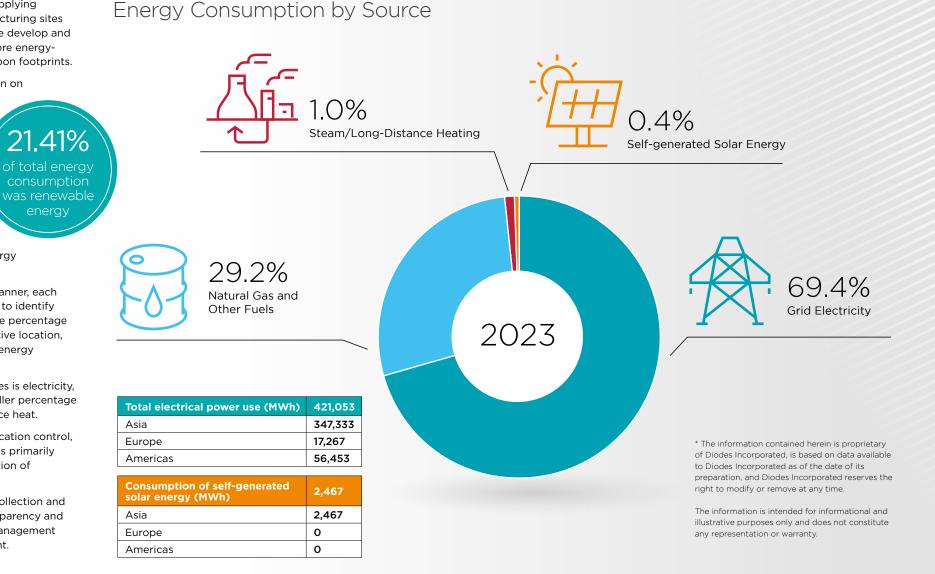
Energy consumption at each Diodes site is regularly measured. In 2023 we consumed a total of 603,024 MWh of energy, with approximately 418,586 MWh of energy consumed attributed to purchased grid electricity. Total electrical power use was 421,053 MWh. Approximately 21.41% of our total energy consumption was renewable energy.

As part of our commitment to operate in a sustainable manner, each manufacturing site conducts regular energy assessments to identify opportunities for energy conservation, and to increase the percentage of renewables in the energy mix accessible to the respective location, either from local energy providers or through renewable energy generated at our own sites.

The main energy source that powers Diodes' global facilities is electricity. which is primarily sourced from the electrical grid. A smaller percentage of energy is from natural gas, diesel fuel, and long-distance heat.

Natural gas is mostly used for heating purposes, humidification control, and a combined heat and power (CHP) plant. Diesel fuel is primarily used for humidification control and the occasional operation of emergency power generators.

We continuously improve our processes of energy data collection and analysis, and report energy consumption with more transparency and granularity, which enables us to execute better energy management and further pursue a reduction of Diodes' carbon footprint.



## Renewable Energy Initiatives

#### Self-Generated Renewable Energy

Over the last several years Diodes-owned factories across the globe have increased their renewable energy consumption. In addition to benefiting from cleaner grid electricity, we have also invested in on-site rooftop solar energy systems where possible to support manufacturing needs and have switched to renewables as energy sources for street lighting at our global manufacturing sites.

where possible to support manufacturing needs and have switched to renewables as energy sources for street lighting at our global manufacturing sites. In 2023, on-site solar energy capacity increased by approximately 2 MW.

Three of our manufacturing sites in China already had solar panels with a combined capacity of more than 1.5 MW installed on their rooftops. A solar array with a capacity of 0.73 MW was installed at one of our Shanghai manufacturing facilities and has been generating renewable energy since July 2021.

During 2023, solar panels were installed and they covered the rooftops of main buildings and parking structure at our Hsinchu (Taiwan) wafer fab facility, boasting a combined capacity of 0.452 MW. At our Shanghai wafer fab facility, we installed a new rooftop solar system with a capacity of 1.5 MW: energy generation began in January 2024.

Our Shanghai assembly and test facility launched a project to further expand its existing rooftop solar capacity, with energy generation beginning in February 2024.

The combined heat and power (CHP) plant and absorption chiller at our Oldham (UK) wafer fab which has been online since 2022 significantly increased site power outage resilience.

We started research in 2023 and constantly monitor for future schemes that may be more commercially viable to have renewables in our CHP engine natural gas mix. The battery energy storage system (BESS) is under review, and together with CHP engine it will be capable of providing up to one hour of electricity resilience against power loss.



Solar panels at our Shanghai assembly and test facility



Newly installed rooftop solar panels at our fabrication site in Hsinchu



Newly installed rooftop solar panels at our fabrication site in Shanghai



Newly installed rooftop solar panels at our fabrication site in Shanghai

LED lighting at our Oldham (UK) facility

#### COMPANY PROFILE COMMITMENT

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## Energy Conservation and Energy Efficiency

All our manufacturing sites routinely seek new opportunities to drive energy-management improvement initiatives and to further reduce Diodes' global carbon footprint.

The execution and implementation of these energy conservation projects are overseen by the Diodes CSER Task Force. Recent examples include:

- Implementing the out-of-control action planning (OCAP) methodology for energy management;
- Performing annual energy forecasts;
- Monitoring plant Relative Humidity (RH) in real-time;
- Installing lighting proximity sensors and new or retrofitted LED lighting in conference rooms, communal areas, individual offices, cleanrooms, and other manufacturing areas;



 Implementing air handling units (AHU) with permanent magnets and fan timers that can be integrated to the Building Management System (BMS);

 Replacing aged chilling and cooling pumps and other outdated facility equipment, such as fan filter units (FFU), with energy-efficient performance units with integrated variable frequency drive (VFD) technology that allows lower operating costs and noise reduction;



- Expanding the network of factory toolsets equipped with electrical meters, and driving further integration to site-specific BMS for improved monitoring and tracking for tool energy optimization;
- Setting up voltage stabilizers and voltage fluctuation recording for better voltage management as part of an optimized power solution.

#### In 2023, site-specific energy conservation measures at Diodes' manufacturing sites included:

- Installing LED lighting at our Greenock (UK) facility and our Oldham (UK) facility which reduced energy consumption by up to 66% compared to replaced fluorescent lighting;
- Installing additional meters integrated into the BMS system in our Oldham (UK) site throughout 2022 and 2023. This enables plant and equipment monitoring to track energy-reduction use progress and goals;

Upgrading our Greenock (UK) manufacturing site with industrystandard solid-state chillers that provide better temperature control and run without Chlorofluorocarbons (CFCs), resulting in the consumption of 70% less electricity compared to our old technology (2.3kW vs. 7.3kW), and the consumption of 60% less plant cooling water (PCW); New solid-state chillers use **70%** less electricity

Replacing the fan filter ceiling grid and filtration system in our Oldham (UK) site with new highefficiency electronically commutated (EC) fans. The 70 new EC fan units enable more accurate fan speed control, reduce noise by 7dB, and provide energy savings of 20%.





## Energy Conservation and Energy Efficiency, Continued

 Completing a process pump retrofit project at our South Portland (US) site will allow more than 5,100 MWh electricity savings annually, about 6% of site annual demand;







A volatile organic compound (VOC) incinerator replacement project was completed in early 2023 at our South Portland (US) site. Acceptance testing demonstrated 99% destruction efficiency while providing an expected 50% reduction in natural gas consumption and a corresponding US\$80,000 annual savings based on 2022 consumption;

- Replacing an aged screw chiller with a magnetic suspension chiller at one of our Shanghai (China) assembly and test sites.
   The new chiller reduced energy consumption by approximately 45% while providing an extended service life of 30 years;
- Replacing three sets of higher efficiency exhaust fans and motors, our Chengdu (China) assembly and test site achieved an annual reduction in electricity consumption of 90 MWh.



## Greenhouse Gas Emissions Management

As part of our commitment to environmental sustainability, we recognize our responsibility to reduce the impact of our operations on climate change.

We have taken steps to monitor and track the greenhouse gas (GHG) emissions from our global operations, evaluate options to implement energy-efficient initiatives and renewable energy sourcing strategies, and assess opportunities for installation of solar panels across our global manufacturing sites.

We use operational control approach to consolidate our Scope 1 and 2 emissions at all our operational sites, including manufacturing facilities and other non-manufacturing locations. GHG emissions from Scope 1 and Scope 2 are calculated based on the Greenhouse Gas Protocol <u>Corporate</u> <u>Accounting and Reporting Standard</u>, an internationally recognized standard for quantifying and reporting GHG emissions. We adopted new calculation methodologies for 2023 GHG emissions and set calendar year 2023 as our new baseline year.

**Scope 1** emissions are direct GHG emissions from sources owned or controlled by the company. Those sources include process gases used in manufacturing, stationary combustion (e.g. emissions from boilers, generators, and other fuel-powered machinery used for industrial processes), mobile combustion (e.g. emissions from owned or leased vehicles and mobile equipment such as forklifts and gas-powered tools), and fugitive emissions from refrigeration equipment and septic systems.

Diodes uses an industry best practice calculation methodology consistent with **IPCC Tier 2c method** on electronics industry emissions to calculate the process emissions within the semiconductor manufacturing process. The chapter on Electronics Industry Emissions in the **2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories** provides the comprehensive methodology for quantifying GHGs associated with the use and release of fluorinated compounds (FCs) and nitrous oxide (N<sub>2</sub>O) within the industry.

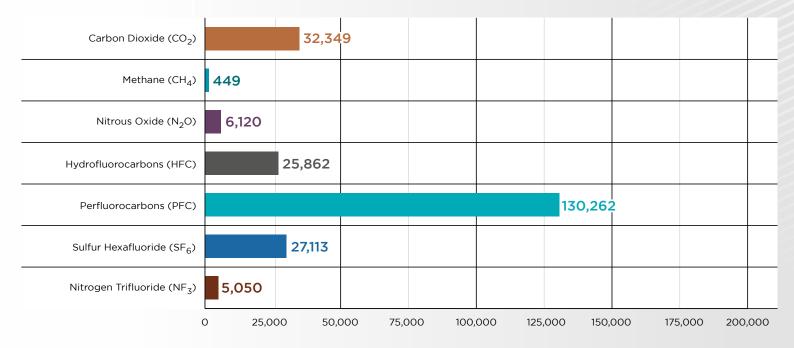
**Scope 2** emissions are indirect GHG emissions from electricity, steam, and long-distance heating purchased and used by the company.

| <b>Calendar Year 2023 GHG Emissions Summary</b><br>(Metric tons of CO <sub>2</sub> e) |         |
|---|---------|
| Scope 1   | 227,205 |
| Scope 2, Location-Based   | 196,677 |
| Scope 2, Market-Based   | 194,666 |

| Calendar Year 2023 Scope 1 GHG Emissions by Facility Type<br>(Metric tons of CO <sub>2</sub> e) |         |  |
|---|---------|--|
| Manufacturing Facilities  | 227,099 |  |
| Non-Manufacturing facilities<br>(Offices and R&D centers)                                       | 107     |  |

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#### Scope 1 GHG Emissions by Gas Type (Metric tons of CO<sub>2</sub>e)



# more than US\$16,000 of savings.

#### Installation of two additional local scrubbers at our Hsinchu (Taiwan) wafer fab facility as POU GHG abatement devices. Together with the existing four devices, this led to an approximately 38% reduction in annual GHG emissions compared to the 2021 baseline year;

• Our facility in South Portland (US), completed the transition to fluorinated Heat Transfer Fluid with

South Portland

consumption

52%

COMPANY PROFILE

Emissions from purchased grid electricity consumption, district heat,

Cognizant of the GHG emissions generated from our operations-

chain—over the years, Diodes is making progress toward emissions- and

energy-reduction goals with focused improvements in each of these

Identify opportunities for GHG process gas consumption reduction

and use alternative process gases with lower global warming potential

Install point-of-use (POU) abatement systems that treat the exhaust of

especially from manufacturing facilities, and through our supply

Examples of those efforts include the following:

a GWP 4.000 times lower than what was previously used;

Site-specific initiatives in 2023 included:

A new recipe to reduce CHF<sub>3</sub> dependency was developed, and qualification was completed in 2023 at our South Portland (US) facility with a 52% reduction in annual consumption of CHF3 and

#### Scope 2:

• ENVIRONMENT

- Initiate energy conservation and energy efficiency projects at our manufacturing sites;
- Expand the installation of LED lighting across facilities, and motion and occupancy sensors to control office lighting;
- Utilize facility rooftops to install on-site solar panels for renewable energy generation;
- Switch to utility suppliers that provide 100% renewable electricity;
- Seek opportunities for long-term renewable contract including Green Power Trading in China;
- Since 2023, our Oldham (UK) and Greenock (UK) sites have been jointly purchasing electricity and natural gas via a 100% renewable energy provider which also allows bigger buying power and strategic alignment between both sites.

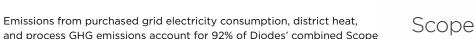


YF Chen, Sustainability, Asia

#### Scope 3:

- Encourage videoconferencing and remote collaboration to limit emissions associated with business travel;
- Provide on-site electric vehicle (EV) charging stations, shuttle bus and biking infrastructure at select sites (for example, we have 18 EV charging stations and 56 shuttle buses across our Asia manufacturing sites);
- Optimize packing to increase shipment in bulk of our products from product distribution centers.

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SUPPLY CHAIN SOCIAL RESPONSIBILITY

INTRODUCTION

1 and 2 emissions.

Scope 1:

(GWP);

process gases.

areas.

SUPPLY CHAIN SOCIAL RESPONSIBILITY

2023

## Water Management

#### Responsible Water Management

Water scarcity is a topic of global attention as it presents a high-impact risk to our planet. Sustainable use of water is critical to safeguarding our business continuity and the communities where we operate. We are committed to responsible water management, and we leverage the industry's best practices for efficient water conservation. Our water management efforts contribute to the United Nations' Sustainable Development Goals target 6.4, which aims to substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity.

Semiconductor manufacturing is a water-intense business. Increasing complexity in semiconductor manufacturing processes may contribute to an increased need for water consumption and higher levels of water purity. Reliable continuity of our water supply is critical to our operations and each manufacturing site is responsible for managing its specific water-related risks.

We rely primarily on local municipal supplies as water sources at global manufacturing locations. Water quality is essential to semiconductor manufacturing and there is a potential risk of water pollution that is under constant scrutiny, particularly in certain areas in Asia where we have manufacturing sites.

#### Water Usage and Operational Impact

Through continuous efforts to measure water usage at each of our manufacturing sites, we identify opportunities to implement water conservation measures. We carefully monitor where and how we source water across these manufacturing sites and set goals to reduce water withdrawal. We also maintain an environmental management system in accordance with the requirements of ISO 14001 to manage our water usage. During the 2023 reporting year, total water withdrawal was approximately 3,334,527 m<sup>3</sup> in our manufacturing facilities.

The approximate water withdrawal by source, water discharge, and water consumption is shown in the chart below.

6,335

#### Surface water (total) 8,157 2022 0 Groundwater (total) 0 0 wal Seawater (total) 0 withdra 0 Produced water (total) 0 3,328,192 Third-party water (total) ≥ 3,597,934 3.334.527 Total water withdrawal 3.606.091 2,440,155 Total water discharge 2.808.451 894,372 Water consumption 797.640 0

0.5 1.0 1.5 2.0 2.5 3.0 3.5 4.0 Units: 1,000,000 m<sup>3</sup>

In 2023, the majority of the total water withdrawal for our global manufacturing facilities was sourced from "third-party water" including freshwater supplied by municipal water networks and third-party reclaimed water. Approximately 6,335 m<sup>3</sup> was sourced from "surface water" which includes collected rainwater. All facilities discharge to a municipal wastewater treatment and are subject to local regulatory requirements for water quality.

We assess water stress in regions where we operate by leveraging the <u>Aqueduct Water Risk Atlas</u> provided by World Resource Institute (WRI). Water stress is defined as the total annual water withdrawals (municipal, industrial, and agricultural) as a percent of the total annual available surface water. The water stress classification level identifies locations that have higher exposure to water-related risks.

The up-to-date water stress classification of our current manufacturing sites is as follows:

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| Water Stress<br>Classification | Number of<br>Manufacturing Sites | Locations of<br>Manufacturing Sites  |
|--------------------------------|----------------------------------|--|
| Low                            | 1                                | Scotland (Greenock)  |
| Low to<br>Medium               | 5                                | England (Oldham), State of<br>Maine (South Portland), and<br>Taiwan (Keelung, Hsinchu,<br>Zhongli) |
| Medium<br>to High              | 1                                | Germany (Neuhaus)  |
| High                           | 1                                | China (Chengdu)  |
| Extremely High                 | 6                                | China (Shanghai and Wuxi)  |

We assess water withdrawal for our manufacturing sites and the waterstress levels in these locations, and actively monitor water consumption at these locations to contribute toward sustainable water stewardship. To ensure continuity of supply and minimize impact to our operations, we concentrate on water availability and demand challenges unless there are other relevant risks such as water quality, drought, or flooding that may be material to our activities in these locations. As part of the risk assessment, water accessibility for stakeholders also formed part of Diodes' review of water stress.

Consistent with the requirements in SASB Code TC-SC-140a.1, we analyze our operations for water risks and identify activities that withdraw and consume water in locations with High or Extremely High Baseline Water Stress. We understand that we have manufacturing sites located in areas with a High or Extremely High Water Stress level. Certain areas in China witnessed changes to a higher water stress level compared to previous years. In the 2023 reporting year, approximately 56% of our water withdrawal was from regions with High or Extremely High Baseline Water Stress. COMPANY PROFILE COMMITMENT

2,050,238 m<sup>3</sup>

of water reused

and recycled

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#### Water Stewardship

Diodes is constantly looking for ways to reduce water withdrawal, implement water-saving technologies, and manage water discharge responsibly. Water reuse and recycling is a key aspect of the water conservation efforts within our manufacturing facilities.

Semiconductor manufacturing equipment requires ultrapure water that is generated from a reverse osmosis (RO) water filtration process. Concentrated wastewater produced from this reverse osmosis process is graded and filtered for reuse in our manufacturing facilities where possible.

Several of our manufacturing facilities are equipped to further recycle wastewater that cannot be sufficiently purified for manufacturing use. Such recycled wastewater, including condensate from facility air handler

units, is used for non-potable facilities' support, such as landscape water supply or sanitation purposes.

These water conservation activities reduce the amount of water that is otherwise withdrawn. As part of our commitment to water use efficiency, in 2023, approximately 2,050,238 m<sup>3</sup> of water was recycled or reused.

Total volume of water recycled and reused as a percentage of the total water withdrawal is 61%.

#### Our progress: water-use efficiency

| Unit: m³  | 2023      | 2022      |
|---|-----------|-----------|
| Total volume of water recycled and reused   | 2,050,238 | 1,806,602 |
| Total volume of water recycled<br>and reused as a percentage of<br>the total water withdrawal | 61%       | 50%       |

#### Investment in Water Conservation

As part of Diodes' overall resource conservation efforts, we continue to invest in our water infrastructure to improve operational efficiency and reduce our environmental impact. Capital investments by Diodes in furtherance of these efforts include:

- Redirected the de-ionized (DI) rinse water to water storage system for reuse at our manufacturing site in Hsinchu (Taiwan);
- The pipe modification completed in 2023 resulted in expected annual savings of US\$4,500 from reduced water withdrawal;
- Upgraded the wastewater treatment and recycle systems at our Shanghai (China) assembly and test manufacturing sites and installed real-time wastewater monitoring programs. These improvements contributed approximately US\$350,000 in annual cost savings in our manufacturing operations. Water reuse rate increased to approximately 75% at this facility by the end of 2023;



- Completion of various RO rejection water recovery projects in our Chengdu (China) facility, one of which now supplies flush stools resulting in a monthly water withdrawal saving of 800 m<sup>3</sup>, with cost saving of approximately US\$6,000. Additional water saved for reuse supplies the cooling tower and DI system raw water tanks, avoiding annual water withdrawal of up to 18,000 m<sup>3</sup>;
- Installation of six additional meters used for process flow indication and monitoring (alarm on BMS when active) at our Oldham (UK) manufacturing site, resulting in a total of 27 meters now online and terminated onto site BMS to enhance water management and support subsequent target-setting.

Our manufacturing sites in Chengdu (China) and Neuhaus (Germany) included water financial savings goals in their operational performance goals. Diodes' European sites are also actively working on a quantifiable water withdrawal reduction target, aiming to reduce regional water withdrawal intensity. All our manufacturing sites constantly strive to conserve water resources.

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In addition to adhering to the applicable laws and regulations in the countries we operate, we continue to leverage available infrastructure technologies and collaborate with local governmental agencies to identify opportunities for continued improvement and to reduce environmental impact.

#### California Proposition 65

California Proposition 65, officially known as the <u>Safe Drinking Water</u> and <u>Toxic Enforcement Act of 1986</u>, was enacted in November 1986. Proposition 65 protects the state's drinking water sources from being contaminated with chemicals known to cause cancer, birth defects, or other reproductive harm, and requires businesses to inform individuals in the State of California about possible exposures to these chemicals as listed in the <u>Proposition 65 List</u>. Learn more about Proposition 65 here.

Proposition 65 requires businesses (including manufacturers, distributors, and retail sellers) to provide "clear and reasonable warning" to consumers if their products contain one or more of the chemicals on the Proposition 65 List. A Proposition 65 warning does not necessarily mean a product is in violation of any product-safety standards or requirements. While Diodes does not sell directly to consumers, our products may be incorporated into end products that are sold to consumers. As a component manufacturer, we have concluded that most of our products contain at least one substance included in the Proposition 65 List.

For Diodes' products sold into the State of California, the following label, or similar, is affixed to the product packaging: We regularly review the Proposition 65 List and reserve the right to amend this label as necessary. WARNING: This product can expose you to chemicals including lead and lead compounds which are known to the State of California to cause cancer and birth defects or other reproductive harm. For more information, go to wwwP65Warnings.ca.gov



## Waste Management

We are committed to responsibly managing the waste generated from our operations to help protect the health and safety of the public, our employees, and the environment. We manage our waste according to the following steps:

- Source Reduction: Select and use materials and chemicals in a way that reduces or eliminates the quantity and/or hazards of the waste generated at our facilities.
- Reuse and Recycling: Reuse, reclaim, or repurpose waste to fulfill a purpose in place of new materials. This includes solvent waste that is recycled and subsequently used as fuel in other industries.
- **Treatment:** Treatment of waste to reduce the quantity and/or hazards of the waste.
- **Disposal:** Disposal via incineration (with or without energy recovery), landfilling, and other responsible and compliant disposal operations.

We comply with applicable laws and regulations regarding the storage, transportation, and disposal of Hazardous and Non-Hazardous waste; and we engage waste management service providers that have the appropriate licenses, permits, and certifications for the services that they provide to us. Hazardous and Non-Hazardous Waste generation at our manufacturing sites are reported based on the definitions in each jurisdiction.

Diodes categorizes our waste diverted from disposal as below:

- Preparation for reuse
- Recycling
- Other reclamation, and/or remanufacturing, e.g. fuel blending (not to incineration)

Recycled, reused, reclaimed, and remanufactured waste was defined per the legal or regulatory framework(s) applicable within the jurisdiction where the waste was generated. For operations located in jurisdictions that lack applicable legal or regulatory definitions, we follow definitions from <u>GRI 306</u>: Waste 2020. We are exploring recycle and reuse options as well as a waste diversion rate increase goal to lower the impact from waste we generate.

Incineration of waste (with or without energy recovery) and landfilling are categorized as directed to disposal.

#### Hazardous Waste Diversion and Disposal

In 2023, we generated a total of 2,378 tons of hazardous waste from manufacturing. Approximately 60% of our hazardous waste was diverted from disposal.

Improved recycling practices contribute to a higher conversion rate from disposal, including our wafer fabrication facility in South Portland (US) recycled approximately 98% of its hazardous waste.

#### Non-Hazardous Waste Diversion and Disposal

In 2023, approximately 46% of non-hazardous waste from manufacturing was diverted from disposal through recycling.

| Non-Hazardous Waste<br>Recycled | Non-Hazardous Waste<br>Incinerated or Landfilled |
|---------------------------------|--|
| 46%                             | 54%  |

60% Hazardous waste diverted from disposal

46%

waste diverted



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BILITY OUR PEOPLE

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Our Oldham (UK) site explored opportunities to reduce indirect material input to reduce waste generation. The change of process parameter "dispense rate" on several tools resulted in a 4,500 L reduction in its waste water generation in 2023.

Our Oldham (UK) site also reduced size of test wafers or limited the frequency of test wafer use for some checks which also helped reduce costs.

#### WEEE Management

Although Diodes does not directly manufacture any electrical or electronic end equipment, we share the global concerns over electronic products getting into landfills, contaminating groundwater, and creating environmental issues.

We are committed to playing our part in the preservation and protection of our environment and embrace the guidance in the Waste Electrical and Electronic Equipment Directive (WEEE Directive) aimed to reduce the amount of electrical and electronic equipment produced and to encourage reuse, recycle, and recovery.

We maintain designated battery bins in our facilities for employees, and we either schedule regular recycler pick-ups or send them to local dropoff stations. When it comes to end-of-life computers and equipment, we follow our internal protocols for proper discarding. In certain locations, equipment is sold to local non-profit organizations or offered to

employees at a nominal cost. Our local IT and Environmental, Health, and Safety (EHS) teams collaborate closely with the procurement team to ensure data erasure and proper processing by qualified recyclers, resulting in additional miscellaneous income.

Like previous years, we once again recycled 100% of our WEEE which includes IT equipment and electronic components from decommissioned manufacturing equipment.









Various "Green Teams" have been formed within Diodes to:

- Assist with educational opportunities that raise awareness of environmental sustainability, and inspire commitment to a sustainable business;
- Identify actions our employees can take to help reduce their environmental footprint, and increase employee engagement and collaboration between departments; and
- Inspire change and creativity to design and implement sustainability programs, which aim to improve our operations to be more energyefficient, and less wasteful.

For example, our manufacturing site in Oldham, (UK) deployed three independent Green Teams at different organizational levels to help create and drive positive environmental change within that site:

- Environmental Steering Committee manages ISO 14001 (Environmental Management System) requirements and oversees the general environmental management of waste, effluent, etc. at the site;
- 2. **Green Team** reviews and facilitates fundamental initiatives such as litter pick-up in the community, lights-off events, etc., with a goal of broadening participation from our employee population; and
- Sustainability Team coordinates the quarterly sustainability initiatives that report to the corporate Sustainability Steering Committee, develops key performance indicators (KPI) for Scope 1 and Scope 2 GHG emissions, and drives related improvement projects for the site.



Green Team volunteers filled 24 bags of litter, which were left at a pre-arranged location awaiting collection by the Oldham Council.

- The Green Team and volunteers at the Oldham facility conducted a litter pick around the external perimeter of the site and the local area;
- The Green Team worked as the facilitator to connect Diodes with local charities and groups, by discussing potential opportunities to offer volunteering support to their local community.

Employee representatives from different functions within that site came together to leverage their skills and expertise to develop plans, implement programs, and manage progress. Opportunities identified by these initiatives included the following:

- Reducing electrical and water usage by monitoring plant and equipment activities with varying metering devices; installing LED lighting, cooling, and ventilation systems; improving solid-state chillers with enhanced temperature control capability; and replacing fan filter units with high-efficiency EC (electronically commutated) fans; and
- Reducing air emissions by installing enhanced abatement systems used in connection with the handling of process gas such as sulfur hexafluoride (SF<sub>6</sub>).

• SUPPLY CHAIN



## Supply Chain

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As a global company with an international customer base, getting the right products to our customers around the world at the right time is of paramount importance. In addition to efficiency and operational excellence, our approach to managing our supply chain focuses on three elements that are critical to maintaining our commitment to sustainability:

#### Responsible Sourcing

- We are committed to sourcing conflict-free minerals for use in our products;
- We respect human rights and do not tolerate slavery, human trafficking, forced or involuntary labor, or child labor;
- We leverage a diverse supplier base to provide quality goods and services and to promote economic inclusion;
- We monitor the use of chemicals in our products and ensure materials are handled in an environmentally responsible manner.



#### Responsible Supply Chain Management

- We leverage Responsible Business Alliance (RBA) audits to promote and maintain accountability;
- We hold our suppliers to high standards of social, environmental, and safety practices and expect their adherence to our Code of Supplier Conduct;
- We conduct periodic supplier assessments and reviews to drive continuous improvement;
- We provide product life-cycle information to facilitate product adoption and product transition by customers.

#### Responsible Market Competition

- We establish, preserve, and enforce our intellectual property rights to stay competitive in the market;
- We respect the intellectual property rights and data of our suppliers, customers, and other third parties;
- We combat counterfeit products and encourage customers to purchase directly from us or our authorized distributors to receive reliable and quality products;
- We compete fairly and conduct business in accordance with the applicable laws and regulations.



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Diodes is committed to ensuring that we use responsibly sourced minerals in our supply chain. The armed conflict and human rights atrocities that proliferate and are funded by the exploitation of natural resources in the Democratic Republic of Congo (DRC) and other regions of concern are unacceptable, and any manufacture of product connected with this will not be tolerated.

Commonly known conflict minerals are tantalum, tin, tungsten, gold, and cobalt. Conflict minerals originating from the regions of concern must not be included in materials or products supplied to Diodes or its subsidiaries unless the smelters or refiners are listed as "conformant" on the Responsible Minerals Initiative (RMI) website. We are committed to ensuring an ethical and diverse supply chain that is focused on responsible mineral sourcing.

We require our relevant suppliers of components and raw materials to undertake reasonable due diligence within their supply chains to determine the source of these metals. We survey our suppliers at least annually concerning the origins of these metals and perform due diligence on their declarations. The results of these surveys are published in the form of the RMI reporting templates.



Diodes' "Statement on Conflict Minerals" describes our approach and commitment to sourcing only conflict-free materials in our products. We are committed to the sourcing of raw materials in a way that supports human rights, labor, health and safety, the environment, and ethics.

Diodes annually files a conflict minerals disclosure using Form SD with the Securities and Exchange Commission. These are submitted at the end of May each year and are also displayed on the company website.

Consistent with this commitment, we address the issues associated with the harvesting, extraction, and transportation of raw materials as a global responsibility applicable to all substances used in our products -unbounded by specific materials or locations.

**Diodes Incorporated Statement on Conflict Minerals Diodes Conflict Minerals CMRT Extended Minerals Reporting Template** Conflict Minerals Reports Form SD 2022

## Responsible **Business Alliance** Validated Audits

With a strong commitment to manufacturing our products responsibly and sustainably, we align our business practices and operations with the Code of Conduct published by the Responsible Business Alliance (RBA), a leading industry coalition dedicated to corporate social responsibility in global supply chains.

The RBA Code of Conduct establishes standards to ensure safe working conditions in the electronics industry, industries in which electronics is a key component, their supply chains, and that workers are treated with respect and dignity and that business operations are environmentally responsible and ethically conducted. The RBA Code of Conduct is based on international principles and norms that we support and incorporate in our business practices, including the United Nations (UN) Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labor Organization's **Declaration on Fundamental Principles and Rights at Work.** 



Through its rigorous RBA Validated Assessment Program (VAP), Diodes endeavors to ensure that its operational activities are consistently conducted in alignment with the RBA Code of Conduct and Diodes' quality standards and procedures.

## UK Modern Slavery Act Statement

Diodes conducts business in accordance with our core values of integrity, commitment, and innovation. As a company with global operations, we are committed to protecting human rights and take the responsibility of preventing modern slavery in our business and supply chains seriously. We are committed to upholding the best practices as outlined in the UK Modern Slavery Act and remaining vigilant to continuously improve.

#### RODUCTION

COMMITMENT

COMPANY PROFILE

Supply Chain Management

We strive for environmental sustainability, social responsibility, corporate citizenship, and responsible sourcing to have a long-term, positive impact on our stakeholders: communities, employees, suppliers, customers, and investors. These corporate responsibility expectations are incorporated into the business processes we use with our suppliers so as to maintain and improve supply chain accountability. With our strong commitment to operating our business in a sustainable and socially responsible manner, we expect our suppliers to join us in this commitment and conduct their businesses based on this shared set of values and principles.

Customers are one of our key stakeholders. With a customer-centric focus, we are committed to designing, manufacturing, supplying, and supporting high-quality and high-reliability semiconductor products. We adopt a robust quality management system that incorporates supplier quality control and supply chain security processes so that we can consistently source and deliver high-quality products. Consistent with our <u>Anti-Counterfeit Policy</u>, supply chain integrity is of critical importance to us and our customers.

We encourage customers to purchase directly from Diodes or our authorized distributors to ensure receipt of authentic Diodes products. This minimizes any safety or reliability risks associated with counterfeit or compromised semiconductors in the supply chain.



Supplier Management

ENVIRONMENT

Diodes subscribes to the <u>Code of Conduct</u> published by the Responsible Business Alliance. While we do not have a specific or formalized labor rights certification program for our suppliers, we expect our suppliers to recognize and conduct their business in a manner consistent with the RBA Code of Conduct. We communicate our sustainability expectations through our <u>Code of Supplier Conduct</u> and <u>Supplier Letter</u>.

SUPPLY CHAIN

The CSER Code of Supplier Conduct is modeled on the RBA Code of Conduct that defines labor, health and safety, environmental standards, business ethics standards, and a management system to assure continued compliance with this Code of Conduct. The RBA is a leading industry coalition dedicated to corporate social responsibility in global supply chains. One of the most fundamental RBA programs is the Validated Assessment Program (VAP), which is the leading standard for on-site compliance verification and effective, shareable audits—which all rely on approved audit firms.

We hold our suppliers to high standards of social, environmental, and safety practices and expect their adherence to our Code of Supplier Conduct. Furthermore, direct suppliers must sign our Supplier Letter and we conduct periodic supplier assessments and reviews to drive continuous improvement. Based on our engagement with the suppliers, we are not aware of any negative environmental impacts in the supply chain for 2023.

We expect our suppliers to adhere to the various principles and requirements outlined in our policies, including:

CSER Code of Supplier Conduct Corporate Social & Environmental Responsibility Statement Supplier Letter Human Rights and Workforce Labor Rights Policy Environmental Policy Anti-Bribery and Anti-Corruption Policy Conflict of Interest Policy

We are committed to sourcing materials from suppliers who operate their supply chains in a socially responsible manner. We award business to suppliers who commit and adhere to the applicable laws and regulations and who act fairly and with integrity, compete in an ethical manner, provide a safe and healthy working environment, treat stakeholders with respect and dignity, and respect internationally proclaimed human rights.

GOVERNANCE

#### Supplier Assessment

Those doing business with Diodes are required to comply with the applicable law of the countries in which they do business. We generally reserve the right to require our direct suppliers to periodically acknowledge in writing their compliance with the applicable laws, regulations, and our Code of Supplier Conduct and related policies.

Diodes maintains the right to inspect suppliers to monitor their compliance with the applicable laws and adherence to our Code of Supplier Conduct and various supplier-related policies (including environmental management and compliance requirements). In the event that an inspection reveals a supplier's non-compliance, we will address these issues on a case-by-case basis. We reserve the right to terminate our business relationship with any supplier who fails to comply with these requirements or resolve the non-compliance in a satisfactory time frame.

We adopt a flexible manufacturing strategy—including leveraging external assembly, test subcontractors, and wafer foundries to fulfil additional capacity needs beyond our installed base of owned capacity. We require these critical external sourcing suppliers to comply with our quality specifications. Our corporate supplier quality specifications encompass a wide range of topics such as quality controls, reliability, quality system requirements, change management, continuous improvement activities, conflict minerals, and data retention. As a key stakeholder in our supply chain, we engage frequently with these critical external sourcing suppliers throughout the year and we evaluate their performance through periodic quality scorecard assessments and business reviews.

Diodes' Supplier Quality Engineering (SQE) conducts regular Quality Systems Assessments (QSA) of key suppliers, including foundries and AT subcontractors, covering criteria regarding Environmental Management, Hazardous Substances Process Management, and Ethics & Corporate Social Responsibility. Diodes continues to work with our suppliers to mitigate any supplier non-conformance regarding social and environmental expectations.

#### \_\_\_\_\_

## Supplier Diversity and Inclusion

As a multinational company with a global footprint, we engage with a wide range of suppliers and envision developing a diverse and inclusive global supply chain network. We believe diversity fuels innovation and allows suppliers to develop more innovative products and solutions that serve our business needs. We encourage engagement with diverse-owned businesses that offer high-quality products and services, as well as competitive prices. Our commitment to support supplier diversity helps us attract a wide range of qualified suppliers to support our business needs and optimize our entire value chain.

COMPANY PROFILE

COMMITMENT

Diodes expects suppliers to implement a CSER Code of Supplier Conduct that is modeled on the Responsible Business Alliance (RBA), which defines labor, health and safety, environmental, business ethics standards, and a clear management system to assure continued compliance with this code.



The RBA is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. One of the most fundamental RBA programs is the <u>Validated Assessment Program (VAP)</u>, which is the leading standard for onsite compliance verification and effective, shareable audits—which all rely on approved audit firms.

Diodes also requires its suppliers to abide by our Code of Supplier Conduct, which calls for direct suppliers to comply, at a minimum, with the applicable labor and environmental laws and regulations of the countries in which products are grown, produced, and in which they have operations. This includes laws against human trafficking, compulsory prison labor, child labor, slave labor, or physical abuse of workers, and to monitor their suppliers for compliance with the labor and environmental laws and regulations of the countries in which they have operations.

## Responsible Use of Materials and Chemicals in Our Products

SUPPLY CHAIN

SOCIAL RESPONSIBILITY

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Semiconductor manufacturing processes are complex and require the use of an assortment of materials during the wafer fabrication and product assembly operations. We are committed to selecting and handling these materials and chemicals (including hazardous substances, where necessary) in an environmentally and socially responsible manner so as to protect the environment and our employees, customers, and communities.

We regularly monitor the use of materials and chemicals required in our production manufacturing processes and provide personal protective equipment (PPE) and implement safety protocols to ensure the safe handling of chemicals. Where possible, we identify and substitute environmentally preferred alternatives to the materials and chemicals used in our manufacturing to reduce the impact on our environment. We remain compliant with applicable legal and regulatory requirements and maintain the quality and reliability of our products.

We enforce rigorous product compliance with the EU Directive regarding the Restriction of Hazardous Substances (RoHS) 2011/65/EU and 2015/863/EU; the EU Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) Regulation 2006/1907; and other international legislation. We provide customers with information on the chemical composition of the materials used in our products as further described in our master Certificate of Compliance.

- All of Diodes' products are REACH compliant. Where REACH substances of very high concern (SVHCs) are contained in our products, they are listed in our <u>master CofC</u> and either registered for usage, exempt from registration requirements, or present as impurities;
- All of Diodes' products are RoHS compliant. Some use exemptions to enable their compliance. These are listed in our <u>master CofC</u>;
- RoHS compliance is indicated on shipping labels that are attached to packing materials, such as reels and shipping boxes.

Diodes is committed to conflict-free sourcing of tin, tantalum, tungsten, gold, and cobalt, which are widely used in manufacturing in the semiconductor industry. These metals are derived from minerals that have a variety of sources around the world. One potential source has historically been the Eastern region of the DRC. That region is currently the site of armed conflict, and mining profits by local military groups there are reportedly contributing to human rights abuses, environmental damage, and theft from DRC citizens.

GOVERNANCE

We require our suppliers to undertake reasonable due diligence with their supply chains to ensure these metals are not being sourced from the DRC or other regions of concern unless they are purchased from smelters or refiners listed as "conformant" on the Responsible Minerals Initiative (RMI) website.

We survey our relevant suppliers of components and raw materials at least annually concerning the origins of these metals. The results of these surveys are below:

#### Conflict Minerals Report Form SD 2023

#### **Diodes Conflict Minerals CMRT**

Extended Minerals Reporting Template



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Y OUR PEOPLE

GOVERNANCE

Protection and

Intellectual Property

**Competitive Behavior** 

Diodes respects the intellectual property rights of third parties and also

takes actions to establish, preserve, and enforce its intellectual property

property rights owned by us, examples of our trademarks can be found

rights in order to stay competitive in the semiconductor market. In

addition to patents, trade secrets, copyrights, and other intellectual

APPENDIX

## Product Life Cycle and End of Life

Our products are used in a wide variety of applications by our customers, and product longevity and continuity of supply are important procurement considerations. We adopt a flexible manufacturing strategy and multiple inventory management disciplines to meet our customers' expectations of product longevity and supply continuity consistent with industry standards. We are committed to following a controlled, documented, and transparent business process should a product reach the end of its life cycle, and we will collaborate with our customers to help facilitate a seamless product transition in the event a product is discontinued.

When available, we seek to provide product life cycle information to our customers for their product design and planning purposes. We also make available <u>product change notifications</u> consistent with J-STD-046 for product/process changes and J-STD-048 for product discontinuance.

We continuously monitor the performance of our product development and manufacturing processes to help ensure high levels of quality and reliability of our products throughout their entire life cycle.

As part of our well-defined issue resolution processes, containment processes have been specified and, if needed, may be initiated and will be executed in close cooperation with our customers. As such, Diodes has not initiated any product recalls due to concerns regarding the safety of our products over an extended period of at least five years.

Continuity and reliability of the supply of materials and chemicals used in our product manufacturing are critical to our longevity and continuity of supply commitments to our customers. To help mitigate any risks of supply shortage and the impact on our operations, we use multiple suppliers for critical materials and chemicals.

We also monitor the applicable regulatory restrictions that may be applied to the importation and use of such materials and chemicals and that may otherwise impact their availability.

## Packaging Materials

To ensure products are delivered to our customers in good condition and to protect the safety, quality, and reliability of our products, we use a wide variety of materials in the packing, packaging, handling, and shipping of our products. Packaging materials used include handheld shrink wrap, bubble wrap, cardboard boxes, cardboard tubes, and plastic wafer boxes. Approximately 63% of the plastic packaging materials that we used for outbound shipments in 2023 are technically recyclable.

As part of our commitment to sustainability, we strive to use environmentally friendly, recyclable materials where possible to reduce the environmental impact of our operations. We also aim to minimize the amount of packaging materials we use in our operations while protecting the condition of our products. Packaging reduction programs have been implemented to minimize the amount of waste produced from our operations. For example, where commercially feasible, we recycle and reuse packaging materials received in incoming goods in the packaging and shipping of products we deliver to our customers. In addition to requiring our packaging material suppliers to comply with our environmental requirements and sustainability expectations, as part of our commitment to continuous improvement, we look for ways to identify, evaluate, and select environmentally preferable packaging materials (for example, materials that contain recycled content) for use in our operations. We strive to maximize the recyclability and reusability of the packaging materials used and consider sustainability in the design of our product packaging.

ve to usehere. The use of our trademarks requires prior authorization from us and<br/>is subject to these guidelines.possible to reduceis subject to these guidelines.paim to minimize the<br/>tions while protecting<br/>programs haveWe may obtain patents, trademarks, copyrights, and other intellectual<br/>property rights from time to time to be used as part of our business.<br/>Innovation is an integral part of our core values. By providing patent<br/>incentive awards to our employees, we recognize their contribution to

levels and functions. We may assert our intellectual property rights against infringers so as to protect our intellectual capital and IP investment, and to ensure our freedom of operation. As recommended by the SASB Code TC-SC-520a.1 regarding Intellectual Property (IP) protection and Competitive Behavior, we track the total amount of monetary losses as a result of legal

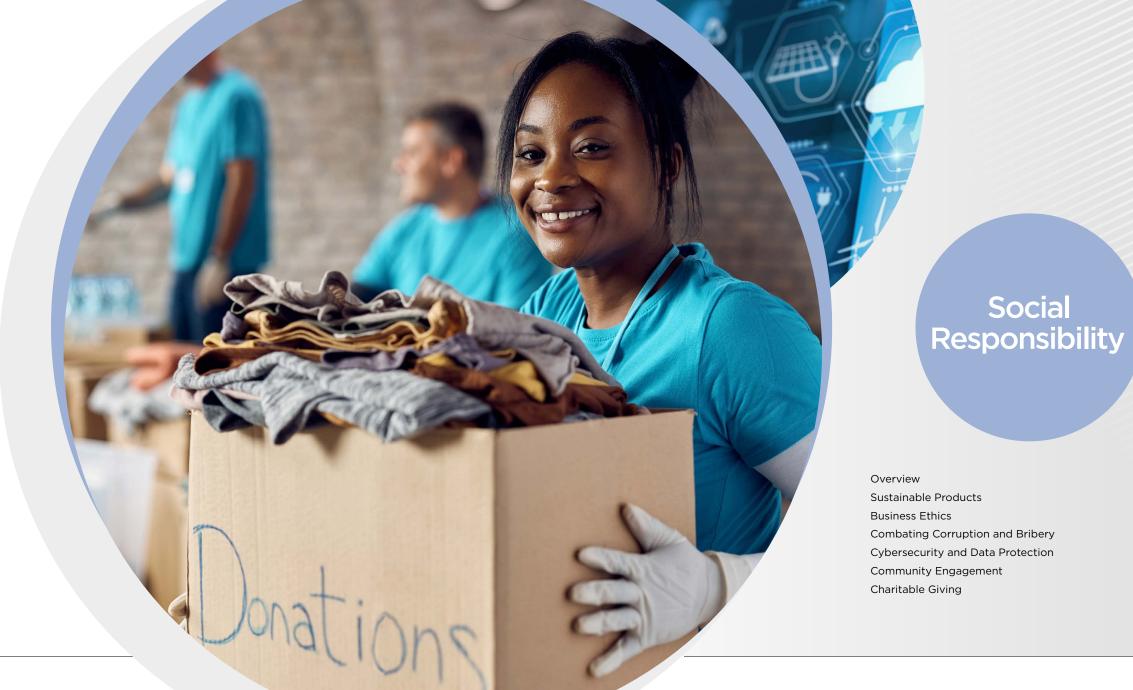
our intellectual capital and encourage innovation in all organizational

proceedings associated with anti-competitive behavior regulations.

During the 2023 reporting year, we were not involved in any legal proceeding associated with anti-competitive behavior regulations (e.g. price-fixing anti-trust behavior, patent misuse, or product bundling aimed to limit competition); therefore, we did not incur any monetary losses or liabilities associated with the enforcement of such anticompetitive behavior regulations.

We compete fairly and operate our business in compliance with the applicable anti-trust laws, and do not engage in anti-competitive behavior or monopoly practices. There have been no significant incidents of any non-compliance concerning product and service information, marketing or labelling regulations, or relating to bribery or corruption.





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SUSTAINABILITY REPORT 2023

to the following:

threats;

Overview

We take a stakeholder-oriented approach towards

a critical stakeholder to us and we strive to make a

positive impact in them. As a socially responsible

sustainability. The communities in which we operate are

corporation with a global footprint, we are committed

Developing and manufacturing semiconductor products that can be

incorporated into customer end applications that help contribute to

ethics, and combating bribery and corruption as well as cybersecurity

the health and well-being of both our communities and our planet;

Conducting business with integrity and high standards of business

Supporting our communities through promotion of science,

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## Social Responsibility Sustainable Products

At Diodes, we innovate semiconductor products that optimize endapplication performance with enhanced power and energy-saving features. We are privileged to partner with our customers and suppliers in building products and applications that contribute to the health and well-being of both our communities and our planet.

Our semiconductor devices are being used in a wide range of applications, including energy-efficient solutions utilized in smart and efficient factory automation, power distribution systems, battery management, and image processing systems. We invest in R&D to develop semiconductor devices that enable electronic systems in high-growth, higher energy-efficient markets such as renewable energy, electric vehicles, and related charging infrastructure. Other examples of applications include energy storage systems, vehicle charging stations, LED lighting, smart home devices, telehealth, and medical equipment, as well as end-equipment used for energysaving and pollution-elimination purposes.

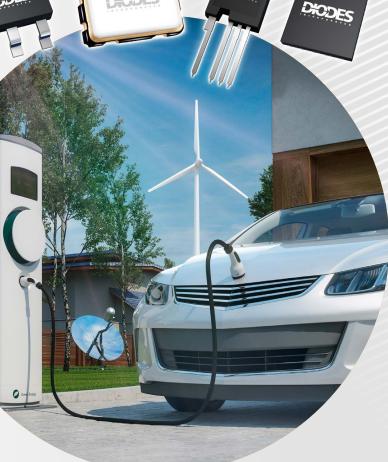
We collaborate with our customers in the development of products to help them and their customers reduce their overall carbon footprint.

Examples of our collaborative efforts on factory automation and lower energy-consumption initiatives include utility metering, industrial sensors, cameras, control panels, HVAC controls, robotics, automated scanners, and products used in renewable residential energy-generation and transmission systems such as solar cell systems, Power over Ethernet, inverters, wind power generators, and the conversion to full electric vehicle systems.

In 2023, we introduced more than 700 new and improved discrete. analog, power management, timing, and connectivity semiconductor products that help our customers design and deliver low-emission products for the automotive, industrial, computing, consumer electronics, and communications market segments.







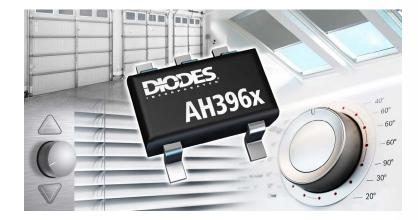
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SUSTAINABILITY REPORT 2023

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Examples of our products that are used in the wide range of applications mentioned are low dropout (LDO) regulators, high-precision operational amplifiers, current monitors, AC-DC converters, USB Power Delivery (USB PD) controllers, low-power Hall sensors, Piezo sounders, ideal diodes, high-efficiency MOSFETs, silicon carbide (SiC) diodes and MOSFETs, Super Barrier Rectifiers (SBR), transient voltage suppressors (TVS), thyristors, BJT: ORing controllers, high-performance transistors, high-voltage switching diodes, and real-time clocks (RTC).





## **Business Ethics**

Diodes is committed to operating with a strong sense of integrity, which is critical to maintaining trust and credibility with our stakeholders. We believe that long-term, trusting business relationships are built by being honest, open, and fair. We are committed to fostering a culture of integrity that starts with the management team modelling the right way and employees doing the right thing across all levels of the organization.

Our promise is to uphold high professional standards in all our global business operations and we expect the same from our vendors and suppliers.

These values are embedded in our policies and are applicable to all employees, suppliers, and third parties with whom we partner:

Code of Supplier Conduct

Code of Business Conduct

Anti-Bribery and Anti-Corruption Policy

Diodes employees are required to familiarize themselves with the Code of Business Conduct and related policies and procedures. New employees, as part of the on-boarding process, are required to acknowledge certain policies and procedures including our Code of Business Conduct. Each year, employees are required to formally acknowledge that they have read and will comply with the Code of Business Conduct.

This mechanism helps increase awareness of acceptable business conduct and allows us to deal with issues as they arise.

In 2019, we launched a web-based Ethics and Code of Conduct course intended for 100% of our employees worldwide. Since then, we have provided additional online courses covering topics such as cybersecurity, anti-harassment, and anti-bribery and anti-corruption.

In 2023, we conducted online training covering Cybersecurity with employees worldwide and achieved an approximately 98% training completion rate. We will continue to utilize online global employee training programs to increase awareness of and promote ethical business conduct as we strive for zero ethics violations. Diodes' core values are incorporated in the expectation of integrity, honesty, and fairness in our business dealings. Our "Open Door" policy is a key element of supporting this expectation, and is reflected in our accounting, internal controls, and auditing practices.

GOVERNANCE

Employees are encouraged to speak up without fear of retaliation or repercussions. Managers are accountable for maintaining a work environment where employees feel comfortable to express their concerns freely.

Employees have access to a number of reporting channels, including reporting to their supervisors, Human Resources, Legal and Compliance departments, and our hotline service, to communicate incidents or suspected incidents of misconduct.

Employees and our external stakeholders can utilize the hotline operated by an independent, external service company to express concerns if they experience or suspect a breach of business ethics or possible violations of our Code of Business Conduct, Code of Supplier Conduct, or related polices. Interested parties have the option to report their concerns anonymously via this third-party service. We are not formally tracking any in-person or in-office visits by employees who report concerns, and we utilize the external service company to monitor and track incoming reports.



COMPANY PROFILE COMMITMENT

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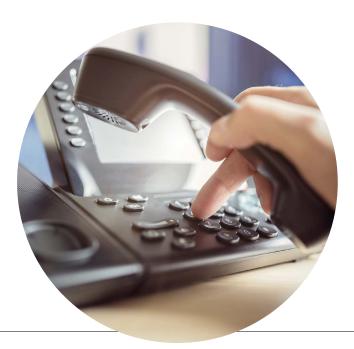
SUPPLY CHAIN • SOCIAL RESPONSIBILITY

At any time, for any reason, employees and our external stakeholders who wish to maintain anonymity and report any actual or potential violation of ethics issues (including any concerns about accounting, internal accounting controls, or auditing matters), may call NAVEX Global at the phone number(s) available at, or submit an online report via <u>https://reportlineweb.com/diodes</u>. NAVEX Global is not staffed by personnel affiliated with the Company and is the independent hotline service retained by the Company to handle any anonymous calls regarding compliance issues.

The telephone hotline service supports reports in English as well as languages common to our areas of operation.

All hotline reports received are reviewed and evaluated by a committee comprised of representatives from the Audit, Finance, Operations, and Legal and Compliance functions to determine the appropriate action to address the allegation. If warranted, an investigation is undertaken to determine the validity of the allegation and to identify appropriate actions to be taken as a result of the investigation.

We utilize these reports to help manage and identify potential areas of ethical risks and business misconduct, assess the effectiveness of our ethics and compliance trainings, and to drive continuous improvement.



## Combating Corruption and Bribery

Bribery and corruption are key social concerns that affect our society, public service, and government accountability. Bribery and corruption also increase the cost of doing business and negatively impact companies' ability to compete fairly on a level playing field. According to the <u>Corruption Perception Index</u>, companies operating in countries with a higher tolerance for corruption have increased fraud and compliance risks associated with bribery and corruption.

One of Diodes' core values is Integrity, and we take a strong stance against bribery and corruption. We prohibit any illegal offers that may inappropriately influence business decisions. Our employees, suppliers, and business partners are expected to comply with these standards of business conduct. Diodes' products are offered, purchased, and sold based on the strength of our product portfolio, quality, price, customer support, and other competitive business considerations. Our reputation as an ethical and trustworthy employer, supplier, and business partner is, in part, dependent on our ability to effectively manage this legal compliance area.

We take a compliance-driven approach to monitor and manage this risk area, including internal policies and company-wide corporate ethics training; and we investigate allegations of violations of these requirements. In our <u>Anti-Bribery and Anti-Corruption Policy</u>, we address anti-corruption and anti-bribery compliance requirements, consistent with those contained in the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and other applicable local anti-bribery and anti-corruption laws and regulations.

We periodically review and update our global Anti-Bribery and Anti-Corruption Policy to keep pace with the evolving business environment, changes in the legal and regulatory requirements, and expectations of stakeholders. This policy offers the needed guidance for our employees around the world and prescribes expectations for our suppliers and other business partners. Every employee, officer, and director of Diodes is required to comply with the Diodes Anti-Bribery and Anti-Corruption Policy and the applicable laws and regulations relating to bribery and corruption.

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It is each employee, officer, and director's responsibility to promptly notify the corporate audit director and legal department of any disclosures required by the policy. Diodes has not sought to obtain independent accreditation of its anti-bribery or anti-corruption program. However, we utilize third-party expertise as part of fraud risk assessments of our operations to identify areas of potential vulnerabilities and to strengthen internal controls.

During the 2023 reporting year, no events requiring external reporting in this area occurred within Diodes.



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# Cybersecurity and Data Protection

With the advancement and widespread use of information and communication technologies comes an increased cybersecurity threat. We regularly assess our corporate readiness against external cyberattacks and insider threats, and we implement corporate-wide measures to protect data and preserve data privacy.

In addition to complying with applicable data protection and security laws and regulations, we also implement cybersecurity- and dataprotection measures to safeguard our assets, including our intellectual property assets, and to protect our customers' data.

Our policies and procedures focus on protecting our data and our stakeholders' data from unauthorized disclosures, use, or access, and include monitoring mechanisms to prevent unauthorized intrusion into our network and identify vulnerabilities against potential cyberattacks.



We are in the process of establishing an Information Technology Advisory Board ("ITAB") to be led by our Director of Cybersecurity. The ITAB will meet regularly to leverage the expertise, experience, and insight of senior management and diverse leaders across the organization to advise our efforts to further protect the IT environment at Diodes. Our IT team is leading efforts to modernize and standardize our endpoints by leveraging industry-standard software and hardware. The standardization brings broad data protection capabilities that we envision deploying by the end of 2024.

These risk-based cybersecurity measures help to ensure the integrity, confidentiality, and availability of our data. Regardless of where the data resides, we apply appropriate safeguards to ensure a sustainable and robust corporate environment in the interest of our stakeholders. Compliance with Diodes' Information Technology Security Policy and IT Computing Policy is required of our employees and contractors who have access to our networks. We have processes in place to identify and test IT vulnerabilities and we also have an incident response plan as part of our business continuity plan to address incidences as they arise.

We collect and analyze breaches and intrusion of our IT systems and leverage these findings as part of our continuous improvement efforts to further strengthen our IT infrastructure. Additionally, we also work closely with thirdparty auditors to execute Sarbanes Oxley (SOX) IT control audits and periodically assess the effectiveness of the SOX IT controls.



We raise awareness about the importance of data protection and cybersecurity with our employees through required training and inform our stakeholders of our privacy policy.

We expect our suppliers to implement cybersecurity measures, as well as business continuity planning, to ensure we have a resilient supply chain and to minimize any business interruption that may be caused by data breaches or cyber incidents experienced by our suppliers. Where possible, we also adopt industry-standard contractual protections in our business engagements.

The global legal and regulatory landscape regarding data protection, privacy, and cybersecurity is constantly evolving and we continue to monitor this changing environment to strengthen our compliance. We respect the data and privacy of our stakeholders. Any questions regarding our data protection and security practice can be directed to compliance@diodes.com.



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# Community Engagement

We embrace partnering with the communities in which we operate and in which our employees live and work. Through our community involvement, we aim to foster a trusted partnership with our local communities, strengthen employee participation in local volunteerism, and support a more engaged workforce that embraces science, technology, engineering, arts, and mathematics (STEAM) activities.

Along with our employees, Diodes is involved in supporting local communities at a corporate level. Our efforts extend to promoting STEAM education and actively participating in local charitable organizations. The aggregate financial contributions from the Diodes corporation were \$250,974, and from Diodes Foundation were \$473,766.

Examples of our engagement include:

## NORTH AMERICA

Our South Portland facility collected donations for a local non-profit charity, Maine Needs, a volunteer-led group providing essential resources to low-income families across the state and primarily focused in the Greater Portland area. Over 600 donations of nonperishable food items from employees were collected for the charity; Our wafer fabrication facility in South Portland, Maine hosted the local high school (SPHS) robotics team, The Riot Crew, who expressed gratitude to the Diodes Foundation for supporting the team this year with registration and travel fees for the competitions. The fabrication facility's Sean Manning is a longtime mentor of the robotics team, alongside retired site employee Steve Martin and two SPHS alumni. The team was granted the Gracious Professionalism Award in the NE District Qualifier North Shore event in 2023;





Employees at South Portland gathered gently used items and brought them to the site to be sorted for Maine Needs.



One of several Diodes-supported STEAM initiatives includes the South Portland High School's robotics team, The Riot Crew. These students built their STEAM skills with collaborate, hands-on activities including building and coding robots and competing against other robotics teams at local and regional levels.

#### DECDES EMPLOYEE VOICES



It's gratifying to work at a company that encourages my team and I to engage in our communities. This support has enabled us to—among other things—mentor university students, inspire middle school students about STEAM, and develop relationships with future civic leaders.

Linda Beheler, Marketing Communication, North America

- Our headquarters in Plano, Texas participated as a corporate sponsor of Texas's Perot Museum of Nature and Science's Night at the Museum. The museum is a regional leader in promoting STEAM-led education;
- We supported the North Texas arts environment through sponsorship of the Dallas Symphony C-Suite Holiday Performance. The family-friendly event attracted attendees from across the Metroplex;
- Our Plano, Texas site served as a lead sponsor of the Chinese Institute of Engineering (CIE)/USA-DFW, a national non-profit professional organization of engineers, scientists, and other professionals that focuses on promoting science, technology, engineering, and mathematics. Support enabled their annual MathComp/MathFun youth program and their annual convention which focused on Breakthrough Technologies for a Sustainable Future;

As a member of Tech Titans<sup>®</sup>, the Technology Association for North Texas, we collaborated with the technology community in the Dallas Fort-Worth area to promote STEAM education and fuel innovation;

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- Santa to Senior, is where our South Portland facility partnered with Home Instead Senior Care, a home care for seniors in Cumberland County, Maine. Home Instead Senior Care works with seniors to create a wish list of items for the holidays and provides tags to the community to purchase wish list items. Our South Portland facility received 25 tags. Employees voluntarily selected a tag, purchased items on the list, and returned items unwrapped in gift bags;
- In the Greater Portland area, our South Portland facility supported Helping Hands, an employee donation-funded program existing to provide financial assistance and/or support to those in need; and at our South Portland facility, we created a partnership with The Diversity Hiring Coalition of Maine focusing on increasing diversity-hiring channels, engagement activities, and resources.

## EUROPE

- We hosted 60 students from the Royton & Crompton E-ACT Academy, Waterhead Academy, and Radcliffe School for an educational tour of our Oldham, UK fabrication facility. Their visit included hands-on activities such as how to create an electric circuit, speaking with Diodes engineering apprentices about their experiences in working in the semiconductor industry and a global company like Diodes, and a fab tour including full gowning in bunny-suit overalls as required by quality protocols;
- In partnership with the UK Engineering Development Trust, our team in Oldham took part in "Year in Industry" placements for the local community and provided mentoring to students while they worked on real-world projects facilitated by Diodes;
- We supported local food banks in the Invercive region with employee donations—our manufacturing site in Greenock raised a staggering £2000 which included a donation from the company as well as food donations, supporting more than 7,300 individuals throughout 2023;
- We were a key partner and sponsor of the Oldham Pledge participating with schools and students within the Oldham community on the world of work and developing and preparing students for the future of work;

Greenock facility Community Care Team 2023 Christmas present appeal.

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- We participated in holiday gift campaigns including an initiative supporting the Children of Greater Manchester as part of Hits Radio's Mission Christmas Campaign, Cold Hands Warm Hearts (supporting homeless people in the Manchester area), and another through the Salvation Army of Scotland;
- We supported charities such as Little Princess Trust, Mahdlo Youth Zone, MacMillan, Bleakholt Animal Sanctuary, Bowel Cancer UK, Teenage Cancer Trust, Breast Cancer UK, as well as local hospices;
- The Green Team at our Oldham fabrication facility picked up litter throughout the local community;
- We sponsored Grassroots Athletics events for the Invercive Athletics Club team, as well as sponsored children's sports clubs and teams in Greenock, UK;

- We partnered with Clydeview Academy to support raising the profile of young women in sports, which had over 450 young women participate. This initiative increases opportunities for young women to participate in sports while learning and developing confidence. teambuilding, and everyday skills;
- Our Greenock facility in Scotland partnered with and provided support to Generation Science, a Learning Community and Funding Partner providing unique science experiences to schools across Scotland and aims to inspire pupils of all ages to engage with science, technology, engineering, arts, and mathematics;
- In our UK sites, our STEAM Ambassadors program celebrated 20 successful years of operation. These individuals volunteer from our teams and include engineers, graduates, and apprentices proactively engaging with local schools, students, and teachers to promote STEAM. Involvement includes supporting with projects, involvement in classroom learning, organizing site visits and tours, and mentoring students.



Wear it Pink Day at our Greenock facility raised awareness and money to fund research on breast cancer.

wear it



Holiday gift campaign through the Salvation Army, Greenock (UK)





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"Garbage Sorting, Starting from Me" Chengdu facility, China

#### INTRODUCTION

## ASIA

We collaborated with For Inspiration and Recognition of Science and Technology (FIRST®), an international non-profit that provides teambased robotics programs for students ages 4-18, to sponsor the FIRST® Robotics competition in Taipei, Taiwan;

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- We participated in the Little Orange Lamp public reading project of the Youth Volunteer Alliance in Zizhu Park, Shanghai. Thirty employees from our facility in Shanghai participated, supporting 180 students;
- Our Chengdu facility in China invited children of company employees to participate in the theme activity of "Garbage Sorting, Starting from Me" at their annual sports meeting. Approximately 20 children participated in the activity and learned to understand the importance of environmental protection and resource conservation through garbage sorting in daily life;
- Our assembly sites in Shanghai and Chengdu attended job fairs for people with disabilities. Both sites successfully hired over 25 new employees from these events, providing suitable job opportunities to these individuals with disabilities and allowing them opportunities for meaningful work and financial independence;

Sustainability initiatives driven by our employees include multiple book exchange events at a fabrication site in China. Approximately 300 employees participated by bringing and exchanging over 500 books.

- through their visiting students, Shanghai Technical Institute of Electronic & Information, the Shanghai University of Engineering and Technology, and Shanghai Jianqiao College to nurture engineering talent and support their transition into industry involvement:
  - We collaborated with Taiwan's National United University to create opportunities to further students' engineering skills and understanding through internships, research, and training; and

We collaborated with education entities such as National Cheng

Jung University (NCKU), the University of Texas at Dallas (UTD)

Having signed contracts in 2022 with National Yang Ming Chiao Tung University and National Cheng Kung University in Taiwan, we continued to support student projects focusing on Silicon Carbide Semiconductors and Digital Control-Based 4kW Bridgeless Power Factor Correction Platforms.

#### Many of our employees took the additional initiative to add value to their communities, profession, and non-profit organizations.

- An employee from our Oldham facility completed a culture walk on behalf of Maggie's, an Oldham-based cancer charity that specialises in supporting individuals and families affected by the disease, and raised money for the organization in the process;
- An employee from our Greenock facility completed the 'Great North Run' half marathon, raising money in the process for the Multiple Sclerosis Society;
- Another employee from our Oldham facility raised money for Little Princes Trust children's cancer charity through their son shaving his hair off and donating it the cancer trust to support wig-making for cancer patients;
- Employees from our Munich office took part in an Environment Run organized by the Munich Active Together group, where 300,000 runners from 1,478 teams participated, resulting in trees being planted locally; and
- Employees who have taken leadership positions in professional organizations include an executive vice president of the Chinese American Semiconductor Professional Association and a board director of the Chinese Institute of Engineers-DFW Chapter.

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## Charitable Giving

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As a global company, we share the common goal of helping build a sustainable society and take steps to promote the welfare of others by supporting local, regional, and national agencies with focused aid programs.

As a corporation we support various charities and disaster-relief efforts, and we are pleased when our employees take their personal initiative to participate as well. Employee-led initiatives included:

- Raising donations in support of the Manchester 10K Run and a Walk in Keswick, Lake District, United Kingdom to support the British Heart Foundation:
- Collecting toys, winter clothing, coats, and apparel for donation to multiple agencies including the children's charity, the Cold Hands Warm Hearts/Manchester Homeless Charitable, Bleakholt Animal Sanctuary, and Wrap-Up Manchester;
- Raising awareness and donations through Christmas Jumper Day when employees all wore a Christmas jumper (sweater) on the same day, raising over £1,000.

#### Corporate and/or Diodes Foundation-led support benefitted the following organizations and causes:

- The Alliance Cultural Foundation for the organization's activities in Taiwan;
- The Dallas Asian American Youth Orchestra (US) in support of academic and cultural programs;
- The North Texas Food Bank (US) in support of local community engagement;
- The Oldham Enterprise Trust in Manchester (UK) to support science and literacy through the development of a children's science story book. This would use the context of Diodes' work in the engineering sector and teach key aspects of scientific disciplinary knowledge;
- The South Portland High School Robotics Team (US) in support of STEAM education:

- The Chinese Institute of Engineers (CIE), US to promote STEAM education and to help cultivate the next generation of industry leaders;
- The Perot Museum of Nature and Science in Texas, US to promote science education and community outreach;

The Chinese American Semiconductor Professional Association

The Macky Memorial Hospital in Taiwan to support medical research

既謝 達爾集團 捐贈 馬信記念醫院

捐贈曲濾

1個國際企業與認力 · 預立國際兩國國際和個外國

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OLALBRA.

E加護病质防疫局維設保·馬人心房發動研修

新聞物 餐師萬元祭

日本語 小川(正) 二 目 目(王) 大田白田

128135/0213598506/01

·你在有意思好 (101100-011 00)

2023 Science and Engineering Fair;

and the Atrial Fibrillation Screening Project;



The Invercive Athletics Club to promote and support youth sports (UK);

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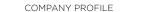
- Generation Science, a learning community providing unique science experiences to schools across Scotland to inspire pupils of all ages to engage with science, technology, engineering, arts, and math;
- The Invercive Chamber of Commerce (UK), supporting community engagement as the main sponsor of 2023 Icon Awards;
- The Invercive Foodbank and Children in Poverty (UK) to support local community agencies;



- Breast Cancer Now (UK) to promote community wellness;
- Various local organizations via the Greenock, UK facility's Community Care Team.

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# Our People Overview, Human Capital Management

As an international semiconductor company with a global footprint, Diodes recognizes the important role its human capital plays in a talent-based economy, and what the impact of effective and efficient human capital management (HCM) has on its long-term strategic success and sustainable growth.

Our employees are our most critical asset. They contribute to our financial success for the benefit of all our stakeholders, they are the source of great idea generation that fuels the engine of product innovation, and they are collaborators and contributors to the success of the communities in which we live and work. Human capital management affects many aspects of our operations, including recruitment and talent acquisition, retention, training, workforce optimization, performance management, workplace safety, employee health and wellness, employee engagement, and diversity and inclusion.

Developing two-way communications and deploying effective feedback mechanisms are critical components in our employee engagement process. In addition to regular CEO and/or President "all hands" meetings, we have an "Open Door" policy where we encourage employees to have routine conversations with their managers to share feedback and express concerns. We also solicit employee feedback informally through regular employee interactions. We conduct individual and team-based performance management appraisals where we hold our managers accountable for setting clear expectations and goals with their teams, provide coaching, help managers identify professional development opportunities, and engage in periodic performance reviews. To that end, we assist our managers with performancemanagement tools to help them effectively manage their teams and optimize workforce productivity.

We utilize third-party operated, employee self-service portals to allow employees to efficiently and timely manage several of their employmentrelated activities; for example, employee benefits, expense reporting, leave-of-absence management, and attendance records. In addition to employee on-boarding orientations and on-the-job training (OJT), we leverage a third-party learning management system (LMS) tool to provide training to our employees. We regularly assess the training modules to be responsive to the regulatory requirements, professional development, and training needs of our employees.

Employee retention is a critical element in our sustainable success. To maintain a stable workforce, we provide skill-advancement training and coaching, where appropriate, to help our employees enhance their existing skillsets. With our support and preparation, our employees can continue to grow in their current role and maximize the value they contribute to their current teams. Where a suitable rotation opportunity arises, we provide skill-expansion training to equip employees for these new positions. By honing their skills, our employees can leverage their institutional knowledge and experience to contribute to the overall success of the organization.

The availability of rotational opportunities can also help keep our employees motivated and engaged. Please refer to Investment in Our Employees for more details. We provide safe working conditions and engage our employees in workplace safety behaviors. We have programs to enhance the occupational health and safety of our employees and to promote employee wellness. These initiatives yield positive business outcomes such as less absenteeism, a more motivated and engaged workforce, higher productivity, more consistent quality performance, and a better corporate image in our local communities—which in turn help us attract talent and maintain a stable workforce. Please refer to Employee Health, Safety, and Wellness for more information. We regularly review our workforce demographics and organizational structure to ensure that we have an efficient organization positioned to deliver cost-effective, high-quality products to our customers and to serve the markets in which we operate. Diversity and Inclusion considerations are embodied in many aspects of our operations, including pipeline opportunities.

#### DECES EMPLOYEE VOICES

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Our people are front and center of our organization and Diodes actively supports its employees to develop and grow while harnessing our core values of Integrity, Commitment, and Innovation. Ensuring effective human capital management is a key driver for the long-term success of the organization, of which includes supporting our current employees and the next generation of talent entering our workforce.

James Hoare, Human Resources, Europe

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Our Employees As of December 2023, we had 8,281 in our workforce community

globally. We are committed to building a culture of inclusion in our company where diversity of thoughts and backgrounds is embraced across all levels of the organization and all regions in which we operate and build our communities.

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## Workforce Representation

Total workforce excluding portfolio companies: 8,281

#### By Region and Gender

| Region   | %     | Female | Male  |
|----------|-------|--------|-------|
| Global   | 100%  | 42.2%  | 57.8% |
| Asia     | 84.3% | 45.5%  | 54.5% |
| Europe   | 10.3% | 24.4%  | 75.6% |
| Americas | 5.3%  | 24.6%  | 75.4% |

#### By Position and Gender

| Position     | Female | Male  |
|--------------|--------|-------|
| Executive    | 18.2%  | 81.8% |
| Managerial   | 25.7%  | 74.3% |
| Professional | 29.6%  | 70.4% |
| Support      | 48.6%  | 51.4% |

#### By Type of Role and Gender

| Role              | Female | Male  |
|-------------------|--------|-------|
| R&D               | 22.2%  | 77.8% |
| Sales & Marketing | 44.9%  | 55.1% |
| General & Admin   | 47.3%  | 52.7% |
| Indirect Labor    | 19.2%  | 80.8% |
| Direct Labor      | 54.1%  | 45.9% |

#### **U.S. Race & Ethnicity Representation**

| Race                                       | %     |
|--|-------|
| White                                      | 56.6% |
| Asian                                      | 35.4% |
| Two or more races (Not Hispanic or Latino) | 2.6%  |
| Hispanic or Latino                         | 2.4%  |
| Black or African American                  | 2.8%  |

#### By Region and Age

| Region   | 18-29 | 30-39 | 40-49 | 50-59 | 60+   |
|----------|-------|-------|-------|-------|-------|
| Global   | 19.1% | 34.1% | 26.3% | 14.2% | 6.3%  |
| Asia     | 21.5% | 40.8% | 29.9% | 7.2%  | 0.6%  |
| Europe   | 14.8% | 17.9% | 18.6% | 31.4% | 17.3% |
| Americas | 8.4%  | 12.2% | 13.3% | 36.1% | 30.0% |

#### By Region and Employment Type

| Employment Type     | Americas | Europe | Asia  | Total |
|---------------------|----------|--------|-------|-------|
| Full Time/Part Time | 457      | 801    | 6,336 | 7,594 |
| Temporary           | 4        | 91     | 592   | 687   |
| Total               | 461      | 892    | 6,928 | 8,281 |

Diodes is focused on building a sustainable workforce because a reliable workforce that can deliver consistent output helps drive greater business results in performance, productivity, profits, and employee pride.

Our employee recognition program is comprised of:

- Employee Service Awards designed to acknowledge employees' longevity and continued commitment to the company;
- Special Banquets and Recognition events to recognize employee contributions and milestone accomplishments;
- Special Recognition Awards (SRA) to celebrate colleagues for their outstanding performance in areas such as leadership, safety, and environmental excellence: and
- Patent Rewards Program to encourage employees to innovate. To further underscore Diodes' commitment to innovation, Diodes has expanded its focus in this area by increasing both the number of awards as well as amounts given. The scope of the patent program rewards employees for patent filings, patents awarded, as well as for innovative ideas that are determined by the patent committee not to be patented but to be protected as the company's trade secrets instead.

Part of Diodes' ethos is to encourage and support a sense of community where employees get to know and respect each other both on and off the job through its sponsorship of various sports and fitness clubs, "Meet Your Coworkers" profiles, and other community and volunteer activities.

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## Securing Our Future **Talent Pipeline**

Diodes is actively securing its future-talent pipeline through attracting Millennials and Generation Z while balancing and managing the transition as Baby Boomer and Generation X employees retire. This is through strategically engaging with educational institutions, from primary school through university, as well as working with various job training programs that help individuals transition to new career paths and develop skills that improve workforce readiness.

Diodes works and engages closely with those employees planning on retirement to support them while seeking ways to keep their skills and knowledge in the organization for longer to allow for effective transfer of skill and knowledge.

> Diodes also has pathways to retirement planning to support employees and benefit the organization. We understand that the next generation entering our workforce in the near future will be Generation Alpha, and we focus on helping our leaders develop and become equipped with the required skills and competencies so that our workplaces are set up to meet the demands and expectations of all generations working for Diodes.

We routinely host and participate in onsite visits and careers fairs to introduce students to the semiconductor industry and our technology; to promote science, technology,

engineering, the arts, and mathematics (STEAM) subjects; and to raise awareness of what the engineering profession entails so that students can explore the wide variety of potential career opportunities in our industry and with our company. Providing support directly to students through mentoring and career-ready programs also focuses young minds to STEAM subjects and careers.

Employee

recognition

program

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## University Relations

From a university-relations perspective, we continue to expand our network of target schools, build relationships with students and key faculty, and support research that drives innovation in our focus technology areas.

Within our European organization, we have strengthened links with the University of Manchester, University of Sheffield, University of Strathclyde, University of Glasgow, and Ilmenau University. Our collaborative efforts include a wide range of initiatives including STEAM programs, undergraduate placement opportunities, learning program facilitation, and graduate recruitment initiatives.



In the US, our South Portland facility continues to build relationships with the University of Maine by supporting careers fairs and STEAM initiatives, with particular focus on their engineering faculty. In Plano, Texas, we have built on our collaboration with the University of Texas at Dallas (UTD) as part of our community outreach and STEAM support.

In Asia, we continue our longstanding relationships with National Cheng Kung University (NCKU) in Taiwan, supporting international student visits to our facilities and providing mentoring and training to students. In China, we have developed relationships with the Shanghai Technical Institute of Electronics & Information and established a modern apprenticeship program that benefits both students and our industry.

Supporting and strengthening relationships with universities through the design and delivery of courses remains high on our people strategy. In Asia, Diodes hosted local and international students majoring in Electro-Optical Engineering, Aeronautics and Astronautics, Engineering Science, Energy Engineering, Integrated Circuit Design, and International Management to explore opportunities within the industry and to interact further with key universities. In Europe, Diodes offered Year In Industry (YIN) intern opportunities to eight undergraduates from four target universities interested in a career within the semiconductor industry. These undergraduates gained experience and delivered projects within our engineering, technology, R&D, operations, and sales functions.

This program has received praise from universities and students and has resulted in several interns securing full-time employment with Diodes following graduation. Since the launch of the YIN program in the UK in 2018, Diodes has supported over 25 undergraduate students, of which 6 of these students are now in full-time roles with Diodes.

In addition, we continue to build a more diverse workforce as research has proven that more diverse teams are more innovative and deliver stronger results. To that end, we continue to work with professional organizations that promote diversity in STEAM and management roles and are focused on increasing the number of experienced female engineers we employ and provide career progression opportunities.

As a technology company whose success in the marketplace is dependent on manufacturing innovative products that meet our customers' needs and quality standards, ensuring that our staff is properly trained on new equipment and processes is an area of ongoing attention. Operators are required to receive instruction and need to be termed proficient before they have unregulated access to new technologies or machinery.

## Next Generation

In order to succeed in a competitive industry, we engage in initiatives to attract, develop, and retain top young talent. During 2023, we continued to build on the success of our young talent initiatives and expanded our program that focuses primarily on our apprentices and university graduates. We have also deepened our efforts by focusing on our high-potentials and key successors within the organization and ensuring we engage, motivate, develop, and retain these key individuals.

In Europe, our number of apprentices increased from 15 to 37 since 2019, new graduate hires increased from 0 to 18 since 2020, and we are currently employing five YIN students. Notably, six of our YIN alumni have been permanently hired by Diodes. These initiatives help ensure we retain current skills and competencies for the future.

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Our Next Generation (Next Gen) initiative is comprised of multiple elements, including skill-enhancement training, micro-learning modules, on-the-job training, community activities, and training surveys. The skillenhancement training supplements the participants' technical training to ensure we have the right people with the right skills for the future.

| Next Gen Initiative   |                          |  |  |  |
|---|--------------------------|--|--|--|
| Apprentice<br>Program   | New Graduates<br>Program | Year-in-Industry<br>(YIN) Program        |  |  |
| <ul> <li>Skill-enhancemer</li> <li>On-the-job training</li> </ul> |                          | ning modules<br>es      Training surveys |  |  |

Recognizing the impact of soft skills on employee well-being and organization wellness, the program includes training in communication skills, emotional intelligence, time management, creative and innovative thinking, and well-being and stress management. Local community engagement is a key component of this program. By becoming STEAM ambassadors, the program's participants can promote careers in STEAM in local schools and attract future Diodes employees.

In addition to advancing personal and professional growth, these talent acquisition and development initiatives are the foundational building blocks conducive to fostering an inclusive environment where employees feel valued and engaged.

Europe

**37** Apprentices

since 2019

18 Graduate

hires since

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# Human Rights and Workforce Labor Rights Policy

#### Last Updated: 6/17/2024

At Diodes Incorporated ("Diodes"), respect for human rights is ingrained in our Core Values (Integrity, Innovation, and Commitment) and in how we conduct business, interact with stakeholders (including customers, employees, and suppliers), and engage with the communities in which we operate. We believe that everyone should be treated with fairness and respect.

## 1. Policy Statement

Diodes' Human Rights and Workforce Labor Rights Policy ("Policy") is rooted in protecting human rights and affording each individual dignity, freedom, respect, and acceptance. This Policy outlines our expectations with respect to human rights and labor practices and the high standard of conduct expected of our employees and suppliers worldwide. The principles of this Policy are reflected in our operational policies and procedures and are applied in a non-discriminatory manner, irrespective of geographic location. Actual or suspected violations of Diodes policies or unethical behaviors should be reported immediately to Diodes management or anonymously through the hotline services described below.

Our Policy is based on the Responsible Business Alliance (RBA) Code of Conduct. The RBA Code of Conduct establishes standards to ensure that working conditions in the electronics industry, or industries in which electronics is a key component, and its supply chains are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and ethically conducted. The RBA Code of Conduct is in alignment with the United Nations (UN) Guiding Principles on Business and Human Rights and is based on international principles and norms that we support and incorporate in our business practices, including: the UN Universal Declaration of Human Rights, the International Labor Organization's International Labor Standards and Declaration on Fundamental Principles and Rights at Work, the Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises, the UN General Comment No. 15 on the right to water, and ISO standards. The UN Committee on Economic, Social, and Cultural Rights recognizes the right to water as a fundamental human right where everyone is entitled to sufficient, safe, acceptable, physically accessible, and affordable water for personal and domestic uses. Our Environmental Policy and our commitment to environmental stewardship, including responsible water management as further described on our sustainability website, support this fundamental human right to water. When making decisions on how we manage our operations, we consider both the short and long-term impact to the environment and our communities.

#### 2. Employment and Labor Practices and Human Rights

We are an equal opportunity employer with policies against unlawful discrimination based on race, color, sex, gender, gender identity and expression, pregnancy, religious creed, marital status, age, national origin, ethnicity, disability, sexual orientation, or any other consideration made unlawful by applicable federal, state, or local laws. We prohibit sexual harassment and any other form of unlawful harassment.

We are committed to providing a fair and living wage to all our employees and our employee remuneration is consistent with all applicable wage laws, including those relating to minimum wage, overtime hours, and legally mandated benefits.

We support the elimination of all forms of forced, bonded, or indentured labor, and child labor is prohibited in any of our operations. We support our employees' rights to freedom of association in each of the countries where we operate.

Consistent with the principles of International Labor Organization Convention Number 87 and Number 98 as well as the Diodes Code of Business Conduct, Diodes recognizes our employees' rights concerning freedom of association and the right to organize, ensuring independence of both workers' and employers' organizations from interference. In those locations where Diodes employees are represented by unions, works councils, or employee committees, Diodes maintains cordial and positive working relationships with employee representatives and open lines of communications. Diodes is committed to the support and protection of equal enjoyment of human rights by all persons, including women and minority groups. These human rights and workforce labor rights are monitored and assessed through our management, human resources, and environmental, health, and safety teams as they apply to all Diodes operations worldwide and to our suppliers, vendors, partners, or service providers.

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These rights are embedded in our Code of Business Conduct, CSER Code of Supplier Conduct, and Supplier Letter, and serve to provide essential protections for the women and minorities in our workforce, which is further reinforced through employee training on fundamental topics such as prevention of harassment, discrimination, abusive conduct, and retaliation.



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The Code of Business Conduct and CSER Code of Supplier Conduct also prescribe requirements that include areas such as, without limitation: freely chosen employment, child labor and young workers, working hours, wage and benefits, humane treatment, non-discrimination, freedom of association, industrial hygiene, and health and safety. Our commitment to human rights and workforce labor rights are also reflected in our UK Modern Slavery Act Statement, California Transparency in Supply Chains Act Statement, and Conflict Minerals Reports. We are committed to protecting the rights of women and minority groups and prohibiting the use of child labor and forced labor.



## 3. Workplace Safety

Workplace safety is built on the foundation of a strong safety culture. At Diodes, we respect the health and safety of our employees, customers, suppliers, business partners, and communities. We provide a safe and healthy workplace by complying with applicable laws and regulations, and develop programs aimed to detect and prevent unsafe work environments and minimize the incidents of work-related injuries and illness. Employee wellness is important to us because it affects employee retention and morale as well as the quality and consistency of employee performance, which in turn impacts our operational excellence and organizational success.

# 4. Supplier Responsibility and Accountability

In addition to complying with applicable laws and regulations, we expect our suppliers to also comply with the RBA Code of Conduct or align their business practices with RBA Code of Conduct, specifically in areas relating to human rights, labor and employment, environmental matters, health and safety, and ethics. We conduct periodic business reviews of our critical suppliers to ensure that they provide products and services in a manner that meet our business requirements, including taking prompt corrective actions and implementing preventive actions upon findings of violations. Through this supplier engagement process, where appropriate, we support our suppliers in improving their performance in areas that may impact Diodes. We hold ourselves and our suppliers accountable to these high standards, while focusing on continuous improvement.

## 5. Freedom of Association/ Collective Bargaining

Diodes respects all workers' freedom of association in accordance with local laws, including the rights to form and join unions of their choosing, engage in peaceful assembly, and bargain collectively, or to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

## 6. Grievance Mechanism

Employees are encouraged to discuss any workplace issues they have with their managers, who are responsible for providing a safe environment for employees to express their concerns. We encourage employee concerns be addressed through our "Open Door" channels to drive satisfactory outcomes, but alternative channels in a telephone hotline and online reporting (see opposite) are available for our stakeholders to communicate their concerns confidentially and anonymously. Consistent with our policies, practices, and legal requirements, Diodes does not allow any retribution or retaliation against an employee who reports a compliance issue in good faith. This third-party hotline can be used by our employees, customers, vendors, and interested parties to report any conduct they believe in good faith to be an actual or apparent violation of our Code of Business Conduct or our corporate policies and procedures.

## Telephone Hotline

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At any time, for any reason, employees and our external stakeholders who wish to maintain anonymity and report any actual or potential violation of ethics issues (including any concerns about accounting, internal accounting controls, or auditing matters), may call NAVEX Global at the phone number(s) available at, or submit an online report via <u>https://reportlineweb.com/diodes</u>. NAVEX Global is not staffed by personnel affiliated with the Company and is the independent hotline service retained by Diodes to handle any anonymous calls regarding compliance issues.

## 7. Commitment and Oversight

In addition to the board-level oversight of our company-wide sustainability efforts, major corporate policies (including this Policy), as well as the legal and regulatory compliance status of our global operations, we have established a cross-functional steering team to regularly assess the risks in our supply chain, including the salient human rights-related risks and their potential impact on our operations. Our general approach is consistent with the UN Guiding Principles on Business and Human Rights, in particular the Guiding Principle 17, which include "assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed."

We recognize the importance of a sustainable business model that is based on responsible global citizenship and the value of human rights. We are committed to involving our stakeholders and reviewing industry best practices as we develop and implement various corporate policies and procedures to support our sustainable business operation.



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# Employee Health, Safety, and Wellness

The health, safety, and well-being of our employees are key factors to achieving and sustaining superior performance. We believe that a healthy and engaged workforce contributes to our success and creates longterm benefits for our stakeholders, including our employees. Employee wellness is important because it affects employee retention and morale as well as the quality and consistency of employee performance, which in turn impact our operational excellence and organizational success.

Diodes' health and safety policy is based on our commitment to provide a safe workplace for all employees worldwide and applies to our suppliers, vendors, partners, and service providers. Every employee is responsible for safety, and Diodes encourages employees to notify their manager of any safety-related concerns. To that end, we require that all applicable federal, state, and local safety requirements are observed. Our commitment is embedded in our <u>Code of Business Conduct, Code</u> <u>of Supplier Conduct</u>, and <u>Supplier Letter</u>.

To achieve the goal of having a safe workplace, each site has implemented policies and procedures to address emergency preparedness and response, industrial hygiene and health resources, and use of personal protective equipment (PPE).



Around 350 employees participated in 2023 Taiwan Sports Day.

This preventive safety approach allows us to take protective measures to minimize workplace-related risks.

Where possible, we leverage technology and automation tools, including industrial robots, to automate repetitive tasks to reduce workplace injuries and illness. Additionally, we provide a safe and secure working environment to our employees through the implementation of effective security equipment (e.g. CCTV and alarm systems), security protocols, and onsite security staff.

Our manufacturing sites are certified to the internationally recognized ISO 14001 standard contributing to the environmental pillar of sustainability. Additionally, all of Diodes' worldwide manufacturing sites are certified to the ISO 45001 standard to help ensure that we continually maintain a safe workplace through an occupational health and safety management system.

These management systems and corresponding EHS procedures and controls help us manage our environmental responsibilities in a systematic manner and to identify, eliminate, and control EHS hazards and risks in the workplace.

In addition to self-assessments conducted to identify workplace-related risks and validate site-level EHS compliance, we also collaborate with our customers and third-party auditors to review our corporate and site-level EHS performance. We take proactive steps to minimize and prevent occupational illness and injuries and to maintain a safe, healthy, secure, and compliant workplace. In addition to deploying good health and safety practices and procedures as a baseline for our business operations, we deploy systems and quantitative occupational health and safety performance metrics across our facilities to create a culture targeting zero accidents, zero injuries, and zero fatalities.

We recorded zero (0) work-related fatalities in the preceding four reporting years, namely, 2020, 2021, 2022, and 2023. Recordable work-related injuries<sup>1</sup> reported at our worldwide manufacturing sites were 43, 44, 55, and 52 for the reporting years of 2020, 2021, 2022, and 2023, respectively. Reported work-related fatalities and injuries included regular employees and contractors.

<sup>1</sup>. Recordable work-related injury as defined by US Occupational Safety and Health Administration (OSHA)

We leverage SASB (Sustainability Accounting Standards Board) Semiconductor standards, including TC-SC-320a.1. and TC-SC-320a.2. accounting metrics, to assess, monitor, and reduce employee exposure to human health hazards, and to manage our employee health and safety performances. Workplace hazards are identified through riskbased proactive reporting and are remediated promptly to ensure a safe working environment.

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• OUR PEOPLE



Risk assessments are conducted to assess, monitor, and reduce exposure of employees to human health hazards (e.g. solvents, corrosives, lead, arsenic, cadmium). Ambient air monitoring (e.g. occupational/industrial hygiene sampling) is carried out in most of our manufacturing facilities to assess, monitor, and reduce exposure of employees to human health hazards. When safety incidents occur, they can be effectively managed through our incident response protocols and by employees who have received first aid training to provide temporary relief. This in turn reduces the likelihood of a fatality.

Our staff is aware of the safety exits within the premises and where safety equipment (e.g. first aid boxes, defibrillators, and fire extinguishers) is located to promptly address the safety incident.

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## Spotlight on Our Milpitas Office Safety Committee

COMPANY PROFILE

In October 2023, the Safety Committee at our Milpitas office in the US convened to discuss crucial planned action items in accordance with our Business Continuity Plan and the overall safety of our employees on-site. These action items included:

- 1. Evacuation Drills: Ensuring that employees are well-versed in safe and efficient building evacuation procedures, including where to assemble after exiting the building; and
- Adult First Aid/CPR/AED Certification Renewals: The Safety Committee facilitated the renewal process for these essential certifications.

The Safety Committee was instrumental in successfully executing both the evacuation drill and the certification renewal later in the year.



The Safety Team members in attendance, including representatives from the business groups, warehouse, HR, facilities, and IT departments.

#### Employee Wellness

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Enabling employees to maintain a balance between their work and home lives is important to building a resilient and sustainable workforce. By aligning our business requirements with the <u>Responsible Business</u> <u>Alliance (RBA) Code of Conduct</u>, we follow the requirements regarding working hours and encourage our employees to utilize their paid time off from work. The physical and mental health and well-being of our employees is a top priority for Diodes because an engaged and healthy workforce brings a positive attitude to work and contributes to higher productivity.

DHODES

EUROPE EMPLOYEE

**ENGAGEMENT SURVEY** 

SUPPLY CHAIN

We periodically conduct employee surveys to solicit feedback to assess employee well-being around the six pillars (job, financial security, health, protection, support, and work-life balance), which collectively make up overall employee wellness as well as the employment experience of both employers and employees. The survey results allow us to take proactive steps (e.g. providing more financial awareness training) to manage employee expectations and improve employee well-being.

In 2023, Diodes Europe made plans to launch an Employee Engagement Survey to monitor

employee satisfaction and engagement. This is a strategic plan which will allow actions to be followed through and to measure the trend and impact of these in future surveys. This survey will be launched to all European employees in Q1 2024.

We provide access to an annual physical examination benefit to most of our employees worldwide, and in some cases, we provide access to occupational health physicians, occupational health therapists, on-site flu vaccinations, cancer screenings, and mental health awareness training. At some of our facilities, we provide free access to either onsite fitness facilities or subsidized or low-cost employee gyms, as well as to on-site subsidized canteens providing freshly prepared meals. At many of our sites, employees participate in fitness programs; such as yoga, eating healthy, team walking, and cycling challenges; to promote work-life balance.

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In 2023, Diodes' UK locations expanded their robust First Responder training to include Mental Health First Aiders and mental health awareness training for all site leaders and line supervisors. The awareness and training will carry into 2024 and has met with positive reactions in the workplace as, like other companies, our employees have faced increased pressures in their day-to-day lives following COVID and that poor mental health remains a global challenge for many people and organizations.

In 2023, Diodes European locations made plans to launch a 2024 wellbeing calendar to raise awareness on monthly topical themes such as Healthy Heart, women's health, men's health, Stress Awareness, and Good Mood food; as well as celebrating international women's day, national apprenticeship week, and women in leadership.

To foster team building and healthy lifestyles, we leverage third-party operated platforms to facilitate friendly fitness and health competitions in various areas, e.g. walking challenges and mindfulness exercises.



Employees enjoyed the wellbeing walks held by the Mental Health First Aid Team at the Greenock facility.

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SOCIAL RESPONSIBILITY

COMPANY PROFILE COMMITMENT ENVIRONMENT

SUPPLY CHAIN SOCIAL RESPONSIBILITY

One of our fabrication sites in China hosts an employee club that organizes dance training including ballet, jazz dance, modern dance, and classical dance.

We also support employee participation in recreational clubs, such as table tennis, badminton, basketball, and photography.

In Asia, over 1,200 employees participated in these events involving over 23 different clubs in 2023. Since 2019 at our facility in Shanghai, dance training is regularly organized for nearly 100 employees, including ballet, iazz dance, modern dance, classical dance, and more.

We reinforce the importance of workplace safety and employee health and wellness through employee communications and training (e.g. mental health awareness training, safety video training, and emergency response training and drills). The local site management is empowered to organize activities and campaigns (e.g. safety month) to promote employee health, safety, and wellness. For example, several of our China facilities host annual sports events to inspire healthy competition amongst departments, and some facilities invite fitness instructors to provide workout exercises to employees.

## Supporting our US Employees' Overall Well-being

Diodes strives to provide comprehensive benefits that address the needs of our diverse workforce. At its core, we offer an array of benefit choices to support our employees and their families with their overall well-being-physical health, mental and emotional support, and financial wellness.

#### Physical Health

Diodes provides competitive medical, dental, and vision coverage offered through partnerships with premier insurance carriers. These plans are tailored to support the diverse life stages of our employees and their eligible dependents, providing coverage for routine care, therapies, and other medically necessary treatments.

#### **Mental and Emotional Support**

We maintain a strong focus on mental and emotional well-being. Employees and their families have access to free, confidential counseling and support for a wide range of personal, family, and work/life issues. This support is complimented by a comprehensive member website and mobile app where employees can access webinars, tools and other resources to assist in their health journey.

#### **Financial Wellness**

Diodes offers benefits to help employees build financial resilience and plan for their future. We provide matching contributions to the 401k retirement program. Our 401k plan has built in features to encourage employees to increase their retirement savings. As employees prepare for retirement, we offer an exclusive resource to help them understand Medicare and Social Security. Additionally, we provide company-paid life and disability insurance, along with a selection of voluntary insurance plans, to help employees achieve financial protection in the event of unforeseen circumstances. Financial wellness webinars are also available to our employees, ranging in topics from retirement planning, investment strategies, and planning for healthcare and eldercare costs.

#### Grievance and Reporting Mechanism

We ask that each employee be safety conscious. Diodes prioritizes assuring a safe environment and compliance with local safety regulations in the countries where we operate.

All employees should understand that Diodes will not tolerate any retaliation against an employee for making safety complaints or reporting safety concerns.

By providing a safe space for grievance and incident reporting where employees feel comfortable about reporting near-misses and feel confident that their concerns will be heard and addressed, we believe these measures will help promote improved mental and physical wellbeing throughout the work and home lives of our employees.

# **Diversity and Inclusion**

GOVERNANCE

Diodes respects each individual, welcomes diversity, and embraces different perspectives as a key to innovation. Innovation is one of our core values and we are committed to providing a safe and respectful work environment to ensure we bring out the best in our employees.

We believe a diverse and inclusive workforce can increase our business performance, innovation, employee motivation, and corporate reputation and enable us to better serve our customers across the globe. Our goal is to realize the untapped potential of all our employees, and we do so by providing them with growth opportunities and by reducing barriers.

We are focused on human capital management and are committed to fostering a culture of trust and inclusion where everyone is treated with dignity and respect, and where diverse perspectives are valued. As a company with global operations, our employee training covers respectful behaviors in a diverse work environment, and our employees are expected to act with integrity, which is also one of our core values. and respect each other for who they are regardless of gender, age, race, disability, or sexual orientation.

We strive to enhance our diverse and inclusive culture where employees have fair and equal consideration for professional growth and career progression at all levels of our organization. Our approach towards diversity and inclusion is integral to our business success and our social impact, and it enables us to build an agile and resilient workforce.

Our diverse global workforce is across three regions, North America, Europe, and Asia. Diodes is proud of our global presence and diversity. Our people reflect the varying cultures, backgrounds, and localities of our customers and business partners, enabling us to develop and deliver products that better serve the needs of our customers and to leverage the service and products of our global supplier base.



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## Average training hours Europe: 20 hours US: 9 hours

Training and learning are designed and delivered to help ensure our employees continue to grow and develop both personally and professionally; equip them with the skills, knowledge, and competencies required to be successful at Diodes now and in the future; and to support the organization on delivering its objectives. In 2023, Diodes Europe averaged 20 training hours per employee. In the US, the number is 9.

Additionally, we engage third-party service providers to provide training and webinars on various financial wellness topics such as workplace pension, retirement courses, social security benefits, and early career financial planning to help our employees prepare for personal changes and financial challenges throughout their career. We also deliver training on Quality topics such as problem-solving techniques, statistical process control (SPC), audit training, Failure Mode and Effects Analysis (FMEA), and Six Sigma through a third-party service. Diodes made plans in 2023 to expand the use of Quality-related training in 2024 to more employees globally, continuing our approach in aligning skills and knowledge across the organization.

Examples of our development and training programs include:

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| Types of Training       | Training Content  |
|-------------------------|---|
| Legal and<br>Compliance | <ul> <li>Anti-Bribery &amp; Corruption</li> <li>Modern Slavery</li> <li>Bullying and Harassment</li> <li>Diversity and Inclusion</li> <li>Insider Trading</li> <li>Whistleblowing</li> <li>Hazardous Substances (COSHH)</li> <li>Corporate, Social, and Environmental<br/>Responsibility</li> <li>Safety (IPAF/PASMA/Legionella/First Aid)</li> </ul> |
| Technical Skills        | <ul> <li>FMEA</li> <li>Problem solving (5S/Fishbone)</li> <li>Quality Audit</li> <li>Microsoft Office (Excel/PowerPoint/Word)</li> <li>Lean Manufacturing</li> <li>Six Sigma</li> <li>Fundamentals of Semiconductor<br/>Manufacturing Technology</li> </ul>   |
| Soft Skills             | <ul> <li>Presentation</li> <li>Leadership</li> <li>Management/Team Leader Development</li> <li>Managing and Driving Performance<br/>'Masterclass'</li> </ul>  |
| Employee<br>Wellness    | <ul><li>Mental Health Awareness for Managers</li><li>Financial Well-Being</li></ul>   |

## Recruitment

Diodes is an equal opportunities employer and has appropriate human resource policies and procedures in place to ensure employees work in an environment free from discrimination and harassment. Our policies and practices allow us to attract and retain a diverse workforce.

We give full and fair consideration to applications from people with different ethnicities, backgrounds, experiences, and abilities. By embedding diversity and inclusion in our recruitment process, we are able to draw on the best talent. Our recruitment process is based on merit, focusing on gualified and diverse candidates, and omitting personal characteristics that are unrelated to the job requirement or job performance.

Please also refer to our Careers site for more details.

## Pay and Gender

In addition to building diversity and promoting inclusion, Diodes strives to be equitable regarding appropriate compensation for applicable roles and we are committed to complying with applicable wage laws to ensure our employees are fairly compensated in a timely manner.

We offer appropriate compensation and benefits that support our employees' health, financial, and emotional well-being, and we provide fair wages for all employees, regardless of gender or race. We assess compensation annually to assess pay equity. In compliance with the UK regulations regarding gender pay gap reporting, Diodes publishes gender pay gap report(s) annually for our UK-based operations. The phrase "gender pay gap" refers to the difference in the average earnings of men and women within the same organization.

This is different from equal pay, which refers to a man and a woman receiving equal pay for the same or similar job. Diodes is committed to fostering a fair working environment, rewarding employees based on their individual performance and contributions. Understanding the gender pay gap helps us to identify and address any imbalance between gender and pay. Diodes' UK presence consists of several legal entities, with two main employers: Diodes Zetex Semiconductors Limited and Diodes Semiconductors GB Limited.

Please refer to our <u>UK Gender Pay Gap Reports</u> for more details.

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Investment In

**Our Employees** 

SUPPLY CHAIN SOCIAL RESPONSIBILITY

At Diodes, we regard our employees as our most important asset. We are committed to providing a positive environment for the development and achievement of goals for our employees. We invest in our employees not only through fair compensation and benefits but also by providing professional and personal development opportunities.

We believe in the value of continuous improvement so that we can satisfy our stakeholders' requirements. In its broadest sense, we believe our stakeholders include our employees, partners, and the communities where we operate.

We believe in the value of continuous learning and fostering a culture of professional growth. We offer learning opportunities to employees at all levels through developmental courses and experiential learning. We encourage our managers to identify the training needs of their employees and to help employees manage their careers, and we encourage our employees to request relevant training to promote career and personal development.

Based on their functions and responsibilities, employees are offered development opportunities on job-related topics such as productspecific training, customer service training, and audit processes. To build broader foundational competencies, skill training offerings include team building, effective communication, leadership, and negotiation.

Employees undergo annual appraisals including objective setting and personal development plans. These performance-related conversations help ensure employees have specific, measurable, achievable, relevant, and time-bound (SMART) objectives which contribute to the overall success of the organization and that their development plans are being discussed, captured, assessed, and delivered.

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Each year, we deliver key updates and training to our employees worldwide on a variety of key topics, including ethics, harassment, antibribery, and corruption through online and small group training sessions. These topics are important to ensuring our employees operate in a work environment that is diverse, inclusive, safe, and respectful.

We offer a web-based Ethics and Code of Conduct course intended for 100% of our employees worldwide. This comprehensive training covers topics such as ethical business conduct, conflict of interest, insider trading, appropriate workplace behavior, and fair business dealings. In addition, our other online course offerings cover topics including Whistleblowing, Reporting & Retaliation; Cybersecurity (Containing Breach Risks); Social Media (Keeping Our Information Secure and Protecting Our Brand); Global Data Privacy; Diversity & Inclusion; Discrimination-Free Workplace; Anti-trust & Competition Law; U.S. Export Regulation; Workplace Harassment; Cybersecurity; and handling confidential information. In 2023, approximately 98% of our worldwide employees completed the online cybersecurity training.

## Spotlight on Our Talent Pipeline Initiatives

#### University Relations

International students from National Cheng Jung University (NCKU) were hosted by Diodes Asia to explore opportunities in the semiconductor industry and interact with NCKU alumni. Hosted students majored in: Electro-Optical Engineering, Aeronautics and Astronautics, Engineering Science, Energy Engineering, Integrated Circuit Design, and International Management. Nationalities included Indonesia, India, South Africa, Malaysia, Uzbekistan, Vietnam, Pakistan, U.S., and Haiti;



NCKU International Student visited Hsinchu (Taiwan) site

 Hosted a visit from University of Texas at Dallas (UTD) where a group of undergraduate students from various business schools visited to understand more about the semiconductor industry and its opportunities;



UTD Students visited Diodes in Taiwan

- In Taiwan, Diodes delivered training at the invitation of National Cheng Jung University (NCKU) for Gender Equality in the Semiconductor Trends and Semiconductor Process Equipment Theory and Practice Training course;
- Attended and supported various campus recruitment fairs globally and strengthened relationships with universities and students;
- Hosted recruiting events at National Yang Ming Chiao University (NYCU) and National Cheng Kung University (NCKU) in Taiwan and spoke with engineering as well as business students about career opportunities with Diodes. Students are tracked by graduation year in our talent pool for current and future opportunities with Diodes;
- Sponsored research with NCKU and NCTU on digital-control-based 5kW Bridgeless PFC (power factor correction) Platform and Silicon Carbides;
- Expanded Year in Industry opportunities in our European locations through closer relationships with local universities;
- Participated in the Hsinchu Semiconductor Academic Forum to share the project results with participating students and companies.

#### STEAM Initiatives - Europe

 Several of our employees in the Oldham manufacturing site serve as STEAM Ambassadors and partner with local schools supporting pupils, mentoring and helping to deliver curriculum and project work;

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- Our facility in Oldham, UK sponsored and became a key partner of 'The Oldham Pledge'—partnering with participating local schools on the world of work for students within the Oldham community;
- Bronze Cadet Project—Diodes supported and sponsored a team of students in a chosen project as part of a UK national competition. The 2023 project was focused on an application that reduces carbon footprint. Diodes is a key sponsor of this program, and our engagement supported local schools and colleges promoting STEAM initiatives while helping students to develop key skills for learning, life, and work, and to inform their subject choices and future career paths. This also allows Diodes to engage with local schools, raise our profile, inspire the next STEAM generation, and engage with the future talent pipeline;
- In the UK, Diodes worked with 'Positive Steps' career advisors for young people. These included on-site school visits, a tour of the site, and discussions on employability skills;
- At the Big Bang fairs in Oldham, our Sales Development Representative led a competition for younger students on gowning up in clean-room attire while her colleague, a Process Engineer, led a match game with prizes for the winners;



work/school life:

• Career-ready mentoring program for local school pupils in the UK. This was an 18-month long program in which Diodes employees supported and provided mentoring to young people to help, support,

and advise them on working life, career opportunities, and general

- Apprenticeship week in the UK was celebrated by attending events with local high schools and engaging with young people about careers within the industry as well as apprenticeship opportunities. These events were supported by current Diodes apprentices.



SUPPLY CHAIN



2023 saw the next stage in the program where our Greenock facility welcomed our 8 mentees for their 4-week paid work experience.

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Our Greenock team supported Scottish Apprenticeship Week 2023.

## International Women's Day

As part of 'International Women's Day' our Greenock facility hosted an event on site for female school pupils from Invercivde which involved a tour of the fab and career discussions. We worked with Developing the Young Workforce (DYW). During this event, our female employees spoke about their careers to date within the STEM industry and how important it is to have female leadership and role models within STEM to inspire the next generation.



Over 20 school pupils attended an event on-site in Greenock with their DYW coordinators

Over 20 school pupils attend a showcase onsite in Greenock with their DYW coordinators and the feedback was...

**I** Thank you, Shona & the team, at Diodes Incorporated GFAB for putting on a great event for #iwd2023 - and indeed thank you for all you do supporting young people helping to develop your future workforce. Supporting FA, MA, & GA apprenticeships. Outstanding!

Bob Davidson, Director at DYW West

SOCIAL RESPONSIBILITY

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*A great insight into what STEM opportunities and routes are* available at the company. Clydeview Academy pupils have left feeling inspired and reassured that there's no wrong path.

Savannah Anotonie, DYW Coordinator at Clydeview Academy

#### STEAM Initiatives - Asia/US

- In Asia, our manufacturing facility in Shanghai launched a partnership with the Shanghai Technical Institute of Electronic & Information. The goal was to establish a modern apprenticeship program that benefits both students and our industry. Over 80 students majoring in Integrated Circuit Technology and Applied Electronics visited our facility and gained a preliminary understanding of its operations and culture;
- The South Portland manufacturing site sponsored the robotics team via the Diodes Foundation; students came on site to demonstrate their robot with the site's team. This facility also attended a number of local careers fairs focusing on STEAM high school students and presenting career opportunities in our industry;
- As a key sponsor of the Dallas chapter of the Chinese Institute of Engineers (CIE) and as part of our community outreach and STEAM (Science, Technology, Engineering, Arts, & Mathematics) support, Diodes supported a mentoring workshop to benefit young professionals in the Dallas / Fort Worth area;

to strengthen the business community. As part of its membership, three employees from our Plano office participated in the DRC's Young Professionals (YP) organization. This particular program is a first for Diodes and one that underscores the company's ongoing commitment to employees and their development as professionals, as well as community contributors;
Diodes is a long-time supporter of the Chinese Institute of Engineering (CIE) Dallas-Fort Worth Chapter and in 2023 sponsored its Annual Convention. Pooya Forghani, vice president and division general manager of the Power Management Products, Analog Business Group at the Company, served as the moderator for Technical Executive

Diodes continues to expand community outreach and professional

development opportunities for employees through the company's

membership in the Dallas Regional Chamber (DRC). Named as the

National Chamber of the Year in 2022, the DRC champions economic

development and regional growth, working with member companies

COMPANY PROFILE

Forum—Technical Fusion—Artificial Intelligence in Action at the 2023 Annual Convention. In addition, Diodes supports CIE's Young Achiever Awards, which encourages 10th and 11th graders to achieve high academic performance, develop leadership skills, develop a strong interest in science, and excel in extracurricular and community volunteer activities.

## Spotlight on our European Manufacturing Sites:

- In 2023, we continue to promote staff wellness initiatives including cycle to work, occupational health and therapist support, cancer awareness and screening tests, well-being webinars, mental health awareness, introduction of mental health first aiders, and health promotion leaflets that are available in the occupational health clinic;
- Our manufacturing sites continue to expand their support of STEAM partnerships with local schools and universities (e.g. Hulme Grammar (Oldham), Bluecoat Academy (Oldham) and Royton & Crompton Academy (Oldham), Waterhead Academy (Oldham), Manchester University, Salford University (Manchester), St. Columba's (Gourock), and Strathclyde University (Glasgow));

- One of our young Gen Z applications engineers won the Individual Bright Sparks award, highlighting the most talented engineers in the UK electronics industry at the Electra Awards;
- On September 15, 2023, the Inverclyde Chamber of Commerce Fund awarded our wafer fabrication facility in Greenock, UK its 2023
   ICON Award for Diversity, which recognized Diodes' commitment to the diversity of the organization and the work being done around attracting women to the STEAM industry;
- Our Greenock facility was also nominated as a finalist for the Women in Industry Award by the Center for Engineering Education and Development (CeeD);
- Our Oldham facility was nominated as a finalist for the Health and Well-Being award at the Oldham Business Awards;
- Our Oldham facility was also nominated as a finalist for the Manufacturing Site of the Year at the national Tech Works awards;
- Our Oldham and Greenock facility jointly developed and launched a training program with Strathclyde University specifically designed to train and upskill our equipment technicians and to align their skills and knowledge;
- Our Oldham facility held an employee anniversary recognition event for employees who had achieved 25 years and 40 years of service.
   62 employees achieved these milestones with a combined service of approximately 1,789 years;
- Our Greenock facility also held an employee anniversary event celebrating 42 employees, who between them had 1,375 years of service;
- Our UK manufacturing sites and employees supported local communities through charity programs such as food bank donations, Mission Christmas (collecting Christmas gifts for underprivileged children in the local area), animal sanctuaries, Little Princess Trust (supporting children with cancer), and mental health/suicide awareness charities.

Spotlight on our Asia Manufacturing Sites

• OUR PEOPLE

 Our manufacturing sites in China held various employee anniversary recognition events with over 1,800 employees celebrating special recognition awards, patent awards, and long-term service awards;

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- Our assembly sites in Shanghai and Chengdu attended job fairs for people with disabilities and both successfully hired over 25 new employees from these events, providing suitable job opportunities to these individuals and allowing them opportunities for meaningful work and financial independence;
- Our manufacturing sites in Shanghai, China hosted Xin Qiao school teachers and developed a company-campus partnership;
- 30 employees in our Shanghai wafer fabrication facility participated in a reading project supporting 180 children at a local public school; this project has been ongoing for 7 years and has benefitted more than 1,000 children in the local community;



- More than 1,100 employees took part in cross-site sport meetings involving children's activities and flea markets;
- Diodes participated in one of the largest post-pandemic recruitment events hosted by the Workforce Deployment Agency, Ministry of Labor, Taiwan. This event specifically encouraged applications from seniors and people re-entering the job market.

Cross-site sports event in Asia

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# Governance

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Diodes' approach to sustainability and financial integrity is built on the foundation of an effective corporate governance structure. We integrate transparency and accountability in our corporate governance practices and incorporate sustainability into our corporate governance objectives. A strong corporate governance framework and associated practices are critical to earning and retaining the trust of our investors and other stakeholders.

We are focused on continuous improvement to develop and enhance our control mechanisms to manage risks and maximize financial returns for our stakeholders. As a company with a global footprint operating in a dynamic international marketplace, we believe robust corporate governance fosters sound and responsible decision-making; strengthens accountability, transparency, and fairness; and creates long-term sustainable values to our stakeholders.

Our corporate governance framework is guided by a Board of Directors (Board), which is comprised of a majority of independent directors. The stockholders elect the Board to oversee their interest in the long-term health of the Diodes business and its financial strength.

The Board is the ultimate decision-making body of Diodes, except with respect to those matters reserved for the stockholders by statute or by our charter.

The Board selects the senior management team, which is charged with the conduct of Diodes' business. Having selected the senior management team, the Board acts as an advisor to senior management and ultimately monitors its performance.



The Board provides oversight and counsel to the Diodes' management team and works in collaboration with the Diodes' management team to:

- establish and promote corporate strategies and monitor performance against business objectives;
- promote attention to conducting business in a sustainable, and socially and environmentally responsible manner; and
- foster and strengthen an organizational culture that is grounded in our core values—Innovation, Integrity, and Commitment.

Through our corporate governance framework, the Board exercises the authority to hold the management team accountable for good stewardship of company resources, to review and evaluate our business operations and performance against established business objectives, and to make independent decisions and recommendations that align and serve the interests of our stakeholders.

The Board and the various Committees established thereunder also provide oversight to ensure Diodes conducts business in compliance with applicable laws and the rules of the Securities and Exchange Commission (SEC) and NASDAQ.

## Our Corporate Governance Framework

• GOVERNANCE

- Certificate of Incorporation and Bylaws: these documents establish our corporate structure, the rules and procedures by which we operate, and the rights and responsibilities of shareholders, directors, and officers;
- Corporate Governance Guidelines and Related Policies: these documents establish standards of expectations to assist the Board and its committees in discharging their duties;
- Committee Charters: these documents outline the specific responsibilities for the four (4) committees established under our Board.

| Our Strong Corporate Governance Framework     |  |                                |  |                                |  |  |
|---|--|--------------------------------|--|--------------------------------|--|--|
| Board of Direc                                | Board of Directors                           |                                |  |                                |  |  |
| Governance Documents Structure                |  |                                |  |                                |  |  |
| Certificate of<br>Incorporation<br>and Bylaws | Corporate<br>Governance<br>Guidelines<br>and | Board<br>Committee<br>Charters | Governance<br>and<br>Stockholder<br>Relations<br>Committee | Risk<br>Oversight<br>Committee |  |  |
|   | Related<br>Policies                          | Charters                       | Audit<br>Committee   | Compensation<br>Committee      |  |  |

Financial Integrity, Accountability, Transparency

SUSTAINABILITY REPORT 2023

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# Our Governance Highlights

Sustainability is one of the key focus areas regularly reviewed by our Board of Directors. We have instituted a cross-functional Sustainability Steering Team to address sustainability-related risks and opportunities (please refer to Governance and Oversight on our website for additional details).

The Sustainability Steering Team provides periodic updates to the Board of Directors.

## Board's Oversight of Risk Management

- Robust standing committee structure and board self-evaluation process helps facilitate overall risk oversight;
- Active engagement with the management team to identify and assess risks related to Diodes' strategies and business models;
- Broad industry experience of the directors helps anticipate emerging and interrelated risks and facilitate effective risk control and mitigation mechanisms;
- Access to Diodes employees and independent advisors to ensure directors can effectively fulfil their duties in an informed manner;
- Rigorous Corporate Governance guidelines and policies;
- Corporate Governance Guidelines (CGG);
- Stockholder Nominating Procedures;
- Director Selection Criteria and Retirement Age Policy;
- Stock Ownership Policy and Stock Holding Policy;
- Foreign Exchange Risk Management Policy (also referred to as the Hedging Policy).



#### Diverse Board Representation

- Six (6) out of our seven (7) directors are independent directors;
- Gender, racial, & ethnic diversity reflected on the board representation;
- Three (3) female directors;
- Broad set of director skills, expertise, and industry backgrounds;
- Zero percent of the board has familial relationships with other directors;
- Limits on director over-boarding.

#### Board of Directors Diversity Profile

| Gender |   |       |
|--------|---|-------|
| Male   | 4 | 57.1% |
| Female | 3 | 42.9% |
| Total  | 7 | 100%  |

| Country of Residence |   |       |
|----------------------|---|-------|
| USA                  | 5 | 71.4% |
| Taiwan               | 2 | 28.6% |
| Total                | 7 | 100%  |

| Race  |   |       |
|-------|---|-------|
| White | 3 | 42.9% |
| Asian | 4 | 57.1% |
| Total | 7 | 100%  |

## Performance-Based Executive Compensation

 Attainment of both Diodes performance goals and individual objectives;

• GOVERNANCE

- Alignment between executive compensation and stockholder interests;
- No special grants were made to executive officers, including CEO, during the last fiscal year 2023;
- Annual compensation review and stockholder approval;
- Independent Compensation Committee and independent compensation consultant;
- Recoupment of Executive Compensation Policy.

#### Frequent Dialogues with Investors and Stakeholders

- Engagement with institutional investors at conferences, roadshows, site visits, and phone conversations;
- Communications channels available to all stockholders via Corporate Secretary;
- Active stakeholder engagement promotes transparency, accountability, and well-informed decision-making.

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# Corporate Governance Fact Sheet

The Corporate Governance Guidelines (CGG) and the other documents referenced below can be found on Diodes' Corporate Governance website at https://investor.diodes.com/corporate-governance/highlights.

| Торіс  | Response   | Reference                             |
|--|--|---------------------------------------|
| Overview   |  |                                       |
| Size of the Board  | 7  | CGG Section B(2)                      |
| Number of Independent Directors                                    | 6  | CGG Section B(1)                      |
| Number of Female Directors   | 3  | Proxy Statement                       |
| Number of Directors from Underrepresented Communities              | 5 (71.4%)  | Proxy Statement                       |
| Annual Review of Independence of Board                             | Yes, during Q2 Board meeting                                   | NASDAQ Rule 5605(b)(1)                |
| Separate Board Chair and CEO                                       | No   | CGG Section B(3)                      |
| Independent Board Chair  | No   |                                       |
| Lead Independent Director and Position Descriptions                | Yes  | CGG Section C(2)                      |
| Board Chair Position Descriptions                                  | Yes  | CGG and Bylaws                        |
| Annual Board Elections   | Yes  | CGG Section A(3)                      |
| Diverse Board (gender, ethnicity, experience, and skills)          | Yes  | See Director Selection Criteria       |
| Average Age of Directors   | 70.86  | Proxy Statement                       |
| Shareholder Ability to Call Special Meetings                       | Yes  | Bylaws, Article 1, Section 2          |
| (>50% threshold)   |  |                                       |
| Succession Planning  | Yes  | CGG Sections D(2), (3)                |
| Communications with Stakeholders and External Entities             | Yes  | CGG Section J                         |
| Committees   |  |                                       |
| Independent Audit Committee  | Yes  | CGG Section C(13)                     |
| Independent Governance and Stockholder Relations Committee         | Yes  | CGG Section C(13)                     |
| Independent Compensation Committee                                 | Yes  | CGG Section C(13)                     |
| Risk Oversight Committee which oversees risk management<br>process | Yes  | CGG Section E(10)                     |
| Compensation Consultant Independence Policy                        | No, but related<br>factors are accounted<br>for in the Charter | See Compensation Committee<br>Charter |
| Disclosure Committee for Financial Reporting                       | Yes  | Disclosure Committee Charter          |
| Number of Board Meetings Held in FY 2023                           | 4  | Proxy Statement                       |
| Independent Directors Hold Meetings Without Management<br>Present  | Yes  | CGG Section C(5)                      |
| Board Meeting and Committee Meeting Attendance Requirements        | Yes  | CGG Section C(7)                      |

| Торіс  | Response                  | Reference   |
|--|---------------------------|---|
| Directors  |                           |   |
| Proxy Access for Director Nominations  | Yes                       | See Stockholder Nominating<br>Procedures  |
| Tenure Policy for Independent Directors  | No                        | CGG Section B(6)  |
| Mandatory Retirement Age   | 75                        | CGG Section B(6)  |
| Annual Equity Grant to Non-Employee Directors  | Yes                       | Bylaws, Article 2, Section 5;<br>Stock Ownership Policy and<br>Stock Holding Policy |
| Directors Elected by the Highest Number of   | Yes                       | Bylaws, Article 2, Section 5;   |
| Votes Cast in Uncontested Elections  | Yes                       | Bylaws, Article 1, Section 5  |
| Director Selection Criteria  | Yes                       | See Director Selection Criteria   |
| Annual Compensation Review   | Yes                       | CGG Section B(5)  |
| Director Resignation Policy  | Yes                       | CGG Section K   |
| Director Over-Boarding Limits  | Yes (no more than 4 other | CGG Section B(5)  |
| Director Orientation and Education Program   | Yes                       | CGG Section B(7)  |
| Governance Documents   |                           |   |
| Corporate Governance Guidelines Approved by the Board                                | Yes                       | CGG Preamble; See Corporate<br>Governance Guidelines                                |
| Committee Charters   | Yes                       | CGG Section E(2);<br>See Committee Charters   |
| Stock Ownership Policy and Stock Holding Policy                                      | Yes                       | CGG Section G   |
| Code of Business Conduct   | Yes                       | CGG Section I(1); See Code of<br>Business Conduct                                   |
| Finance Code of Professional Conduct<br>(Ethics Code for CEO and Finance Department) | Yes                       | CGG Section I(1); See Code of Ethics<br>for CEO and Finance Department              |
| Policy Regarding Recoupment of Executive Compensation                                | Yes                       | See Policy Regarding Recoupment<br>of Executive Compensation                        |
| Stockholder Nominating Procedures  | Yes                       | See Stockholder Nominating<br>Procedures  |
| Poison Pill  | No                        |   |
| Evaluations  |                           |   |
| Annual Board Evaluations   | Yes                       | CGG Section C(11)   |
| Annual Committee Evaluations   | Yes                       | CGG Section E(11); Committee<br>Charters  |

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APPENDIX

# Communications with Stakeholders

The Chairman and CEO is responsible for establishing effective communications with Diodes' stakeholders, i.e. stockholders, customers, company associates, communities, suppliers, creditors, governments, and corporate partners. The Board believes that the stockholders should have the ability to send written communications to the chair of any Committee, or to our independent directors as a group.

Communications relating to any topic should be addressed as follows:

#### Chairman of the Board

c/o Richard Dallas White, Corporate Secretary Diodes Incorporated 4949 Hedgcoxe Road, Suite 200 Plano, Texas 75024 United States of America

The Chairman of the Board will review all relevant communications with the Board.

Communications are distributed to the Board of Directors, or to any individual director, depending on the facts and circumstances set forth in the communication. In that regard, the Board of Directors has requested that certain items that are unrelated to the duties and responsibilities of the Board of Directors should be excluded, including the following: junk mail and mass mailings, product complaints, product inquiries, new product suggestions, resume and other forms of job inquiries, surveys, and business solicitations or advertisements. In addition, material that is unduly hostile, threatening, illegal, or similarly unsuitable will not be distributed, with the provision that any communication that is not distributed will be made available to any independent director upon request. Communications that include information better addressed by the complaint hotline supervised by the Audit Committee will be delivered to the hotline.



## Investor Contacts

#### Company Contact

Gurmeet Dhaliwal Director, Investor Relations and Corporate Marketing Diodes Incorporated 4949 Hedgcoxe Road, Suite 200 Plano TX 75024

Phone: 408-232-9003 E-mail: <u>gurmeet\_dhaliwal@diodes.com</u>

Interested investors can contact our transfer agent for more information.

#### **Continental Stock Transfer & Trust Company** 17 Battery Place, 8th Floor New York, NY 10004

Phone: 212-509-4000 E-mail: <u>cstmail@continentalstock.com</u>

Additional information can be found on the Investors page of our corporate website at <a href="https://investor.diodes.com/">https://investor.diodes.com/</a>. Interested stakeholders can sign up for e-mail alerts at <a href="https://investor.diodes.com/email-alerts">https://investor.diodes.com/</a>. Interested stakeholders can sign up for e-mail alerts at <a href="https://investor.diodes.com/email-alerts">https://investor.diodes.com/</a>. Interested stakeholders can sign up for e-mail alerts at <a href="https://investor.diodes.com/email-alerts">https://investor.diodes.com/</a>. Interested stakeholders can sign up for e-mail alerts at <a href="https://investor.diodes.com/email-alerts">https://investor.diodes.com/email-alerts</a> to automatically receive Diodes' financial and stock information, SEC filings, and news alerts by email.



APPENDIX

# Sustainability Accounting Standards Board (SASB) Framework

We strive to align our disclosures with the framework provided by the Sustainability Accounting Standards Board (SASB) for the Technology and Communications Sector specific to the semiconductor industry ("SASB Standards"). As we continue to collate information required under the SASB Standards for the various accounting metrics, we will publish additional disclosures as part of our efforts to provide transparency and accountability to our stakeholders.

#### Reporting Period: January 1 - December 31, 2023

| Торіс   | Code         | Accounting Metric   | Unit of Measure                                  | Diodes Disclosure  |
|---|--------------|---|--|--|
|   | TC-SC-110a.1 | (1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds  | Metric tons (t)<br>CO2-e                         | Environment/Greenhouse Gas<br>Emissions Management                                   |
| Greenhouse Gas<br>Emissions   | TC-SC-110a.2 | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions,<br>emissions reduction targets, and an analysis of performance against those targets | CO2-e  | In 2023, we consumed<br>1,537,994 GJ of energy.<br>Environment/Energy_<br>Management |
| Energy<br>Management in<br>Manufacturing                            | TC-SC-130a.1 | <ul><li>(1) Total energy consumed, (2) percentage grid electricity,</li><li>(3) percentage renewable</li></ul>  | Gigajoules (GJ),<br>Percentage (%)               | Environment/Energy_<br>Management  |
| Water<br>Management   | TC-SC-140a.1 | <ul><li>(1) Total water withdrawn,</li><li>(2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress</li></ul>            | Thousand cubic<br>meters (m³),<br>Percentage (%) | Environment/Water Management   |
| Waste<br>Management   | TC-SC-150a.1 | Amount of hazardous waste from manufacturing, percentage recycled   | Metric tons (t),<br>Percentage (%)               | Environment/Waste Management   |
| Employee Health   | TC-SC-320a.1 | Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards.  | N/A  | People/Employee Health, Safety<br>& Wellness   |
| & Safety  | TC-SC-320a.2 | Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations  | Reporting<br>currency                            | People/Employee Health, Safety<br>& Wellness   |
| Material Sourcing   | TC-SC-440a.1 | Description of the management of risks associated with the use of critical materials  | N/A  | Supply Chain/ Responsible Use<br>of Materials and Chemicals in our<br>Products       |
| Intellectual<br>Property<br>Protection &<br>Competitive<br>Behavior | TC-SC-520a.1 | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations   | Reporting<br>currency                            | Supply Chain/Intellectual<br>Property Protection and<br>Competitive Behavior         |

Anti-Bribery and Anti-Corruption Policy

Anti-Counterfeit Policy

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California Transparency in Supply Chains Act Statement

Climate Change Policy

Code of Supplier Conduct

Corporate Governance Guidelines

Corporate Social and Environmental Responsibility Statement

Environmental Policy

Governance Highlights

Human Rights and Workforce Labor Rights Policy

Global Tax Strategy

UK Gender Pay Gap Reports

UK Modern Slavery Act Statement

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# Global Reporting Initiative (GRI) Index

Statement of use: Diodes Incorporated has reported the information cited in this GRI content index for the period Jan. 1, 2023, to Dec. 31, 2023, with reference to the GRI Standards GRI 1 used: GRI 1: Foundation 2021

| GRI standard                       | Indicator              |  | Response  |  |
|------------------------------------|------------------------|--|---|--|
|                                    | Organizat              | tion and its reporting practices                                 |   |  |
|                                    | 2-1                    | Organizational details   | Our company name is Diodes Incorporated (Nasdaq: DIOD).<br>Diodes' headquarters are 4949 Hedgcoxe Road, #200, Plano, TX 75024.<br>See our <u>global map</u>   |  |
|                                    | 2-2                    | Entities included in the organization's sustainability reporting | See our <u>SEC Form 10-K</u> , and <u>Company Profile</u> . Diodes' sustainability reporting covers all Diodes-owned entities included in the financial statements  |  |
|                                    | 2-3                    | Reporting period, frequency and contact point                    | This report is published annually based on the previous calendar year.<br>For questions about this report, please contact <u>sustainability@diodes.com</u>  |  |
|                                    | 2-4                    | Restatements of information                                      | Diodes includes restatements of information in the Revision History at the end of the report.   |  |
|                                    | 2-5                    | External assurance   | See Assurance Statement in <u>Appendix</u> . We engaged an external third-party to provide limited level assurance over <b>GHG emissions</b> metrics for the reporting year.  |  |
| GRI 2: General<br>Disclosures 2021 | Activities and workers |  |   |  |
|                                    | 2-6                    | Activities, value chain and other business relationships         | <ul> <li>(a) Sector - Semiconductor</li> <li>(b) Value chain - See Revenue-Generating Activities in our <u>SEC Form 10-K Part I</u></li> <li>(c) Relevant business relationships - See Completed and Pending Acquisitions in our <u>SEC Form 10-K, page 3</u></li> <li>(d) Significant Changes - See Completed and Pending Acquisitions in our 2023 <u>SEC Form 10-K, page 3</u></li> </ul> |  |
|                                    | 2-7                    | Employees  | Our People  |  |
|                                    | 2-8                    | Workers who are not employees                                    | Our People  |  |
|                                    | Governan               | ce   |   |  |
|                                    | 2-9                    | Governance structure and composition                             | Governance/Overview, Our Governance Highlights and Corporate Governance Fact Sheet  |  |
|                                    | 2-10                   | Nomination and selection of the highest governance body          | See Diodes' Director Selection Criteria policy and Diodes 2024 Proxy Statement  |  |
|                                    | 2-11                   | Chair of the highest governance body                             | See <u>Diodes' Board of Directors webpage</u>   |  |

| GRI standard                       | Indicator |   | Response   |
|------------------------------------|-----------|---|--|
|                                    | 2-12      | Role of the highest governance body in overseeing the management of impacts | Governance Section, Overview, Our Governance Highlights and Corporate Governance Fact Sheet  |
|                                    | 2-13      | Delegation of responsibility for managing impacts                           | Governance Section, Overview, Our Governance Highlights  |
|                                    | 2-14      | Role of the highest governance body in sustainability reporting             | Governance Section, <u>Overview</u> , <u>Our Governance Highlights</u>   |
|                                    | 2-15      | Conflicts of interest   | See Charter of the Audit Committee and Certain Relationships and Related Party Transactions in our <u>2024 Proxy Statement</u> , pg.29-30.   |
|                                    | 2-16      | Communication of critical concerns  | See <u>Social Responsibility/Business Ethics</u> for how employees can report concerns on and Diodes' <u>'Corporate Governance</u><br><u>Highlights'</u> webpage   |
|                                    | 2-17      | Collective knowledge of the highest governance body                         | See Diodes' Director Selection Criteria policy and Diodes' Charter of the Governance and Stockholder Relations Committee of Diodes Incorporated' and 'Nominating Procedures and Criteria and Board Diversity' section of 2024 Proxy Statement, pg. 14-15 |
| -                                  | 2-18      | Evaluation of the performance of the highest governance body                | See Diodes 2024 Proxy Statement, pg. 37-48   |
| GRI 2: General<br>Disclosures 2021 | 2-19      | Remuneration policies   | See Diodes Compensation Discussion and Analysis of the <u>2024 Proxy Statement</u> and <u>Exhibit 97 in Form 10-K</u> , Policy Regarding Recoupment of Executive Compensation  |
|                                    | 2-20      | Process to determine remuneration   | See Diodes Compensation Discussion and Analysis of the <u>2024 Proxy Statement</u> and <u>Exhibit 97 in Form 10-K</u> , Policy Regarding Recoupment of Executive Compensation  |
|                                    | 2-21      | Annual total compensation ratio   | See Diodes 2024 Proxy Statement, 'CEO Pay Ratio' section, pg. 53   |
|                                    | Strategy, | policies, and practices   |  |
|                                    | 2-22      | Statement on sustainable development strategy                               | An Introduction from CEO   |
|                                    | 2-23      | Policy commitments  | Commitment/Overview  |
|                                    | 2-24      | Embedding policy commitments  | Commitment/Overview and Diodes' Supplier Code of Conduct   |
|                                    | 2-25      | Processes to remediate negative impacts                                     | Social Responsibility/Business Ethics  |
|                                    | 2-26      | Mechanisms for seeking advice and raising concerns                          | Social Responsibility/Business Ethics.<br>We investigate and work to resolve all inquiries and take appropriate remedial measures.   |

| GRI standard                       | Indicator |  | Response   |
|------------------------------------|-----------|--|--|
|                                    | 2-27      | Compliance with laws and regulations   | Diodes did not receive material fines or nonmonetary sanctions related to social, economic, and environmental issues in 2023   |
|                                    | 2-28      | Membership associations  | Social Responsibility/Community Engagement   |
| GRI 2: General<br>Disclosures 2021 | Stakehold | er engagement  |  |
|                                    | 2-29      | Approach to stakeholder engagement   | Governance/Communications with Stakeholders  |
|                                    | 2-30      | Collective bargaining agreements   | Diodes does not track this information, all our global employees have freedom of association and right to collective bargaining, see <u>Diodes Human Rights and Workforce Labor Policy</u>   |
|                                    | 3-1       | 3-1 Process to determine material topics                                       | Diodes works with our stakeholders both internal and external throughout the year. We assess third-party sustainability disclosures and benchmark industry trends and best practices.  |
| GRI 3: Material<br>Topics 2021     | 3-2       | 3-2 List of material topics  | Climate, Emissions, and Energy [GRI 302, 303, 305, 306]<br>Supply Chain Management and Responsible Sourcing [GRI 308, 414]<br>Diversity, Equity, and Inclusion [GRI 405]<br>Privacy, Data Protection, and Information Security [GRI 418]<br>Waste Management and Recycling [GRI 306]<br>Employee Health, Safety, and Well-being [GRI 403]<br>Employee Development [GRI 404]<br>Global Human Rights [GRI 406, 407, 408, 409]<br>Community Engagement and Philanthropy [GRI 413]<br>Public Policy [GRI 415]<br>Customer Engagement and Satisfaction [GRI 416]<br>Ethics and Anti-Corruption [GRI 205]<br>Economic Performance and Market Presence [GRI 201, 202] |
|                                    | 201-1     | Direct economic value generated and distributed                                | Company Profile Form 10-K  |
| GRI 201: Economic Performance      | 201-2     | Financial implications and other risks and opportunities due to climate change | Form 10-K Risks Factors  |
| 2016                               | 201-3     | Defined benefit plan obligations and other retirement plans                    | <u>Our People</u><br>To ensure we are strategic in our offerings, benefits are handled at a regional level.  |
|                                    | 201-4     | Financial assistance received from government                                  | See Form 10-K, Government assistance pg.55   |
| GRI 202: Market Presence 2016      | 202-1     | Ratios of standard entry level wage by gender compared to local minimum wage   | Diodes follows the minimum standard wage regardless of gender and we pay employees above the local minimum wage in every country in which we operate. Employees are compensated based on their experience, performance, and roles/responsibilities. We are committed to providing a fair and living wage to all our employees and our employee remuneration is consistent with all applicable wage laws, including those relating to minimum wage, overtime hours, and legally mandated benefits.  |
|                                    | 202-2     | Proportion of senior management hired from the local community                 | Diodes does not track this type of data geographically. We recruit senior management across the global and promote a high percentage of leaders from within the organization.  |

| GRI standard                               | Indicato | r  | Response   |
|--|----------|--|--|
| GRI 203: Indirect Economic                 | 203-1    | 203-1 Infrastructure investments and services supported                                  | See Form 10-K, Contractual Obligations pg. 37, Commitments and Contingencies, pg. 72   |
| Impacts 2016                               | 203-2    | 203-2 Significant indirect economic impacts  | See Form 10-K, Contractual Obligations pg. 37, Commitments and Contingencies, pg. 72   |
| GRI 204: Procurement Practices<br>2016     | 204-1    | 204-1 Proportion of spending on local suppliers  | Diodes does not track supplier spending by local markets, when possible, we keep our sourcing efforts local by prioritizing purchasing from local supplier.  |
| GRI 205: Anti-corruption 2016              | 205-1    | 205-1 Operations assessed for risks related to corruption                                | Diodes' Corporate Policy on Anti-Bribery and Anti-Corruption<br>Diodes' anti-bribery and anti-corruption program applies to its worldwide operations and suppliers for risks related to<br>corruption. Our manufacturing locations are assessed for risks related to corruption through the RBA self-assessment<br>questionnaire (SAQ), RBA internal audits or RBA VAP audits. <u>Supply Chain/Supplier Management</u>       |
|  | 205-2    | 205-2 Communication and training about anti-corruption policies and procedures           | Diodes provides ethics and compliance awareness training that includes anti-corruption topics to all employees. Our <u>Anti-corruption policy</u> and <u>Code of Business Conduct</u> is available to all employees. We periodically assess and revise training programs and related efforts to reflect legal changes and support continuous compliance improvement. <u>Our People/Investment In Our Employees section</u> . |
|  | 205-3    | 205-3 Confirmed incidents of corruption and actions taken                                | Diodes investigates all reports for review and action and takes the appropriate actions. We cannot disclose information regarding number or the nature of such incidents due to specific legal prohibition as this is attorney-client privileged information.  |
| GRI 206: Anti-competitive<br>Behavior 2016 | 206-1    | 206-1 Legal actions for anti-competitive behavior, anti-trust,<br>and monopoly practices | In <b>2023, there were no legal actions</b> pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization was identified as a participant. See <u>Supply</u> <u>Chain/Intellectual Property Protection and Competitive Behavior</u> <b>section</b>  |
|  | 207-1    | 207-1 Approach to tax  | See Diodes' Global Tax Strategy  |
|  | 207-2    | 207-2 Tax governance, control, and risk management                                       | See <u>Diodes' Global Tax Strategy</u><br>See pg. 40 - Internal Control Over Financial Reporting section of Diodes' 10-K Form  |
| GRI 207: Tax 2019                          | 207-3    | 207-3 Stakeholder engagement and management of concerns related to tax                   | See <u>Diodes' Global Tax Strategy</u>   |
|  | 207-4    | Country-by-country reporting   | Diodes reports tax obligations in accordance with country-specific requirements and does not publicly disclose this information.   |
|  | 301-2    | Recycled input materials used  | Diodes does not use recycled input materials in our manufacturing process to manufacture primary products.   |
| GRI 301: Materials 2016                    | 301-3    | Reclaimed products and their packaging materials   | Environment/Waste Management   |
|  | 302-1    | Energy consumption within the organization   | Environment/Energy Management  |
| GRI 302: Energy 2016                       | 302-2    | Energy consumption outside of the organization   | At the present time, Diodes only measures and track energy usage inside the organization. We expect our third parties (including suppliers and customers) to manage and measure their own energy consumption as it's outside of the Diodes organization.   |
|  | 302-3    | Energy intensity   | Environment/Energy Management  |

| GRI standard                  | Indicator |  | Response  |
|-------------------------------|-----------|--|---|
| CDI 202: Energy 2016          | 302-4     | Reduction of energy consumption                                      | At Diodes we implement energy conservation and efficiency initiatives where appropriate. Any savings or reductions achieved are measured on an estimated annualized basis. See <u>Environment/Energy Management</u> .   |
| GRI 302: Energy 2016          | 302-5     | Reductions in energy requirements of products and services           | Social Responsibility/Sustainable Products. Diodes does not track reductions in energy requirements of sold products and services achieved.   |
|                               | 303-1     | Interactions with water as a shared resource                         | Environment/Water Management  |
| GRI 303: Water and Effluents  | 303-2     | Management of water discharge-related impacts                        | Environment/Water Management<br>Diodes' internal water-management standard includes guidelines that ensure compliance with wastewater, stormwater and<br>sewage discharge permits and other requirements. Sites monitor water quality and have procedures to manage spills or other<br>abnormalities. We report wastewater discharges and the portion of total water discharged through regulated wastewater<br>treatment points the appropriate regulatory agencies. |
| 2018                          | 303-3     | Water withdrawal   | Environment/Water Management<br>Diodes' internal water-management standard includes guidelines that ensure compliance with wastewater, stormwater and<br>sewage discharge permits and other requirements.   |
|                               | 303-4     | Water discharge  | Environment/Water Management  |
|                               | 303-5     | Water consumption  | Environment/Water Management  |
|                               | 305-1     | Direct (Scope 1) GHG emissions                                       | Environment/Greenhouse Gas Emissions Management   |
| GRI 305: Emissions 2016       | 305-2     | Energy indirect (Scope 2) GHG emissions                              | Environment/Greenhouse Gas Emissions Management   |
|                               | 305-5     | Reduction of GHG emissions   | Environment/Greenhouse Gas Emissions Management   |
|                               | 306-1     | Waste generation and significant waste-related impacts               | Environment/Waste Management  |
|                               | 306-2     | Management of significant waste-related impacts                      | Environment/Waste Management  |
| GRI 306: Waste 2020           | 306-3     | Waste generated  | Environment/Waste Management  |
|                               | 306-4     | Waste diverted from disposal   | Environment/Waste Management  |
|                               | 306-5     | Waste directed to disposal   | Environment/Waste Management  |
| GRI 308: Supplier             | 308-1     | New suppliers that were screened using environmental criteria        | Supply Chain/Supplier Management  |
| Environmental Assessment 2016 | 308-2     | Negative environmental impacts in the supply chain and actions taken | To the best of our knowledge, <b>we are not aware of any negative environmental impacts in the supply chain for 2023</b> .<br>Diodes communicates company expectations for responsible environmental performance with all its suppliers.<br>See <u>Supplier Code of Conduct</u> .   |

| GRI standard                                    | Indicator |   | Response   |
|---|-----------|---|--|
| GRI 402: Labor/Management<br>Relations 2016     | 402-1     | Minimum notice periods regarding operational changes  | Diodes operates in many countries which have differing notice period requirements for changes and complies with all legal and regulatory requirements of the local region in which it operates.  |
|   | 403-1     | Occupational health and safety management system  | Our People/Employee Health, Safety, and Wellness   |
|   | 403-2     | Hazard identification, risk assessment, and incident investigation  | Our People/Employee Health, Safety, and Wellness   |
| GRI 403: Occupational Health<br>and Safety 2018 | 403-3     | Occupational health services  | Our People/Employee Health, Safety, and Wellness   |
|   | 403-4     | Worker participation, consultation, and communication on occupational health and safety                       | Our People/Employee Health, Safety, and Wellness   |
|   | 403-5     | Worker training on occupational health and safety   | Our People/Employee Health, Safety, and Wellness   |
|   | 403-6     | Promotion of worker health  | Our People/Employee Health, Safety, and Wellness   |
|   | 403-7     | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Our People/Employee Health, Safety, and Wellness and Diodes' Supplier Code of Conduct  |
|   | 403-8     | Workers covered by an occupational health and safety management system  | Our People/Employee Health, Safety, and Wellness   |
|   | 403-9     | Work-related injuries   | Our People/Employee Health, Safety, and Wellness   |
|   | 404-1     | Average hours of training per year per employee   | Our People/Investment in Employees   |
| GRI 404: Training and<br>Education 2016         | 404-2     | Programs for upgrading employee skills and transition assistance programs                                     | Employees take part in a variety of development opportunities throughout their careers.  |
|   | 404-3     | Percentage of employees receiving regular performance and career development reviews                          | Diodes encourages goal setting, including performance and development goals and formal performance reviews twice a year to confirm employees understand their own goals and manager expectations. All eligible employees receive a mid-year and end-year performance review. |
| GRI 405: Diversity and Equal                    | 405-1     | Diversity of governance bodies and employees  | Governance/Our Governance Highlights   |
| Opportunity 2016                                | 405-2     | Ratio of basic salary and remuneration of women to men  | <u>Our People</u>  |
| GRI 406: Non-discrimination<br>2016             | 406-1     | Incidents of discrimination and corrective actions taken  | Diodes investigates all reports for review and action and takes the appropriate actions.<br>We cannot disclose information regarding number or the nature of such incidents for confidentiality reasons.   |

| GRI standard   | Indicator |  | Response  |
|--|-----------|--|---|
| GRI 407: Freedom of<br>Association and Collective<br>Bargaining 2016 | 407-1     | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Diodes work with its suppliers in countries where the risk of violating labor and human standards is recognized as being higher. We require suppliers to complete self-assessment questionnaires, provide training and conduct onsite verification. If any risk is identified, we work closely with the suppliers through corrective action plans. If the nonconformance is not adequately addressed by the supplier in a timely fashion, we may choose to terminate our contract with the supplier. For more information, see our <u>Human Rights and Workforce Labor Policy</u> and <u>Supplier's Code of Conduct</u> . |
| GRI 408: Child Labor 2016  | 408-1     | Operations and suppliers at significant risk for incidents of child labor                                      | Diodes work with its suppliers in countries where the risk of violating labor and human standards is recognized as being higher. We require suppliers to complete self-assessment questionnaires, provide training and conduct onsite verification. If any risk is identified, we work closely with the suppliers through corrective action plans. If the nonconformance is not adequately addressed by the supplier in a timely fashion, we may choose to terminate our contract with the supplier. For more information, see our <u>Human Rights and Workforce Labor Policy</u> and <u>Supplier's Code of Conduct</u> . |
| GRI 409: Forced or Compulsory<br>Labor 2016                          | 409-1     | Operations and suppliers at significant risk for incidents of forced or compulsory labor                       | Diodes work with its suppliers in countries where the risk of violating labor and human standards is recognized as being higher. We require suppliers to complete self-assessment questionnaires, provide training and conduct onsite verification. If any risk is identified, we work closely with the suppliers through corrective action plans. If the nonconformance is not adequately addressed by the supplier in a timely fashion, we may choose to terminate our contract with the supplier. For more information, see our <u>Human Rights and Workforce Labor Policy</u> and <u>Supplier's Code of Conduct</u> . |
| GRI 410: Security Practices 2016                                     | 410-1     | Security personnel trained in human rights policies or procedures  | Diodes has in-house security personnel and in some of our locations we also engage with third-party organizations to provide security related services to Diodes. Our in-house security personnel receive the standard corporate-wide online compliance training which includes ethics, code of conduct and human rights components. We expect our third-party security service providers to adhere to our <u>Human Rights Policies</u> and <u>Our Supplier Code of Conduct</u> which also includes human rights components   |
| GRI 411: Rights of Indigenous<br>Peoples 2016                        | 411-1     | Incidents of violations involving rights of indigenous peoples   | To the best of our knowledge, there have been no identified incidents of violations involving the rights of Indigenous peoples during the reporting period.   |
| GRI 413: Local Communities   | 413-1     | Operations with local community engagement, impact assessments, and development programs                       | Diodes engages with local communities at all of our global sites through workplace giving programs and employee volunteerism, see <u>Social Responsibility/Community Engagement.</u>  |
| 2016   | 413-2     | Operations with significant actual and potential negative impacts on local communities                         | Diodes does not have operations with significant actual and potential negative impacts on local communities.  |
|  | 414-1     | New suppliers that were screened using social criteria   | Diodes expects our suppliers to adhere to Supplier Code of Conduct and Human Rights and Workforce Labor Policy  |
| GRI 414: Supplier Social<br>Assessment 2016                          | 414-2     | Negative social impacts in the supply chain and actions taken  | Diodes works closely with our suppliers to ensure there are no negative social impacts from our supply chain. If negative social impacts are identified within our supply chain, we work with our suppliers to address those issues through corrective action plans. see <u>Diodes Human Rights and Workforce Labor Policy</u>  |
| GRI 415: Public Policy 2016  | 415-1     | Political contributions  | Commitment/Overview   |
| GRI 416: Customer Health and   | 416-1     | Assessment of the health and safety impacts of product and service categories                                  | Supply Chain/Responsible Use of Materials and Chemicals in Our Products   |
| Safety 2016  | 416-2     | Incidents of non-compliance concerning the health and safety impacts of products and services                  | In 2023, there were no legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization was identified as a participant.  |

| GRI standard                            | Indicator |  | Response  |  |
|---|-----------|--|---|--|
| GRI 417: Marketing<br>and Labeling 2016 | 417-1     | Requirements for product and service information and labeling                                | Diodes' objective is to comply with all regulations and import/export laws. We comply with labeling requirements of JEDEC standard JESD97, all shipping labels show whether the products are under restriction on hazardous substances (RoHS) compliant/Pb-free. Our labeling also indicates information regarding hazardous material to comply with the China RoHS directive. see <u>Diodes Quality website</u>                                    |  |
|   | 417-2     | Incidents of non-compliance concerning product and service information and labeling          | To the best of our knowledge, we have not received fines or non-compliance with regulations and/or voluntary codes concerning product and service information and labeling.   |  |
|   | 417-3     | Incidents of non-compliance concerning marketing<br>communications                           | To the best of our knowledge, we are not aware of any noncompliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.   |  |
| GRI 418: Customer<br>Privacy 2016       | 418-1     | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Diodes investigates and evaluates all potential breaches or privacy concerns as soon as become beware of them.<br>Diodes does not report or publish information about individual concerns and/or allegations. In the event of any material<br>breach or data breach concern we will report or disclose concerns as required by applicable legal or regulatory requirements.<br>See <u>Social Responsibility/Cybersecurity and Data Protection</u> . |  |

# Revision History

#### Publication Date: July 2024

| Number | Revision  | Request Date |
|--------|---|--------------|
| 0.     | 2023 Sustainability Report Document Initial Release | 07/16/2024   |
| 1.     | Added clarifying statements on pages 9 and 30       | 08/28/2024   |
| 2.     | Removed redundant sentence on page 50               | 10/01/2024   |
|        |   |              |

ENVIRONMENT

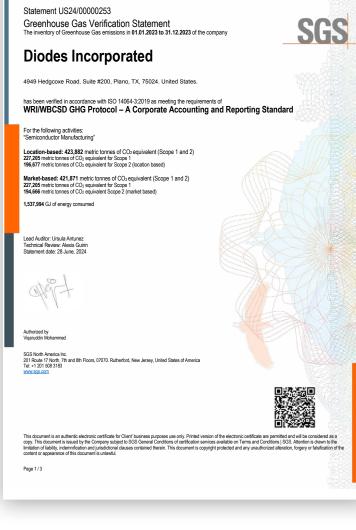
Roles and Responsibilities

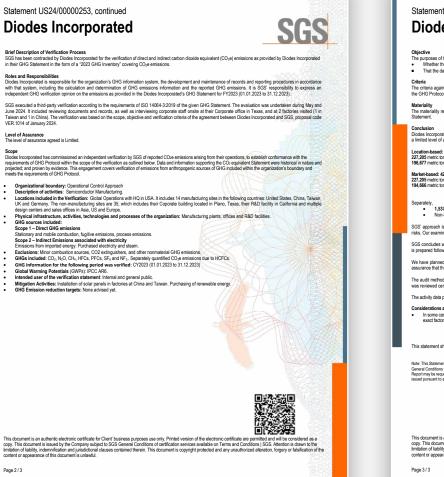
VER.1014 of January 2024.

GHG sources included

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## External Assurance Statement





Statement US24/0000253, continued SGS **Diodes Incorporated** The purposes of this verification exercise are, by review of objective evidence, to independently review: Whether the CO<sub>2</sub> equivalent emissions are as declared by the organization's GHG Statement That the data reported are accurate complete consistent transparent and free of material error or omission The criteria against which the verification was carried out are the requirements of the WRIWBCSD GHG Protocol – "Corporate Accounting and Reporting Standard and the GHG Protocol". The materiality required of the verification was considered by SGS to be below 10% for limited level of assurance, based on the needs of the intended user of the GHG Concession Diodes Incorporated provided the GHG Statement based on the requirements of the GHG Protocol for the period 01.01.2023 to 31.12.2023, which was verified by SGS to a limited level of assurance, consistent with the agreed verification scope, objectives and criteria, as follows: Location-based: 423,882 metric tonnes of CO2 equivalent (Scope 1 and 2) 227,205 metric tonnes of CO2 equivalent for Scope 1 196,677 metric tonnes of CO2 equivalent for Scope 2 (location based) Market-based: 421.871 metric tonnes of CO2 equivalent (Scope 1 and 2) 227,205 metric tonnes of CO<sub>2</sub> equivalent for Scope 1 194,666 metric tonnes of CO<sub>2</sub> equivalent Scope 2 (market based) 1,537,994 GJ of energy consumed. Non-Kyoto GHG emissions (due to HCECs) were 796 metric tonnes of CO<sub>2</sub> equivalent SGS' approach is risk-based, drawing on an understanding of the risks associated with modeling GHG emission information and the controls in place to miligate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the emissions reporting. SGS concludes with a limited level of assurance that the presented CO<sub>2</sub>e Statement is materially correct and is a fair representation of the CO<sub>2</sub>e data and information and is prepared following the requirements of the criteria. SGS concludes that the data is accurate, complete, consistent, transparent and free from material error or omission. We have planned and carried out our work to obtain the information, explanations and evidence that we have considered necessary to conclude with a limited level of assurance that the GHG emissions for the period 01.01.2023 to 31.12.2023 are fairly declared. The audit methods used were interviews and on-site inspections, as well as the review of documentation and records. Data, calculations, and evidence for all locations vas reviewed centrally onsite at the Corporate office in Texas The activity data presented is based on calculations and estimates, which are explained in the organization's report Considerations and Limitations In some cases, process emissions were using IPCC default factors and assumptions. For the principle of precision, it would be appropriate performing tests to determine exact factors. This statement shall be interpreted with the "GHG Report" of the organization, as a whole. Note: This Statement is issued, on behalf of Client, by SGS North America Inc. - 201 Route 17 North, 7th and 8th Floors, 07070. Rutherford, New Jersey, United States of America. ("SGS") under its General Conditions for GHG Validation and Verification Services. The findings recorded hereon are based upon an audit performed by SGS. A full copy of this statement and the supporting GHG Report may be requested to Dioded Interported This Statement does not relieve. Client from computer with any publicity. Statement and the supporting CHG state dynamic to sub regulations. Stylucians to the contrary ere or buding on SSG and State hare not encoulding version at a tors of a state of the full client. This document is an authentic electronic certificate for Client' business purposes use only. Printed version of the electronic certificate are per This occument is a national backford carries to clear the spiple of the content or appearance of this document is unlawful

GOVERNANCE

Please click here for the External Assurance Statement.



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