

# SUS TAIN A BI LITY

## 2023 Sustainability Report

ENVIRONMENTAL  
SOCIAL  
GOVERNANCE

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# About the Report

GRI 2-2, 2-3

D-Link maintains a good and smooth communication channel with stakeholders, and has been regularly issuing sustainability reports and disclosing relevant information on the Company’s website since 2013. This report, D-Link’s “2023 Sustainability Report” (hereinafter referred to as “the Report”) aims to present D-Link’s efforts and achievements in implementing sustainable development to stakeholders.

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Report Writing Basis

The Report is prepared in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI), complies with the “Operating Measures for the Preparation and Reporting of Sustainability Reports by Listed Companies” and the corresponding industry standards (Technology and Communication Hardware) of the SASB (Sustainability Accounting Standards Board) and refers to the Task Force on Climate-related Financial Disclosures (TCFD) structure, and the Integrated Reporting Framework (IR. It also spontaneously responded to the 17 Sustainable Development Goals (SDGs<sup>1</sup>) of the United Nations and the United Nations Global Covenants. See the appendix for details (P.170).

Report Period

The Report is the 11<sup>th</sup> sustainability report of D-Link, which reveals the performance information of D-Link’s responses to material topics and actions for the year 2023 (January 1 to December 31, 2023).

Disclosure Scope

The financial data in this report cover the business performance of the parent company and 51 subsidiaries<sup>2</sup>; the non-financial performance indicators cover the D-Link headquarters and Taiwan branches. Comparing to the financial statements, the non-financial performance adopts the headquarters and operating bases in Taiwan as the main pillar of information disclosure (based on consolidated revenue, accounting for 30.9%). Only part of the information covers overseas subsidiaries, such as the number and distribution of employees.

Data Description

The source of the financial performance data in the Report is the operating performance of the parent company and subsidiaries disclosed in the Company’s 2023 Annual Report. Environmental disclosures are based on information within the Taipei Headquarters boundary, while social disclosures extend to the Taipei Headquarters (including the Tainan warehouse) and various branch locations in Taiwan (such as the Hsinchu office, Taichung office, and Kaohsiung office). The financial data in the report was publicly disclosed after being certified by CPAs, and the relevant carbon emission information has been verified by a third-party impartial unit. Other statistical data disclosed in the report are all the results of the Company's statistics and survey and are presented using the commonly used numerical description method. If any relevant information is redrafted, it will be explained in the appendix. (P.163)

Report Management and Review

The data or information disclosed in the Report are provided by various competent and responsible departments to the ESG Office for compilation, then managed and reviewed in the following methods.

- Internal control and audit: The data or information disclosed in the Report are provided by various competent and responsible departments to the ESG Office for compilation, then reviewed by the Corporate Auditor’s Office before being submitted to the Chairman, ESG Committee and Board of Directors for review and approval in sequence.

<sup>1</sup> Sustainable Development Goals

<sup>2</sup> Please refer to P.211 of the Company’s 2023 Annual Report.

- External Verification

Type	Items	Verification Unit
Finance Data	2021 to 2023	KPMG Taiwan
Quality Management Data	ISO 9001:2015	AFNOR
Occupational Safety and Health Data	ISO 45001:2018	BSI
Environment Data	ISO 14001:2015 ISO 14064-1:2018	SGS AFNOR
Information Security	ISO/IEC 27001:2013 BS 10012:2017 IEC 62443-4-1:2018	TUV AUSTRIA TUV AUSTRIA TUV NORD
Intellectual Property Management	TIPS (Grade A) Certification	The Institute for Information Industry entrusted by the Industrial Development Administration of the Ministry of Economic Affairs
Sustainability Data	AA1000AS v3 Type 1 Moderate Level, GRI Standards, SASB Standards	TUV NORD

Issuance Information

Chinese and English versions of the report are issued every year, and the annual reports are all published on the D-Link official website in the "Sustainability Report Download" section.

Current published version	Published in June 2024
Disclosure period	January 1, 2023, to December 31, 2023
Next published version	To be published in June 2025
Previous published version	June 2023
First published version	June 2014



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Message from the Chairman GRI 2-22

In February of this year, I led a team to attend MWC Barcelona in Spain. Over the course of a few days, what impressed me the most was not the plethora of new technological applications showcased at the venue, but the city itself. Whether it was the spacious pedestrian space, bustling business activities, vast expanse of greenery, or the absence of air pollution associated with endless traffic, every day the commute to the exhibition hall kept me excited because I could truly appreciate the harmonious coexistence between residents, the economy, and the environment of the pedestrian paradise. This is the “Superblocks”, brainchild of the local government, and an exemplar of a meticulously planned sustainable metropolis.

It got me thinking that, as a global leading brand in network communication, does D-Link have the opportunity to bring about similar moving sentiments to its stakeholders while diligently pursuing ESG, brand, and corporate sustainability?

In 2023, we were more focused on the connection between public welfare and core functions, giving priority to Taipei City and New Taipei City. A total of 30 “More Local, More Public Welfare” social engagement projects with distinct themes and objectives were planned. Resources and manpower were invested directly to build a more robust mutual trust and interdependent relationship with society and communities. This helped us fulfill our corporate social responsibilities and shape a culture of common good. Furthermore, we are conscious that D-Link operates in the knowledge-intensive technology industry, and that talent resources are crucial to the competitiveness of our products and services. Coupled with the Company’s presence in the global market and organizational scale, it is our responsibility to cultivate key talents for the industry. Therefore, we have established the “Overseas Talent Pool Office” to train reserve talents in overseas operational management. Building on the foundation of the Company’s vision, values, and strategies, we aim to create an education and training system for the purposes of comprehensive learning. At the same time, potential talents are recruited through various campus collaboration programs using competitive remuneration and benefits, thereby allowing outstanding talents to continue growing with the Company.

In terms of the environment, it is evident that climate change and carbon management issues are the most pressing and important environmental agendas of our time. This is evidenced by the intensifying regulatory pressure from multinational organizations and governments around the world. D-Link is aware that we should vigorously influence stakeholders by applying our market resources and impact, in turn facilitating a low-carbon transformation across the value chain. Therefore, we have unveiled the first green product manufactured with post-consumer recycled (PCR)





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plastic and started utilizing packaging bags made of PCR plastic. Additionally, we also launched the green energy procurement project, coupled with our longstanding energy-saving programs and internal promotions. As a result, D-Link’s purchased electricity and carbon emissions are exhibiting a gradual decline year by year, putting us firmly on the path towards Net Zero in 2050. Being included in Business Week’s “Carbon Competitiveness 100” is a tremendous honor that recognizes the efforts of the team.

Meanwhile, a female director was elected at the annual Board reelection along with directors who possess a wealth of professional knowledge and management experience in fields such as AI innovation, cloud, and communication, thereby bolstering the diversity of the Board of Directors. Moreover, we have formed a talent selection mechanism in accordance with the “Succession Planning for Senior Manager” approved by the Board of Directors to identify potential successors for key management positions. Subsequently, the Company has created a leadership pipeline to enhance corporate governance and operational performance. In terms of supply chain management, D-Link also implemented a new Sustainable Procurement Policy and Supplier Code of Conduct. Through comprehensive systems and concerted efforts, the aim is to optimize ESG management throughout the supply chain.

In 2023, D-Link adopted a dual-axis transformation by leveraging digital technology innovation and practicing ESG to generate new growth momentum and sustainable values. Besides impressing judges of professional awards such as the Good Design Award and the Taiwan Excellence Award, the Company was bestowed the honor of being recognized as one of the “Top 100 Sustainable Exemplary Enterprises in Taiwan” for its first participation in the TCSA Taiwan Corporate Sustainability Awards. Winning the award is a tremendous encouragement for the team. I would like to thank every colleague in the Company for their endeavors in sustainable development, as well as all the stakeholders who are willing to support D-Link in materializing sustainability in everyday life.

Looking ahead, D-Link will continue to maintain a close partnership with its stakeholders and maximize its sustainable impact in a bid to achieve the vision of “Leading Smart Living and Creating Sustainable Value” with unwavering determination. We aspire to move you with everything we do and every step we take.

Chairman *Victor Kuw*





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Overview [GRI 2-1, 2-6, 2-7](#)

D-Link was established in 1987 and its own “D-Link” brand products are sold around the world. Listed on TWSE in October 1994 with the stock code 2332. The Company’s paid-in capital is NT\$6 billion, and the consolidated revenue in 2023 was NT\$15.94 billion. Please refer to the Company’s 2023 Annual Report for detailed financial information.

▼ Headcount and Financial Information

	2021	2022	2023
Number of Operating Locations	112	82	90
Total Number of Employees	1,833	1,652	1,593
Headquarters (Including the Number of Employees in Taiwan Branch)	555	515	518
America	124	76	73
Europe	447	434	457
Asia and Others	707	627	545
Capital Amount	5,998	5,998	6,028
Total Assets	14,504	15,422	16,621
Net Sales	15,525	17,078	15,941
America	1,599	1,332	1,223
Europe	5,036	4,888	4,257
Asia and Others	8,890	10,858	10,461

\* All amounts in this table are denoted in New Taiwan Dollars (NTD) in millions.  
\* The regional classification of financial-related data is based on the 2023 financial annual report specification.

D-Link is the world's leading networking brand. It has been deeply engaged in the global networking equipment market for over 30 years and is still leading in the industry. In the early stages of development, D-Link focused on designing and developing computer networking equipment. In the era when PCs were large and cumbersome due to the size of components, D-Link broke through the technical bottleneck and innovatively developed network interface cards that were half the size of previous cards. The compact and economical design not only significantly improved the practicality and efficiency of computers, but also drove revolutionary changes in the global PC market.

In recent years, D-Link has continuously kept pace with the times. In 2020, after joining Taiwan Steel Group (TSG), D-Link integrated three major advantages as a leader in global networking equipment and comprehensive networking solutions, showcasing the software and hardware capabilities of comprehensive AIoT and assisting customers in building smart homes, smart businesses, and smart industries to realize the vision of “One Connection-Infinite Possibilities”.

D-Link's main products are switches, wireless LAN products, broadband products, digital home appliances, cloud application product solutions, and other networking products, etc., playing a pivotal role in the global small and medium-sized enterprises and home network market. The service targets are general consumers, enterprise users, and the telecommunication industry. Since its establishment, D-Link has been internationalized, localized, and globalized, and its performance has grown steadily. It focuses on research, design, development, and marketing of networking communication equipment products and related services. D-Link is devoted to providing high-quality networking solutions to consumers and businesses around the world.





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D-Link Business Architecture

Market Positioning	Global leading provider of networking solutions and intelligent networking devices.		
Core Competency	Intelligence, MIT, Sustainability		
Business Architecture	For Home	For Business	For Industry
Solutions	Smart Home	Smart Business	Smart Insuday
Value Proposition	One Connection – Infinite Possibilities		
Software			
Product USP	Stability, Velocity, Coverage		
Core Value	Accessible	Manageable	Reliable
Products	<ul style="list-style-type: none"><li>• Mesh Router</li><li>• Extender</li><li>• Camera</li><li>• Home IoT</li></ul>	<ul style="list-style-type: none"><li>• Switch</li><li>• EAP</li><li>• Gateway</li><li>• VPN router</li></ul>	<ul style="list-style-type: none"><li>• M2M</li><li>• 5G</li><li>• IoT</li><li>• Industrial switch/ERP</li></ul>
Product Series	 	-	-
Cloud Service	One-stop Management, Cloud Recording, Parental Control	Monitoring, Set-up service	Monitoring, Set-up service



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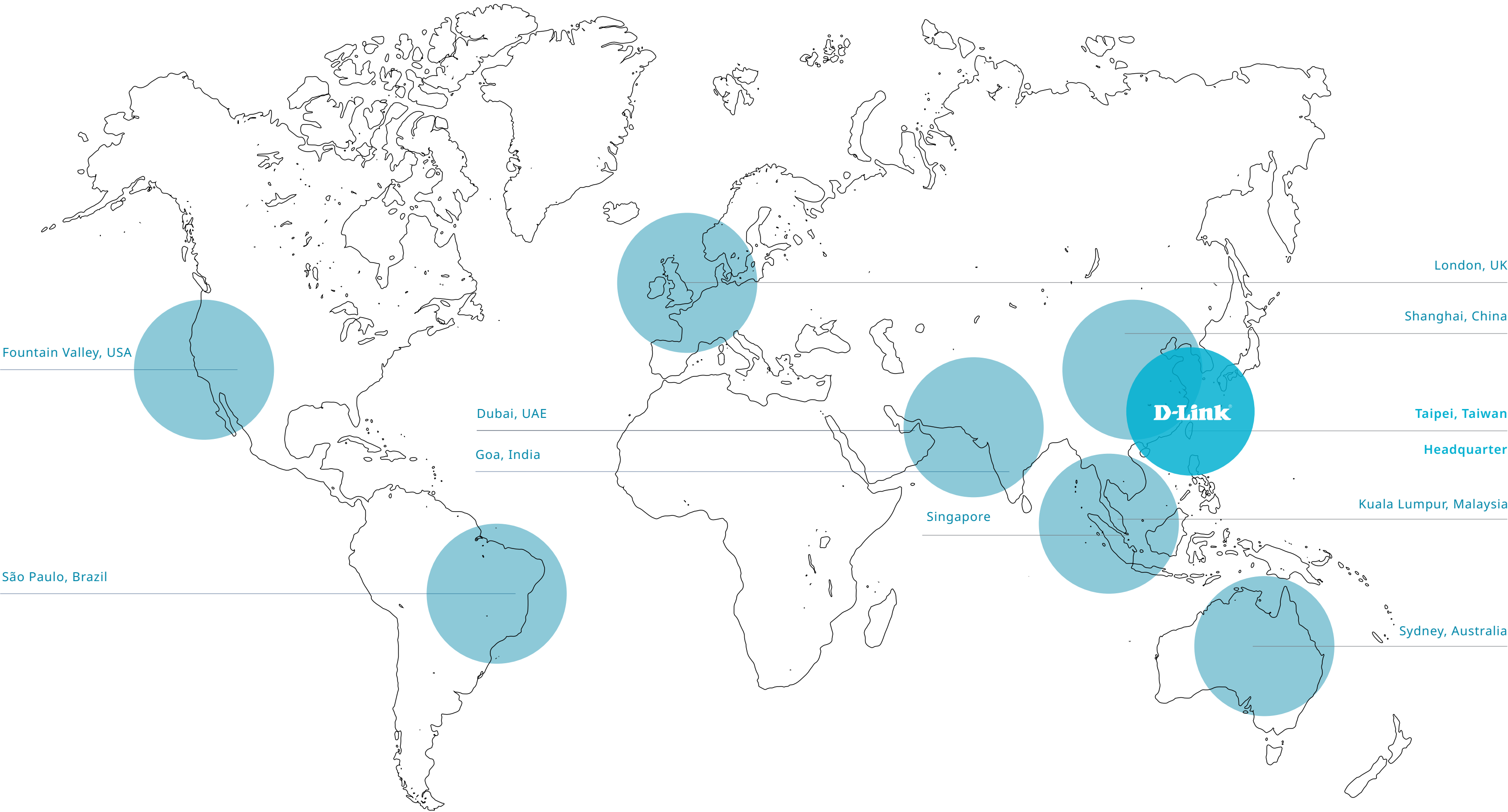
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D-Link Global Distribution Map

D-Link’s operational headquarters are located in Neihu District, Taipei City, with 90 operational and sales locations in 43 countries worldwide; as a globally renowned professional Internet communication company, it has 1,593 employees worldwide.

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Main Products



Switches

Cloud Managed Switch, Consumer Switch, Industrial Switch, Enterprise Switch, Management Software



Wireless LAN Products

WLAN Access Point, Wi-Fi Router, Wi-Fi Extender, WLAN Adapter



Broadband Products

Fiber Optic Router, DSL Modem Router, 5G/LTE Router, 5G/LTE Mobile Router



Digital Home Appliances

Indoor Wi-Fi Camera, Outdoor Wi-Fi Camera, Smart Home Device



Cloud Application Product Solutions

mydlink , Nuclias, D-ECS



Other Networking Products

Virtual Private Network Router, Internet Cable, USB Hub

\* The company discloses the revenue ratio of each product line to the public every quarter. For details, please refer to the quarterly financial statement.



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Important Notes in 2023



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2023 Sustainability Performance

In addition to actively developing its own business, D-Link is also committed to strengthening governance, contributing to the friendly environment, and benefiting society in 2023, and has achieved remarkable achievements in all aspects of ESG.



Economy and Governance

- Recorded a remarkable 421.1% increase in annual net profit attributable to the parent company compared to the previous year.
- Ranked in the top 5% of all listed companies (Tier 1) in Corporate Governance Evaluation, and positioned in the top 4% within the global communication equipment industry according to S&P Global ESG Scores, surpassing both industry and Taiwan business averages in FTSE Russell ESG Rating, and ESG-related risks have seen a decrease for three consecutive years, solidifying D-Link's position in the top 3% globally within the communication equipment industry based on Sustainalytics ESG risk rating.
- The Board of Directors includes one female director.
- Successfully maintained a Grade A certification for the Taiwan Intellectual Property Management System (TIPS).
- Participated in TCSA for the first time and received the “Top 100 Most Prestigious Enterprises in Taiwan” and “Platinum Sustainability Report Award.”



Value Creation

- First in Taiwan's networking equipment industry to pass the EU ETSI EN 303 645 Cyber-security Standard for Consumer IoT Products certification.
- Successfully completed the review of 6 patents (3 product patents, 3 design patents).
- Received awards such as Interop Tokyo, Good Design Award, and Taiwan Excellence Award for D-Link's products.
- Completed sustainability audits for 7 major suppliers.
- Established the “D-Link Sustainable Procurement Policy” and formulated the “D-Link Supplier Code of Conduct.”



Environment

- Reduced carbon emissions by 7.75% annually (categories 1 and 2).
- Reduced external power purchases by 5.47% annually, resulting in a 13.51% reduction compared to the baseline year<sup>3</sup>.
- Initiated a green energy procurement plan, purchasing and supplying 6,000 kWh of green energy.
- Launched the first green product using PCR plastic and started using PCR plastic for packaging.
- Recognized as one of the “Top 100 Carbon-Competitive Companies” by Business Weekly.



People and Society

- Allocated 5% of annual company profits as employee rewards; the average salary increase across the company was 4.17%, with 93.04% of employees receiving raises.
- Nearly 60% of managerial positions are held by women.
- Employed professional massage therapists with disabilities to provide on-site massage services, donating all proceeds to social welfare organizations.
- Sponsored the Tainan TSG GhostHawks basketball team and actively promoted a culture of employee health, earning the “Sport Enterprise” certification from the Ministry of Education.
- Collaborated with 32 charity partners in 2023, doubling resources compared to the previous year to over NTD 5 million, implementing 30 social participation projects/activities, and benefiting a total of 9,351 individuals.

<sup>3</sup> The baseline year is 2021.



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Awards and Honors

D-Link continues to develop and launch new networking-related products and solutions to create a new digital silk road and lead a global smart lifestyle. In 2023, D-Link won three awards, which include the Japan Good Design Award, Japan Interop Tokyo 2023 “Best of Show Grand Prize”, and Taiwan Excellence Award, symbolizing that D-Link's products and services have reached international standards in terms of design, innovation, and functionality.

2023 Awards	Award-winning Products
Japan Good Design Award	M30 MS30
32 <sup>nd</sup> Taiwan Excellence Awards	M30 MS30 M60 E30 AQUILA PRO AI App
Japan Interop Tokyo “Best of Show Grand Prize”	DBG-2000 DBG-X1000



\* For the introduction of the annual award-winning products, please refer to Chapter 3.4.4 "International Design Award-winning Products" (P.88).

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# CH1 Sustainable Operations

## Responding to Material Topics

- Risk Management
- Sustainable Development Strategy

## Major Stakeholders

- Customers / Clients
- Shareholders / Investors
- Employees
- Suppliers / Business Partners



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# 1.1 Sustainability Vision and Strategies GRI 2-13, 2-22, 2-23, 2-24, 3-3

With the sustainability vision of “Leading Smart Living, Creating Sustainable Value”, D-Link is moving toward the vision that is linked to the United Nations Sustainable Development Goals (SDGs), based on 4 core spirits and 7 sustainability management competence, and shaping sustainable value with corporate identity.



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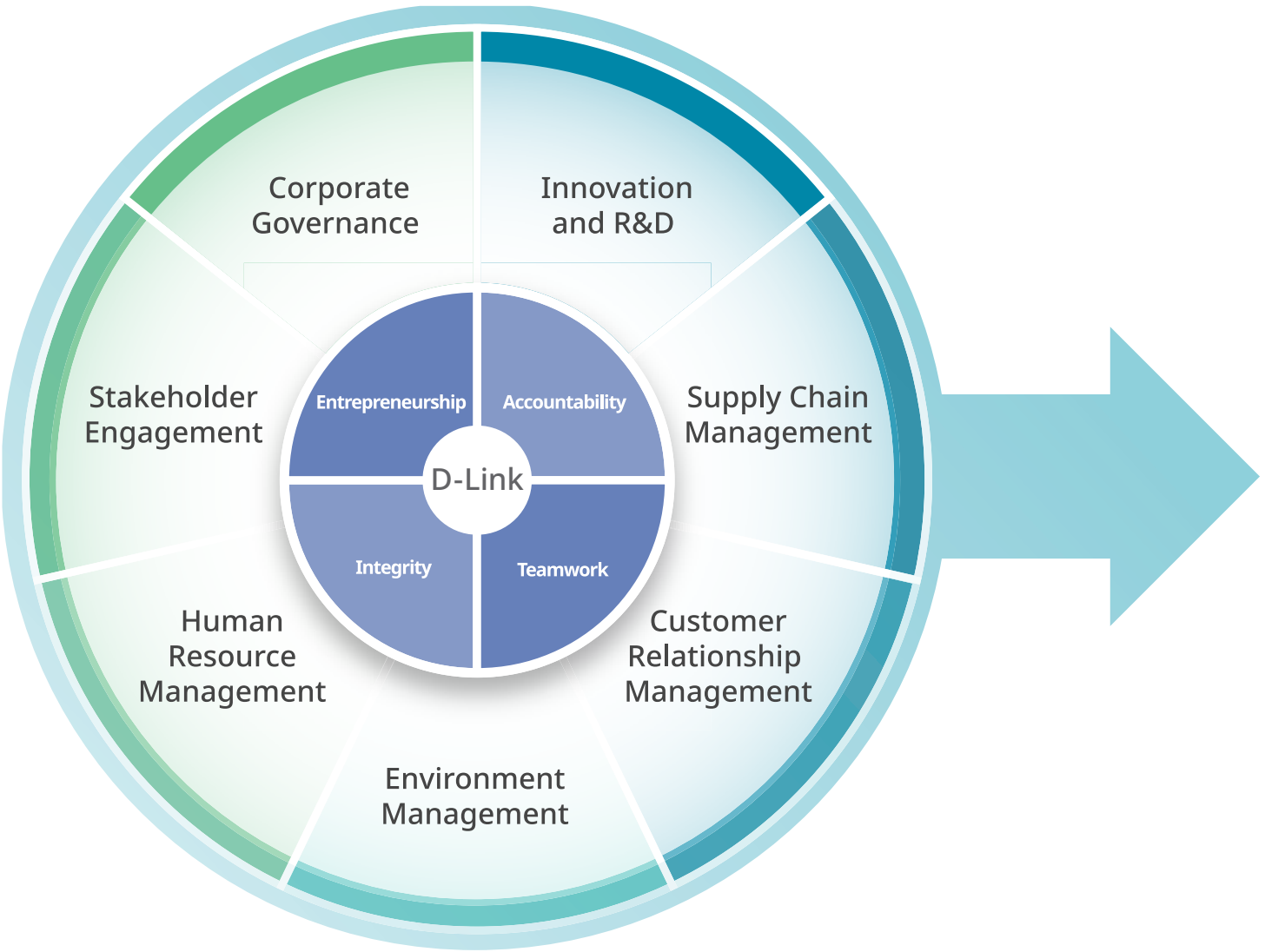
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Connotation of D-Link's Sustainability Vision



Diversity



Leverage



Integrity



Net Zero



Knowledge



Diversity	Pursue social inclusion with diverse and equitable policies and programs
Leverage	Utilize industry functions and corporate values to pursue maximum impact
Integrity	Establish a management mechanism with honesty and integrity to reduce operational risks and pursue sustainable development
Net Zero	Optimize the efficiency of energy and resource use, and reduce the impact on the environment and ecology with a sustainable operation model
Knowledge	Strengthen industry functions through innovation and R&D capabilities to meet human development needs and share results with society



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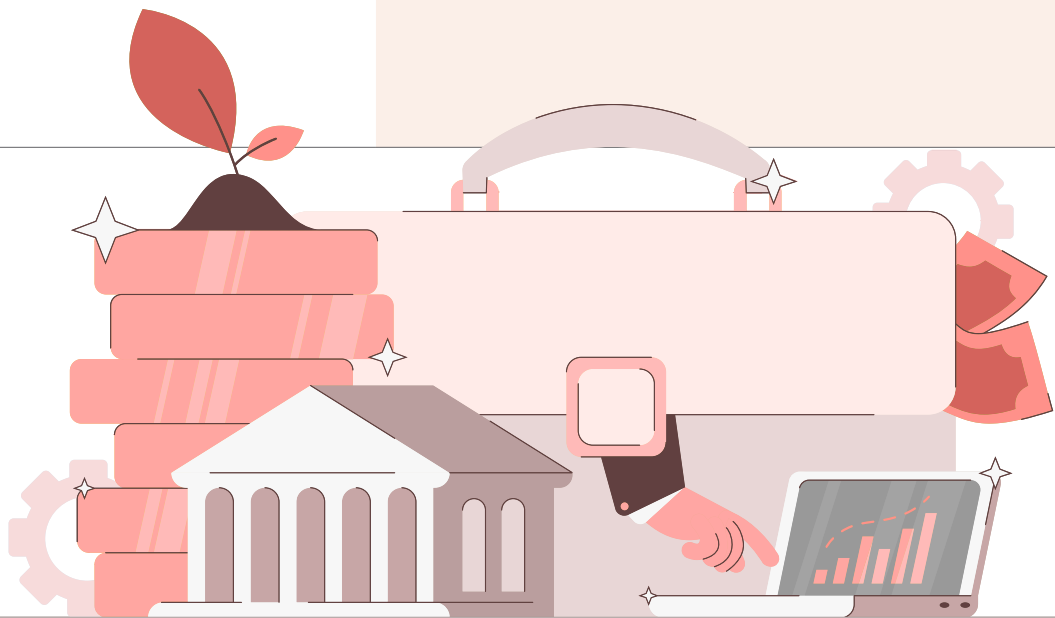
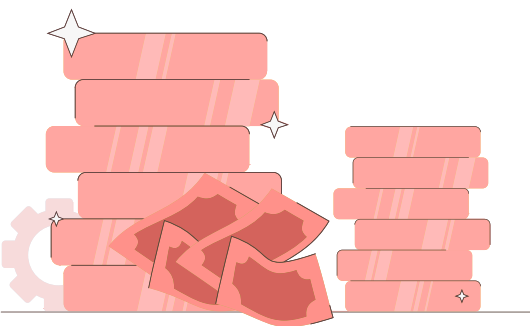
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Management Approaches for Sustainable Development Strategy

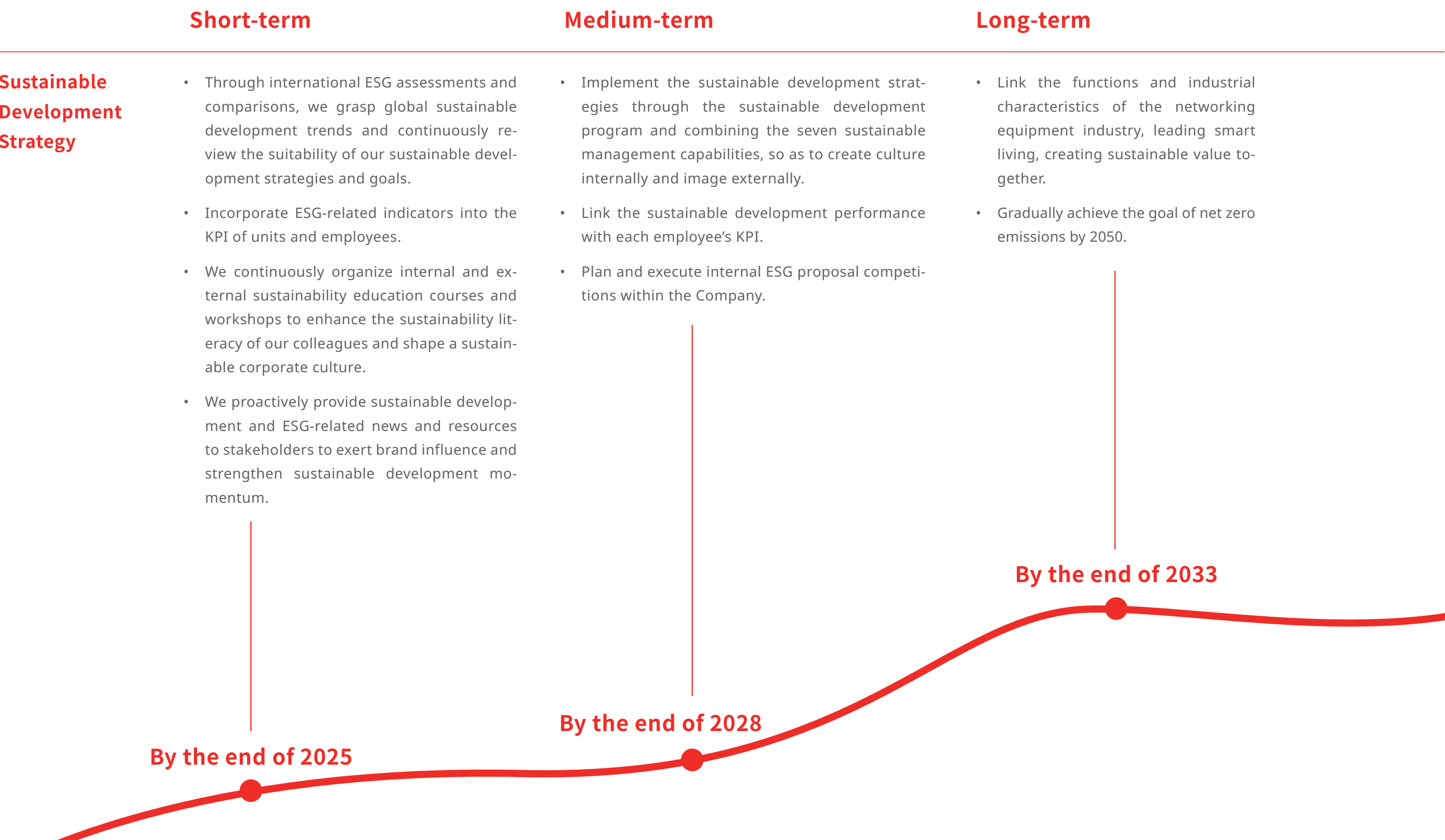
Material Topics	Significance for D-Link	Impacts on Value Chain*			Response Policies and Measures	Management Actions
		Suppliers/ Business Partners	D-Link/ Subsidiaries	Customers/ Clients		
<b>Sustainable Development Strategy</b>	The foundation of sustainable business operations lies in the sustainable development of the environment and society. A stable environment and society are essential for sustainable business operations. Therefore, while pursuing operational profits, D-Link also values a balance of all aspects of ESG to mitigate related risks and derived operational challenges, financial losses, goodwill impact, litigation, and market changes, and to seize possible turning points and opportunities.	●	●	●	A dedicated unit has been established to formulate the Company's sustainable development strategies, implement the promotion of sustainable development policies, and track and manage the results thereof.	D-Link has an ESG Committee to assist the Board of Directors in promoting sustainable development practices to realize the vision of sustainable management; it also has an ESG Office under the Committee, and through functional ESG task forces, regular meetings are held every month to review and discuss the Company's core operating capabilities with the heads and responsible colleagues of each center, jointly formulate ESG development strategies, and optimize them on a rolling basis.

\* ● Direct impact; ○ Indirect impact



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Short / Medium / Long-term Goals for Sustainable Development Strategy





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Achievement Status of Sustainable Development Goals for 2023

Material Topics	Goals in 2023	Management Performance	Achievement Status
Sustainable Development Strategy	<ul style="list-style-type: none"><li>• Develop sustainable development strategies in combination with the industrial functions of networking equipment.</li><li>• Review and manage sustainable development goals and performance through external evaluation and comparison.</li><li>• Link the sustainable development performance with supervisors' KPI.</li><li>• Launch the green energy procurement program.</li><li>• Launch the art and cultural activity link program.</li><li>• Organize internal sustainability education courses and workshops to enhance employees' competency for sustainability.</li></ul>	<ul style="list-style-type: none"><li>• 6 strategic goals for the short, medium, and long term (2024-2033) have been set for the product aspect, ranging from front-end green design to recycling and brand influence at the final stage.</li><li>• Through various ESG evaluations and comparisons, we monitor external trends and expectations, adjusting strategic goals and implementation measures accordingly. As a result, the relevant rankings and outcomes have improved significantly. (Please refer to the "2.2.6 Corporate Governance Performance" section on P.47.)</li><li>• Managers at all levels are required to cooperate with the promotion of ESG operations and incorporate corresponding indicators into annual work objectives with appropriate weights.</li><li>• It began transitioning to a green power supply in July. The cumulative kWh switched in 2023 was 6,000 kWh, and 6 Renewable Energy Certificates have been obtained.</li><li>• Since the third quarter, approximately NT\$100,000 has been invested to sponsor 14 performances by 5 cultural performance groups, with 117 participants.</li><li>• A comprehensive ESG education and training structure is planned, encompassing general employees, the ESG Taskforces, and senior management, and extending to external stakeholders. 2 in-person ESG education and training sessions were held in 2023.</li></ul>	✓



Simon Huang, D-Linker

Through internal ESG education and training courses, the concept that was originally somewhat vague has now taken on a clearer and more concrete outline. In the past, I always thought that ESG had nothing to do with me. However, through these explanations, I discovered that various sustainability issues are closely related to individuals at different levels. I am grateful that the company arranged this type of course, as I have benefited greatly.

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# 1.2 Sustainable Management Structure

GRI: Self-defined topics

D-Link adopts sustainable development as its business policy and sets up the ESG Committee as the highest management unit for ESG related matters. Through the collaboration of the ESG Office and each department, the Company collectively examines and discusses its core operational capabilities and sets directions for development and improvement. With a top-to-down governance structure supported by cross-departmental integration, D-Link proves its strong commitment to corporate sustainability development.

- 1.2.1 ESG Committee
- 1.2.2 ESG Office



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**1.2.1 ESG Committee**

D-Link established the ESG Committee in 2021. The ESG Committee is responsible for assisting the Board of Directors to continuously promote programs related to sustainable development to enact the vision of sustainable management. For regulations regarding the ESG Committee, please refer to the “ESG Committee Charter.”

**Responsibilities of ESG Committee**

- Formulate annual plans and strategy for sustainable development.
- Formulate sustainable development projects and activity plans.
- Track and review the implementation and effectiveness of the Company's sustainable development annual plan, strategy, project and activity plan, and report to the Board of Directors at least once a year.
- Other matters to be handled by the Committee upon resolution of the Board of Directors.

**Operation of ESG Committee**

The ESG Committee is composed of all independent directors and the chairman<sup>4</sup>, with 4 members (including at least one expert in sustainable development). 2 meeting was held in 2023 and the attendance rate of members was 100%. For the professional qualifications and experience of members of the ESG Committee, and the 2023 meeting reports, discussions, and resolutions, please refer to the “ESG Committee” section.

<sup>4</sup> The Chairman of the board was added in the second term.



**1.2.2 ESG Office**

D-Link has established the ESG Committee to assist the Board of Directors in promoting sustainable development practices and realizing the vision of sustainable management. Under this committee, the Company has also set up the ESG Office and functional ESG task forces. Monthly meetings are conducted to collectively review and discuss the Company's core operational capabilities with department heads and responsible colleagues from each center. These meetings aim to formulate ESG development strategies and continuously optimize them. This integration of sustainable development into the Company's management strategy ensures the promotion and implementation of tasks related to enterprise sustainable development.

▼ Responsibilities of ESG Office and the ESG Taskforce



Formulated jointly by the ESG Office and ESG Taskforce and approved by the Board of Directors, the ESG strategic goals are central to D-Link's initiatives in related projects. In addition to quarterly tracking of implementation progress and regular reporting at meetings, updates are provided to the ESG Committee and the Board of Directors, ensuring concrete review and improvement. To align with global sustainable development processes and stakeholder expectations, a comprehensive review and update is scheduled every two years; the latest update was completed at the end of 2023. For further details on the implementation status of ESG strategic goals and additional information, please refer to the official website under “ESG Vision and Performance.”

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▼ D-Link’s ESG Short/Medium/Long-term Strategic Goals (2024-2033)

Aspect	Duration*	Strategic Goal
Environmental	Short-term	<ul style="list-style-type: none"><li>• Continue to implement energy saving projects.</li><li>• Actively participate in sustainability-related initiatives.</li><li>• Upgrade CDP evaluation grade to C-grade.</li></ul>
	Medium-term	<ul style="list-style-type: none"><li>• Gradual upgrade of air conditioners.</li><li>• Complete the carbon inventory and verification of consolidated subsidiaries.</li><li>• Assessment of the introduction of ISO 14067 product carbon footprint standard.</li><li>• Promote active reduction of carbon emissions to the supply chain.</li></ul>
	Long-term	<ul style="list-style-type: none"><li>• Installation of solar photovoltaic equipment.</li><li>• 2030 green power procurement target of 17.5%.</li><li>• Pass ISO 50001 energy management system certification.</li></ul>
Social	Short-term	<ul style="list-style-type: none"><li>• Formulate a plan for the reserve cadre personnel for key positions.</li></ul>
	Medium-term	<ul style="list-style-type: none"><li>• Optimize remuneration competitiveness.</li></ul>
	Long-term	<ul style="list-style-type: none"><li>• Continue to promote sustainable human rights risk assessment.</li></ul>
Governance	Short-term	<ul style="list-style-type: none"><li>• Maintenance of Taiwan Intellectual Property Management System.</li><li>• Build sustainability and resilience of the supply chain.</li></ul>
	Medium-term	<ul style="list-style-type: none"><li>• Continue to improve corporate governance evaluation results.</li><li>• Implement remuneration transparency for senior managers.</li></ul>
	Long-term	<ul style="list-style-type: none"><li>• Evaluate and introduce external verification of ethical corporate management/anti-bribery related management systems.</li><li>• Include ESG performance as a criterion for business selection.</li><li>• Evaluate and implement the ISO 20400 sustainable procurement guidelines.</li></ul>
Sustainable Products	Short-term	<ul style="list-style-type: none"><li>• Promote and optimize sustainable product development and design planning.</li><li>• Shaping D-Link’s sustainable product features.</li></ul>
	Medium-term	<ul style="list-style-type: none"><li>• Sustainable performance is enhanced in product design.</li><li>• Discuss a product recycling plan.</li><li>• Strive for international awards for sustainable products.</li></ul>
	Long-term	<ul style="list-style-type: none"><li>• Continue to strengthen the influence of D-Link sustainable products.</li></ul>

\* Short-term: By the end of 2025; Medium-term: By the end of 2028; Long-term: By the end of 2033.





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# 1.3 D-Link's Sustainable Value

GRI: Self-defined topics

To respond to the high concern and expectation of global customers and capital markets on ESG issues, and join hands with stakeholders towards sustainability, D-Link is committed to promoting and integrating sustainable development strategies and operational core and integrating with the United Nations Sustainable Development Goals (SDGs). D-Link works with suppliers, employees, customers, communities and other stakeholders to jointly launch a number of governance, environmental and social action programs, and gradually realize the vision of sustainable development. Since 2022, the Company refers to the integrated reporting framework published by the International Integrated Reporting Committee and examined the input and output of six major capitals, including financial capital, manufactured capital, intellectual capital, human capital, natural capital, and social and relationship capital in the Company. It also launched an operating value chain, as an important reference indicator for corporate sustainable management, and helped stakeholders to understand and review the performance of D-Link in promoting sustainable development.





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▼ D-Link’s Capital Input and Output in 2023 (Currency: NTD)

Six Major Capital Investments for the Year		Business Model		Six Capital Outputs of the Year	Sustainability Impact
Financial Capital	Optimize operating profitability by making the best use of shareholders' capital and bank funds and managing financial resources effectively. •Capital: NT\$6 billion	<div>Driving Upward<div>Stable Operation</div>Impact Downward</div> <div>UpstreamOperationDownstream</div> <div>SuppliersBusiness PartnersInvestors/ShareholdersColleaguesSubsidiariesCustomersClients</div> <div>Sustainable Supply Chain<div>Risk ManagementOptimization of Operation ManagementProfessional Talent CultivationInnovation and R&amp;DGreen Products</div>Local CareGlobalizationOperation</div>		Profit before tax: NT\$861 million, an annual increase of 88%.	Stable returns for investors/ shareholders
Manufacturing Capital	Manage suppliers to confirm that they provide products and services that meet customers' needs under conditions that meet society's expectations. •Amount of cooperation with major suppliers: NT\$4.4 billion			•Operating revenue: NT\$15.94 billion •Number of supplier sustainability management audits: 7 •Percentage of major suppliers covered by sustainability management: 85%	Drive the value of industry supply chain
Smart Capital	Invest in forward-looking, innovative products and services to continue creating product differentiation and market segmentation, strengthen our intellectual capital, and enhance the resilience of our operations. •R&D devotion cost: approximately NT\$405 million •R&D manpower training hours/attendance: 844 hours/259 attendance			•Number of product and design patents obtained: 6 •Total number of valid patents worldwide: 116 •Consumer cloud solutions subscriptions of NT\$111.75 million with a growth rate of 35% •Enterprise cloud solutions subscriptions of NT\$71.33 million with a growth rate of 15% •Received 3 domestic and international product awards	Assist customers/ clients to achieve success in product and service applications
Human Capital	Provide professional knowledge and skills to our employees, offer diversified benefits, and build cohesiveness so that they can grow with the company. •Contribution to welfare: approximately NT\$5.3 million •Training and Education Expenses: approximately NT\$797,000			•Provided 43 benefits for colleagues •Total employee training hours: 9,128.7, with 13.8% increase per year •Turnover rate of 17.0%, with a 14.6% decrease per year	Create employment opportunities and employee well-being
Natural Capital	Reduce natural energy and resource consumption, effective control, and pursuit of optimal use efficiency. •Green Pack Program: NT\$160,000 •Procurement of energy-saving equipment and environmental labeling goods: approximately NT\$494,000	<div>Sustainability Management Competence</div> <div>Corporate GovernanceInnovation and R&amp;DSupply Chain ManagementCustomer Relationship ManagementEnvironment ManagementHuman Resources ManagementStakeholder Engagement</div> <div>Brand Positioning</div> <div>Global leading provider of networking solutions and intelligent networking devices</div> <div>Core Spirit</div> <div>EntrepreneurshipIntegrityAccountabilityTeamwork</div>		•Annual reduction in electricity consumption: 5.47% •Category 1 and 2 carbon emissions reduced by 7.75% per year •Total waste volume decreased by 7.94% per year	Preserve natural capital through environmental management
Social Capital	Combine the functions of the networking equipment industry and invest resources and caring momentum to strengthen local links and help the disadvantaged, giving back to the community and gaining trust. •Amount of investment in social participation activities: NT\$5.37 million •Amount of investment in brand management: approximately NT\$6.8 million •Amount of investment in customer service management: NT\$460 million			•Number of social engagement projects: 30, with a 131% increase per year •Number of social participation activities beneficiaries: 9,351, with a 402% increase per year •Won a total of 3 domestic and international awards •Received 3,851 positive reports from domestic and international media •Customer satisfaction score: 86	Create social welfare and nurture talent for industry



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# 1.4 Materiality Analysis and Stakeholder Engagement

D-Link continues to collaborate with stakeholders through various communication channels to inspire and shape diverse social values. For issues of concern to external society and stakeholders, it has also formulated relevant procedures to identify material topics with high risks or substantial impacts on the economy, environment, society, and human rights in the Company's operations. These issues are actively addressed through sustainability reports and other platforms.

- 1.4.1 Materiality Analysis
- 1.4.2 Stakeholder
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1.4.1 Materiality Analysis GRI 2-12, 2-14, 2-29, 3-1, 3-2

Evaluation Procedure

D-Link continues to monitor domestic and international sustainable development trends, collecting sustainability issues of concern to stakeholders, and identifying key stakeholders in accordance with the AA1000 Stakeholder Engagement Standard (AA1000 SES). The Company also identifies material topics in accordance with the 2021 version of the GRI Universal Standard, carefully assessing the significance

of each sustainability issue’s impact on economic, environmental, social, and human rights aspects. This serves as the foundation for disclosing information in the annual sustainability report and forms the basis for planning the sustainable development strategy.

Category	Step	Key Performance	Measure
Continuously identifying and evaluating impacts	Step 1. Understanding the organization’s context	5 types of major stakeholders	<b>Identifying stakeholders:</b> According to the five dimensions of AA1000 SES Stakeholder Engagement Standard, namely responsibility, influence, tension, diversity, and dependency, at the beginning of 2023, 11 heads of all departments filled out the relationship degree questionnaire to confirm the types of stakeholders and evaluate the relationship degree of stakeholders. Finally, 5 types of stakeholders were identified according to their importance and their degree of influence stakeholders, such as customers/clients, shareholders/investors, employees, suppliers/business partners, subsidiaries etc., are ranked in order.
		29 main issues of concern	<b>Collecting topics of concern:</b> Summarized and listed 29 main issues of concern after sorting and analyzing 95 sustainable issues collected by referring to sustainability standards (GRI, SASB), frameworks (TCFD), assessments (S&P, FTSE, CDP), industry norms and standards, ESG benchmark enterprises, organizational operation goals, etc., and evaluating “corporate/industry correlation”, “impact on the economy, environment, and society”, and “impact on enterprise development” by the working group.
	Step 2. Identifying actual and potential impacts	487 questionnaires	<b>Investigating concern level of stakeholders:</b> The working group identified closely related and influential objects and conducted a physical/online questionnaire survey on the "impact level", "desired D-Link response/management level", and "transparency and openness level" of external experts and stakeholders on 29 main issues of concern. A total of 487 effective feedback was received.
		6 aspects of analysis	<b>Analyzing operational impacts:</b> The management team identifies the substantive and potential impacts of the Company's daily operations on the aspects of the economy, environment, people and society, etc., and identifies operational impacts on 30 sustainable issues from six aspects: increasing revenue, reducing costs, enhancing brand image, mitigating operational risks, stimulating innovation opportunities, and improving customer satisfaction.
	Step 3. Assessing the significance of impacts	13 material topics	<b>Confirming material topics:</b> The results of stakeholder surveys and operational impact surveys are analyzed, and adjustments are made based on the trends in sustainable development, disclosure status of benchmark enterprises, and recommendations of the management team. 13 sustainable issues were selected as material topics of the year.
	Determine material topics for reporting	3 phases of review	<b>Confirm the order of material topics:</b> In response to the adjustment of material topics, members of the ESG Taskforce (including 23 members, such as the Chairman/convenor, CEO, center heads, and authorized colleagues) were asked, through a questionnaire, to reassess the severity and likelihood of occurrence of 13 material topics, as well as the degree of stakeholder concern, for sorting. The results were then submitted to the ESG Committee and the Board of Directors for approval in this order.
		14 GRI topics	<b>Confirm the corresponding disclosure items:</b> In accordance with the reporting requirements of the GRI Standards, this report outlines the response strategies, management policies, short, medium, and long-term goals, as well as the results and performance of each material topic. Among the 13 major topics, 8 correspond to 14 GRI topic standards, and another 5 are customized topics.



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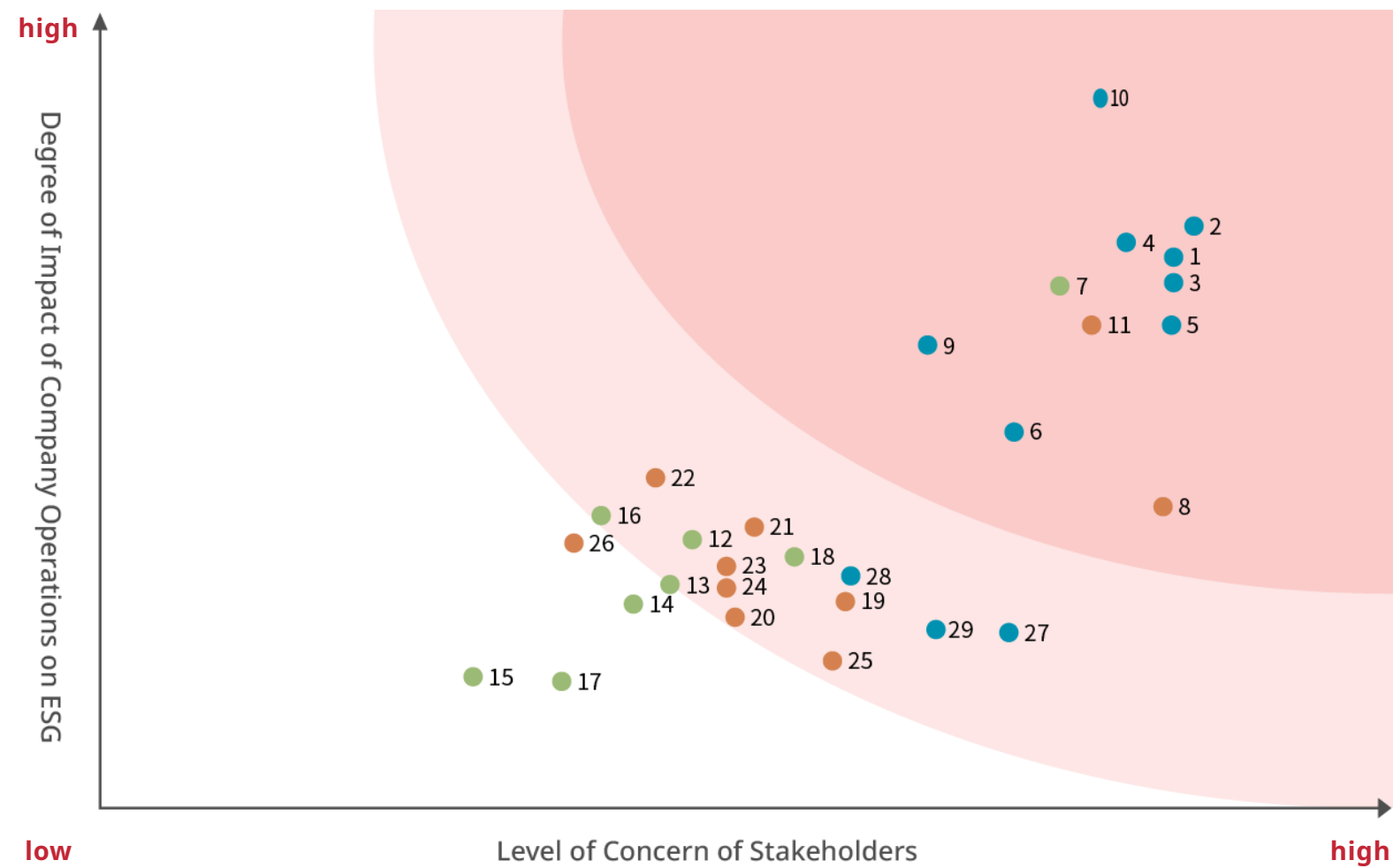
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Identification Results

Considering the maturity and stability of the industry, and continuously tracking and disclosing the progress of short, medium, and long-term goals for material topics to facilitate effective management, D-Link has determined that the frequency for re-analysis of key stakeholders and material topics identification will be once every two years. The latest reanalysis was conducted in early 2023. For detailed results, please refer to the Company's “2022 Sustainability Report.” The next operation will be in 2025, and the analysis results will be disclosed in the “2024 Sustainability Report.”

Meanwhile, D-Link continues to monitor sustainable development trends and continuously evaluates the impact of each topic to make necessary adjustments in a timely manner. Adjustments to the material topics this year include adding “Talent Selection, Recruitment, and Retention,” “Climate Change Response Actions,” and “Social Engagement,” while removing “Corporate Image.” In response to these changes, we asked members of the ESG Taskforce, through a questionnaire, to reassess the severity and likelihood of occurrence of 13 material topics, as well as the degree of stakeholder concern for sorting. These assessments form the basis for the pillars to be reported in the report.

▼ D-Link Materiality Matrix



Material Topics	Other Topics of Concern	
1. Innovation and R&D (G)	12. Climate Change Response Actions <sup>2</sup> (E)	23. Workplace Health and Safety (S)
2. Business Performance (G)	13. Energy Management (E)	24. Social Engagement <sup>4</sup> (S)
3. Product Quality (G)	14. Greenhouse Gas Emissions Management (E)	25. Human Rights and Inclusion (S)
4. Supply Chain Management (G)	15. Water Resource Management (E)	26. Public Policy Participation (S)
5. Information Security (G)	16. Waste Management (E)	27. Compliance with Laws and Regulations (G)
6. Governance and Ethical Management (G)	17. Sustainable Ecological Development (E)	28. Intellectual Property (G)
7. Green Products (E)	18. Promoting Environmental Sustainability Awareness (E)	29. Serious Infectious Disease Control Measures (G)
8. Corporate Image <sup>1</sup> (S)	19. Employment (S)	
9. Risk Management (G)	20. Diversity and Equal Opportunities (S)	
10. Sustainable Development Strategy (G)	21. Talent Attracting and Retaining <sup>3</sup> (S)	
11. Customer Relationship Management (S)	22. Talent Cultivation and Development <sup>3</sup> (S)	

<sup>1</sup> The material topic deleted this year.

<sup>2</sup> The former name was “Climate Change and Adaptation.” Based on the consideration of completeness, the name was revised to “Climate Change Response Actions,” which is a new material topic added this year.

<sup>3</sup> Considering the cause-and-effect and high correlation between “Talent Attraction and Retention” and “Talent Cultivation and Development,” they were merged into “Talent Selection, Cultivation and Retention,” which is a new material topic added this year.

<sup>4</sup> This is a new material topic added this year.

\* The texts marked in green represent environmental issues (E); those marked in orange denote social issues (S); and those marked in blue indicate corporate governance issues (G).



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▼ Changes in the Ranking of Material Topics

Material Topics	Ranking		
	2022	2023	Change
Business Performance (G)	2	1	▲
Product Quality (G)	3	2	▲
Innovation and R&D (G)	1	3	▼
Information Security (G)	5	4	▲
Supply Chain Management (G)	4	5	▼
Governance and Ethical Management (G)	6	6	–
Risk Management (G)	9	7	▲
Talent Selection, Recruitment and Retention (S)	-	8	New
Customer Relationship Management (S)	11	9	▲
Sustainable Development Strategy (G)	10	10	–
Green Products (E)	7	11	▼
Climate Change Response Actions (E)	-	12	New
Social Engagement (S)	-	13	New
Corporate Image (S)	8	-	Deleted

▼ Reasons for Adding or Deleting Material Topics

Material Topics		Significance for D-Link
New	Talent Selection, Recruitment and Retention (S)	D-Link, being a knowledge-intensive technology company, places significant importance on human resources, which play a pivotal role in enhancing the competitiveness of its products and services. Furthermore, with its global expansion and substantial organizational scale, the Company also assumes a crucial responsibility in nurturing key talents.
	Climate Change Response Actions (E)	Climate change and carbon management are among the most urgent and significant environmental issues of our time. Global transnational organizations and governments are intensifying regulations to address these challenges. As an international brand, D-Link recognizes the necessity of leveraging our market resources and influence to actively promote the low-carbon transition of the value chain.
	Social Engagement (S)	In the past, D-Link has contributed to society through its foundation. In recent years, it has concentrated on aligning public welfare initiatives with its core functions. Accordingly, it has meticulously planned relevant activities and directly invested resources to foster stronger mutual trust and interdependence with society and communities, fulfill corporate social responsibilities, and cultivate a culture of shared goodness.
Deleted	Corporate Image (S)	While the corporate image is undoubtedly crucial to brand management, it is essentially the outcome of the specific resources invested by the organization in various aspects. Thus, the focus should be on the allocation and management of these overall resources, particularly the efforts and performance related to each key sustainability issue. For this reason, the corporate image as a standalone topic has been deleted.



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▼ List for 2023 Material Topics

No.	Material Topics	Significance for D-Link	Positive Impact <sup>2</sup> Degree	Negative Impact <sup>2</sup> Degree	Corresponding Chapter
1	Business Performance (G)	Pursuing business and financial performance and achieving profitability is the foundation of the Company's sound operation. The economic value generated from the Company's activities will directly impact shareholders' rights, investment scale, growth rate, and social contributions.	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	2.5 Financial Performance and Tax Governance
2	Product Quality (G)	Provide quality products and services to customers and become a leading brand of networking equipment through various stages of control. Quality and stability are closely related to customer losses and reputation, which directly affect market share and competitiveness.	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	3.2 Product Quality and Safety
3	Innovation and R&D (G)	Responding to the rapid pace of technological changes, maintaining innovation momentum, and gaining insights into technological development trends will enable companies to continuously provide innovative products and services that meet customer expectations, enhance competitiveness, create value, and stabilize their market position.	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	3.4 Research, Development & Innovation
4	Information Security (G)	Continue to improve the Company's information security management system and strengthen its protection capabilities to comply with domestic and international information security-related regulations and to implement them in daily operations. We are dedicated to mitigating information security risks, maintaining customer trust, preserving the Company's reputation, and sustaining market competitiveness.	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	3.2.2 Product Information Security 3.3 Information Security Management
5	Supply Chain Management (G)	Implement due diligence responsibilities and exert market influence to strengthen the sustainability value of the overall industry chain and continuously refine the value chain management strategies of upstream/downstream partners to mitigate the risk of various negative impacts on suppliers, including the ongoing operational management of suppliers, which will directly impact the company's operations and commitments to customers.	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	3.5 Supply Chain Management
6	Governance and Ethical Management (G)	A sound governance structure and good integrity management are the foundation of sustainable business operations. Relevant risk events may not only affect operational stability and corporate reputation but may also result in financial losses.	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	2.2 Sustainable Governance 2.3 Transparency in Information Disclosure 2.4 Ethical Management
7	Risk Management (G)	The integrity and strength of risk management are the key to sustainable business operation. In the face of various emerging risks, the Company strives to identify them early and formulate appropriate and feasible response strategies that can significantly mitigate their impact, while demonstrating corporate resilience and operational stability, thereby strengthening business relationships, and enhancing market trust.	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	2.6 Risk Management
8	Talent Selection, Recruitment and Retention (S)	D-Link, being a knowledge-intensive technology company, places significant importance on human resources, which play a pivotal role in enhancing the competitiveness of its products and services. Furthermore, with its global expansion and substantial organizational scale, the Company also assumes a crucial responsibility in nurturing key talents.		┐ <sub>1</sub>	5.3 Employment and Employee Participation 5.4 Diversity, Equity and Inclusion (DEI) 5.5 Talent Selection, Recruitment and Retention 5.7 Benefits and Retirement System
9	Customer Relationship Management (S)	D-Link's commitment to customers is to provide quality products and services; the customers' trust and satisfaction are the motivation for its continuous growth. If customer concerns or needs are not addressed in a timely manner, brand trust and market share may be affected.	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	3.2.3 Customer Services
10	Sustainable Development Strategy (G)	The foundation of sustainable business operations lies in the sustainable development of the environment and society. A stable environment and society are essential for sustainable business operations. Therefore, while pursuing operational profits, D-Link also values a balance of all aspects of ESG to mitigate related risks and derived operational challenges, financial losses, goodwill impact, litigation, and market changes, and to seize possible turning points and opportunities.	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	1.1 Sustainability Vision and Strategies 1.2 Sustainable Management Structure 1.3 D-Link's Sustainable Value
11	Green Products (E)	In response to the rising awareness of green consumption, D-Link leverages industry capabilities to develop products that are highly efficient, energy-saving, disaster-preventive, and packaging-reduced, enabling customers to support environmental protection with each purchase and use. By launching environmentally friendly products that align with current trends, D-Link maintains its competitiveness in the international market.	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	4.5 Green Products
12	Climate Change Response Actions(E)	Climate change and carbon management are among the most urgent and significant environmental issues of our time. Global transnational organizations and governments are intensifying regulations to address these challenges. As an international brand, D-Link recognizes the necessity of leveraging our market resources and influence to actively promote the low-carbon transition of the value chain.		┐ <sub>1</sub>	4.3 Climate Governance and Actions 4.4.1 Energy Management
13	Social Engagement (S)	Through various social engagement projects, D-Link establishes and maintains connections with stakeholders, conveying the Company's values and missions, strengthening brand recognition and reputation, promoting innovation and giving back, and thereby facilitating sustainable development and social inclusion.		┐ <sub>1</sub>	5.8 Social Engagement

<sup>1</sup> These are the new material topics added this year. According to the Company's materiality analysis schedule, the relevant results will be disclosed in the "2024 Sustainability Report" published in June 2025.

<sup>2</sup> Methodology for identifying positive and negative impacts: Administer impact assessment surveys to 11 senior executives and internal experts, utilizing a 10-point scale to probe the degree and scope of positive and negative impacts on significant topics, and calculate their respective positive and negative impact metrics.

\* Each management guideline for material topics is individually described in the relevant chapter. Reference may also be made to the appendix titled "Management Approach for Material Topics" (P.164) °

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1.4.2 Stakeholder GRI 2-29

D-Link values the voices of internal and external stakeholders understands their concerned issues through diverse communication channels, takes these issues as important references for management policies and plan execution, and responds to stakeholders in the Report. The ESG Office reports the communication results to the ESG Committee every year regularly; the annual communication results have been reported to the ESG Committee and the Board of Directors on November 14th, 2023.

Major Stakeholders		Significance for D-Link
Customers/ Clients		Customer trust is the key to evaluating whether D-Link has genuinely grasped technological trends, the driving force behind the Company's quality, technological improvements, and its sustainable developments.
Employees		Employees are invaluable assets for sustainable corporate development. D-Link respects, cares for, and looks after its employees, attracts outstanding talents to join it, and encourages them to fulfill their potential to create future developments together with us.
Suppliers/ Business Partners		Suppliers are the driving force behind D-Link's competitiveness. Long-term and stable cooperation can reduce operational risks and costs. The Company is able to continuously provide customers with reliable and high-quality products and services to realize sustainable supply chain management.
Shareholders/ Investors		Investors are a significant financial resource of D-Link. Sustainable management can be achieved through capital investments and corporate governance supervision.
Subsidiaries		The subsidiaries are responsible for market operations in various countries and closely monitor local market changes so that D-Link can adjust its operating policies according to the situation.







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Major Stakeholders	Issues of Concern	Channels/Frequency of Communication	Communication Results in 2023
Customers/ Clients	<ul style="list-style-type: none"><li>Governance and Ethical Management</li><li>Innovation and R&amp;D</li><li>Product Quality</li><li>Information Security</li><li>Customer Relationship</li><li>Social Engagement</li></ul>	<ul style="list-style-type: none"><li>International exhibitions and product conferences: At least once a year</li><li>Customer satisfaction survey: After a customer service case is accepted, the investigation will be carried out immediately</li><li>Meetings related to specific issues: Aperiodically</li><li>Customer visits: Aperiodically</li><li>Repair center and after-sales services: Aperiodically</li><li>Company website: Respond to customer questions in the visitor comment section immediately</li></ul>	<ul style="list-style-type: none"><li>Participated in a total of 3 international trade shows : MWC, Taiwan Excellence Weekender, Taiwan Expo in India.</li><li>Held a player product experience briefing session of AQUILA PRO AI in Q2.</li><li>Organized a total of 7 online interactive events for products of the year.</li><li>The average customer satisfaction score in Taiwan is 98 points, whereas the global average is 86 points.</li><li>Received a total of 11,054 inquiries from the customer service hotline and all of them have been replied to.</li><li>Received a total of 1,891 inquiries from the company website visitor message area and all of them have been replied to.</li></ul>
Employees	<ul style="list-style-type: none"><li>Business Performance</li><li>Sustainable Development Strategy</li><li>Governance and Ethical Management</li><li>Risk Management</li><li>Talent Selection, Utilization, Education, and Retention</li></ul>	<ul style="list-style-type: none"><li>Labor Pension Supervisory Committee: Once a quarter</li><li>Labor-management conference: Once a quarter</li><li>Employee Welfare Committee: At least once a quarter</li><li>Education and training (outside-of-work training, in-work training, and self-development): Held according to the plans</li><li>Employee satisfaction survey: Once a year</li><li>Hotline and email: Handled at any time</li><li>Club activities: Aperiodically</li><li>Appointment with supervisor: Aperiodically</li></ul>	<ul style="list-style-type: none"><li>Held 4 Labor Pension Supervisory Committee meetings.</li><li>Held 4 labor-management meetings.</li><li>Held 5 employee welfare committee meetings. A total of 25,961 video broadcasts of corporate sustainable development advocacy in the public space of the headquarter building.</li><li>Conducted mandatory courses for new employees on human rights, integrity management, gender equality, intellectual property, and personal information, with a completion rate of 98.79%.</li><li>Held a total of 211 training sessions with 6,949 participants for 9,128.7 hours.</li><li>The employee satisfaction survey was launched and completed in December 2023. The completed response rate was 72.1%, and the effective response rate was 66.0%.</li><li>There is a special channel for employee complaints and workplace sexual harassment complaints; there were 0 complaints in 2023.</li><li>There are currently 14 employee clubs with 763 participants in 425 events throughout the year.</li><li>Organized 11 sessions of "Appointment with Supervisor" events, with a total of 18 employees participating.</li></ul>
Suppliers/ Business Partners	<ul style="list-style-type: none"><li>Business Performance</li><li>Product Quality</li><li>Supply Chain Management</li><li>Sustainable Development Strategy</li><li>Governance and Ethical Management</li><li>Green Products</li><li>Risk Management</li><li>Climate Change Response Actions</li></ul>	<ul style="list-style-type: none"><li>Delivery system: Daily</li><li>Supplier audits: Once a year</li><li>Abnormal quality tracking and review meetings: Once a week</li><li>Production and sales meetings (manufacturer communication and review meetings): Weekly/monthly</li><li>Supplier questionnaire (integrity management/conflict minerals): Aperiodically</li></ul>	<ul style="list-style-type: none"><li>Check the order response system daily and respond to any changes in the supplier's delivery time in a timely manner.</li><li>Conducted audits on D-Link’s 7 major suppliers, with a completion rate of 100%.</li><li>Tracked the progress of improving quality anomalies with major suppliers every week.</li><li>Held regular (weekly/monthly) production and sales meetings with different suppliers to communicate customer order requirements, review production capacity, material conditions, and meet resolutions to achieve the best delivery schedule.</li><li>Completed the integrity management and conflict minerals questionnaire surveys on D-Link’s 34 suppliers.</li></ul>
Shareholders/ Investors	<ul style="list-style-type: none"><li>Business Performance</li><li>Innovation and R&amp;D</li><li>Sustainable Development Strategy</li><li>Governance and Ethical Management</li><li>Risk Management</li></ul>	<ul style="list-style-type: none"><li>Shareholders’ Meeting: Once a year</li><li>Investor Conference: At least once a year</li><li>Announcement on the Market Observation Post System: As needed</li><li>“Investor Relations” of D-Link website: Disclosed at any time</li><li>Investor mailbox and hotline: Handled at any time</li><li>Corporate governance evaluation: Once a year</li></ul>	<ul style="list-style-type: none"><li>Held 1 shareholders’ meeting.</li><li>Held 2 investor conferences.</li><li>The Market Observation Post System released 36 major messages in Chinese and English.</li><li>Immediate update to the “Investor Relations” section on the Company website so our investors can access the latest information in real time.</li><li>Received and replied to 218 inquiries from the investor relations mailbox and phone hotline.</li><li>The evaluation results of the annual corporate governance indicators were released in April 2024. For further details, please refer to 2.2.6 “Corporate Governance Performance” on P.47</li></ul>
Subsidiaries	<ul style="list-style-type: none"><li>Innovation and R&amp;D</li><li>Business Performance</li><li>Product Quality</li><li>Information Security</li><li>Supply Chain Management</li><li>Green Products</li><li>Customer Relationship Management</li><li>Climate Change Response Actions</li></ul>	<ul style="list-style-type: none"><li>Email: Connect whenever business requires so</li><li>Instant messaging/video conferences: held whenever the business needs</li><li>Performance review meeting: Monthly/quarterly</li></ul>	<ul style="list-style-type: none"><li>In the Pan-European region, 5 performance review meetings are held each quarter, totaling 20 meetings. In Russia, meetings are held monthly, totaling 12 meetings.</li><li>In the Pan-American region, 1 performance review meeting is held each month, totaling 24 meetings. In North America, meetings are held weekly, totaling 42 meetings.</li><li>In the Pan-Asia-Pacific region, 1 performance review meeting is held each quarter, totaling 28 meetings. DIN, DCN, and DKH are held irregularly.</li><li>Deliver the latest marketing information from headquarters via email every week.</li></ul>

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**1.4.3 Initiatives and Organizations** GRI 2-28

By responding to various initiatives and participating in external organizations, D-Link communicates with domestic and foreign industries, officials, and academia, to fully grasp the trends of the networking equipment industry and international norms and trends. Although D-Link has not formally signed an external initiative, it is still actively responding to the core spirit of external initiatives such as TCFD and RBA with practical actions. The current memberships of D-Link in external organizations are as follows:

- Member of Broadband Forum
- Member of HDMI Licensing Administrator
- Member of Open Network Video Interface Forum
- Member of Voluntary Control Council (VCCI)
- Member of Wi-Fi Alliance
- Member of Connectivity Standards Alliance (Originally ZigBee)
- Member of Telecom Infra Project



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# 1.5 SDGs Practice

The relevance between each of the 17 SDGs and D-Link was evaluated, and the possible impact of operations on SDGs as well as the contribution of D-Link to SDGs were examined from the aspect of value chain. 11 core corporate sustainable development goals were selected.



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Sustainable Development Goals	Management Approaches	Performance in 2023
	<ul style="list-style-type: none"><li>Create a healthy and safe working environment and plan fair, reasonable, and competitive systems, benefits, and incentives.</li><li>Promote and care for the well-being of external stakeholders through social engagement projects.</li></ul>	<ul style="list-style-type: none"><li>Proactively advocate for the implementation of 4 significant initiatives for occupational health and safety.</li><li>We are dedicated to establishing a conducive and secure working environment for our employees, conducting regular monitoring of the workplace environment and testing the quality of water.</li><li>The Health Promotion Club organizes both dynamic and static health promotion seminars periodically. In 2023, a total of 5 lectures were conducted, with 183 participants attending.</li><li>Support the Tainan TSG GhostHawks basketball team through sponsorship, while actively fostering a culture of wellness among employees. The Company has been awarded the "Sports Enterprise" certification by the Ministry of Education.</li></ul>
	<ul style="list-style-type: none"><li>Construct a comprehensive learning education and training system to enhance the competitiveness of sustainable management.</li><li>Formulate personal development plans to assist supervisors and colleagues to continuously enhance their career development.</li><li>Expand web-based education through social engagement projects.</li></ul>	<ul style="list-style-type: none"><li>Offer comprehensive development programs and actively enhance the leadership and management capabilities of officers across all levels.</li><li>The annual total of education and training hours amounts to 9,128.7 hours, with a total training cost of approximately NT\$797,000.</li><li>The "D-Link Group Scholarship" offers full scholarships to seven international students enrolled in a master's program.</li><li>By integrating with core functions, 7 sessions of "Internet and information security education" and "Charitable Network Checkup" were conducted for disadvantaged groups and small social welfare organizations, benefiting approximately 170 individuals in total.</li></ul>
	<ul style="list-style-type: none"><li>Build a gender-affirmative work environment.</li></ul>	<ul style="list-style-type: none"><li>The Board of Directors includes one female director.</li><li>Female managerial officers account for nearly 60%.</li><li>Promotions and trainings on gender equality and workplace sexual harassment prevention are conducted for all employees, achieving a participation rate of 98.5%.</li><li>Gender equality and workplace sexual harassment prevention courses are mandatory for all new employees.</li></ul>
	<ul style="list-style-type: none"><li>Follow the ISO 14001 environmental management system, set an annual environmental management plan every year, and commit to and implement five major environmental policies.</li><li>Inventory the various energy consumption and energy intensity in the Company's operation every year, as well as the effectiveness of promoting relevant energy-saving measures.</li></ul>	<ul style="list-style-type: none"><li>Reduced external power purchases by 5.47% annually, resulting in a 13.51% reduction compared to the baseline year<sup>1</sup>.</li><li>The green energy procurement plan was initiated, securing 6 certificates to convert 6,000 kWh to green power.</li><li>The ESG strategic goals include the replacement of old equipment, green power procurement, solar photovoltaic construction, and the introduction of relevant management standards to establish diverse carbon reduction pathways for D-Link.</li></ul>
	<ul style="list-style-type: none"><li>Continue to expand production capacity, create product and service features, and build diversified product capabilities.</li><li>Create a healthy and safe working environment and plan fair, reasonable, and competitive systems, benefits, and incentives to attract and retain key talents.</li></ul>	<ul style="list-style-type: none"><li>Offer more integrated services and vertical solutions through strategic partnerships with third parties, providing customers with diverse product applications, expanding service scale, and fostering a win-win situation.</li><li>5% of the Company's annual profits is allocated to employee remuneration; the average salary increase was 4.17%, with 93.04% of employees receiving raises.</li><li>Completed the "D-Link Human Rights Due Diligence Report 2023" and plan to conduct human rights due diligence every three years moving forward.</li><li>Organize the "Appointment with Supervisor" event to enhance interaction and communication between different position levels, improve mutual understanding and consensus, and build organizational momentum.</li></ul>
	<ul style="list-style-type: none"><li>Devote to developing and applying new technologies to provide quality and convenient products and services to customers.</li><li>Formulated the "Information Security Management Policy" and established the "Information Security Management Committee", to understand information and communication security according to international standards.</li></ul>	<ul style="list-style-type: none"><li>First in Taiwan's networking equipment industry to pass the EU ETSI EN 303 645 Cybersecurity Standard for Consumer IoT Products certification.</li><li>Completed the review of 6 patents, including 3 product and 3 design patents.</li><li>Collaborate with internationally renowned chip manufacturers to develop products for various functional applications, addressing the needs of diverse network application architectures.</li><li>Introduce AI technology for value-added services, support Matter smart home standards, and integrate cloud-based control functions to achieve highly compatible and stable smart life applications.</li><li>Actively develop AIoT industrial application service solutions to enhance and expand product service platform capabilities, creating a comprehensive smart life blueprint.</li><li>Conduct multiple platform development technology exchanges with the Software Technology Research Institute under the Institute for Information Industry, and subsequently initiate the "AIGC Multi-channel Speech Recognition Integration Technology Service 'AI Gateway' Optimization Plan" with the Digital Transformation Institute to develop services for the smart home ecosystem.</li></ul>

<sup>1</sup> The baseline year is 2021.

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Sustainable Development Goals	Management Approaches	Performance in 2023
	<ul style="list-style-type: none"><li>• Identify relevant risks through due diligence and manage them appropriately.</li><li>• Protect employee rights through human rights protection policies.</li><li>• Provide a suitable complaint channel.</li></ul>	<ul style="list-style-type: none"><li>• Building a diversified and inclusive working environment through various DEI<sup>2</sup> programs.</li><li>• Recruit middle-aged and elderly individuals to promote the secure employment of mature-age workers.</li><li>• Employed professional massage therapists with disabilities to provide stress relief massage services on site, and all proceeds thereof were donated to social welfare institutions.</li><li>• Promotional videos on human rights, workplace equality, and workplace bullying prevention are displayed in public spaces to raise employee awareness and collaboratively create a discrimination-free workplace environment.</li></ul>
	<ul style="list-style-type: none"><li>• Establish ESG strategic goals and continuously optimize them, integrating sustainable development into the Company's business strategy to ensure the promotion and implementation of corporate sustainability-related initiatives.</li><li>• Set up management representatives, establish quality policies, set management objectives by quality policies, and review them regularly for effective management and continuous improvement.</li><li>• Protect customers' rights and increase trust by establishing standard operating procedures, conducting regular surveys on customer satisfaction, and reviewing various service management indicators.</li></ul>	<ul style="list-style-type: none"><li>• Established the "D-Link Corporation Sustainable Procurement Policy" to implement relevant management policies for upstream and downstream partners, promoting sustainability and shared prosperity throughout the entire value chain.</li><li>• We have signed procurement contracts containing human rights clauses with 34 qualified suppliers, achieving a 100% signing rate.</li><li>• A comprehensive ESG education and training structure is planned. In 2023, 2 in-person ESG education and training sessions were conducted.</li><li>• The "D-Link Green Pack" emphasizes 4 key aspects: environmentally friendly materials, plastic-free packaging, volume optimization, and product document digitization, committed to creating low-carbon products.</li><li>• In response to and promotion of the circular economy concept, PCR plastics are incorporated into product casings and packaging plastic bags, resulting in green products comprising 44.5% of the total.</li><li>• Select environmentally sustainable agricultural products from socially innovative companies as Chinese New Year and festival gift boxes, ensuring the preservation of habitats for endangered animals.</li></ul>
	<ul style="list-style-type: none"><li>• Count the carbon emissions in the Company's operation every year, check the carbon reduction performance year by year, and give employees environmental education regularly.</li><li>• Stipulate related policies according to the ISO 14064 Greenhouse Gas Inventory system.</li><li>• Establish eco-friendly commitments.</li></ul>	<ul style="list-style-type: none"><li>• Committed to achieving net zero emissions by 2050, we have adopted the TCFD framework to regularly disclose climate-related impacts and response actions. We plan to continually review mid-term goals and progressively define D-Link's path towards carbon reduction.</li><li>• Scope 1 and 2 carbon emissions have decreased by 7.75% compared to the previous year and by 17.45% compared to the base year.</li><li>• In the "D-Link Corporation Supplier Code of Conduct," suppliers are mandated to adhere to the Company's "Biodiversity and Zero-deforestation Commitments," aiming to prevent any form of harm and actively reduce their environmental impact.</li><li>• Recognized as one of the “Top 100 Carbon-Competitive Companies” by Business Weekly.</li><li>• Various environmental education activities are organized, such as beach clean-ups, guided ecological tours, eco-friendly dining experiences, and crafts workshops, to foster and instill environmental awareness throughout the organization.</li></ul>
	<ul style="list-style-type: none"><li>• Respond to and support global ESG trends and related initiatives.</li></ul>	<ul style="list-style-type: none"><li>• Support international human rights conventions such as the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.</li><li>• The Company's reporting system and channels are comprehensively disclosed on the official website.</li><li>• The "D-Link Human Rights Due Diligence Report 2023" has been completed and plans to conduct human rights due diligence every three years in the future.</li><li>• Biodiversity and zero-deforestation commitments.</li></ul>
	<ul style="list-style-type: none"><li>• Establish supplier management guidelines, code of conduct, and regularly evaluate the impact of suppliers on society and the environment.</li><li>• Continue to Increase local procurement percentage.</li><li>• Collaborate with diverse partners to benefit people and society through various social engagement projects.</li></ul>	<ul style="list-style-type: none"><li>• Under the "D-Link Corporation Sustainable Procurement Policy," the "D-Link Corporation Supplier Code of Conduct" has been established. It mandates all suppliers to sign a compliance statement and adhere to relevant management guidelines for upstream and downstream partners, aiming to promote sustainability and shared prosperity throughout the entire value chain.</li><li>• The sustainability management audit rate for major suppliers has achieved 100%.</li><li>• Initiated projects such as D-Link Everlasting Donations, charity point collections, and partnerships for local art and cultural exhibitions and performances to enhance our social impact. In 2023, we collaborated with 32 charity partners, allocating resources exceeding NT\$5 million, more than double the amount from the previous year, to execute 30 social engagement projects and activities, benefiting 9,351 individuals.</li></ul>

<sup>2</sup> Diversity, Equity, Inclusion

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# CH2 Corporate Governance

## Responding to Sustainability Issues

- Business Performance
- Governance and Ethical Management
- Risk Management
- Sustainable Development Strategy

## Major Stakeholders

- Customers / Clients
- Employees
- Suppliers / Business Partners
- Investors / Shareholders
- Subsidiaries



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# 2.1 Sustainability Strategies and Goals - Governance Aspect

GRI 2-13, 2-24, 3-3

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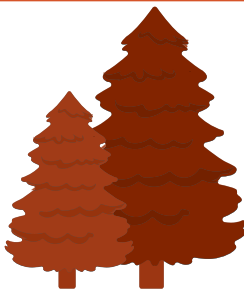
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Management Approaches for Material Topics

Material Topics	Significance for D-Link	Impacts on Value Chain*			Response Policies and Measures	Management Actions
		Suppliers/ Business Partners	D-Link/ Subsidiary	Customers/ Clients		
Business Performance	Pursuing business and financial performance and achieving profitability is the foundation of the Company's sound operation. The economic value generated from the Company's activities will directly impact shareholders' rights, investment scale, growth rate, and social contributions.	○	●	-	1. Continue to expand production capacity, create product and service features, and build diversified product capabilities. 2. Reduce the total inventory through the risk mitigation measures, and in the future, the Company will formulate separate action plans for inventory with longer inventory ages.	1. Regularly hold business review meetings, track business performance, fully grasp the operating status and monitor the progress. 2. The Board of Directors Meetings are held every quarter to ensure the forward-looking and feasibility of business strategies.
Governance and Ethical Management	A sound governance structure and good ethical management are the foundation of sustainable business operation. Relevant risk events may affect operational stability and corporate reputation and may result in financial losses.	○	●	○	1. The Board of Directors oversees the strategic plan and performance of the organization's operations, and continues to strengthen corporate governance and risk and opportunity management through internal audits and external verification mechanisms. 2. Create a quality culture of integrity and compliance to ensure the longterm interests of all stakeholders.	1. Regularly convene the Board of Directors and shareholders' meetings, reelect directors every three years, and ensure the professionalism and diversity of directors. 2. Voluntarily participate in the evaluation of international corporate governance, and incorporate the indicator requirements into the corporate governance improvement plan. 3. Stipulate and abide by internal rules and regulations such as "Code of conduct", "Ethical Corporate Management Best Practice Principles" and "Implementation Measures for the Whistleblowing System", and continue to promote a high- standard business ethics culture.
Risk Management	The integrity and strength of risk management is the key to sustainable business operation. In the face of various emerging risks, the company strives to identify them early and formulate appropriate and feasible response strategies that can significantly mitigate their impact, while demonstrating corporate resilience and operational stability, thereby strengthening business relationships and enhancing market trust.	○	●	○	Improve the risk management system to effectively monitor and enhance the effectiveness of risk management implementation.	Establish the Risk Management Taskforce, with the President as the convener, and the Risk Management taskforce meets quarterly to plan, execute and supervise risk management-related matters, and report to the Audit Committee on implementing risk management at least once a year.

\* ● Direct impact; ○ Indirect impact





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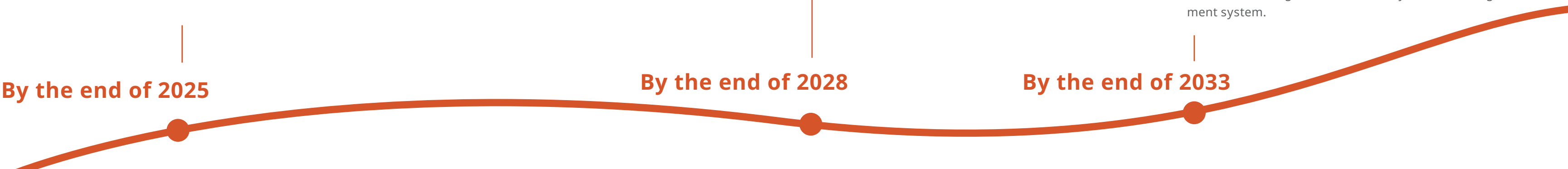
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Short / Medium / Long-term Goals

	Short-term	Medium-term	Long-term
Business Performance	<ul style="list-style-type: none"><li>• Work with high-quality ODMs to build a controllable supply chain system with close relationships.</li><li>• Reestablish D-Link's brand image and enhance brand value from three aspects: cost, scalable functions and performance, and corporate identity.</li><li>• By combining with various industries, D-Link provides the specifications and functions required by each industry and expands its market share to reduce competition from general specification products.</li></ul>	<ul style="list-style-type: none"><li>• Achieve by the end of 2030:</li><li>• Link the functions and industrial characteristics of the networking equipment industry, leading smart living, creating sustainable value together.</li><li>• Achieve management and provisioning minification of networking products with cloud computing as the main pillar.</li><li>• Utilize the synergy of resources within the Group to develop and create the one-stop product services for customers.</li><li>• Strengthen partnerships with Tier 2 and Tier 3 carriers to win long-term contracts with localized services.</li></ul>	
Governance and Ethical Management	<ul style="list-style-type: none"><li>• Develop a succession plan for board members and key management to maintain the professionalism and experience of board members and key management.</li><li>• Regularly arrange diversified courses for directors and senior managers to learn to implement the director's diversity policy, improve decision-making quality and strengthen functions.</li><li>• Continue to Improve Corporate Governance Evaluation Results.</li><li>• Prepare a directors' handbook to familiarize new board members with the Company's business and directors' duties.</li><li>• Regularly hold the "Director Exchange Meetings" to invite directors to participate, to understand the Company's important issues and strategic goals.</li><li>• There are no related cases involving violations of integrity management and will continue to be maintained.</li></ul>	<ul style="list-style-type: none"><li>• Increase the proportion of female directors in the board of directors to more than 1/3.</li><li>• A director with expertise in AI innovation or information security is added to enhance the director's diverse professional capabilities and make the Board of Directors' functions more complete.</li><li>• Provide complete education and training of "Ethical Corporate Management Best Practice Principles" for all employees. The overall training completion rate is over 95% and continues to improve.</li></ul>	<ul style="list-style-type: none"><li>• Continue to enhance corporate governance evaluations and maintain the evaluation results to the top 5% of rankings, forming the corporate governance culture.</li><li>• Increase the seats of Independent Director by 1/2.</li><li>• Implement a natural person director system that can better consider the interests of the company and shareholders.</li><li>• Internalize the integrity management into the philosophy of all employees and the company's DNA, so that the "Ethical Corporate Management Best Practice Principles" has been highly recognized by the stakeholders and become the highest standard.</li></ul>
Risk Management	<ul style="list-style-type: none"><li>• Link risk to strategy by identifying, analyzing, and measuring potential risk events for D-Link.</li><li>• Develop the risk responding measures, the risk management procedures and their operations.</li><li>• Organize the risk management education and professional training for the Chairman, CEO and officers in charge of risks.</li><li>• Risk management meetings are held every quarter to review KRI key risk indicators and track risk implementation.</li><li>• Report the risk management operations to the Board of Directors every year.</li></ul>	<ul style="list-style-type: none"><li>• Reduce identified significant risks in the risk matrix through effective risk response measures.</li><li>• Identify and resolve potential risk events in a timely manner.</li><li>• Provide the risk management education and professional training to all employees.</li></ul>	<ul style="list-style-type: none"><li>• Establish a comprehensive risk management framework, integrate risk management into D-Link's strategy, operations and management, and shape D-Link's risk management culture.</li></ul>
Intellectual Property Management	<ul style="list-style-type: none"><li>• Passed the re-verification of the Grade A certification from the Taiwan Intellectual Property Management System (TIPS).</li><li>• File no less than 5 patent applications.</li><li>• For trademarks to be expired in the next three years in countries that require proof of use, conduct inventory and preservation of evidence for the use of trademarks.</li></ul>	<ul style="list-style-type: none"><li>• Maintain the Taiwan Intellectual Property Management System (TIPS) and continue to maintain TIPS (Grade A) verification within the scope of the existing import organization.</li></ul>	<ul style="list-style-type: none"><li>• Maintain the Taiwan Intellectual Property Management System (TIPS) and continue to maintain TIPS (Grade A) verification within the scope of the existing import organization.</li><li>• Evaluate the introduction of ISO 37001 certification for the ethical management/anti-bribery related management system.</li></ul>







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Achievement Status of Management Goals for 2023

Material Topics	Goals in 2023	Management Performance	Achievement Status
Business Performance	<ul style="list-style-type: none"><li>• Drive profits with innovative growth.</li><li>• Recover global consolidated revenue to prepandemic level.</li></ul>	<ul style="list-style-type: none"><li>• In 2023, the global consolidated revenue was NT\$15.941 billion, and net operating income was NT\$126 million. The net profit attributable to the owners of the parent company for the period increased by 421.1% year-on-year.</li></ul>	✓
Governance and Ethical Management	<ul style="list-style-type: none"><li>• Arrange courses and exchange meetings on different topics to enhance the decision-making quality of the board and strengthen its functions.</li><li>• Enable new directors to understand the Company's operations and the latest legal information.</li><li>• Established a complete whistleblowing system for any cases violating ethical management.</li></ul>	<ul style="list-style-type: none"><li>• The risk management experts are hired to conduct a continuing education course on “New Thinking of Integrating Strategy Development and ESG Enterprise Risk Management” to help directors to understand the risks the Company faces in its operations and responding approaches.</li><li>• After new director take the office, a director's handbook is prepared every quarter to inform the directors of the Company's latest product planning, networking equipment industry trends, legal compliance and important matters.</li><li>• The director exchange meetings are held regularly prior to the Board of Directors, and the directors are invited to participate to understand the Company's important issues and strategic goals.</li><li>• Present the fully established whistleblowing system in detail on the relevant pages of the Company’s website.</li><li>• Insider trading and similar matters: 0</li><li>• Employee corruption and illegal behavior: 0</li><li>• Internal complaints: 0</li><li>• Penalties for violating regulations related to information and labeling of products/services: 0</li><li>• Penalties for violating regulations related to the health and safety of products/services: 0</li><li>• Penalties for violating regulations related to marketing and publicity activities: 0</li><li>• Penalties for violating regulations related to environmental protection: 0</li><li>• Penalties for violating regulations related to social aspects, such as human and labor rights: 0</li><li>• Penalties for violating regulations related to economic aspects, such as fair trading, anti-competition practices, and significant cyber security: 0</li></ul>	✓
Risk Management	<ul style="list-style-type: none"><li>• Establish a complete risk management system in accordance with the “Risk Management Best Practice Principles for TWSE/TPEXListed Companies” .</li><li>• Assist the Audit Committee in formulating the Company's risk appetite and establishing qualitative and quantitative measurement standards.</li><li>• Regularly report the risk management implementation status to the Board of Directors.</li></ul>	<ul style="list-style-type: none"><li>• KPMG Enterprise Management Co., Ltd. was commissioned to provide the risk management operation optimization services, to construct the risk measurement standards and identify the Company's top ten risks in 2023; the project was completed on April 10, 2023.</li><li>• The Company's “Risk Management Policies and Procedures” were implemented after adopting the resolution of the Board of Directors on May 10, 2023.</li><li>• Meetings were held on February 15, June 28, October 16, 2023 and January 22, 2024 to plan, implement and supervise the quarterly risk management operations.</li><li>• Reported to the Board of Directors on the implementation of the 2023 risk management action plans on February 27, 2024, managed the risk projects through key risk indicators (KRI), and re-evaluated the Company's top ten risks in 2024.</li></ul>	✓
Intellectual Property Management	<ul style="list-style-type: none"><li>• Introduce "Taiwan Intellectual Property Management System (TIPS)" .</li><li>• Established a complete whistleblower handling process</li><li>• File no less than 5 patent applications.</li><li>• For trademarks to be expired in the next three years in countries that require proof of use, conduct inventory and preservation of evidence for the use of trademarks.</li></ul>	<ul style="list-style-type: none"><li>• Passed Taiwan Intellectual Property Management System (TIPS) Grade A re-verification, which is valid until 2025/12/31.</li><li>• Whistleblower reporting cases during the year: 0</li><li>• Total number of 740 patents have been applied, and total number of 565 patents have been granted worldwide.</li><li>• The main brand, “D-Link” , has been registered as trademark and maintained in over 116 countries/regions around the world.</li></ul>	✓

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Responsible Unit

Corporate Auditor's Office	ESG Office	Product R&D Center	Supply Chain Management Center
Corporate Finance & Operation Center	Product Strategy Center	Business Center	AI Innovation Center

Management Mechanism

- Articles of Incorporation
  - Rules and Procedures of Shareholding’s Meeting
  - Regulations Governing Procedure for Board of Directors Meetings
  - Rules for Performance Evaluation of Board of Directors
  - Audit Committee Charter
  - Remuneration Committee Charter
  - ESG Committee Charter
  - Regulations Governing the Acquisition and Disposal of Assets
  - Operational Procedures for Lending Funds to Others
- Operational Procedures for Endorsements and Guarantees
  - Operating Procedures for Engagement in Derivatives Trading
  - Information Security Management Policy
  - Risk Management Policies and Procedures
  - Corporate Governance Best Practice Principles
  - Sustainable Development Best Practice Principles
  - Ethical Corporate Management Best Practice Principles
  - Procedures for Handling Material Inside Information and Prevention of Insider Trading
  - Implementation Measures for the Whistleblowing System
  - Group Tax Policy and Management Regulation
  - Related Party Transaction Regulations

Communication Channel

Type	Channel
Relevant Appeals	<ul style="list-style-type: none"><li>• <a href="https://company.dlink.com/en/contact-us/">https://company.dlink.com/en/contact-us/</a></li><li>• Online message: <a href="https://www.dlink.com/en/contact-d-link">https://www.dlink.com/en/contact-d-link</a></li></ul>
Investor Relations	<ul style="list-style-type: none"><li>• Special line: 886-2-6600-0123 Ext. 6437</li><li>• Special email: <a href="mailto:ir@dlinkcorp.com">ir@dlinkcorp.com</a></li></ul>
Anti-corruption Reporting	<ul style="list-style-type: none"><li>• Special email: <a href="mailto:SRC@dlinkcorp.com">SRC@dlinkcorp.com</a></li><li>• Special mail box: No. 289, Xinhua 3rd Rd., Neihu Dist., Taipei City 114 (To Audit Committee)</li></ul>



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# 2.2 Sustainable Governance

D-Link believes that strengthening corporate governance is the cornerstone of pursuing sustainable growth for an enterprise. Operating with transparency and integrity at its core spirit, D-Link prioritizes stakeholders and aims to achieve profitability for shareholders while being accountable to all stakeholders through robust corporate governance practices. To maintain the Company's long-term competitive advantage, it fosters harmony and mutual benefit with the environment and society.

- 2.2.1 Organization Structure
- 2.2.2 Board of Directors
- 2.2.3 Functional Committees
- 2.2.4 Performance Evaluation and Remuneration for the Governance Body
- 2.2.5 High-level Compensation Linked to Sustainable Business Performance
- 2.2.6 Corporate Governance Performance



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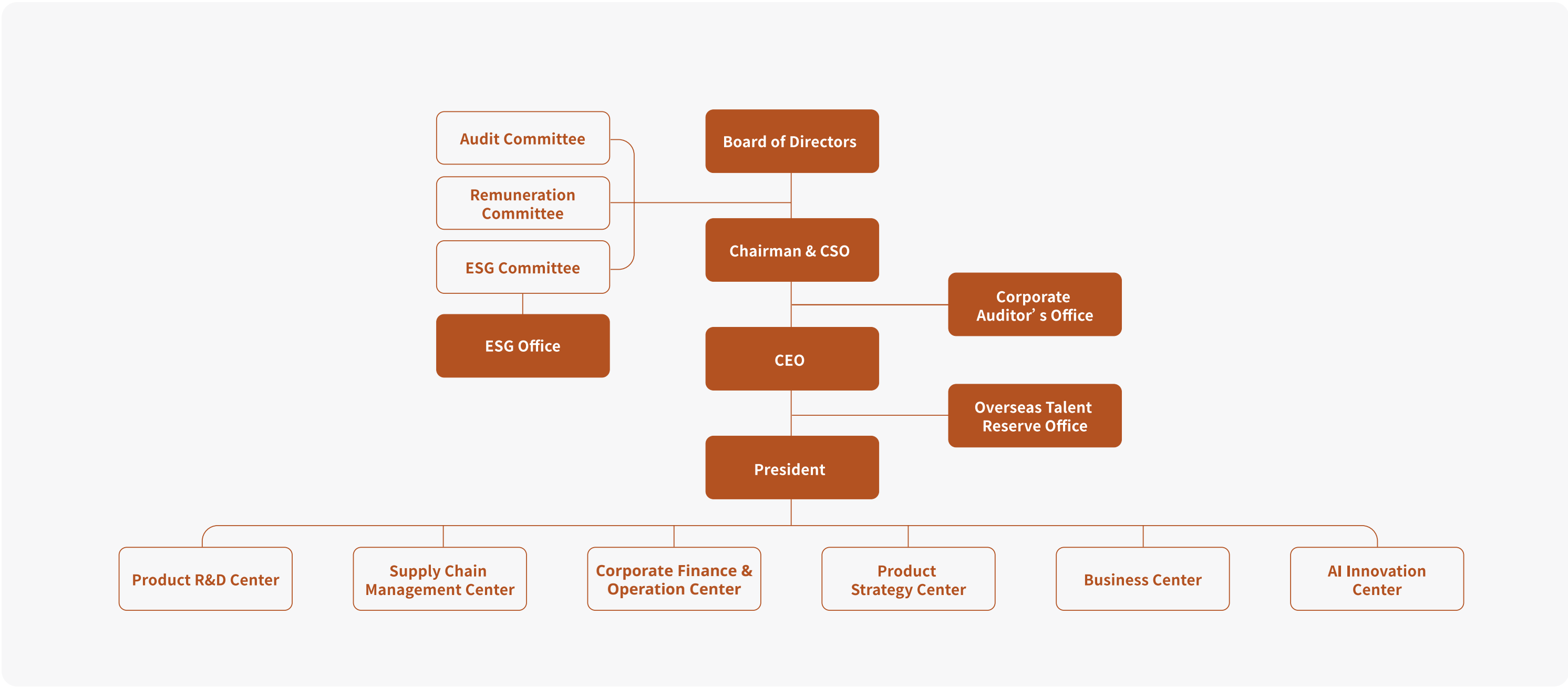
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2.2.1 Organization Structure

In order to maintain its leading brand position in the networking equipment industry, D-Link has set up six centers to comprehensively manage the Company's operations and an ESG Office, which is responsible for affairs related to the Company's sustainable development. At the same time, through close communication between organizations, D-Link has built cross-cultural and cross-regional consensus with global operating bases.

▼ D-Link Organization Structure



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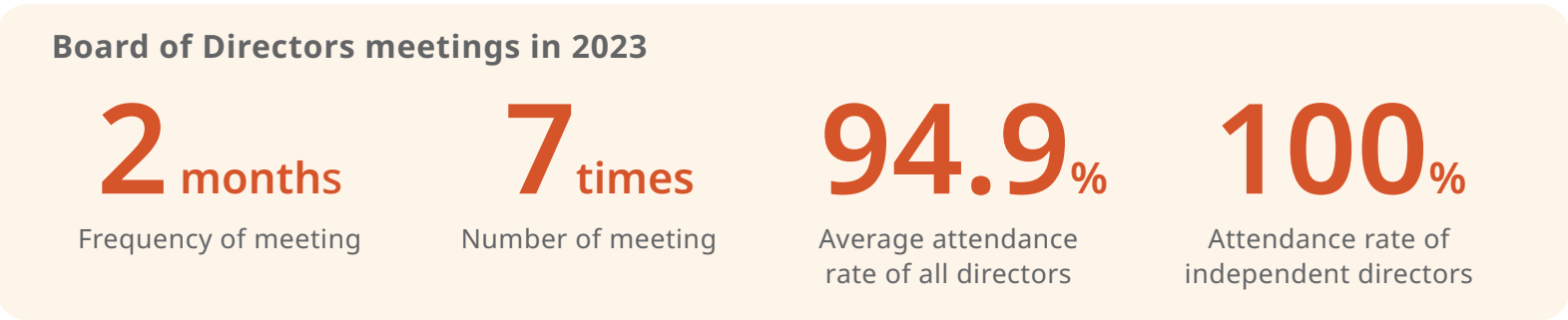
2.2.2 Board of Directors GRI 2-9, 2-10, 2-11, 2-16

The Board of Directors is the highest governance body of the Company and has the responsibility of selecting and nominating senior managers. Its operation shall follow the "Regulations Governing Procedure for Board of Directors Meetings". In addition, in order to effectively play the functions of the Board of Directors, the Audit Committee, the Remuneration Committee and the ESG committee are set up under the Board of Directors according to their authorities and functions, so as to make the actual operation division more perfect.

Operation of Board of Directors

The Board of Directors shall convene at least one meeting for each quarter to review the Company's operational performance, and discuss important ESG strategic issues and key events, including economic, environmental, and social impacts, risks, and opportunities. The responsible units for subsequent handling are determined at the meetings, and the handling situation is tracked and reported in the next meeting.

- **Agenda Working Unit of the Board of Directors** : When providing various proposals and report materials to members of the Board of Directors, the agenda working unit shall review in advance whether the submitted content is related to stakeholders and should be appropriately avoided, and prior reminders should be provided to relevant personnel.
- **Corporate Governance Officer** : Established through the approval of the Board of Directors, and responsible for arranging the schedule and agenda of board meetings, planning for director training, providing information during or outside board meetings, and regularly and irregularly reporting information to directors. The corporate governance supervisor is able to appropriately assume their responsibilities regarding the operation of Board of Directors and issues related to corporate governance.



Composition of the Board of Directors

According to Article 17 of the "Articles of Incorporation" , D-Link has stipulated that the Board of Directors shall be composed of 7 to 9 directors, who shall serve for 3 years per term. The directors shall be nominated and elected, and the Shareholders' Meeting shall appoint competent persons as directors. (Please refer to P.17 of the Company's 2023 Annual Report). The 13th Board of Directors consists of 9 directors (including 3 independent directors), with Mr. Victor Kuo as the Chairman, and the

<sup>5</sup> For independent directors' professional qualifications and experience, please refer to P.21 of the Company's 2023 Annual Report.

term of office is from May 31, 2023 to May 30, 2026. The Board of Directors shall be convened once every quarter. In 2023, 7 Board of Directors meetings were held, and the average attendance rate of directors was 94.9%.

In addition, in accordance with Article 20 of the " Corporate Governance Best Practice Principles ", the diversity policy of board members is stipulated. D-Link currently has 9 directors, among whom 11.1% are directors with employee status, and 33.3% are independent directors<sup>5</sup> , achieving the specific management objective of not more than 1/3 of the board seats for directors concurrently serving as managers of the Company. All directors of the Company have rich experience in operation management and leadership decision-making, as well as industry expertise, and have professional backgrounds and expertise in accounting, financial analysis, and law, and can give professional advice to the Company from different perspectives.

Since the beginning of 2022, Mr. Victor Kuo, the Chairman, has concurrently served as the Chief Strategy Officer. The consideration for this arrangement is that the Board of Directors exercises rights and interests on behalf of shareholders in accordance with the law, oversees the formulation of the Company's strategy, and is composed of internal and external directors; the Chief Strategy Officer is responsible for the strategic layout of strategic planning products, technologies, or investments, which are closely related to the Company's medium to long-term development direction. Therefore, the Chairman's concurrently holding the position of Chief Strategy Officer will be convenient to share important information as an internal director, effectively communicate with the Board of Directors, and accept supervision. There are no conflicts of interest.

Governance Structure

D-Link values the diversity of the Board of Directors, so it has set a specific goal for board diversity: after the director's term expires in 2023, the Board of Directors will be re-elected; the Board of Directors already includes one female director. It is expected that female members of the Board of Directors will account for one-third in 2026 to achieve the diversity policy of gender equality, and continue to improve the corporate governance.

▼ The Composition of the Board of Directors

2023		Age/Gender of Board Members			Percentage
		Under 30 years old	30~50	Over 50 years old	
Gender	Female	0	0	1	11.1%
	Male	0	2	6	88.9%
Subtotal		0	2	7	100.0%
Percentage		0%	22.2%	77.8%	100%

\* For the list of the members of the 13th Board of Directors, please refer to P.17 of the Company's 2023 Annual Report.

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2.2.3 Functional Committees

To improve and strengthen the organizational operation mechanism, functional committees such as the Audit Committee, the Remuneration Committee and the ESG Committee were formally established under the Board of Directors to jointly take responsibility for making decisions on issues related to economic, environmental and social impacts. Significant proposals submitted to the Board of Directors will be reviewed and audited in advance, and the quality of its resolutions has also been strengthened.

	Committee	Convener	Committee Member	Operational Status	Number of Meetings Held /Attendance Rate in 2023
	 <b>Audit Committee</b>	Richard Chen, Independent Director	Richard Lee, Independent Director  Chun-Hsiung Chu, Independent Director	Composed of all independent directors, and is responsible for assisting the Board of Directors in supervising the Company's implementation of accounting, financial reporting processes, audit quality and integrity, and operating mechanisms related to risk management, so as to improve the effectiveness of corporate governance, and communicating with CPA and auditors on major issues related to the Company's financial and business conditions, so as to ensure the compliance of the Company's operations with relevant government laws and practices.	6 meetings were convened with 100% attendance.
	 <b>Remuneration Committee</b>	Richard Lee, Independent Director	Richard Chen, Independent Director  Chun-Hsiung Chu, Independent Director	Composed of all independent directors. Responsible for stipulating and regularly reviewing the remuneration policies, systems, standards and structures, and performance of directors and managers.	5 meetings were convened with 100% attendance.
	 <b>ESG Committee</b>	Chun-Hsiung Chu, Independent Director	Richard Lee, Independent Director  Richard Chen, Independent Director  Victor Kuo, Chairman	Composed of 3 independent directors and the Chairman. It is responsible for helping the Board of Directors to continue promoting corporate social responsibilities and improve corporate governance, in order to implement sustainable management.	2 meetings were convened with 100% attendance.

\* For the list of functional committees and other details, please refer to the D-Link official website “Audit Committee,” “Remuneration Committee,” “ESG Committee”.



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## 2.2.4 Performance Evaluation and Remuneration for the Governance Body

GRI 2-17, 2-18, 2-19, 2-20

### Directors’ Remuneration System

The Company offers remuneration to directors and independent directors in accordance with the "Management Measures for Remuneration of Directors and Members of Functional Committees". Remuneration by definition includes compensation, remuneration, and business execution expense. The content of such is as follows :

Compensation	Independent directors also hold positions in functional committees such as Audit Committee, Remuneration Committee, and ESG Committee, bear more responsibilities and risks, and invest more time than directors in general. As a result, the compensation varies depending on the role of the directors.
Director Remuneration	The Company's articles of incorporation stipulated that directors’ remuneration shall not exceed 1% of the profit in the given year, and shall be evaluated based on factors such as the role, position, attendance at the board meetings, and other contributions. Such remuneration shall be given using the point method, and shall not be given to independent directors.
Business Execution Expense	This refers to the attendance fee for directors ( including independent directors ) to attend a board meeting or shareholders' meeting in person.

The Remuneration Committee and the Board of Directors shall review the performance evaluation and rationality of remuneration, and also review the remuneration at times based on the operation of the Company and relevant laws and regulations. No retirement benefit is provided to directors, and there is no mechanism for claiming back remuneration<sup>6</sup>. However, the Company may devise a remuneration deferral mechanism, depending on the situation, after being reviewed by the Remuneration Committee and resolved by the Board of Directors in response to future risks.

### Performance Evaluation for Board of Directors

To implement corporate governance and enhance the functions of the Board of Directors, D-Link revised the "Rules for Performance Evaluation of Board of Directors" on August 12, 2022, stipulating that the Board of Directors should conduct internal performance evaluations at least once a year for the Board of Directors, its members, and functional committees, and external evaluations should be conducted at least once every three years by an independent external institution or a team of external experts and scholars. The results should be disclosed on the Company's website and the Annual Report.

### Internal Performance Evaluation for Board of Directors

The performance evaluation method for the Board of Directors is internal self-evaluation of the Board of Directors and self-evaluation of board members. The evaluation process is conducted through internal questionnaires. The 2023 performance evaluation for the Board of Directors is reported on the Board of Directors meeting on February 27, 2024, and improvement measures are proposed, and the results are used as reference for directors' remuneration and renewal. The overall average score of the performance assessment of the Board of directors is 4.91 points (out of 5 points), and the overall average score of the performance evaluation of individual board members is 4.59 points. (out of 5 points), showing that the board

<sup>6</sup> There is neither a relevant mechanism for senior management.  
<sup>7</sup> A non-governmental and non-profit corporation provides independent services for evaluating Taiwan's professional corporate governance system and the performance evaluation of the Board of Directors.

is functioning well. In addition, before the laws and regulations have specified, the performance assessments of the Audit Committee, the Remuneration Committee and the ESG Committee have been conducted, and the evaluation results all reached 4.50 points (out of 5 points), indicating that the functions and operational efficiency of the Company’s functional committees are good.

### External Performance Evaluation for Board of Directors

In May 2022, Taiwan Corporate Governance Association<sup>7</sup> was appointed to conduct an external evaluation for the performance of the Board of Directors. The association issued an evaluation report on July 7, 2022, and the overall evaluation results were submitted to the Board of Directors meeting for review and improvement on August 12, 2022. It is expected to conduct an external evaluation of the Board of Directors' performance again in 2025.

Performance Evaluation Metrics	
Board of Directors	<ul style="list-style-type: none"><li>• Level of participation in the Company's operations.</li><li>• Improvement of the quality of the Board of Directors' decision making.</li><li>• Composition and structure of the Board of Directors.</li><li>• Selection and continuing education of the directors.</li><li>• Internal controls.</li><li>• Concern on sustainable management (ESG).</li></ul>
Individual Board Members	<ul style="list-style-type: none"><li>• Familiarity with the Company's goals and missions and focus on sustainable management (ESG).</li><li>• Understanding of the role and responsibilities of directors.</li><li>• Level of participation in the Company's operations.</li><li>• Management of internal relations and communication.</li><li>• Professionalism and continuing education of directors.</li><li>• Internal controls.</li></ul>
Functional Committee	<ul style="list-style-type: none"><li>• Level of participation in the Company's operations.</li><li>• Understanding the responsibilities of functional committees.</li><li>• Improvement of quality of functional committee's decision making.</li><li>• Composition and selection (election) of members of functional committees.</li><li>• Internal controls (Audit Committee only).</li></ul>

\* For information on the performance evaluation of the Board of Directors, please refer to "2023 Performance Evaluation for Board of Directors" for details.

### Continuing Education for Directors

In order to enhance the competences of board members, in accordance with D-Link's “Corporate Governance Best Practice Principles,” diverse external courses are arranged every year to help to enhance their professional capabilities. In 2023, D-Link directors had 96 hours of continuing education; in addition, along with the Company's introduction of risk management mechanisms, risk management experts gave a continuing education course on “New Thinking of Integrating Strategy Development and ESG Enterprise Risk Management” on June 20, 2023 to help directors to understand the risks the Company faces in its operations and responding approaches. For detailed training information, please refer to the Company's “2023 Annual Report” P.73.

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2.2.5 High-level Compensation Linked to Sustainable Business Performance GRI 2-19

D-Link’s remuneration for managers, including the President and vice presidents, are determined according to the Company's "Performance Evaluation Guidelines" , and by referring to the salary level of the position in the industry, the scope of responsibilities for the position, the performance achievement status of the manager, and the contribution to the Company's operational goals.

▼ Composition of Managerial Officers’ Performance Objectives

	Business Objectives	Other Strategic Objectives
Content	Specific quantifiable items such as revenue and earnings per share	<ul style="list-style-type: none"><li>• Brand value and corporate image</li><li>• Corporate governance and sustainability ( performance objectives of sustainable issues include indicators such as climate change and enterprise risk management )</li><li>• Talent retention and development and others</li></ul>
Percentage (varies depending on the nature of managers)	40%-80%	20%-60%

The compensation of managers includes two parts: fixed compensation and variable compensation. The former is the basic salary of the manager, while the latter mainly consists of bonuses and is linked to the Business Performance of the Company or the center to which the manager belongs. The better the performance, the higher the proportion of this part relative to the compensation will be. The performance evaluation goals and remuneration rationality of the aforementioned managers, including the President and vice presidents, will be reviewed and evaluated by the Remuneration Committee, and submitted to the Board of Directors for approval before given. Managers and ordinary employees enjoy the same retirement benefits.

The Company shall review the compensation system for directors and managers in a timely manner based on the operating status and relevant laws and regulations to retain outstanding decision-making and management personnel, and effectively guide the Company’s long-term operating performance, avoid risks caused by managers' excessive pursuit of short-term benefits, and strive for a balance between the Company's sustainable operation and risk control.

2.2.6 Corporate Governance Performance

D-Link is committed to continuously improving its corporate governance mechanism to ensure the sound development. The corporate governance evaluation score in 2023 was 106 points, ranking in the top 5% of all TWSE listed companies, one rank higher than last year, and the score also increased by 2.96 points, higher than the average score of companies in the same rank.

Furthermore, D-Link actively engages in international ESG-related assessments and ratings, such as S&P Global, FTSE Russell, Sustainalytics, and CDP. These assessments provide in-depth analysis of the criteria and indicators, serving as a reference to enhance sustainability strategic goals. In 2023, D-Link achieved significant improvements in its ESG assessments: the S&P Global ESG assessment score increased by 17.8% year-on-year, reaching the top 4% percentile ranking in the industry; the FTSE Russell ESG assessment score improved by 22.6% and received full marks in governance; the Sustainalytics risk score decreased by 21.5%, placing D-Link in the top 3% percentile ranking in the industry; and the CDP rating improved three ranks from D to B-, showcasing the Company's commitment to sustainable practices.

▼ Domestic and International Evaluation Results



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# 2.3 Transparency in Information Disclosure GRI 2-15

D-Link treats all shareholders fairly and keeps them informed of important company information in a timely manner or in advance by enhancing transparency and ESG information disclosure. The Company strives to protect shareholders' rights and interests through internal control systems, prevention of insider trading, and other mechanisms.

- 2.3.1 Safeguarding Shareholders' Equity
- 2.3.2 Internal Control System
- 2.3.3 Preventing Insider Trading



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2.3.1 Safeguarding Shareholders' Equity





The primary principle of improving the corporate governance mechanism is to protect the rights and interests of shareholders and treat all shareholders fairly. In addition to maintaining close contact with major shareholders, D-Link still spares no effort in safeguarding the rights and interests of other shareholders. Please refer to the Company's 2023 Annual Report for the list of Top 10 shareholders.

Improving Transparency

D-Link continues to improve all information disclosure links so that external shareholders can access important information about the Company in time or in advance, safeguarding shareholders' rights and interests.

- **Setting up an independent Investor Relations website** : Enhance the user experience and convenience of investors.
- **Improving English information disclosure** : The material information is announced simultaneously in Chinese and English on the MOPS and IR website, and through the MOPS and IR website, the Chinese and English versions of financial reports, quarterly reports, and annual reports are announced, and the Chinese and English versions of the sustainability reports are published on the official website, allowing stakeholders to obtain information in real time.
- **Improving the disclosure quality of non-financial information** : Regularly publish the sustainability report every year to disclose non-financial information and provide more timely information on the Company's website. Ensure disclosure quality through third-party verification and ISO verification.
- **Regularly holding Investor Conference** : The Company was invited to attend two investor conferences in 2023.
- **Convening shareholders' meeting** : The Company held a general shareholders' meeting on May 31, 2023.

Enhancing ESG Information Disclosure

			
Adopt the latest version of GRI standards to prepare the sustainability reports.	Disclose the financial impact of climate-related risks and opportunities.	Disclosed the financial significance and usefulness information of investment decisions, which were verified through third-party verification.	Passed third-party verification of AA1000AS v3 standards.

2.3.2 Internal Control System

D-Link formulates the internal control system in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" , which has been approved by the chairman of the Board of Directors and passed on the Board of Directors meeting. Each management unit shall, according to the results of its operational risk identification, regularly conduct self-assessment on the internal control system, implement the self-supervision mechanism, and promptly review and revise it to ensure the continuous effectiveness of the internal control system. According to its business characteristics and operation process requirements, the Company has formulated the internal control system and relevant operation methods, including important operational cycles such as sales and payment cycles, procurement and payment cycles, and management standards such as internal audit procedures, internal audit implementation rules, and internal control system self-assessment procedures.

2.3.3 Preventing Insider Trading

To establish a sound internal mechanism for handling and disclosing major information, avoid improper disclosure of information, ensure the consistency and accuracy of information published to the outside and strengthen the prevention of insider trading, D-Link has revised the " Procedures for Materiality Management and Prevention of Insider Trade " and established an evaluation procedure for publishing major information in accordance with the requirements of the competent authority on November 4, 2022. It also developed and published the evaluation procedures for publishing material information, the preservation of submission and approval records and the disposal of lost.

- Shareholding transfer notification: Apply once a month.
- Internal personnel changes: Apply within 2 days.
- Stock affairs specialists email directors and insiders quarterly to remind them not to trade D-Link stocks before the announcement of the financial statement.



2023 Insider trading and other matters : 0

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# 2.4 Ethical Management

Integrity is one of D-Link's core spirits. Every aspect of the Company's daily operations adheres to internal and external laws and regulations, and all employees are requested to uphold business ethics and responsibilities. After being on board, new employees must complete training courses related to the principle of integrity and code of conduct. New employees shall also undergo training from time to time to strengthen their professional ethics in anticipation that the Company as a whole may jointly demonstrate the corporate spirit of integrity.

- 2.4.1 Ethical Management and Anti-Corruption
- 2.4.2 Internal Audit
- 2.4.3 Whistleblowing System
- 2.4.4 Compliance with Law and Regulations

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# 2.4.1 Ethical Management and Anti-Corruption

GRI 2-12, 205-1, 205-2, 205-3, 206-1

In order to ensure the implementation of ethical management and compliance with laws and regulations, D-Link regularly promotes the core value of ethical management, and has established internal rules and regulations such as the "Code of Conduct", "Ethical Corporate Management Best Practice Principles" and "Implementation Measures for the Whistleblowing System". These clearly demonstrate D-Link's commitment to an ethical management policy. The Company requires that all activities of the Company and its subsidiaries comply with relevant laws and regulations and adhere to high standards of professional ethics. D-Link is committed to avoiding unfair competitive practices, opposing any form of bribery, and establishing appropriate management systems. Training courses such as intellectual property rights management and trade secret infringement prevention were conducted to enhance employees' awareness of integrity on business operations, and thereby strengthen corporate governance. D-Link reports to the Board of Directors its execution of ethical management once a year. The latest annual report was presented to the Board of Directors on November 14, 2023.

The training related to D-Link's ethical management is divided into the following 3 categories, and a total of over 596 training hours were implemented in 2023:

**New Employee Orientation**

In the orientation, it promotes that each new employee must comply with the Company's principles of ethics and ethical code of conduct; the orientation is held every two months to ensure that every new employee understands that they must comply with the Company's "Ethical Corporate Management Best Practice Principles," "Ethical Code of Conduct" and related ethical management policies. Each of the 93 new employees in 2023 completed 0.5 hours of ethical education training, totaling 46.5 training hours.

**Internal Training**

The Company held the courses for employees in October and November 2023, with the contents of "Understanding the Responsibilities and Obligations of Directors, Supervisors and Executives from the Securities and Exchange Act" and "Understanding the Related Party Transactions and Non-arm-length Transactions from Practical Cases," respectively. A total of 72 participants attended the courses, totaling 180 training hours; the Company also conducted the "Corporate Ethical Management"

promotion course in November 2023 to raise employees' awareness of related matters. The course included promoting concepts such as ethical management, money laundering prevention, anti-corruption and insider trading prevention. A total of 506 participants attended the course, totaling 253 training hours. The course had a 97% attendance rate, with an average test score of 99 points (out of 100 points).

**External Training**

In 2023, 12 internal employees applied for external education and training on accounting systems and internal control systems, totaling 117 training hours.

In addition, in 2023, the Company promoted topics such as ethical management, anti-corruption, prevention of insider trading and other issues to employees through videos displayed in the public area of the headquarters. A total of 16 different themed videos were screened, and the videos were played for more than 9,900 times and more than 300 hours.

All courses have been made online internally and become a part of the D-Link training system since 2022. Through orientations and external/internal education, trainings and campaigns, D-Link's policies and directions for the ethical management can be conveyed to the employees. D-Link continues to promote a high-standard business ethics culture and adhere to all relevant laws and regulations.





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In terms of anti-corruption assessment, D-Link evaluates each operating location according to the latest international "Corruption Perceptions Index" to determine whether they are in high-risk areas for corruption. If an operational location is in a high-risk country, enhanced anti-corruption education and training are required. In 2023, all locations assessed for corruption-related risks were classified as low to medium risk according to their Corruption Perceptions Index.

▼ Operational Site Analysis for Corruption Risk Assessment

Corruption Related Risk Assessment	
Number of operating locations that have conducted assessments	71
Number of operating locations	90
Percentage	79%

\* The scope of this table covers the headquarters and operating locations of major global sales subsidiaries (including subsidiaries in Australia, Canada, China, Europe, India, Japan, South Korea, Latin America, the Middle East, the United States, Singapore, Taiwan).

The communication and training of anti-corruption policies and procedures are carried out through the signing of declarations (by directors), training courses for newcomers (for employees) , and signing of procurement contracts containing relevant specifications (for suppliers). In 2023, assessments indicated no major corruption-related risks.



2023

Employee corruption and illegal behavior/  
Internal complaints: 0

▼ Statistics Related to Communication and Training about Anti-corruption Policies and Procedures

Year	Trainee	Number of People/Branches	Number of People/Branches Undergone Communication/Promotion	Percentage of Communication /Promotion Conducted	Number of Training and Education Conducted	Percentage of Training and Education Conducted
2021	Governance organization/ Board of Directors	9	9	100%	9	100%
	Employees	555	555	100%	130	23%
	Suppliers	54	54	100%	54	100%
2022	Governance organization/ Board of Directors	9	9	100%	9	100%
	Employees	515	515	100%	500	97%
	Suppliers	54	54	100%	54	100%
2023	Governance organization/ Board of Directors	9	9	100%	9	100%
	Employees	518	518	100%	517	99%
	Suppliers	34	34	100%	34	100%

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2.4.2 Internal Audit

In order to strengthen the operations and management of the Company, D-Link has established an independent audit office under the Board of Directors. The appointment of the audit supervisor must be approved by the Board of Directors and a dedicated audit personnel has been additionally established. The audit office is responsible for establishing risk management strategies and various risk management systems, as well as formulating the annual audit plan. The office shall propose improvement suggestions according to the audit results and track subsequent improvement results. It shall report the audit results to the Board of Directors every quarter and report to the Chairman and Audit Committee when necessary.

D-Link stipulates and implements internal controls for internal audit and reviews operating procedures through the “Internal Audit Implementation Guidelines” . The scope of review covers all the Company's units, operations, and subsidiaries. The audit office combines the guidelines with the identified risks to formulate the annual audit plan. After the plan is reported to and approved by the Board of Directors, the compliance of various systems is regularly audited. Project audits or reviews are conducted when necessary to help the Board of Directors and management to check and review the effectiveness of internal controls and provide a channel for management to understand existing or potential internal control deficiencies. The internal audit shall present a written audit report and follow up report after the audit plan is executed. The reports shall be regularly delivered to the Audit Committee and shall act as the basis of the internal control statements submitted by the Board of Directors and Chairman.

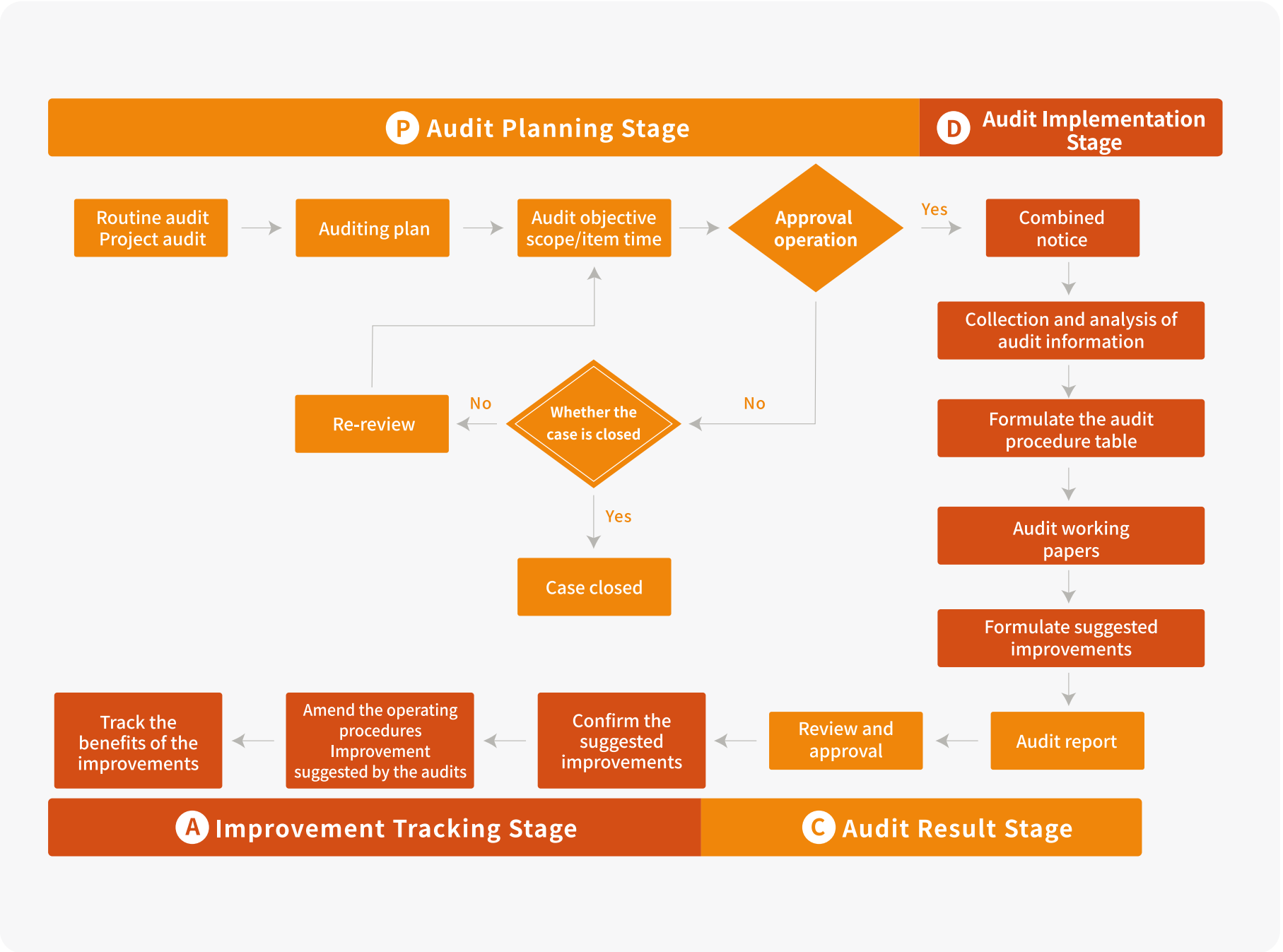
In 2023, except for the routine items implemented according to the annual audit plan, to cope with the Company's TIPS certification operation, incorporate the intellectual property management into the annual audit plan and assist in strengthening the establishment of information security risk management and control mechanisms.

Appointment and Dismissal of Internal Audit Personnel

The appointment, dismissal, evaluation, and remuneration of D-Link's internal

audit personnel are based on the “Recruitment and Appointment Management Rules”, “Remuneration Management Rules”, “Performance Evaluation Guidelines”, and “Employee Resignation and Leave without Pay Management Rules”. The evaluation is conducted twice a year and shall be submitted to the Chairman for approval according to the approval procedure. The appointment of the internal audit supervisor shall be submitted to the Board of Directors for approval. The related guidelines have been disclosed in the internal regulations of the Company's website.

▼ D-Link Organizational Audit Procedure





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2.4.3 Whistleblowing System GRI 2-26

D-Link established a whistleblowing mechanism in accordance with its Implementation Measures for the Whistleblowing System, and accepts and investigates reporting cases in accordance with standard operating procedures, in order to improve corporate governance and sustainable business operations. D-Link implements a confidentiality policy for whistleblowing, keeps the identity of the whistleblowers and the content of their reports confidential, and commits to protecting whistleblowers from any undue consequences resulting from their reports.

Scope of the Reporting Cases

Anyone who discovers behaviors that violate D-Link’s financial systems and affect the accuracy of financial reports, violate laws and regulations, breach D-Link’s policies, systems, and ethical standards, misappropriate company property or assets, receive improper benefits externally, engage in fraudulent activities by the Company’s management or employees, or engage in any other behaviors that harm the interests of the Company, may file a report according to D-Link’s “Implementation Measures for the Whistleblowing System”.

Reporting Methods and Channels

In 2023, D-Link has announced its latest information relating to the reporting methods and channels as follows:

- Reporting methods: Written or via email.
- Address: No. 289, Xinhu 3rd Rd., Neihu Dist., Taipei City 114
- Reporting channels: the Audit Committee.
- Email: SRC@dlinkcorp.com

Handling of the Reporting Cases

In accordance with the “Implementation Measures for the Whistleblowing System” , D-Link designates the Audit Committee as the recipient of whistleblowing reports, and the Corporate Auditor’s Office as the investigating unit responsible for handling the registration and recording of cases, as well as investigating and addressing whistleblowing reports in accordance with relevant procedures. The Company issues written reports on the investigation results along with handling recommendations and carries out standard operating procedures in accordance with the subsequent handling mechanism.

Protections for Whistleblower’s Identity and Report Content

D-Link’s personnel handling the reporting cases shall provide a written statement ensuring the confidentiality of the identity of the whistleblower and the content of the report. They are prohibited from disclosing any information that could identify the individuals involved, including but not limited to the names, ages, addresses, documents, drawings, messages, appearances, identity details, or any other items sufficient to recognize the whistleblower and the subject of the report. Exceptions apply only if the whistleblower consents to or voluntarily discloses his or her identity, or if disclosure is required by law. In cases where the whistleblower faces threats, intimidation or other adverse actions, the Company will assist them in reporting the matter to law enforcement authorities.

Protection of Whistleblower’s Rights

No adverse personnel measures shall be imposed as an attempted retaliation against internal personnel for whistleblowing, cooperating with a whistleblowing investigation, or refusing to participate in the reported case. Should any such personnel measures occur, affected personnel may seek relief in accordance with the relevant provisions of its “Implementation Measures for the Whistleblowing System”.

Reward for the Whistleblower

If a reporting case is verified to be true, internal whistleblowers will be appropriately rewarded based on their contribution to corporate governance, in accordance with the relevant provisions of the Company’s guidelines for reward and punishment implementation.

2.4.4 Compliance with Law and Regulations

GRI 2-27, 416-1, 416-2, 417-1, 417-2, 417-3, 418-1

D-Link enhances employees' awareness of compliance through meetings, new employee orientation, electronic bulletin boards, complaint mailboxes, and relevant regulatory notices. In terms of laws and regulations, the Company ensures compliance with human rights conventions and local government regulations in labor policies; in terms of labor-management relationships, regular labor-management meetings are held to communicate and reach consensus on issues related to the implementation of human rights policies, labor environment conditions and policies, remuneration and benefits, etc., ensuring transparency and smooth communication between labor and management.

With operating and sales locations worldwide, the Company consistently adheres to various countries’ telecommunications regulations, competition laws, anti-bribery laws, economic sanctions laws, and personal data protection regulations. It conducts regular tracking, identification, and implementation of all regulations and adjusts operational policies accordingly. Training on regulatory compliance is provided to unit supervisors and employees. In 2023, D-Link conducted regulatory compliance training courses, with a total of 1,917 participants, totaling 2,260.5 training hours.

▼ 2023 Compliance Education and Training Statistics

	Number of Participants	Training Hours
Personal Data Protection Act	537	1,156.5
Occupational Safety and Health Act	108	324.0
Sexual Harassment Prevention Act	601	300.5
Securities and Exchange Act	72	180.0
Money Laundering Control Act & Whistleblower Protection Act	599	299.5
Total	1,917	2,260.5

In addition, D-Link's products and services also comply with regulations related to information and labeling, health and safety. Its marketing and promotional activities comply with regulations related to marketing communications. The Company also complies with environmental protection regulations and regulations related to social and economic fields.

▼ Regulatory Compliance Status in the Past 2 Years

	Incidents of Non-compliance in 2022	Incidents of Non-compliance in 2023
Product/service information and labeling	None	None
Product/service health and safety	None	None
Marketing and publicity activities	None	None
Environmental protection	None	None
Social aspects, such as human rights and labor	None	None
Economic aspects, such as fair trading, anti-competitive practices, major cybersecurity <sup>1</sup> , etc.	None	1 <sup>2</sup>

<sup>1</sup> Definition of the major cybersecurity incidents: Includes intrusion, disruption, alteration, deletion, encryption, theft, Distributed Denial-of-Service (DDoS) attacks, etc., targeting the Company's core information and communication systems, official websites, or confidential document files, resulting in operational disruption or inability to provide services, or occurrence of personal data breaches.

<sup>2</sup> Major cybersecurity incidents.



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# 2.5 Financial Performance and Tax Governance

Solid financial performance and rigorous tax governance are important aspects of ESG practices. D-Link enhances its core competitiveness continuously, increases revenue actively, strengthens management, and monitors market changes consistently to adapt to potential impacts from environmental changes.

- 2.5.1 Financial Performance
- 2.5.2 Tax Governance



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2.5.1 Financial Performance GRI 201-1

D-Link’s consolidated operating revenue in 2023 was NT\$1.594 billion. Affected by factors such as the downturn in the consumer market caused by inflation, coupled with the impact of customer inventory adjustments and the dumping of products by Chinese competitors in the market, the Company has implemented strict inventory control and effectively controlled inventory levels. However, due to the weak market, the revenue in 2023 will be lower than that of the previous year. A decline of 6.7% in the previous year; net operating income was NT\$126 million, compared with NT\$553 million in operating net profit in 2022, a decrease of NT\$427 million in benefits. In addition, the non-operating income amounted to NT\$735 million, mainly from the recognition of securities investment valuation and the disposal income from merging Cameo. In terms of overall profit performance, the current net profit attributable to the owners of the parent company in 2023 is NT\$568 million, marking an increase of 421.1% compared to 2022, with an EPS of NT\$0.95.

In 2023, switches are the main revenue products of D-Link, with revenue accounting for about 3% of the annual growth rate; in the global market, the Pan-Asia-Pacific region has the highest proportion of shipments, with revenue accounting for an annual growth rate of about 2%. Against the backdrop where the global inflation continues to rise and monetary tightening continues, global demand for network end-products is weakening, and with the material shortages easing, global enterprises are facing serious pressure to increase inventories. In 2024, D-Link will continue to enhance its core competitiveness and strengthen management by launching high-quality new products, deepening cloud platform services, and optimizing product portfolios to increase gross profit; While striving to increase revenue, D-Link also prudently manages operating expenses, enhances its profitability, and continuously monitors market changes to respond to the impact of changes in the overall environment.

In 2023, D-Link headquarters and subsidiaries around the world received approximately NT\$16.26 million in subsidies, including government tax exemptions and credits of approximately NT\$1.15 million, and Covid-19, energy and employment related subsidies of approximately NT\$15.11 million.

▼ Financial Performance in the Past 3 Years (NT\$ Million)

Items	2021	2022	2023
Operating Revenue	15,525	17,078	15,941
Gross Profit	4,189	4,315	3,844
Operating Expenses	4,019	3,762	3,718
Operating Profit	170	553	126
Non-operating Income and Expenditure	225	(95)	735
Net Profit Before Tax	395	458	861
Net Profit after Tax	318	260	698
Net Profit of Parent Company	239	109	568
Gross Profit (GP%)	27.0%	25.3%	24.1%
Operating Expenses (OPEX%)	25.9%	22.0%	23.3%
Operating Profit (OPM%)	1.1%	3.2%	0.8%
Net Profit after Tax (NI%)	2.0%	1.5%	4.4%

\* Please refer to the Company's 2023 Annual Report P.224 for details of the entity categories included in this table.

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2.5.2 Tax Governance

D-Link upholds the goals of tax compliance and comprehensive tax risk management by formulating the "Group Tax Policy and Management Regulation" to implement sustainable corporate development and fulfill social responsibilities.

The D-Link Group's tax governance policy considers the Board of Directors the highest decision-making body for the Company's effective tax risk management mechanism. In order to put tax management into practice and establish an internal tax management mechanism, tax experts were commissioned to provide tax education and training, as well as tax consulting services to maintain the accuracy of tax compliance.

D-Link has operating bases all over the world, and each operating base follows the tax laws and regulations of the country where it locates. Since unfavorable factors of regulatory changes will have an adverse impact on business performance, the Company regularly analyzes tax changes of the locations where its operating base are located, continuously evaluates local tax law regulations and recent supervision focuses of local tax authorities, to identify the tax risks arising from operations. The Corporate Finance & Operation Center Accounting Department regularly reports on the Group's tax risk environment, risk assessment and responding measures to executives. Starting from 2023, the tax risk management has been included in enterprise risk management and the tax management status is reported to the Board of Directors every year.

▼ Tax Governance and Transfer Pricing Policy



**Compliance Principle**  
Commitment to comply with tax regulations in all operating regions and to declare taxes honestly.



**Risk Control**  
Analyze the operational environment and utilize administrative mechanisms to assess tax risks and countermeasures.



**Reasonable Tax Incentives**  
Apply for tax incentives based on commercial reasons and in line with economic substance regulations without using tax havens.



**Reasonable Structure**  
Ensure the enterprise architecture and transaction arrangements are in line with economic substance regulations. No special arrangements shall be used to avoid tax.



**Information Transparency**  
Financial information is disclosed transparently, and tax information is disclosed in accordance with related regulations and standards.



**Integrity in Communication**  
Establish a relationship of mutual respect and honest communication.



**Arm's Length Principle for Related-party Transactions**  
In compliance with internationally accepted transfer pricing guidelines announced by the Organization for Economic Cooperation and Development (OECD).

Compliance with Global Transfer Pricing

In response to the international requirements of the three-tiered transfer pricing documentation framework, D-Link Group prepares the master file report and complies with regulatory filings to enhance the transparency of the group's tax information and ensure adherence to global transfer pricing regulations.

D-Link Group's companies registered in the Cayman Islands and the British Virgin Islands act as holding companies, which are for the purpose of holding shares. If there is any surplus distribution of the reinvestment company held by the holding company, the holding company will ultimately remit such surplus to the parent company, D-Link Corporation, and pay corresponding income tax in Taiwan.

▼ Tax Performance in the Past 3 Years (NT\$ Million)

	2021	2022	2023
Net Profit Before Tax	395	458	861
Income Tax Expense	77	197	163
Less : Temporary Differences	(8)	56	(44)
Adjusted Income Tax Expense	85	141	207
Effective Tax Rate <sup>1</sup>	19%	43%	19%
Adjusted Effective Tax Rate <sup>2</sup>	22%	31%	24%
Income Tax Paid	101	126	248
Effective Tax Rate of Income Tax Paid <sup>3</sup>	25%	28%	29%

<sup>1</sup> Effective tax rate = Income tax fee/net profit before tax.  
<sup>2</sup> Adjusted effective tax rate = adjusted income tax expense/net profit before tax.  
<sup>3</sup> Effective tax rate of income tax paid = Income tax paid/net profit before tax.



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# 2.6 Risk Management

GRI Self-defined Topics

D-Link identifies operation-related risks through a professional and rigorous process, and formulates strategies and action plans. By establishing a risk management mechanism, each department is able to respond in a timely manner through a risk management process so as to reduce or avoid impacts and ensure sustainable business operations.

- 2.6.1 Shaping D-Link’s Risk Management Culture
- 2.6.2 Risk Management Procedures
- 2.6.3 Operating Status
- 2.6.4 Risk Mitigation Measures



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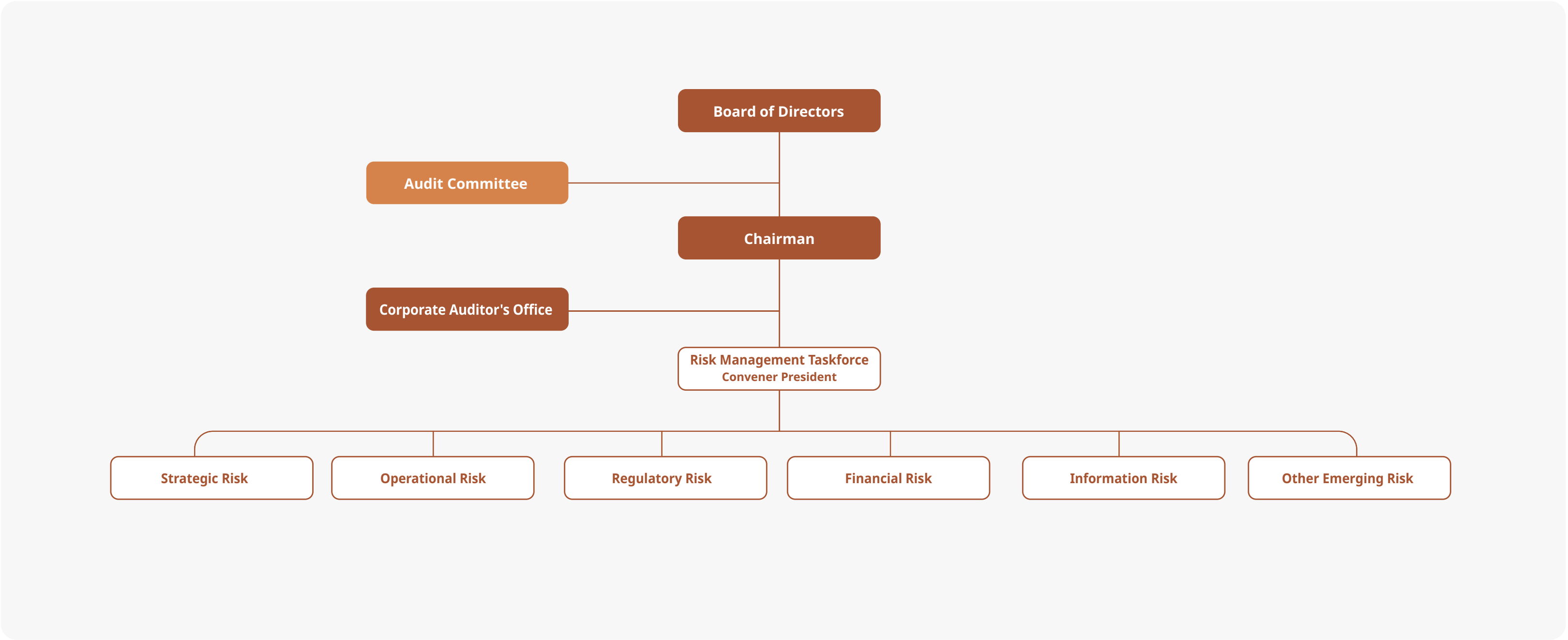
2.6.1 Shaping D-Link’s Risk Management Culture

GRI 2-12, 2-16

D-Link adopts the existing administrative structure and internal control mechanism to manage risks associated with business operations. According to the risk management policies and procedures, the Board of Directors is the highest management unit of risk management, and the Audit Committee is responsible for supervising the implementation of the group's risk management policies. The President

serves as the convener of the risk management taskforce, and jointly plans, executes and supervises the risk-related management affairs with senior executives of the operating units to establish a good protection mechanism in the daily maintenance. The Company develops risk measurement indicators for key risk categories to review risk management mechanisms regularly, and strategies, control objectives, internal control systems, and procedures are established to prevent and manage various risk-related company operations effectively.

▼ Risk Management Structure



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## 2.6.2 Risk Management Procedures



### Risk Identification

Each operating unit identifies risks in its short, medium, and long-term objectives and business management according to the Company's strategic objectives and risk management policies and procedures approved by the Board of Directors.



### Risk Analysis

Each operating unit understands the nature and characteristics of the identified risk events and analyzes the occurrence probability and impact degree of the risk events by considering the integrity of the existing relevant control measures, past experience, and peer cases to calculate the risk value.



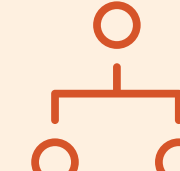
### Risk Assessment

Each operating unit plans and implements subsequent risk response plans according to the risk level based on the risk analysis results and the risk appetite (unacceptable risk) approved by the Audit Committee.



### Risk Response

Action plans are developed for risk response to ensure that the relevant personnel fully understand and implement the action plans and the implementation of the action plans will be monitored continuously.



### Supervision and Review Mechanism

Each operating unit of the Company shall be directly responsible for the risk related to its responsibilities and shall incorporate risk assessment and control into its daily operations. When necessary, they should report to the risk management taskforce to effectively supervise and improve the efficiency of risk management implementation.



### Report and Disclosure

Relevant policies and procedures are disclosed on the Company's website.



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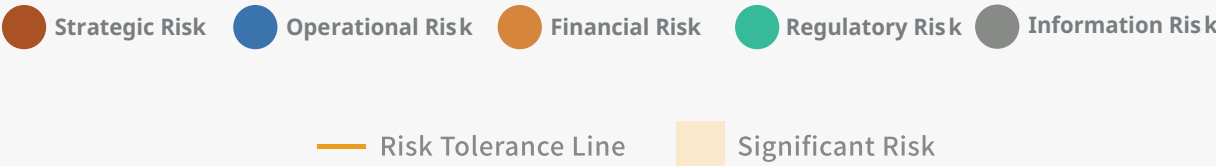
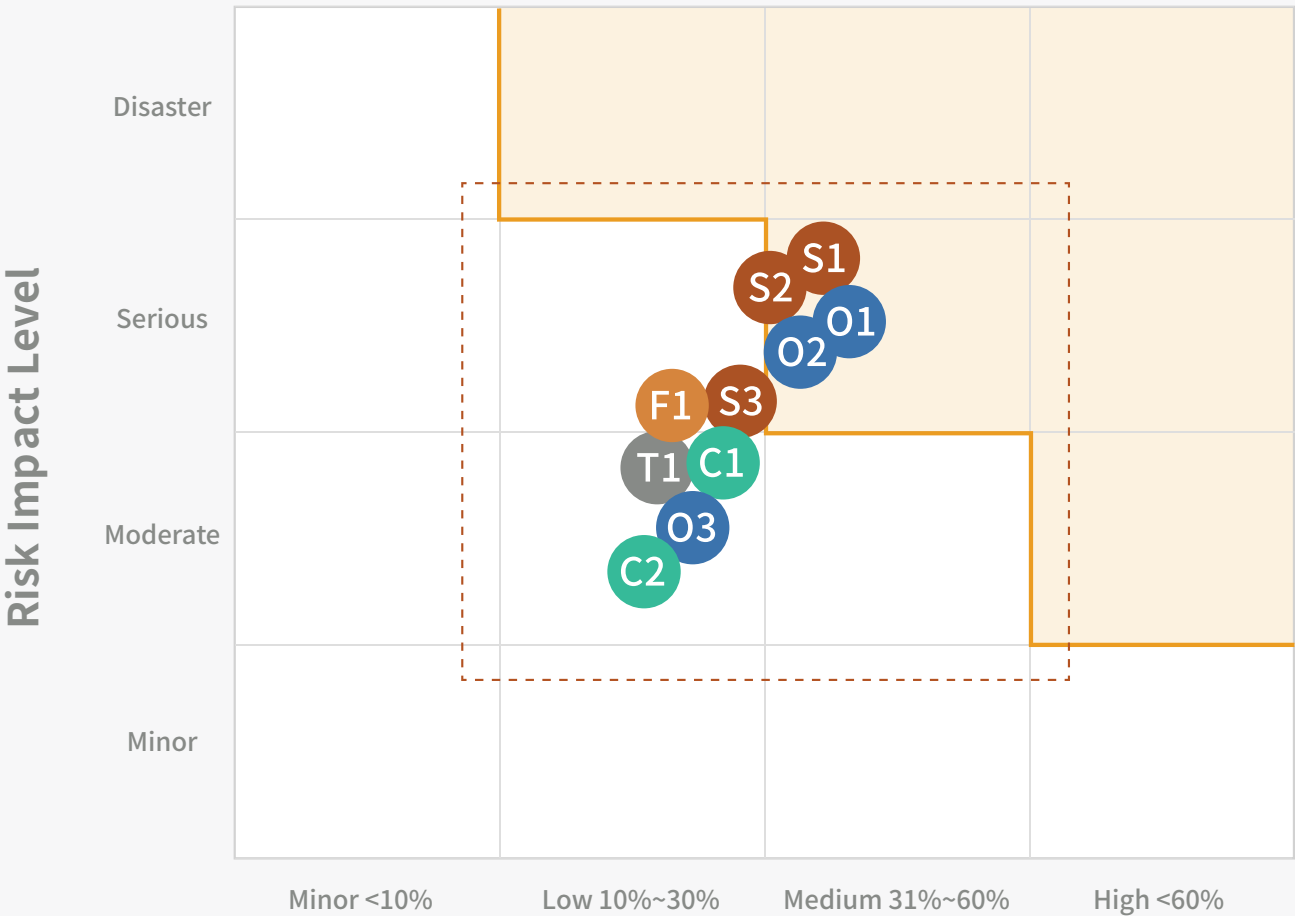
2.6.3 Operating Status

- In order to comply with the requirements of the “Corporate Governance 3.0 - Sustainable Development Blueprint” and the “Risk Management Best Practice Principles for TWSE/TPEX Listed Companies” issued by the Financial Supervisory Commission, the Company appointed KPMG Enterprise Management Co., Ltd. to provide risk management operation optimization services to build the risk management measurement standards and identification of the Company's top ten risks in 2023. This project was completed on April 10, 2023.
- Responding to the Company's current practical risk management operation mechanism, the Company amended the “Risk Management Policies and Procedures” and such are implemented after approved with the resolution of the Board of Directors on May 10, 2023.
- The Company complies with the “Risk Management Policies and Procedures,” to convene the risk management meetings, on quarterly bases, on February 15, June 28, and October 16, 2023 as well as January 22, 2024, to plan, implement and supervise quarterly risk management operations, to ensure that all risks are effectively managed.
- Responding to the Company's top ten risks identified at the beginning of 2023, the Company has reported to the Board of Directors on the implementation of the risk management action plans in 2023 on February 27, 2024, to manage and control the risk items through KRI key risk indicators for mitigating the impact of risks, and reassessing the Company's top ten risks in 2024.

▼ Top 10 Risks of the Company Identified at the Beginning of 2023

Risk Categories	Risk Details
Strategic Risk	S1 Inventory management S2 Product innovation and application S3 Customer satisfaction
Operational Risk	O1 Customer management O2 Product quality O3 Talent
Regulatory Risk	C1 Intellectual property rights C2 Global operations legal compliance
Financial Risk	F1 Exchange rate changes
Information Risk	T1 Information security incident

▼ Risk Matrix Diagram





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2.6.4 Risk Mitigation Measures

The Company has reported to the Board of Directors on the implementation of the 2023 risk management action plans on February 27, 2024.

▼ Important Risks and Countermeasures

Risk Items	Countermeasures	Material Topics Corresponded
Inventory management	The total inventory level has been reduced under the risk mitigation measures, and all implementation items under the action plans have been completed. In the future, another action plan will be formulated for inventory with longer inventory ages.	Business Performance
Product innovation and applications	The evaluation of various home care solutions providers and the analysis of the competitive advantages of D-Link solutions have been completed. By replacing the product-spec orientation in the past with the service innovation, all implementation items under the action plans have been completed.	Innovation and R&D
Customer satisfaction	The customer service statistics in 2023 show good satisfaction.	Customer Relationship Management
Customer management	All implementation items under the action plans have been completed, and no major customers have been lost.	Customer Relationship Management
Product quality	Risk mitigation and improvement measures have been taken, to reduce risk trends and improve product defect rates; all implementation items under the action plans have been completed.	Product Quality
Talents	The full-year voluntary turnover rate and the retention rate of new employees are in line with risk indicator specifications.	Talent Selection, Recruitment and Retention
Intellectual property rights	Patent right search and intellectual property rights training or promotion for the employees have been carried out.	Governance and Ethical Management
Global legal compliance	In accordance with the risk mitigation and improvement measures, all packaging materials and products in Europe are currently being reviewed comprehensively, to comply with the requirements of local competent authorities.	Green Products
Information security incident	The employee security education and training of information security, and the employee social engineering drills have been completed, and it will continue to strengthen education, training and promotion to reduce this risk.	Information Security
Exchange rate movements	Exchange gains and losses and hedging proportion all comply with the risk indicator requirements.	Business Performance

\* Items marked in orange indicate significant risks.

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# 2.7 Intellectual Property Management

Innovation has been the cornerstone of D-Link's operation and management since its establishment. To properly protect the research and development outcomes and enhance D-Link's competitiveness in the global market, D-Link has formulated an intellectual property management plan aligned with operational goals. This plan serves as guidelines for decision-making and execution in managing intellectual property and related matters. In 2022, D-Link introduced and passed the Taiwan Intellectual Property Management System (TIPS) , earned the Grade A certification, and again passed the Grade A certification in 2023. The certification is valid until December 31, 2025.

- 2.7.1 Intellectual Property Management Plan
- 2.7.2 Status of Intellectual Property Management Implementation



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2.7.1 Intellectual Property Management Plan

Patents

In order to actively protect its own research and development results and integrate resources from various units, D-Link has formulated and implemented specific rules for patent applications. These applications are handled by a dedicated unit within the Company and submitted to domestic and foreign patent authorities for review, thereby strengthening the patent portfolio and protecting company interests. Due to the Company’s emphasis on the quality and capability of patent applications, incentives are provided to inventors to encourage innovation. Additionally, patent management is implemented to effectively record, integrate, maintain, and utilize patent assets, thereby enhancing D-Link’s competitiveness.

Trademark

D-Link is a brand deeply rooted in numerous countries and directly engages with consumers. To establish customer recognition of its brand image and consolidate market advantages, D-Link has been actively registering its trademarks globally to market and promote its products, sparing no effort in protecting and enhancing product value. A dedicated unit handles the visual identity design of trademarks and defines application categories and target countries according to its overall strategy. As markets and products constantly change, D-Link consistently reviews its corresponding registration portfolio and regularly conducts trademark monitoring. D-Link files objections against third-party trademark applications that are similar to its own or involve any acts of unfair competition to maintain the uniqueness and identity of its trademarks, ensuring that the economic benefits derived from its trademarks are fully realized.

Trade Secrets

In order to prevent misappropriation or improper disclosure of trade secrets, D-Link has formulated regulations and systems including, but not limited to, those related to information security, personal data protection, and confidential document management, which may serve to observe conduct, objects, workplace areas, confidentiality levels, and relevant education and training to employees. It also has an internal auditing mechanism in place for regular reviews.

Trade Secrets Protection Measures	
Employees	<ul style="list-style-type: none"><li>• Upon arrival, employees are required to sign employment contracts containing confidentiality clauses.</li><li>• A confidentiality agreement shall be signed upon resignation.</li></ul>
Vendors	<ul style="list-style-type: none"><li>• Before actual cooperation takes place, a confidentiality agreement must be signed.</li></ul>
Access Control	<ul style="list-style-type: none"><li>• There is an access control at the D-Link gate and IT department, and external personnel must obtain visitor permits before entering and leaving.</li></ul>
System Control	<ul style="list-style-type: none"><li>• Permission control of PLM, CMS, DQCS and other systems or shared drive.</li></ul>

Internally, D-Link conducts periodic inventories of important documents and technologies to protect key technologies, and ensures the effectiveness of company-wide information security protection measures and specific control plans through information security audits and continuous monitoring.

Copyright

The terms of employment contracts between D-Link and employees explicitly state that D-Link is the rightful owner of all copyrights resulting from the employee’s work within the scope of employment; This ensures that the Company holds the copyright to any work produced by the employees in the course of their duties. In cases of collaboration with suppliers or clients on development projects, the ownership of the copyright of development work shall be fully defined and agreed upon in contracts in advance.



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2.7.2 Status of Intellectual Property Management Implementation GRI 2-12

A report recounting intellectual property related issues will be submitted to the Board of Directors annually. The latest annual report was made to the Board of Directors on November 14, 2023.

D-Link has always attached great importance to the management of intellectual property. In addition to establishing a professional legal and intellectual property team to support the research and development team, the Company has long paid attention to domestic and international intellectual property trends and regulatory requirements. The main status of implementation in recent years is as follows:



D-Link continues to carry out various training programs to enhance personnel's knowledge and understanding of various basic and advanced knowledge of intellectual property rights.

▼ Education and Training Related to Intellectual Property in 2023

Basic training completed	Accumulated relevant training hours	Number of participants in relevant external training courses	Total training hours of relevant external training courses
639 participants	357.5 training hours	2 participants	28.6 training hours

▼ Results

Patents	Trademark
<ul style="list-style-type: none"><li>• A total of 740 patent applications have been filed worldwide, with 565 patents granted.</li><li>• Three product patents and three design patents have passed the review process.</li></ul>	"D-Link", the Company's main brand, has been registered as trademark and maintained in over 116 countries/regions around the world.





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## Responding to Material Topics

- Product Quality
- Innovation and R&D
- Information Security
- Supply Chain Management
- Risk Management
- Customer Relationship Management
- Sustainable Development Strategy

## Major Stakeholders

- Customers / Clients
- Employees
- Suppliers / Business Partners
- Shareholders / Investors
- Subsidiaries



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# 3.1 Sustainability Strategies and Goals - Value Aspect GRI-2-13, 2-24, 3-3



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Management Approaches for Material Topics

Material Topics	Significance for D-Link	Impacts on Value Chain*			Response Policies and Measures	Management Actions
		Suppliers/ Business Partners	D-Link/ Subsidiaries	Customers/ Clients		
Product Quality	Provide quality products and services to customers and become a leading brand of networking equipment through various stages of control. Quality and stability are closely related to customer losses and reputation, which directly affect market share and competitiveness.	●	●	●	Set up management representatives, establish quality policies, set management goals in accordance with the quality policies and review them regularly for effective management and continuous improvement.	The President serves as the management representative of the ISO management system. The quality policy direction is reviewed in the annual management review meeting, and the quality policy is followed every year. Formulate customer satisfaction surveys, supplier management surveys, and product manufacturing quality assessment quality goals, and submit annual quality goals to the management review meeting to implement the resolutions.
Innovation and R&D	Responding to the rapid pace of technological changes, maintaining innovation momentum, and gaining insights into technological development trends will enable companies to continuously provide innovative products and services that meet customer expectations, enhance competitiveness, create value, and stabilize their market position.	○	●	●	Committed to develop and utilize new technologies to provide quality and convenient products and services to customers.	Enhanced D-Link's products with new AI functions as the direction of innovation at this stage and continued to create product differentiation and market segmentation through its industry-leading cloud service platform and forward-looking innovative products.
Information Security	Continue to improve the Company's information security management system and strengthen its protection capabilities to comply with domestic and international information security-related regulations and to implement them in daily operations. We are dedicated to mitigating information security risks, maintaining customer trust, preserving the Company's reputation, and sustaining market competitiveness.		●	●	Formulatethe "InformationSecurityManagement Policy" and establish the "Information Security Management Committee", in order to understand information and communication security according to international standards.	Continue to optimize and regularly perform audits on information security management.
Supply Chain Management	Implement due diligence responsibilities and exert market influence to strengthen the sustainability value of the overall industry chain and continuously refine the value chain management strategies of upstream/downstream partners to mitigate the risk of various negative impacts on suppliers, including the ongoing operational management of suppliers, which will directly impact the company's operations and commitments to customers.	●	●	○	1. Establish supplier management guidelines, incorporate ESG-related impacts and risks, and regularly evaluate the impact of suppliers on society and the environment. 2. Continue to increase the percentage of local purchases.	Implement risk-graded assessment of suppliers, regularly schedule different audit strategies according to different levels, and conduct regular investigations or audits to eliminate system risks.
Customer Relationship Management	D-Link's commitment to customers is to provide quality products and services; the customers' trust and satisfaction are the motivation for its continuous growth. If customer concerns or needs are not addressed in a timely manner, brand trust and market share may be affected.		●	●	Develop standard operating procedures, perform regular surveys of customer satisfaction and reviews of various service management indicators to protect customer rights and increase trust.	Established the "1-3-7 Service Level Agreement (SLA)", conducted monthly surveys on customer satisfaction, reviewed various service management indicators, and set up a customer complaint handling authority to properly manage customer relations.

\* ● Direct impact; ○ Indirect impact

Short / Medium / Long-term Goals

	Short-term	Medium-term	Long-term
Product Quality	<ul style="list-style-type: none"><li>• Maintain the completeness of quality management procedures.</li></ul>	<ul style="list-style-type: none"><li>• 100% of D-Link’s suppliers are compliant with ISO 9001 and have obtained the certificate.</li></ul>	<ul style="list-style-type: none"><li>• The rate of major suppliers passing the shipment inspection is higher than 95%.</li></ul>
Innovation and R&D	<ul style="list-style-type: none"><li>• It plans to launch the Smart Home products, combining the product's AI functions as its appeal, and providing home carerelated network products.</li><li>• Filed at least 5 patent applications.</li></ul>	<ul style="list-style-type: none"><li>• Achieve by the end of 2030: In the application of networking products, it leads the trend of providing network integration solutions, and proposes corresponding solutions in various applications such as smart home, enterprise network, cloud management, multi-machine integration, etc., to meet the market of network applications.</li></ul>	
Information Security	<ul style="list-style-type: none"><li>• Pass the ISO/IEC 27001:2022 Information Security Management System before the end of 2024.</li><li>• The HSM key management system will be introduced by the end of 2024.</li><li>• Integrate the new version of the information security management system platform, add the software bill of materials (SBOM) function and the new version of SIM association.</li><li>• Responding to ETSI EN 303 645, we will continue to certify products exported to Europe.</li></ul>	<ul style="list-style-type: none"><li>• Establish effective anti-hacking and anti-weak measures on external services or websites, regularly entrust third-party external experts to conduct penetration tests, and continuously optimize the system.</li><li>• Strengthen the automated analysis function of the product security management platform: periodical information security reports, automated risk and authorization type analysis of SBOM, and correlation of detection reports and product versions.</li></ul>	<ul style="list-style-type: none"><li>• Gradually build a joint defense system for group information security.</li><li>• Purchase insurance coverage based on business needs.</li><li>• Adjust internal safety regulations and product specifications immediately to comply with the latest information security regulations of each country.</li><li>• Establish the D-Link product security testing team, to cultivate the professional skills and professional certifications over the long term, and actively participate in international information security organization activities and resource sharing.</li></ul>
Supply Chain Management	<ul style="list-style-type: none"><li>• Build sustainability and resilience of the supply chain.</li></ul>	<ul style="list-style-type: none"><li>• Understand the extent of supplier ESG management though supplier survey.</li></ul>	<ul style="list-style-type: none"><li>• 75% of D-Link’s suppliers are compliant with ISO 14001 and have obtained the certificate.</li><li>• Suppliers’ ESG performance is included in the vendor selection criteria.</li></ul>
Customer Relationship Management	<ul style="list-style-type: none"><li>• Consistently achieve a customer satisfaction score of 85 or higher.</li></ul>	<ul style="list-style-type: none"><li>• Continuously improve customer satisfaction rating to over 90 points.</li></ul>	<ul style="list-style-type: none"><li>• Maintain a high level of customer satisfaction of over 90 points every year.</li></ul>

By the end of 2025

By the end of 2028

By the end of 2033



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Achievement Status of Management Goals for 2023

Material Topics	Goals in 2023	Management Performance	Achievement Status
Product Quality	<ul style="list-style-type: none"><li>• Maintain the completeness of quality management procedures.</li></ul>	<ul style="list-style-type: none"><li>• Violation of laws and regulations related to quality management: 0</li></ul>	
Innovation and R&D	<ul style="list-style-type: none"><li>• Completed the EAGLE PRO AI series products, and plan to launch a new generation of brand and product series with the product AI function as the appeal.</li><li>• Filed at least 5 patent applications.</li></ul>	<ul style="list-style-type: none"><li>• A total of 12 new consumer products were launched, with AI series products accounting for one-fourth.</li><li>• Passed 3 product technology patent reviews and 3 design patents.</li><li>• Execute the AIoT platform plan: Support the IoT interconnection standard Matter and expand the home care services.</li></ul>	
Information Security	<ul style="list-style-type: none"><li>• Establish information security management system.</li><li>• Establish effective anti-hacking and vulnerability elimination measures for external services or websites, and regularly engage the third-party external experts to conduct and penetrate tests to continuously optimize the system.</li><li>• Fully introduce a digital signature system for product, software, and firmware, and apply HSM management keys.</li><li>• Revamped SIM system and integrated into the new information security management platform.</li><li>• Activate product certification mechanism according to ETSI EN 303 645.</li><li>• All employees completed at least 1 hour of information-related education training per quarter.</li></ul>	<ul style="list-style-type: none"><li>• 2 Information Security Management Committee meetings were held, and the implementation results were reported to the Board of Directors.</li><li>• Obtained the TRUSTe privacy seal.</li><li>• Passed the external review operation for ISO/IEC 27001:2013 Information Security Management System.</li><li>• Passed the external review operation for BS 10012:2017 Personal Information Management System.</li><li>• Regularly perform vulnerability scans on mainframes in the data centers to discover vulnerabilities and repair them, and verify that information security risks are effectively reduced.</li><li>• From June to September, we conducted website penetration testing through third-party vendors, discovered high-risk vulnerabilities for patching, and verified that information security risks were effectively reduced.</li><li>• Implemented information security education for all employees on the internal website every quarter. 1 dedicated member of the dedicated information security unit and 6 information security network management personnel must undergo more than 21 hours of professional information security training every year.</li><li>• Continuously importing server virtualization construction to reduce save energy and reduce maintenance costs simultaneously.</li><li>• Material information security incidents<sup>1</sup>: 1</li><li>• Material information security complaint<sup>2</sup>: 0</li></ul>	
Supply Chain Management	<ul style="list-style-type: none"><li>• Suppliers accounting for 87% of the total purchase amount were the main target of the evaluation.</li></ul>	<ul style="list-style-type: none"><li>• Audits were conducted for major suppliers (7 in total). The audit completion rate was 100%.</li><li>• Improvement rate of deficiencies in coaching suppliers: 81.02%</li><li>• Number of suppliers listed as unqualified suppliers for violating social responsibility standards: 0</li><li>• Reports on bribery of suppliers: 0</li></ul>	
Customer Relationship Management	<ul style="list-style-type: none"><li>• Provide immediate local support, understand customers' needs and voice through questionnaires, regularly review and improve deficiencies, and maintain customer satisfaction to 85 points or more.</li></ul>	<ul style="list-style-type: none"><li>• Implemented customer service procedures and regularly review various service indicators.</li><li>• Provide online customer service channels in Hong Kong and Macau.</li><li>• The annual average customer satisfaction in Taiwan was 98 points, and the global average customer satisfaction was 86 points.</li></ul>	

<sup>1</sup> Including the Company's core information system, official website or confidential documents and files, have been invaded, destroyed, compromised, deleted, encrypted, stolen, and under distributed denial of service attacks (DDoS), resulting in the inability to operate or provide services normally, or the leakage of personal information, etc.

<sup>2</sup> Complaints from third-party impartial inspection units or competent authorities resulting in judicial action due to the Company's violation of customer personal data protection or loss of customer information. If an individual's complaint is accepted as a case, it will also be included in the statistics.

<sup>3</sup> Not Fully Achieved. Responding to the organization's supplier integration policy, the annual supplier audit and evaluation resources have been revised to target the major suppliers accounting for more than 85% of the purchase amount primarily.

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Responsible Unit

Corporate Auditor's Office	ESG Office	Product R&D Center	Supply Chain Management Center
Corporate Finance & Operation Center	Product Strategy Center	Business Center	AI Innovation Center

Management Mechanism

- Corporate identification specifications
- Label relevant product information according to local regulations
- Quality policy



Quality First



Continuous Improvement



Customer Satisfaction

- ISO 9001 Quality Management System
- Introduced the industrial product security standard: IEC 62443 Industrial Automation and Control System Security
- ETSI EN 303 645 Cyber Security for Consumer Internet of Things: Baseline Requirements
- ISO/IEC 27001:2013 Information Security Management System
- Responsible Business Alliance (RBA) Code of Conduct

- ISO 9000 Customer Satisfaction Management Procedure
- 1-3-7 Service Quality Assurance Agreement



Communication Channel

Type	Channel
Customer Service	<ul style="list-style-type: none"><li>• Toll-free line: 0800-002-615</li><li>• <a href="https://www.dlink.com/en/hq-support">https://www.dlink.com/en/hq-support</a></li><li>• Online message: <a href="https://www.dlink.com/en/contact-d-link">https://www.dlink.com/en/contact-d-link</a></li></ul>
Suppliers-related Channel	<ul style="list-style-type: none"><li>• Special email: <a href="mailto:supplychain@dlinkcorp.com">supplychain@dlinkcorp.com</a></li></ul>
Sustainability-related Channel	<ul style="list-style-type: none"><li>• Special line: 02-6600-0123 Ext. 6834</li><li>• Special email: <a href="mailto:csr@dlinkcorp.com">csr@dlinkcorp.com</a></li></ul>
Anti-Corruption Reporting	<ul style="list-style-type: none"><li>• Special email: <a href="mailto:SRC@dlinkcorp.com">SRC@dlinkcorp.com</a></li><li>• Special mail box: No. 289, Xinhua 3rd Rd., Neihu Dist., Taipei City 114 (To Audit Committee)</li></ul>

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# 3.2 Product Quality and Safety GRI 417-1, 417-2, 417-3

D-Link abides by the business purpose and is based on satisfying customer requirements and maintaining the effectiveness of the quality management system. The President serves as the management representative of the ISO management system. The quality policy direction is reviewed in the annual management review meeting, and the quality policy is followed every year. Formulate customer satisfaction surveys, supplier management surveys, and product manufacturing quality assessment quality goals, and submit annual quality goals to the management review meeting to implement the resolutions for effective management and continuous improvement.

D-Link's products are marked with relevant product information in accordance with local regulations, and the Company's trademark, product model, part number, UPC, quantity, serial number, safety certification mark, origin mark, hard disk version, firmware version, MAC, power supply information, and number of boxes are clearly marked on the product packaging. The Company also specify video signal output, lithium battery warnings, Important Labels, etc., according to product type and export requirements. In 2023, D-Link had 100% compliance and no violation of relevant regulations throughout the year.

- 3.2.1 Quality Management
- 3.2.2 Product Security
- 3.2.3 Customer Services



**2023** Number of products violating regulations on labels: 0





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3.2.1 Quality Management GRI 416-1, 416-2

D-Link products comply with the requirements of quality regulations in various countries, and clearly formulate relevant specifications. In the development and design stage, suppliers are required to comply with them. In the development and verification stage, relevant specifications are verified and confirmed one by one, and complete relevant reports are obtained to continuously follow and manage quality regulations.

At the same time, D-Link implements internal management activities in accordance with ISO 9001 quality management system specifications, establishes various policy indicators, internal regular audits, management review reviews, and resolutions, which are completed and certified by external units.

▼ Quality Policy



Quality First



Continuous Improvement

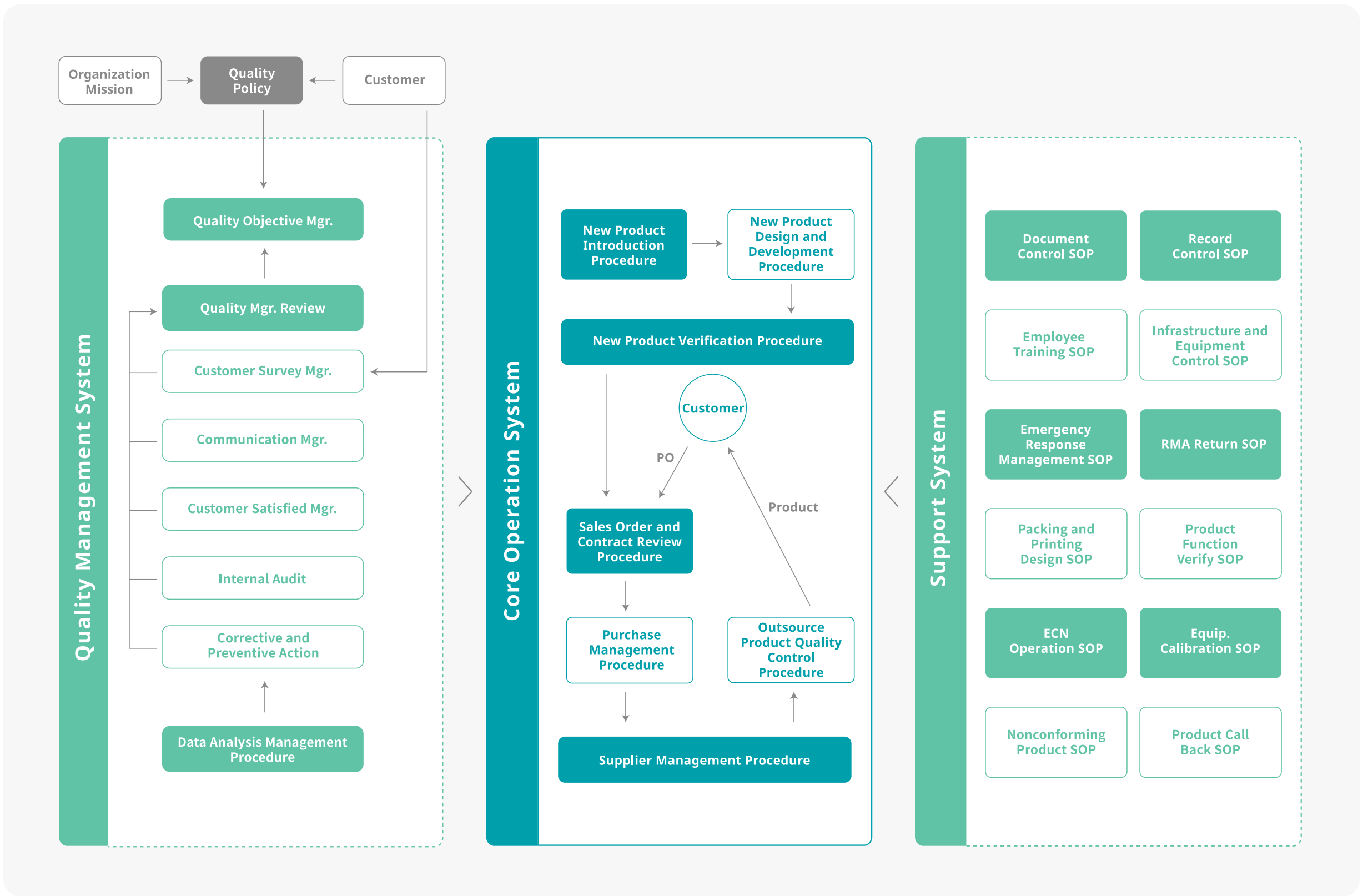


Customer Satisfaction



2023 Violation of laws and regulations related to quality management: 0

▼ D-Link's Quality Management System Procedures



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3.2.2 Product Security SASB TC-HW-230a.1

All D-Link products are required to pass information security related tests to ensure that there are no known risks before production. In order to maintain the level of product security, an internal audit is conducted once a year, an audit and review by an independent third-party information security verification unit is conducted every 2 years, and an information security audit is carried out on the cooperative manufacturers on a regular basis to strictly control the product information security.

▼ The Development of D-Link Product Security in Recent Years

2017

Became the first networking equipment company in Taiwan to pass the BSIMM verification, and the product development process conforms to the BSIMM V7 specification.

2018

Introduced the latest industrial product security specification standard-IEC 62443 Industrial Automation and Control System Security.

2020

- Obtained the IEC 62443 Industrial Automation and Control System Safety Part 4-1 product safety development system certification verified by German TUV Nord.
- Passed the external review operation for ISO/IEC 27001:2013 Information Security Management System.

2023

Obtained the first ETSI EN 303 645 Cyber Security Certificate in Taiwan.

**Nemko**

PRODUCT CERTIFICATE  
**Cyber Security**

CERTIFICATE NUMBER: PRJ0036964

PRODUCT: Router-AP

MANUFACTURER: D-Link Corporation  
No. 289, Xinhu 3rd Rd.  
Neihu District,  
Taipei City 11494  
Taiwan R.O.C.

TRADE MARK: D-Link

MODEL: M30

RATING: 12Vdc / 1A

STANDARD: ETSI EN 303 645 V2.1.1:2020

ORDER NUMBER: PRJ0036964

DATE OF ISSUE: 2023-05-31

*Chia-Huei*  
Certification Manager

Unless otherwise agreed, the total cumulative liability of Nemko Group AS as well as its subsidiaries and affiliates arising from or in connection with the certification arrangements, including the issuance of this certificate or related financial, shall be limited to 50,000 USD. This document is exclusively governed by Norwegian law. Issuance of the product or other provisions, and all disputes arising from the reliance on the document shall be exclusively governed by the rules of ETSI.  
NOTES - Cybersecurity certificate template, 2023-05-25

Cyber Assurance Services

▲ EU ETSI EN 303 645 Cyber Security Certificate



IEC 62443

The IEC 62443 standard is an information security standard for industrial automation control launched by the International Standards Association (ISA) and the International Committee of Electrotechnical Organizations (IECEE). It has complete information security specifications from policies, organizations, processes, systems to components. In addition to developing products in accordance with security specifications, each production stage has strict requirements and tests; after product sales, it is also necessary to release updated software as soon as possible in response to subsequent information security risks to maintain product security levels until The product stops supporting the announcement. The entire product life cycle from product design, development, testing to introduction must follow the guidelines set by the IEC 62443 standard, and ensure the quality and level of product security with the highest security specifications, so that customer privacy is guaranteed.



ETSI EN 303 645 Cyber Security for Consumer Internet of Things: Baseline Requirements

Released by European Telecommunications Standards Institute, it aims to address significant and widespread network security vulnerabilities, establish a security baseline for consumer products connected to the network, safeguard user privacy, and prevent primary attacks on basic design flaws. Manufacturers must comply with the standards in the design and production of their products to ensure that all connected devices are safe and secure before being launched in the European Union, so as to protect consumer privacy and personal information, preventing risks such as hacker extortion.

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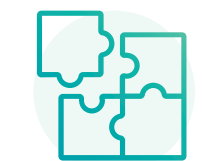
In order to identify the risks of product information security and manage them effectively, D-Link adopts the following measures:




**Use The Automated Detection Tools**  
In addition to cooperating with external security companies to review all products, automated testing tools are regularly used to cooperate with manual testing to improve efficiency, expand the scope and scale of testing, and effectively grasp the information security status of products.




**Introduce The Automatic Comparison System**  
Automatically compare the product software package data with the latest external security incidents, and automatically notify and follow up if there is a match.



**Integrate Relevant Documents To Facilitate Tracking**  
Integrate the historical data and information security events of all product security testing reports to speed up inquiry and effectively track.



**Regularly Generate Reports For Rolling Optimization**  
Regularly generate information security vulnerability statistics reports for each product line, you can check the current status of product security, adjust resource arrangements at any time, and help query information security functions during product planning, and can also focus on strengthening product-related functions.



**Strengthen The Expertise Of Personnel**  
Through regular training, D-Link will strengthen internal product testing and the professional capabilities of developers in information security, assist in obtaining relevant licenses and qualifications, and make the Company more competitive in the future when it comes to system procurement and other related businesses.

To improve product firmware/software security, D-Link not only ensures that all products must implement a digital signature mechanism, but also purchases the highest financial and military security level HSM (Hardware Security Module Device) at the end of 2022 to manage software key access, and devices fully compliant with the US Federal Information Processing Standard FIPS 140-2 Level 3 authentication, to ensure the confidentiality and security of all product keys.

The UK “Product Security and Telecommunications Infrastructure Act,” which took effect at the end of April 2024, requires all companies involved in the supply chain of consumer IoT products to comply with the UK Consumer IoT Security Standards and the minimum safety requirements established by the ETSI EN 303 645 standard; since D-Link has followed strictly the IEC 62443-4-1 product safety development process regulations for product development since 2020, and the shipment is only made upon the passage of relevant verification tests, the safety requirements of the Act are met in advance.

Faced with the upcoming ETSI EN 303 645 Consumer Internet of Things Network Security Benchmark by the European Union in 2025, D-Link officially launched a special response project in mid-2022. In terms of product development security specifications, modifications have also been made to ETSI EN 303645 requirements to comply with regulations. In May 2023, the M30 AX3000 Wi-Fi 6 dual-band wireless router of the D-Link AQUILA PRO AI series obtained the first EN 303 645 certificate in Taiwan, and all related subsequent home wireless products sold in Europe will be certified for this safety standard.

There are a total of 30 product security notification events in 2023, compared to 2022, a decrease of 11 events, representing an annual reduction of 26.8%, Among them, 27 are vulnerabilities in products with old processor developed in the early stages, or third-party Opensource software suites, and only three incidents are the new products developed after obtaining IEC 62443-4-1 certification in 2020. It shows that after products have gone through the proper security development process, their information security quality has been greatly improved, and the product security incidents have been reduced year by year.



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3.2.3 Customer Services GRI: Self-defined topics

Diverse Customer Service System

High-quality after-sales service is D-Link's commitment to customers. D-Link has a total of 13 call centers around the world, providing consumers with a variety of real-time technical support channels. In addition, the self-built customer service system (Support CRM) integrates consumer cases of different regions, so that the headquarters and customer service centers can regularly review customers' opinions and suggestions on products and services, thereby improving user experience, continuously improving customer service quality, and increasing customer loyalty to the brand.

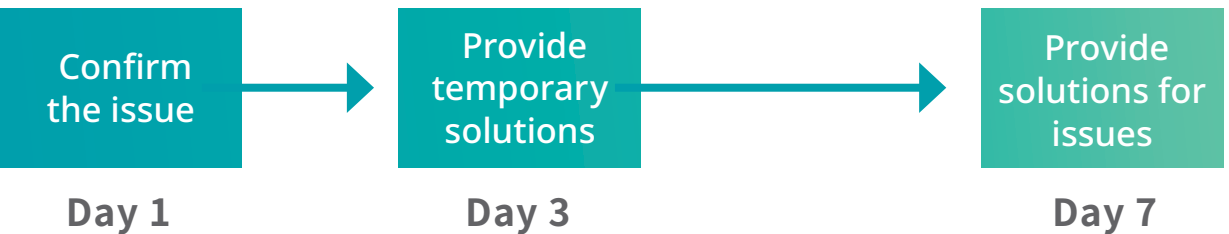
▼ D-Link Instant Technical Support Channel



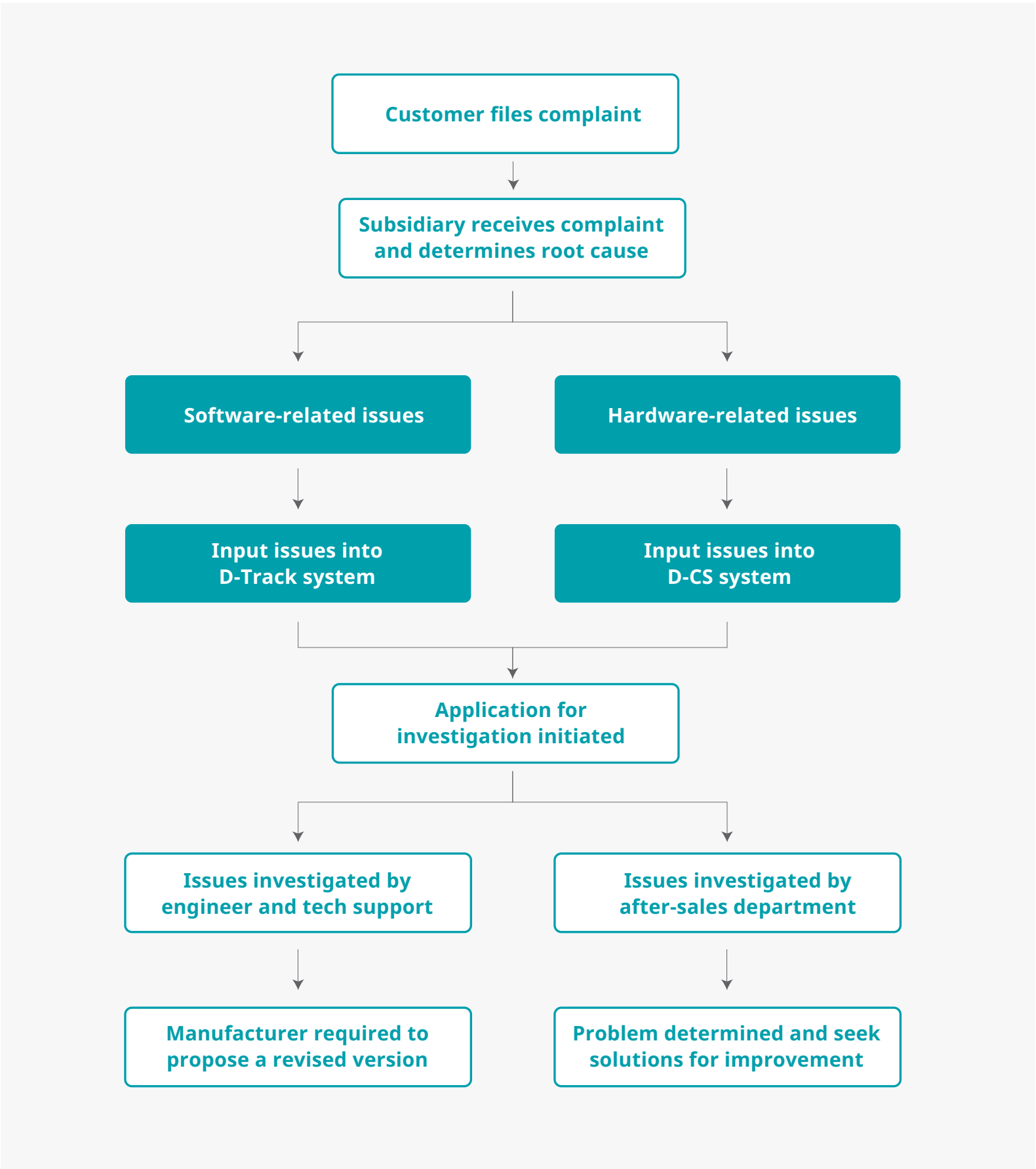
1-3-7 Service Level Agreement

D-Link headquarters provides solutions to each subsidiary, operating base and customer service center through the “1-3-7 Service Level Agreement, SLA” and requires the general case processing to be concluded within seven days, to ensure that problems encountered by consumers can be solved promptly and effectively.

Furthermore, D-Link has developed stricter process flows for VIP projects/customers: the Field Technical Support Engineer cooperates with the Sales Center to conduct new function evaluation or problem solving directly with the manufacturer to meet the timeliness requirements of the project.



▼ The Customer Complaint Handling Procedures and Responsible Units



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▼ To improve service quality, the headquarters conducts a monthly review of various service management indicators for the call centers.

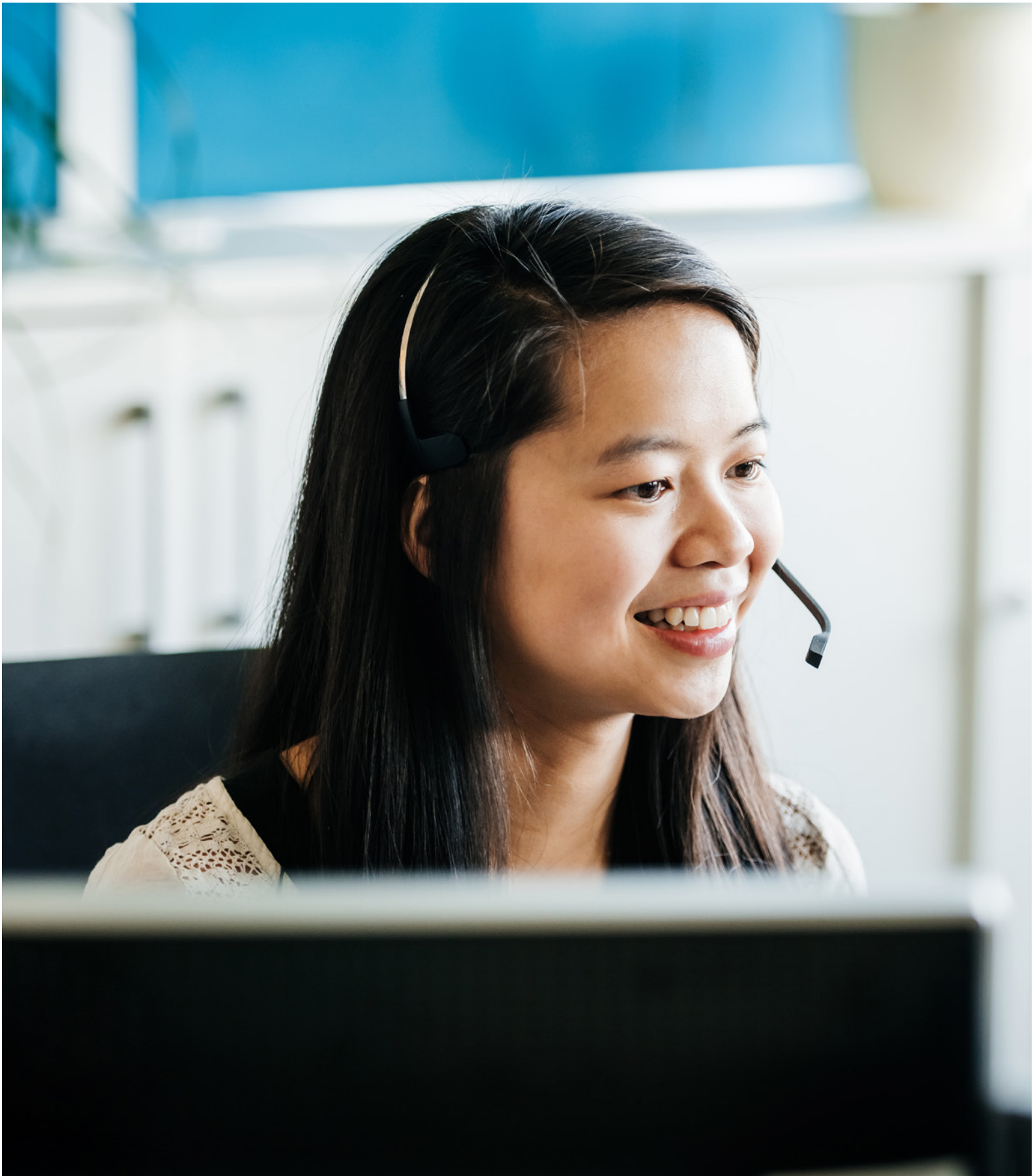
Service Management Indicators	Goals	Achievement Rate
First Call Resolution	80% of incidents are closed after the first phone call.	More than 90% of the incidents in each subsidiary were resolved after the first phone call, with a 100% achievement rate in the end.
Average Handling Time	Answer customer questions within 15 minutes.	Each incident was handled within 15 minutes on average, with a 100% achievement rate.
Customer Satisfaction Survey	The average score is above 85 points.	Only one of the subsidiaries that had conducted customer satisfaction surveys failed to meet the standards, with an achievement rate of 89%.

Customer Satisfaction Survey

D-Link conducts customer satisfaction surveys annually in accordance with ISO 9000 customer satisfaction management procedures, with a score of 80. In recent years, customer satisfaction survey scores have consistently remained above 80 points; in 2022 and 2023, they maintained at 86 points.

▼ Customer Satisfaction Survey Scores in Recent Years

2020	2021	2022	2023
82	84	86	86



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# 3.3 Information Security Management

SASB TC-HW-230a.1

Information security is one of the major issues of global concern, and it is a top priority for the networking equipment industry. D-Link established the “Information Security Management Committee” and passed the “Information Security Management Policy” to ensure the confidentiality, integrity, availability, and legality of information assets.

- 3.3.1 Information Security Management Structure
- 3.3.2 Information Security Management Strategy
- 3.3.3 Information Security Risk Management and Continuing Improvement
- 3.3.4 Information Security Management Measures and Resource Allocation
- 3.3.5 Information Security Incidents





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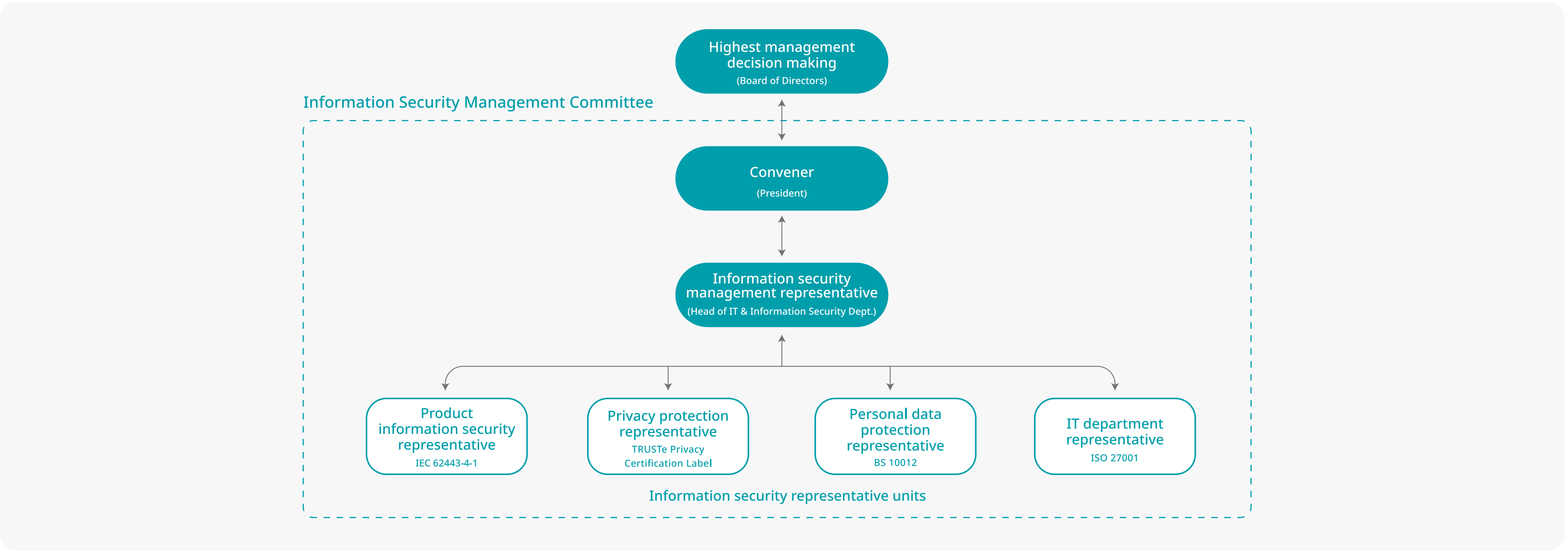
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3.3.1 Information Security Management Structure GRI 2-12

In order to fully manage information and communication security, D-Link has established the “Information Security Management Committee”. The President shall act as the convener to regularly convene information security meetings and supervise the information security policies of the entire company. The Committee references the ISO 27001:2013 information security management system and the Regulations Governing Establishment of Internal Control Systems by Public Companies. The Information Technology and Security Department. The Information Technology and Security Department serves as the dedicated information

security unit. The Information Technology and Security Department supervisor shall act as the information security management representative to coordinate the formulation, execution, risk management, and compliance audit of information security and protection-related policies. Each information security related unit (product, personal data, privacy, etc.) shall appoint an information security representative to regularly participate in information security meetings. They shall discuss information security policies and other material issues related to information security, as well as supervise the execution of the Company’s information security operations and the effectiveness of the information security risk management mechanisms. Two Information Security Management Committee meetings were held in 2023, and relevant implementation results were reported to the Board of Directors.

▼ D-Link's Information Security Organization



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### 3.3.2 Information Security Management Strategy



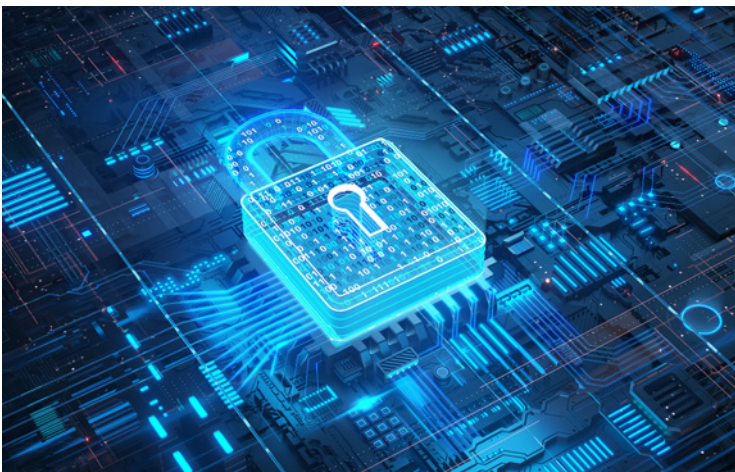
#### Information Security for Systems

Passed the **ISO/IEC 27001:2013 Information Security Management System** certification, and through the import of international standards, the response and handling capabilities for information security incidents were strengthened, so as to protect the security of the Company and customers' information assets.



#### Personal Data Protection

Passed the certification of **BS 10012:2017 Personal Information Management System** to confirm that all relevant procedures and applicable documents comply with the EU General Data Protection Regulations (GDPR) requirements.



#### Information Security for Products

Passed the certification of **IEC 62443-4-1: 2018 Product Safety Development System**, and the product lifecycle from design, development, testing to import strictly follows safety regulations.



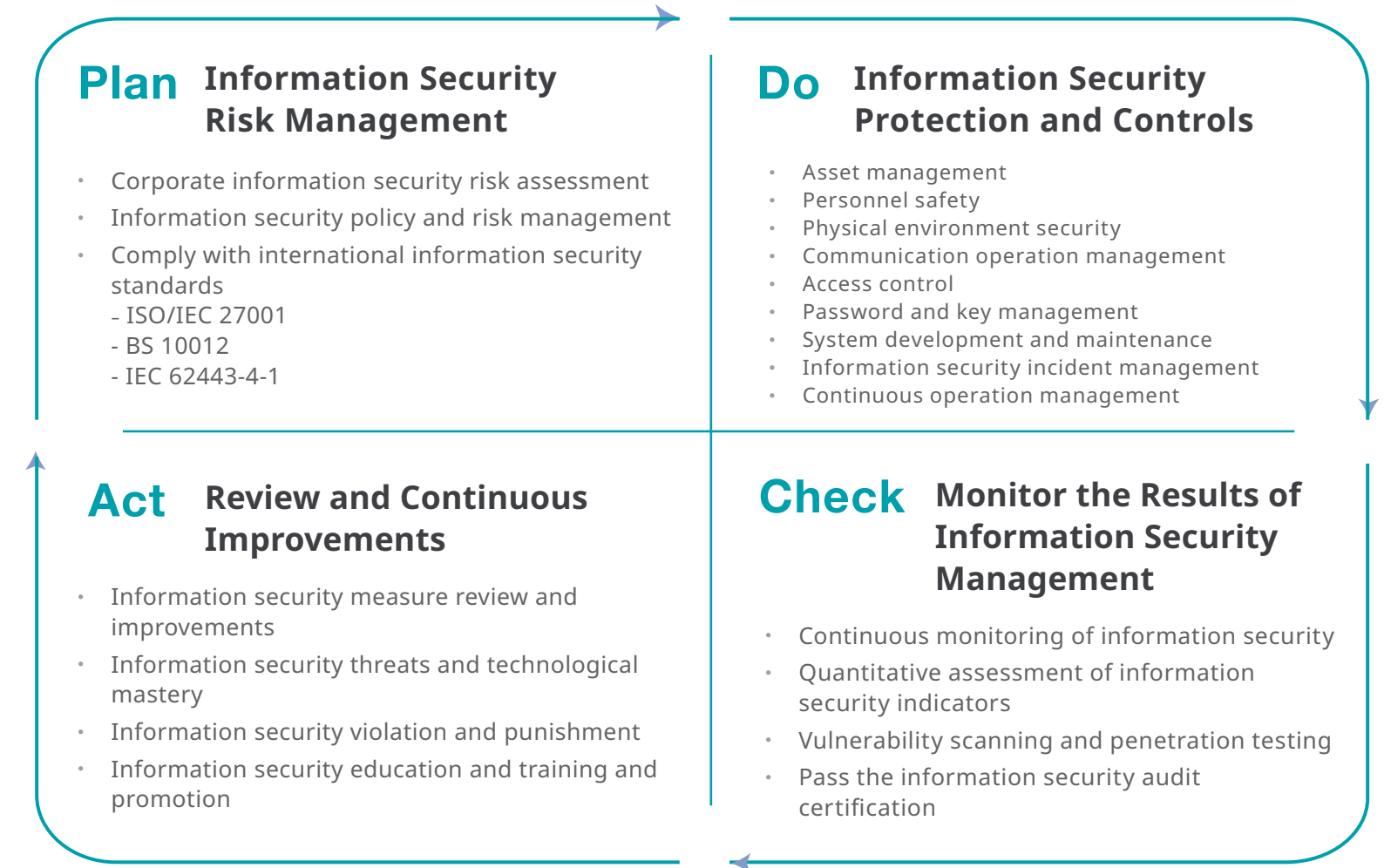
#### Privacy Protection

Since 2014, D-Link's external service website and domain have been audited and certified by TrustArc Inc., a data privacy management authority, and have received the **"TRUSTe Privacy Certification Stamp"**.

### 3.3.3 Information Security Risk Management and Continuing Improvement

D-Link has been cultivating network equipment and services markets for a long time. The Company places great importance on information security and the scope of its focus includes employees, organizations, supplier and operation related information, and software and hardware. D-Link complies with the ISO/IEC 27001:2013 Information Security Management System standards to formulate the information security policy. The Company has strengthened information security management to ensure that important information assets are protected from intentional or accidental internal and external threats, in order to maintain the confidentiality, integrity, and availability of data. Through the information asset and risk management procedures, D-Link has established and maintained the Company's important information assets using the "Plan - Do - Check - Act" model. D-Link ensures the continued operation of its business, reduce operational risks, enhance service quality, and ensure the consistent and effective implementation of all information security-related policies, procedures, and operating guidelines during daily operations.

▼ The PDCA Framework for D-Link's Information Security





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### 3.3.4 Information Security Management Measures and Resource Allocation

D-Link conducts regular vulnerability assessments annually and compiles a list of external websites for testing participation to prevent external penetration.

**Network Security**

Introduce advanced technologies to conduct computer scans and software updates, strengthen software firewalls and computer controls, and prevent the spread of computer viruses.

**Device Security**

- Improve endpoint anti-virus and virus scanning mechanisms to prevent ransomware and malicious programs from entering the Company.
- Strengthen malicious software and trojan horse attachment detection for the email system.

**Web Application Security**

- Stipulate security checks, evaluation standards, and improvement goals for the development process of applications.
- Continue to strengthen security control mechanisms for applications and repair potential vulnerabilities.

**Access Control**

Stipulate the user password management mechanism, network security service mechanism, and methods of internal network segmentation and external connection to manage remote work and protect network and information security.

**Password Key Management**

In order to ensure the system operations of the Company and confidentiality of accounts, necessary passwords and keys are managed, in order to minimize the risk of leaks and appropriately protect D-Link's sensitive information.

**Continuous Operation Management**

D-Link shall establish operation continuity plans for important systems and implement annual drills to ensure continued operations.

**Server Virtualization**

Continuously importing server virtualization construction to achieve environmental protection, energy conservation, and maintenance cost reduction by reducing the number of physical servers.

**Information Security Incident Management**

In order to reduce the damage caused by information security incidents, information security incident reporting and handling procedures are established.





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▼ Measures to Mitigate Information Security Risks and Implementation Status in 2023

Information Security Risk Management and Monitoring	Commission a third-party impartial inspection unit to regularly conduct information security evaluations on the Company. In 2023, successfully passed the following 3 verifications: <ul style="list-style-type: none"><li>• ISO/IEC 27001:2013 Information Security Management System.</li><li>• IEC 62443-4-1:2018 Secure Product Development Lifecycle Requirements.</li><li>• BS 10012:2017 Personal Information Management System.</li></ul>
External Threat Detection and Protection	<ul style="list-style-type: none"><li>• Commission a third-party impartial inspection unit to regularly conduct vulnerability scanning and regularly collect external threat information. The information is used to perform risk assessments to strengthen external information security threat protection.</li><li>• D-Link has joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) to regularly collect external threat information and conduct risk assessments according to the information content. Information security personnel are responsible for confirming and tracking the handling results of the information to strengthen external information security threat protection.</li></ul>
Hold Regular/Special Information Security Meetings	<ul style="list-style-type: none"><li>• Information security management review meeting, 2 times in total.</li><li>• Conduct endpoint protection analysis meetings with vendors every quarter, 4 meetings in total.</li><li>• Important system upgrades and updates, 4 meetings in total.</li><li>• Information security related product introduction and POC, 10 times in total.</li><li>• Meetings responding to the 2023 information security incidents and internal information security education and training meetings, 30 meetings in total.</li></ul>
Training and Drills	<ul style="list-style-type: none"><li>• 1 dedicated member of the dedicated information security unit and 6 information security network management personnel must undergo more than 21 hours of professional information security training every year.</li><li>• Regularly organize continued operation drills and improve employee information security awareness.</li><li>• Conduct the social engineering drills to increase employees' alertness and sensitivity to email social engineering attacks.<ul style="list-style-type: none"><li>- 2 relevant drills were carried out in 2023; for employees and their supervisors who leaked information during the drills, they are required to participate in follow-up information security education training.</li></ul></li></ul>
Education and Advocacy	<ul style="list-style-type: none"><li>• Education and advocacy for all employees:<ul style="list-style-type: none"><li>- To implement 1 hour of information related education and training for all company employees every quarter. Every year, 2 hours of information security education and 2 hours of other information education and training shall be planned.</li><li>- Invited external consultants to provide 2-hour training for the entire company on capital security issues.</li></ul></li><li>• Implemented information security education for all employees on the internal website every quarter.</li></ul>

3.3.5 Information Security Incidents GRI 418-1

In October 2023, a data leakage incident occurred in the old version of the commercial network management software D-View in the Company. It was found that the test backup data before 2015 was improperly stored, which resulted in the leakage of more than 700 semi-public low-sensitivity data. The incident had no impact on operations and no damage to customer rights. Currently, the 2FA verification login mechanism has been fully activated, and the management of the testing data center and the Company's internal network has been strengthened. The social engineering drills and continuous information security education and training are regularly conducted, to enhance the employees' security awareness. At the same time, a third party (Deloitte Taiwan) is commissioned to conduct inspections on the current status of the Company's information security, to comprehensively strengthen the information security defense measures and reduce related risks.



2023

Material information security incidents<sup>1</sup>: 1  
Material information security complaint<sup>2</sup>: 0

<sup>1</sup> Definition of material information security incidents: Including the Company's core information system, official website or confidential documents and files, have been invaded, destroyed, compromised, deleted, encrypted, stolen, and under distributed denial of service attacks (DDoS), resulting in the inability to operate or provide services normally, or the leakage of personal information, etc.

<sup>2</sup> Definition of important information security complaint cases: Complaints from third-party impartial inspection units or competent authorities resulting in judicial action due to the Company's violation of customer personal data protection or loss of customer information. If an individual' s complaint is accepted as a case, it will also be included in the statistics.

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# 3.4 Research, Development & Innovation

GRI: Self-defined topics

D-Link continues to create product differentiation and market segmentation through the Company's industry-leading cloud service platform and the continuous introduction of forward-looking innovative products.

- 3.4.1 Innovation Strategies and Practices
- 3.4.2 Innovation-related Education and Training
- 3.4.3 Cooperation with Academic Units
- 3.4.4 International Design Award-winning Products



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3.4.1 Innovation Strategies and Practices

Hardware

In order to ensure product quality, D-Link not only actively monitors the status of key chips, but also strictly controls each research and development stage. For example, before mass production of new products, it uses the user experience accumulated in its own laboratory to conduct performance verification, to ensure the quality and stability after mass production. After the product is mass-produced, a dedicated department will handle users' questions and collect relevant information as a basis for subsequent product optimization, to meet the needs of the market and customers immediately.

With QoS

Traffic Prioritization for Network Efficiency



High Priority

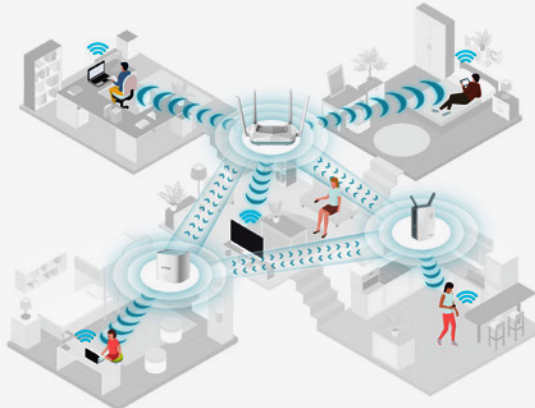
Low Priority

Smart Traffic Management

The smart allotment of internet access automatically allows time-sensitive applications (such as online meetings and lessons) to be free of interference from other applications. This can improve work and study efficiency.

In terms of integrated consumer solutions, D-Link focuses on product function intelligence, product performance MIT, and product manufacturing sustainability. develop easy-to-install EAGLE PRO AI products with smart notification and management functions. Creating a comprehensive smart family service network, and work with internationally renowned chip manufacturers (e.g. Realtek, Mediatek, etc.); to develop chip-accelerated smart traffic management and AI beamforming algorithms.

For switch products, D-Link proposed Backhaul Network Solution, which includes a series of switch products from the core layer, aggregation layer to access layer, and cooperates with internationally renowned chip manufacturers such as Broadcom, Marvel, and Realtek to develop functions at all levels Application switch products to meet the needs of various network application architectures.



AI Beamforming Algorithm

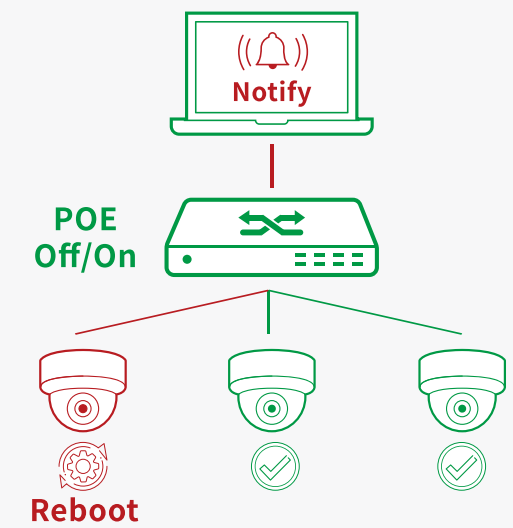
Paired with intelligent AI Beamforming, it precisely enhances the backbone network quality between mesh nodes, fundamentally strengthening home network service quality, enabling smooth and worry-free smart home living. D-Link conducts user experience and intelligent transformations, in collaboration with commercial and industrial-grade intelligent management products, to deliver an integrated brand intelligent service experience, optimizing services.

Switch PoE Service Non-interruption Function

- Provide uninterrupted power supply to PoE PD devices (such as AP or IP Cam) and maintain the continuity of power supply even if the PoE switch needs to be rebooted due to tasks.
- The ultra-fast PoE power supply function can quickly supply power to PoE PD devices without waiting for the PoE switch to complete the startup process, greatly shortening the waiting time of PD devices.
- PoE PD device status monitoring has the function of automatically monitoring the connected PoE PD devices and automatically

detecting the connection status. Once a device does not respond any longer, the switch automatically resets the port to which the device is connected, allowing it to reboot and resume normal operation.

- The PoE function not only improves the network maintenance efficiency and saves costs, but also reduces the workload of administrators because it does not require manual operations or on-site maintenance.



Notify

POE Off/On

Reboot



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Software

The New Business Development Center was established in 2006 and invested several million USD in Web 2.0 development. The Company has restructured its development endeavors, acquiring essential core technologies, and launched the "DLink 2.0 New Generation Web Application Service Platform" along with the comprehensive "VoIP Internet Phone Solutions" series. Subsequently, the Company integrated this operating model into its consumer products, such as IP CAM and digital home products, to seize the business opportunities and prospects in internet security monitoring.

Furthermore, to strengthen cloud management systems, D-Link established the "Cloud Platform Product Division" to integrate the manpower and technologies to compensate for the shortcomings of the different teams, accelerate product function development, and enhance the performance of the cloud platforms. D-Link aims to maintain the stable service standards of the platform. It has further focused the transformation on innovative technologies such as big data, IoT, and AI. The Company has developed more unique and valuable functions to enhance product core competitiveness.

At the same time, D-Link has also made open APIs (Application Programming Interfaces) to provide cloud-to-cloud integration services and vertical solutions, and conducted integration with more third-party strategic partners. Through the provision of innovative services and working with strategic partners that comply with customer needs, the Company is providing more diverse product applications for customers and expanding the scale of its cloud platform services, creating a win-win situation.

At the end of 2022, the IoT interconnection standard, Matter 1.0, was officially released. After a period of preliminary technical research, D-Link started the development of software technology to support Matter products at the beginning of the next year, to connect third-party products by connecting and integrating with existing mydlink technologies and supporting controller/bridge and other roles.

D-Link continues to actively develop AIoT application service solutions, expand the ecosystem of smart home applications, and expand more diverse value-added services, such as home care, environmental monitoring, to extend the complete solutions of products with diversified approaches.

► D-Link Develops Smart Home Hubs that Comply with Matter Standards



For more information, please refer to "MWC 2024 - Smart Healthcare Solution"

2018

- Optimize and improve the global architecture of the network administration platform, and name it "Nuclias Enterprise Cloud," to promote the administration services under the new commercial brand.
- Worked with the Market Intelligence & Consulting Institute to develop the "D-ECS Industrial Cloud" to integrate telecommunications and IoT products, while gradually expanding the services to all products.

2019

- Launched the on-premise administration platform "Nuclias connect" to build a network administration mechanism for customers in need.
- In addition to the continuous addition of various functions optimizing the administration and use, enterprise-level access points and switches that can be managed by the administration platform are also gradually added, which are planned to be promoted to campuses, chain channels, entertainment industry, enterprises, public wireless networks, collective residential buildings and other fields around the world.

2023

- Carried out a new platform cloud integration plan, and begun to expand the integration of mydlink and Nuclias, to transform into a value-added platforms, for optimizing the performance of the service platform structure; we also actively promoted the paid subscriptions to expand revenue sources and enhance the user stickiness.
- Introduce artificial intelligence technology for value-added services, supporting Matter smart home standards, and link the cloud-based control functions of product to achieve highly compatible and stable smart home applications, and extends the functions for home care services.
- Actively develop AIoT artificial intelligence sector application service solutions, to expand and enhance product service platform functions for building a comprehensive smart life blueprint.

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Adopt the DevSecOps Model

In order to ensure the cloud software functions and platform service quality, the D-Link development team adopted the DevOps model to eliminate the gaps between development, operations, and quality assurance.

In 2022, the D-Link R&D team used the former DevOps model as the basis, and further introduced the DevSecOps model to incorporate “security” into the software development process. By integrating tools such as security testing, security monitoring, and automated security checks, we help developers to discover security issues and fix such during the software development process, thereby improving security.

In 2023, in addition to continuing to enhance various DevSecOps tools, responding to the booming development of AI technology, we also studied the introduction of AIOps technology and integrated the automated tools for system analysis, abnormality monitoring, and performance optimization. Because it integrates big data and machine learning, it supports or partially replaces manual monitoring, effectively reducing the operation and maintenance burden required by increasingly complex and large service systems.

In addition, D-Link has introduced the code suggestion function of AI technology in code development collaboration, which accelerates the software development process and reduces errors. By using ML algorithms to automatically scan and identify code vulnerabilities, the security of software development iterations is further enhanced, to ensure the sustainability of products and services.

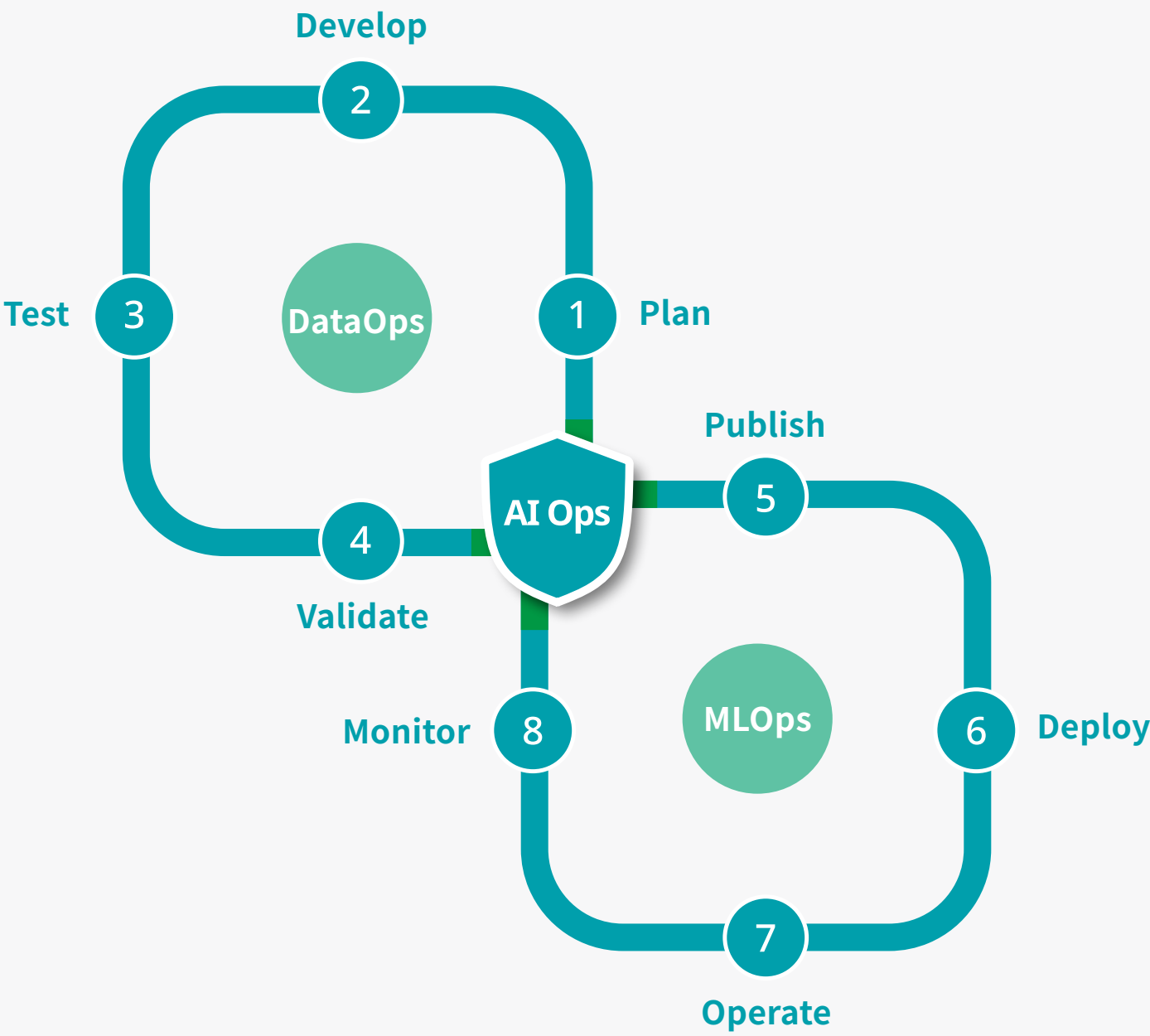


DevOps vs. DevSecOps

“DevOps” is the abbreviation combination of “Development” and “Operation” in English. It can be regarded as the intersection of software development, technical maintenance and quality assurance.

“Sec” in “DevSecOps” stands for Security in English. This model is derived from the DevOps model. As the name suggests, it aims to build a more effective, reliable and secure operating procedure and environment.

▼ AIOps Intelligent Operation and Maintenance Technology





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### 3.4.2 Innovation-related Education and Training

In 2023, D-Link organized 10 on-site/online education and training sessions for the R&D units and relevant personnel to enhance R&D capabilities. These sessions included courses on AI, Machine Learning, and information security. Additionally, D-Link assigned representatives from the R&D team to participate in 6 external education and training events, with a total of 259 participants and 844 training hours.

In 2023, the employees from the Cloud Platform Product Division formed a team to participate in the “AWS DeepRacer AI” organized by Amazon Web Services (AWS). They conducted the enhanced learning courses and physical model training on-site, and used a 1:18 scale fully automatic racing car for the trial run on the physical track, to experience machine learning first-hand; they defeated other outstanding players and won the first place in the group.

### 3.4.3 Cooperation with Academic Units

In order to cultivate key talents in networking and communication and enhance the industrial competitiveness, D-Link has been recruiting interns working part-time with background in Electrical Engineering and Computer Science since the summer of 2022, to join the R&D team for internships on topics. The members include undergraduate and graduate students from National Taiwan University of Science and Technology, Taipei University of Technology, National United University, Tamkang University, and Aletheia University. Five interns who performed well during the internship directly became full-time employees after graduation in 2023 to continue the R&D work.

In addition, in order to develop the AIoT smart service platform, D-Link has begun to conduct multiple platform development technology exchanges with the Software Technology Institute under the Institute for Information Industry since the beginning of 2023, and subsequently entered the “AIGC Multi-channel Speech Recognition Integration Technology Service “AI Gateway” Optimization Plan” with Digital Transformation Research Institute of the same organization, to develop services for the smart home ecosystem.



▲ Colleagues from the Cloud Platform Product Division formed a team to participate in the AWS DeepRacer AI self-driving racing enterprise league and achieved great results.



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3.4.4 International Design Award-winning Products

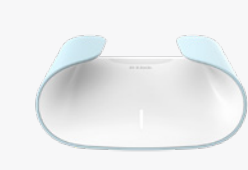
By adhering to more user-friendly and unique exterior designs, D-Link actively participates in world-class design competitions. In 2023, D-Link received recognition through 3 domestic and international awards. The list of award-winning products please refer to “Awards and Honors” (P.13).



The Good Design Award in Japan is one of the four major global design awards. It is also known as the “Oscar Award of Oriental Design” and is a quality indicator of excellent design. D-Link has received this award for outstanding design seven times.

The award-winning AQUILA PRO AI series of products-M30 AX3000 Wi-Fi 6 Smart Mesh Router, using the Aquila concept to create a smooth appearance, and the MS30 AX3000 Wi-Fi 6 Smart Home Gateway refers to the elegant arc of a spaceship heading toward the future, to adopt a unique hollow ring design, symbolizing the core of a smart home.

This series of products cleverly integrates the antenna into the unique housing design, achieving optimal signal transmission with 360-degree spherical coverage, supplemented by the feather-patterned ventilation design which is inspired by the awe-inspiring strength of the eagle, and the environmentally friendly and sustainable PCR<sup>8</sup> plastic materials are used to simultaneously interpret craft aesthetics while pursuing networking functions and material sustainability.



M30 AX3000 Wi-Fi 6 Smart Mesh Router



MS30 AX3000 Wi-Fi 6 Smart Home Gateway

<sup>8</sup> Post-Consumer Recycled



This award was established by the Ministry of Economic Affairs. Every year, more than 100 domestic experts and scholars are recruited to select and commend the “high-quality products with innovative value” based on the four major aspects of R&D, design, quality, and marketing.

The award-winning AQUILA PRO AI Aquila Wi-Fi 6 wireless network series products for the year, including MS30 AX3000 Wi-Fi 6 Smart Home Gateway, M30 AX3000 Wi-Fi 6 Smart Mesh Router, M60 AX6000 Wi-Fi 6 Smart Mesh Router, E30 AX3000 Wi-Fi 6 Mesh Range Extender, and AQUILA PRO AI App, are the perfect incarnation that integrates performance, aesthetics, and sustainability.

With the MIT quality assurance, it provides a reliable and efficient wireless networking experience that can be seamlessly connected with various smart products that pass the IoT standard Matter, creating a highly compatible and stable smart home ecosystem and providing a friendlier smart home experience.



M30 AX3000 Wi-Fi 6 Smart Mesh Router



MS30 AX3000 Wi-Fi 6 Smart Home Gateway



M60 AX6000 Wi-Fi 6 Smart Mesh Router



E30 AX3000 Wi-Fi 6 Mesh Range Extender



AQUILA PRO AI App



2023 Japan Interop Tokyo “Best of Show Award” Grand Prize

Interop Tokyo is the largest and most influential information and communication technology exhibition in Japan. The “Best of Show Award” selection is one of the representative indicators of Interop, which selects the best solution based on innovation, technological advantages, practicality, business potential and user experience.

DBG-2000 Nuclias Cloud SD-WAN Gateway is equipped with Dual WAN function and suitable for small and medium enterprise headquarters; DBG-X1000 Nuclias Cloud SD-WAN Wi-Fi 6 Business Gateway is equipped with Wi-Fi 6 wireless access function and suitable for small offices. Both products have cloud-based administration capabilities and UTM firewall functions, providing secure network administration services. When being used with other Nuclias products, they become a powerful assistant for cloud-based network administration of small and medium enterprises.



DBG-2000 Nuclias Cloud SD-WAN Gateway



DBG-X1000 Nuclias Cloud SD-WAN Wi-Fi 6 Business Gateway

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# 3.5 Supply Chain Management

GRI 308-1, 308-2, 414-1, 414-2,  
SASB TC-HW-430a.1, TC-HW-430a.2, TC-HW-440a.1, TC-HW-000.B

Suppliers are the driving force behind D-Link's competitive edge. By implementing due diligence, D-Link leverages its market influence to enhance the sustainable value of the overall industry chain and continuously improve the value chain management strategies of its upstream and downstream partners. Through long-term and stable collaboration, D-Link reduces operational risks and costs, continuously providing reliable and high-quality products and services to customers and achieving sustainable supply chain management.

- 3.5.1 Overview of the Value Chain
- 3.5.2 Sustainable Procurement Policy
- 3.5.3 Supplier Classification Management System
- 3.5.4 Supplier Audit Status



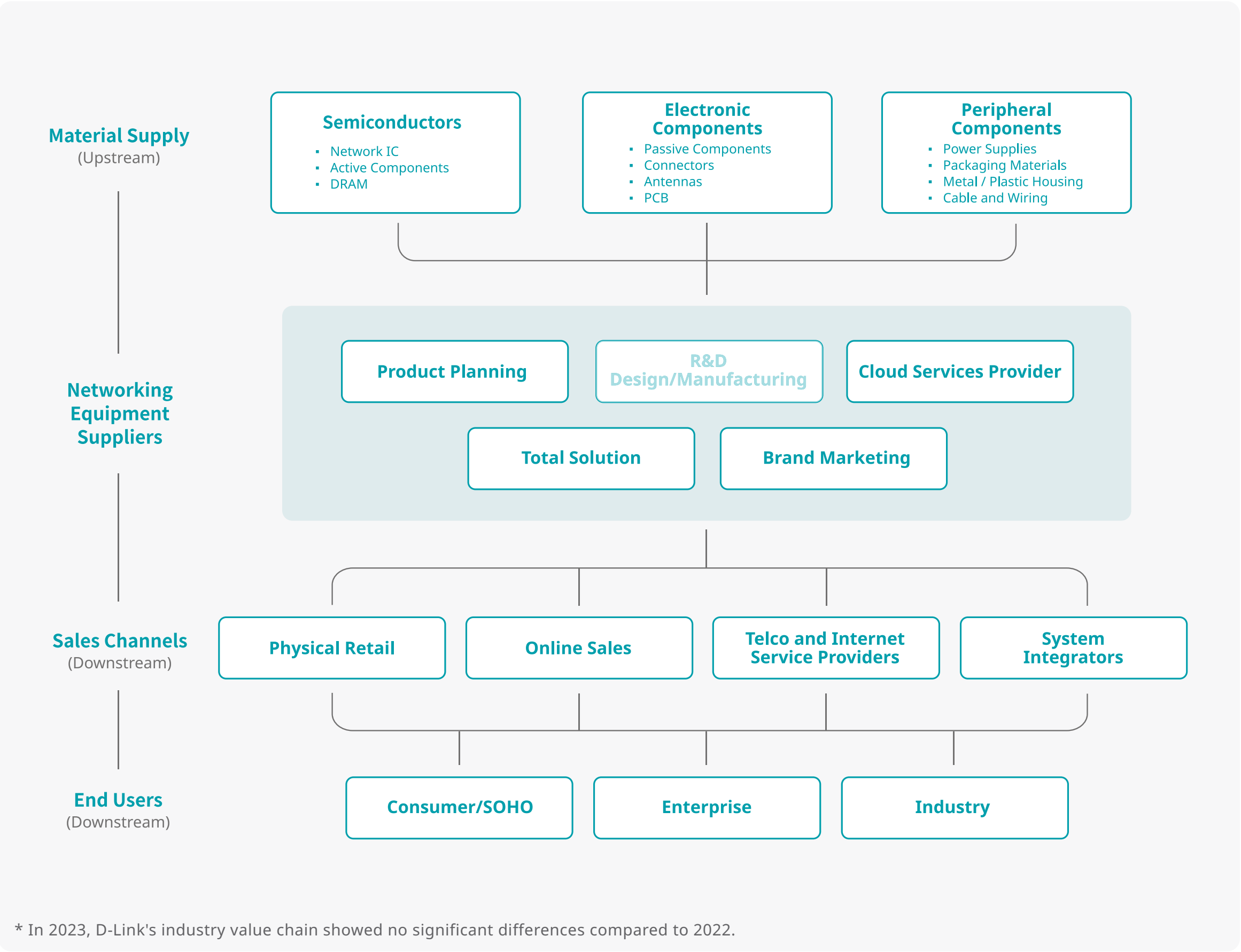
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3.5.1 Overview of the Value Chain

GRI 2-6, 204-1

D-Link's suppliers can be roughly divided into two categories: "General Administration" and "Product Procurement." The former refers to the operations of maintaining the buildings, office needs, with various types and relatively smaller purchase amount. Therefore, the chapter mainly focuses on "product procurement" as the main scope.

▼ D-Link's Industry Value Chain







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Overview of Main Suppliers

D-Link is a brand company, its business scope does not include manufacturing, and its products are all commissioned to suppliers. Currently, there are 7 main OEM suppliers<sup>9</sup> for D-Link products.

▼ The Proportion of Production for Various Product Categories in 2023

Product Category	Proportion	Product Category	Proportion
Switch & Security	42.81%	Integrated Business Solution	3.57%
Wireless	28.71%	Integrated Consumer Solution	2.27%
Broadband	11.06%	Surveillance and Peripheral	0.89%
Strategic Multi-Brand	5.57%	Others	0.04%
Mobile Access	5.09%		

D-Link does not have a production department. Calculated based on the four main suppliers who accounted for over 50% of D-Link's total procurement in 2023 and the number of products produced, the total manufacturing area is approximately 555,000 square feet, and the distribution is as follows:

▼ Area of Manufacturing Regions (square feet)

Supplier	Supplier A	Supplier B	Supplier C	Supplier D	Total
Area of Manufacturing Regions	105,778	112,128	87,508	249,685	555,099

Local Procurement

The key material of D-Link products is active components: integrated circuits, or IC. In order to mitigate the risk of unstable supply of this material, the Company actively develops multiple sources of supply, reviews their distribution proportions in a timely manner, and deliberately maintains the supply of local suppliers at a certain proportion for the effective control and flexible responses; based on this operating strategy, D-Link actively increases the proportion of made-in-Taiwan (MIT) local procurement. Although the global market demand decreased in 2023 and the total procurement amount decreased, the proportion of local procurement still increased by 7.02% year-on-year, and is expected to continue to grow in the future.

▼ Local Procurement Status of Various Products in the Past 3 Years

Proportion of Local Procurement Amount*				
	2021	2022	2023	Growth Rate
Switch & Security	37.30%	49.58%	56.67%	7.09%
Wireless	7.44%	36.52%	33.52%	-3.00%
Broadband	1.61%	0.00%	0.00%	0.00%
Strategic Multi-Brand	8.42%	16.85%	26.17%	9.32%
Mobile Access	1.71%	15.75%	19.19%	3.44%
Integrated Business Solution	20.22%	89.32%	98.43%	9.11%
Surveillance & Periphera	1.95%	0.10%	0.00%	-0.10%
Others	0.84%	0.00%	1.15%	1.15%
Annual Procurement	16.44%	37.04%	44.05%	7.01%

\* The proportion of local procurement by product category or annual procurement.

<sup>9</sup> The total purchase amount accounted for more than 85%.

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3.5.2 Sustainable Procurement Policy

To realize its vision of “Leading Smart Living, Creating Sustainable Value,” D-Link has established the “D-Link Corporation Sustainable Procurement Policy” with reference to the ISO 20400 Sustainable Procurement - Guidance. We hope our suppliers will work together with us on this commitment to sustainable management through a positive business model for continuous operation and development.

- Guided by the principle of fulfilling corporate social responsibility, D-Link conducts due diligence on its collaborating suppliers and assesses the impact of our procurement activity on the environment, society, and human rights.
- We respect, consider, and respond to the procurement interests of stakeholders, and we seek more sustainable procurement solutions based on procurement needs, ensuring that these activities align with our company's sustainability principles and strategies.
- We strictly prohibit any behavior that is a violation of ethics in the procurement of goods and services by developing procurement procedures that are based on transparency, fairness, and integrity.
- We comply with international human rights policies, a code of conduct, laws and regulations, and require our suppliers to do the same.
- We provide appropriate competitive opportunities to encourage supplier innovation and sustainability, and we disclose them publicly.
- In response to the sustainable development trends, we will continue to promote and improve our procurement procedures and will engage our suppliers to join in.

Supplier Code of Conduct

D-Link is fully committed to ensuring a safe working environment where workers are treated with dignity and equality, and where business operations are environmentally responsible and conducted ethically across our supply chain. We have defined the “D-Link Corporation Supplier Code of Conduct” according to the “D-Link Corporation Sustainable Procurement Policy” which requires suppliers to comply with the Code and the laws and regulations of the countries and regions in which they operate. D-Link encourages its suppliers to further require their own suppliers, contractors, and service providers to acknowledge and adopt the Code.

The Code is based on the “Responsible Business Alliance (RBA) Code of Conduct” and also references the “UN Guiding Principles on Business and Human Rights,” “ILO Declaration on Fundamental

Principles and Rights at Work,” and the “UN Universal Declaration of Human Rights.” There are 5 sections to the Code: labor, health and safety, environment, ethical guidelines, and management system.

Integrity Commitment

Apart from the supplier’s products and labor tangibly affecting the Company’s products, services, and operations, the supplier’s sustainable actions will also indirectly impact the Company’s intangible reputation and brand value, or become potential risks. Therefore, in terms of ethical management, D-Link required all suppliers to sign the “integrity commitment letter” in 2023. The suppliers and employees are required not to engage in any bribery, provide undue advantages, or seek to benefit D-Link employees or their associates directly or indirectly in order to achieve transactional goals or to execute contracts. If any supplier is found to engage in unlawful behavior, the contract may be immediately terminated.

Declaration of Conflict-free Mineral

D-Link pays attention to the conflict mineral issues and requires suppliers to sign the “Conflict Minerals Due Diligence Statement” to prevent the procurement of minerals from conflict mining areas. It also requires all suppliers to sign the “No Conflict Minerals Statement” to ensure that the metals in the supply chain, such as gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), and mica, were not procured from mines in conflict areas operated by non-government armies or illegal groups, or not procured through illegal smuggling.

D-Link requires suppliers to commit to the following:

- Do not purchase conflict minerals from conflict areas.
- Refuse to use conflict minerals from conflict areas and sign the commitment to no conflict minerals.
- Manage the supplier’s upstream and downstream suppliers and comply with the requirement of no conflict minerals.
- Suppliers are required to commit to becoming long-term partners of D-Link and disclose their partner smelting plants and mines in detail, in order to comply with the RBA Code of Conduct and fulfill the company's social responsibilities together. If the information provided is found to be untrue after verification, the supplier shall assume all legal responsibilities and compensation within the attributable scope.

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3.5.3 Supplier Classification Management System

D-Link offers a diverse line of products. In 2023, 31 suppliers have been registered in the Company's qualified suppliers list. Despite no new suppliers added in the past 3 years, D-Link strives for excellence, so the Company seized the opportunity to deepen its relationships with existing suppliers and local suppliers.

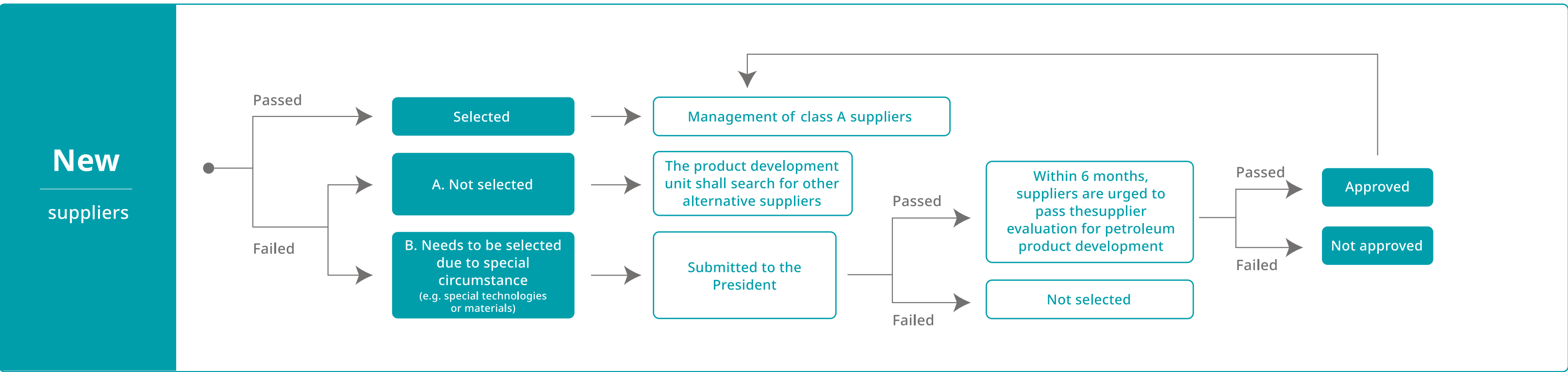
The number of suppliers and the scale of cooperation often increase or decrease due to business growth and decline. In addition to conducting sustainable development issue surveys for new suppliers, D-Link also conducts a risk assessment and classification. Different audit strategies are regularly formulated for the different levels of risk to eliminate systematic risk.

New Suppliers

▼ D-Link's Qualification Requirements for New Suppliers

Mandatory Compliance	<ul style="list-style-type: none"><li>• ISO 9001 Quality Management System (Certification required)</li><li>• Environmental Management Material Specifications (Contract content established in accordance with various relevant international standards)</li></ul>
Encouraged Compliance	<ul style="list-style-type: none"><li>• ISO 14001 Environmental Management System (Certification required)</li></ul>
Required to Provide	<ul style="list-style-type: none"><li>• "Integrity Commitment Letter"</li><li>• "Conflict-free Minerals Statement"</li><li>• "D-Link Corporation Supplier Code of Conduct and Supplier Compliance Statement"</li></ul>
Pass On-site Audit	<ul style="list-style-type: none"><li>• Fundamental aspects: Procurement, quality, technology, hazardous substance management</li><li>• ESG aspects: Environmental, occupational health and safety, labor practices, supply chain management, and social ethics, etc.</li></ul>

▼ New Suppliers Management Process





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Existing Suppliers

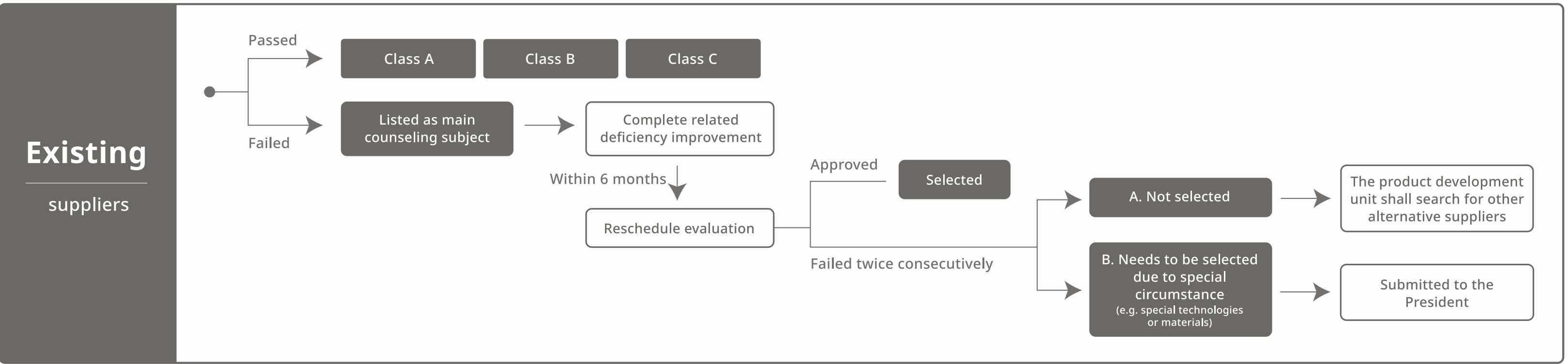
D-Link formulates an annual list of major suppliers according to specific criteria, implementing yearly quality management system, environmental health and safety, or labor integrity audits and driving improvements. Based on the evaluation results, D-Link identifies the risk levels of major suppliers, thereby formulating subsequent counseling plans.

▼ D-Link's Classification Management System for Existing Suppliers

Classification of Suppliers	Criteria for Classification	Management Approaches
Class A	<ul style="list-style-type: none"><li>• The previous year's total shipment volume or annual procurement amount accounts for over 85%.</li><li>• Significant (wholesale) abnormalities occur in shipment quality.</li><li>• Newly added suppliers are all included.</li></ul>	Conducting on-site inspections annually.
Class B	For the previous fiscal year, if the total shipment volume or annual procurement amount accumulates to 90%, excluding Grade A suppliers, all others are classified as Grade B.	Monitoring the quality of each batch of shipped goods.
Class C	The total annual shipment volume or annual procurement amount is less than 1%.	Adopting supplier self-management; however, if a supplier violates regulations or ESG-related terms, they will not be selected.

\* Responding to the organization's supplier integration policy in 2023, the annual supplier audit and evaluation resources focus on Classe A major suppliers as the primary target, while Class B suppliers are monitored based on shipment quality.

▼ Existing Suppliers Management Process





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3.5.4 Supplier Audit Status

D-Link takes the management scopes such as supplier quality, cost, delivery and services as the foundation. In recent years, it has extended the scope of supply chain management to ESG issues such as environmental protection and social inclusion. It expects suppliers to not only provide excellent products and services, but also monitor their social and environmental values and strive to implement energy saving, environmental protection, and environmental friendliness.

As the Company treats the suppliers as important partners for long-term cooperation, growth and development, D-Link complies with the principle of mutual benefit and common prosperity with suppliers, and refers to the requirements of the Code of Conduct by the Responsible Business Alliance (RBA), and addresses ESG related risks and impacts. The Company establishes the risk management and control projects based on the requirements for supplier selection and audit, and then formulates the improvement measures based on the evaluation results, to help suppliers improve continuously, reduce operational risks, and jointly promote the sustainable operations.

In order to build the capabilities of members in the sustainable supply chain, D-Link starts from four aspects: assessment, coaching, communication and collaboration, and corresponds to the supply chain management structure, to ensure that relevant important issues have practical and executable procedures for effective management and control. In addition, responding to the trend of sustainable development, D-Link actively encourages suppliers to develop materials and processes that mitigate environmental impact, or to save energy and reduce carbon emissions from the shared equipment used in the process. For relevant regulations on supplier human rights, please refer to Chapter 5.2.3 “Supplier Human Rights Regulations” (P.131).

▼Supply Chain Management Structure



Evaluation

Qualification evaluation for new suppliers, major supplier selection, and management system risk evaluation (quality, environment, social ethics, etc.)



Counseling

Regular supplier evaluations, tracking of deficiency improvements, promotion of policies and projects



Communication

Regular/irregular quality meetings, quarterly operational meetings



Collaboration

Continue to promote projects, enhance sustainable operation competency of suppliers





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▼ Implementation Status of Supplier RBA/CMA Audits in the Past 3 Years

	2021	2022	2023
Number of All Suppliers	36	32	34
Number of Major Suppliers <sup>1</sup>	13	9	7
Number of Major Suppliers Conducting RBA/CMA Audits <sup>2</sup>	13	9	7
Proportion of Major Suppliers Conducting RBA/CMA Audits	100%	100%	100%
Number of High-risk Suppliers <sup>3</sup>	0	0	0
Percentage of Suppliers in High-risk Suppliers Conducting RBA/CMA Audits	-	-	-

<sup>1</sup> Definition of major supplier: the supplier with an overall delivery volume greater than 85%.  
<sup>2</sup> The audit was not conducted by a third-party.  
<sup>3</sup> Definition of high-risk: Manufacturers seriously violating the regulations are high-risk suppliers.



- 2023
- Proportion of major suppliers screened by environmental/ social standards: 100%
  - Number of high-risk suppliers: maintained at 0%

D-Link requires the suppliers to prepare the internal improvement programs and respond as soon as possible after receiving the on-site audit report if there are any deficiency, and provide specific improvement plans based on the actual situation of the factory. If there are serious quality abnormalities during shipment, meetings must be held with the manufacturer to confirm the cause and discuss solutions; subsequently, dedicated personnel will review the supplier's audit improvement report and continue to track the improvement progress to ensure the continuation and completion of the improvement plan.

The major supplier evaluation in 2023 discovered 125 deficiencies in terms of the quality system, which were mostly management system and operational negligence. In terms of health and safety, environment, labor, supply chain, and ethics, 12 deficiencies were discovered, which were mainly related to management systems and overtime.



- 2023
- Improvement rate of addressing deficiencies for suppliers: 81.02%
  - Number of suppliers listed as unqualified suppliers for violating social responsibility standards: 0
  - Reports on bribery of suppliers: 0





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# CH4 Environmental Sustainability

## Responding to Material Topics

- Supply Chain Management
- Risk Management
- Sustainable Development Strategy
- Green Products
- Climate Change Response Actions

## Major Stakeholders

- Employees
- Suppliers / Business Partners
- Subsidiaries

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# 4.1 Sustainability Strategies and Goals - Environmental Aspect GRI-2-13, 2-24, 3-3

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Management Approaches for Material Topics

Material Topics	Significance for D-Link	Impacts on Value Chain*			Response Policies and Measures	Management Actions
		Suppliers/ Business Partners	D-Link/ Subsidiaries	Response Policies and Measures		
Green Products	In response to the rising awareness of green consumption, D-Link leverages industry capabilities to develop products that are highly efficient, energy-saving, disaster-preventive, and packaging-reduced, enabling customers to support environmental protection with each purchase and use. By launching environmentally friendly products that align with current trends, D-Link maintains its competitiveness in the international market.	●	●	○	Develop a project plan and increase the proportion of green products year by year, and reduce the impact on the environment by continuously developing green design and reducing resource consumption.	Launched the "D-Link Green" program to realize the concept of environmental protection from product design, function, material and packaging.
Climate Change Response Actions	Climate change and carbon management are among the most urgent and significant environmental issues of our time. Global transnational organizations and governments are intensifying regulations to address these challenges. As an international brand, D-Link recognizes the necessity of leveraging our market resources and influence to actively promote the low-carbon transition of the value chain.	●	●	○	Committing to the 2050 net zero emissions goal, we are formulating corresponding strategic goals, tracking performance indicators, and actively leveraging the influence of the D-Link brand in the industrial value chain to enhance the effectiveness of relevant actions.	Introduce the TCFD framework, regularly disclose climate change response performance, and establish relevant indicator targets for continuous tracking and management.

\* ● Direct impact; ○ Indirect impact





Short / Medium / Long-term Goals

	Short-term	Medium-term	Long-term
Green Products	<ul style="list-style-type: none"><li>Promote and optimize sustainable product development and design planning.</li><li>Shaping D-Link's sustainable product features.</li></ul>	<ul style="list-style-type: none"><li>Sustainable performance is enhanced in product design.</li><li>Discuss a product recycling plan.</li><li>Strive for international awards for sustainable products.</li><li>Assessment of the introduction of ISO 14067 product carbon footprint standard.</li></ul>	<ul style="list-style-type: none"><li>Continue to strengthen the influence of D-Link sustainable products.</li></ul>
Climate Change Response Actions	<ul style="list-style-type: none"><li>Continue to implement energy saving projects.</li><li>Actively participate in sustainability related initiatives.</li><li>Upgrade CDP evaluation grade to C-grade.</li></ul>	<ul style="list-style-type: none"><li>Complete the carbon inventory and verification of consolidated subsidiaries.</li><li>Set the goal to reduce carbon emissions by 10% by 2026 using 2021 as the baseline year.</li><li>Set the goal to reduce power consumption by 4.5% and water consumption by 2.5% by 2026 using 2021 as the baseline year.</li><li>Promote active reduction of carbon emissions to the supply chain.</li></ul>	<ul style="list-style-type: none"><li>Pass ISO 50001 energy management system certification.</li><li>Installation of solar photovoltaic equipment.</li><li>2030 green power procurement target of 17.5%.</li><li>Set the goal to reduce power consumption by 30% by 2030 using 2021 as the baseline year.</li><li>Set the goal to gradually achieve net zero emission by 2050.</li></ul>


By the end of 2025

By the end of 2028

By the end of 2033

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Achievement Status of Management Goals for 2023

Material Topics	Goals in 2023	Management Performance	Achievement Status
Green Products	<ul style="list-style-type: none"><li>• Streamline product packaging, reduce material usage and improve transportation efficiency.</li><li>• Promote and optimize sustainable product development and design planning.</li><li>• Draw up a marketing activities plan for sustainable products.</li></ul>	<ul style="list-style-type: none"><li>• Green products accounted for 44.5% of the total product revenue.</li><li>• Product and packaging plastic reduction:<ul style="list-style-type: none"><li>• The buffer material of the switch product is changed from EPE<sup>10</sup> to paper tube that is easy to recycle.</li><li>• The PCR<sup>11</sup>plastic is introduced to the product plastic casing.</li><li>• The plastic bags of product packaging will be replaced with plastic containing up to 50% of PCR plastic.</li><li>• The surface treatment of the color box is changed from film finish to matte oil.</li></ul></li><li>• Reduce the quantity of printed materials included with the product, from eight to four, and provide them in the digital format.</li><li>• Every quarter, the D-Link ESG concept is advertised on major social media platforms as the promotion, and a sustainable product image is established by participating in international awards.</li></ul>	
Climate Change Response Actions	<ul style="list-style-type: none"><li>• Continue to implement energy saving projects.</li><li>• Actively participate in sustainability-related initiatives.</li><li>• Upgrade CDP evaluation grade to C-grade.</li></ul>	<ul style="list-style-type: none"><li>• The energy saving project has achieved cumulative power savings of 3.9% in the past two years, exceeding the annual target of 1.5%.</li><li>• Incorporate Scope 3 into the scope of inventory, and regularly disclose the verification data.</li><li>• In 2023, the CDP rating jumped three levels, from D to B-.</li><li>• D-Link committed to the 2050 net zero emissions goal in 2022, and is actively planning and executing various carbon reduction projects, including replacing energy-saving equipment, purchasing green power, and installing solar photovoltaics.</li><li>• Re-inventory the climate-related risk and opportunities based on the TCFD framework, and propose the relevant responding measures, while setting the indicator targets for continuous tracking, to achieve the net zero goal.</li><li>• It started switching to green power supply in July. The cumulative kWh switched in 2023 was 6,000 kWh, and 6 Renewable Energy Certificates have been obtained.</li></ul>	

<sup>10</sup> Expandable Polyethylene

<sup>11</sup> Post-Consumer Recycled

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Responsible Unit

Corporate Auditor's Office	ESG Office	Product R&D Center	Supply Chain Management Center
Corporate Finance & Operation Center	Product Strategy Center	Business Center	AI Innovation Center

Management Mechanism

1. Environmental Policy and Commitments

- Comply with applicable laws and other requirements.
- Continuously reduce the impact on the environment.
- Promote green products.
- Conserving energy and cherishing resources.
- Preventing environmental pollution.

2. Greenhouse Gas Inventory and Management Policies

- We are dedicated to disclosing corporate carbon emissions to fully understand the carbon emissions within the Company.
- We work with our business partners to expand the scope of carbon reduction together.
- We provide more diverse low-carbon products and services for our consumers and users.
- We have increased information transparency and reduced emissions for the carbon footprints of our products.

3. Waste Management Policy

- Source reduction: save the use of natural resources and reduce waste generation.
- Material resource utilization: The waste is classified and recycled to reduce the environmental load.
- Diversified processing: Recycle resources through recycling, reuse, etc.

4. Aspects Covered by D-Link Green



Product design



Product functions



Product materials



Product packaging

5. ISO 14001:2015 Environmental Management System

- In response to the global environmental protection trend, D-Link has obtained the certification of ISO 14001:2015 environmental management system, with the main task of enhancing environmental protection awareness and establishing a green enterprise, and continuously implementing environmental protection measures.

Communication Channel

Type	Channel
Appeal Mechanism	<ul style="list-style-type: none"><li>• <a href="https://www.dlink.com/en/hq-support">https://www.dlink.com/en/hq-support</a></li><li>• Online message: <a href="https://www.dlink.com/en/contact-d-link">https://www.dlink.com/en/contact-d-link</a></li></ul>



- 4.1 Sustainability Strategies and Goals - Environmental Aspect
- **4.2 Environmental Management Policy**
- 4.3 Climate Governance and Actions
- 4.4 Energy and Resources Management
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# 4.2 Environmental Management Policy

In response to sustainable trends and to fulfill corporate social responsibility, D-Link has implemented the ISO 14001 Environmental Management System since 2006, committing to and implementing 5 major environmental policy declarations.

- 4.2.1 Environmental Policy and Commitments
- 4.2.2 ISO 14001 Environmental Management System

- 4.1 Sustainability Strategies and Goals - Environmental Aspect
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### 4.2.1 Environmental Policy and Commitments

D-Link's environmental policy statement regards compliance with environmental protection regulations as the most basic requirement. Daily operations are committed to minimizing the impact on the local ecological environment and ensuring no significant adverse impact or impact on biodiversity.

In addition, in the spirit of sustainable operation, D-Link continues to improve the development and design of green concept products, follows the international standard ISO 14064-1 to disclose greenhouse gas emissions, and sets goals to reduce carbon emissions. We also actively plan and implement energy saving, water saving and waste reduction projects, and regularly provide employees with environmental education resources to encourage every employee to participate and implement environmental action.

▼ D-Link Environmental Policy Statement



Comply with applicable laws and other requirements.



Continuously reduce the impact on the environment.



Promote green products.



Conserving energy and cherishing resources.



Preventing environmental pollution.

### 4.2.2 ISO 14001 Environmental Management System

D-Link has passed the environmental management system ISO 14001:2015 verification and complies with its requirements. It regularly assesses environmental management risks, and then sets improvement goals and improvement measures based on the assessment results. It also conducts the internal and external audits every year. The specific suggestions for deficiencies and omissions in system implementation are provided to ensure improvements. The results of internal and external audits in 2023 showed that there are no major deficiencies; there have been no material environmental violations or related administrative penalties in the past three years.



▲ The product casing is made from post-consumer recycled (PCR) plastic.

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# 4.3 Climate Governance and Actions

Climate change poses an urgent challenge for all nations. Since 2021, D-Link has implemented the TCFD framework to assess climate-related risks and opportunities, analyze the financial implications of climate change, and develop governance and management strategies. We are committed to achieving net zero emissions and have developed diverse programs to mitigate climate change, preserve natural capital, and foster a sustainable future globally.

- 4.3.1 Response to Task Force on Climate-Related Financial Disclosure (TCFD) Framework
- 4.3.2 From Inventory to Net Zero
- 4.3.3 Biodiversity Commitment



- 4.1 Sustainability Strategies and Goals - Environmental Aspect
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### 4.3.1 Response to Task Force on Climate-Related Financial Disclosure (TCFD) Framework GRI 2-12

#### Governance

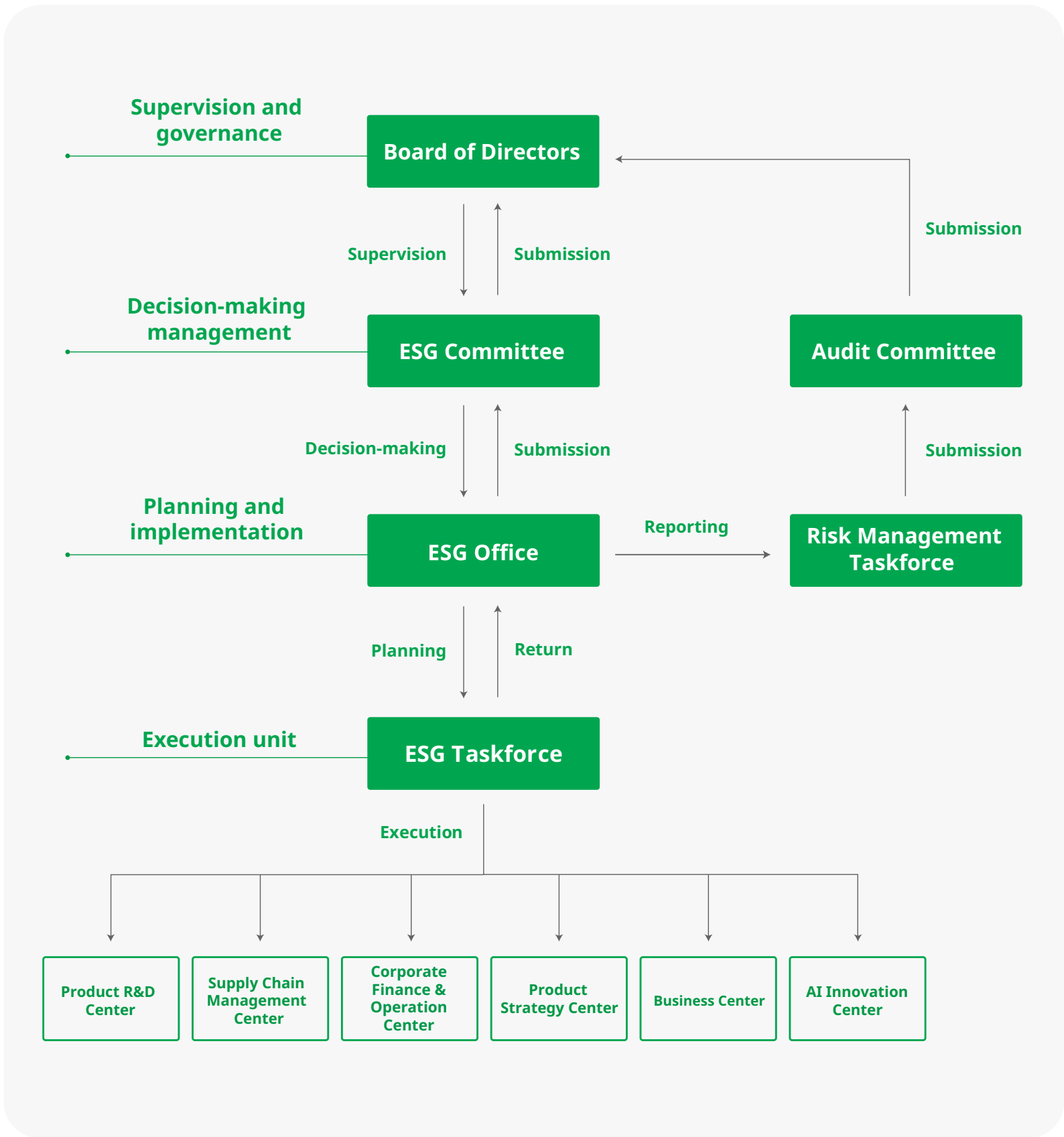
- **Board of Directors** : As the highest supervisory unit for climate change response management, it is responsible for reviewing relevant risk and opportunity management reports, response strategies, measures, and target implementation progress and results, ensuring the effectiveness of related management actions.
- **ESG Committee** : It is the decision-making and management unit for climate change response plans and target implementation progress.
- **ESG Office**<sup>12</sup> : It falls under the ESG Committee and is responsible for further planning and promoting climate change response plans based on the climate risks and opportunities jointly assessed and identified with the ESG Taskforce.
- **The ESG Taskforce**<sup>13</sup> : Responsible for the related execution operations.

The ESG Office holds monthly ESG Taskforce meetings to monitor the implementation status of the climate change response plans. It reports the implementation results, target progress, and follow-up plans to the ESG Committee and the Board of Directors on a quarterly basis, ensuring that the Board adequately supervises D-Link's climate management actions and mitigates risk impact. Additionally, the ESG Office reports identified material climate risks to the Risk Management Taskforce for evaluation of their incorporation into the Company's overall risk management system.

<sup>12</sup> It is D-Link's internal dedicated ESG unit, responsible for formulating the Company's sustainable development strategy and promoting ESG-related projects.

<sup>13</sup> The ESG Taskforce is composed of heads of responsible departments and is responsible for executing ESG-related projects approved by the Board of Directors and the ESG Committee.

▼ D-Link Climate Governance Structure



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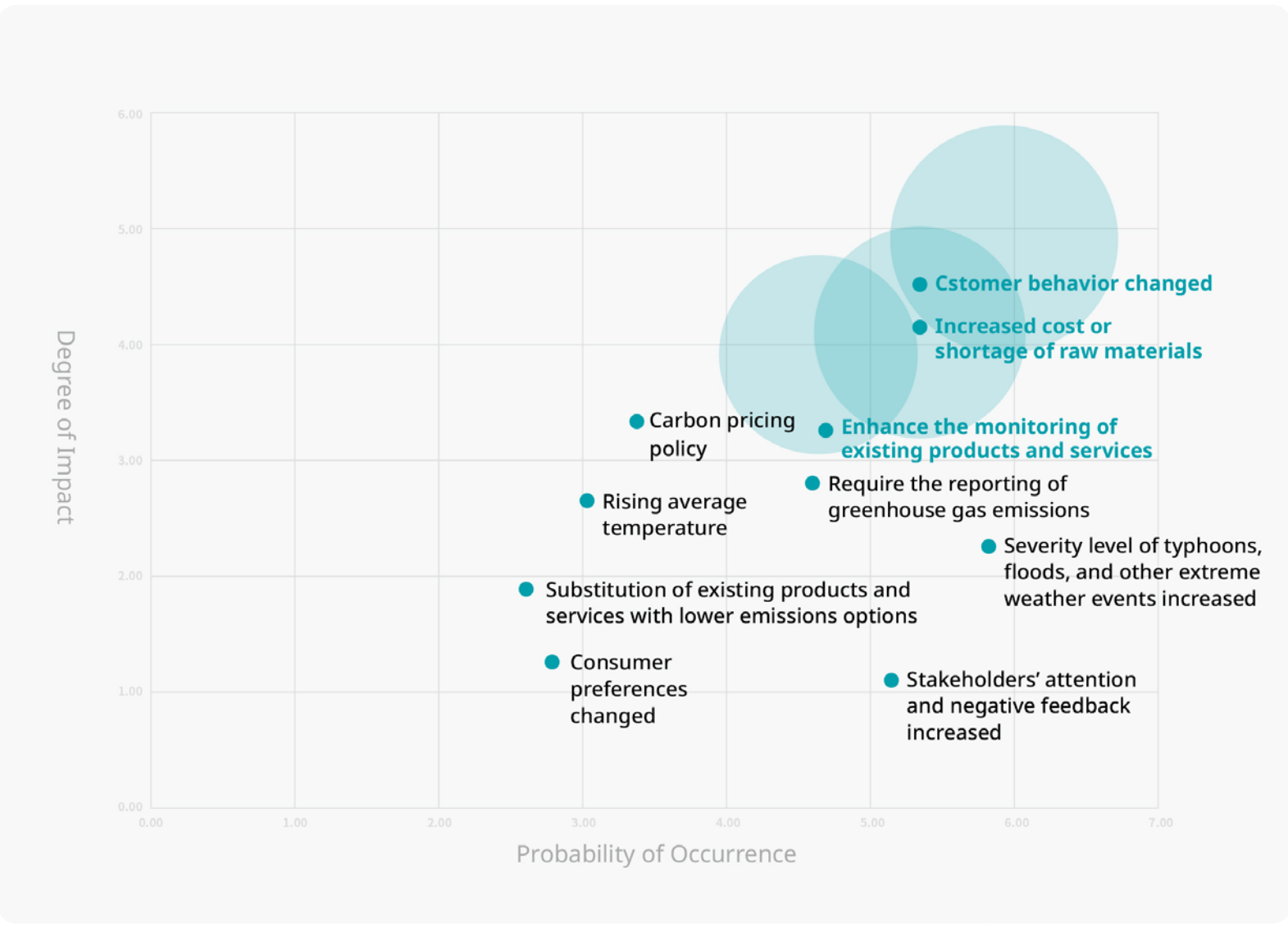
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Strategies

To formulate appropriate climate change response strategies and action plans, D-Link collects climate-related issues and trends through regular monthly ESG Taskforce meetings and assesses their impact on an ongoing basis. Additionally, D-Link conducts comprehensive identification operations, including assessment, evaluation, and sorting of various climate change risks and opportunities every three years.

D-Link uses scenario analysis to examine the impact and estimated timing of future climate risks and opportunities on the Company's operations, products and services,

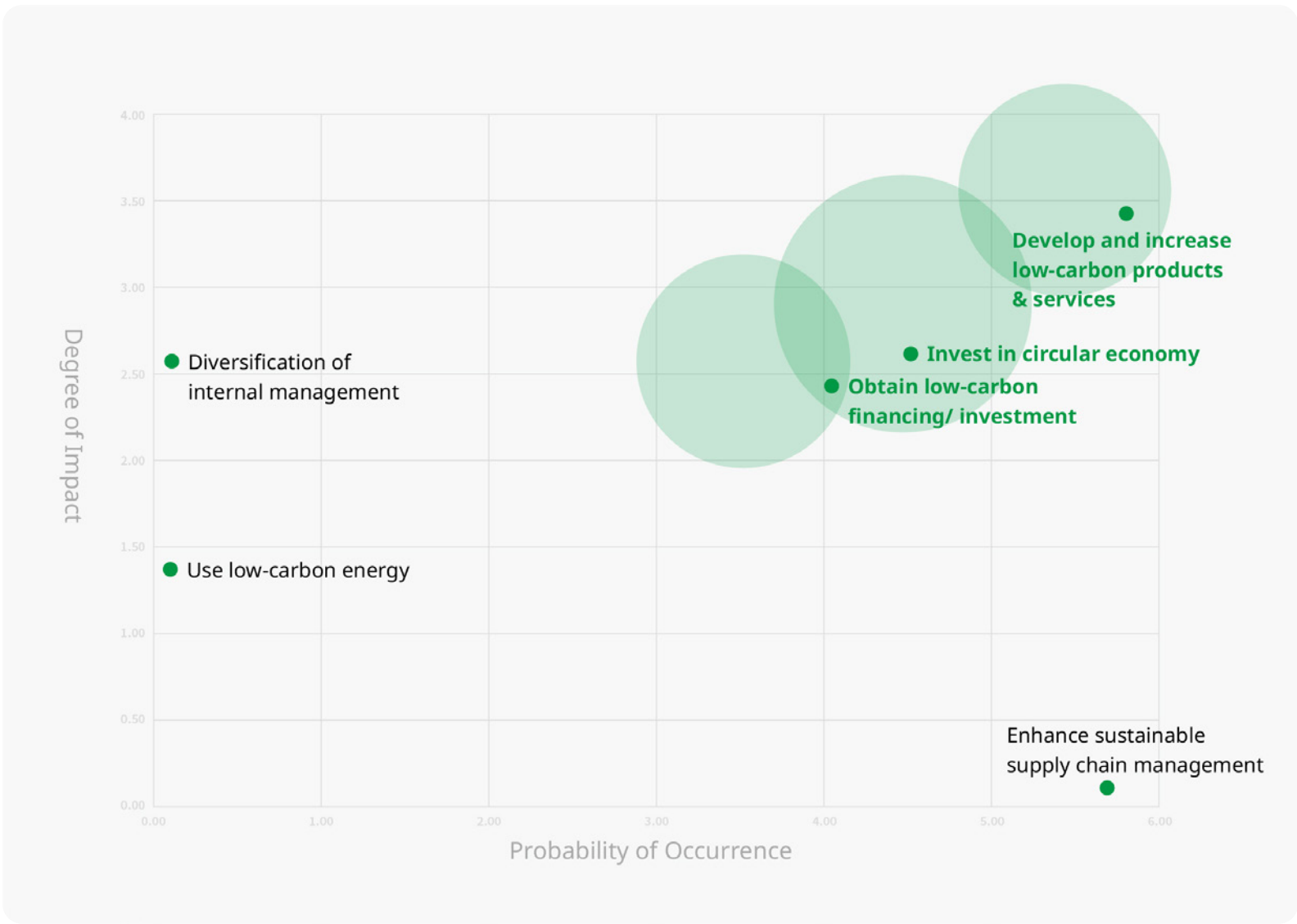
▼ Climate-related Risk Matrix



value chain, and R&D investments. This method allows the company to estimate the financial impact, explore business opportunities, and discuss countermeasures and response actions.

In terms of scenario setting, for transition risks, the Company evaluates the scenario of net zero by 2050 (SSP1-1.9), and for physical risks, it is estimated based on the high emission scenario (RCP 8.5) assuming business as usual (BAU). For the estimated time of occurrence, the Company defines short-term as within 3 years, medium-term as 4 to 10 years, and long-term as more than 10 years.

▼ Climate-related Opportunity Matrix





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▼ Climate-related Risks and Response Actions

Type of Risk	Climate-Related Risks	Estimated Occurrence Time	Risk Description	Response Actions and Possible Financial Impact
Policy and Legal	Require the Reporting of Greenhouse Gas Emissions	Short-term	The Financial Supervisory Commission released the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies" in early 2022, mandating listed companies to annually inventory and verify carbon emissions data for their parent companies and consolidated entities based on their capital size, obtaining third-party assurance. D-Link has conducted annual inventory and verification of carbon emissions for its parent company since 2016 and will now begin planning for data collection from overseas subsidiaries to comply with regulatory requirements.	D-Link has a specified timetable requiring disclosure of carbon emissions for consolidated entities by 2026 and completion of third-party assurance by 2028. Consequently, the Company is actively planning to introduce consulting services, with initial estimates suggesting an annual implementation cost of approximately NT\$1.5 million.
	Carbon Pricing Policy	Medium-term	Currently, Taiwan has not implemented a comprehensive total carbon emissions control system but instead has a policy to levy carbon fees. The initial regulatory targets apply only to large carbon emitters categorized under Scope 1 and Scope 2 emissions. D-Link is not currently included in this group. However, it is important to consider the potential for cost pass-through by upstream suppliers subject to these regulations. There is also a risk of increased operating costs in the future due to the gradual expansion of these regulations to include more suppliers.	<p>Due to the nature of its operations and product sales, D-Link's carbon emissions primarily fall under Scope 3, exempting it from immediate regulation. However, the company must monitor upstream suppliers subject to regulation and their carbon management practices to prevent potential cost pass-through. Therefore, D-Link's response strategy focuses heavily on supplier management. It has developed a comprehensive management framework to actively assess suppliers' carbon management profiles and their sensitivity to carbon pricing policies. This allows D-Link to evaluate and strategize its procurement approaches accordingly.</p> <p>The annual expenditure cost for supplier on-site audit operations is estimated to be approximately NT\$300,000, contingent upon the number of suppliers audited.</p>
	Enhance the Monitoring of Existing Products and Services*	Medium-term	<p>As awareness of climate change grows, governments are increasingly focusing not only on corporate carbon emissions but also on emissions associated with products and services, particularly in regions with total emission caps such as the European Union. To mitigate the risk of carbon leakage, the Carbon Border Adjustment Mechanism (CBAM) has been established as a preventive measure. Under this mechanism, pricing is based on the carbon emissions per unit of imported products and their import volumes. According to regulations, failure to submit or recognize product carbon emission data may result in the use of the average emissions of the worst 10% of similar local products in the EU as the basis for assessment. Consequently, there is a risk of facing taxes and fees higher than the originally payable amounts.</p> <p>Although D-Link products are currently not subject to the levy under the system, it is essential to continuously monitor relevant policy trends and make early preparations to respond.</p>	<p>Although D-Link products are currently not within the scope of CBAM, the potential future trend suggests that all products may eventually fall under CBAM. Recognizing that the EU CBAM has spurred countries to develop carbon tariff systems, prioritizing product carbon emission information will aid in collecting and extracting relevant declaration data. Additionally, given the rising market demand for low-carbon products, D-Link has decided to introduce the carbon footprint standard ISO 14067. This proactive step aims to facilitate future responses and align with market expectations.</p> <p>The introduction of the ISO 14067 standard and third-party verification expenses for a desktop switch product, for example, are estimated to cost approximately NT\$1.2 million. Actual expenses may vary depending on the type and scale of products involved in the implementation.</p>
Low-Carbon Technology	Substitution of Existing Products and Services with Lower Emissions Options	Short-term	Regarding the low-carbon transition direction of Network products itself, in addition to improving their energy efficiency and optimizing their volume, another common approach is to use recycled materials. However, when materials are recycled and remanufactured, their material properties will change or be limited to a certain degree, such as color selection, color difference, brittleness and hardness, among other things, will be affected. In addition, the factor of industry relocation also affects the supply flexibility of the PCR (post-consumer recycled plastic) industry chain.	<p>Even though the use of recycled plastics poses many challenges to product production and quality, in order to promote the development of a circular economy, D-Link actively communicates with suppliers, including testing, adjustment and verification of formulas and injection conditions, and ensuring the related preparations for the smooth supply.</p> <p>According to the current market price, the cost of recycled materials is 10~15% higher than that of virgin materials. However, D-Link will continue to introduce the use of PCR plastics in new consumer products in the future, and further test and evaluate the feasibility of increasing its ratio in contents.</p>

\* Main climate-related risks.





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Type of Risk	Climate-Related Risks	Estimated Occurrence Time	Risk Description	Response Actions and Possible Financial Impact
Market Trend	Customer Behavior Changed*	Medium-term	Due to the increasing awareness of global climate change and the impact of national policies, customers are relatively concerned about the low-carbon transformation progress of their suppliers, including energy management tracking, regular disclosure of annual carbon emissions data, and carbon reduction goals and strategies. Although for the current stage, the direct impact on orders is still quite limited, there is still a very small number of customers who require that the carbon reduction path planning must comply with the Company's carbon reduction commitments. We cannot rule out the possibility that it will become a condition for vendor selection in the short term; if failing to respond such in a timely manner, it may affect the business development.	Currently, D-Link has regularly checked the carbon emissions of the head office and branches in Taiwan every year, and has been verified by a third party. In addition, in accordance with the requirements of the “Sustainable Development Roadmap of TWSE/TPEX Listed Companies” and the “Sustainable Development Action Plan of TWSE/TPEX Listed Companies,” the carbon inventory of overseas subsidiaries has now been launched. After the complete data is obtained, carbon reduction targets and corresponding implementation measures will be re-evaluated in this scope.
	Increased Cost or Shortage of Raw Materials*	Medium-term	Due to the demand for low-carbon transition of products, the use of recycled materials or materials with specific environmental labeling means an increase in invested costs, which may lead to a decreased price competitiveness.	The cost of PCR plastics is 10-15% higher than that of virgin plastics, which will lead to an increase in product costs. However, because the products to be introduced to appeal the special antenna designs and sustainable development concepts, D-Link will continue to do so in the future.  In addition, the principle of using recycled materials as much as possible also includes product packaging. For packaging plastics that cannot be completely reduced in the short term, PCR plastics are also used. The cost is about 50% higher than that of virgin plastics. However, due to its low unit price, the impact on the total cost is quite limited.
Reputation	Stakeholders’ Attention and Negative Feedback Increased	Short-term	Although D-Link's operations do not directly involve manufacturing, heightened awareness has increased external scrutiny. Supplier due diligence and supply chain ESG management are closely monitored by corporate customers, external evaluation agencies, and other stakeholders. These factors can directly or indirectly influence brand competitiveness.	D-Link's ESG Committee has established the ESG Office, tasked with responding to external ESG-related inquiries and participating in various ESG assessments. Among its responsibilities, the office assists each department in formulating goals, strategies, and implementation plans by analyzing information and trends, actively meeting stakeholder expectations. The annual investment for these efforts is approximately NT\$2.5 to 3 million.
	Consumer Preferences Changed	Medium-term	The corporate customers' concerns about D-Link's carbon management are not limited to the organizational level, but also include the products themselves. Therefore, the disclosure requirements of carbon footprint data, product energy efficiency, usage of recycled materials, are all concerns that the market is increasingly paying attention to. It is necessary to plan and implement as early as possible to maintain the competitiveness of D-Link products.	In view of the EU CBAM driving countries to actively develop the carbon tariff system, carbon emission information of products may become a basic requirement for product exported in the future. In addition to actively planning to introduce the carbon footprint standard (ISO 14067), D-Link also evaluates and obtains relevant environmental protection labels and certification to facilitate consumers’ identification and purchase for the substantial benefits.

\* Main climate-related risks.



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Type of Risk	Climate-Related Risks	Estimated Occurrence Time	Risk Description	Response Actions and Possible financial Impact
Physical Risks (Acute)	Severity Level of Typhoons, Floods, and Other Extreme Weather Events Increased	Long-term	According to current climate conditions and model estimates, as the warming trend intensifies, the difference between the dry and wet seasons in Taiwan will become increasingly obvious in the future. That is, the rainfall intensity in the wet season (May to October) will gradually increase, but the days without rainfall in the dry season (November to April) will prolong. Thus, the risk of floods/droughts significantly increases. Failure to adapt such smoothly will directly lead to losses in the Company's operations or supply disruptions.	<p><b>For the Company itself:</b></p> <p>In addition to its Neihu headquarters, D-Link's operating bases in Taiwan also include offices in Hsinchu, Taichung, and Kaohsiung. According to the “Database of TCCIP,” in the RCP 8.5 mid-century scenario (comparing the maximum 24-hour cumulative rainfall movement rate), the rainfall trends in Hsinchu and Taichung do not change significantly comparing to the base period (1979-2008), but there will be a slight increase in Taipei, and the average increase rate in Kaohsiung is about 15%; and based on the “3D Disaster Potential Map of NCDR,” the flooding potential is confirmed that only the Kaohsiung base will be at risk of flooding.</p> <p>As mentioned above, we will carefully evaluate the necessity of office relocation in the future, and adopt a complete remote working regulations to flexibly respond to the risk of extreme rainfall.</p> <p><b>Responses to value chain risks:</b></p> <ol style="list-style-type: none"><li>For the upstream, D-Link has developed a complete and flexible procurement strategy. Each product has candidate suppliers located in multiple regions for deployment, effectively reducing delivery delays and operational losses caused by regional climate.</li><li>For the downstream, since climate disasters are natural disasters, contracts with customers have corresponding clauses and notes, and the goods have appropriate insurance to transfer risks, sufficient to cope with delayed delivery caused by weather factors.</li><li>In addition, regarding the water shortage issue and water consumption policy arising from the increasing concentration of days without rainfall in recent years, since the production and manufacturing of D-Link products is not a high water consumption process, the first-tier suppliers have not yet provided feedback on any cost passage due to the water consumption policy. We will continue to track the scope of impact of relevant policies through supplier questionnaires in the future.</li></ol>
Physical Risks (Chronic)	Rising Average Temperature	Long-term	If the trend of climate warming cannot be effectively slowed down, persistent high temperatures in summer will lead to a surge in demand for air conditioners, and the cost of electricity and corresponding carbon emissions will also rise. Under policies such as the active transition of the energy structure in various countries and the implementation of carbon pricing control measures, related costs may be indirectly passed on to upstream products, raising product costs and directly affecting profits.	<p><b>For the Company itself:</b></p> <p>In addition to immediately starting to formulate and implement a complete carbon reduction path for the value chain, to reduce the possibility of this risk occurring, risks that were foreseeable in previous periods or have been affected in the short term should also be considered, including the risk of increasing electricity for air conditioning due to high temperatures in summer year by year; therefore, prioritizing the replacement of high-efficiency air conditioner main units to achieve the benefits of energy saving and emission reduction is also one of the measures that can be implemented at this stage.</p> <p>At present, the power consumption of air conditioners in the D-Link building is about 30%, or as much as 22.4% in the past five years if considering the increased of electricity tariff. In the future, as the country is at the verge of active energy structure transformation, it is believed that the replacement of the air conditioner units is an appropriate first priority upon the assessment, so it is expected to complete the replacement of the air-conditioning main units by 2028, with an estimated expenditure of approximately NT\$15 million.</p> <p><b>For the supply chain:</b></p> <p>Taking into account the trend of rising electricity tariff by local governments due to energy transition, supply and demand regulation, and carbon pricing policies, the risk of passing on costs due to the adaption to the climate warming year by year is also a priority project for enterprises to consider. To this end, D-Link will assess the risk exposure of each supplier via the annual supplier questionnaire, and plan to include it as one of the future supplier selection indicators.</p>



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▼ Climate-Related Opportunities and Response Measures

Type	Climate-related Opportunities	Estimated Occurrence Time	Scenario Analysis and Financial Impact Assessment	Responding Actions and Possible Financial Impact
Resource Efficiency	Invest in Circular Economy*	Medium-term	In addition to urging companies to focus on carbon emission management, extreme climate issues also require companies to pay more attention to the life cycle of the products and services they provide because of the trend of disclosure requirements in Scope 3, which will directly affect Scope 3 statistics. Therefore, at this stage, we are actively moving towards optimizing material usage, increasing the proportion of recycled materials, and exploring the expansion of multiple recycling channels to increase the end recycling rate. From a long-term perspective and the economies of scale related to future development, it is helpful for reducing the costs of procuring raw materials and establish a corporate image, among other positive benefits.	<p>The Company will continue to implement the “D-Link Green” plan and strive to reduce the negative impact that products may have on the environment at each stage of the life cycle from the four aspects, namely product design, functionality, materials, and packaging, in order to implement the corporate social responsibility.</p> <p>Take the M30 AX3000 Wi-Fi 6 dual-band wireless router released by D-Link in June 2023 as an example. It is the first product to be remade from post-consumer recycled (PCR) plastic. It has received the attentions and expectations immediately in the European market after it was launched. The new products using PCR plastic will be launched in the future, and it is planned to expand to Wi-Fi 7 related products by 2025.</p>
	Diversification of Internal Management	Short-term/ Medium-term	In order to achieve effective carbon management and the net zero emissions goal, D-Link conducts progress reports and reviews on ESG strategic goals every quarter, and regularly revise its short, medium and long-term strategic goal planning every two years; in terms of environmental goals, through the basic carbon inventory and third-party verification (including organization and product aspects), implementation of various energy-saving and carbon-reduction measures, procurement and construction of green power, introduction of corresponding management systems (such as ISO 50001), and promotion of supply chains, have significantly improved the resource utilization efficiency, thereby reducing related expenditure and costs in the future.	With subsequent short- and medium-term energy-saving and carbon-reducing measures, such as replacing LED lights and updating air-conditioning main units, it is roughly estimated that an initial investment of NT\$15 to NT\$16 million will be needed to replace high-performance equipment. In the future, approximately 22.5% of power consumption will be saved each year (based on the current electricity tariff, approximately NT\$2.2 million may be saved per year).
Energy Source	Use Low-carbon Energy	Medium-term	Driven by factors such as government policies and market attentions, energy transition has become an inevitable trend. Although D-Link is not a large consumer of electricity and is not subject to the government's renewable energy obligations, it still actively purchases green power, and plans to expand its use of green power year by year. The increasing proportion of purchases of green power year by year, and the construction of solar photovoltaic equipment will help to achieve carbon reduction and the net zero emissions goal, while mitigating the impact of fossil fuel price fluctuations by reducing demand and dependence on fossil fuels.	D-Link has included green power procurement as one of the strategic goals that should be continuously implemented, and has set a goal to increase its proportion to 17.5% by 2030. Including the planned solar photovoltaic construction plan, the total expenditure budget is approximately NT\$14 million. If the self-produced solar power is disposed through wholesale, the annual power revenue is estimated to be about NT\$1.2 million. At that time, the benefits of wholesale sales and self-use will be re-evaluated and the disposal will adopt the better approach.
Products and Services	Develop and Increase Low-carbon Products & Services*	Short-term	Responding to the international carbon reduction trend, companies continue to invest in and expand the low-carbon product or service market, while confirming the market response. This action will enable the pioneer companies to more accurately grasp the pulse of the low-carbon market, create business opportunities, position for the market share, and indirectly increase the revenue and corporate image, to drive a positive cycle.	<p>In order to more actively invest in the low-carbon market, D-Link launched the green packaging project, “D-Link Green Pack,” in early 2022, which focuses on four major aspects: environmental friendly materials, plastic-free packaging, volume optimization, and digitized product documents, as the pillars of design; for example:</p> <ul style="list-style-type: none"><li>Use gray coated paper<sup>1</sup> instead of one side coated paper.</li><li>Some products' power supplies no longer use the plastic packaging materials.</li><li>The G416 router reduces the plastic film protection area by 96%.</li><li>After optimizing the volume of the R15 routers, the packaging area was reduced by 39%, the volume in a carton was increased by 20%, and the load capacity of a single pallet increased by 87%; its freight cost can decrease by approximately NT\$2.3 to NT\$3.9 million in case of containers exported to the U.S.</li><li>The multi-language installation manual for Smart Switch series products has been changed from text to graphic expression, reducing paper usage by 78% and reducing costs by approximately NT\$100,000.</li></ul>

\* Main climate-related opportunities.  
<sup>1</sup> Contains more than 85% recycled pulp.



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Type	Climate-related Opportunities	Estimated Occurrence Time	Scenario Analysis and Financial Impact Assessment	Responding Actions and Possible Financial Impact
Capital Markets	Obtain Low-carbon Financing /Investment*	Medium-term	Governments around the world are actively directing funds to ESG and low-carbon products, such as bonds of sustainable development special funds or sustainability-linked bonds. In particular, the latter has no restrictions on the use of funds, only the sustainable development indicators are required to be set, and the goals to be linked to the design of bond principal and interest payment conditions and other mechanisms for acquisition, which can effectively reduce capital costs, improve sustainable performance, increase exposure, and attract the attention of more investment institutions.	Currently, D-Link has sufficient funds of its own and has no urgent and continuing financing needs. However, it will maintain its focus on green financing or low-carbon financing, maintain close contact with financial institutions that actively promote sustainable and low-carbon financing, improve the quality of its own ESG disclosure information, and maintain its qualifications in line with the green financing review standards. In order to quickly obtain the support of banks and evaluation agencies when operations require, we can undertake borrowings or issue bonds linked to sustainable development, so as to minimize the Company's capital costs while demonstrating the Company's long-term commitment to climate change and environmental sustainability.
Operation Resilience	Enhance Sustainable Supply Chain Management	Short-term	Since D-Link is a brand company and its actual operations do not include manufacturing, the supply chain management has become a very critical part of product quality control operations. In recent years, due to sustainability policies and trends, all the society is expecting enterprises to exert benefits such as the large companies leading the small companies and driving the value chain. Therefore, they have deepened the communication and resource exchange with suppliers, and understood suppliers from a more complete perspective, to grasp operational risks from all aspects for appropriate allocation and dispatch.	D-Link has always valued the check of quality management system. In recent years, responding to the trend of sustainability, it has also developed its own set of ESG audit standards with reference to the Validated Assessment Program (VAP) of the Responsible Business Alliance (RBA) Code of Conduct, to conduct on-site audits of major suppliers.  In order to further improve D-Link's ESG management practices for the supply chain, the Company has formulated the "Sustainable Procurement Policy," build the "Supplier Code of Conduct," and the "Supplier ESG Self-Assessment Questionnaire" in 2023, and then link to the aforementioned on-site audit operations, to build a contextual sustainable supply chain management system.

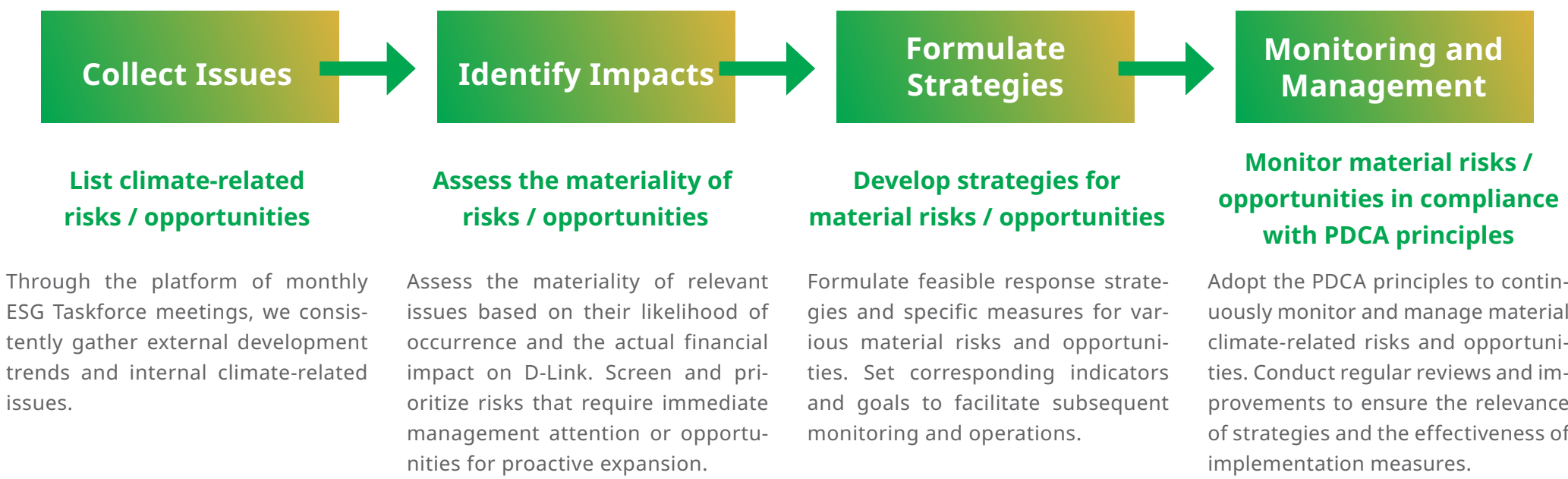
\* Main climate-related opportunities.

Risk Management

D-Link manages climate-related risks and opportunities through 4 key processes: collecting relevant issues and trends via monthly ESG Taskforce meetings, regularly assessing the impact and materiality of each risk and opportunity, formulating corresponding strategies and indicators, and applying PDCA principles for regular tracking and review. This structured approach aims to achieve overall control and ensure timely responses.

Additionally, for the material climate risks identified, the ESG Office not only reports them upwards but also submits them to the Risk Management Taskforce for evaluation regarding their potential inclusion in the Company's overall risk management system.

▼ Climate-related Risk/Opportunity Identification Process



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Metrics and Targets

In order to achieve the 2050 net zero emissions goal, D-Link not only sets corresponding short/medium/long-term goals for energy saving, carbon reduction, water saving and waste reduction, but also actively launches various project plans, promotes relevant measures, and implements management and effectiveness evaluation accordingly, and at the same time, the performance results are confirmed through the external verification to achieve the goal of environmental sustainability.

▼ The Relevant Implementation Performance and Short, Medium and Long-term Goals Responding to Climate Change

Type	Achievements in 2023	Short-term Goals (2024)	Medium-term Goals (2028)	Long-term Goals (2033)
Net zero emissions/ GHG Management	<ul style="list-style-type: none"><li>• Implementing ISO 14064-1:2018 inventory categories 1-5 for GHG emissions.</li><li>• Emissions in Scopes 1 and 2 decreased by 7.75% annually, and significantly decreased by 17.45% compared to the base year.</li></ul>	<ul style="list-style-type: none"><li>• Reduce carbon emissions of scope 1 &amp; 2 by 2%.*</li><li>• Upgrade CDP evaluation grade to C-grade.</li></ul>	<ul style="list-style-type: none"><li>• Reduce carbon emissions of scope 1 &amp; 2 by 10% by 2026.*</li></ul>	<ul style="list-style-type: none"><li>• Continuously reduce carbon emissions to achieving net zero emission by 2050.</li></ul>
Energy Management	<ul style="list-style-type: none"><li>• Completed the replacement of 427 LED lights, saving approximately 46,975 kWh of power throughout the year, accounting for 1.9% of the base year*.</li><li>• Since July, it has been shifted to the supply of green power, and 6,000 kWh was shifted in 2023.</li></ul>	<ul style="list-style-type: none"><li>• Gradually re-place the lighting fixtures on each floor of the headquarters building with LED flat panel lights with the goal of saving 1% of electricity.</li></ul>	<ul style="list-style-type: none"><li>• Reduce power consumption by 4.5% by 2026.*</li></ul>	<ul style="list-style-type: none"><li>• Introduce ISO 50001 energy management system.</li><li>• Reduce power consumption by 30% by 2030.*</li></ul>
Water Management	<ul style="list-style-type: none"><li>• Adjusted the startup time of the air conditioning units to reduce the cooling water usage.</li></ul>	<ul style="list-style-type: none"><li>• Reduce water consumption by 2.5% by 2026.*</li></ul>		-
Waste Management	<ul style="list-style-type: none"><li>• The usage of copy paper decreased by 7.5% from 20,124 to 18,600 sheets per month.</li><li>• The total amount of waste decreased by 7.94% compared to the previous year.</li></ul>	<ul style="list-style-type: none"><li>• Reduce the waste by 2.5% by 2026.*</li></ul>		-

\* The baseline year is 2021.





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### 4.3.2 From Inventory to Net Zero

GRI 2-23, 305-1, 305-2, 305-3, 305-4, 305-5

Responding to the global common goal of net zero emissions by 2050, D-Link is gradually moving towards net zero based on an inventory of greenhouse gas emissions, through hotspot analysis and evaluation of improvement plans, as the basis for organizational emission reduction planning. In order to implement the carbon reduction policies, D-Link independently conducts greenhouse gas inventories and stipulated the goal of reducing carbon emissions by 10% by 2026 using 2021 as the base year. And continue to implement greenhouse gas inventory and reduction projects.

▼ Greenhouse Gas Emissions in the Past 3 Years

Year	2021		2022		2023	
	GHG Emissions	Proportion	GHG Emissions	Proportion	GHG Emissions	Proportion
Category 1	127.14	0.02%	119.87	0.02%	119.90	0.03%
Category 2	1,409.78	0.17%	1,255.52	0.24%	1,148.88	0.27%
Category 4	26,836.46	3.20%	18,424.61	3.51%	11,941.27	2.84%
Category 5	809,277.85	96.61%	504,734.39	96.23%	407,652.17	96.86%
Total Emissions	837,651.24	100%	524,534.39	100%	420,862.22	100%
The Increase/Decrease Rate of Emissions for Categories 1 & 2 Compared to the Baseline Year	-	-	-10.51%	-	-17.45%	-
GHG Emissions Intensity: Category 1 & 2	0.0990	-	0.0805	-	0.0796	-
GHG Emissions Intensity: Category 4 & 5	53.86	-	30.63	-	26.32	-

\* Emission unit: metric tons/CO<sub>2</sub>e; intensity unit: metric tons CO<sub>2</sub>e/revenue (NT\$ million).  
\* Category 1 and 2 are equivalent to Scope 1 and Scope 2; Category 4 and Category 5 belong to Scope 3.  
\* After the identification, Category 3 belongs to the Company's insignificant emissions.

D-Link has passed the ISO 14064-1:2018 Greenhouse Gas Inventory certification and formulated the following policies according to the requirements of the ISO 14064-1:2018 Greenhouse Gas Inventory System:

- We are dedicated to disclosing corporate carbon emissions to fully understand the carbon emissions within the Company.
- We work with our business partners to expand the scope of carbon reduction together.
- We provide more diverse low-carbon products and services for our consumers and users.
- We have increased information transparency and reduced emissions for the carbon footprints of our products.

\* To disclose emissions in 2023, the 2023 electricity carbon emission coefficient announced by the Energy Administration, the Ministry of Economic Affairs = 0.494 kg CO<sub>2</sub>e/kWh is adopted.  
\* The data in this table has been verified by a third party. Please refer to the “Certifications” of the official website for the declaration.



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4.3.3 Biodiversity Commitment GRI 2-23

D-Link doesn't have any operating locations located in important biodiversity locations. Nevertheless, to better understand the possible impact of the Company's operations on biodiversity, D-Link made a biodiversity commitment in 2023, communicated the importance of biodiversity to suppliers, and encouraged suppliers to conduct biodiversity risk assessments for their operating locations. And further regulated by the "D-Link Corporation Supplier Code of Conduct."

Biodiversity and Zero-deforestation Commitment

D-Link's global operations are primarily located in technology parks or general office buildings, none of which are operating near key biodiversity areas (KBA). Nonetheless, recognizing that biodiversity conservation helps promote climate change mitigation and adaptation, and has significant implications for agricultural development, food security, public health, and economic sustainability, D-Link makes this Statement of Biodiversity and Zero-Deforestation Commitment in reference to the spirit of the United Nations Convention on Biological Diversity (CBD), with the hope of fulfilling UN Sustainable Development Goals (SDGs) 6, 12, 13, 14, 15 and 17, to protect biodiversity, sustainable use of diversity, and achieve fair and equitable sharing of the benefits arising from the use of genetic resources.

D-Link's Commitment :

- Ensure that D-Link's operational activities comply with international, national, and local laws related to biodiversity and zero deforestation.
- Avoid activities that negatively impact threatened and protected species.
- Respect legally designated protected biodiversity areas.
- Choose appropriate tools to assess the biodiversity-related risks of all D-Link operating sites.
- Informed purchasing decisions will not be made from suppliers contributing to the loss of biodiversity or illegal deforestation.
- Encourage the Company's suppliers to assess the biodiversity-related risks of their operating sites.
- Seek opportunities with partners to reduce biodiversity damage.
- Support biodiversity convention activities or initiatives.

In 2023, D-Link organized the Dagouxi environmental education family activity through the ESG Office and employee clubs. This initiative aimed to enhance employees' understanding of local ecology,

fostering empathy and emotional connection, and sowing the seeds of green action. Additionally, to support socially innovative companies focused on environmental friendliness, the Company's Mid-Autumn Festival gift boxes featured Taiwan Blue Magpie Tea and Leopard Cat Rice, cultivated through eco-friendly farming practices. This choice helps ensure that conservation species such as the blue magpie and leopard cat can successfully return to and expand their habitats.



▲ Environmental Education Family Activity in Dagouxi Riverside Park.



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# 4.4 Energy and Resources Management

In response to the global environmental trend, D-Link has obtained ISO 14001:2015 environmental management system certification, and continues to implement environmental protection measures with the main task of raising environmental awareness and establishing a green enterprise.

- 4.4.1 Energy Management
- 4.4.2 Water Resource Management
- 4.4.3 Waste Management



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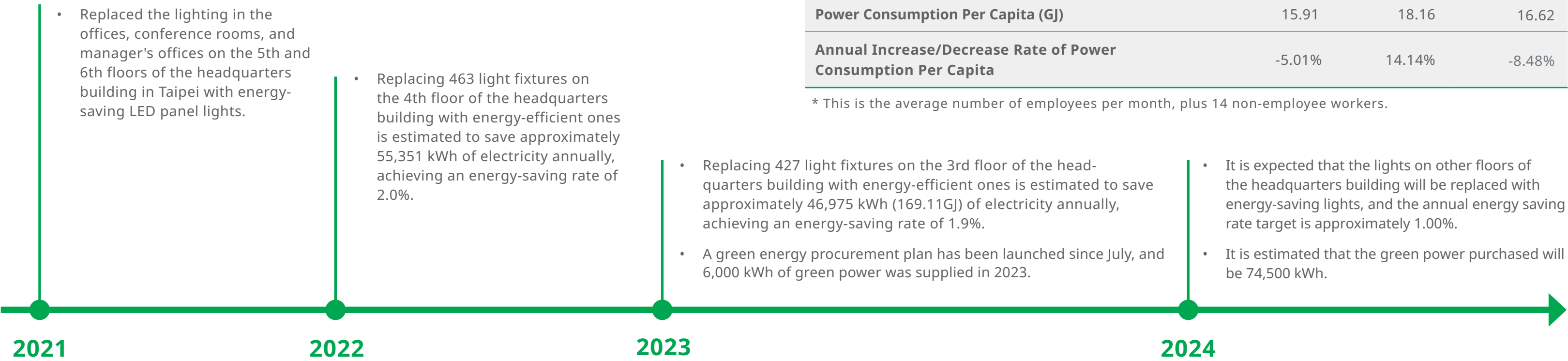
4.4.1 Energy Management GRI 302-1, 302-3, 302-4

The D-Link headquarters building mainly consumes externally purchased electricity. Each year, energy conservation goals are stipulated according to the requirements of ISO 14001 Environmental Management System in order to reduce the power consumption of the building. The electricity consumption decreased by 1.9% in 2023 through the energy-saving project, and the power consumption has decreased year by year.

	2021	2022	2023
Main Energy Conservation Actions	Installed energy-saving lights on the 5th floor of the headquarters building	Installed energy-saving lights on the 4th floor of the headquarters building	Installed energy-saving lights on the 3rd floor of the headquarters building
Power Saving Ratio	1.78%	2.00%	1.90%

\* Due to changes in the baseline year, the power saving ratio for 2022, 2023 are based on 2021, while that for 2021 is based on 2016.

▼ The energy-saving measures that have been implemented in the past 3 years and planned for 2024 (the base year for the energy-saving rate is 2021):



In addition to improving equipment energy consumption by replacing old ones with new ones, there were originally 350 mainframes with 1,500W. After virtualization, system optimization, and reorganization in 2023, it finally operates with 300 mainframes, which saves nearly 100,000 kWh per year. In addition, D-Link actively promotes the importance of energy saving to colleagues through various channels, while posting the energy-saving slogans at the switches in conference rooms to remind them to build up a good habit of turning off lights and air conditioners. In 2023, the total purchased power decreased by 5.47% year-on-year, which is a decrease of 13.51% from the base year; in addition, power consumption per capita decreased by 8.48% year-on-year.

▼ Electricity Usage in the Past 3 Years

	2021	2022	2023
Total Purchased Power (kWh)	2,696,004	2,466,636	2,331,668
Non-renewable Energy (kWh)	2,696,004	2,466,636	2,325,668
Renewable Energy (kWh)	0	0	6,000
Total Purchased Power (GJ)	9,705.61	8,879.89	8,394.00
Annual Increase/Decrease Rate of Purchased Power	-13.67%	-8.51%	-5.47%
Increase/Decrease Rate Comparing to the Base Year	-	-8.51%	-13.51%
The Annual Average Number of People in Operating Bases in Taiwan*	610	489	505
Power Consumption Per Capita (GJ)	15.91	18.16	16.62
Annual Increase/Decrease Rate of Power Consumption Per Capita	-5.01%	14.14%	-8.48%

\* This is the average number of employees per month, plus 14 non-employee workers.



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4.4.2 Water Resource Management

D-Link headquarters building and Taiwan branch are located in the metropolitan area of Taipei City. The water source is tap water from the Feitsui Reservoir, which is mainly consumed for domestic water. The domestic wastewater generated after use is discharged into the underground sewers set up by the government.

To ensure the effective use of water resources, all faucets in the restrooms in the headquarters building are equipped with water-saving switches. Although D-Link is not a company consuming a lot of water, it still supervises itself to spare no effort in every aspect of water saving to contribute to environmental sustainability at its best. The total water intake in 2023 increased by 3.18% year-on-year (comparing to the base year of 2021, decreased by 1.90%), mainly due to the increase in the number of employees last year (as the water intake per capita has remained flat in the past two years).

▼ Water Resources Usage in the Past 3 Years

	2021	2022	2023
Total Water Withdrawal (Megaliters)	11.56	10.99	11.34
Total Water Discharge <sup>1</sup> (Megaliters)	10.40	9.89	10.21
Total Water Consumption <sup>2</sup> (Megaliters)	1.16	1.10	1.13
The Annual Increase/Decrease Rate of Total Water Withdrawal	-15.87%	-4.93%	3.18%
Annual Average Number of Personnel at Taiwan Operational Sites <sup>3</sup>	610	489	505
Per Capita Water Withdrawal (Ten Thousand Liters) <sup>4</sup>	1.90	2.25	2.25
The Annual Increase/Decrease Rate of Per Capita Water Withdrawal	-7.32%	18.42%	-

<sup>1</sup> The total water discharge is estimated based on 90% of the total water withdrawal.

<sup>2</sup> Total water consumption = total water withdrawal - total water discharge.

<sup>3</sup> This is the average number of employees per month, plus 14 non-employee workers.

<sup>4</sup> Per capita water withdrawal = total water withdrawal/ annual average number of personnel at Taiwan operational sites.



▲ D-Link continues to advocate the importance of water conservation and is committed to implementing water-saving measures.



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4.4.3 Waste Management

In order to implement the goal of sustainable resource utilization and waste reduction, D-Link adopts "reduction at source, recycling of materials, and diversification of treatment" as the main principle of waste treatment to effectively recycle resources, and constantly promotes and reminds employees to reduce and sort waste in the workplace. At the same time, environmental-friendly tissue, toilet paper, and service paper are used to reduce tree felling. In 2023, the total amount of waste decreased by 7.94% compared to the previous year.

Waste management strategy:

- **Source reduction:** Save the use of natural resources and reduce waste generation.
- **Material resource utilization:** The waste is sorted and recycled to reduce the environmental burden.
- **Diversified processing:** Recycle resources through recycling, reuse, etc.

▼ Waste Classification Management and Implementation

Type	Definitions	Handling Method
General Industrial Waste	Non-hazardous waste generated by daily operations	After each unit being responsible for sorting and storing the waste in accordance with laws and regulations, the cleaning unit will collect it to the industrial waste temporary storage area, and subsequently be cleared and transported by qualified contractors and recycled.
Resource Waste	Recyclable waste from non-production activities	Employees will place the waste in the resource recycling area according to the resource recycling and sorting methods announced by the Environmental Protection Administration, and the cleaning unit will collect it to the resource recycling temporary storage area, and notify the qualified contractors to clear and transport it for recycling.
Domestic Waste	Non-recyclable waste from non-production activities in offices and staff lounges	The cleaning unit will clean the waste up and place it in a fixed collecting point, and a qualified contractor will be entrusted through a signed contract to clear, transport and incinerate it by signing a contract to ensure that the waste is properly taken care of.

▼ Waste Disposal Status in the Past 3 Years (Metric Tons)

	2021		2022		2023	
	Weight	Percentage	Weight	Percentage	Weight	Percentage
Recycled and Reused	9.42	43.58%	6.28	32.61%	4.73	26.68%
Incinerated	12.19	56.42%	12.98	67.39%	13.00	73.32%
Total	21.61	100%	19.26	100%	17.73	100%
Annual Increase/Decrease Rate	-1.37%	-	-10.87%	-	-7.94%	-

\* Kitchen waste treatment: After collected, the group meal provider will bring it back for integrated processing everyday.



▲ D-Link Implements Waste Sorting Measures.

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# 4.5 Green Products GRI 301-2

Since 2007, D-Link has been focusing on environmental 3R (Recycle, Reuse and Reduce) and promoting "D-Link Green". Through measures such as prohibited/restricted substance management, development of energy-saving technology for products, the introduction of easy-to-disassemble and recycle design, and packaging reduction, D-Link strives to reduce the potential negative impact of products on the environment at all stages of the life cycle, and practices corporate social responsibility.

- 4.5.1 D-Link Green
- 4.5.2 D-Link Green Pack





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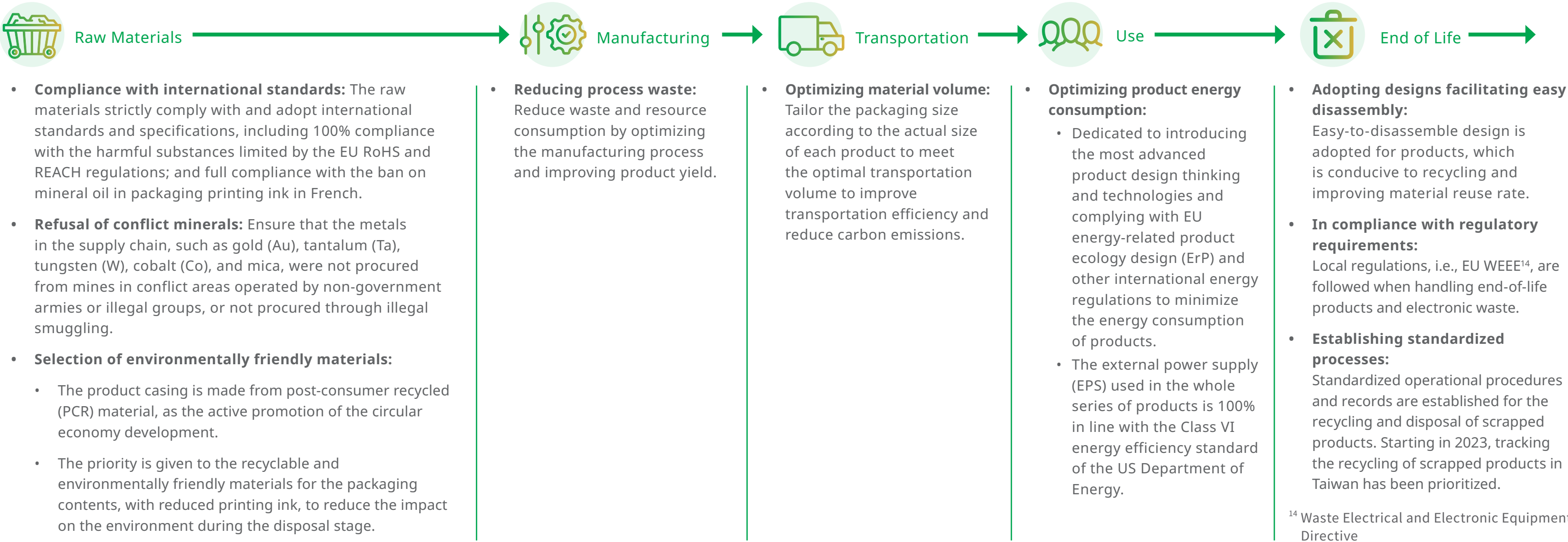
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4.5.1 D-Link Green

During the early stages of product development, in addition to considering product functionality and user needs, D-Link has also included the environmental impact of raw material use, manufacturing, packaging and shipping, and use process in product design. D-Link has strengthened green product design and implemented controls for hazardous substances to work towards environmental friendliness and green sustainable developments. Mitigate the impact of products on the environment through the D-Link Green program and by referring to product lifecycle assessment methods.

▼ D-Link Green: An Important Role at Each Stage of the Product Life Cycle



Aspects Covered by D-Link Green

Product Design

Product Functions

Product Materials

Product Packaging



Proportion of Green Products in 2023

In 2023, green products\* accounted for 44.5% of the total product revenue. It is anticipated that by 2026, the total proportion of green products in all aspects of "D-Link Green" can reach 80% of the total product revenue.

\* In 2023, green products are only counted for those that meet the design (certified by ErP) and functionality (energy-saving) aspects of "D-Link Green".

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4.5.2 D-Link Green Pack



Environmentally Friendly Materials

- The plastic casing of the new consumer wireless network product (AQUILA PRO AI series) released this year has changed from using 100% virgin plastic in the past to using at least 30% post-consumer recycled (PCR) plastic.
- The use of PCR plastic extends to product packaging bags, converting from 100% virgin plastic to plastic packaging bags containing 50% PCR plastic.



▲ The EPE plastic material in the buffer material of switch products is replaced by paper tubes. And the product packaging bags have been converted to a material containing 50% PCR plastic.



Plastic-free Packaging

- The buffer material of the switch product is changed from EPE<sup>15</sup> to paper tube that is easy to recycle.
- The surface of the color box has been changed from plastic film glazing (polypropylene coating) to matt oil.

<sup>15</sup> Expandable Polyethylene



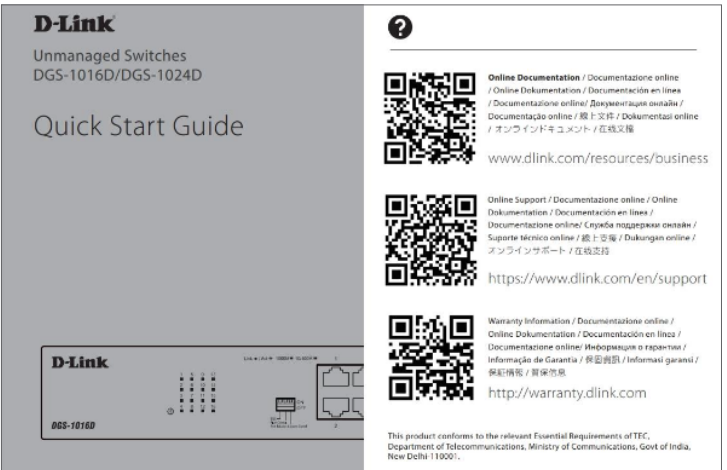
Volume Optimization

- The outer packaging design of all new products achieves optimal pallet loading quantity.



Digitized Product Documentation

- Four types of paper documents are replaced with electronic files to reduce waste generation and reduce the carbon footprint of products.



▲ Digitized Product Documentation

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## Responding to Sustainability Issues

- Supply Chain Management
- Governance and Ethical Management
- Talent Selection, Recruitment and Retention
- Sustainable Development Strategy
- Social Engagement

## Major Stakeholders

- Customers / Clients
- Employees
- Suppliers / Business Partners



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# 5.1 Sustainability Strategies and Goals - Social Aspect

GRI-2-13, 2-24, 3-3

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Management Approach for Material Topics

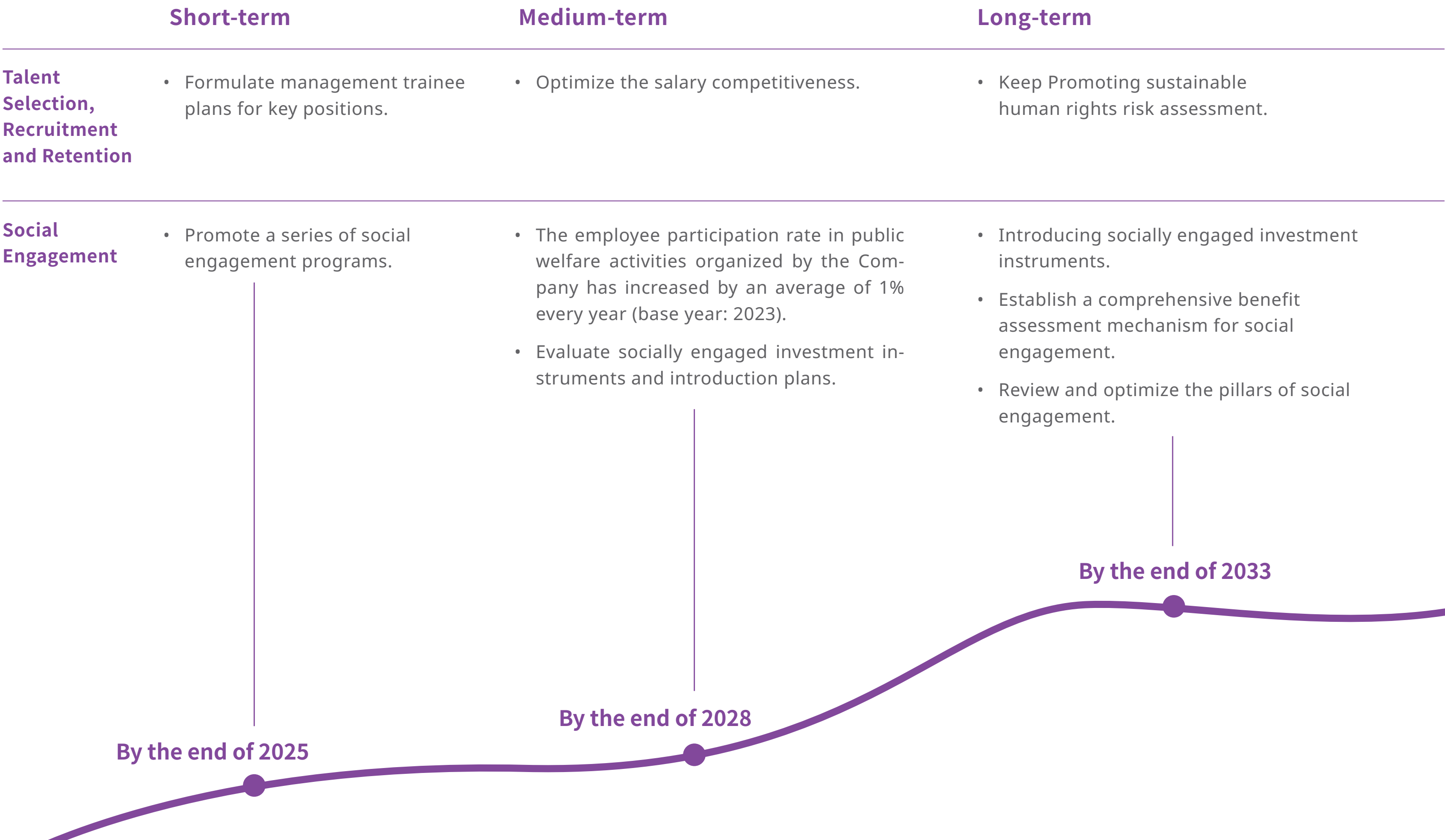
Material Issues	Significance for D-Link	Impacts on Value Chain*			Response Policies and Measures	Management Actions
		Suppliers/ Business Partners	D-Link/ Subsidiaries	Customers/ Clients		
Talent Selection, Recruitment and Retention	D-Link, being a knowledge-intensive technology company, places significant importance on human resources, which play a pivotal role in enhancing the competitiveness of its products and services. Furthermore, with its global expansion and substantial organizational scale, the Company also assumes a crucial responsibility in nurturing key talents.	○	●	○	D-Link has built an all-round learning education and training system based on the Company's strategy, vision and values. At the same time, it recruits potential talents through various campus cooperation programs, and uses a market-competitive salary policy and benefit system to provide outstanding talents, so that talents continue to grow together with the Company.	D-Link helps recruit talents, develop employee capabilities, and discover senior management through diversified talent recruitment channels, employee training plans, succession plans, education and training, as well as remuneration and performance appraisal, among other measures, while facilitating the development of employees' professional skills.
Social Engagement	Through various social engagement projects, D-Link establishes and maintains connections with stakeholders, conveying the Company's values and missions, strengthening brand recognition and reputation, promoting innovation and giving back, and thereby facilitating sustainable development and social inclusion.		●	○	Through seven series of social engagement projects, including charitable gifts, charitable network checkup and Internet and information security education, environmental education, arts and culture promotion, business promotion, sports promotion, and scholarship s and grants, the Company demonstrates its social value.	Various social engagement projects are planned and managed with reference to the spirit of B4SI, and conduct annual questionnaires to internal employee and external public welfare partner, as well as assessment activity results, as a reference for improving social engagement projects in the future.

\* ● Direct impact; ○ Indirect impact



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Short / Medium / Long-term Goals





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Achievement Status of Management Goals for 2023

Material Topics	Goals in 2023	Management Performance	Achievement Status
Talent Selection, Recruitment and Retention	Initiate Human Rights Due Diligence Project	<ul style="list-style-type: none"><li>• Prepared and implemented methods for issuing employee-restricted shares.</li><li>• Continued to hold the “Appointment with Supervisors” campaign to encourage employees to express their opinions freely. In 2023, a total of 11 sessions were arranged, with 18 employees participating.</li><li>• Launched an employee satisfaction and engagement survey, with a completion rate of 72.1% and an effective completion rate of 66.0%.</li><li>• Employee complaint cases: 0</li><li>• The total annual training hours reached 9,128.7 hours, up 13.8% annually, with an average of training hours of about 17.6 hours per person.</li><li>• The Company's average salary increase is 4.17%, and the proportion of salary adjustments is 93.04%, with some over 18%.</li><li>• Distributed 5% of the Company's profits annually as employee compensation.</li><li>• Included "Human Rights Promotion", "Intellectual Property and Personal Data Law Promotion", "Ethical Corporate Management Promotion" and "Gender Equality and Prevention of Sexual Harassment in the Workplace" in the compulsory courses for new entrants.</li><li>• Completed the “D-Link human rights due diligence report 2023” in the second quarter of 2023. In the future, we will regularly review the implementation status of various mitigation and remedial measures, and plan to conduct human rights due diligence every three years as a principle.</li><li>• Human rights related risks: 0</li><li>• Violations of human rights resulting in punishment: 0</li><li>• Supplier’s violations of human rights resulting in punishment: 0</li></ul>	✓
Social Engagement	With “more local, more welfare to the public” as the pillar, we have combined the functions and industrial characteristics of the network industry to plan/implement seven major thematic social engagement projects.	<ul style="list-style-type: none"><li>• Invested over \$5 million, to implement 30 social engagement projects/activities, benefiting a total of 9,351 people.</li><li>• The Company held a total of 7 Internet and Information Security Education and Network Checkups for social welfare organizations.</li><li>• Four events related to environmental education were held.</li><li>• The “Arts and Cultural Events Connection Program” was activated in the latter half of the year, and approximately NT\$100,000 has been invested to sponsor 14 performances by 5 cultural performance groups, with 117 participants.</li><li>• Employed professional massage therapists with disabilities to provide stress relief massage services on site, and all proceeds thereof were donated to social welfare institutions.</li><li>• Set up "D-Link Group Scholarship" in collaboration with the National Taiwan University of Science and Technology, which provided 7 full scholarship recipients for non-Taiwan students.</li><li>• Sponsoring the professional basketball team of TSG GhostHawks.</li></ul>	✓

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Responsible Unit

Corporate Auditor's Office	ESG Office	Product R&D Center	Supply Chain Management Center
Corporate Finance & Operation Center	Product Strategy Center	Business Center	AI Innovation Center

Management Mechanism

- Clauses on suppliers’ sustainability
- Management Measures for Recruitment and Appointment
- Salary Management Measures
- Performance Assessment Management Measures
- Management Measures for Employee Resignation and Suspension of Pay
- Complaint and Sexual Harassment Handling Measures
- Regulations for Attendance Management
- Employee Training Management Procedure
- Regulations for Employee’s Retirement
- Regulations for Remote Working Management
- Regulations for Employee’s Overseas Business Trips
- D-Link’s Occupational Safety and Health Policy
  - Comply with government safety and health regulations and other requirements
  - Reduce the occurrence of occupational hazards and accidents
  - Provide employees with a safe, healthy, and comfortable workplace
  - Value and care for the physical and mental health of employees
  - Continue improvement of the occupational safety and health management system
  - Receive the consultation and participation of workers and their representatives

Communication Channel

Type	Channel
Hotline	• 886-2-6600-0123 Ext. 1850
Dedicated Mailbox	• No. 289, Xinhua 3rd Rd., Neihu Dist., Taipei City 114/ D-Link850 (Employee complaint mailbox)
Dedicated E-mail	• dlink850@dlinkcorp.com



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# 5.2 Human Rights Protection

D-Link adheres to relevant regulations, implements workplace diversity, does not discriminate against employees based on any conditions, and is committed to creating a dignified, safe, equal, and harassment-free work environment.

- 5.2.1 Human Rights Policy
- 5.2.2 Human Rights Risk Assessment and Related Measures
- 5.2.3 Supplier Human Rights Regulations





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5.2.1 Human Rights Policy GRI 2-23

D-Link is committed to safeguarding the basic human rights of employees, formulating human rights policies and management plans, and creating an environment that fully protects human rights. D-Link endorses and supports international human rights conventions such as the United Nations Universal Declaration of Human Rights, the UN Global Compact, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work Covenant. D-Link requires that its business partners to eliminate any actions that violate or infringe upon human rights in their operations, ensuring that both internal and external members of the Company are treated with fairness and dignity. D-Link also respects diversity and opposes discrimination, complies with regulations on working hours, wages and benefits, prevents forced labor and human trafficking, prohibits the illegal employment of underage labors, respects freedom of association, pays attention to health and safety in the working environment, information security, and gives back to the society through its core competencies. In addition, D-Link also announced its commitment to labor rights on its official website and implemented measures to mitigate human rights risks. To prevent the illegal employment of underage labors and forced labor, the Company strictly abides by the employment process, interview applicants to ensure their willingness to work, and verify identity documents to prevent the risk of illegal employment. Labor rights are promoted through labor-management conferences, and the Company strictly prohibits forced labor and forced overtime.

D-Link's Human Rights Policy and Management Solutions

D-Link also respects the freedom of choice and exercise of occupations, and provides equal work opportunities, regardless of nationality, race, religion, gender, sexual orientation, marriage, age, etc. foreign and domestic employees enjoy equal employment opportunities. Foreign employees come from the Türkiye, India, Indonesia, South Korea, Malaysia, Italy and Thailand and other places, and they are guaranteed the same labor rights and interests as domestic employees. In addition, no underage labor is illegally employed in any of the global subsidiaries, and the declaration of human rights is strictly observed.

5.2.2 Human Rights Risk Assessment and Related Measures

D-Link enhances employees' human rights competency and awareness through education and training. In 2023, held one human rights education course with a total of 519 participants, the total training man-hours were 295.5 hours; this includes the human rights promotion course required for new employees. In 2023, 92 people participated, and the total training hours were 46 hours.

▼Operating Locations Analysis of Human Rights Risk Assessment

Human Rights-related Risk Assessment			
Number of operating locations that have conducted assessments	5	Number of people assessed	515
Number of operating locations	5	Number of people	515
Percentage	100%	Percentage	100%

\* According to the reporting boundaries in this report, the operating bases are defined as the headquarters (including the Tainan warehouse) and the locations of the branches in Taiwan (Hsinchu office, Taichung office, and Kaohsiung office).

\* The human rights due diligence investigation was launched in the fourth quarter of 2022, and completed in the second quarter of 2023. The number of people completed and the total number of people are based on the number of employees in 2022 reported in this report.



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To practice the policy of respecting human rights in an institutionalized and systematic way, and embody D-Link's commitment in organizational activities to control and prevent related risks, D-Link launched a human rights due diligence project in 2022 to identify important issues related to human rights for employees and ODM supplier and mapped them into a matrix. The D-Link human rights due diligence report 2023 has been completed in the second quarter of 2023. The Company will regularly review the implementation status of various mitigation and remedial measures in the future, and plans to conduct human rights due diligence once every three years. For related information, please refer to the D-Link official website "Human Rights Protection".

Major issues related to human rights identified by the Company for employees include working hour management, privacy, remuneration, freedom of assembly and association, workplace safety and health, freedom of speech and complaint channels, and illegal violations in the workplace.

Major issues related to human rights identified by the Company for ODM suppliers include working hour management, remuneration, and workplace safety and health.



2023 Human rights related risks: 0  
Violations of human rights resulting in punishment: 0

5.2.3 Supplier Human Rights Regulations

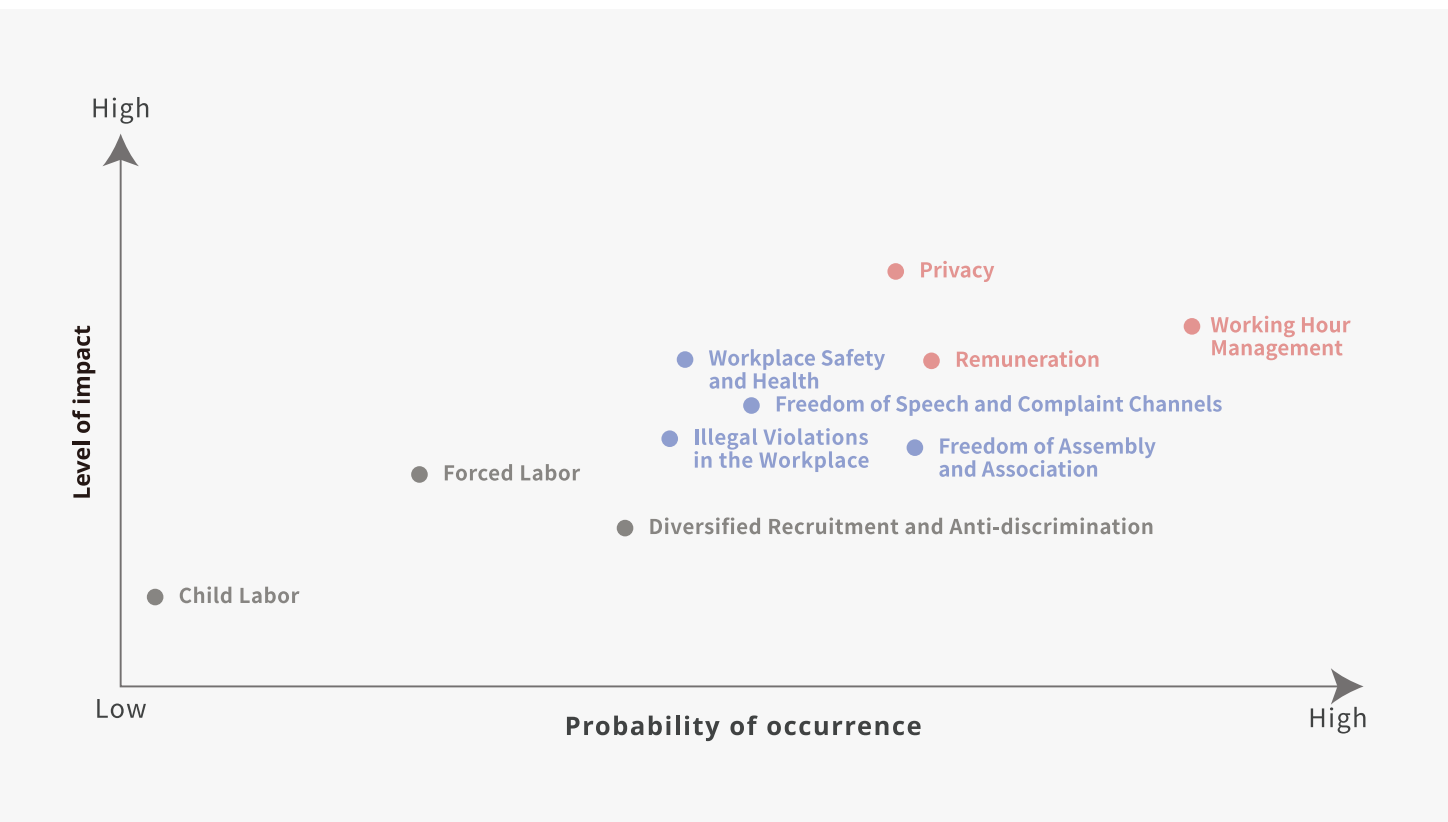
Based on the social and ethical principles of promoting the spirit of humanity and practicing human dignity, and fulfilling corporate social responsibilities, D-Link clearly defines the corporate social responsibilities of suppliers in the procurement contract, and also incorporates human rights norms such as the prohibition of child labor, and regulates supply. Suppliers must strictly abide by the relevant local Labor Standards Acts, labor safety and other relevant labor regulations, and all suppliers must complete the contract. In case of any breach of the contract, the supplier will not only bear legal liability, but also be classified as an unqualified supplier and have to rescind or terminate the contract immediately.

In 2023, D-Link signed procurement contracts containing human rights clauses with 34 qualified suppliers, with a signing rate of 100%.

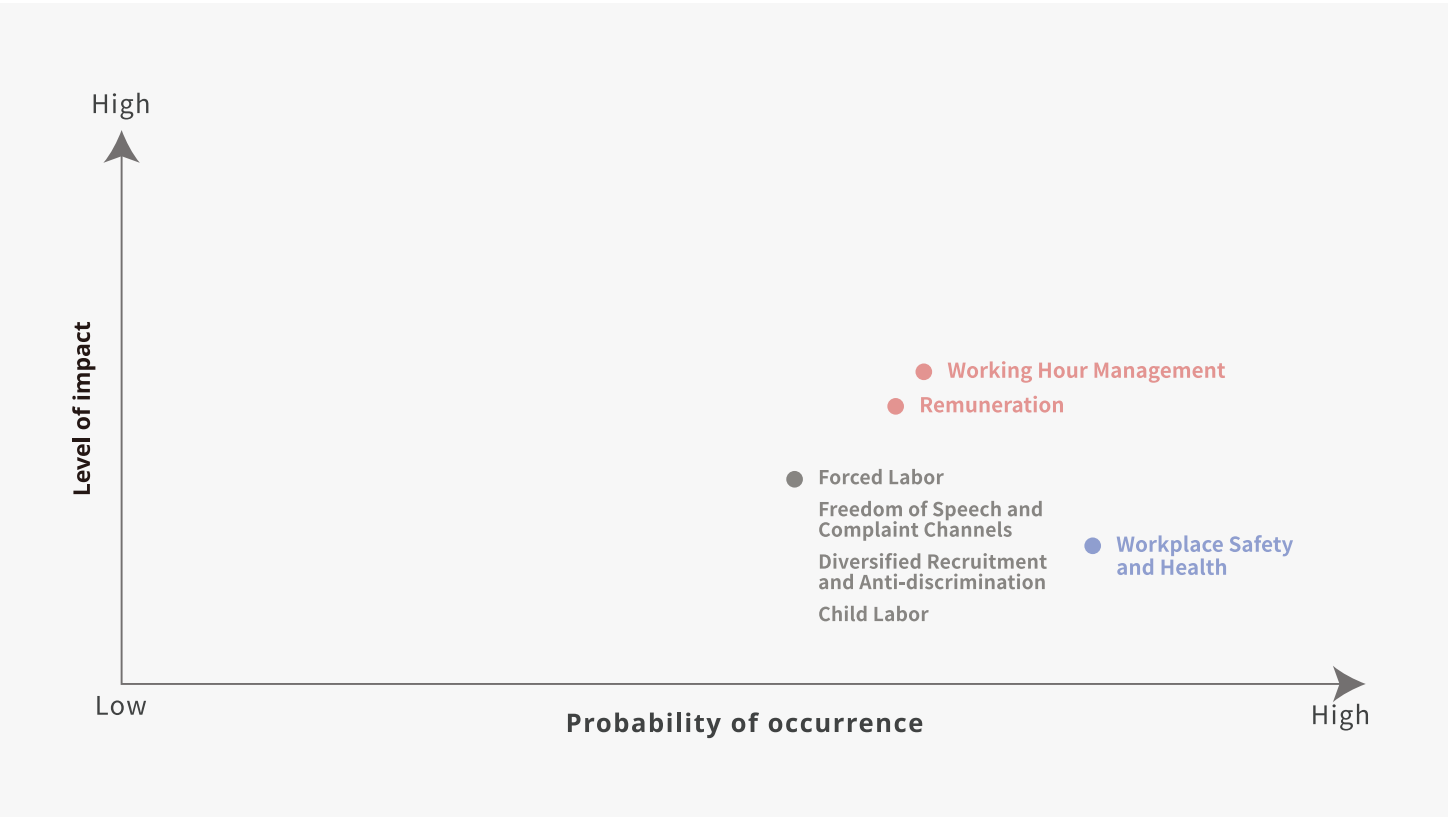


2023 Supplier's violations of human rights resulting in punishment: 0

▼ Human Rights Due Diligence Survey Employee Matrix



▼ Human Rights Due Diligence Survey ODM Matrix



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# 5.3 Employment and Employee Participation

D-Link is people-oriented, respects every employee and every ethnic group, respects and tolerates each other, and grows together to achieve the goal of sustainable development. The scope of the following information and analysis includes D-Link headquarters and Taiwan branch.

- 5.3.1 Labor Overview
- 5.3.2 Listening Strategy







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5.3.1 Labor Overview

GRI 2-7, 2-8, 401-1, SASB TC-HW-330a.1

Workforce Structure

Responding to the Company's operating strategy, the organization has been refined and the optimal manpower allocation has been maintained. The total employees have decreased from 555 at the end of 2021 to 518 at the end of 2023, adjusted by approximately 6.7%. The proportion of female employees increased from 45.0% to 46.1% at the end of 2022, an increase of 1.1%.

<sup>1</sup> Interns are employees with fixed-term contracts.  
<sup>2</sup> The senior management positions: refers to officers of centers and above (including center heads and general managers of branches in Taiwan).  
<sup>3</sup> Mid-level management position: refers to division-level officer.  
<sup>4</sup> Junior management positions: refers to those at the departmental level or below (including departmental officers).  
<sup>5</sup> Technician: non-supervisors of Product R&D, R&D, IT, and technology-related departments.  
<sup>6</sup> Other employees: other non-supervisors of sales, logistics, customer service, marketing, administration, and finance.  
\* The Company did not hire employees without guaranteed hours in 2023.

▼ Workforce Composition in the Past 3 Years

			2021		2022		2023	
			Number of Employees	Percentage (%)	Number of Employees	Percentage (%)	Number of Employees	Percentage (%)
Gender	Female		229	41.3%	232	45.0%	239	46.1%
	Male		326	58.7%	283	55.0%	279	53.9%
	Others		0	0.0%	0	0.0%	0	0.0%
Age	Less 30 Years Old		65	11.7%	63	12.2%	71	13.7%
	30 - 50		437	78.7%	393	76.3%	377	72.8%
	Over 50 Years Old		53	9.5%	59	11.5%	70	13.5%
Employee Type	Full Time		554	99.8%	498	96.7%	507	97.9%
	Part-time		1	0.2%	17	3.3%	11	2.1%
Labor Contract	General Employment		554	99.8%	498	96.7%	505	97.5%
	Regular Employment <sup>1</sup>		1	0.2%	17	3.3%	13	2.5%
Education	PhD		3	0.5%	1	0.2%	1	0.2%
	Master		191	34.4%	151	29.3%	152	29.3%
	University		290	52.3%	286	55.5%	292	56.4%
	College		57	10.3%	57	11.1%	57	11.0%
	High School and Below		14	2.5%	20	3.9%	16	3.1%
Position	The Senior Management Positions <sup>2</sup>	Female	4	0.7%	4	0.8%	2	0.4%
		Male	5	0.9%	4	0.8%	6	1.2%
	Mid-level Management Positions <sup>3</sup>	Female	6	1.1%	5	1.0%	7	1.4%
		Male	15	2.7%	18	3.5%	16	3.1%
	Junior Management Positions <sup>4</sup>	Female	31	5.6%	24	4.7%	31	6.0%
		Male	47	8.5%	39	7.6%	45	8.7%
	Technician <sup>5</sup>	Female	83	15.0%	79	15.3%	78	15.1%
		Male	205	36.9%	176	34.2%	161	31.1%
	Other Employees <sup>6</sup>	Female	105	18.9%	120	23.3%	121	23.4%
		Male	54	9.7%	46	8.9%	51	9.8%
	Total		555	100%	515	100%	518	100%

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New Employees and Resignation Status

In 2023, 93 new employees were hired, and in terms of gender ratio distribution, the percentage of female new employees was 1% higher than that of male new employees; in terms of age composition, new employees aged 30-50 have the highest percentage of 9.7% in 2023.

In 2023, 88 employees resigned, and in terms of gender ratio distribution, the percentage of female employees resigned was 1.2% lower than that of male employees resigned; in terms of age composition, newly resigned employees aged 30-50 have the highest percentage of 10% in 2023.

▼ Table of New and Resigned Employees in 2023

		New Employee		Resigned Employee		Voluntary Resigning Employee <sup>3</sup>	
		Number of People	Recruitment Rate <sup>1</sup>	Number of People	Resignation Rate <sup>2</sup>	Number of People	Resignation Rate
Gender	Female	49	9.5%	41	7.9%	33	6.4%
	Male	44	8.5%	47	9.1%	30	5.8%
	Gender Total	93	18.0%	88	17.0%	63	12.2%
Age	Less 30 Years Old	40	7.7%	24	4.6%	9	1.7%
	30 - 50	50	9.7%	52	10.0%	50	9.7%
	Over 50 Years Old	3	0.6%	12	2.3%	4	0.8%
	Total by Age	93	18.0%	88	17.0%	63	12.2%

<sup>1</sup> Recruitment rate = new employees/total number of employees in December of the current year.  
<sup>2</sup> Resignation rate = number of employees who resigned/total number of employees in December of the current year.  
<sup>3</sup> The voluntary turnover rate does not include: involuntary resignation, expiration of fixed-term contract, death, dismissal, retirement, transfer to an affiliate, expatriate, leave without pay... etc.

Statistics of Non-Employee Workers

Within the scope of the report, there are a total of 14 non-employee workers, who were responsible for cleaning, catering, security and other work.

			Work Type							
			Cleaning		Catering		Security		Others*	
Gender	Number of People	(%)	Number of People	(%)	Number of People	(%)	Number of People	(%)	Number of People	(%)
Female	7	50%	3	21%	3	21%	0	0%	1	7%
Male	7	50%	2	14%	1	7%	4	29%	0	0%
Total	14	100%	5	36%	4	29%	4	29%	1	7%

\* Reception personnel in the lobby (temp worker).


5.3.2 Listening Strategy GRI 2-25

Complaint Mechanism and Communication Channels

D-Link respects every employee's right to freedom of association and the right to form a union according to law. To establish a friendly and smooth communication channel to protect the rights and interests of employees, the Company has set up a labor-management meeting, an employee welfare committee, an employee suggestion box, and an employee complaint channel (general complaints and workplace sexual harassment complaints). To provide multiple channels for employees to express their ideas and suggestions, the Company continue to organize “Appointment with Supervisors” campaigns, enabling the Company to better understand employee opinions and reach consensus through discussion.

Communication Results in 2023		
Formal Communication and Complaint Channels	Labor-management meeting (3/22, 6/14, 9/12, 12/20)	Labor and management are equally represented, with a total of 10 representatives, including 6 female representatives, and 4 male representatives. The labor representatives are elected by the Company's employees.
	Employee hotline/Dedicated mailbox/Dedicated email	There were no complaint cases in 2023.
	Employee welfare committee	Chairperson and vice chairperson, with a total of 17 members, including 9 female representatives.
Communication Channels	Employee opinion box	In 2023, through the labor-management meeting, the labor representative's feedback box received a total of 12 employee feedback responses and completed responses at the labor-management meeting, with a response rate of 100%.
	Appointment with supervisor	In 2023, there were 11 "Appointment with supervisor" events arranged, with a total of 18 employees participating.

When the Company dismisses a large number of workers, it will submit a redundancy plan in accordance with the "Act of the Protection of Employees During Mass Redundancy” 60 days in advance and notify the competent authority and relevant units or personnel; if the labor contract is terminated in accordance with Article 11 of the Labor Standards Act, a notice period ranging from 0 to 30 days will be given based on the employee's seniority. The Company had no mass redundancy in 2023.



**Yun Li, D-Linker**

Participating in “Appointment with Supervisor” for the first time is a very special experience! This event allowed us to understand the side of officers that is different from work. They also shared the experience of as seasonal workers, and reminded us that we must adjust our pace at work in a timely manner. It is like a workplace version of chicken soup for the soul.

Employee Opinion Survey

In addition to employee complaint channels, D-Link also uses employee satisfaction and engagement surveys to understand the feeling of employees, thereby creating a friendlier working environment. The 2023 employee satisfaction and engagement survey was initiated in December 2023 and completed at the end of December 2023. This survey was conducted anonymously, covering nine aspects: supervisor, colleagues, work, salary, development, corporate culture, professionalism, sustainable operations and overall satisfaction. The completion rate was 72.1%, and the effective completion rate was 66.0%.

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# 5.4 Diversity and Inclusion

D-Link adheres to policies and programs of diversity, equity, and inclusion (DEI) to encompass representatives and participants from different groups, including employees of different ages, ethnicities, abilities, physical and mental disabilities, genders, religions, cultures, and sexual orientations, and ensures that they enjoy the same labor rights and interests.

- 5.4.1 Diversified Employment
- 5.4.2 Gender Friendliness





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Building a Diversified and Inclusive Working Environment through Various DEI Programs



Promote Pay Equity



Develop a Training Program



Acknowledge Holidays of All Cultures



Mix up the Team



Facilitate Feedback



Assess Company Policies

For detailed information, please refer to the D-Link official website "Diversity".

5.4.1 Diversified Employment SASB TC-HW-330a.1

Employees with Physical and Mental Disabilities

D-Link creates opportunities to assign appropriate talents to each position efficiently, without any differences due to special physical and mental conditions. In 2023, a total of 4 individuals with physical and mental disabilities were hired (including 2 individuals with severe/extremely severe disabilities), including 1 person at the manager level.

Empower the Female

D-Link avoids gender inequality in recruitment and promotion. In 2023, the proportion of female employees increased from 41.3% in 2021 to 46.1%. The percentage of female employees continues to grow every year. The proportion of female managerial officers<sup>16</sup> is 57.14%, which is higher than the proportion of female employees in the company. In the future, D-Link will continue to increase the proportion of female supervisors to female employees to achieve substantive equality.

▼ The Ratio of Female Employees and Supervisors Over the Past 3 Years

	2021	2022	2023
Percentage of Female Employees	41.3%	45.0%	46.1%
Percentage of Female Supervisors	37.2%	35.3%	37.4%

<sup>16</sup> The applicable scope of managerial officers according to the definition of the Securities and Futures Commission of the Ministry of Finance: (I) General managers and those with equivalent levels. (II) Deputy general manager and those of equivalent levels. (III) Associate deputy general managers and those of equivalent levels. (IV) Head of the financial department. (V) Head of the accounting department. (VI) Other persons with the authority to manage the affairs and sign on behalf of the Company. The managerial officers of D-Link include the Chairman, CEO, Vice President (three, including the CFO), accounting officer, and Corporate Governance Officer, seven people in a total.

Multiple Nationalities

D-Link adheres to the principles of local employment, diversity respect, and equal opportunities. In 2023, the headquarters and Taiwan subsidiaries hired a total of 8 foreign employees, accounting for 1.5% of the total workforce. They hold the positions of senior manager, lead engineer, senior engineer, engineer, senior administrator, and R&D intern and are from Türkiye, India, Indonesia, South Korea, Malaysia, Italy and Thailand. Foreign employees have equal employment opportunities as domestic employees.

5.4.2 Gender Friendliness GRI 401-3

Equal Pay

D-Link also attaches great importance to gender equality and plans a fair promotion and salary system for both genders. Staff remuneration is determined based on their education and work experience, professional knowledge and skill, seniority, personal performance, etc., and respect for equal pay for equal work between men and women, adhering to the principle of equality, regardless of gender. In 2023, the basic salary and overall remuneration comparison of the two genders was that female: male is 1: 0.89~1.18 for the basic salary, and 1: 0.95~1.21 for the overall remuneration.

▼ Basic Salary Ratio for Male and Female Employees in 2023

	The Senior Management Positions	Mid-level Management Positions	Junior Management Positions	Technician	Other Employees
Female	1	1	1	1	1
Male	0.89	1.18	1.10	1.11	0.99

\* The basic salaries of all employees are higher than the statutory basic salary.  
\* Please refer to Chapter 5.3.1 "Workforce Composition in the Past 3 Years" for job definitions (P.133).

▼ Overall Remuneration Ratio for Male and Female Employees in 2023<sup>1</sup>

	The Senior Management Positions	Mid-level Management Positions	Junior Management Positions	Technician	Other Employees
Female	1	1	1	1	1
Male	0.95	1.21	1.09	1.13	1.01

<sup>1</sup> In addition to the basic salary, the overall remuneration statistics range also includes overtime pay, duty allowance, compensation for unused leave, incentives, employee dividends, etc.  
\* The ratio of basic salary plus remuneration is calculated in accordance with the salary disclosure standards of TWSE/TPEX listed companies.  
\* Please refer to Chapter 5.3.1 "Workforce Composition in the Past 3 Years" for job definitions (P.133).

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Parental Leave

According to the "Gender Equality in Employment Act", D-Link's employees may apply for parental leave without pay before their children reach the age of 3. In 2023, a total of 5 people applied for parental leave without pay, including 3 males and 2 females. 1 of them did not return to work after the parental leave without pay expired, 2 applied for an extension, and 2 were still within the original leave period.

▼ The Number of Employees on Parental Leave and Returning to Work in 2023

Items	Female	Male	Total
Number of people who are eligible to apply for parental leave	13	9	22
Number of people who applied for parental leave	2	3	5
Number of people who should be reinstated from parental leave (A)	0	0	0
Number of people who should be and have been reinstated from parental leave (B)	0	0	0
Number of people who have been reinstated from parental leave in 2022 (C)	0	0	0
Number of people who have been reinstated from parental leave in 2022 and completed their first year of service in 2023 (D)	0	0	0
Return rate after parental leave (% = B/A)	-	-	-
Retention rate after parental leave (% = D/C)	-	-	-

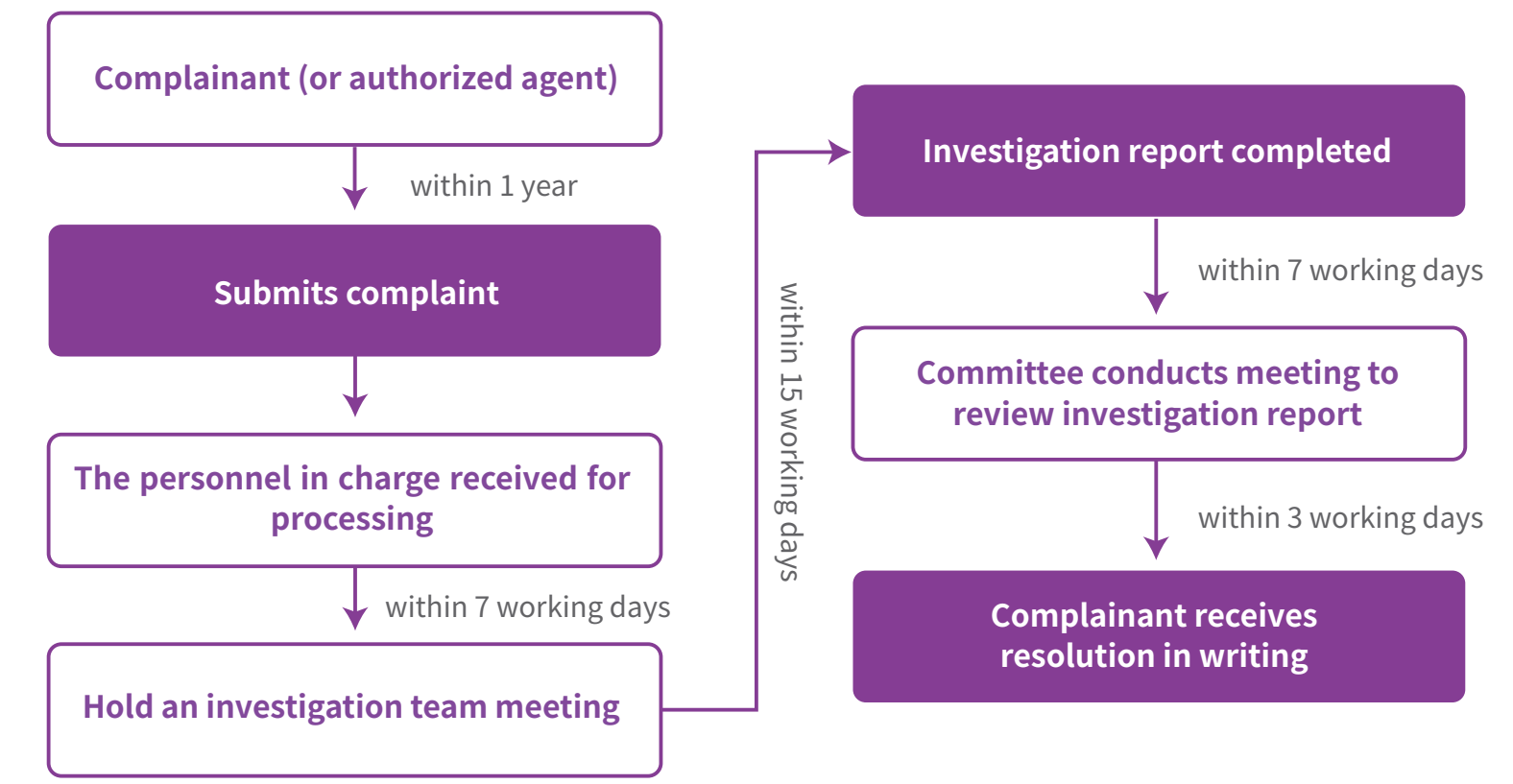
Elimination of Discrimination

D-Link actively eliminates workplace discrimination, formulates the “Complaint and Sexual Harassment Handling Measures”, and aperiodically improves employees' prevention awareness against similar incidents through education and training. In addition, according to the “Gender Equality in Employment Act”, employees are provided with leave and assistance during different stages of pregnancy, childbirth, and parenthood. There were no complaint cases in 2023. Starting from 2023, films on human rights, workplace equality, and workplace bullying prevention were played during office hours to enhance employees' correct consciousness and improve a non-discriminatory work environment.

Employee grievances are handled in accordance with the "Complaint and Sexual Harassment Handling Measures". The grievance handling process is as follows:

1. Be submitted by the complainant (or authorized agent) within 1 year of the incident.
2. The personnel in charge shall hold an investigation team meeting within 7 working days after accepting the complaint.
3. The investigation team should complete the investigation report within 15 working days.
4. The complaint handling committee shall hold a meeting within 7 working days after the investigation team completes the investigation report, and shall evaluate the results of the investigation team's investigation. The meeting must be attended by more than 1/2 of all members and the resolution must be approved by more than 1/2 of the attending members; the complainant shall be informed of the resolution in writing within 3 working days after the resolution is made.

▼ Complaints and Sexual Harassment Complaint Handling Process



\* More than 50% of all committee members must attend the meeting, and the resolution must be approved by more than 50% of all attending members.



2023 Employee complaint cases: 0

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# 5.5 Talent Cultivation and Development

D-Link builds a comprehensive education and training system based on the Company's strategy, vision and values, and recruits talents with potential through various campus cooperation programs to make outstanding talents and the Company grow together with competitive compensation and benefits.

- 5.5.1 Talent Recruitment Pipeline and Campus Cooperation Plan
- 5.5.2 Diversity Learning
- 5.5.3 Talent Cultivation Plan
- 5.5.4 Education and Training
- 5.5.5 Compensation and Performance Appraisal





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5.5.1 Talent Recruitment Pipeline and Campus Cooperation Plan

To attract outstanding talents, D-Link adopts multiple strategies for recruitment. In addition to the largest human resources matchmaking website in Taiwan, the Company also encourages existing employees to recommend talents to join it, and welcomes professionals whose philosophies are consistent with the Company's to move forward with it; at the same time, it continues to cooperate with various colleges and universities to cultivate young students through industry-university cooperation. To attract outstanding talents, D-Link provides competitive compensation and benefits in the market, and is committed to growing together with the employees.

In 2023, D-Link further integrated into campuses, and actively participated in campus talent recruitment activities, while expanding and strengthening the recruitment channels for information technology talents, aiming to cultivate and attract more outstanding talents to join. The 2023 Campus Recruitment Event" is in collaboration with a total of nine schools. For more information, please refer to the D-Link official website "Internship Program".

5.5.2 Diversity Learning

Based on its organizational strategy, vision and values, D-Link provides opportunities for off-the-job training, on-the-job training, and self-development, according to the needs of different groups, such as new employees, general employees, junior officers, middle-level officers and senior officers through comprehensive training plans. Strengthen the organizational human capital and build a learning system that is consistent with D-Link culture, and help to enhance the Company's sustainable operating competitiveness.

D-Link provides comprehensive new employee training courses to new recruits, focusing on helping them quickly to become familiar with the Company's systems, products and related benefits, so as to deepen their sense of loyalty and identification with the Company. The Company now includes “Human Rights Promotion,” “Intellectual Property and Personal Information Act Promotion,” “Ethical Management Promotion” and “Gender Equality and Workplace Sexual Harassment Prevention Promotion” as required courses for new employees. Meanwhile, by combining the corporate sustainability goals, health promotion and legal compliance, D-Link adopts diverse methods to implement common training and promotional courses, and encourages the employees to integrate such into their daily work through carousel videos. In addition, the Company provides health promotion-related lectures to facilitate employees to achieve a better work-life balance.

D-Link encourages employees to share work experience through internal courses to share working experience, and provides corresponding internal training courses or arranges to participate in professional training from external organizations based on the needs of each department. Furthermore, senior employees have the opportunity to serve as coaches or counselors to help new employees, interns and students for part-time working quickly integrate into the work and life of D-Link.

▼ Training System

		Senior Management	Mid-Level Management	Entry-Level Management	Non-Supervisory Employees	New Employees	
Off-Job Training	New Employees Training	Onboarding Training					●
		New Employees Training*					●
	Basic Training	Core Competency and General Studies Programs	●	●	●	●	
		Information Security, Personal Information Protection	●	●	●	●	
		Human Rights Advocacy, Intellectual Property Rights, Trade Secret	●	●	●	●	
		Internal Control and Audit, Ethical Corporate Management, Against Corruption	●	●	●	●	
		Money Laundering Control, Prevention of Insider Trading	●	●	●	●	
	Professional Training	Departmental Professional Knowledge and Skills Training	●	●	●	●	
		Project-Based Learning and Certification subsidy	●	●	●	●	
	Management Training	Management Training	●	●	●		
		Manangement Development Programs		●	●	●	
On-Job Training	On-Job Training	Job Substitution		●	●	●	●
		Job Guidance		●	●	●	●
		Job Enlargement		●	●	●	●
		Job Enrichment		●	●	●	●
		Project Participation		●	●	●	●
		Coaching and Mentoring		●	●	●	●
		Internship Training		●	●	●	●
		Internal Knowledge Sharing		●	●	●	●
	Self Development	Self Development and Improvement	●	●	●	●	●
		Seminar Participation	●	●	●	●	●
		Book Club Participation	●	●	●	●	●

\* Corporate Overview, Organization and Corporate Culture, Product Introduction, Industrial Safety Introduction, Information Security Introduction, Personal Information Protection Introduction.

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### 5.5.3 Talent Cultivation Plan

In order to promote individual development at different levels, D-Link provides comprehensive training programs to ensure that the Company has high-quality talents while strengthening the leadership and management capabilities of officers at all levels. These programs include high potential talent development, leadership development for

officers, professional competency development and succession planning. By formulating personal development plans, we help managers and employees continuously stimulate the motivation for career development under a diverse and comprehensive education and training system.

#### Development of High Potential Talents

- Conduct a high-potential talent inventory for all company supervisors.
- Develop planned development plans for high-potential talents, including personal development plans and development work assignments.



#### Development of Supervisor Leadership

- Regularly discuss the development plans for the organization and senior executive with the CEO and the President.
- Design workshops for different organizational development and needs to guide supervisors to think and discuss.
- Supervisor leadership training courses.



#### Cultivation of Professional Competency

- Provide personal efficacy courses and learning resources for non-supervisors to enhance work efficiency.
- Provide professional and technical training.



#### Succession Plan

- Make an inventory of key positions within the Company.
- Arrange 1-3 successors for key positions.
- Arrangements for successors of key positions:
  - a. Project execution to increase their experience.
  - b. Job rotation to cultivate diverse perspectives and capacities, quickly identify problems, stimulate stress resistance, and implement resource allocation and train the decision-making.



#### Target Performance Management

- The concept of target performance management has been introduced since 1992. The Company's vision and strategic goals are integrated with individual employee work objectives through systematic target and performance management settings.
- In combination with the organization's operational performance and performance management system, the performance appraisal results are truly reflected in the annual promotion and reward system, allowing employees to grow with the Company.



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5.5.4 Education and Training GRI 404-1

The learning and development system in D-Link is based on the Company's strategy, vision and values, and is constructed through a comprehensive education and training plan with new employees, professional training, management training and self-development as the pillars.

In 2023, D-Link held 211 education and training sessions, with 6,949 participants, and 9,128.7 hours of courses. The total training cost was approximately NT\$797,000, with an average of NT\$1,539 per person. Among them, 153 internal training sessions were held, with 6,867 participants, and the total course hours were 8,334.2 hours; 58 external training sessions were held, with 82 participants, and the total course hours were 794.5 hours. 63 relevant education and training sessions were held for new employees, with 600 participants with total of 747.8 hours of courses. Four corporate sustainability related courses were organized, with 2,044 participants and 1,022 course hours.

A video promotion related to corporate sustainability is played in the public space of the headquarters building. The video topics cover “Human Rights,” “Ethical Management,” “Prevention of Money Laundering/Prevention of Insider Trading,” “Personal Data Protection,” and “Intellectual Property Rights Protection” and “Gender Equality/Prevention of Sexual Harassment” and other different themes. The topics are updated regularly every month, with 25,961 views and 962 hours this year.

▼ Total Hours of Employee Education and Training in 2023 (Units: Hours)

	Senior Management Positions	Mid-level Management Position	Junior Management Positions	Technician	Other Employees	Total Training Hours
Female	74.3	167.9	637.6	1,189.2	2,077.4	4,146.4
Male	140.9	352.3	946.4	2,728.5	814.2	4,982.3
Total Hours	215.2	520.2	1,584.0	3,917.7	2,891.6	9,128.7

\* Please refer to Chapter 5.3.1 "Workforce Composition in the Past 3 Years" for job definitions (P.133).

▼ Average Hours of Training Per Employee in 2023 (Units: Hours)

	Senior Management Positions	Mid-level Management Position	Junior Management Positions	Technician	Other Employees	Average Training Hours
Female	37.2	24.0	20.6	15.2	17.2	17.3
Male	23.5	22.0	21.0	16.9	16.0	17.9
Average Hours	26.9	22.6	20.8	16.4	16.8	17.6

\* The average number of hours is based on the total number of training hours in 2023.

\* Please refer to Chapter 5.3.1 "Workforce Composition in the Past 3 Years" for job definitions (P.133).

5.5.5 Compensation and Performance Appraisal GRI 404-3

D-Link conducts performance appraisals every year. The appraisal objects include all full-time employees who have passed the probation period. Performance is assessed based on employee work objectives (including organizational goals) and core functions, and is divided into non-management and management positions. Employees set annual performance goals at the beginning of each year, and perform the performance appraisals in the middle of the year and at the beginning of the following year, as a principle. The results of the performance appraisals are used as the reference basis for evaluation of employee promotion/salary increases, training and development plans, job transfers, bonus payments, performance improvement and succession plans. for the employees underperforming, the unit head will initiate a performance improvement plan and draft it together with the employees, to conduct a three-month performance improvement operation, and review and record the improvement regularly every month.

▼ Proportion of Employees Receiving Regular Performance Appraisals in 2023

	Senior Management Positions	Mid-level Management Position	Junior Management Positions	Technician	Other Employees	Total Training Hours
Female	2	7	31	71	109	220
Male	6	16	45	154	44	265
Total Hours	8	23	76	225	153	485
Percentage	100%	100%	100%	100%	100%	100%

\* Please refer to Chapter 5.3.1 "Workforce Composition in the Past 3 Years" for job definitions (P.133).

The 2023 annual performance appraisal process started in late December 2023. There are 18 new employees have not yet passed the probation assessment ,2 expats who were assessed by overseas subsidiaries, and 13 employees who have fixed-term contracts, a total of 33 people were not appraised; the rest have undergone the performance appraisals in 2023, and the appraisal rate is 100%.

D-Link adheres to the principles of internal balance and external fairness in its overall planning, and formulates remuneration policy based on the concepts of market competitiveness and internal fairness. The overall salary positioning refers to the third-party salary survey report information, and is based on the overall economic and business movement, governmental and legal regulations, as well as the Company's overall profit performance, unit performance and individual performance, are considered to make adjustments and changes, and a diverse remuneration system such as performance bonuses and employee remuneration payment are also adopted. 1% to 15% of the annual profit is also allocated in accordance with the Company's articles of incorporation. 5% of the Company's profits was provided as the employee remuneration for 2023 to allow employees to participate in business results. The average salary increase for the entire Company in 2023 is 4.17%, with some employees receiving more than 18%.



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# 5.6 Workplace Health and Safety

To create a safe work environment and protect the safety and health of employees and suppliers, D-Link is committed to establishing an effective occupational health and safety management system based on the occupational health and safety policy. The Company will continue to implement and track improvements. Appropriate occupational safety and health regulations are implemented to ensure the health and safety of colleagues in controllable workplaces.

- 5.6.1 Occupational Safety and Health Management System
- 5.6.2 Labor Health and Safety Organization, Education and Training, and Work Environment Monitoring
- 5.6.3 Healthy Workplace





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5.6.1 Occupational Safety and Health Management System

To improve the health and safety of workers, D-Link, based on occupational safety and health regulations and in line with government regulatory requirements, introduced and passed the certification of OHSAS 18001: 2007 occupational safety and health management system in 2012, and in conjunction with the version updating, further introduced the certification of ISO 45001: 2018 occupational safety and health management system in January 2019, and successfully passed the triennial renewal certification in January 2022. In addition to ensuring the effectiveness of maintaining the occupational safety and health management system, D-Link also demonstrated that the system has been continuously improved. D-Link passed the external audit of the ISO 45001:2018 Occupational Health and Safety Management System in 2023 and obtained the certificate again, with no deficiencies and completing two improvement opportunities.

D-Link adopts the PDCA process to continuously operate the occupational safety and health management system. According to the Control Procedure for Safety and Health Planning, D-Link conducts risk assessment and hazard identification for all departments within the Company once a year, and sets up a hazard identification team consisting of representatives of all departments. All department representatives have received education and training on hazard identification and risk assessment. After identification and assessment, improvement objectives were planned for unacceptable risks and improvement plans and measures were implemented; the Company also conducts an internal audit and an external audit respectively once a year.

Those assessed in the risk assessment and hazard identification table as high risk-level or above will be listed as priority improvement items, and will be taken as an important basis for formulating occupational safety and health objectives and plans. When deciding on control measures or considering changing existing control measures, consideration should be made in the order of elimination, substitution, engineering control, sign warning and/or administrative control, and personal protective equipment to reduce risks.



▲ Occupational Health and Safety Management System (ISO 45001: 2018) Certification.

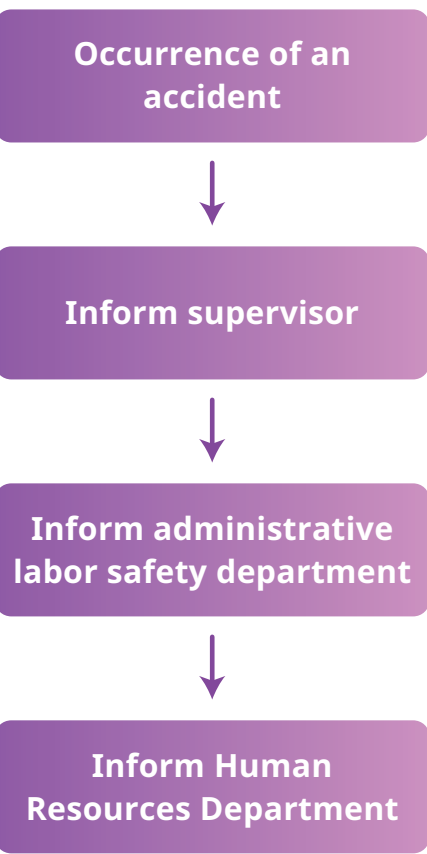
Accident Notification and Investigation Process

D-Link has developed a "Safety and Health Supervision and Measurement Management Procedure", and based on such, workers can immediately report to the supervisor in case of work-related accidents or false alarms. All workers have the right to stop the work or take relevant emergency measures to evacuate the workplace in case of any emergency situation that directly endangers personal safety (such as fire and earthquake) during the execution of relevant operations. The Company shall not dismiss, transfer, or refuse to pay wages during the suspension of operations, or impose any other unfavorable sanctions on workers due to their aforementioned behaviors.

In case of any accident with casualty, the emergency reporting hotline should be immediately called for medical treatment, the authorities should be notified in accordance with relevant occupational safety laws and regulations, and relevant occupational disaster notification and investigation analysis forms should be filled out. The notification process is shown in the following flow chart.

▼ Occupational Disaster and Accident Reporting and Investigation Process (Including Commuting Disasters)

Reporting Process



Division of Powers and Responsibilities

- The Person Involved**  
Notification by the person or persons involved.
- The Department Head**  
To preliminarily understand the current situation of the involved parties, control the scene as appropriate, and assist in reporting to relevant units, such as the Administrative and Labor Safety Department and the Human Resources Department.
- Administrative and Labor Safety Department**  
The occupational safety personnel conduct the accident investigations with the occupational disaster accident investigation report forms and other relevant information provided by the involved parties, as well as the follow-up processing, cause analysis and review and improvement. Labor health service personnel provide employee care, health education, on-site services, reinstatement assessment and other related measures based on the willingness and injuries/illness of the involved parties.
- Human Resources Department**  
Assist in applying for official injury leave and applying for labor insurance, group insurance, etc. (medical benefits, injury and illness benefits, disability benefits or death benefits) and related matters.



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▼ Achievement of Occupational Safety and Health Goals Plan for 2023

Goals	Plan Name	Contents	Progress
Occupational disaster prevention	Occupational disaster prevention	Occupational disaster incidents (excluding commuting disasters), less than two incidents per year	Completed
Practical drills for emergency response and evacuation	Fire drill	For the emergency response and fire drill, employee participation rate reaches over 80%	Completed
Establish the concept of independent health for employees	Health lecture events	Conduct one health lecture or safety promotion event every quarter	Completed
Establish the employees' independent preventive health care	Provide influenza vaccination at the corporate facilities	Influenza vaccination and other events at corporate facilities were conducted by the end of December 2023	Completed
Perfect the healthy workplace	Health Promotion Badge	Obtain the Health Promotion Badge and apply for excellent workplace certification	Completed

▼ Summary of Hazard Identification and Risk Assessment Results in 2023

Operation Number and Name		Hazard Identification and Consequences							Hazard Type	Description of the Scenarios that May Cause Hazards	Existing Protective Measures	Proportion of Hazard Risk Departments with Higher Risk Values	Risk Reduction Measures
Identification No.	Name of Operation	Object	Operation Status	Operation Region	Machinery/ Equipment/ Tools	Energy/ Chemicals	Operation Qualifications						
BS000000-004	Office	Employees	Routine	5F Office in Western Zone	-	-	None	02 Fall	Water stains on the ground, causing slipping and injury	Keep the ground dry	6%	Strengthen environmental cleaning and inspection by cleaning personnel	
D2000000-027	Livelihood	Employees	Routine	Restroom	Restroom Facilities	-	None	02 Fall	When washing hands at the sink, water splashed onto the floor and causing slippery conditions. Some employee slipped and fell while walking, causing injuries	Cleaning staff regularly patrols and cleans toilets	10%	Strengthen environmental cleaning and inspection by cleaning personnel	
D9000000-001	Office	Employees	Routine	Office	Computer	Electricity	None	17 Improper actions	Using a computer with improper sitting posture or lack of rest causes musculoskeletal soreness	Computer Work Safety Promotion/Prevention Plan for Ergonomic Hazards	13%	Risk and hazard prevention promotion	
D2000000-018	Office	Employees	Non-routine	Office	-	-	None	17 Improper actions	Musculoskeletal injuries caused by carrying heavy objects or improper lifting posture	A prevention plan for ergonomic hazards was promoted to enhance safety in the workplace	3%	Risk and hazard prevention promotion	
AU000000-002	Office	Employees	Routine	Office	Computer	Electricity	None	17 Improper actions	Using a computer for a long time or without rest causes eye fatigue and injury	Eye protection campaign promotion	13%	Risk and hazard prevention promotion	
A6040000-009	Office	Employees	Non-routine	Office	-	-	None	18 Others	Overtime and extended working hours affect the physical and mental health of personnel	Abnormal workload prompts disease prevention program	6%	It is recommended to participate in on-site services and adopt working hour limits or adaptive staffing if necessary	
AO000000-011	Office	Employees	Routine	Office	-	-	None	18 Others	Work stress results in the impact on the personnel's physical and mental health	Management promotion regarding work stress	6%	Risk and hazard prevention promotion	

\* D-Link conducted an inventory check and identified occupational safety and health-related risks based on the ISO 45001 occupational safety and health management system to identify risks and reduce the probability and severity of occurrence.



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5.6.2 Labor Health and Safety Organization, Education and Training, and Work Environment Monitoring

Employee Safety and Health Organization

At D-Link, the “Corporate Finance & Operation Center” is a level 1 management unit of labor safety and health organization. It is responsible for formulating, planning, promoting, and supervising matters related to health and safety management, and for directing the implementation by relevant departments. D-Link has established the “Occupational Health and Safety Committee”, which meets once every 3 months. It is responsible for providing suggestions related to the health and safety policies formulated by the Company and reviewing, coordinating, and suggesting health and safety-related matters. The committee consists of 9 members, and the Chief Financial Officer of the Corporate Finance & Operation Center acts as the Chairperson. The Deputy Director of Human Resources & Operation & Legal Affairs Division acts as the executive secretary. In addition, the supervisor and employees of the Administrative Labor Safety Department (4 members) and labor representative members (3 members) serve as the committee members to handle the matters related to Article 12 of the “Occupational Safety and Health Management Measures”.

In addition, D-Link has established the “Occupational Health and Safety Management and Review Committee”. The committee consists of 6 members and the Chief Financial Officer serves as the Chairperson. The Deputy Director of Human Resources & Operation & Legal Affairs Division serves as the Deputy Chairperson and the supervisor and employees of the Administrative Labor Safety Department (4 members) and labor representative members (3 members) serve as the committee members. A management review meeting is convened at the end of each year to discuss and vote on various occupational safety issues. Extraordinary meetings are convened when necessary.

Safety and Health Education and Training

To enhance the health and safety awareness needed for employees in the workplace, D-Link conducts employee orientation and on-the-job education and training. In 2023, a total of 61 employees who have served in the Company for over 3 years and 106 new employees participated in and completed the training.

D-Link has appointed three occupational safety and health-related personnel in accordance with Article 3 of the Occupational Safety and Health Management Measures, and has regularly completed the back-training in accordance with Article 18 of the Occupational Safety and Health Education and Training Rules.



2023 No contractor-related work injuries and safety accidents.

▼ Regulations on the Return Training of Personnel Related to Occupational Safety and Health

Personnel Related to Occupational Safety and Health	Retraining Regulations*
Class A Business Supervisor	At least 6 hours every two years
Class A Occupational Safety Manager	At least 12 hours every two years
Class B Occupational Safety and Health Management Personnel	

\* According to Article 18 of the Occupational Safety and Health Education and Training Rules.

Labor Work Environment Monitoring

D-Link is dedicated to creating a comfortable and safe work environment for employees. It regularly conducts carbon dioxide, illumination and noise monitoring in the operating environment every 6 months according to the laws and regulations. In terms of water quality, it changes the filter elements of water dispensers and tests the water quality every quarter and cleans the water tower and detects its water quality every 6 months. The detection results conform to the criteria. Furthermore, D-Link promotes and requires employees to use personal protection equipment during dangerous operations, in order to prevent employee exposure to hazards in the workplace. It also complies with the related regulations of the “Implementation Measures for Labor Operating Environment Monitoring”.

Contractor Security Management

D-Link has developed a "Contractor Control Procedure". Relevant contractors must be informed of "workplace hazards", "Contractor Safety and Health Management Instructions", and sign the "Contractor Environmental Safety and Health Statement" before entering the site. The entry application must be completed before the engineering operation, and work can only be carried out after approval.

Emergency Response

D-Link has established a fire prevention manager according to fire regulations. Aside from preparing fire inspection reports every year, firefighting equipment maintenance is conducted regularly every quarter and fire drills are conducted every 6 months. Other emergency responses should prepare for different scenarios, such as earthquakes and epidemic prevention, etc. Response handling shall be conducted according to “Emergency Response Management Procedures” of ISO 45001. For example, when fires occur, the emergency response shall be handled according to the “Fire Prevention Plan”. When an earthquake occurs, it shall be handled according to the “Earthquake Response Measures”. When an epidemic occurs, it shall be handled according to the “Epidemic Prevention Response Measures”.

Emergency response drills or training shall be regularly conducted. If the frequency is stipulated by the law, the drills or training shall be conducted accordingly and the rest shall be conducted once a year, in order to minimize the employee and company asset losses and social and environmental impacts caused by disasters.

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Occupational Safety and Health Management Results in the Past 3 Years

▼ ISO 45001 Occupational Safety and Health Management System Structure

		Number of People Included in the Management System		Total Number of People in the Organization		Proportion	
		Employees <sup>1</sup>	Non-employees <sup>2</sup>	Employees	Non-employees	Employees	Non-employees
2021	Unaudited	0	0	0	0	-	-
	Audited by Internal Audit Procedures	555	0	555	0	100%	-
	Audited or Certified by External Organizations	555	14	555	14	100%	100%
2022	Unaudited	0	0	0	0	-	-
	Audited by Internal Audit Procedures	515	0	515	0	100%	-
	Audited or Certified by External Organizations	515	14	515	14	100%	100%
2023	Unaudited	0	0	0	0	-	-
	Audited by Internal Audit Procedures	518	0	518	0	100%	-
	Audited or Certified by External Organizations	518	14	518	14	100%	100%

<sup>1</sup> Employee: full-time employee.  
<sup>2</sup> Non-employee: interns, suppliers, contractors, etc.

▼ The Disabling Injury Frequency Rate (FR) and Disabling Injury Severity Rate (SR) for Employees in the Past 3 Years

	2021	2022	2023
Days lost	0	0	0
Disabling Injury Frequency Rate (FR) <sup>1</sup>	0	0	0
Disabling Injury Severity Rate (SR) <sup>2</sup>	0	0	0

<sup>1</sup> The Disabling Frequency Rate (FR) is the number of disabling injuries that occur every million work hours. Calculation formula: Number of people who sustained disabling injuries x 1,000,000 ÷ total work hours.  
<sup>2</sup> The Disabling Severity Rate (SR) is the number of days lost due to disabling injuries per million work hours.Calculation formula: Days lost due to disabling injuries x 1,000,000 ÷ total work hours (not including traffic accidents during commutes).

▼ Occupational Injury Statistics of Employees and Non-employees in the Past 3 Years

		Total Work Hours Experienced	Cases of Occupational Hazards <sup>1</sup>			Occupational Hazards Rate		
			Num-ber of Deaths	Number of Serious Occupa-tional Injuries <sup>2</sup>	Number of Record-able Occu-pational Injuries	Death Rate <sup>3</sup>	Percentage of Serious Occupational Injuries <sup>4</sup>	Percentage of Recordable Occupational Injuries <sup>5</sup>
2021	Employees	1,304,480	0	0	0	0	0	0
	Non-employees	31,738	0	0	0	0	0	0
2022	Employees	1,001,360	0	0	0	0	0	0
	Non-employees	29,908	0	0	0	0	0	0
2023	Employees	1,002,576	0	0	0	0	0	0
	Non-employees	25,812	0	0	0	0	0	0

<sup>1</sup> Occupational injury: injuries caused by workers performing their duties or occurring in the workplace, and “commuting disasters to and from work” are not included in the statistics.  
<sup>2</sup> Serious occupational injury: disability or inability to recover to a healthy state before the injury within 6 months caused by occupational injuries (excluding death).  
<sup>3</sup> Death rate=number of deaths caused by occupational injuries × 1,000,000 ÷ total working hours experienced  
<sup>4</sup> Serious occupational injury rate=number of serious occupational injuries × 1,000,000 ÷ total working hours experienced  
<sup>5</sup> Recordable occupational injury rate=recordable number of occupational injuries (including severe occupational injuries, deaths, and other recordable occupational injuries) × 1,000,000 ÷ total working hours experienced



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5.6.3 Healthy Workplace

To fully care for colleagues' physical and mental health, D-Link established the "Health Promotion Declaration" in 2023, committing to five fundamental principles, and through the following eight major initiatives, the Company aim to create the best healthy workplace:

1. Four Major Plans for Labor Health Protection



1-1 Maternal Health Protection Plan for the Workplace

In order to optimize workplace maternal health protection, D-Link continues to promote workplace maternal health protection plans to ensure the physical and mental health of female employees during childbearing age, pregnancy, postpartum, and breastfeeding period.

1. Conduct hazard risk assessments of the working environment and workload.
2. Arrange physicians with occupational medicine expertise to provide on-site services.
3. Maintain and improve the comfort and safety of the breastfeeding room.
  - Set up the emergency rescue facilities to improve the safety of lactation rooms.
  - Add wheelchairs to improve the barrier-free breastfeeding environment.
  - Establish an incentive system for early detection and health education, and provide a mother-friendly supportive environment.
4. Care for the physical, mental, and spiritual changes of employees during pregnancy and one year after delivery, and conduct regular activities:
  - Hazard assessment and control.
  - Health education and guidance.
  - Risk classification management.
  - Work adaptability arrangements and other related measures.



1-2 Prevention Plan for Illegal Infringement During the Performance of Duties

D-Link is "zero-tolerant" towards violence, harassment and other illegal violations, and the Human Resources Department has established multiple employee reporting channels to protect employees' right to file the complaint; procedures for handling illegal infringement events have been formulated and emergency response drills were conducted to reduce the incidence rate. In addition, when illegal violation occurs, full-time dedicated personnel in labor health services will conduct physical and mental health follow-up counseling and rights protection, and assist the employee in referring to professional assistance such as occupational medical doctors and medical units when necessary.



1-3 Prevention Plan for Illness Caused by Abnormal Workloads

Operation type in D-Link belongs to regular day-shift operation, with no shift or night work. The Company regularly tracks high-risk employees, and integrates the results of physical examination of employees to assess overwork hazards, arrange dedicated personnel in labor health services for interviews and health guidance, adjust or shorten working hours and change work content, conduct health examinations, management and promotion, evaluate the effectiveness and make improvement of the above, or adopt other safety and health-related measures.



1-4 Prevention Plan for Ergonomic Hazards

Most of D-Link's tasks are computer-based work, which leads to shoulder and neck pain or carpal tunnel syndrome on the strong hand. Therefore, an ergonomic hazard prevention plan has been developed, and methods for preventing musculoskeletal injuries are promoted through internal announcement systems and health lectures. The Company provides employees with adjustable seats and computer screens free of charge, and based on the musculoskeletal symptom questionnaire, identifies high-risk individuals, understands the causes of musculoskeletal hazards, identifies existing and potential risks in workstations or conduct job hazard analysis. Depending on the situation, full-time dedicated personnel in labor health services will assist in adjusting the height or position of computers, seats, telephones, etc., in the work area at the employee's seat to reduce the probability of ergonomic hazards.

- Support the establishment of healthy workplace policies and plans
- Create a healthy and supportive workplace environment
- Strengthen healthy interactions between the workplace, employees' families and communities
- Develop the employees' health skills
- Repositioning the health services



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2. Special On-site Services Providing Medical Assistance



Hire physicians from the Occupational Medicine Department of the Chinese Association of Occupational Medicine as physicians for the special on-site service, to provide on-site services once every two months (six times/year), for health consultation and workplace visits; and hire other staff of labor health services when necessary depending on the needs of BUs, to provide relevant on-site services and medical assistance.



Sam Chen, D-Linker

Health or environmental tips posted by the Company in the restrooms and tea rooms make it easy for people to get the key points!

3. Set Up Full-time Labor Health Service Personnel



The Company currently has one full-time labor health service staff to perform labor health services, plan health examinations and health promotion activities.

4. Emergency Rescue



To ensure that all personnels receive necessary emergency assistance within the golden rescue period of an emergency, D-Link has 2 automatic extracorporeal cardiac defibrillators (AEDs) equipped in the headquarters building. Cardiopulmonary resuscitation and AED operation teaching courses are included in employee education and training. At the same time, the ratio of emergency personnel to labor is higher than legal regulations, with a total of 16 emergency personnel to maintain the quality of emergency rescue. In addition, the Company also holds irregular additional "Simplified First Aid Skills Training", to deepen employees' impression of the first aid process and improve the quality of emergency rescue through repeated operations and exercises.

5. Diversified Promotion Methods



Promote work hour standards, knowledge on prevention of workplace fatigue-related diseases, and health management strategies to employees through videos, activities, lectures, articles, and posters.



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6. Establishment of a Health-Related Promotion Club



The Company has many health promoting clubs, such as a Health Promotion Club, Yoga Club, Aerobics Club, Fitness Club, among other clubs, and holds dynamic and static health promotion lectures from time to time. In 2023, the Health Promotion Club held five health promotion lectures, with 183 participants.

D-Link actively cooperates with health authorities to promote various health promotion activities and independently handles diversified health promotion activities. In 2020, it was awarded the "Health preliminary Badge" by the National Health Administration of the Ministry of Health and Welfare, and was awarded the "Health accreditation Badge" again in 2023, and “Good Breastfeeding Room Certification Mark-High Distinction Award” , due to its continuous commitment to promoting health awareness among employees, their family members, and the community. The Company hopes to drive the industry and community to jointly build the best healthy workplace in the future.

7. Provide the Employees with Physical and Health Examinations Above and Beyond Regulatory Requirements



7-1 Employee Physical and Health Examination

For employees who pass the probation, the Company subsidizes the physical examination fee. Employees who have been employed for one fully year are entitled to a free-of-charge health examination worth NT\$6,000 once every two years.



7-2 Vaccine Protection

In 2023, self-funded and government-sponsored influenza vaccine, self-funded Hepatitis A and pneumococcal vaccine vaccination events were carried out. Those who received the vaccine at their own expense got subsidies for the partial expenses. 41 employees and two employees' relatives have completed the vaccination.

8. Diversified Club Activities



Cross-departmental communication is encouraged, a group of 10 or above is eligible to apply for the establishment of a club and receive subsidies, so that employees can cultivate interests in their spare time and achieve work-life balance. Currently, there are 14 static/dynamic clubs. In 2023, a total of 763 people joined the clubs and 425 events were held.



\* Health Workplace Certification - Health Preliminary Stamp, Health Accreditation Stamp, and Good Breastfeeding Room Certification.



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# 5.7 Benefits and Retirement System GRI 401-2

To create a better working environment, D-Link provides many additional benefits that are superior to those stipulated by laws and regulations. The Company also protects the quality of life for retired employees through a comprehensive retirement plan.

- 5.7.1 Employee Benefits
- 5.7.2 Retirement System





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5.7.1 Employee Benefits

D-Link provides many additional benefits that are superior to those stipulated by laws and regulations to create a better working environment and enhance workplace competitiveness. Through diversified and flexible welfare planning, the Company is also able to garner soft power while taking care of employees.



Ted Huang, D-Linker

D-Link is really a happy Company. Among the many benefits, the one I feel most impressed about is that vision-challenged masseurs are stationed at the Company to provide stress-relieving massage services. Sometimes, the shoulder and neck pain and discomfort caused by working all day can be relieved immediately after the massage. After the massage is relieved, I can return to work and continue working hard.

	<ul style="list-style-type: none"><li>• Flexible working hours</li></ul>		
Mental Health			
	<ul style="list-style-type: none"><li>• New employees have a 3-day advanced annual leave from the date of entering the Company (Except for contract personnel)</li><li>• Free health examination worth NT\$6,000 once every two years</li><li>• New employee health examination assistance</li><li>• Regular occupational medical visits</li><li>• Dedicated on-site nurse</li><li>• Regular health promotion seminars</li><li>• Travel insurance/sudden illness medical insurance</li><li>• Group insurance (including fixed-term life insurance, accident insurance, hospitalization medical insurance, cancer medical insurance, major illness insurance, occupational disaster insurance, etc.)</li><li>• Subsidy for hospitalization medical insurance and cancer</li></ul>	<ul style="list-style-type: none"><li>• medical insurance for dependents of employees</li><li>• Five days of sick leave with full pay per year (including menstruation leave/excluding hourly employees)</li><li>• Three days of family care leave with full pay per year (excluding hourly employees)</li><li>• Those with a miscarriage after two or more months of pregnancy but less than three months should be prevented from work and given one week of paid maternity leave</li><li>• Friendly Childcare Measures - Partner Preschools</li><li>• Employee care during pregnancy and within 1 year after delivery</li><li>• Exemption from Saturday make-up days in 2023 and 2024</li><li>• Remote work application</li><li>• Professional massage for stress relief</li></ul>	<ul style="list-style-type: none"><li>• Free gym, basketball court, table tennis table, dance classroom, and shower space</li><li>• Breastfeeding room, and medical room</li><li>• Employee restaurant and employee lounge</li><li>• Reading area for books, newspapers, and magazines</li><li>• Labor insurance</li><li>• National health insurance</li><li>• Various types of leave (including personal leave, sick leave, maternity leave, antenatal care leave, antenatal care accompanying leave and paternity leave, menstruation leave, family care leave, marriage leave, funeral leave, work injury leave, annual leave, etc.)</li></ul>
	<ul style="list-style-type: none"><li>• Festival cash gift (Mid-Autumn Festival/Dragon Boat Festival/Spring Festival)</li><li>• Performance incentives</li><li>• Employees dividends (It is the employee remuneration)</li><li>• Department dining subsidy</li><li>• Subsidy for group meals in employee restaurants</li><li>• Subsidy for club funds</li></ul>	<ul style="list-style-type: none"><li>• Subsidy for external training</li><li>• Employee travel subsidy</li><li>• Gift certificates, birthday cash gift and other gifts</li><li>• Overtime meal allowance</li><li>• Marriage, funeral, childbirth, hospitalization, and emergency assistance</li><li>• Outstanding talent recommendation bonus (excluding</li></ul>	<ul style="list-style-type: none"><li>• specific supervisors and recruitment-related units)</li><li>• Coffee bar birthday gift cup</li><li>• Employee discounts for group-affiliated enterprises</li><li>• Employee purchase (welfare goods) discount</li><li>• Discounts offered by collaborative stores</li><li>• Free vehicle parking spaces and discounted vehicle parking plan</li><li>• Labor pensions</li></ul>
Physiological Health			
Financial Health			

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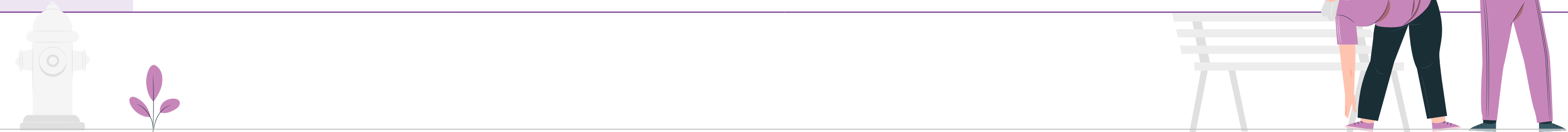
5.7.2 Retirement System

In accordance with the "Labor Standards Act of the Republic of China", D-Link welfare plan provides retirement reserves at a rate of 2% of the actual salary approved by the competent authority, which is deposited in a special account of the Bank of Taiwan. At the end of 2023, the defined benefits assets totaled NT\$41,107 thousand. The fixed allocation plan is based on the provisions of the labor pension regulations, and the contribution rate of 6% of the

employee's monthly salary is allocated to the labor pension personal account of the Bureau of Labor Insurance. Foreign subsidiaries allocate pensions in accordance with relevant local laws and regulations. The Company's recognized worldwide pension expenses (including overseas subsidiaries) in 2023 were NT\$139,194 thousand.

▼ D-Link Pension Allocation Plan and Preparation Status

	Capital Value of the Retirement Plan	2023 Pension Preparation Status	Allocation as a Percentage of Salary	Degree of Participation in the Program
Benefits Plan	At the end of 2023, the Group had the defined benefits obligations totaled NT\$76,168 thousand.	The Group's Bank of Taiwan labor pension reserve account balance amounted to NT\$117,275 thousand, and pension benefits of NT\$329 thousand was recognized in 2023. The amount of NT\$41,107 thousand exceeding the defined benefit obligation has been transferred to the defined benefit assets.	In accordance with the provisions of the "Labor Standards Act of the Republic of China", the domestic entities of the Group must contribute 2% of the actual salary paid to the pension reserve fund based on the contribution rate reported to and approved by the competent authority, and deposit such in a dedicated account in the Bank of Taiwan. The overseas companies of the Group must contribute the pension funds in accordance with local laws and regulations.	Domestic companies of the Group must comply with the "Labor Standards Act of the Republic of China", while overseas companies must contribute to pensions in accordance with relevant local laws and regulations.
Contribution Plan	The Company's recognized worldwide pension expenses (including overseas subsidiaries) in 2023 were NT\$139,194 thousand.		The defined contribution plan of the domestic companies of the Group is in accordance with the provisions of the "Labor Pension Act", and the contribution rate is 6% of the employee's monthly salary, which is contributed to the individual labor pension account of the Labor Insurance Bureau. Overseas subsidiaries contribute the pension funds in accordance with relevant local laws and regulations.	



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# 5.8 Social Engagement

GRI Self-defined topics

- 5.8.1 Charity Participation
- 5.8.2 Industry Development Promotion





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5.8.1 Charity Participation

D-Link markets networking products to the world and is the most popular in the global consumer networking equipment market. In addition to providing excellent products and services, D-Link established the core spirit, "localized charity activities", through the Care Club, the Outing Club and the ESG Office. D-Link is actively organizing and responding to various social engagement activities. The Company hopes to connect the love and good deeds with social needs through its involvement in technology.

Starting from 2022, we have integrated the Company's internal public welfare resources, plan the social engagement projects that are highly relevant to functions and industries (such as organizing Internet and information security education activities for disadvantaged groups and social welfare institutions, Charitable Network Checkup, etc.), and design the public welfare activities better themed and regular (such as monthly D-Link Everlasting Donations, public welfare points collection, public welfare points exchange for art exhibition/performances tickets, etc.) to increase participant’ s stickiness and expand the influence.

In 2023, D-Link prioritized the Greater Taipei area, collaborated with 32 charity partners, and invested 2 times more resources than the previous year, over \$5 million, to implement 30 social engagement projects/activities, benefiting a total of 9,351 people, including social welfare organizations, children in remote areas, social enterprises, sports teams, people with physical and mental disabilities, disadvantaged groups...etc.

▼ Charity Investment Forms for the Past 2 Years

Forms of Investment	2022		2023	
	Invested Amount	Percentage	Invested Amount	Percentage
Charitable Donations	2,274,123	96.40%	231,697	4.31%
Community Investment	58,634	2.48%	2,352,412	43.72%
Commercial Initiatives	26,400	1.12%	2,796,677	51.98%
Total	2,359,157	100%	5,380,786	100%



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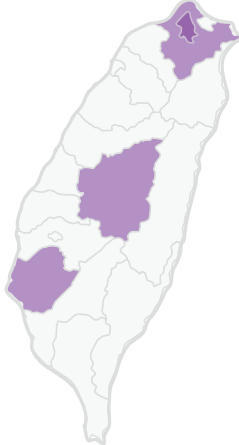
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D-Link Everlasting Donations Charitable Donations



Inputs					
Why	Through material collection and donation, we provide support from time to time to disadvantaged groups and solve problems such as resource inequality and environmental impacts caused by the misplacement and waste of available materials.			How	In the Company, every month, the event “D-Link Everlasting Donations” is held to collect second-hand material. Ten major themes are designed, and colleagues are invited to support the event. The collected materials are matched through the social welfare platform and distributed to small-scale social welfare organizations or disadvantaged groups in need.
Resources	<div><div>NT<b>231,697</b> Value of invested resources</div></div> <div><div><b>127</b> volunteers</div></div> <div><div><b>101</b> hours of service</div></div>			Whom & Where	<div><ul style="list-style-type: none"><li>• Taipei City (8)</li><li>• New Taipei City (2)</li><li>• Tainan City (1)</li><li>• Nantou County (1)</li></ul></div> <div><ul style="list-style-type: none"><li>• Eden Social Welfare Foundation</li><li>• SPBOOK Bookstore</li><li>• Nantou County Basket Cultivation and Care Association</li><li>• Taiwan Toy Library Association</li><li>• Step30 International Ministries</li><li>• Jen Ji Shiang Social Service Institute Taipei City</li><li>• Happy Store of Chinese Visually Impaired Anyang Welfare Association</li></ul></div> <div><ul style="list-style-type: none"><li>• Kuang Jen Sustainable Fashion Store of Catholic Kuang Jen Social Welfare Foundation</li><li>• Dreamers Non-profit Organization</li><li>• Association for Sports and Leisure Service for the Disabled</li><li>• Eden Social Welfare Foundation Intervention Center For Children And Family</li><li>• TSG Imperial Eagle Social Welfare Charity Foundation</li></ul></div>

Outputs		Impacts	
Community Benefits	<ul style="list-style-type: none"><li>• Provide support to 12 social welfare institutions.</li><li>• Organized 12 material collection events.</li><li>• 6,634 items donated.</li><li>• Donated NT\$74,200 charged for massage by the visually impaired to social welfare organizations.</li><li>• 8,381 people were benefited.</li></ul>	External Impacts	<ul style="list-style-type: none"><li>• More than 60,000c.c. of blood was replenished for the blood bank throughout the year to alleviate the blood shortage.</li><li>• Reduce the digital gap for disadvantaged people through second-hand laptop donations.</li><li>• Improve the quality of education in rural villages through donations of books and educational toys.</li><li>• Recycle usable materials to reduce the impact on the environment.</li><li>• Help cultivate independence for the mentally and physically challenged and reduce the burden on society.</li></ul>
Benefits to D-Link	<ul style="list-style-type: none"><li>• 551 people participated.</li><li>• The brand visibility and popularity continue to increase.</li><li>• Improve external ESG assessment scores.</li><li>• The Company actively has participated in blood donation events for eight consecutive years, and received awards and commendations from Taipei City Mayor Chiang Wan-An.</li><li>• Won the TCSA “Top 100 Sustainability Model Enterprises of Taiwan”.</li><li>• The affiliates under the Group support such proactively to enhance consensus and loyalty.</li></ul>	Internal Impacts	<ul style="list-style-type: none"><li>• Through the themed material collection planned and donation activities, all employees are encouraged to cherish items and develop the habit of doing charity whenever and wherever.</li><li>• Gather the consensus among the employees and improve employee satisfaction.</li><li>• Improve the quality of life of the disadvantaged in society and create diverse positive impacts.</li><li>• Obtain recognition from stakeholders.</li><li>• Shape the Company's unique culture and continue to demonstrate the Company's positive influence.</li></ul>





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Internet and Information Security Education / Charitable Network Checkup Commercial Initiatives

Inputs					
Why	With the functions of the networking equipment industry, we help improve the network knowledge and information security protection awareness of disadvantaged students and close the digital gap.		How	<ul style="list-style-type: none"><li>• Engineers are dispatched to social welfare institutions every quarter, to conduct charitable network checkup and donate network equipment to improve the quality of the network connectivity.</li><li>• Go deep into small-scale social welfare organizations and organize “Classroom of Internet and Information Security” for school children.</li><li>• The “D-Link, The Link Summer Charity Camp” was held during the summer vacation, covering Internet and information security education and ESG education.</li></ul>	
Resources	 <b>NT 159,886</b> Value of invested resources		 <b>72</b> volunteers	 <b>107</b> hours of service	<div>Whom &amp; Where</div> <div><ul style="list-style-type: none"><li>• New Taipei (5)</li></ul><ul style="list-style-type: none"><li>• Joy in Family Community Care Association New Taipei City</li><li>• Joy Caring Association New Taipei City</li><li>• Chinese Christian 521 Fuyuan Holistic Care Association</li><li>• Association for the Promotion of Autism Adaptation to Sports and Leisure in the Republic of China</li><li>• Firesticks Social Welfare Association</li></ul></div>
Outputs					
Community Benefits	<ul style="list-style-type: none"><li>• Conducted charitable network checkup for three social welfare organizations and donated two sets of equipment.</li><li>• Organized the Classroom of Internet and Information Security for two sessions and two summer charity camps for disadvantaged students.</li><li>• 170 people were benefited.</li></ul>				
Benefits to D-Link	<ul style="list-style-type: none"><li>• 176 people participated.</li><li>• Expand brand visibility.</li><li>• Strengthen the brand favorability.</li><li>• Improve external ESG assessment scores.</li><li>• Won the TCSA “Top 100 Sustainability Model Enterprises of Taiwan”.</li></ul>				
Impacts					
External Impacts	<ul style="list-style-type: none"><li>• Improve the networking connectivity and efficiency of social welfare agencies.</li><li>• Provide extracurricular education and companionship to disadvantaged students.</li><li>• Optimize the quality of education for disadvantaged students.</li><li>• Through lessons of online behavior and information security promotion, we foster the concepts regarding correct use of the Internet and self-protection in the mind of students, to avoid infringement of their rights and interests.</li><li>• Take root in sustainable education, cultivate students to become ESG seeds, and bring concepts such as environmental friendliness, low-carbon diet, SDGs education... to families and communities through students.</li></ul>				
Internal Impacts	<ul style="list-style-type: none"><li>• Facilitate employees to actively participate in social welfare activities.</li><li>• Demonstrate the Company's commitment to education, social responsibility and SDGs.</li><li>• Foster consensus among employees.</li><li>• Shape the corporate culture.</li><li>• Improve the sense of identity of stakeholders.</li></ul>				
					



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Environmental Education Community Investment

Inputs							
Why	Through curriculum and activity design, enable stakeholders to understand the local ecological environment, and actually engage in environmental protection actions to enhance their environmental awareness.		How	<ul style="list-style-type: none"><li>• Organize environmental traveling and reading education activities in the Dagouxi Riverside Park.</li><li>• Organize the “Beach Cleanup Event - Pick up Plastics, Reduce Plastics” beach cleanup event.</li><li>• Provide food and agricultural education to schoolchildren.</li><li>• Work with charity partners to launch environmentally friendly handicraft courses.</li></ul>		What We Care	<ul style="list-style-type: none"><li>• Environment</li><li>• Health</li><li>• Education</li></ul>
Resources	<div> <b>NT 57,472</b> Value of invested resources</div> <div> <b>28</b> volunteers</div> <div> <b>30</b> hours of service</div>			Whom & Where	<div><ul style="list-style-type: none"><li>• Taipei City (3)</li><li>• New Taipei City (2)</li><li>• Taoyuan City (1)</li></ul></div> <div><ul style="list-style-type: none"><li>• Kallos Development Co., Ltd.</li><li>• Wishlite</li><li>• Teacher Yu Shiyi</li><li>• Joy Caring Association New Taipei City</li><li>• Chinese Christian 521 Fuyuan Holistic Care Association</li><li>• Care Club, Outing Club, Children Care Club, Talent Club</li></ul></div>		


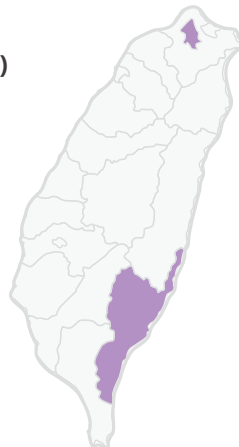

Outputs		Impacts	
Community Benefits	<ul style="list-style-type: none"><li>• Combine the local resources, and invite professional environmental education lecturers to hold an environmental education and travel event.</li><li>• The beach clean-up event was held for two consecutive years, inviting employees and their relatives and friends to participate.</li><li>• Invite green diet lecturers to conduct two food and agricultural education sessions for disadvantaged students.</li><li>• Partnered with a charity partner – WISHLITE, to organize three environmental handicraft courses for employees and school children.</li><li>• 141 people were benefited.</li></ul>	External Impacts	<ul style="list-style-type: none"><li>• Get to know the local ecological environment and water conservancy projects to enhance awareness of environment and ecological conservation.</li><li>• At the beach clean-up, 20 bags of marine debris were collected in just one hour, helping to restore the original appearance of the coast along the Linshanbi Trail in New Taipei City and protected the marine ecology.</li><li>• Through food and agricultural education, students learn about purchasing, cooking, and choosing products protecting biodiversity and the sustainable environment.</li><li>• Foster school children to become environmental friendly vanguards, and bring correct environmental concepts back to their families and communities.</li><li>• Through the environmental friendly handicraft lessons, waste is transformed into recyclable green resources being integrated into life, and the application value of renewable resources is enhanced.</li></ul>
Benefits to D-Link	<ul style="list-style-type: none"><li>• 167 people participated.</li><li>• Expand ESG aspects concerned and improve external ESG assessment scores.</li><li>• Shape a high-quality brand image.</li><li>• Obtained the “Health Promotion Badge” certification from the Ministry of Health and Welfare.</li><li>• Won the TCSA “Top 100 Sustainability Model Enterprises of Taiwan”.</li></ul>	Internal Impacts	<ul style="list-style-type: none"><li>• Shape the corporate culture.</li><li>• Demonstrate the Company’s commitment to the environment.</li><li>• Through the practical environmental education, employees shall face up to the ecological crisis.</li><li>• Strengthen employee loyalty.</li></ul>






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Promotion of Arts Commercial Initiatives

Inputs					
Why	Support the domestic cultural development and cultivate the artistic and cultural literacy of the employees and disadvantaged students.	How	A charity points collection mechanism is designed to launch the “D-Link Caring Passport,” for the employees to earn points by participating in charity activities. The points can be exchanged for tickets for local arts and cultural exhibitions and performances in Taiwan. The person with the highest accumulated points in the year will also receive awards and public recognition.		What We Care <ul style="list-style-type: none"><li>• Arts and Culture</li><li>• Education</li></ul>
Resources	 <div>NT 123,000</div> <div>Value of invested resources</div>		Whom & Where	<ul style="list-style-type: none"><li>• Taipei City (5)</li><li>• Taitung County (1)</li></ul>  <ul style="list-style-type: none"><li>• Taiwan Creative Content Agency</li><li>• Godot Theatre Company</li><li>• Telling Tent</li><li>• Comedians Workshop</li><li>• Diabolo Dance Theatre</li><li>• Kids’ Bookhouse</li></ul> 	


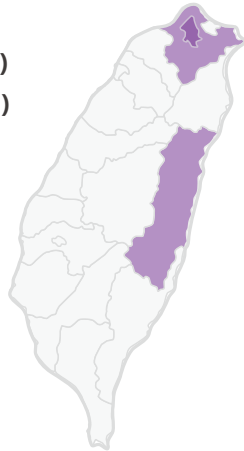

Outputs		Impacts	
Community Benefits	<ul style="list-style-type: none"><li>• Cooperated with the Taiwan Creative Content Agency to sponsor 14 performances by five local art and cultural exhibition and performance groups.</li><li>• Invited 22 people from social welfare organizations to enjoy the art performance.</li></ul>	External Impacts	<ul style="list-style-type: none"><li>• Resources are invested to support the development of domestic art and culture, assist diversified art groups and social welfare organizations in increasing their fame, and take practical actions to alleviate their operating difficulties.</li><li>• Close the cultural gap of disadvantaged groups.</li></ul>
Benefits to D-Link	<ul style="list-style-type: none"><li>• 95 people participated.</li><li>• Create a high-quality corporate image.</li><li>• Improve the brand favorability.</li><li>• Expand the targets for diverse social participation.</li><li>• Won the “2023 Happy Enterprise Gold Award” from 1111 Human Resources Bank.</li><li>• Won the TCSA “Top 100 Sustainability Model Enterprises of Taiwan”.</li></ul>	Internal Impacts	<ul style="list-style-type: none"><li>• Demonstrate the Company’s commitment to the development of culture and art.</li><li>• Integrate public welfare activities with art and cultural performances, to achieve multi-party connection of resources, promote the exchanges and integrations of internal and external resources, and create a win-win situation.</li><li>• Encourage employees to engage in the social welfare actively.</li><li>• Improve the employees’ arts and cultural literacy and promote sound physical and mental development.</li><li>• Improve the sense of identity of stakeholders.</li><li>• Shape the corporate culture and strengthen employee loyalty.</li></ul>



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Procurement of Public Welfare Products Community Investment

Inputs						
Why	Through the procurement of public welfare products, we support the domestic social welfare organizations with practical actions and help the disadvantaged to become self-reliant.	How	• Weekly Flower Subscriptions from NPO: starting from 2017, we subscribe to bouquets every week from Xinhua Flower Shop. • Pomelo Procurement for Public Welfare : Supported the “Love Pomelo 2023” project of Seed in Land Social Enterprise, by inviting employees to support eco-friendly agricultural products, and all profits were used in dinners for school children in rural areas.		What We Care	• Economic Development • Social Welfare • Environment
Resources	 <div>NT 70,200 Value of invested resources</div>		Whom & Where	<div>• Taipei City (1) • New Taipei City (1) • Hualien County (1)</div>  <div>• Xinhua Flower Shop • Seed in Land Social Enterprise • Hualien County Growth Holistic Care Association</div> 		

Outputs	
Community Benefits	• 260 charity bouquets were ordered. • 14 cartons and 56 boxes of organic pomelos, for totaling nearly 170 kilograms were ordered. • 760 people were benefited.
Benefits to D-Link	• 297 people participated. • Create a high-quality corporate image. • Strengthen the brand favorability. • Improve the employees' sense of identification with the Company. • Won the TCSA “Top 100 Sustainability Model Enterprises of Taiwan”.

Impacts	
External Impacts	• Support the social enterprises. • Assist workers with mental or physical disabilities in building self-confidence and developing self-reliance capabilities. • Help pomelo farmers focus on growing high-quality agricultural products using eco-friendly farming methods without any concern. • Promote the sustainable development of tribal industries and organic culture. • Provide meal subsidies to schoolchildren in rural villages. • Eliminate the inequality.
Internal Impacts	• Demonstrate the Company's commitment to social welfare. • Encourage employees to engage in the society actively. • Promote the green diet and help establish healthy eating habits. • Cultivate the employees' literacy regarding aesthetics in daily life. • Improve the sense of identity of stakeholders. • Gather consensus and establish a culture of inclusiveness and mutual goodness.



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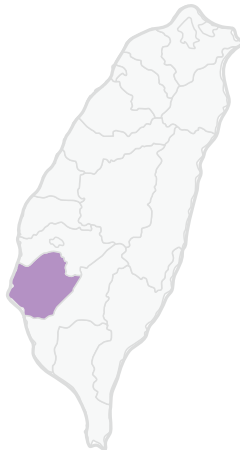

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Sponsorship to a Professional Sports Team Commercial Initiatives



Inputs					
Why	Through a professional sports team, we promote high-quality sports activities and create a healthy society.		How	Annual sponsorship of the Tainan TSG GhostHawks basketball team, for its regular home games and playoffs. The team helps to project the Company's high-quality brand image, and provides game viewing opportunities, to cultivates healthy and high-quality leisure and entertainment.	
Resources	<div><div>NT<b>2,513,791</b> Value of invested resources</div></div>		Whom & Where	• Tainan City (1)	
				<div><div>• Tainan TSG GhostHawks Basketball Team</div></div> <div></div>	
Outputs			Impacts		
Community Benefits	<ul style="list-style-type: none"><li>• Sponsored 15 home regular seasonal games.</li><li>• Sponsored three playoff games.</li><li>• Attracting 29,214 fans to view the game in-person.</li></ul>		External Impacts	<ul style="list-style-type: none"><li>• Cultivate healthy and high-quality leisure and entertainment for local people, promote the sports culture, enhance the health awareness, and then create a healthy society.</li><li>• Become a promoter of young people's sports, seeking to nurture more basketball players.</li></ul>	
Benefits to D-Link	<ul style="list-style-type: none"><li>• 325 people participated.</li><li>• Create a high-quality corporate image.</li><li>• Enhance brand visibility.</li><li>• Strengthen the brand favorability.</li><li>• Won the "Sports Enterprise" certification, from the Ministry of Education.</li></ul>		Internal Impacts	<ul style="list-style-type: none"><li>• Demonstrate the Company's attempts and actions in giving back to society, thereby attracting high-quality talents.</li><li>• Encourage the employees to actively participate in sports events,enhance the employees' health awareness, and promote physically and mentally healthy development.</li><li>• Gather employees' loyalty.</li><li>• Strengthen brand power and improve the sense of identity of employees and stakeholders.</li></ul>	





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D-Link Group Scholarship Community Investment

Inputs					
Why	In view of the frequent wars in some areas in the world, students who want to study may not be able to study with peace of mind due to the turmoil in the world. Based on the original intention of caring for humanity and cultivating talents, we hope to retain talents in Taiwan through scholarships.		How	Established the “D-Link Group Scholarship” in by cooperating with colleges, to provide ten full scholarships to foreign students in master’s degree programs, subsidizing their tuitions and miscellaneous fees, round-trip air tickets, living allowance and other expenses. Those with outstanding performance will have the opportunity to enter the Group's companies for internship and employment.	
Resources	<div><div>NT 2,224,740 Value of invested resources</div></div>		Whom & Where	<div><div>• Taipei City (1)</div><div>• National Taiwan University of Science and Technology</div></div>	
Outputs			Impacts		
Community Benefits	<div><ul style="list-style-type: none"><li>• Seven foreign students were benefited this year including:<ul style="list-style-type: none"><li>- One student from Ukraine</li><li>- Two students from India</li><li>- Four students from Indonesia</li></ul></li><li>• In the summer of 2023, two foreign students completed their summer internships at D-Link.</li></ul></div>		External Impacts	<div><ul style="list-style-type: none"><li>• Encourage foreign students to come to Taiwan to study with peace of mind.</li><li>• Cultivate outstanding industrial talents.</li><li>• Increase international visibility.</li></ul></div>	
Benefits to D-Link	<div><ul style="list-style-type: none"><li>• Enhance brand awareness.</li><li>• Strengthen the brand favorability.</li><li>• 394 media reports, worth approximately NT\$3.98 million (Note: 2022).</li></ul></div>		Internal Impacts	<div><ul style="list-style-type: none"><li>• Position the talents from all over the world in advance, to achieve the Company's sustainable development goals.</li><li>• Demonstrate the Company’s attempts and actions in giving back to society, thereby attracting high-quality talents.</li><li>• Strengthen brand power and improve the sense of identity of employees and stakeholders.</li></ul></div>	





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## 5.8.2 Industry Development Promotion

### Industry-University Cooperation

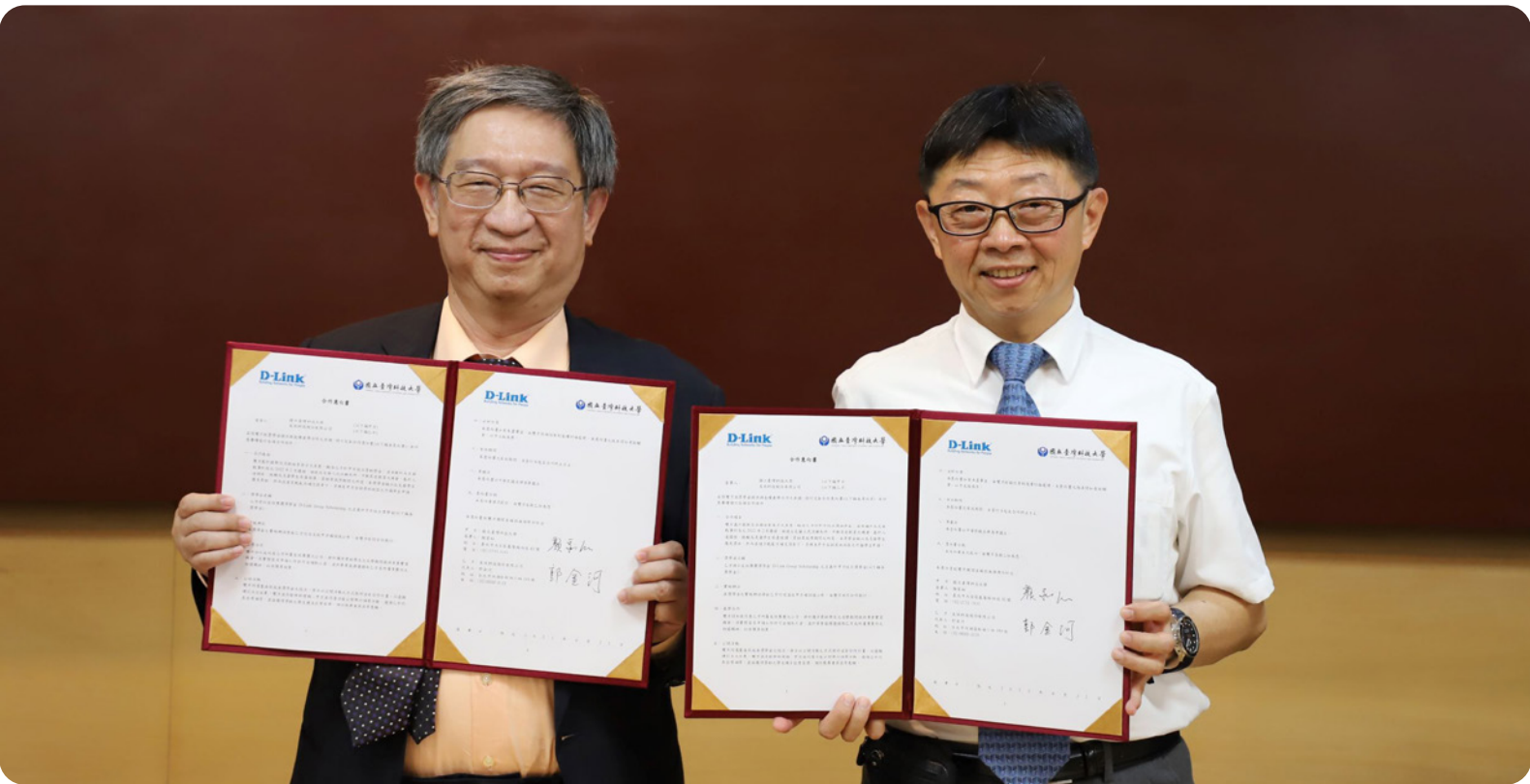
The sustainable management of an enterprise depends on long-term talent learning and development. To achieve this goal, D-Link is committed to promoting and implementing industry-university cooperation plans. Since 2011, D-Link has established a two-way and mutually beneficial industrial-academic cooperation model with the neighboring Takming University of Science and Technology. In this model, the internal units teach product technology to students, and students assist in testing and providing feedback on product development. Meanwhile, the Company has established a regular corporate internship program to provide graduates with prioritized employment opportunities.

As of the end of 2023, D-Link has cooperated with 12 colleges, including Tsinghua University, National Taiwan University of Science and Technology, Taipei University of Technology, Taipei University of Education, Taiwan Ocean University, Yuan Ze University, Tamkang University, Aletheia University, National United University, Shih Chien University and Takming University of Science and Technology. Through industrial-academic internships or work-study programs with colleges, D-Link has hired 18 interns and 10 students working part-time to connect them with the industry in advance, and arrange coaches for providing timely guidance, to shorten the gap between learning and application, and thus the cultivation of talents is facilitated. In 2023, 6 interns have been successfully converted into permanent employees.

In 2022, due to the conflict between Russia and Ukraine, many Ukrainian students were displaced, and their studies were interrupted. D-Link cooperated with National Taiwan University of Science and Technology to establish the "D-Link Group Scholarship", which provides a full scholarship for 10 foreign graduate students to compensate for their tuition and miscellaneous fees, round-trip air tickets, and living subsidies and encourages and supports Ukrainian and other foreign students to come to Taiwan to study in peace of mind. At the same time, scholarship winners with excellent performance also have the opportunity to enter D-Link or the Group's subordinated companies for internship and employment to advance the global talent distribution and achieve the goal of corporate sustainable development. At present, 7 students have been awarded the scholarship, including 4 Indonesians, 2 Indians, and 1 Ukrainian. During the summer of 2023, 2 international students completed their internships at D-Link.

### Networking Information Platform

D-Link transmits the latest networking information through its official website, Facebook, Instagram, Youtube and other social media, as well as press releases and other media. Taking the Taiwan branch as an example, D-Link releases the "Internet New Horizon Quarterly" and operates its own media, to maintain smooth communication channels with the public through diverse channels.



▲ D-Link has partnered with the National Taiwan University of Science and Technology (NTUST) to establish the "D-Link Group Scholarship".



▲ D-Link collaborates with 12 schools to implement industry-university cooperation internship or work-study programs.





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Data Recompilation and Correction GRI 2-4

Data Recompilation in 2023

- In response to regulatory requirements and benchmark disclosure trends, the measurement standard for greenhouse gas (GHG) emission intensity has been changed from per capita emissions to revenue intensity.

▼ Correction of D-Link’s 2022 Sustainability Report

Chapters of 2022 Report	Page	Original Content	Recompiled/Corrected Content
1.3 D-Link’s Sustainable Value	24	Human Capital: Contribution to welfare: approximately <b>NT\$12 million</b>	Human Capital: Contribution to welfare: approximately <b>NT\$6 million</b>
2.3 Transparency in Information Disclosure	47	Improving English information disclosure: Significant information is publicly announced in both Chinese and English simultaneously, and stakeholders are provided with instant access to information through the MOPS, investor website, and <b>corporate website</b> .	Improving English information disclosure: Significant information is publicly announced in both Chinese and English simultaneously, and stakeholders are provided with instant access to information through the MOPS and investor website.
3.3.3 Customer Service	73	(Title) Quality Policy	(Title) 1-3-7 Service Level Agreement
3.5.4 Actions, Planning, and Patents Related to Product Development and Technical Innovation	84	(The DevSecOps CI/CD Software Development Flow Chart was misplaced in the Hardware section)	(The DevSecOps CI/CD Software Development Flow Chart should be placed in the Software section on P.85)
3.6 Supply Chain Management	87	(Corresponding the SASB clause) SASB TC-HW-230a.1, TC-HW-230a.2, TC-HW-440a.1, TC-HW-000.B	(Corresponding the SASB clause) SASB TC-HW- <b>430a.1</b> , TC-HW- <b>430a.2</b> , TC-HW-440a.1, TC-HW-000.B
5.8.1 Charity Participation	144	Weekly Ordering of Flowers for Charity, resources invested: <b>NT\$30,910/378 beneficiaries</b>	Weekly Ordering of Flowers for Charity, resources invested: <b>NT\$3,700/37 beneficiaries</b>



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Management Approach for Material Topics

● Direct impact   ○ Indirect impact

Ranking	Material Issues	Aspect	GRI	Change of Ranking	Significance for D-Link	Impacts on Value Chain	Major Stakeholders	Short / Medium / Long-term Goals	Response Policies and Measures	Administrative Actions	Corresponding Chapter
1	Business Performance	G	201-1	▲	Pursuing business and financial performance and achieving profitability is the foundation of the Company's sound operation. The economic value generated from the Company's operations will directly affect shareholders' rights, investment scale, growth rate and social feedback.	○ Suppliers/ Business Partners ● D-Link/ Subsidiaries	Employees  Suppliers/ Business Partners  Investors/ Shareholders  Subsidiaries	<b>Short-term</b> <ul style="list-style-type: none"><li>• Work with high-quality ODMs to build a controllable supply chain system with close relationships.</li><li>• Reestablish D-Link's brand image and enhance brand value from three aspects: cost, scalable functions and performance, and corporate identity.</li><li>• By combining with various industries, D-Link provides the specifications and functions required by each industry and expands its market share to reduce competition from general specification products.</li></ul> <b>Medium-term / Long-term</b> Achieve by the end of 2028: <ul style="list-style-type: none"><li>• Link the functions and industrial characteristics of the networking equipment industry, leading smart living, creating sustainable value together.</li><li>• Achieve management and provisioning minification of networking products with cloud computing as the main pillar.</li><li>• Utilize the synergy of resources within the Group to develop and create the one-stop product services for customers.</li><li>• Strengthen partnerships with Tier 2 and Tier 3 carriers to win long-term contracts with localized services.</li></ul>	1. Continue to expand production capacity, create product and service features, and build diversified product capabilities.  2. Reduce the total inventory through the risk mitigation measures, and in the future, the Company will formulate separate action plans for inventory with longer inventory ages.	1. Regularly hold business review meetings, track business performance, fully grasp the operating status and monitor the progress.  2. The Board of Directors Meetings are held every quarter to ensure the forward-looking and feasibility of business strategies. "	2.5.1 Financial Performance
2	Product Quality	G	416-1 416-2 417-1 417-2 417-3	▲	Provide quality products and services to customers and become a leading brand of networking equipment through various stages of control. Quality and stability are closely related to customer losses and reputation, which directly affect market share and competitiveness.	● Suppliers/ Business Partners ● D-Link/ Subsidiary ● Customers/ Clients	Customers/ Clients  Suppliers/ Business Partners  Subsidiaries	<b>Short-term</b> <ul style="list-style-type: none"><li>• Maintain the completeness of quality management procedures.</li></ul> <b>Medium-term</b> <ul style="list-style-type: none"><li>• 100% of D-Link's suppliers are compliant with ISO 9001 and have obtained the certificate.</li></ul> <b>Long-term</b> <ul style="list-style-type: none"><li>• The rate of major suppliers passing the shipment inspection is higher than 95%.</li></ul>	Set up management representatives, establish quality policies, set management goals in accordance with the quality policies and review them regularly for effective management and continuous improvement.	Enhanced D-Link's products with new AI functions as the direction of innovation at this stage and continued to create product differentiation and market segmentation through its industry-leading cloud service platform and forward-looking innovative products.	2.4.4 Compliance with Law and Regulations  3.2.1 Quality Management  3.2 Product Quality and Safety
3	Innovation and R&D	G	Self-defined topics	▼	Responding to the speed of changes in technology, maintaining innovation momentum and gaining insight into technological development trends will help companies continuously provide innovative products and services to meet customers and clients' expectations, enhance the competitiveness, create value, and stabilize their market position.	○ Suppliers/ Business Partners ● D-Link/ Subsidiaries ● Customers/ Clients	Customers/ Clients  Investors/ Shareholders  Subsidiaries	<b>Short-term</b> <ul style="list-style-type: none"><li>• Work with high-quality ODMs to build a controllable supply • It plans to launch the Smart Home products, combining the product's AI functions as its appeal, and providing home care-related netcom products.</li><li>• Filed at least 5 patent applications.</li></ul> <b>Medium- to Long-term</b> Achieve by the end of 2030: <ul style="list-style-type: none"><li>• In the application of networking products, it leads the trend of providing network integration solutions, and proposes corresponding solutions in various applications such as smart home, enterprise network, cloud management, multi-machine integration, etc., to meet the market of network applications.</li></ul>	Committed to develop and utilize new technologies to provide quality and convenient products and services to customers.	D-Link enhances its products with new AI functions as the direction of innovation at this stage and continues to create product differentiation and market segmentation through our industry-leading cloud service platform and forward-looking innovative products.	3.4 Research, Development & Innovation

\* Short-term (by the end of 2025), Medium-term (by the end of 2028), Medium- to long-term (by the end of 2030), Long-term (by the end of 2033).



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● Direct impact ○ Indirect impact

Ranking	Material Issues	Aspect	GRI	Change of Ranking	Significance for D-Link	Impacts on Value Chain	Major Stakeholders	Short / Medium / Long-term Goals	Response Policies and Measures	Administrative Actions	Corresponding Chapter
4	Information Security	G	418-1	▲	Continue to improve the Company's information security management system and strengthen its protection capabilities to comply with domestic and international information security-related regulations and to implement them in daily operations. We are committed to mitigating information security risks and maintaining customer trust, the company reputation and market competitiveness.	● D-Link/ Subsidiaries ● Customers/ Clients	Customers/ Clients Subsidiaries	<b>Short-term</b> <ul style="list-style-type: none"><li>• Pass the ISO/IEC 27001:2022 Information Security Management System before the end of 2024.</li><li>• The HSM key management system will be introduced by the end of 2024.</li><li>• Integrate the new version of the information security management system platform, add the SBOM10 function and the new version of SIM association.</li><li>• Responding to ETSI EN 303 645, we will continue to certify products exported to Europe</li></ul> <b>Medium-term</b> <ul style="list-style-type: none"><li>• Establish effective anti-hacking and anti-weak measures on external services or websites, regularly entrust third-party external experts to conduct penetration tests, and continuously optimize the system.</li><li>• Strengthen the automated analysis function of the product information security management platform: periodical information security reports, automated risk and authorization type analysis of SBOM, and correlation of detection reports and product versions.</li></ul> <b>Long-term</b> <p>Gradually build a joint defense system for group information security.</p> <ul style="list-style-type: none"><li>• Purchase insurance coverage based on business needs.</li><li>• Adjust internal safety regulations and product specifications immediately to comply with the latest information security regulations of each country.</li><li>• Establish the D-Link product information security testing team, to cultivate the professional skills and professional certifications over the long term, and actively participate in international information security organization activities and resource sharing.</li></ul>	Formulate the "Information Security Management Policy" and establish the "Information Security Management Committee", in order to understand information and communication security according to international standards.	Continue to optimize and regularly perform audit on information security management.	2.4.4 Compliance with Law and Regulations  3.3.5 Information Security Incidents
5	Supply Chain Management	G	204-1 308-1 308-2 414-1 414-2	▼	Implement due diligence responsibilities and exert market influence to strengthen the sustainability value of the overall industry chain and continuously refine the value chain management strategies of upstream/downstream partners to mitigate the risk of various negative impacts on suppliers, including the ongoing operational management of suppliers, which will directly impact the company's operations and commitments to customers.	● Suppliers/ Business Partners ● D-Link/ Subsidiaries ○ Customers/ Clients	Suppliers/ Business Partners Subsidiaries	<b>Short-term</b> <ul style="list-style-type: none"><li>• Build Sustainability and Resilience of the Supply Chain.</li></ul> <b>Medium-term</b> <ul style="list-style-type: none"><li>• Understand the extent of supplier ESG management through supplier survey.</li></ul> <b>Long-term</b> <ul style="list-style-type: none"><li>• 75% of D-Link's suppliers are compliant with ISO 14001 and have obtained the certificate.</li><li>• Suppliers' ESG performance is included in the vendor selection criteria.</li></ul>	1. Establish supplier management guidelines, incorporate ESG-related impacts and risks, and regularly evaluate the impact of suppliers on society and the environment. 2. Increase the percentage of local purchases.	Implement risk-graded assessment of suppliers, regularly schedule different audit strategies according to different levels, and conduct regular investigations or audits to eliminate system risks.	3.5 Supply Chain Management

\* Short-term (by the end of 2025), Medium-term (by the end of 2028), Medium- to long-term (by the end of 2030), Long-term (by the end of 2033).



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6	Governance and Ethical Management	G	205-1 205-2 205-3 206-1	-	A sound governance structure and good ethical management are the foundation of sustainable business operation. Relevant risk events may affect operational stability and corporate reputation and may result in financial losses.	○ Suppliers/ Business Partners ● D-Link/ Subsidiaries ○ Customers/ Clients	Customers/ Clients  Employees  Suppliers/ Business Partners  Investors/ Shareholders	<b>Short-term</b> <ul style="list-style-type: none"><li>• Develop a succession plan for board members and key management to maintain the professionalism and experience of board members and key management.</li><li>• Regularly arrange diversified courses for directors and senior managers to learn to implement the director's diversity policy, improve decision-making quality and strengthen functions.</li><li>• Continue to Improve Corporate Governance Evaluation Results.</li><li>• Prepare a directors' handbook to familiarize new board members with the Company's business and directors' duties.</li><li>• Regularly hold the "Director Exchange Meetings" to invite Directors to participate, to understand the Company's important issues and strategic goals.</li><li>• There are no related cases involving violations of integrity management and will continue to be maintained.</li></ul> <b>Medium-term</b> <ul style="list-style-type: none"><li>• Increase the proportion of female Directors in the Board of Directors to more than 1/3.</li><li>• A Director with expertise in AI innovation or information security is added to enhance the Director's diverse professional capabilities and make the Board of Directors' functions more complete.</li><li>• Provide complete education and training of " Ethical Corporate Management Best Practice Principles " for all employees. The overall training completion rate is over 95% and continues to improve.</li></ul> <b>Long-term</b> <ul style="list-style-type: none"><li>• Continue to enhance corporate governance evaluations and maintain the evaluation results to the top 5% of rankings, forming the corporate governance culture.</li><li>• Increase the seats of Independent Director by 1/2.</li><li>• Implement a natural person director system that can better consider the interests of the company and shareholders.</li><li>• Internalize the integrity management into the philosophy of all employees and the company's DNA, so that the " Ethical Corporate Management Best Practice Principles " has been highly recognized by the stakeholders and become the highest standard.</li></ul>	1. The Board of Directors oversees the strategic plan and performance of the organization's operations, and continues to strengthen corporate governance and risk and opportunity management through internal audits and external verification mechanisms. 2. Create a quality culture of integrity and compliance to ensure the long-term interests of all stakeholders.	1. Regularly convene the Board of Directors and shareholders' meetings, re-elect directors every three years, and ensure the professionalism and diversity of directors. 2. Voluntarily participate in the evaluation of international corporate governance, and incorporate the indicator requirements into the corporate governance improvement plan. 3. Stipulate and abide by internal rules and regulations such as "Code of conduct", "Ethical Corporate Management Best Practice Principles" and " Implementation Measures for the Whistleblowing System ", and continue to promote a high-standard business ethics culture.	2.4.1 Ethical Management and Anti-Corruption

\* Short-term (by the end of 2025), Medium-term (by the end of 2028), Medium- to long-term (by the end of 2030), Long-term (by the end of 2033).



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Ranking	Material Issues	Aspect	GRI	Change of Ranking	Significance for D-Link	Impacts on Value Chain	Major Stakeholders	Short / Medium / Long-term Goals	Response Policies and Measures	Administrative Actions	Corresponding Chapter
7	Risk Management	G	Self-defined topics	▲	The integrity and strength of risk management is the key to sustainable business operation. In the face of various emerging risks, the company strives to identify them early and formulate appropriate and feasible response strategies that can significantly mitigate their impact, while demonstrating corporate resilience and operational stability, thereby strengthening business relationships and enhancing market trust.	○ Suppliers/ Business Partners ● D-Link/ Subsidiaries ○ Customers/ Clients	Employees  Suppliers/ Business Partners  Investors/ Shareholders	<b>Short-term</b> <ul style="list-style-type: none"><li>• Link risk to strategy by identifying, analyzing, and measuring potential risk events for D-Link.</li><li>• Develop the risk responding measures, the risk management procedures and their operations.</li><li>• Organize the risk management education and professional training for the Chairman, CEO and officers in charge of risks.</li><li>• Risk management meetings are held every quarter to review KRI key risk indicators and track risk implementation.</li><li>• Report the risk management operations to the Board of Directors every year.</li></ul> <b>Medium-term</b> <ul style="list-style-type: none"><li>• Reduce identified significant risks in the risk matrix through effective risk response measures.</li><li>• Identify and resolve potential risk events in a timely manner.</li><li>• Provide the risk management education and professional training to all employees.</li></ul> <b>Long-term</b> <ul style="list-style-type: none"><li>• Establish a comprehensive risk management framework, integrate risk management into D-Link's strategy, operations and management, and shape D-Link's risk management culture.</li></ul>	Improve the risk management system to effectively monitor and enhance the effectiveness of risk management implementation.	Establish the Risk Management Taskforce, with the President as the convener, and the Risk Management taskforce meets quarterly to plan, execute and supervise risk management-related matters, and report to the Audit Committee on implementing risk management at least once a year.	2.6 Risk Management
8	Talent Selection, Recruitment and Retention	S	401-1 401-2 401-3 404-1 404-3	NEW	D-Link is a knowledge-intensive technology company, so human resources play a crucial role in the competitiveness of its products and services. In addition, the Company's operating territory has expanded globally, and it has a considerable organizational scale, which also demonstrates that it shoulders the key talent cultivation responsibility.	○ Suppliers/ Business Partners ● D-Link/ Subsidiaries ○ Customers/ Clients	Employees	<b>Short-term</b> <ul style="list-style-type: none"><li>• Formulate management trainee plans for key positions</li></ul> <b>Medium-term</b> <ul style="list-style-type: none"><li>• Optimize the salary competitiveness.</li></ul> <b>Long-term</b> <ul style="list-style-type: none"><li>• Keep Promoting sustainable human rights risk assessment.</li></ul>	D-Link has built an all-round learning education and training system based on the Company's strategy, vision and values. At the same time, it recruits potential talents through various campus cooperation programs, and uses a market-competitive salary policy and benefit system to provide outstanding talents, so that talents continue to grow together with the Company.	D-Link helps recruit talents, develop employee capabilities, and discover senior management through diversified talent recruitment channels, employee training plans, succession plans, education and training, as well as remuneration and performance appraisal, among other measures, while facilitating the development of employees' professional skills.	5.3.1 Labor Overview 5.7 Benefits and Retirement System 5.4.2 Gender Friendliness 5.5.4 Education and Training 5.5.5 Compensation and Performance Appraisal

\* Short-term (by the end of 2025), Medium-term (by the end of 2028), Medium- to long-term (by the end of 2030), Long-term (by the end of 2033).



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Management Approach for Material Topics

● Direct impact   ○ Indirect impact

Ranking	Material Issues	Aspect	GRI	Change of Ranking	Significance for D-Link	Impacts on Value Chain	Major Stakeholders	Short / Medium / Long-term Goals	Response Policies and Measures	Administrative Actions	Corresponding Chapter
9	Customer Relationship Management	S	Self-defined topics	▲	D-Link's commitment to customers is to provide quality products and services; the customers' trust and satisfaction are the motivation for its continuous growth. If customer concerns or needs are not addressed in a timely manner, brand trust and market share may be affected.	● D-Link/ Subsidiaries ● Customers/ Clients	Customers/ Clients  Subsidiaries	<b>Short-term</b> <ul style="list-style-type: none"><li>Consistently achieve a customer satisfaction score of 85 or higher.</li></ul> <b>Medium-term</b> <ul style="list-style-type: none"><li>Continuously improve customer satisfaction rating to over 90 points.</li></ul> <b>Long-term</b> <ul style="list-style-type: none"><li>Maintain a high level of customer satisfaction of over 90 points every year.</li></ul>	Develop standard operating procedures, perform regular surveys of customer satisfaction and reviews of various service management indicators to protect customer rights and increase trust.	Established the “1-3-7 Service Level Agreement (SLA)”, conducted monthly surveys on customer satisfaction, reviewed various service management indicators, and set up a customer complaint handling authority to properly manage customer relations.	3.2.3 Customer Services
10	Sustainable Development Strategy	G	Self-defined topics	-	The foundation of sustainable business operations lies in the sustainable development of the environment and society. A stable environment and society are essential for sustainable business operations. Therefore, while pursuing operational profits, D-Link also values a balance of all aspects of ESG to mitigate related risks and derived operational challenges, financial losses, goodwill impact, litigation, and market changes, and to seize possible turning points and opportunities.	● Suppliers/ Business Partners ● D-Link/ Subsidiaries ● Customers/ Clients	Employees  Suppliers/ Business Partners  Investors/ Shareholders	<b>Short-term</b> <ul style="list-style-type: none"><li>Through international ESG assessments and comparisons, we grasp global sustainable development trends and continuously review the suitability of our sustainable development strategies and goals.</li><li>Incorporate ESG-related indicators into the KPIs of units and employees.</li><li>We continuously organize internal and external sustainability education courses and workshops to enhance the sustainability literacy of our colleagues and shape a sustainable corporate culture.</li><li>We proactively provide sustainable development and ESG-related news and resources to stakeholders to exert brand influence and strengthen sustainable development momentum.</li></ul> <b>Medium-term</b> <ul style="list-style-type: none"><li>Implement the sustainable development strategies through the sustainable development program and combining the seven sustainable management capabilities, so as to create culture internally and image externally.</li><li>Link the sustainable development performance with each employee's KPI.</li><li>Plan and execute internal ESG proposal competitions within the Company.</li></ul> <b>Long-term</b> <ul style="list-style-type: none"><li>The rate of major suppliers passing the shipment inspection is higher than 95%.</li></ul>	A dedicated unit has been established to formulate the company's sustainable development strategies, implement the promotion of sustainable development policies, and track and manage the results thereof.	D-Link has an ESG Committee to assist the Board of Directors in promoting sustainable development practices to realize the vision of sustainable management; it also has an ESG Office under the Committee, and through functional ESG task forces, regular meetings are held every month to review and discuss the Company's core operating capabilities with the heads and responsible colleagues of each center, jointly formulate ESG development strategies, and optimize them on a rolling basis.	1.1 Sustainability Vision and Strategies 1.2 Sustainable Management Structure 1.3 D-Link's Sustainable Value
11	Green Product	E	301-2	▼	In response to the rising awareness of green consumption, D-Link combines the functions of the industry to develop products with high efficiency, energy saving, disaster prevention, and packaging reduction, so that customers can respond to environmental protection with every purchase and use. By launching environmentally friendly products in synch with our time, D-Link's competitiveness in the international market is maintained.	● Suppliers/ Business Partners ● D-Link/ Subsidiaries ○ Customers/ Clients	Suppliers/ Business Partners  Subsidiaries	<b>Short-term</b> <ul style="list-style-type: none"><li>Promote and optimize sustainable product development and design planning.</li><li>Shaping D-Link's sustainable product features.</li></ul> <b>Medium-term</b> <ul style="list-style-type: none"><li>Sustainable performance is enhanced in product design.</li><li>Discuss a product recycling plan.</li><li>Strive for international awards for sustainable products.</li><li>Assessment of the introduction of ISO 14067 product carbon footprint standard.</li></ul> <b>Long-term</b> <ul style="list-style-type: none"><li>Continue to strengthen the influence of D-Link sustainable products.</li></ul>	Develop a project plan and increase the proportion of green products year by year, and reduce the impact on the environment by continuously developing green design and reducing resource consumption.	Launched the "D-Link Green" program to realize the concept of environmental protection from product design, function, material and packaging.	4.5 Green Products

\* Short-term (by the end of 2025), Medium-term (by the end of 2028), Medium- to long-term (by the end of 2030), Long-term (by the end of 2033).



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Management Approach for Material Topics

● Direct impact ○ Indirect impact

Ranking	Material Issues	Aspect	GRI	Change of Ranking	Significance for D-Link	Impacts on Value Chain	Major Stakeholders	Short / Medium / Long-term Goals	Response Policies and Measures	Administrative Actions	Corresponding Chapter
12	Climate Change Response Actions	E	302-1 302-3 302-4 305-1 305-2 305-3 305-4 305-5	NEW	Climate change and carbon management issues are the most urgent and important environmental issues in this era. Global transnational organizations and governments are all trying to strengthen regulations. D-Link is an international brand and we must consciously use the market resources and influence we have, to actively drive the low-carbon transition of the value chain.	● Suppliers/ Business Partners ● D-Link/ Subsidiaries ○ Customers/ Clients	Suppliers/ Business Partners  Subsidiaries	<b>Short-term</b> <ul style="list-style-type: none"><li>• Continue to implement energy saving projects.</li><li>• Actively participate in sustainability-related initiatives.</li><li>• Upgrade CDP evaluation grade to C-grade.</li></ul> <b>Medium-term</b> <ul style="list-style-type: none"><li>• Complete the carbon inventory and verification of consolidated subsidiaries.</li><li>• Set the goal to reduce carbon emissions by 10% by 2026 using 2021 as the baseline year.</li><li>• Set the goal to reduce power consumption by 4.5% and water consumption by 2.5% by 2026 using 2021 as the baseline year.</li><li>• Promote active reduction of carbon emissions to the supply chain.</li></ul> <b>Long-term</b> <ul style="list-style-type: none"><li>• Pass ISO 50001 energy management system certification.</li><li>• Installation of solar photovoltaic equipment.</li><li>• 2030 green power procurement target of 17.5%.</li><li>• Set the goal to reduce power consumption by 30% by 2030 using 2021 as the baseline year.</li><li>• Set the goal to gradually achieve net zero emission by 2050.</li></ul>	Commit to the 2050 net zero goal, while formulating the corresponding strategic goals, tracking performance indicators, and actively leveraging the influence of the D-Link brand in the industrial value chain, to expand the execution effectiveness of relevant actions.	Introduce the TCFD structure, regularly disclose climate change response performance, and set relevant indicator targets for continuous tracking and management.	4.4.1 Energy Management  4.3.2 From Inventory to Net Zero
13	Social Engagement	S	Self-defined topics	NEW	Through various social engagement projects, D-Link establishes and maintains connections between the Company and stakeholders, thereby conveying the Company's values and missions, strengthening brand recognition and reputation, promoting innovation and giving back, and thereby facilitate the sustainable development and social inclusion.	● D-Link/ Subsidiaries ○ Customers/ Clients	Customers/ Clients	<b>Short-term</b> <ul style="list-style-type: none"><li>• Promote a series of social engagement programs.</li></ul> <b>Medium-term</b> <ul style="list-style-type: none"><li>• The employee participation rate in public welfare activities organized by the Company has increased by an average of 1% every year (base year: 2023).</li><li>• Evaluate socially engaged investment instruments and introduction plans.</li></ul> <b>Long-term</b> <ul style="list-style-type: none"><li>• Introducing socially engaged investment instruments.</li><li>• Establish a comprehensive benefit assessment mechanism for social engagement.</li><li>• Review and optimize the pillars of social engagement.</li></ul>	Through seven series of social engagement projects, including charitable gifts, charitable network check-up and Internet and information security education, environmental education, arts and culture promotion, business promotion, sports promotion, and scholarships and grants, the Company demonstrates its social value.	Various social engagement projects are planned and managed with reference to the spirit of B4SI, and conduct annual questionnaires to internal employee and external public welfare partner, as well as assessment activity results, as a reference for improving social engagement projects in the future.	5.8 Social Engagement

\* Short-term (by the end of 2025), Medium-term (by the end of 2028), Medium- to long-term (by the end of 2030), Long-term (by the end of 2033).



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GRI Standards Index

▼ General Disclosure

GRI Code	Disclosures	Corresponding Chapters	Page
GRI 1 : Foundation 2021 ; D-Link has reported in accordance with the GRI Standards for the period January 1, 2023 to December 31, 2023.			
GRI 2 : General Disclosures 2021			
GRI 2-1	Organizational details	Overview	7
GRI 2-2	Entities included in the organization's sustainability reporting	About the Report	3
GRI 2-3	Reporting period, frequency and contactpoint	About the Report	3
GRI 2-4	Restatements of information	Data Recompile and Correction	163
GRI 2-5	External assurance	About the Report	3
		Assurance Statement of Sustainability Report	181
GRI 2-6	Activities, value chain and other business relationships	Overview	7
		3.5.1 Overview of the Value Chain	90
GRI 2-7	Employees	Overview	7
		5.3.1 Labor Overview	133
GRI 2-8	Workers who are not employees	5.3.1 Labor Overview	133
GRI 2-9	Governance structure and composition	2.2.2 Board of Directors	44
GRI 2-10	Nomination and selection of the highest governance body	2.2.2 Board of Directors	44
GRI 2-11	Chair of the highest governance body	2.2.2 Board of Directors	44
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	1.4.1 Materiality Analysis	26
		2.4.1 Ethical Management and Anti-corruption	51
		2.6.1 Shaping D-Link's Risk Management Culture	59
		2.7.2 Status of Intellectual Property Management Implementation	65
		3.3.1 Information Security Management Structure	79
		4.3.1 Response to Task Force on Climate-related Financial Disclosure (TCFD) Framework	106
GRI 2-13	Delegation of responsibility for managing impacts	1.1 Sustainability Vision and Strategies	15
		2.1 Sustainability Strategies and Goals - Governance Aspect	37

GRI Code	Disclosures	Corresponding Chapters	Page
		3.1 Sustainability Strategies and Goals - Value Aspect	67
		4.1 Sustainability Strategies and Goals - Environmental Aspect	98
		5.1 Sustainability Strategies and Goals - Social Aspect	124
GRI 2-14	Role of the highest governance body in sustainability reporting	1.4.1 Materiality Analysis	26
GRI 2-15	Conflicts of interest	2.3 Transparency in Information Disclosure	48
GRI 2-16	Communication of critical concerns	2.2.2 Board of Directors	44
		2.6.1 Shaping D-Link's Risk Management Culture	59
		There have been no major appeals or reported cases that require communication with the Board of Directors in 2023.	-
GRI 2-17	Collective knowledge of the highest governance body	2.2.4 Performance Evaluation and Remuneration for the Governance Body	46
GRI 2-18	Evaluation of the performance of the highest governance body	2.2.4 Performance Evaluation and Remuneration for the Governance Body	46
GRI 2-19	Remuneration policies	2.2.4 Performance Evaluation and Remuneration for the Governance Body	46
		2.2.5 High-level Compensation Linked to Sustainable Business Performance	47
GRI 2-20	Process to determine remuneration	2.2.4 Performance Evaluation and Remuneration for the Governance Body	46
GRI 2-21	Annual total compensation ratio	Unable to disclosure due to confidential regulations. It is expected to prepare the relevant disclosures within 3 years.	-
GRI 2-22	Statement of sustainable development strategy	Message from the Chairman	5
		1.1 Sustainability Vision and Strategies	15
GRI 2-23	Government commitments	1.1 Sustainability Vision and Strategies	15
		4.3.2 From Inventory to Net Zero	114
		4.3.3 Biodiversity Commitment	115
		5.2.1 Human Rights Policy	130
GRI 2-24	Embedding policy commitments	1.1 Sustainability Vision and Strategies	15
		2.1 Sustainability Strategies and Goals - Governance Aspect	37
		3.1 Sustainability Strategies and Goals - Value Aspect	67
		4.1 Sustainability Strategies and Goals - Environmental Aspect	98
		5.1 Sustainability Strategies and Goals - Social Aspect	124



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GRI Code	Disclosures	Corresponding Chapters	Page
GRI 2-25	Processes to remediate negative impacts	5.3.2 Listening Strategy	134
GRI 2-26	Mechanisms for seeking advice and raising concerns	2.4.3 Whistleblowing System	54
GRI 2-27	Compliance with laws and regulations	2.4.4 Compliance with Laws and Regulations	54
GRI 2-28	Membership associations	1.4.3 Initiatives and Organizations	32
GRI 2-29	Approach to stakeholder engagement	1.4.1 Materiality Analysis	26
		1.4.2 Stakeholder	30
GRI 2-30	Collective bargaining agreements	No relevant agreements were signed during the reporting year.	–

▼ Disclosures on Material Topics

GRI Code	Disclosures	Corresponding Chapters	Page
GRI 3：Material Topics 2021			
GRI 3-1	Process to determine material topics	1.4.1 Materiality Analysis	26
GRI 3-2	List of material topics	1.4.1 Materiality Analysis	26
Business Performance			
GRI 3-3	Management of material topics	2.1 Sustainability Strategies and Goals - Governance Aspect	15
GRI 201-1	Direct economic value generated and distributed	2.5.1 Financial Performance	56
Product Quality			
GRI 3-3	Management of material topics	3.1 Sustainability Strategies and Goals - Value Aspect	67
GRI 416-1	Assessment of the health and safety impacts of product and service categories	2.4.4 Compliance with Law and Regulations	54
		3.2.1 Quality Management	73
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.4.4 Compliance with Law and Regulations	54
		3.2.1 Quality Management	73
GRI 417-1	Requirements for product and service information and labeling	2.4.4 Compliance with Law and Regulations	54
		3.2 Product Quality and Safety	72
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	2.4.4 Compliance with Law and Regulations	54
		3.2 Product Quality and Safety	72
GRI 417-3	Incidents of non-compliance concerning marketing communications	2.4.4 Compliance with Law and Regulations	54
		3.2 Product Quality and Safety	72

GRI Code	Disclosures	Corresponding Chapters	Page
Innovation and R&D			
GRI 3-3	Management of material topics	3.1 Sustainability Strategies and Goals - Value Aspect	67
	Self-defined topics	3.4 Research, Development & Innovation	83
Information Security			
GRI 3-3	Management of material topics	3.1 Sustainability Strategies and Goals - Value Aspect	67
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4.4 Compliance with Law and Regulations	54
		3.3.5 Information Security Incidents	82
Supply Chain Management			
GRI 3-3	Management of material topics	3.1 Sustainability Strategies and Goals - Value Aspect	67
GRI 204-1	Proportion of spending on local suppliers	3.5.1 Overview of the Value Chain	90
GRI 308-1	New suppliers that were screened using environmental criteria	3.5 Supply Chain Management	89
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	3.5 Supply Chain Management	89
GRI 414-1	New suppliers that were screened using social criteria	3.5 Supply Chain Management	89
GRI 414-2	Negative social impacts in the supply chain and actions taken	3.5 Supply Chain Management	89
Governance and Ethical Management			
GRI 3-3	Management of material topics	2.1 Sustainability Strategies and Goals - Governance Aspect	37
GRI 205-1	Operations assessed for risks related to corruption	2.4.1 Ethical Management and Anti-Corruption	51
GRI 205-2	Communication and training about anti-corruption policies and procedures	2.4.1 Ethical Management and Anti-Corruption	51
GRI 205-3	Confirmed incidents of corruption and actions taken	2.4.1 Ethical Management and Anti-Corruption	51
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.4.1 Ethical Management and Anti-Corruption	51
Risk Management			
GRI 3-3	Management of material topics	2.1 Sustainability Strategies and Goals - Governance Aspect	37
	Self-defined topics	2.6 Risk Management	58





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GRI Code	Disclosures	Corresponding Chapters	Page
Talent Selection, Recruitment and Retention			
GRI 3-3	Management of material topics	5.1 Sustainability Strategies and Goals - Social Aspect	124
GRI 401-1	New employee hires and employee turnover	5.3.1 Labor Overview	133
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	5.7 Benefits and Retirement System	150
GRI 401-3	Parental leave	5.4.2 Gender Friendliness	136
GRI 404-1	Average hours of training per year per employee	5.5.4 Education and Training	141
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	5.5.5 Compensation and Performance Appraisal	141
Customer Relationship Management			
GRI 3-3	Management of material topics	3.1 Sustainability Strategies and Goals - Value Aspect	67
	Self-defined topics	3.2.3 Customer Services	76
Sustainable Development Strategy			
GRI 3-3	Management of material topics	1.1 Sustainability Vision and Strategies	15
	Self-defined topics	1.2 Sustainable Management Structure	20
		1.3 D-Link's Sustainable Value	23
Green Products			
GRI 3-3	Management of material topics	4.1 Sustainability Strategies and Goals - Environmental Aspect	98
GRI 301-2	Recycled input materials used	4.5 Green Products	120
Climate Change Response Actions			
GRI 3-3	Management of material topics	4.1 Sustainability Strategies and Goals - Environmental Aspect	98
GRI 302-1	Energy consumption within the organization	4.4.1 Energy Management	117
GRI 302-3	Energy intensity	4.4.1 Energy Management	117
GRI 302-4	Reduction of energy consumption	4.4.1 Energy Management	117
GRI 305-1	Direct (Scope 1) GHG emissions	4.3.2 From Inventory to Net Zero	114

GRI Code	Disclosures	Corresponding Chapters	Page
GRI 305-2	Energy indirect (Scope 2) GHG emissions	4.3.2 From Inventory to Net Zero	114
GRI 305-3	Other indirect (Scope 3) GHG emissions	4.3.2 From Inventory to Net Zero	114
GRI 305-4	GHG emissions intensity	4.3.2 From Inventory to Net Zero	114
GRI 305-5	Reduction of GHG emissions	4.3.2 From Inventory to Net Zero	114
Social Engagement			
GRI 3-3	Management of material topics	5.1 Sustainability Strategies and Goals - Social Aspect	124
	Self-defined topics	5.8 Social Engagement	153



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Sustainability Accounting Standards Board (SASB) Index

Topic	Code	Category	Accounting Metric	Corresponding Chapters / Supplementary Explanations	Page
Product Security	TC-HW-230a.1	Qualitative	Description of approach to identifying and addressing data security risks in products	3.2.2 Product Information Security	74
				3.3.2 Information Security Management Strategy	80
				3.3.3 Information Security Risk Management and Continuing Improvement	80
				3.3.4 Information security management measures and resource allocation	81
Employee Diversity & Inclusion	TC-HW-330a.1	Quantitative	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	5.3.1 Labor Overview	133
				5.4.1 Diversified Employment	136
Product Lifecycle Management	TC-HW-410a.1	Quantitative	Percentage of products by revenue that contain IEC 62474 declarable substances	As a brand, the raw materials of D-Link are generally managed by outsourced companies. However, D-Link requires outsourced companies to comply with EU regulations for products, such as RoHS, REACH, etc. Subsequently, the applicability of IEC 62474 to D-Link products is planned to be investigated in the future and make relevant disclosures.	-
	TC-HW-410a.2	Quantitative	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	N/A D-Link products are not required to obtain environmental protection labels.	-
	TC-HW-410a.3	Quantitative	Percentage of eligible products, by revenue, certified to an energy efficiency certification	The external power supply used by D-Link products 100% complies with the Level 6 energy efficiency standards of the U.S. Department of Energy, and the products exported to Europe also comply with the EU ErP energy specification. Furthermore, there is currently no plan for voluntary energy efficiency certification.	-
	TC-HW-410a.4	Quantitative	Weight of end-of-life products and e-waste recovered; percentage recycled	D-Link has standardized operating procedures and records for the recycling and disposal of scrapped products. The weight of scrap products handled by D-Link in 2023 was 1.23 tons, 100% of which was commissioned to qualified vendors for recycling and disposal. Moreover, based on the total annual sales weight, the recycling ratio was 1.24%.	-
Supply Chain Management	TC-HW-430a.1	Quantitative	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	3.5 Supply chain management	89
	TC-HW-430a.2	Quantitative	Tier 1 suppliers’ (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	3.5 Supply Chain Management	89
Materials Sourcing	TC-HW-440a.1	Qualitative	Description of the management of risks associated with the use of critical materials	3.5 Supply Chain Management	89
Activity Metrics	TC-HW-000.A	Quantitative	Number of units produced by product category	Unable to be disclosed due to it involving sensitive information of the Company. Please refer to P.157 of the Company’s 2023 Annual Report.	-
	TC-HW-000.B	Quantitative	Area of manufacturing facilities	3.5 Supply Chain Management	89
	TC-HW-000.C	Quantitative	Percentage of production from owned facilities	N/A D-Link is a brand company and does not have production lines.	-



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Task Force on Climate-related Financial Disclosures (TCFD) Index

Dimension	TCFD’s Suggested Disclosures	Corresponding Chapters	Page
Governance	How does the Board of Directors monitor climate-related issues?	4.3 Climate Governance and Actions	105
	How does the management assess and manage climate-related issues?	4.3 Climate Governance and Actions	105
Strategies	The Company identified short-, medium- and long-term climate change-related risks and opportunities.	4.3 Climate Governance and Actions	105
	Impact of climate-related issues on the Company's business model, strategy, and financial plan.	4.3 Climate Governance and Actions	105
	Scenario analysis (including 2°C or more severe scenarios).	4.3 Climate Governance and Actions	105
Risk Management	Climate-related risk identification and assessment process.	4.3 Climate Governance and Actions	105
	The process of managing climate-related risks.	4.3 Climate Governance and Actions	105
	Explain how the above risk identification and management processes are integrated into the Company's overall risk management system.	4.3 Climate Governance and Actions	105
Metrics and Targets	Whether the evaluation indicators are consistent with the Company's strategy and risk management.	1.1 Sustainability Vision and Strategies	15
		4.3 Climate Governance and Actions	105
	Disclosure of greenhouse gas emissions and associated risks.	4.3.2 From Inventory to Net Zero	114
	Management objectives and related performance.	4.3.2 From Inventory to Net Zero	114



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SDGs Index

Sustainable Development Goals	Management Approaches	Corresponding Chapters	Page
	<ul style="list-style-type: none"><li>• Create a healthy and safe working environment and plan fair, reasonable, and competitive systems, benefits, and incentives.</li><li>• Promote and care for the well-being of external stakeholders through social engagement projects.</li></ul>	5.6.2 Labor Health and Safety Organization, Education and Training, and Work Environment Monitoring 5.6.3 Healthy Workplace 5.8.1 Charity Participation	145 147 154
	<ul style="list-style-type: none"><li>• Construct a comprehensive learning education and training system to enhance the competitiveness of sustainable management.</li><li>• Formulate personal development plans to assist supervisors and colleagues to continuously enhance their career development.</li><li>• Expand web-based education through social engagement projects.</li></ul>	5.5.3 Talent Cultivation Plan 5.5.4 Education and Training 5.8.1 Charity Participation 5.8.2 Industry Development Promotion	140 141 154 162
	<ul style="list-style-type: none"><li>• Build a gender-affirmative work environment.</li></ul>	2.2.2 Board of Directors 5.4 Diversity and Inclusion	44 135
	<ul style="list-style-type: none"><li>• Inventory the various energy consumption and energy intensity in the Company's operation every year, as well as the effectiveness of promoting relevant energy-saving measures.</li><li>• Follow the ISO 14001 environmental management system, set an annual environmental management plan every year, and commit to and implement five major environmental policies.</li></ul>	4.3.1 Response to Task Force on Climate-related Financial Disclosure (TCFD) Framework 4.4.1 Energy Management	106 117
	<ul style="list-style-type: none"><li>• Continue to expand production capacity, create product and service features, and build diversified product capabilities.</li><li>• Create a healthy and safe working environment and plan fair, reasonable, competitive systems, benefits, and incentives to attract and retain key talents.</li></ul>	3.4.1 Innovation Strategies and Practices 5.2.2 Human Rights Risk Assessment and Related Measures 5.3.2 Listening Strategy 5.5.5 Compensation and Performance Appraisal	84 130 134 141
	<ul style="list-style-type: none"><li>• Devote to developing and applying new technologies to provide quality and convenient products and services to customers.</li><li>• Formulated the "Information Security Management Policy" and established the "Information Security Management Committee" to understand information and communication security according to international standards.</li></ul>	2.7.2 Status of Intellectual Property Management Implementation 3.2.2 Product Information Security 3.4.1 Innovation Strategies and Practices 3.4.3 Cooperation with Academic Units	65 74 84 87

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Sustainable Development Goals	Management Approaches	Corresponding Chapters	Page
	<ul style="list-style-type: none"><li>• Identify relevant risks through due diligence and manage them appropriately.</li><li>• Protect employee rights through human rights protection policies.</li><li>• Provide a suitable complaint channel.</li></ul>	5.4 Diversity and Inclusion 5.4.1 Diversified Employment 5.4.2 Gender Friendliness	135 136 136
	<ul style="list-style-type: none"><li>• Set up management representatives, establish quality policies, set management objectives by quality policies, and review them regularly for effective management and continuous improvement.</li><li>• Protect customers' rights and increase trust by establishing standard operating procedures, conducting regular surveys on customer satisfaction, and reviewing various service management indicators.</li></ul>	1.1 Sustainability Vision and Strategies 3.5.2 Sustainable Procurement Policy 4.3.3 Biodiversity Commitment 4.5.1 D-Link Green 4.5.2 D-Link Green Pack	15 92 115 121 122
	<ul style="list-style-type: none"><li>• Count the carbon emissions in the Company's operation every year, check the carbon reduction performance year by year, and give employees environmental education regularly.</li><li>• Stipulate related policies according to the ISO 14064 Greenhouse Gas Inventory system.</li><li>• Establish eco-friendly commitments.</li></ul>	4.3 Climate Governance and Actions 4.3.2 From Inventory to Net Zero 4.3.3 Biodiversity Commitment 5.8.1 Charity Participation	105 114 115 154
	<ul style="list-style-type: none"><li>• Respond to and support global ESG trends and related initiatives.</li></ul>	2.4.3 Whistleblowing System 4.3.3 Biodiversity Commitment 5.2.1 Human Rights Policy 5.2.2 Human Rights Risk Assessment and Related Measures	54 115 130 130
	<ul style="list-style-type: none"><li>• Establish supplier management guidelines, incorporate ESG-related impacts and risks, and regularly evaluate the impact of suppliers on society and the environment.</li><li>• Increase local procurement percentage.</li><li>• Collaborate with diverse partners to benefit people and society through various social engagement projects.</li></ul>	3.5.2 Sustainable Procurement Policy 3.5.4 Supplier Audit Status 5.8.1 Charity Participation	92 95 154



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Article 4 of the Rules: Sustainability Disclosure Indicators - Communications and Internet Industry

No.	Indicator	Indicator Type	Annual Disclosure	Unit	Corresponding Chapters	Page
1	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy)	Quantitative	The total energy consumption of D-Link in 2023 is 8,420.75 GJ; 99.68% of the electricity is purchased externally, and the current utilization rate of renewable energy is 0.26%.	Gigajoules (GJ) Percentage (%)	4.4.1 Energy Management	117
2	Total water withdrawn, total water consumption	Quantitative	In 2023, the total water intake of D-Link was 11.34 thousand cubic meters, while the total water consumption was 1.13 thousand cubic meters.	Thousand Cubic Meters (m³)	4.4.2 Water Resource Management	118
3	Total hazardous waste generated and percentage recycled	Quantitative	D-Link is a brand company. It does not have any production line, or produce any hazardous waste; Therefore, the weight and proportion of hazardous waste are both 0.	Metric Tons (t) Percentage (%)	4.4.3 Waste Management	119
4	Types of, number of employees in and rate of occupational accidents	Quantitative	There were no occupational accidents in D-Link in 2022, so both the number and ratio of people were 0.	Percentage (%) quantity	5.6.2 Labor Health and Safety Organization, Education and Training, and Work Environment Monitoring	145
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled	Quantitative	D-Link has standardized operating procedures and records for the recycling and disposal of scrapped products. The weight of scrap products handled by D-Link in 2023 was 1.23 tons, 100% of which was commissioned to qualified vendors for recycling and disposal. Moreover, based on the total annual sales weight, the recycling ratio was 1.24%.	Metric Tons (t) Percentage (%)	4.5 Green Products	120
6	Description of the management of risks associated with the use of critical materials	Qualitative Description	The key material of D-Link products is the active component, IC. To mitigate the risk of unstable supply of this material, the Company actively develops multiple sources of goods, timely reviews its distribution proportion, and deliberately maintains a certain level of supply proportion by local suppliers for effective management and control.	Not Applicable	3.5.1 Overview of the Value Chain	90
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	In 2023, D-Link did not have any legal proceedings or related financial losses related to the anti-competitive behavior regulations; NT\$ 0.	Reporting Currency	2.4.4 Compliance with Law and Regulations	54
8	Production by product category	Quantitative	Unable to be disclosed due to it involving sensitive information of the Company. Please refer to P.157 of the Company's 2023 Annual Report.	-	-	-





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Article 4-1 of the Rules: Climate-related Information

No.	Item	Implementation Status	Page
1	Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	Please refer to section 4.3.1 "Response to Task Force on Climate-Related Financial Disclosure (TCFD) Framework" under the "Governance" paragraph.	106
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Please refer to section 4.3.1 "Response to Task Force on Climate-Related Financial Disclosure (TCFD) Framework" under the "Strategies" paragraph.	107
3	Describe the financial impact of extreme weather events and transformative actions.	Please refer to section 4.3.1 "Response to Task Force on Climate-Related Financial Disclosure (TCFD) Framework" under the "Strategies" paragraph.	107
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Please refer to section 4.3.1 "Response to Task Force on Climate-Related Financial Disclosure (TCFD) Framework" under the "Risk Management" paragraph.	112
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Please refer to section 4.3.1 "Response to Task Force on Climate-Related Financial Disclosure (TCFD) Framework" under the "Strategies" paragraph.	107
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Please refer to section 4.3.1 "Response to Task Force on Climate-Related Financial Disclosure (TCFD) Framework" under the "Metrics and Targets" paragraph.	113
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	D-Link has not yet adopted internal carbon pricing as a planning tool.	-
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Please refer to section 4.3.1 "Response to Task Force on Climate-Related Financial Disclosure (TCFD) Framework" under the "Metrics and Targets" paragraph, as well as section 4.3.2 "From Inventory to Net Zero."	113 114
9	Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	Please refer to section 4.3.2 "From Inventory to Net Zero."	114

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Article 4-1 of the Rules: Climate-related Information

▼ Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO <sub>2</sub> e), intensity (metric tons CO <sub>2</sub> e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.
<p>In fiscal year 2022, the Company emitted a total of 524,534.39 metric tons of CO<sub>2</sub>e, with a revenue intensity of 30.71 metric tons CO<sub>2</sub>e/NT\$ million, including:</p> <ul style="list-style-type: none"><li>• scope 1: 119.87 metric tons CO<sub>2</sub>e (revenue intensity of 0.0070 metric tons CO<sub>2</sub>e/NT\$ million)</li><li>• scope 2: 1,255.52 metric tons CO<sub>2</sub>e (revenue intensity of 0.0735 metric tons CO<sub>2</sub>e/NT\$ million)</li><li>• scope 3: 523,159.00 metric tons CO<sub>2</sub>e (revenue intensity of 30.6337 metric tons CO<sub>2</sub>e/NT\$ million)</li></ul> <p>In fiscal year 2023, the Company emitted a total of 420,862.22 metric tons of CO<sub>2</sub>e, with a revenue intensity of 26.40 metric tons CO<sub>2</sub>e/NT\$ million, including:</p> <ul style="list-style-type: none"><li>• scope 1: 119.90 metric tons CO<sub>2</sub>e (revenue intensity of 0.0075 metric tons CO<sub>2</sub>e/NT\$ million)</li><li>• scope 2: 1,148.88 metric tons CO<sub>2</sub>e (revenue intensity of 0.0721 metric tons CO<sub>2</sub>e/NT\$ million)</li><li>• scope 3: 419,593.44 metric tons CO<sub>2</sub>e (revenue intensity of 26.3217 metric tons CO<sub>2</sub>e/NT\$ million)</li></ul>

▼Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
<p>Explanation of the Assurance Status for 2022:</p> <ul style="list-style-type: none"><li>• Scope of Assurance: D-Link Corporation/ No. 289, Xinhua 3rd Rd., Neihu District, Taipei City, Taiwan, R.O.C.</li><li>• Assurance Unit: AFNOR Asia Ltd.</li><li>• Principle of Assurance: ISO 14064-3:2019</li><li>• Verification Conclusion: Confirm that the organization submits a GHG statement in accordance with the requirements of the verification criteria agreed by both parties, and fairly presents the GHG data and related information, which is consistent with the verification scope, objectives, and criteria by both parties. Declares that the reasonable assurance level of the inventory data is Category 1 (Scope 1) and Category 2 (Scope 2).</li></ul> <p>Explanation of the Assurance Status for 2023:</p> <ul style="list-style-type: none"><li>• Scope of Assurance: D-Link Corporation/ No. 289, Xinhua 3rd Rd., Neihu District, Taipei City, Taiwan, R.O.C.</li><li>• Assurance Unit: AFNOR Asia Ltd.</li><li>• Principle of Assurance: ISO 14064-3:2019</li><li>• Verification Conclusion: Confirm that the organization submits a GHG statement in accordance with the requirements of the verification criteria agreed by both parties, and fairly presents the GHG data and related information, which is consistent with the verification scope, objectives, and criteria by both parties. Declares that the reasonable assurance level of the inventory data is Category 1 (Scope 1) and Category 2 (Scope 2).</li></ul>

▼ Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
<p>To achieve 2050 net zero emissions, we plan to complete the inventory of the subsidiary companies of the consolidated financial statements by the year 2026 (inventory data for the year 2025). In the same year, using 2025 as the base year, setting reduction targets, and outlining emission reduction strategies and action plans. Starting from the year 2027, we will disclose the progress of target achievements annually. Our recent transition action plan includes replacing energy-consuming lighting fixtures, consistently purchasing green electricity, and conducting organizational carbon inventories of subsidiary companies using the ISO 14064-1:2018 methodology for consolidated reporting. We also plan to gradually upgrade air conditioning units, establish solar power equipment, obtain ISO 50001 energy management system certification, and explore other feasible and effective solutions.</p>



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The UN Global Compact

Classification	Ten Principles	Corresponding Chapters	Page
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	5.2 Human Rights Protection	129
	Principle 2: Make sure that they are not complicit in human rights abuses	5.2 Human Rights Protection	129
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	1.4.2 Stakeholder	30
		2.4.4 Compliance with Law and Regulations	54
		5.2 Human Rights Protection	129
		5.3 Employment and Employee Participation	132
	Principle 4: The elimination of all forms of forced and compulsory labor	3.5 Supply Chain Management 5.2 Human Rights Protection	89 129
Environment	Principle 5: The effective abolition of child labor	3.5 Supply Chain Management 5.2 Human Rights Protection	89 129
		5.2 Human Rights Protection 5.3 Employment and Employee Participation 5.4 Diversity and Inclusion	129 132 135
	Principle 6: The elimination of discrimination in respect of employment and occupation	1.1 Sustainability Vision and Strategies 4.3 Climate Governance and Actions	15 105
		1.1 Sustainability Vision and Strategies 3.5 Supply Chain Management 4.3 Climate Governance and Actions 4.4 Energy and Resources Management	15 89 105 116
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies	4.5 Green Products	120
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	2.4 Ethical Management	50
		3.5 Supply Chain Management	89





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Assurance Statement  
D-Link Corporation Sustainability Report

TUV NORD Taiwan Co., Ltd. (hereinafter referred to as TUV NORD) was commissioned by D-Link Corporation (hereinafter referred to as D-Link) to perform the 2023 Sustainability Report Verification (hereinafter referred to as Sustainability Report) in accordance with the AA1000 Assurance Standard Version 3 and the GRI Sustainability Reporting Standards (GRI Standards) and related assurance standards.

The Scope of Statement and Assurance Standards

- 1) The scope of assurance is consistent with the scope of disclosure in D-Link 2023 Sustainability Report, which covers the period from 1 January 2023 to 31 December 2023.
- 2) The verification of compliance with the AA1000 Principles of Accountability for D-Link company bases on the AA1000 Assurance Standard, Third Edition, Application Type I. This does not include verification of the reliability of the information/data disclosed in the report.
- 3) Sustainability Accounting Standards Board (SASB) Hardware sector sustainability accounting metrics.
- 4) Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Sustainability Disclosure Indicators – Communications and Internet Industry.

Intended Users

The intended users of this statement are the stakeholders of D-Link.

Assurance Type and Level

In accordance with the requirements of the AA1000 Assurance Standard Version 3, Type 1, Moderate of Assurance Level.

Opinion Statement

D-Link complies with the GRI sustainability reporting and AA1000 accountability principles of inclusivity, materiality, responsiveness and impact. The sustainability report presents the commitment of top management, the needs and expectations of stakeholders. To achieve sustainability performance indicators by stakeholders' engagement.

We assure that D-Link complies with the SASB Hardware sector sustainability accounting standards to disclose relevant metrics.

We assure that D-Link complies with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Sustainability Disclosure Indicators – Communications and Internet Industry.



Methodology

The verification is in accordance with the above stated assurance standards and the TUV NORD Sustainability Report Verification Agreement.

Our verification includes the following activities:

- \* Collect objective evidence of relevant performance metrics, as mentioned in the report.
- \* Assurance of expectations of local or national regulations; international standards as set forth in public opinion and/or expert opinion are relevant to such general considerations.
- \* Document review records and report content assessment in the context of GRI criteria application requirements.
- \* Interviews with managers and related staff on issues of concern to the company's stakeholders.
- \* Interviews with personnel involved in sustainability management, information gathering and report preparation.
- \* Review significant organizational developments and review internal and external audit findings.
- \* Review AA1000 (2018) Principles of Accountability and other compliance requirements.

Conclusion

The results of the AA1000 accountability standard for inclusivity, materiality, responsiveness and impact in the report are set out below.

Inclusivity

D-Link identifies 5 stakeholders and their concerns via the questionnaire, and decides materiality through stakeholder discussions, ESG committees and experts. There are 13 material topics determined among the 29 sustainability topics including economic, governance, social, human rights and climate impact.

Materiality

D-Link complies with the GRI Guidelines, SASB Hardware sector sustainability Indicators disclosure related metrics, Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Sustainability Disclosure Indicators – Communications and Internet Industry to fully disclose the company's material risks and opportunities, taking into account the extent of impact on the company and prioritize the materiality of the report.

\*For other related verification documents, please refer to the "Certifications" on D-Link official website.

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**Responsiveness**

D-Link’s Sustainability Report clearly describes the relationship between sustainability and organizational strategy and the performance metrics corresponding to the materiality and their achievement status, and adequately addresses the main issues of concern to stakeholders.

**Impact**

D-Link’s sustainability report fully identifies materiality that reflect the significant economic, environmental, and social impacts on the organization. The company has established a robust process to monitor and measure the impact and establish short, medium, and long-term strategic planning through corporate governance.

**GRI Sustainability Reporting Standards**

D-Link’s sustainability report complies with the GRI 1 to GRI 3 universal Standards and the GRI 200 Series, GRI 300 Series and GRI 400 Series topic standards, and meet the requirements for disclosure.

**Limitations**

The financial report of D-Link was certified by KPMG, the accounting firm appointed by the company.  
The boundary of carbon emission verification report only includes the Taiwan and certified by the third party, AFNOR.

**Independent Statements and Competence**

TUV NORD Group is a leader in the supervision, testing and certification. It operates businesses and provides services in more than 150 countries around the world. The services include management systems and product certification; quality, environmental safety, social and moral audits and training; corporate sustainability report assurance.

TUV NORD and D-Link are mutually independent organizations, and there is no conflict of interest with D-Link or any of its affiliates or interested parties when performing the verification of the sustainability report. Regarding the sustainability report of D-Link, TUV NORD bases on the D-Link verification agreement, and does not assume any legal or other responsibilities. D-Link is responsible for responding to any questions that intended users concerned.

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The verification team is composed of experienced chief reviewers such as ISO 9001, ISO 14001, ISO 14064-1,ISO 14067, ISO 45001, SA 8000, ISO 50001, ISO 27001 etc., and has received the CSAP verification practice qualification certification of AA1000 AS v3 accountability training. The verification team bases on extensive knowledge and experience in the industry to provide professional advice in this assignment.

Jack Yeh  
General Manager

Date of Issuance: 2024.06.20  
TUV NORD Taiwan Co., Ltd.  
Room A1, 9F, No. 333, Sec. 2, Tun Hua S. Rd., Taipei 10669 Taiwan, R.O.C.

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\*For other related verification documents, please refer to the "Certifications" on D-Link official website.



## 2023 Sustainability Report

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