

(C1.1b) Further details on the board's oversight of climate-related issues.

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 risks our operations are facing and the 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 risks which include climate-related risks and opportunities. The entire board reviews progress against climate and sustainability-related goals. 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 sustainability-related risks, and provides guidance on actions needed to address critical risks. Progress of the company's sustainability projects is communicated by the VP, Sustainability on a quarterly basis for review by the board.

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. 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.

(C2.3a) Details of climate-related risks identified with the potential to have a substantive financial or strategic impact on our business.

Identifier	Where in the value chain does the risk driver occur?	Risk type	Primary climate-related risk driver	Primary potential financial impact	Company- specific description	Time horizon	Likelihood	Magnitude of impact	Are you able to provide a potential financial impact figure?	Explanation of financial impact figure
Risk 1	Direct operations	Reputation	Increased stakeholder concern or negative stakeholder feedback	Decreased revenues due to reduced demand for products and services	Customer and investor interest in company strategies to address environmental sustainability issues may become increasingly important in investment and supplier selection decisions.	Medium-term	More likely than not	Low	No, we do not have this figure	Due to the range in our investor base and other variables, exact impact is unknown.
Risk 2	Direct operations	Acute physical	Cyclone, hurricane, typhoon	Decreased revenues due to reduced production capacity	The disruption of production due to extreme weather events has been identified as potential risk to our business.	Short-term	More likely than not	Medium	No, we do not have this figure	Variables related to the increased severity and frequency of extreme weather events are unknown.
Risk 3	Direct operations	Chronic physical	Heat stress	Increased indirect (operating) costs	Limits to energy and water availability in specific locations at specific times of the year have been identified as a potential risk to our business.	Medium-term	About as likely as not	Medium	No, we do not have this figure	Variables related to the increased severity and frequency of extreme weather events are unknown.

(C2.4a) Details of climate-related opportunities identified with the potential to have a substantive financial or strategic impact on our business.

Identifier	Where in the value chain does the risk driver occur?	Opportunity type	Primary climate-related opportunity driver	Primary potential financial impact	Company- specific description	Time horizon	Likelihood	Magnitude of impact	Are you able to provide a potential financial impact figure?	Explanation of financial impact figure
Opp1	Downstream	Products and services	Development and/or expansion of low emission goods and services	Increased revenues resulting from increased demand for products and services	We allocate resources to research and develop semiconductor products that align with sustainability trends. Our focus includes two key areas: 1) low power consumption devices. These devices enhance the efficiency of electronics by minimizing energy usage, and 2) Products that support electronic systems in high-growth markets related to sustainability. This includes renewable energy systems, electric vehicles and related charging infrastructure.	Medium-term	Likely	Medium	No, we do not have this figure	We have not calculated specific financial implications
Opp2	Direct operations	Products and services	Development of new products or services through R&D and innovation	Increased revenues through access to new and emerging markets	By collaborating with our customers in the development of products we help them and their customers reduce their overall carbon footprint. Examples of our collaborative efforts on factory automation and lower energy-consumption initiatives include utility metering, industrial sensors, cameras, control panels, HVAC controls, robotics, automated scanners, etc.	Medium-term	More likely than not	Medium	No, we do not have this figure	We have not calculated specific financial implications