

2022

Sustainability Report



DIODES
INCORPORATED

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1 | AN INTRODUCTION FROM OUR CHAIRMAN, PRESIDENT, AND CEO

As an international semiconductor company with a global footprint, Diodes Incorporated (Diodes) and its worldwide subsidiaries are committed to prioritizing our stakeholders—customers, shareholders, employees, suppliers, and the communities in which we operate. We recognize the role we play in society and are committed to maintaining a sustainable and successful business over the long term by taking a stakeholder-oriented approach.

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.

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.

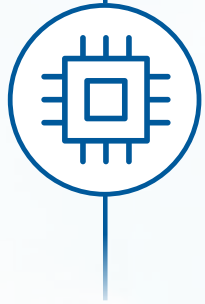
Sincerely,

Dr. Keh-Shew Lu

Chairman, President, and Chief Executive Officer,
Diodes Incorporated

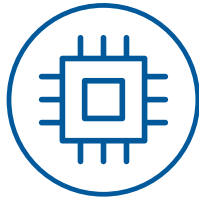
“Our sustainability efforts are built on the foundation of our core values – integrity, commitment, and innovation.”





2 | COMPANY PROFILE















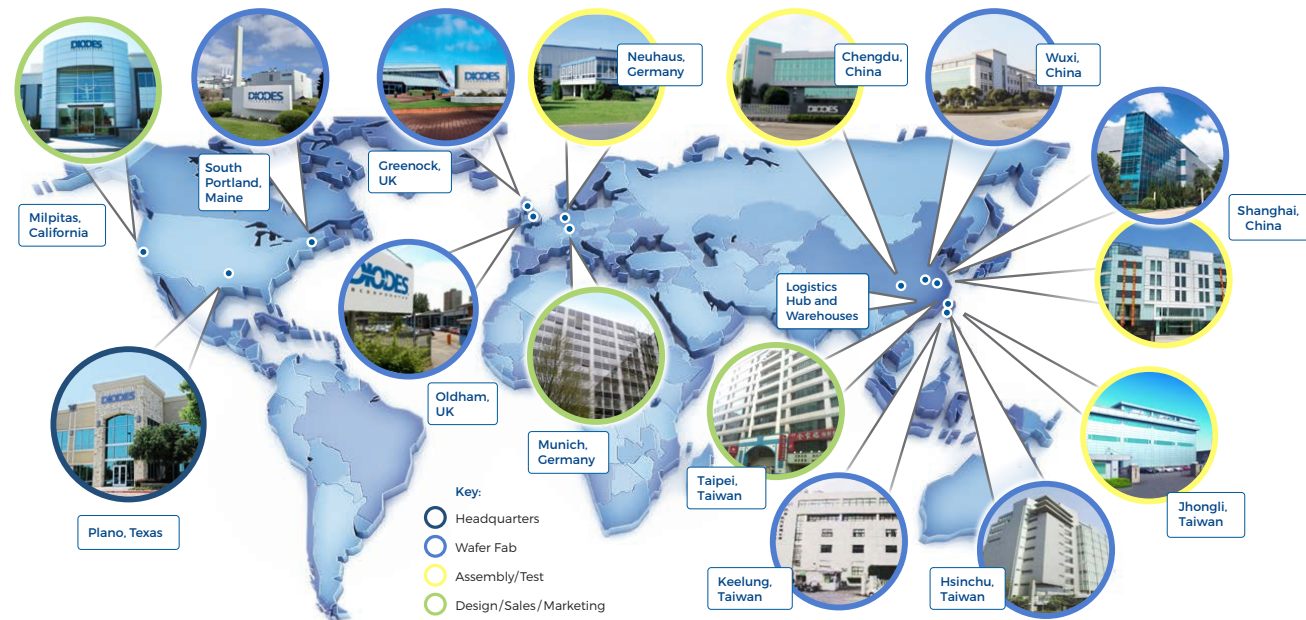
COMPANY PROFILE

Diodes Incorporated (Nasdaq: DIOD), a Standard and Poor's SmallCap 600 and Russell 3000 Index company, 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 application-specific solutions and solutions-focused sales, coupled with worldwide operations in 32 sites, including engineering, testing, manufacturing, and customer service, enables us to be a premier provider for high-volume, high-growth markets.

Diodes' corporate headquarters and Americas' sales offices are located in Plano, Texas, and Milpitas, California. Design, marketing, and engineering centers are located in Plano, Milpitas, U.S.; Taipei, Taoyuan City, Zhubei City, Taiwan; Shanghai, Yangzhou, China; Oldham, England; and Neuhaus, Germany. Diodes' wafer fabrication facilities are located in South Portland, Maine, U.S.; Oldham, Greenock, UK; Shanghai and Wuxi, China; and Keelung and Hsinchu, Taiwan.

Diodes has assembly and test facilities located in Shanghai, Chengdu, and Wuxi, China; Neuhaus, Germany; and Zhongli and Keelung, Taiwan. Additional engineering, sales, warehouse, and logistics offices are located in Taipei, Taiwan; Hong Kong; Oldham, UK; Shanghai, Shenzhen, Wuhan, and Yangzhou, China; Seongnam-si, South Korea; and Munich, Frankfurt, Germany; with support offices throughout the world.

	Years in business	64		Percent of 2022 revenue from Automotive/Industrial	42%
	Consecutive years of profitability	31		Number of products	>28K
	Number of locations worldwide	32		Number of units shipped in 2022	50Bn
	Number of employees	~9K		Number of customers	>50K
	Annual revenue in 2022	2Bn		Stock symbol	DIOD





3 | COMMITMENT



COMMITMENT Overview

Our commitment to sustainability is represented in our core values of **Integrity, Commitment, and Innovation**. 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 long-term, 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 2022 reporting year, the amount of financial contributions made on political advocacy or to political organizations and political campaigns 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 tax-exempt 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.

Stakeholder Engagement

Our decision to support sustainability influences our company operations worldwide: responsible manufacturing, the health and safety of employees, local compliance, quality standards, human resource and human capital management, research and development, product innovation, supply chain management, business ethics, investor relations, and corporate citizenship. We engage with our stakeholders; specifically employees, customers, and investors; for feedback on our sustainability efforts.

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 stakeholders. 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.

Code of Conduct

We align our business practices and operations with the Code of Conduct published by the Responsible Business Alliance (RBA), formerly the Electronic Industry Citizenship Coalition (EICC), a leading industry coalition dedicated to corporate social responsibility in global supply chains.



Responsible Business Alliance

Advancing Sustainability Globally

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.

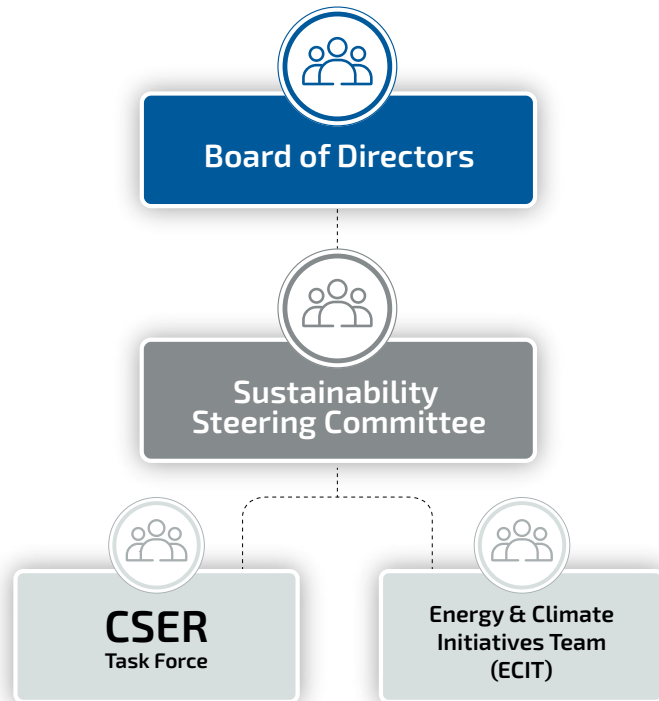
The RBA Code of Conduct seeks to ensure workers are treated with respect and dignity, and that business operations are environmentally responsible and ethically conducted. The RBA Code of Conduct is in alignment with the **UN Guiding Principles on Business and Human Rights** and is based on international 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' quality standards and procedures. Please refer to [Awards and Recognitions](#) for the RBA recognitions awarded to our manufacturing sites.

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 Sustainability Steering Committee periodically (at least three times a year) reports to the Board regarding Diodes' sustainability-related strategies, policies, initiatives, and disclosures.

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 Chief Operating Officer, 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 climate-related 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.

With oversight and support from the Board, we have developed and implemented 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.

Responsible Disclosures

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 the **Task Force on Climate-related Financial Disclosures (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 **Sustainability Accounting Standards Board (SASB)** for the Technology and Communications Sector specific to the semiconductor industry (“SASB Standards”), and use them as guidance in our development of disclosures. The SASB Standards are maintained by the Value Reporting Foundation.



We focus our disclosures on the key sustainability issues identified by **SASB Materiality Map®** 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. The information 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 compliance@diodes.com.

SASB Sustainability Disclosure Topics and Accounting Metrics

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”).

Please see [this mapping of how our latest disclosures align with the SASB Standards](#).

The SASB Standards are maintained by the Value Reporting Foundation.

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, formerly the Electronic Industry Citizenship Coalition (EICC), 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 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 is the world’s largest industry coalition dedicated to corporate social responsibility in global supply chains.



United Nations Global Compact Principles Index

The [United Nations Global Compact](#) 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.

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

Awards and Recognitions

At Diodes, we set high performance targets for our business operations, and continuous improvement is at the core of our day-to-day activities. We are appreciative of awards, recognitions, and honors 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 2022:



Commitment

- Silver Status awards from the Responsible Business Alliance (RBA) for timely and comprehensive response to audits conducted on the Environment, Health and Safety, and Human Resources functions at our assembly and test sites in Shanghai.
- Certificate of Honor, Outstanding Contribution Enterprise commemorating Diodes' 30 years of participation as a member of the Songjiang, China Economic and Technological Development Zone.
- Excellent Foreign-Invested Enterprise award, Advanced Two New Party Organizations award, and Taxpayer Silver Enterprise award from People's Government of Dongjing Town, Songjiang District, Shanghai.
- Strategic Cooperation Award from [Sunwoda](#), a battery-manufacturing company in recognition of Diodes as its strategic supplier.
- Outstanding Supplier Award from [Sungrow Power](#), a photovoltaic-inverter company, acknowledging Diodes' performance as a supplier partner.



Environment

- Recognized as an exemplary enterprise in the 2022 Shanghai Municipal Industrial Water Recycling and Rainwater Utilization Evaluation.
- Awarded third prize in the Industrial Water Recycling Category by the Shanghai Water Authority (Shanghai Municipal Oceanic Bureau) Labor Union, Shanghai Municipal Water Conservation Office and Shanghai Municipal Water Supply Management Affairs Center.
- Recognition in 2022 for energy conservation and emissions reductions made in 2021 by the Ministry of Industry and Information Technology.



Supply Chain

- "Most Resilient Suppliers in the High-Tech Industry" recognition based on the company's high degree of transparency and ongoing collaboration with original equipment manufacturers (OEMs). The ranking was conducted by Resilinc, a global supply-chain management company.
- "SONY Green Partner" certification from the SONY Corporation as part of its Green Partner Environmental Quality Approval program to help maintain and improve the environmental safety and quality of distributed parts and materials.



Social Responsibility

- 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.
- Certification for the Integration of Informatization and Industrialization Management System from Thayer Certification Center.



People

- Outstanding Community Service award from the Chinese Institute of Engineers (CIE/USA, Dallas-Fort-Worth Chapter).
- ICON Award for Skills Development in recognition of the company's employee development initiatives, and creating opportunities and a solid framework to support a learning environment, from the Inverclyde (Scotland) Chamber of Commerce.
- Women in Industry Award and the Skills Development Award nominee, by the Center for Engineering Education and Development (CEED) in the UK.
- For additional awards and recognitions we received in the recent years, please [click here](#).



4 | ENVIRONMENT





ENVIRONMENT Overview

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 and to help minimize the environmental impact of our supply chain.

For our commitments to environmental sustainability, please refer to our [Environmental Policy](#) and [Climate Change Policy](#).

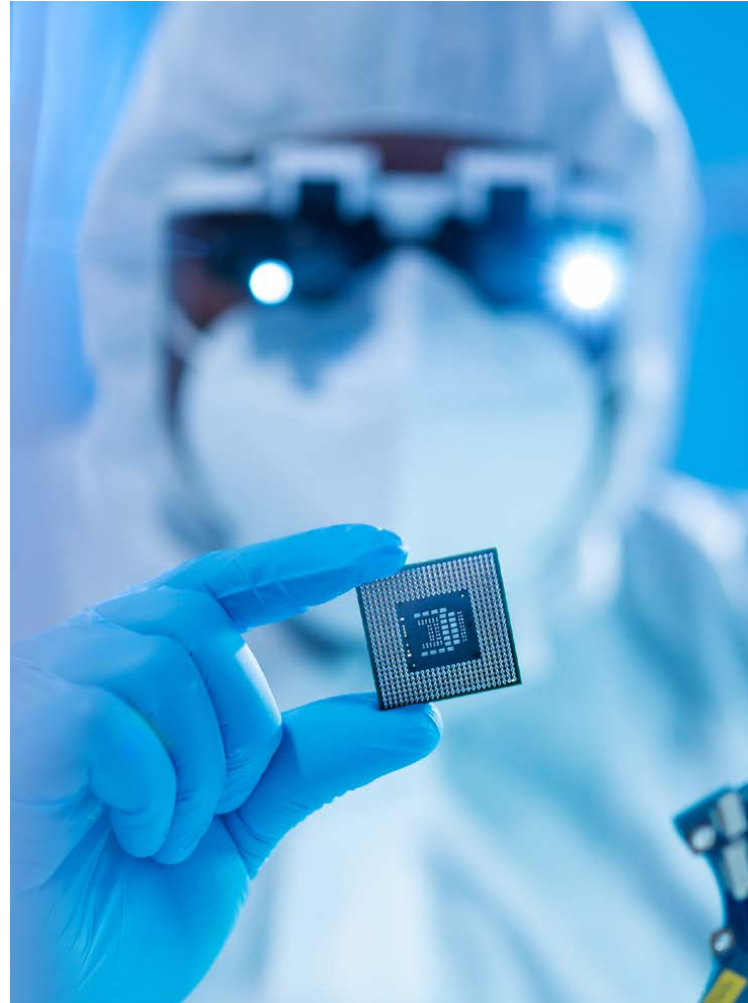
We expect our suppliers and vendors to also subscribe to standards and commitments described in these policies so that we collectively manage a responsible supply chain. As such, Diodes has based its [Code of Supplier Conduct](#) on the [Responsible Business Alliance \(RBA\) Code of Conduct](#) to help 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.

ISO 14001 Environmental Management System

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.

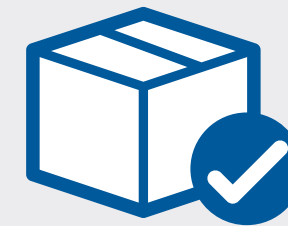
[Click here for Diodes Certifications.](#)



We enforce rigorous product compliance with **the EU Directive regarding the Restriction of Hazardous Substances (RoHS) 2011/65/EU** and the **REACH Directive 2006/1907 on the Registration, Evaluation, Authorization, and Restriction of Chemicals.**

We provide customers with information on the chemical composition of the materials used in our semiconductor products, as further described in our master [Certificate of Compliance \(master CofC\)](#).

DIODES' PRODUCT COMPLIANCE



REACH
Compliant



RoHS
Compliant

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



Diodes is also committed to conflict-free sourcing of tin, tantalum, tungsten, and gold—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 Democratic Republic of Congo (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. Diodes requires its suppliers to undertake reasonable due diligence with their supply chains to assure that these metals are not being sourced from the DRC or adjoining countries, unless they are purchased from smelters or refiners that are listed as “conflict-free” on the Responsible Minerals Initiative (RMI) website. Diodes has surveyed its relevant suppliers of components and raw materials concerning the origins of these metals. The result of this survey, in the form of the RMI/CFSI reporting template, can be found in our [Conflict Minerals Report](#).


Resource Conservation Efforts

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 protection and 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 our employees reside. Consistent with our commitment to environmental stewardship, and as reflected in our company [Code of Business Conduct](#), we have policies and processes in place that incorporate assessment of environmental impact as part of our business decision making process.

With a continual focus on resource-use efficiencies, we reuse and recycle resources where possible, and we also adopt the following measures to provide an eco-friendly working environment:

-  Deploy light sensors in conference rooms, communal areas and individual offices
-  Use mercury-free light tubes
-  Deploy timers on building lighting and HVAC systems
-  Deploy timers on hot water boilers with reduced temperature settings from 210°F to 190°F / 98.8°C to 87.7°C. Water from these boilers is used to heat the building as well as supply sinks and showers

-  Reduce paper waste through double-sided printing default setting via our multifunction printers
-  Reduce paper usage through various electronic document storage and management systems
-  Reduce energy consumption via the sleep mode and timer setting in our eco-friendly printers
-  Reduce energy consumption via consolidated servers and removal of excess servers
-  Use recycled water for our landscaping and environment-friendly landscaping fertilizer
-  Reduce single-use plastics in cafeteria
-  Reduce landfill trash through office recycling programs and minimize use of Styrofoam™ cups
-  Reduce travel through the increased use of video conferencing technologies
-  Evaluate installation of onsite electric vehicle charging stations

Additionally, to reduce our carbon footprint and promote employee health and well-being, our Oldham wafer fabrication facility (OFAB) collaborated in partnership with [Transport for Greater Manchester](#) and installed showers and drying cabinets for those walking or cycling to work. At OFAB, we also introduced the Aviva Well-Being Mobile App, including a Digital GP (general practitioner) option. With Digital GP, our employees can access for 24 hours a day unlimited and private GP video consultations and repeat National Health Service (NHS) prescriptions with free UK delivery. Employee assistance programs, including counselling, are also available at OFAB.

Our resource conservation efforts not only contribute to overall operating cost reduction. In some instances, they 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 electricity-monitoring system and LED lighting projects.

We continue to review business opportunities and monitor local government initiatives and incentives so as to leverage innovative technologies and solutions to enhance energy cost savings and help reduce the impact on climate change and greenhouse gas emissions.



Employee Awareness and Actions



Various green teams have been formed within Diodes to further these objectives:

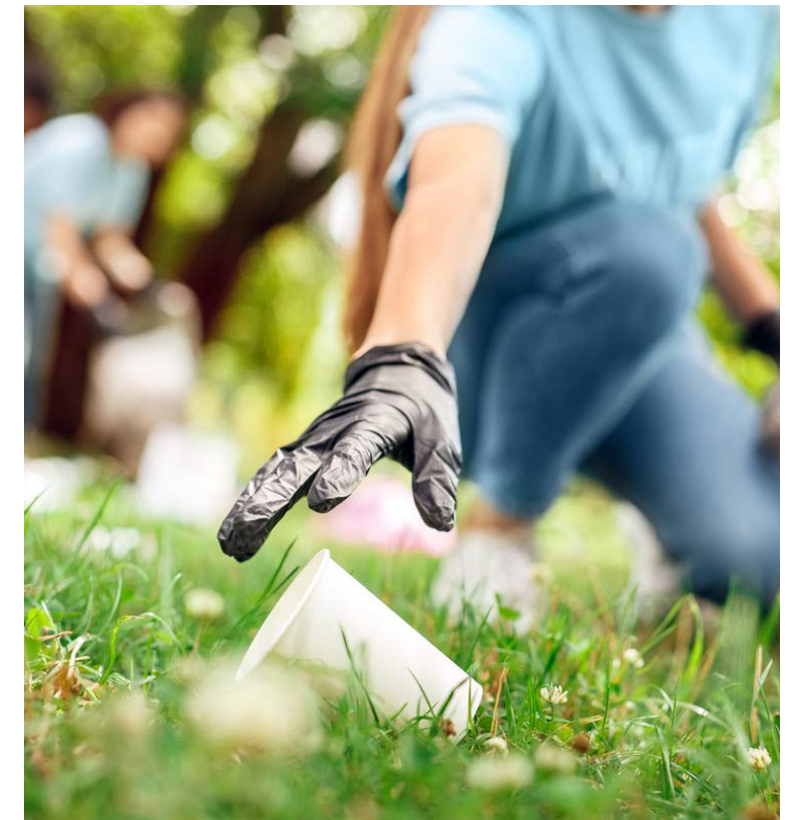
- Assist with educational opportunities that raise awareness of the environmental impact our operations have on our communities, and inspire commitment to a sustainable business;
- Identify actions our employees can take to help reduce their environmental footprint and protect our planet, and increase 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 efficient and eco-friendly, and less wasteful.

For example, our manufacturing site in Oldham, U.K. deployed three independent green teams at different organizational levels to help create and drive positive environmental change within that site.

1. **Environmental Steering Committee** – manages ISO14001 (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
3. **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 greenhouse gas (GHG) emissions, and drives related improvement projects for the site.

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

- **Reduction in electrical and water usage** via the monitoring of plant and equipment activities with varying metering devices; installation of LED lighting, cooling, and ventilation systems; improved solid-state chillers with enhanced temperature control capability; and replacing fan filter units with high efficiency EC (electronically commutated) fans; and
- **Reduction in air emissions** via the installation of enhanced abatement systems used in connection with the handling of process gas such as sulfur hexafluoride (SF6).



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:

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

Our environmental policy has four main objectives:



Regulatory Compliance

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



Continual Improvement

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 the noise from our operations. We will promote waste minimization and take reasonable steps to facilitate waste recycling and insure 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 a PDF copy of our Environmental Policy](#)



Climate Change Policy

Last Updated: July 2020

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 a PDF copy of 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 energy-efficient end applications.

Please [click here for a downloadable PDF copy of the above policy](#).

Diodes Employee Voices

“Don't limit yourself. Problems can create people with the ability to solve them.”

Peter Huang
Risk Management
Department Manager,
Hsinchu Wafer Fabrication
Facility, Taiwan



Energy Management

Sustainable Energy Management

Diodes recognizes that semiconductor manufacturing is an energy-intensive process, with the majority of our energy being consumed within our wafer fabrication, assembly, and test facilities. We are committed to lowering climate risks related to our global carbon footprint by applying responsible energy management practices, driving energy efficiency, and pursuing reduction of energy use at the manufacturing sites and office buildings we occupy worldwide.

In addition to managing our internal operations for increased energy efficiency, we also focus on developing and manufacturing semiconductor products to provide our customers with opportunities to reduce their carbon footprints with more energy-efficient end applications when using our products.

Please refer to our [Energy Policy](#) that outlines our position on energy management.

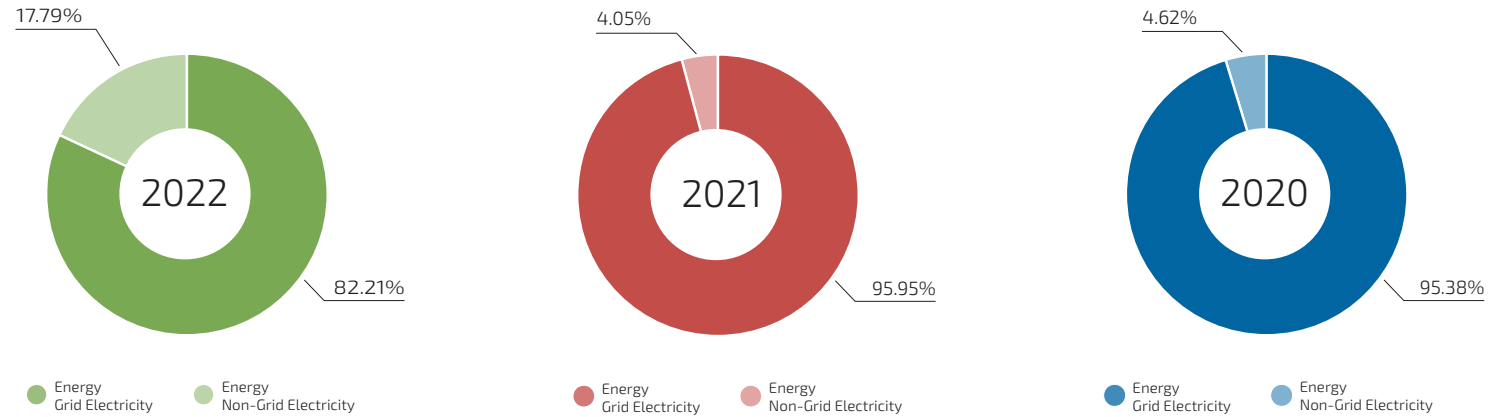
Direct energy consumption at each manufacturing site is regularly measured, consistent with the requirements in SASB Code TC-5C-130a.1, to track the total energy consumed in gigajoules (GJ), the percentage of energy consumed that is supplied from grid electricity, and the percentage of energy consumed that is renewable energy.

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

The main energy source to power Diodes' manufacturing facilities is electricity, which is primarily sourced from the electric 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 new CHP plant that became online in 2022. Diesel fuel is primarily used for humidification control, and may be used for the operation of emergency power generators as well.

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

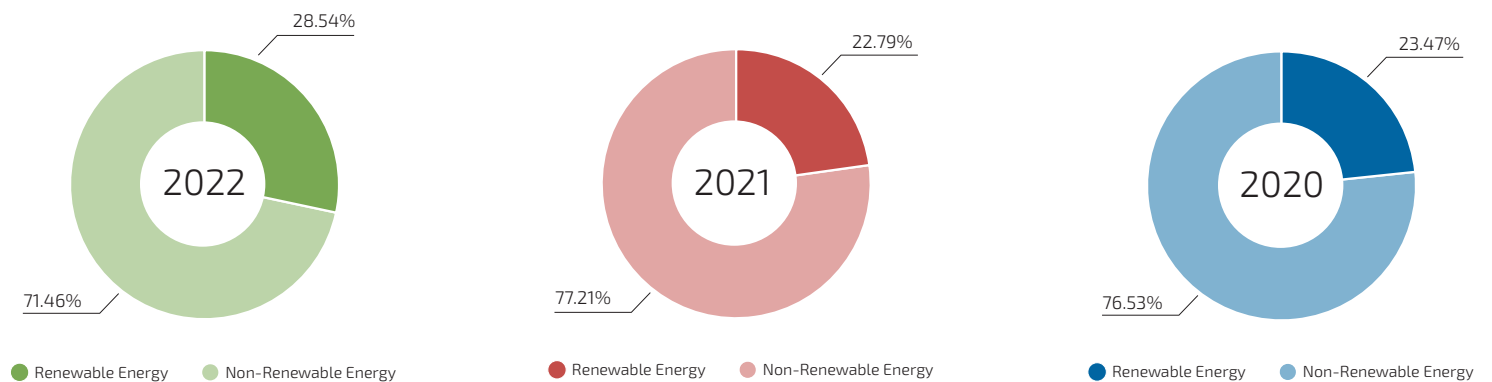
Percentage of Energy Consumed from Grid Electricity



Additionally, over the last several years we have seen an increase in the reporting of renewable energy consumption from our Diodes-owned factories across the globe.

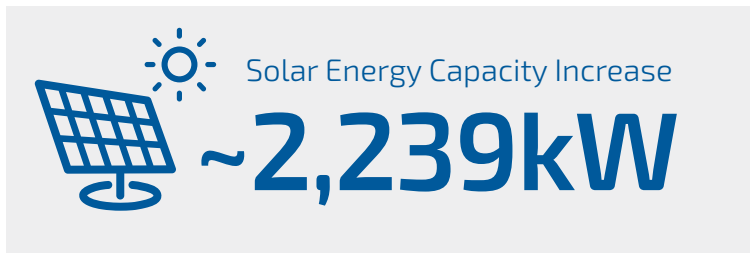
Our energy providers have also increased the level of detail about the renewable vs. non-renewable energy mix and energy sources reported to us.

Percentage of Consumed Energy that is Renewable Energy



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With the acquisition of Lite-On Semiconductor (LSC) at the end of 2020 and our manufacturing site in South Portland, ME, (SPFAB) in 2022 several new factories with a similar energy mix to previously existing Diodes manufacturing sites were added to our portfolio. Three of the former LSC manufacturing sites in China already had solar panels with a combined capacity of more than 1,500kW installed on their rooftops. Electricity generated from these solar panels has contributed approximately 3.2% of the energy consumed by these manufacturing sites in 2022. Additionally, a new solar array with a capacity of 730kW was installed at one of our Shanghai manufacturing facilities that has been actively generating renewable energy since July 2021 and has created more than 1% of the energy consumption by this site in 2022.



Solar array at Diodes Shanghai Assembly and Test Facility

Furthermore, in 2020, Diodes kicked off a major energy conservation project: the construction of a combined heat and power (CHP) plant and absorption chiller with a battery energy storage system (BESS) at our Oldham, UK wafer fab (OFAB) to ensure continuity of supply by significantly increasing site power outage resilience.

Combined heat and power plant at Oldham, UK facility (OFAB)

- The project involved a capital investment of approximately \$7M. The absorption chiller has been operating since the second half of 2022.
- On-site electricity generation saves approximately 1.33 MWh per month, and reduces emissions by approximately 290 tons CO_{2e}, reflecting the transmission and distribution (T&D) losses that were avoided.
- Use of waste heat from the CHP plant otherwise exhausted into the atmosphere supports the absorption chiller load and reduces overall site energy use by approximately 3,500 MWh/year, equivalent to over 880 tons CO_{2e}.

\$7M
Capital investment

CO_{2e}
~290 tons

CO_{2e}
~880 tons

- The absorption chiller has been online since the end of 2022 and is part of a tri-generation system that provides chilled water (without use of greenhouse gases) and the following benefits.
 - Reduced use of chiller refrigerant gases, R134A and R410
 - Reduction of environmental impact from uncontrolled release
 - Safer decommissioning/disposal at end of life
- Once completed, the BESS is planned to be capable of providing electricity resilience of up to 2.5MW in case of power loss.



Combined heat and power plant (CHP) at Oldham, UK facility (OFAB)

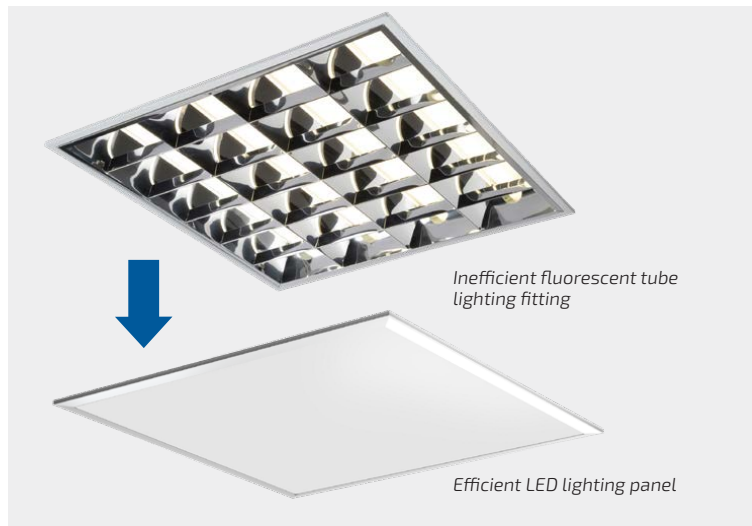


Energy Conservation Projects

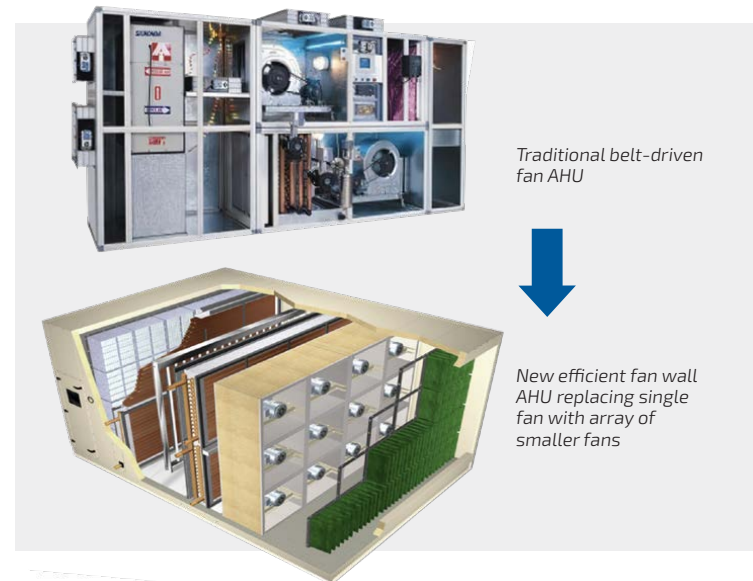
Low Carbon Opportunities

All our manufacturing sites routinely seek new opportunities to drive energy-management improvement initiatives and to achieve further reductions of Diodes' global carbon footprint. The execution and implementation of these energy conservation projects, such as the ones listed below, are overseen by the Diodes Corporate Social and Environmental Responsibility (CSER) Task Force. Recent examples include:

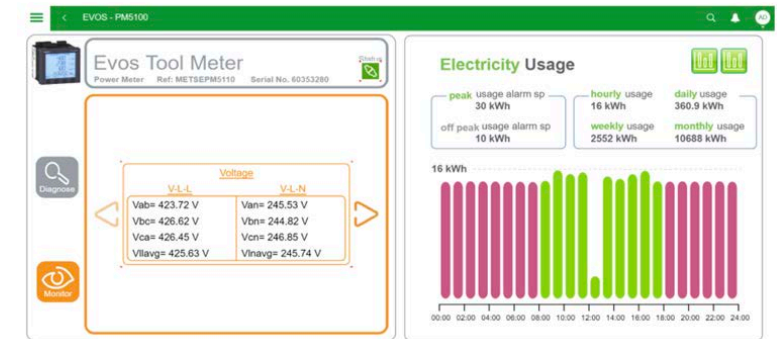
- Implementation of the out-of-control action planning (OCAP) methodology for energy management
- Performing annual energy forecasts
- Winter/summer set point changes for temperature and relative humidity (RH)
- Real-time plant RH monitoring
- Continued installation of lighting proximity sensors and new or retrofitted LED lighting in conference rooms, communal areas, individual offices, cleanrooms, and other manufacturing areas



- Implementation of air handling units (AHU) with permanent magnets and fan timers that can be integrated to the building management system (BMS)
- Replacement of 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 (VDF) technology that allows lower operating costs while also reducing noise by 20%
- Switching to more efficient equipment when the load is high during the summer



- Upgrading BMS in several factories for improved monitoring
- Expanding network of factory toolsets equipped with electrical meters and driving further integration to site-specific BMS for improved monitoring and tracking to be used for tool energy optimization



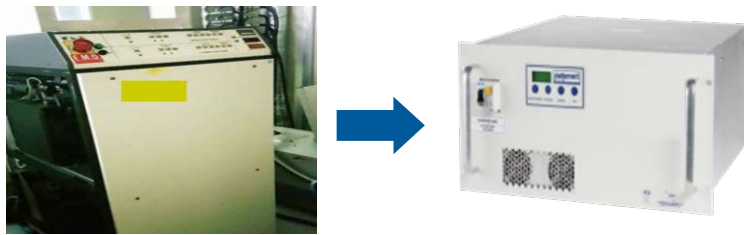
Example of electrical tool meter data tracking



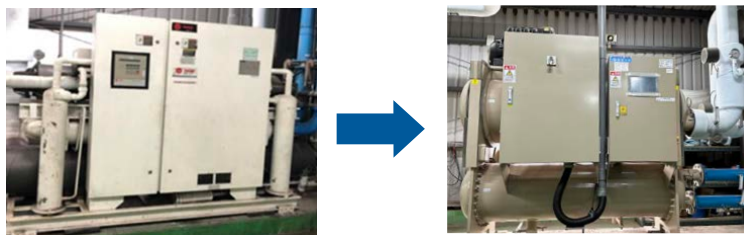
- Deployment of time clocks on building lighting and HVAC systems
- Reduction of energy consumption via the sleep mode and timer setting in our eco-friendly printers
- Reduction of energy consumption via consolidated servers and removal of excess servers
- Security guard rounds to ensure lights are off in unoccupied areas

Over the last two years a number of site-specific energy conservation projects were completed at various Diodes manufacturing sites. Some select and more significant improvements are listed below.

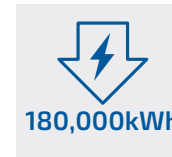
- Installation of new highly efficient chillers to replace outdated equipment in several of our global manufacturing sites started in 2021 and has continued throughout 2022 to realize energy savings of up to 70% plus a reduction of water consumption and wastewater generation.
 - As an example, in 2022 our Greenock, UK (GFAB) manufacturing site upgraded to industry-standard solid-state chillers that provide better temperature control, 70% less power consumption (2.3kW vs. 7.3kW), and 60% less plant cooling water (PCW).



- By replacing a 20-year old chiller, our assembly and test site in Chungli, Taiwan achieved a reduction in electricity consumption in excess of 440kWh, or 35% annually.

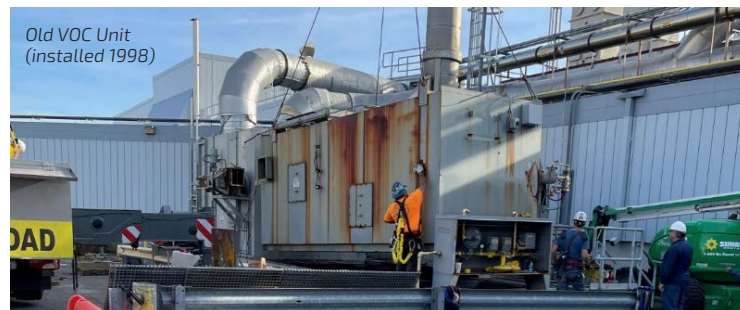


- A heat reclamation system capable of saving up to 595,000 kWh annually started operation at one of our Taiwan wafer fabs.
- Clean dry air (CDA) equipment was upgraded in one of our China assembly and test sites allowing 180,000 kWh, or 28%, of energy savings annually.



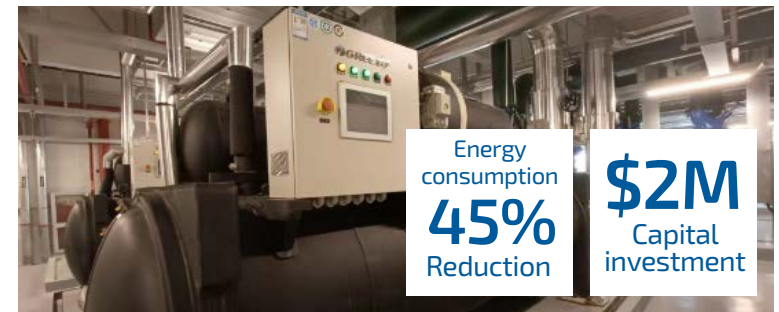
Our wafer fab in South Portland, ME replaced a 24-year-old volatile organic compound (VOC) incinerator unit to increase energy efficiency while also meeting regulatory requirements for business continuity.

The new unit was installed and commissioned by the end of 2022. Acceptance testing demonstrated 99% destruction efficiency while providing an expected 50% reduction in natural gas consumption based on 2022 usage.



Diodes is committed to continuously identifying opportunities to operate more sustainably and energy efficiently for 2022 and beyond. Among numerous energy conservation projects at our manufacturing sites, several larger scale projects are currently being driven forward to further reduce energy consumption through more efficient means and to focus on generating renewable energy at our manufacturing sites.

- Capital investment in excess of \$800,000 is directed to the installation of several arrays of solar panels with a capacity of >220kW on rooftops at our Hsinchu, Taiwan wafer fab. The project is expected to be completed by the end of 2023.
- Investment of more than \$2 million in a magnetic suspension chiller to replace an aged screw chiller at one of our Shanghai assembly and test sites is underway. Energy consumption of the new chiller is expected to be reduced by approximately 45% annually while providing an extended service life of 30 years. The new chiller is projected to be installed by mid-2023.



Water Management

Sustainable Water Management

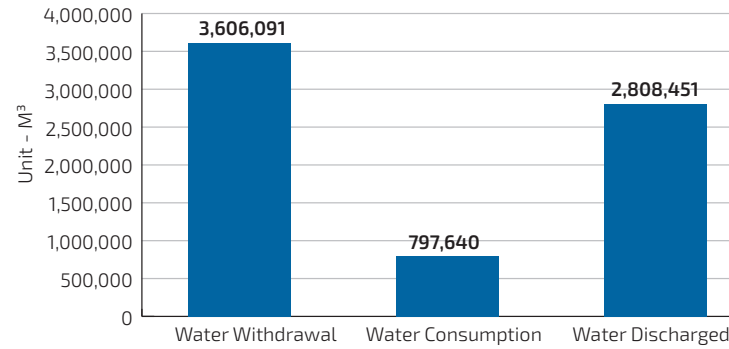
Water scarcity is a topic of global attention as it presents a high-impact risk to our planet. Sustainable use of an essential natural resource such as water is critical to safeguarding our business continuity and the communities around us. We are committed to managing water resources responsibly and we leverage the industry's best practices for efficient water management. 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.

The semiconductor manufacturing industry is a water-intensive 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.

Our water comes from public sources as we rely primarily on local municipal supplies for our water source and do not use groundwater or rainwater. 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 our continuous and focused efforts to collect data and measure our water usage at each of our manufacturing sites, we identify opportunities to implement water conservation measures. We carefully monitor water usage across these manufacturing sites and set goals to minimize water consumption. We also maintain an environmental management system in accordance with the requirements of ISO-14001 to manage our water usage in a sustainable manner. During the 2022 reporting year, approximately 3,441,788 m³ of water was withdrawn for use in our internal manufacturing facilities globally, including the wafer fabrication facility (SPFAB) located in South Portland, Maine, U.S.A., which we acquired in June 2022. The approximate quantity of water withdrawn, consumed, and discharged as shown in the chart below includes the seven-month period during which SPFAB was part of Diodes' worldwide manufacturing operations.



Additionally, during the 2022 reporting year, approximately 99% of the total amount of water withdrawn for use in our global manufacturing facilities is sourced from "third-party water" such as water supplied by municipal water networks. Approximately 8,157 m³ is sourced from "surface water" which includes collected rainwater.

We conduct water stress assessments by leveraging the [Aqueduct Water Risk Atlas](#) 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. Industrialization and urbanization are key contributors to increased water stress levels, as observed in many parts in China. The water stress classification level identifies locations that have higher exposure to water-related risks. Based on the WRI tool, the water stress classification of our current manufacturing sites is as follows:

Water Stress Classification	Number of Manufacturing Sites	Locations of Manufacturing Sites
Low	2	Scotland (Greenock); State of Maine (South Portland)
Low to Medium	7	Taiwan (Keelung, Hsinchu, Zhongli), Germany (Neuhaus), England (Oldham), and China (Chengdu)
Medium to High	2	China (Wuxi)
High	5	China (Shanghai)
Extremely High	1	China (Shandong)





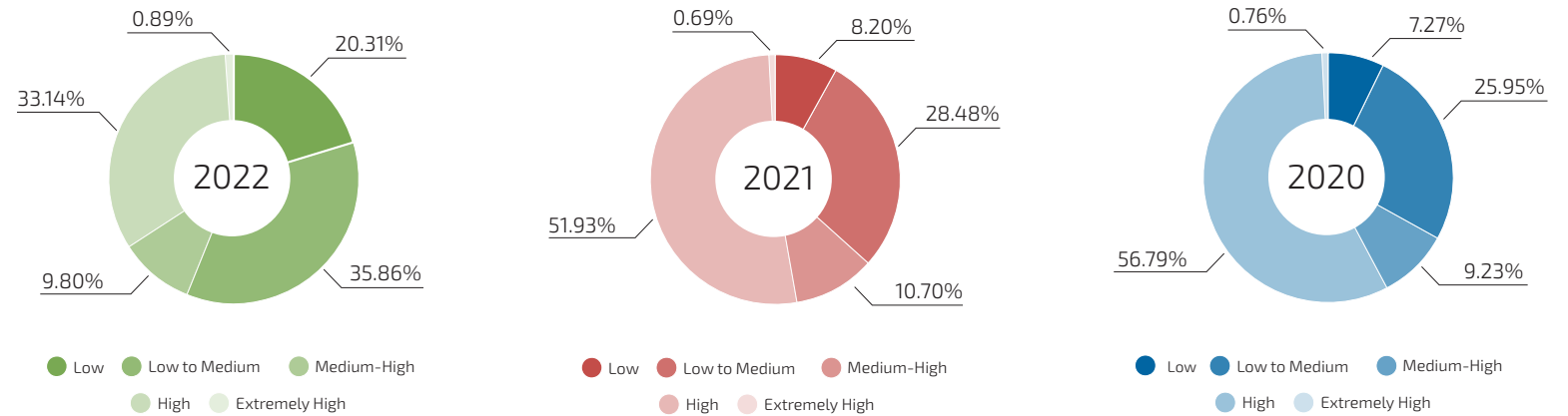
The majority of our manufacturing sites are located in areas that are classified as having a Low or Low-to-Medium Water Stress level. We acquired the manufacturing facility located in Shandong, China, an Extremely High Water Stress location, as part of our acquisition of Pericom Semiconductor Corporation in 2015. As indicated in the chart opposite, during the 2022 reporting year, an average of less than 1% of the water used in our manufacturing operations was withdrawn or consumed in our Shandong manufacturing facility, an extremely High Water Stress location.

We assess the location and volume of water withdrawn for our manufacturing sites and the water-stress levels in these locations, and actively monitor our water usage 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.

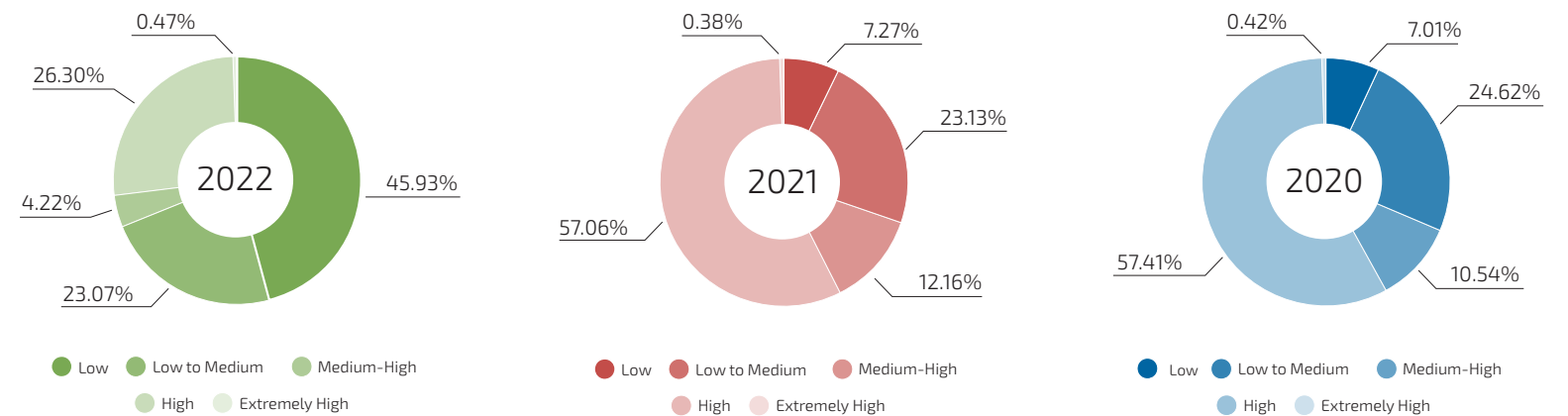
Consistent with the requirements in SASB Code TC-SC-140a.1, in addition to analyzing our operations for water risks and identifying activities that withdraw and consume water in locations with High or Extremely High Water Stress, we track the total amount of withdrawn water from different sources and the total amount of water consumed in our operations. We also track the percentage of each in regions with High or Extremely High Water Stress.

Our year-over-year progress is illustrated in the chart opposite.

Percentage of Water Withdrawn by Water Stress Level



Percentage of Water Consumed by Water Stress Level



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Water Stewardship

Diodes is constantly looking for ways to optimize water usage, implement water-saving technologies and manage water usage 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.

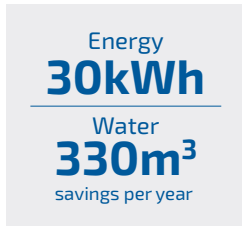
These water conservation activities reduce the amount of wastewater that is treated and returned to municipal sewer systems.



Investment in Water Conservation Projects

As part of Diodes' overall resource conservation efforts and our commitment to operate in a sustainable manner, we continue to evaluate programs and invest in infrastructure to improve operational efficiency and reduce impact to the environment. The capital investments by Diodes in furtherance of these efforts include:

- Upgrades to the DI (de-ionized) water treatment system at our manufacturing site in Germany. The resultant benefits, which continued throughout 2022, include annual financial savings of more than US\$10,000, reduced water consumption by more than 300m³ per year, reduced electrical energy consumption by more than 30KWh per year, reduced chemical usage, and reduced maintenance manpower requirements and associated costs. This cost-effective system upgrade also helps reduce potential water quality issues that may impact our products while extending the lifetime of certain manufacturing equipment.
- Upgrades to the wastewater recycle and treatment systems located at the assembly and test manufacturing sites in Shanghai, China and installation of online wastewater monitoring programs at these sites. These improvements contributed approximately US\$350,000 in annual cost savings in our manufacturing operations.
- Implementation of a water recycling project in our Shandong facility, which resulted in an increase in water recycling rates from approximately 25% to 36%, representing water savings of approximately 330 cubic meters per month.
- Installation of wastewater recycling system at our Chungli manufacturing site in Taiwan to increase water reuse for cooling towers.



Our manufacturing sites in Chengdu, China, and Germany have included water financial savings goals in their operational performance goals. Even in the absence of specific financial savings goals, each manufacturing site constantly strives to conserve water resources.

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 [Safe Drinking Water and Toxic Enforcement Act of 1986](#), 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 [Proposition 65 List](#). 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 www.P65Warnings.ca.gov

Waste Management

Semiconductor manufacturing is complex and requires many different types of material inputs during the wafer fabrication, assembly, and test operations. These operations also generate hazardous and non-hazardous wastes. We are committed to responsibly managing the waste generated from these operations in order 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 in order 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 wastes; and we engage waste management service providers that have the appropriate licenses, permits, and certifications for the services that they provide to us.

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.

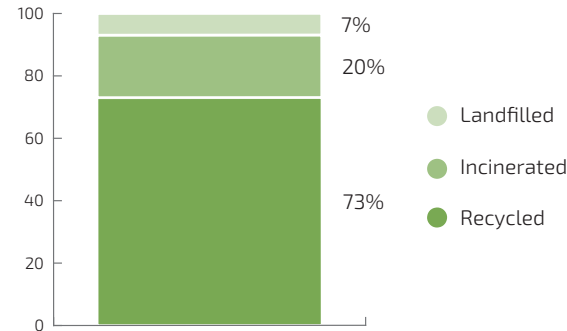
Hazardous Waste

In 2022, our global manufacturing sites generated approximately 38% less hazardous waste than in 2021. This drop was driven by waste reduction actions and production-related change. Our LSC site in Shanghai adopted new hazardous waste reduction equipment, resulting in a 40% reduction in its hazardous waste generation.

We recycled approximately 73% of our hazardous waste in 2022, which is up from approximately 57% in 2021.

This increase in recycling rate was primarily due to improved recycling practices as well as the purchase of our wafer fabrication facility located in South Portland, Maine, USA (SPFAB). SPFAB recycled approximately 98% of its hazardous waste.

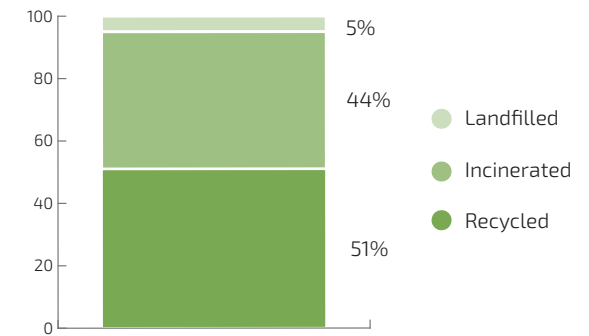
Percentage of Hazardous Waste Recycled



Non-Hazardous Waste

Our global manufacturing sites generated approximately 2% less non-hazardous waste in 2022 than they did in 2021. In 2022, approximately 51% of non-hazardous waste was recycled, 44% of non-hazardous waste was incinerated and 5% was landfilled.

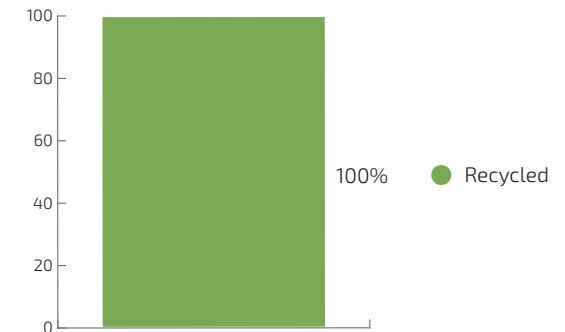
Percentage of Non-Hazardous Waste Recycled



e-Waste

Like previous years, we once again recycled 100% of our electronic waste (e-waste) which includes decommissioned computer equipment and electronic components from decommissioned manufacturing equipment. We produced approximately 25% less e-waste in 2022 than we did in 2021.

Percentage of e-Waste Recycled



Greenhouse Gas Emissions Management

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

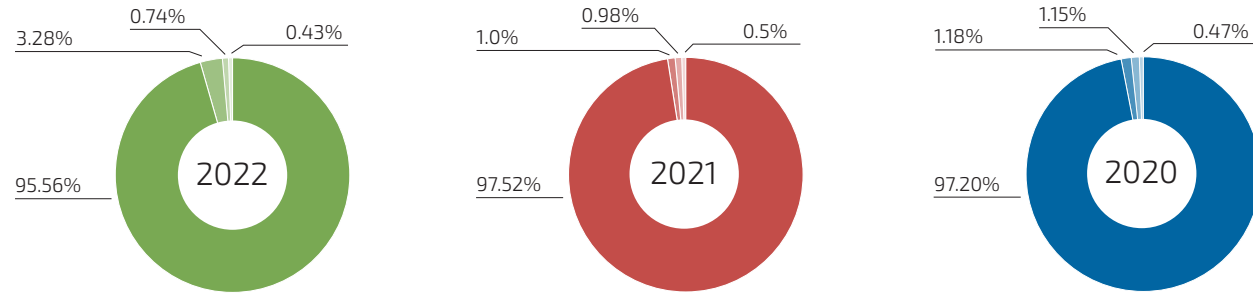
We monitor and track the greenhouse gas (GHG) emissions from our manufacturing operations, evaluate options to implement energy-efficient initiatives and renewable energy sourcing strategies from our utility providers at the manufacturing-site level, and assess opportunities for achieving greater access to renewable energy sources such as installation of solar panels across our global manufacturing sites.

When measuring our GHG emissions, we utilize the guidelines and emissions models published by the [Greenhouse Gas Protocol](#) and we primarily focus on assessing the Scope 1 and Scope 2 emissions at our global manufacturing sites.

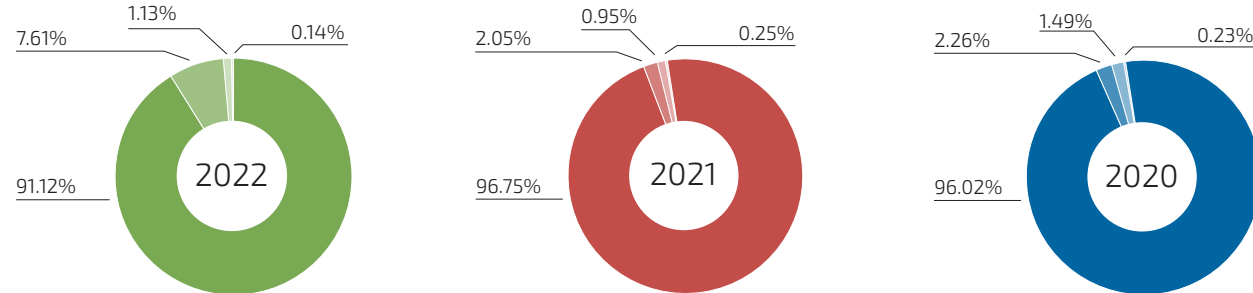
- **Scope 1** emissions (sometimes referred to as direct emissions) are direct GHG emissions from sources owned or controlled by the company. Those sources include stationary combustion (e.g., emissions from boilers, generators, and other fuel-powered machinery used for industrial processes), mobile combustion (e.g. emissions from owned or leased vehicles and mobile equipment such as forklifts and gas-powered tools), and refrigerants (e.g. chemical releases from air-conditioners and refrigeration equipment).
- **Scope 2** emissions are indirect GHG emissions from electricity purchased and used by the company.

At the corporate level, we observed an increase in emissions of approximately 40% from 2020 to 2021 due primarily to the inclusion of five (5) additional manufacturing sites in China and Taiwan following our acquisition of Lite-On Semiconductor Corporation in November 2020. During that period, we also increased our manufacturing output across our existing internal manufacturing sites, which accounts for the remainder of the year-on-year increase in GHG emissions. Emissions for 2022 were approximately -13% lower compared to 2021, predominantly due to the disposition of SFAB1 located in Shanghai, China at the end of 2021 and the acquisition of onsemi's wafer manufacturing facility located in South Portland, Maine, SPFAB, in June of 2022.

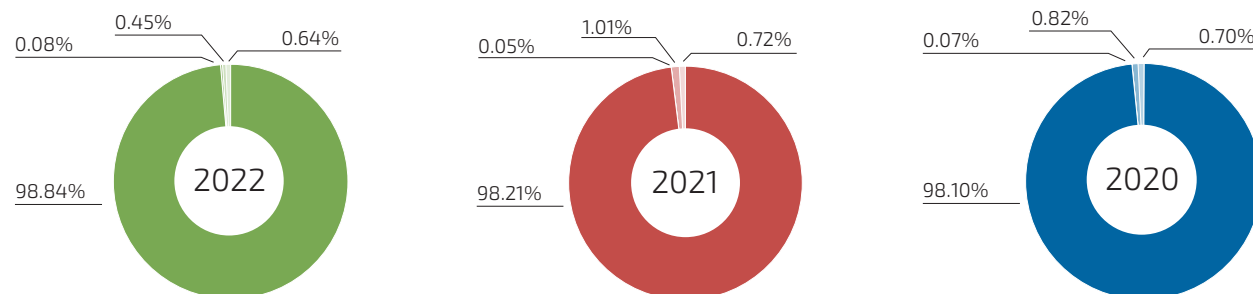
Scope 1 and Scope 2 Emissions Summary



Scope 1 and Scope 2 Emissions – Wafer Fabs



Scope 1 and Scope 2 Emissions – Assembly & Test Sites



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Additional information on our Scope 1 and Scope 2 emissions assessed at our wafer fabrication facilities and assembly and test sites shows the predominant source of our GHG emissions remains Scope 2 purchased electricity. During the three-year reporting period, purchased electricity represented approximately 97% of our total Scope 1 and Scope 2 emissions in 2020 and 2021, and decreased by less than two percent in 2022.

The year-over-year change from 2021 to 2022 was in part due to a change in energy mix at our wafer fabrication sites, i.e. bringing a CHP plant online at one of our wafer fabs in the UK, the disposition of SFAB1, and acquisition of SPFAB.

Cognizant of the GHG emissions generated from our operations — especially from fabrication facilities and assembly and test sites, and through our supply chain — over the years, Diodes has taken steps to lessen the impact of GHG emissions on our environment.



Examples of those efforts include the following:

Scope 1:

- Identify and use alternative process gases that produce less GHG emissions
- Install efficient manufacturing technologies such as abatement systems that treat the exhaust of process gases

Scope 2:

- Upgrade older manufacturing equipment to more energy-efficient manufacturing equipment
- Install electronically commutated fans at our select manufacturing sites
- Expand the installation of LED lighting across our facilities where appropriate
- Expand the installation of motion and occupancy sensors to control office lighting

- Install solar panels to reduce the amount of electricity to be purchased from the grid

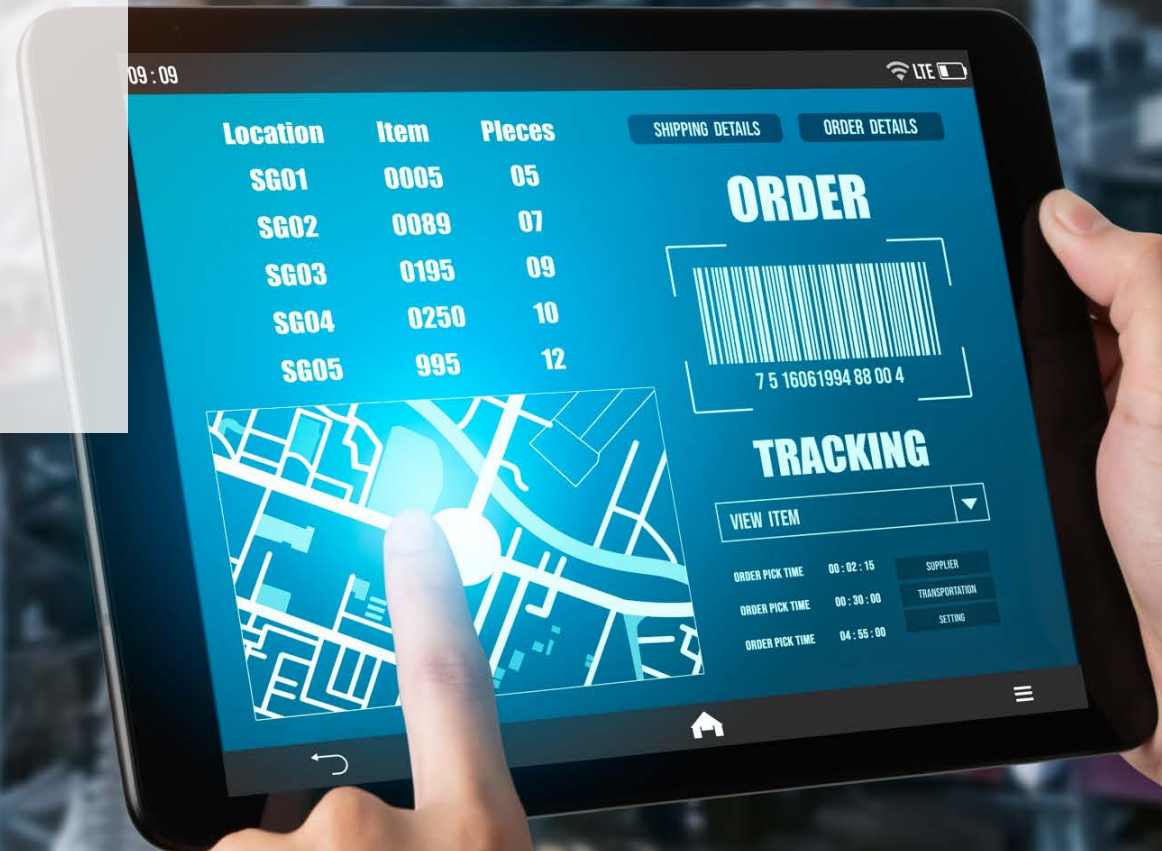
Scope 3:

- Provide videoconferencing capabilities to limit business travel where appropriate
- 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 business across our Asia manufacturing sites)
- Optimize packing to increase shipment in bulk of our products shipped from product distribution centers





5 | SUPPLY CHAIN





SUPPLY CHAIN Overview

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 to us. 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 chemicals and 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.

Conflict Minerals

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 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 result 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.

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 Incorporated conducts business in accordance with our core values of integrity, commitment, and innovation. As a globally traded business committed to protecting human rights, we take the responsibility of preventing modern slavery in our business and supply chains seriously. We are committed to upholding the best practices and remaining vigilant to continuously improve.

Human Rights Documents [UK Modern Slavery Act](#)



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 [Anti-Counterfeit Policy](#), 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

Diodes subscribes to the [Code of Conduct](#) published by the **Responsible Business Alliance** (formerly the Electronic Industry Citizenship Coalition). 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's requirements. We communicate our Sustainability expectations through our [Code of Supplier Conduct](#).

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 RBA 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 onsite compliance verification and effective, shareable audits—which all rely on approved audit firms.

We have various principles and requirements outlined in our policies that we expect our suppliers to adhere to and conduct business consistent with, 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 whom 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.

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.



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.

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 Validated Assessment Program (VAP), 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

Semiconductor manufacturing processes are complex and require the use of an assortment of materials and chemicals during the wafer fabrication and product assembly operations. We are committed to selecting and handling these materials and chemicals (including hazardous substances, if any) 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; the EU REACH Regulation 2006/1907 on the Registration, Evaluation, Authorization, and Restriction of Chemicals; 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 [master CofC](#) 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 [master CofC](#).
- 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 Democratic Republic of Congo (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.

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 2022.](#)

[Diodes Conflict Minerals CMRT](#)

[Extended Minerals Reporting Template](#)

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 [product change notifications](#) 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.

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 2022, 100% of the handheld shrink wrap and bubble wrap materials used at our manufacturing sites were recyclable.

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.

Intellectual Property Protection and Competitive Behaviour

Diodes respects the intellectual property rights of third parties and also takes actions to establish, preserve, and enforce its intellectual property rights in order to stay competitive in the semiconductor market. In addition to patents, trade secrets, copyrights, and other intellectual property rights owned by us, examples of our [trademarks can be found here](#). Use of our trademarks require prior authorization from us and is subject to these [guidelines](#).

We may obtain patents, trademarks, copyrights, and other intellectual property rights from time to time to be used as part of our business. Innovation is an integral part of our core values. By providing patent incentive awards to our employees, we recognize their contribution to our intellectual capital and encourage innovation in all organizational 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 proceedings associated with anti-competitive behavior regulations.

During the 2022 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 anti-competitive 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.



6 | SOCIAL RESPONSIBILITY



SOCIAL RESPONSIBILITY

Overview



We take a stakeholder-oriented approach towards sustainability. The communities in which we operate are a critical stakeholder to us and we strive to make a positive impact in them. As a socially responsible corporation with a global footprint, we are committed to the following:

- Developing semiconductor products that can be incorporated into customer end applications that help contribute to the health and well-being of both our communities, and our planet;
- Conducting business with integrity and high standards of business ethics, and combating bribery and corruption as well as cybersecurity threats;

- Supporting our communities through promotion of science, technology, engineering, arts, and mathematics (STEAM); and
- Participating in disaster-relief projects and charitable giving to underserved communities.

Sustainable Products

We are privileged to partner with our customers and suppliers in building sustainable products and applications that contribute to the health and well-being of both our communities, and our planet.

Our semiconductor devices can be incorporated into a wide range of applications, including energy-efficient products that are used in smart, efficient, green factory automation, power distribution systems, charging and

image processing systems, transportation, electric and hybrid vehicles, vehicle charging stations, LED lighting, smart home technologies, green electronics, and telehealth and medical equipment, as well as products used for energy-saving and pollution-elimination purposes.

We collaborate with our customers in the development of sustainable products to help them and their customers reduce their overall carbon footprint. Examples of our collaborative efforts on green factory automation and green-energy initiatives include utility metering, industrial sensors, cameras, control panels, HVAC controls, robotics, automated scanners, and products used in green residential energy-generation and transmission systems such as solar cell systems, inverters, wind power generators, and the conversion to full electric vehicle systems.

At Diodes, we innovate semiconductor products that optimize end-application performance with enhanced power and energy-saving features. In 2022, we introduced more than 400 new and improved discrete, analog, power management, timing, and connectivity semiconductor products that help our customers design and deliver environmentally friendly products for the automotive, industrial, computing, consumer electronics, and communications market segments.

Business Ethics

Diodes is committed to operating with a strong sense of integrity, 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 of our global business operations and also 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 2022, we conducted online training covering Cybersecurity and Workplace Harassment to our employees worldwide and achieved an approximately 97% 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.

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, and Legal and Compliance departments, as well as 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 policies. 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.

The telephone hotline is designed to give employees, suppliers, customers, and others with whom we partner a way to anonymously and confidentially report suspected violations of our standards of conduct, policies, laws, or regulations regarding any questionable accounting, internal controls, or auditing matters.

Additionally, reporting can be made online at: <https://reportlineweb.com/diodes>.

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.

Diodes Employee Voices

“ Going into my 16th year at Diodes, I've had the privilege of working alongside professionals across multiple disciplines. The very culture that Diodes lends itself to by allowing employees the opportunity to cultivate professional growth and skills development is embedded in our core values: Integrity, Commitment, and Innovation. ”



Cynthia Yañez

Human Resources, Headquarters/
Plano Design Center (USA)

Telephone Hotline

Location	First Stage Phone Number	Second Stage Phone Number
United States	855-316-2192	Not Applicable
China (North, Beijing)	10-811	855-316-2192
China (North, Beijing)	108-888	855-316-2192
Germany	0-800-225-5288	855-316-2192
Japan (NTT)	0034-811-001	855-316-2192
Japan (KDDI)	00-539-111	855-316-2192
Japan (Softbank Telecom)	00-663-5111	855-316-2192
Korea	00-309-11	855-316-2192
Korea	00-729-11	855-316-2192
Korea	00-369-11	855-316-2192
Taiwan	00-801-102-880	855-316-2192
United Kingdom	0-800-89-0011	855-316-2192
United Kingdom	0-500-89-0011	855-316-2192
United Kingdom	0-800-013-0011	855-316-2192

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 [Corruption Perception Index](#) companies operating in countries with 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 [Anti-Bribery and Anti-Corruption Policy](#), 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. 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 2022 reporting year, no events requiring external reporting in this area occurred within Diodes.

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 data-protection 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.



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 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.

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 focuses on science, technology, engineering, arts, and mathematics (STEAM) activities.

Along with our employees, Diodes is involved in supporting local communities whether in promotion of STEAM education, or involvement in local charitable organizations. Examples of our involvement include:

NORTH AMERICA

- Support for the 8565 TechniBots, a Texas-based robotics team that promotes excitement around science, technology, and engineering. Diodes' involvement helped the team travel to Switzerland, where they represented Team USA at the FIRST Global Challenge and won the Inspire Award. The funding also helped 8565 TechniBots raise STEAM awareness through an immersive virtual coding camp for students;
- Sponsor of Texas's Perot Museum of Nature and Science's 10 Year Anniversary Celebration;
- Support for the arts through sponsorship of the Dallas Symphony C-Suite Holiday Performance;
- Donation of laptops to support STEAM education through the Little Shepherd Foundation in the Plano, Texas area;

Many of our employees take the individual initiative to add value to their communities, professional, and non-profit organizations. These include:

Two employees at our fabrication facility in Greenock, UK ran the London Marathon to raise funds for their causes. One raised £3,340 for Children with Cancer, and another one raised £1,210 for the West Region Scout Group's trip to Nepal to build classrooms and furniture for those impacted by the area's earthquake.

- Lead sponsorship 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®, the Technology Association for North Texas, we collaborate with the technology community in the Dallas Fort-Worth area to promote STEAM education and fuel innovation;

EUROPE

- Host for 22 students from the Royal & Crompton E-ACT Academy for a two-day 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 is required by quality protocols;
- Participation in holiday gift campaigns including an initiative supporting the Children of Greater Manchester as part of Hits Radio's Mission Christmas Campaign and another through the Salvation Army of Scotland;
- Sponsorship of the Grassroots Athletics events for the Inverclyde Athletics Club team, Greenock, UK;

Another employee, completed a 10K run around Glasgow to raise funds for the Beatson Cancer Charity in memory of their loved-ones affected by cancer, and raised £1,845 for the charity.

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.

ASIA

- Collaboration with For Inspiration and Recognition of Science and Technology (FIRST®), an international non-profit that provides team-based robotics programs for students ages 4-18, to sponsor the FIRST® Robotics competition in Taipei, Taiwan; and
- Participation in the Little Orange Lamp public reading project of the Youth Volunteer Alliance in Zizhu Park, Shanghai.

Diodes also collaborates with education entities to further nurture engineering talent and support their transition into industry involvement. Examples include the following:

- In our UK sites, our STEM Ambassadors program recently celebrated 20 years of operation. These individuals are selected from our engineering team to proactively engage with local students and teachers.
- Additionally, the close community engagement strengthened by our Apprenticeship program in the UK has provided Diodes with access to high caliber engineering talent in both product engineering and facility technicians.
- In partnership with the UK Engineering Development Trust, our team in Oldham takes part in "Year in Industry" placements for the local community and provides mentoring to students while they work on real world projects facilitated by Diodes.
- In 2022, Diodes signed a Memorandum of Understanding (MOU) with Taiwan's National United University to create opportunities to further students' engineering skills and understanding through internships, research, and training.
- We also signed contracts with National Yang Ming Chiao Tung University and National Cheng Kung University in Taiwan for student projects focusing on Silicon Carbide Semiconductors and Digital Control Based 4kW Bridgeless Power Factor Correction Platforms.
- As of 2022, Diodes is working with National Kaohsiung University of Science and Technology on third-generation semiconductor technology and student engineering development.

Charitable Giving

As a global company, we share the common goal of helping build a sustainable society and take steps to promote the welfare of others in the communities in which we are a part.

Our employees take the initiative to be involved in various local and national charities and disaster-relief efforts.

For example, one of our employees in Munich, Germany was involved in an effort to help re-establish electricity and power supply in residential homes in an area affected by extreme flooding.

Donations were raised through colleague collections relating to Manchester 10K Run and a Walk in Keswick, Lake District, United Kingdom to support the British Heart Foundation.

During Mission Christmas, our colleagues in our manufacturing site in Oldham, United Kingdom collected toys, winter clothing, coats, and apparel for donations to be made to the local kids' charity, the Cold Hands Warm Hearts/ Manchester Homeless Charitable, and Wrap-Up Manchester for the homeless and vulnerable during winter.

In addition to employee volunteerism and their charitable giving, as a company, we provide financial support where we can.

Examples of financial contributions and support made by Diodes and/or the Diodes Foundation in the 2022 reporting year are outlined below:

- In support of arts and music education, we provided financial contributions in the amount of US\$25,000 to the Dallas Symphony Association Inc. in Texas, U.S.A.
- In support of science education, we provided financial contributions in the amount of US\$3,500 to the Perot Museum of Nature and Science in Texas, U.S.A.
- In support of education in the science, technology, engineering, and mathematics (STEM) area and to help cultivate the next generation of leaders, we provided financial contributions in the total amount of US\$7,000 to Front Line Youth Science Engineering and Technology (FLYSET) in connection with their robotics competition, and in the amount of US\$10,000 to the Chinese Institute of Engineers (CIE) -DFW Chapter, respectively, in Texas, U.S.A.
- In support of leadership development education, we provided financial contributions in the amount of US\$1,000 to the ECLAT Foundation in Texas, U.S.A. in connection with their Future Leaders Program
- In support of academic and cultural programs, we provided financial contributions in the amount of US\$7,500 to the National Cheng Kung University North American Alumni Foundation, Inc. in the U.S.A.
- In support of medical research, especially in cancer research, we provided financial contributions in the amount of US\$1,000 to the Huntsman Cancer Foundation in the U.S.A.
- In support of local community engagement, we provided financial contributions in the amount of US\$1,600 to the DFW Greater Dallas Taiwanese Chamber of Commerce (GDTCC) and US\$1,000 to the North Texas Collin County Taiwanese Chamber of Commerce (NTCCTCC) in the U.S.A.

- In support of education in the science, technology, engineering, and mathematics (STEM) area, we provided financial contributions in the amount of NT\$300,000 to the Taipei Municipal Jianguo High School C.K. Robotics team in support of their Cyberpunk First Robotics Competition (FRC) in Houston, Texas; NT\$3,000,000 to the Taiwan National Cheng Kung University Electrical Engineering (NCKUEE) Alumni Association; and to the National Taiwan University of Science and Technology (NTUST) Alumni Association, respectively, in Taiwan
- In support of a local community engagement, our manufacturing site in Neuhaus, Germany contributed €300 to a local fair association





7 | PEOPLE



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 “all hands” meetings, we have an “Open Door” policy where we encourage employees to have regular conversations with their managers to share feedback and express concerns. We also solicit employee feedback informally through regular employee interactions. We hold our managers accountable for setting clear expectations and goals with their teams, for providing coaching, as well as identifying professional development opportunities for their teams, and for engaging in periodic performance reviews. To that end, we assist our managers with performance management tools as needed 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 employment-related activities; for example, employee benefits, expense reporting, leave of absence management, and attendance records. In addition to employee onboarding orientations and on-the-job (OJT) training, 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. As an employer with a global workforce, we provide safe working conditions and encourage our employees to engage in safety behaviours. 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.



Our employees

As of December 2022, we had approximately 9,460 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.

Workforce Demographics



Total workforce: 9,460

By Region and Gender

Region	%	Female	Male
Global	100.00%	42.57%	57.43%
Asia	86.04%	45.37%	54.63%
Europe	9.30%	24.55%	75.45%
Americas	4.66%	26.76%	73.24%

By Position and Gender

Position	Female	Male
Executive	21.4%	78.6%
Managerial	25.7%	74.3%
Professional	30.8%	69.2%
Support	48.3%	51.7%

By Type of Role and Gender

Role	Female	Male
R&D	24.3%	75.7%
Sales & Marketing	46.5%	53.5%
General & Admin	55.0%	45.0%
Indirect labor	18.8%	81.2%
Direct labor	47.5%	52.5%

U.S. Race & Ethnicity Representation

Role	%
White	56.01%
Asian	37.41%
Two or more races (Not Hispanic or Latino)	2.49%
Hispanic or latino	2.04%
Black or African American	2.04%

Employee recognition

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 Diodes;
- **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.

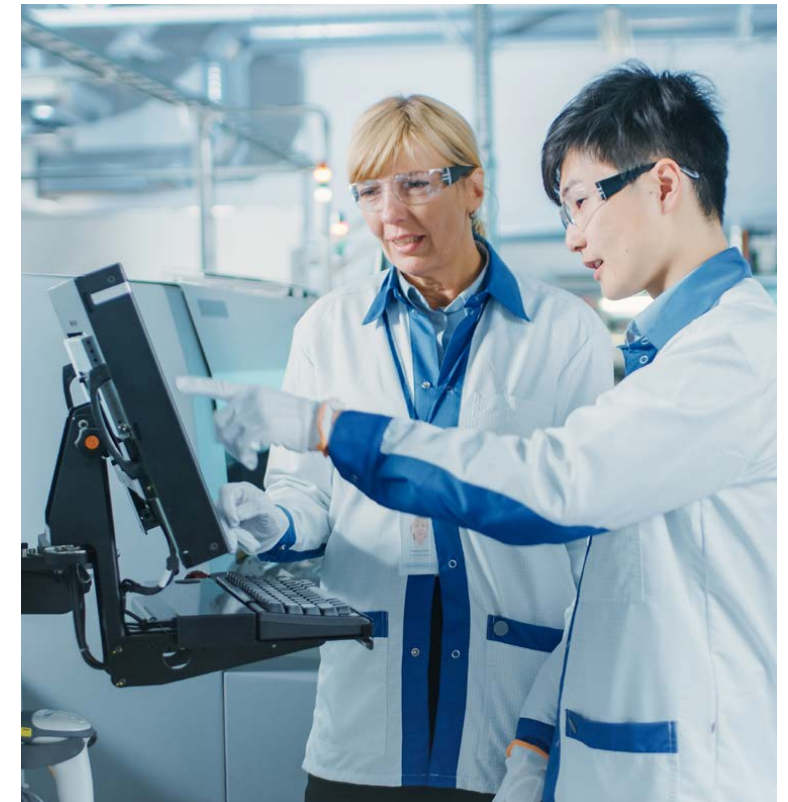
Securing our future talent pipeline

Diodes is actively securing its future-talent pipeline and addressing the challenge of Baby Boomer and Generation X retirements by engaging with schools, 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. We routinely host and participate in onsite visits and career fairs to introduce students to the semiconductor industry and our technology; to promote science, technology, engineering, and mathematics (STEM) subjects; and to raise awareness of what the engineering profession entails so that students can explore potential career opportunities in our industry and with our company.

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.

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 STEM 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 market place 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.



Team Next Gen

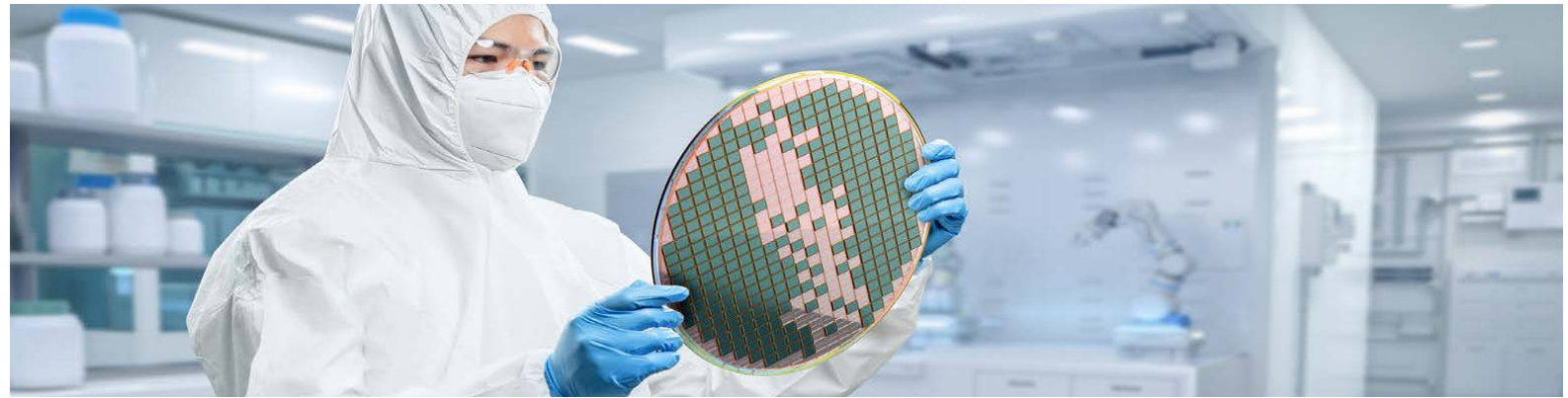
In order to succeed in a competitive industry, we engage in initiatives to attract, develop, and retain top talent. “**Team Next Gen**” is one of our innovative talent acquisition strategies launched in the UK to help further strengthen the development of local talent.



Our Future

During 2022, we continued to build on that success and expanded our ten-month training program that focuses primarily on our apprentices and university graduates.

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 four Year-In-Industry (YIN) students. Notably, four of our recent YIN alumni have been permanently hired by Diodes.



Team Next Gen		
Apprentice Program	New Graduates Program	Year-in-Industry (YIN) Program
<ul style="list-style-type: none"> ■ Skill-enhancement trainings ■ On-the-job training 	<ul style="list-style-type: none"> ■ Micro-learning modules ■ Community activities 	<ul style="list-style-type: none"> ■ Training surveys

Team Next Gen is comprised of multiple elements, including skill-enhancement trainings, micro-learning modules, on-the-job training, community activities, and training surveys. The skill-enhancement training supplements the participants' technical training to ensure we have the right people with the right skills for the future. Recognizing the impact of soft skills on employee well-being and organization wellness, the program includes training on 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 STEM ambassadors, the program participants can promote careers in STEM 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.

Human Rights and Workforce Labor Rights Policy

Last Updated: 7/18/2023

At Diodes Incorporated (“Diodes”), respect for human rights is ingrained in our Core Values (Integrity, Innovation, and Compliance) 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, the right to organize, and 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. 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. 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.

[SUSTAINABILITY REPORT 2022](#)

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 developing 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 impact our operational excellence and organizational success.

4. Supplier Responsibility & 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, as well as 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 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 below) 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.



Hotline Information

[Hotline Information \(Link\)](#)

Location	First Stage Phone Number	Second Stage Phone Number
United States	855-316-2192	Not Applicable
China (North, Beijing)	10-811	855-316-2192
China (North, Beijing)	108-888	855-316-2192
Germany	0-800-225-5288	855-316-2192
Japan (NTT)	0034-811-001	855-316-2192
Japan (KDDI)	00-539-111	855-316-2192
Japan (Softbank Telecom)	00-663-5111	855-316-2192
Korea	00-309-11	855-316-2192
Korea	00-729-11	855-316-2192
Korea	00-369-11	855-316-2192
Taiwan	00-801-102-880	855-316-2192
United Kingdom	0-800-89-0011	855-316-2192
United Kingdom	0-500-89-0011	855-316-2192
United Kingdom	0-800-013-0011	855-316-2192

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.

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 long-term 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 [Code of Business Conduct](#), [Code of Supplier Conduct](#), and [Supplier Letter](#).

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). 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 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 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 have recorded zero (0) work-related fatalities in the preceding three reporting years, namely, 2020, 2021, and 2022. Recorded work-related injuries reported at our worldwide manufacturing sites are 43, 44, and 55 for the reporting year of 2020, 2021, and 2022, respectively. The 2022 statistics include our wafer fabrication facility located in South Portland, Maine (SPFAB), that Diodes acquired in June 2022.

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 exposure of employees to human health hazards, as well as to manage our employee health and safety performances.

Workplace hazards are identified through risk-based proactive reporting and are remediated promptly to ensure a safe working environment.

Diodes Employee Voices

“Achieving net zero, or carbon reduction, can be described as a journey: we can only do this together.”

Clare Fletcher,
Environmental, Health, Safety
Manager, Europe



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) are located to promptly address the safety incident.

Employee Wellness

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 [Responsible Business Alliance \(RBA\) Code of Conduct](#), we follow the requirements on working hours and also 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. 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.

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, 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. 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.

In 2022, Diodes' UK locations made plans to expand their robust First Responder training to include Mental Health First Aiders and mental health awareness training for site leaders and line supervisors. The training will carry into 2023 and has met with positive reactions in the workplace as, like other companies, our employees have faced increased stress following COVID.

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. We also support employee participation in recreational clubs, such as table tennis, badminton, basketball, and photography. We reinforce the importance of workplace safety as well as employee health and wellness through employee communications and trainings (e.g. mental health awareness training, safety video trainings, and emergency response trainings 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 invite fitness instructors to provide workout exercises to employees.

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 well-being throughout the work and home lives of our employees.

Diversity and Inclusion

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. 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.

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 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. 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 located 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.



Employees at our Portland, Maine fabrication facility (SPFAB) enjoying the annual employee appreciation summer celebration.

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 qualified and diverse candidates, and omitting personal characteristics that are unrelated to the job requirement or job performance.

Please also refer to our [Careers site](#).



Pay and Gender

In addition to building diversity and promoting inclusion, Diodes strives to be equitable in regards to 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.

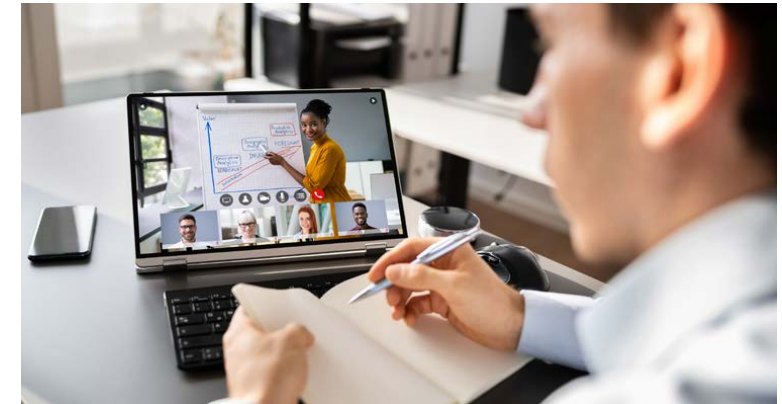
This is different from equal pay, which refers to a man and a woman receiving equal pay for the same or similar job. Diodes is committed to fostering a fair working environment, rewarding employees based on their individual performance and contributions. Understanding the gender pay gap helps us to identify 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 the reports for more details. [UK Gender Pay Gap Reports](#)

Investment In Our Employees

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.

Diodes believes 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.



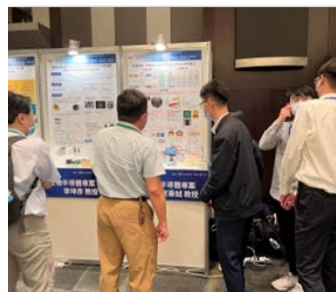
Based on their functions and responsibilities, employees are offered development opportunities on job-related topics such product-specific training, customer service training, and audit processes. To build broader foundational competencies, skill training offerings include: team building, effective communication,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

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.

Each year, we deliver training to our employees worldwide. We intend to enhance our employees' knowledge of a variety of key topics, including ethics, harassment, anti-bribery, 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; Cyber Security (Containing Breach Risks); Social Media (Keeping Our Information Secure and Protecting Our Brand); Global Data Privacy; Diversity & Inclusion; Discrimination-Free Workplace; Antitrust & Competition Law; U.S. Export Regulation; Workplace Harassment; Cybersecurity; and handling confidential information.

Spotlight on our talent pipeline initiatives



University Relations

- 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;
- Participated in the Hsinchu Semiconductor Academic Forum to share the project results with participating students and companies.

STEM Initiatives

- Several of our employees in the Oldham manufacturing site serve as STEM Ambassadors and led a variety of activities in local schools:
 - One test engineer worked with six year-12 students from Oldham Hulme Grammar School over a six month period to create a working prototype of a thermal imaging drone that could be used to detect heat leaks within buildings.
 - At the Big Bang fairs in Oldham, our Sales Development Representative led a competition of a younger student on gowning up in clean room attire while her colleague, a Process Engineer, led a match game with prizes for the winners.

Spotlight on our European Manufacturing Sites



- In 2022, we continue to promote staff wellness initiatives including cycle to work, cancer awareness and screening tests, mental health awareness, and health promotion leaflets which are available in the occupational health clinic.
- Our manufacturing sites continue to expand their support of STEM partnerships with local schools and universities (e.g., Hulme Grammar and Royton & Crompton Academy (Oldham), St. Columba's (Gourock), and Strathclyde University (Glasgow)).
- On November 11, 2022, the Inverclyde Chamber of Commerce Fund awarded Diodes our wafer fabrication facility in Greenock, UK (GFAB) and its 2022 ICON Award for Skills Development which highlighted the extraordinary amount of staff training completed by the site.
- GFAB was also nominated as a finalist for the Women in Industry Award by the Center for Engineering Education and Development (Ceed).
- GFAB sponsored five second-year engineering apprentices.
- GFAB and our staff at the wafer fabrication facility in Oldham, UK (OFAB) participated in a variety of fitness exercises including walks, runs, and other fundraising activities for local charities in their communities.

- Diodes is a long-time supporter of the Chinese Institute of Engineering (CIE) Dallas-Fort Worth Chapter and sponsored its 2022 Technical Executive Forum "Technology Fusion – Breakthrough Technologies for a sustainable Future" attended by engineers and VIPs from the region's leading technology companies. 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 Asia Manufacturing and Assembly Sites



- Our manufacturing site in Wuxi, China held various employee anniversary recognition events with about 820 employees
- Our manufacturing sites in Shanghai, China hosted Xin Qiao school teachers and developed a company campus partnership
- 20 employees in our Shanghai wafer fabrication facility participated in a reading project supporting 90 children at a local public school; this project has been ongoing for 9 years and has benefitted more than 800 children in the local community
- Our assembly and test manufacturing site in Chengdu provided suitable job opportunities to individuals with disabilities to allow them access to meaningful work and financial independence



8 | GOVERNANCE



GOVERNANCE Overview

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") 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, 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 drive management accountability, holding 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

- 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 Directors				
Governance Documents		Structure		
Certificate of Incorporation and Bylaws	Corporate Governance Guidelines and Related Policies	Board Committee Charters	Governance and Stockholder Relations Committee	Risk Oversight Committee
			Audit Committee	Compensation Committee

Financial Integrity. Accountability, Transparency

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, and ethnic diversity reflected on the board representation
- Two (2) 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

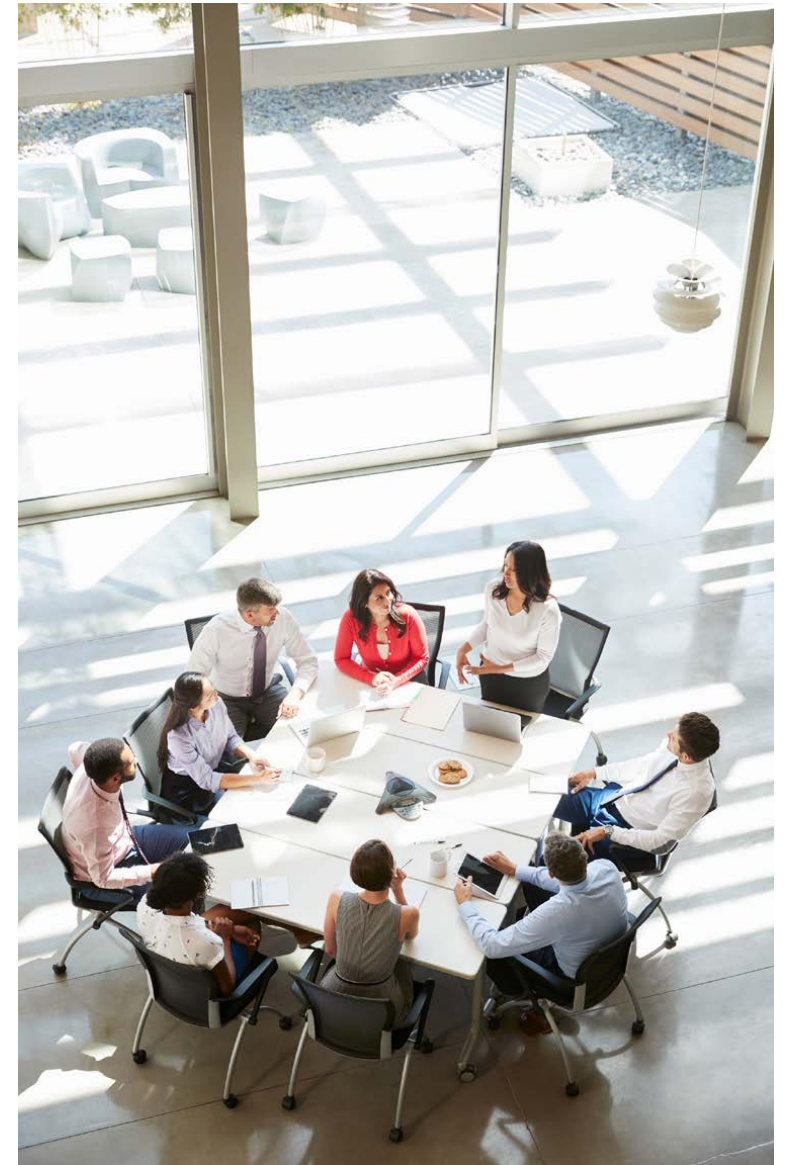
Board of Directors Diversity Profile		
Gender		
Male	5	71.4%
Female	2	28.6%
Total	7	100%
Country of Residence		
USA	4	57.1%
Taiwan	3	42.9%
Total	7	100%
Race		
White	2	28.6%
Asian	5	71.4%
Total	7	100%

Performance-Based Executive Compensation

- Attainment of both Diodes performance goals and individual objectives
- Alignment between executive compensation and stockholder interests
- No special grants were made to executive officers, including CEO, during the last fiscal year 2022.
- 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



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>.

Topic	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	2	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	70.6	Proxy Statement
Shareholder Ability to Call Special Meetings (>50% threshold)	Yes	Bylaws, Article 1, Section 2
Succession Planning	Yes	CGG Sections D(2), (3)
Communications with Stakeholders and External Entities	Yes	CGG Section J
Committees		
Charters for Board Committees	Yes	CGG Section E(2)
Number of Financial Experts on Audit Committee	1	NASDAQ Rule 5605(c)(2)
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 process	Yes	CGG Section E(10)
Compensation Consultant Independence Policy	No, but related factors are accounted for in the Charter	See Compensation Committee Charter
Disclosure Committee for Financial Reporting	Yes	Disclosure Committee Charter
Number of Board Meetings Held in FY 2022	4	Proxy Statement
Independent Directors Hold Meetings Without Management Present	Yes	CGG Section C(5)
Board Meeting and Committee Meeting Attendance Requirements	Yes	CGG Section C(7)

Topic	Response	Reference
Directors		
Proxy Access for Director Nominations	Yes	See Stockholder Nominating 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; Stock Ownership Policy and Stock Holding Policy
Directors Elected by the Highest Number of 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 public boards)	CGG Section K; See Director Selection Criteria Section 3
Director Orientation and Education Program	Yes	CGG Section B(7)
Governance Documents		
Corporate Governance Guidelines Approved by the Board	Yes	CGG Preamble; See Corporate Governance Guidelines
Committee Charters	Yes	CGG Section E(2); 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 Business Conduct
Finance Code of Professional Conduct (Ethics Code for CEO and Finance Department)	Yes	CGG Section I(1); See Code of Ethics for CEO and Finance Department
Policy Regarding Recoupment of Executive Compensation	Yes	See Policy Regarding Recoupment of Executive Compensation
Stockholder Nominating Procedures	Yes	See Stockholder Nominating Procedures
Poison Pill	No	
Evaluations		
Annual Board Evaluations	Yes	CGG Section C(11)
Annual Committee Evaluations	Yes	CGG Section E(11); Committee Charters

Communications with Stakeholders

The Chairman and Chief Executive Officer are 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: gurmeet_dhaliwal@diodes.com

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: cstmail@continentalstock.com

Additional information can be found on the Investors page of our corporate website at <https://investor.diodes.com/>.

Interested stakeholders can sign up for e-mail alerts at <https://investor.diodes.com/email-alerts> to automatically receive Diodes' financial and stock information, SEC filings, and news alerts by email.

APPENDIX

SASB Sustainability Disclosure Topics and Accounting Metrics

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"). Please see below for a mapping of how our latest disclosures align with the SASB Standards.

The SASB Standards are maintained by the Value Reporting Foundation. 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.

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

[Anti-Bribery and Anti-Corruption Policy](#)

[Anti-Counterfeit Policy](#)

[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](#)

[UK Gender Pay Gap Reports](#)

[UK Modern Slavery Act Statement](#)

REVISION HISTORY

Publication Date: July 2023

Number	Revision	Request Date
1.	Add paragraph to page 25 regarding WEEE Directive guidance	8/21/2023
2.	Remove Jinan site from world map on page 5	8/24/2023
3.	Added political organizations and political campaigns to page 7	10/24/2023

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