

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

Appendix

Table of Contents

p. 003

About the Report

p. 005

About D-Link

- · Message from the Chairman
- Overview
- · 2022 Sustainability Performance
- Awards

p. 016

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategies
- · 1.2 Sustainable Management Structure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality Analysis and Stakeholder Engagement
- · 1.5 SDGs Practice

p. 036

CH2 Corporate Governance

- · 2.1 Sustainability Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information Disclosure
- · 2.4 Ethical Management
- · 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property Management

p. 060

CH3 Value Creation

- · 3.1 Sustainability Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Management

p. 095

CH4 Environmental Sustainability

- · 4.1 Sustainability Strategies and Goals
- · 4.2 Climate Governance and Actions
- 4.3 Energy and Resources
 Management
- · 4.4 Green Products

p. 112

CH5 People and Society

- · 5.1 Sustainability Strategies and Goals
- · 5.2 Human Rights Protection
- · 5.3 Employment and Employee Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- · 5.5 Talent Cultivation and Development
- · 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

p. 152

Appendix

- · Data Recompilation and Correction
- · Management Approach for Material Topics
- · Relevant Tax Administration Information
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

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. The Report, D-Link's 2022 Sustainability Report (hereinafter referred to as "the Report") aims to present D-Link's efforts and achievements in implementing sustainable development to stakeholders.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Report Writing Basis

The Report is prepared in accordance with the GRI Standards 2021 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) of the United Nations and the United Nations Global Covenants. See the appendix for details.

Report Period

The Report is the 10th sustainability report of D-Link, which reveals the performance information of D-Link's responses to material topics and actions for the year 2022 (January 1 to December 31, 2022).

Disclosure Scope

The financial data of the Report covers the overall operating performance of the parent company and subsidiaries (a total of 44 entities, refer to Page 179 of the Company's 2022 Annual Report for details). The non-financial performance indicators mainly cover seven business units, which include the Corporate Finance & Operation Center, Supply Chain Management Center, Brand Center, Product Strategy Center, Sales Center, Channel Distribution Center and Product R&D Center. Compared with the financial report, the non-financial performance focuses on the main management and operating locations - Taiwan region as the main basis of information disclosure, and partially covers the information of the overseas branches (such as the number of employees, consolidated revenue, etc.).

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 2022 Annual Report. The consolidated revenue data covers the overall operating income of D-Link Group. For disclosures in the environmental and social categories, the Taipei Headquarters is used as the disclosure boundary. The financial data in the report was publicly disclosed information after being certified by the 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 in the commonly used numerical description method; If any relevant information is redrafted, it will be explained in the appendix.

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 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 ESG Committee and Board of Directors for review
before approval.

External Verification:

Туре	Items	Verification Unit	
Finance Data	2020 to 2022	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 (level A) certification	The Institute for Information Industry entrusted by the Industrial Bureau of the Ministry of Economic Affairs	
Sustainability Data	AA1000AS v3 Type 1 Moderate Level, SASB Standards	TUV NORD	

Report Period

Chinese and English versions of the report are issued every year, and the previous reports are published on D-Link's web site https://company.dlink.com/en/

Disclosure period	January 1, 2022, to December 31, 2022	
First published version	June 2014	
Previous published version June 2022		
Current published version	Published in June 2023	TEL NO. 1004
Next published version	To be published in June 2024	

Contact Information

If you have any questions about the Report or have any suggestions for D-Link, please contact the Company through the following channels.

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About the Report

About D-Link

- Message from the Chairman
- Overview
- · 2022 Sustainability Performance
- Awards

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society **Appendix**

Message from the Chairman

GRI 2-22

After three years, the world finally witnessed the long-awaited end of the pandemic. However, the war between Russia and Ukraine erupted in another part of the world, ringing alarms for peace, energy independence, and supply chains. Moreover, inflation has not shown signs of easing. Although the world saw a glimmer of light amidst the chaos in 2022, D-Link has written a new page in both operational performance and sustainable development with its consistent and steady business operations.

In terms of operating performance, D-Link's annual revenue in 2022 was NT\$17.078 billion, up 10% annually, and operating net profit grew 225%, a four-year record high due to its well-structured global market positioning. In terms of sustainable development, D-Link is taking a back-to-basics approach. By examining international sustainable development trends and assessing available resources and future potential, the company has defined its sustainable vision as "Leading Smart Living, Creating Sustainable Value," with D (Diversity), L (Leverage), I (Integrity), N (Net-zero), and K (Knowledge) as its connotations. We will combine these concepts with the four core spirits and seven sustainability management capabilities, and further set and manage strategic goals to achieve our vision of sustainability step by step.

I sincerely hope to enable the hands of technologists, holding the key capabilities of smart network in one hand and stakeholders in the other to create sustainable value of coexistence with the natural environment, integration with human society, and prosperity with the smart industry.

Shaping Distinction, Creating Value, and Building Brand Strength

Since I became the chairman of D-Link, the most common question I ask myself and my team is "What is the value of D-Link?" The value of a company is based on its core technology, closely linked to its corporate culture, and related to its management capability. For me, D-Link symbolizes quality, high security, innovative technology, and the trustworthy and mutually beneficial supply chain partners behind it, and that's what we value. Therefore, in the Sustainability Report, these elements that shape D-Link's values are presented in a separate chapter, presenting our core values in their entirety. And systematic brand management is the way to go, so that the value of D-Link can be seen by more people.

Innovation is often about solving problems or creating value. D-Link's R&D team continues to strive for excellence, passing two AI-related patent examinations in 2022 and collaborating with Meta to uniquely launch the only virtual reality Air Bridge tailored for Meta Quest, significantly boosting market vitality. In addition, the cloud platform continues to expand functionalities, integrate resources, and optimize management to provide the best solutions for customers that are highly acclaimed worldwide. The people behind the creation of these eye-catching products and services are our dedicated team of professionals who keep a strict eye on quality and information security. With various ISO standards for continuous inspection and verification, coupled with a meticulous supply chain management system, we have been able to create high-quality networking services and products that are in line with international standards, winning domestic and international awards with increased customer satisfaction year after year.



About the Report

About D-Link

- · Message from the Chairman
- · Overview
- 2022 Sustainability Performance
- Awards

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Resource Conservation and Environmental Friendliness to Foster Sustainability

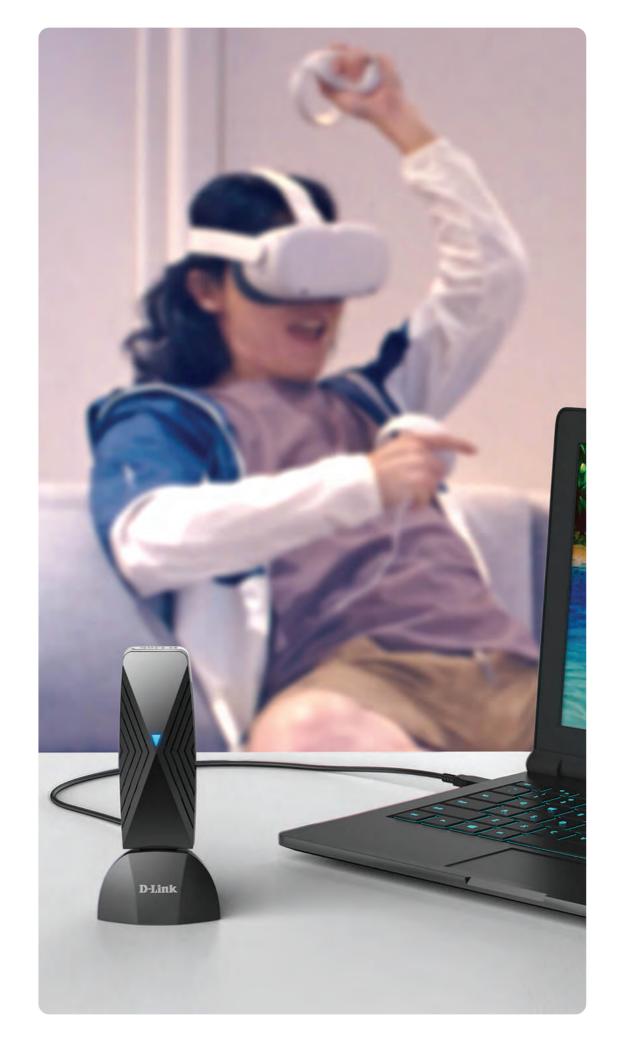
In addition to providing quality products and services, D-Link is also the first networking brand in Taiwan to promote green products from multiple angles. About 16 years ago, when environmental awareness was not yet on the rise, D-Link launched the "D-Link Green" project, which focuses on four major aspects of design, function, material, and packaging to reduce the impact of products on the environment through innovation and conceptualization. In 2022, we will not only introduced the TCFD framework to review the risks and opportunities brought by climate change, but also launched the "Green Pack" project to simplify product packaging, reduce packaging materials, and switch to more environmentally friendly materials, so that consumers can clearly experience the D-Link difference from the first moment they get the product.

Although D-Link does not have a manufacturing division, nor is it a major carbon emitter or water user, it is still doing its best to mitigate climate change and fulfill its responsibility as a global citizen through every small detail of its daily operations. Through the energy efficiency program, annual carbon emissions and purchased electricity savings far exceeded the original targets, and there were significant reductions in water use and total waste. However, all these are the responsibility of enterprises, and we hope that with the power of enterprises, more people will pay attention to environmental and ecological issues. Therefore, D-Link has made a commitment to biodiversity and zero deforestation, communicating the importance of biodiversity to stakeholders and helping to balance nature through subscriptions and covenants. At the same time, we promote the concept of biodiversity through daily sustainability knowledge sharing and beach clean-up activities initiated by our colleagues, and encourage them to take small steps towards cultivating environmental literacy.

Emphasizing Human Rights, Deepening Social Development, and Spreading Influence

2022 was a year of significant commitment to human rights and society for D-Link. In terms of labor and human rights, besides providing various benefits that exceed government regulations, we value the voice of every employee and launched the "Meet the Executive" campaign, which allows employees to speak directly to the management and express their opinions freely. In addition, D-Link has responded to international advocacy by initiating internal and supplier human rights due diligence to identify important human rights-related issues. Subsequently, for high and medium-risk projects, we developed relevant mitigation and compensation measures to create an equal and happy workplace.

In addition, D-Link hopes to turn social inequality around through quality education. Recognizing that geopolitical factors have led to an imbalance in learning resources, D-Link and National Taiwan University of Science and Technology (NTUST) have collaborated to establish the "D-Link Group Scholarship" to encourage foreign students to study in Taiwan, promoting the introduction and nurturing of new technology talents. To root networking education in local communities, we combined industry expertise and engaged with local social welfare organizations. We conducted network assessments for these organizations and organized cybersecurity workshops for underprivileged students, enhancing their local networking capabilities. Throughout the year, we invested six times more resources in implementing diverse social engagement actions, resulting in over a 33% increase in beneficiaries compared to the previous year, thereby expanding our social impact.



About the Report

About D-Link

- Message from the Chairman
- · Overview
- 2022 Sustainability
 Performance
- Awards

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Protecting Intellectual Property, Strengthening Governance, and Consolidating Operation Capacity

As we all know, innovation has been the cornerstone of D-Link's business since its inception, and protecting the results of research and development is a top priority. In 2022, we introduced the Taiwan Intellectual Property Management Standards (TIPS) and developed an intellectual property management plan that is integrated with our operational objectives, so as to strengthen D-Link's competitiveness in the global market through sound management and protection measures.

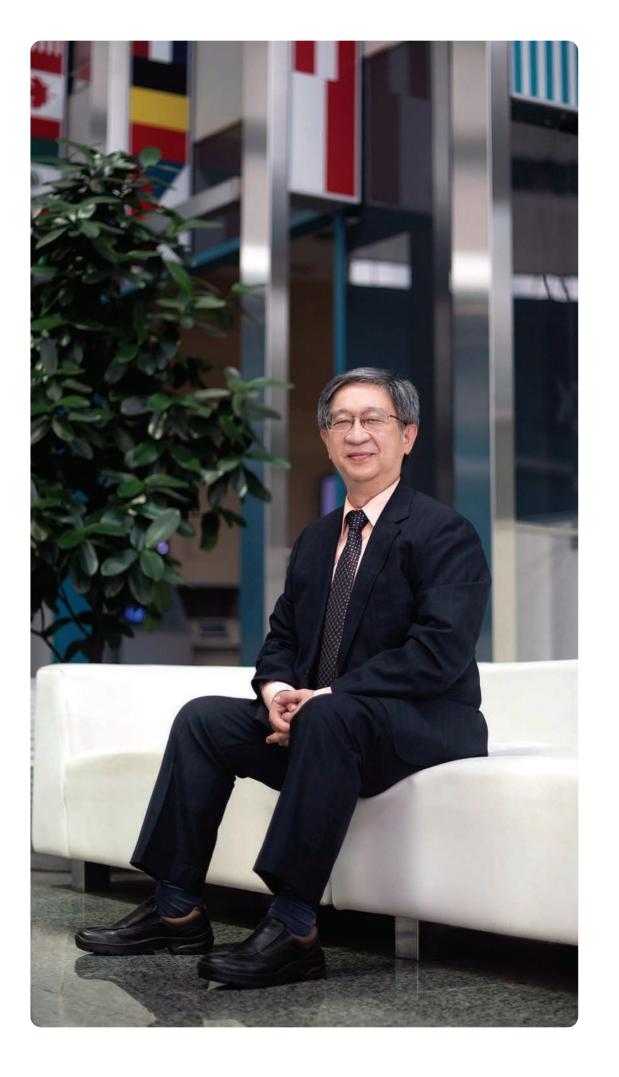
In terms of business operation, D-Link constantly monitors market dynamics and international trends, employing a rolling management approach with appropriate adjustments. In addition to strengthening the functions of the Board of Directors and improving the governance structure, the organization has also been restructured into seven major divisions to enable the company to pursue global presence and local practices, uphold sustainable development, and provide the highest quality products and services to customers around the world, while continuously pursuing industry leadership. Faced with various tangible and potential operational risks, the company, based on assessments from professional advisory teams and internal expert discussions, deliberates on responsive strategies. Regular reviews and management processes are also conducted.

American urban economist Richard Florida once said, "We can create a world of green cities, but it will only happen if we act together, globally, and act now." Taking Kyoto, Japan as an example, a city with 17 UNESCO World Heritage sites, many people associate it with its historic charm. However, few know that this thousand-year-old city is showcasing a new blend of modernity and tradition through sustainable development. Kyoto encourages citizens to transform traditional Japanese architecture into low-carbon buildings through subsidy programs and technical guidance. It has introduced sustainable food markets to promote the purchase of environmentally friendly and healthy products. The city has established a shared bicycle system and utilizes renewable energy sources such as solar and geothermal to reduce carbon emissions. Initiatives to ban plastic usage are underway, and sustainable tourism with local characteristics is actively promoted. Through collaboration among various sectors including industry, government, and academia, the ancient city is being transformed into a sustainable urban center.

From the example of Kyoto, I was struck by the fact that no one is an outsider on the path to sustainability and the future of D-Link is, of course, intertwined with sustainability. In the future, I will continue to lead my team to establish a management mechanism based on honesty and integrity, reduce operational risks and pursue sustainable development, optimize the efficiency of energy and resource utilization to reduce the impact on the environment and ecology through a sustainable operation model, and pursue social inclusion with diversified and fair policies and programs. In terms of corporate core competencies, we hope to strengthen our industrial functions through innovation and R&D capabilities to meet the needs of human development and share the results with society. At the same time, we aim to use our industrial functions and corporate values to maximize our influence and consolidate our position as a leader in global intelligent network equipment and total network solutions, so as to ensure that our position will not falter.



Chairmar Victor Ku



About the Report

About D-Link

- · Message from the Chairman
- Overview
- · 2022 Sustainability Performance
- Awards

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

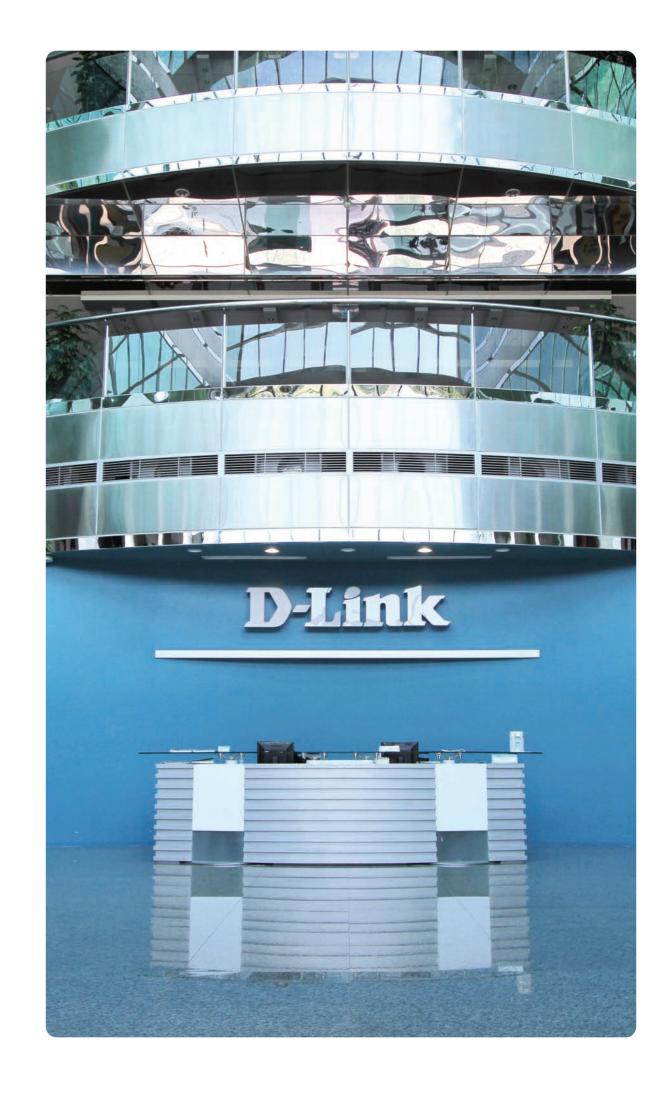
Overview GRI 2-1, 2-6, 2-7 SDG 8



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 2022 was NT\$17.08 billion. Please refer to the Company's 2022 Annual Report for detailed financial information.

Items	2020	2021	2022
Number of operating locations	116	112	82
Total number of employees	2,130	1,833	1,652
Number of headquarters (Taipei) employees	717	555	515
America	159	124	76
Europe	465	447	434
Asia and others	789	707	627
Capital amount (in NT\$ million)	6,520	5,998	5,998
Total assets (in NT\$ million)	15,950	14,504	15,422
Net sales (in NT\$ million)	15,179	15,525	17,078
America	2,214	1,599	1,332
Europe	4,747	5,036	4,888
Asia and others	8,218	8,890	10,858

^{*} The regional classification of financial-related data is based on the 2022 financial annual report specification.



About the Report

About D-Link

- · Message from the Chairman
- · Overview
- · 2022 Sustainability Performance
- Awards

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental **Sustainability**

CH5 People and Society

Appendix

D-Link Business Architecture

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.

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 Telecommunication industry. Since its establishment, D-Link has been internationalized, localized, and globalized, and its performance has grown steadily. It has been deeply involved in various markets for many years. It focuses on research, design, development, and marketing networking communication equipment products and related services. D-Link is devoted to providing high-quality networking solutions to consumers and businesses around the world.

In recent years, D-link has developed with the times. In 2020, after joining Taiwan Steel Group (TSG), D-Link focused on product intelligence, performance enhancement, and production sustainability as a leader in global networking equipment and comprehensive networking solutions, showing the software and hardware capabilities of comprehensive AIoT and helping customers build smart homes, smart businesses, and smart industries to realize the version of One Connection-Infinite Possibilities.



Made In Taiwan



Sustainability







About the Report

About D-Link

- Message from the Chairman
- · Overview
- · 2022 Sustainability Performance
- · Awards

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

D-Link®

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	mydlink	< nuclias	D-ECS					
Product USP	Stability, Velocity, Coverage							
Core Value	Accessible	Manageable	Reliable					
Products	Mesh RouterExtenderCameraHome IoT	SwitchEAPGatewayVPN router	M2M5G IoTIndustrial switch/ERP					
Product Series	EAGLEPRO AI AQUILAPRO AI	_	_					
Cloud Service	Service Subscription: One-stop Management, Cloud Recording, Parental Control	Service Subscription: Monitoring, Set-up service	Service Subscription: Monitoring, Set-up service					

About the Report

About D-Link

- · Message from the Chairman
- Overview
- · 2022 Sustainability Performance
- Awards

CH1 Sustainable Operations

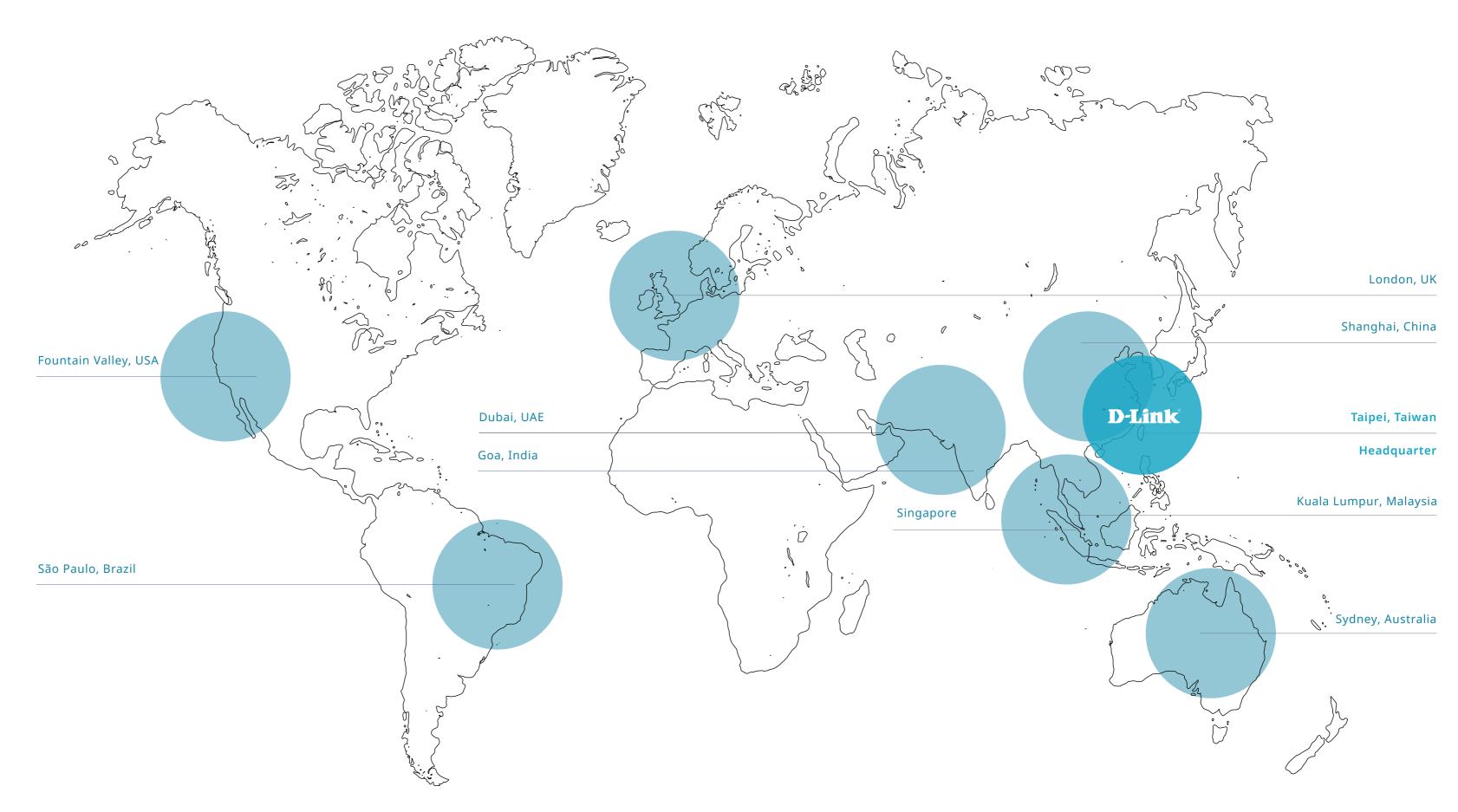
CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix



D-Link Global Distribution Map

D-Link's operational headquarters are located in Neihu District, Taipei City, with 82 operational and sales locations in 44 countries worldwide; as a globally renowned professional Internet communication company, it has 1652 employees worldwide. The disclosure scope of the Report is roughly the same as in 2021.

44 Countries 82 Locations 1,652 Employees

About the Report

About D-Link

- · Message from the Chairman
- Overview
- · 2022 Sustainability Performance
- Awards

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental **Sustainability**

Appendix

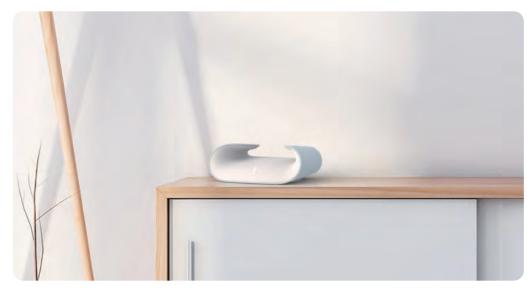
CH5 People and Society

D-Link 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



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

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 Routers, Internet Cables, USB Hub

About the Report

About D-Link

- Message from the Chairman
- Overview
- · 2022 Sustainability Performance
- Awards

CH1 Sustainable Operations

CH2 Corporate Governance

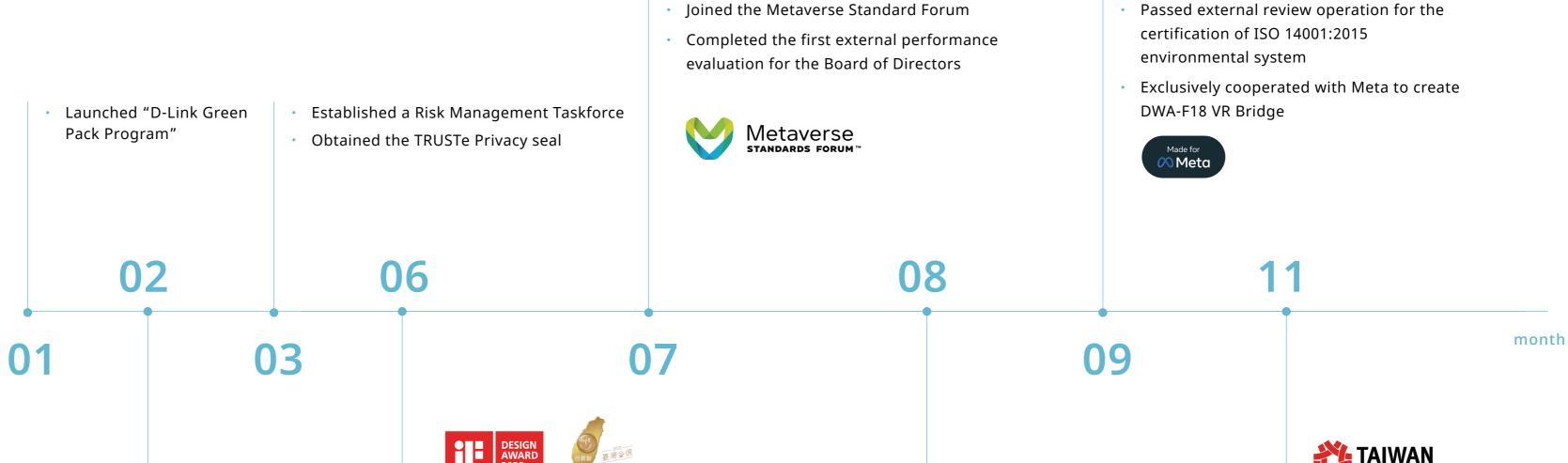
CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Important Notes in 2022



- Established the Information Security Management Committee
- Imported "Task Force on Climate-related Financial Disclosures (TCFD), identified and managed the risks and opportunities caused by climate change, and independently raised the concern on the impact of climate change
- Cooperated with the National Taiwan University of Science and Technology to establish the "D-Link Group Scholarship"
- Publish the first sustainability report produced under SASB standards and validated by SGS
- DCS-8350LH 2K QHD Wireless IP Camera won the 2022 Germany iF Design Award
- The M15 AX1500 Wi-Fi 6 Dual Band Wireless Router and M32 AX3200 Wi-Fi 6 Dual Band Wireless Router were selected as the "2022 MIT Taiwan Gold Selection" and are the only networking brands and products selected this year

- Passed the Greenhouse Gas Inventory Verification of ISO 14064-1:2018
- Launched the "Disability Massage Project" and donated the funds to charity organizations



- Introduced and earned level A certification of Taiwan Intellectual Property Management System (TIPS)
- Won the "31st Taiwan Excellence Awards", and the award-winning product is the DWA-F18 VR Bridge

About the Report

About D-Link

- Message from the Chairman
- Overview
- 2022 Sustainability Performance
- · Awards

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

2022 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 2022, and has achieved remarkable achievements in all aspects of ESG.



Economy and Governance

- Revenue increased by 10% and net profit increased by 225%.
- Corporate governance evaluation result of 103.04 points, ranking among top 6% to 20%; S&P Global ESG score of 45, FTSE Russell ESG rating of 3.1, and Sustainalytics ESG risk rating of 12.3.
- Completed the first external performance evaluation for the Board of Directors.
- Introduced "Taiwan Intellectual Property Management System (TIPS)", and earned the level A certification.
- Penalties for violating ESG-related regulations: 0



Value Creation

- Passed 2 patent examinations.
- Cooperated with Meta to create DWA-F18 VR Bridge.
- The Company's products have won the German iF Design Award,
 MIT Taiwan Gold Selection, and Taiwan Excellence Award.
- Material information security incidents: 0
- The annual average customer satisfaction in Taiwan was 97 points, and the global average customer satisfaction was 86 points.
- The supplier contract contains a human rights protection policy, and the signing rate is 100%.



Environment

- Launched "D-Link Green Pack" Program.
- Updated to ISO 14064-1:2018, and encouraged suppliers to import the standard.
- Carbon emissions reduced by 10.5% compared with the previous year (Category 1 and 2).
- Energy-saving projects saved 2.0% electricity and externally purchased electricity saved 8.51% electricity. (Base year: 2021).
- Total waste volume decreased by 2.4 tons (about 11%).
- Green products accounted for 49% of total product revenue.



People and Society

- 55.6% of D-Link's senior executives were female, a percentage higher than its female employees in the Company.
- The average salary increase of the Company was 4.8% with some exceeding 30%.
- Launched the "Appointment with Supervisors" campaign to encourage employees to express their opinions freely.
- Employed professional massage therapists with disabilities to provide stress relief massage services on site, and all proceeds thereof were donated to social welfare institutions.
- Established the "D-Link Group Scholarship" in collaboration with the National Taiwan University of Science and Technology.
- Invested 6 times of resources than before, implemented 13 social engagement programs, and benefited a total of 1863 people.

About the Report

About D-Link

- Message from the Chairman
- · Overview
- 2022 Sustainability Performance
- · Awards

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Awards

For the introduction of the annual award-winning products, please refer to Chapter 3.5 "Innovation and R&D" (Page 86).

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 2022, D-Link won four awards, which include the iF Design Award, MIT Golden Award, Taiwan Excellence Award, symbolizing that D-Link's products and services have reached international standards in terms of design, innovation, and functionality.



AX3200 Wi-Fi 6 Dual Band Wireless Router

(M32)

About the Report
About D-Link

CH1 Sustainable Operations

- 1.1 Sustainability Vision and Strategy
- 1.2 SustainableManagementStructure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality

 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

CH1 Sustainable Operations

Responding to Sustainability Issues

- · Corporate Image
- · Sustainable Development Strategy
- · Risk Management

Major Stakeholders

- · Customers
- · Shareholders and Investors
- · Employees
- Government
- Suppliers

About the Report About D-Link

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategy
- · 1.2 Sustainable Management Structure
- · 1.3 D-Link's Sustainable Value
- · 1.4 Materiality Analysis and Stakeholder Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society **Appendix**

1.1 Sustainability Vision and Strategies

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













About the Report
About D-Link

CH1 Sustainable Operations

- 1.1 Sustainability Vision and Strategy
- 1.2 SustainableManagementStructure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality
 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

Connotation of D-Link's Sustainable Vision



		11		K	R
Diversity	Leverage	<u>I</u> ntegrity	Net-zero	Knowled	ge
5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	4 QUALITY EDUCATION	10 REDUCED INEQUALITIES
10 INEQUALITIES 16 PEACE JUSTICE AND STRONG INSTITUTIONS	9 INDUSTRY, NNOVATON AND INFASTRUCTURE 10 REDUCED INEQUALITIES	16 PEAGE. AUGSTROE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	13 ACTION 14 LIFE BELOW WATER	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
17 PARTINERSHIPS FOR THE GOALS	17 PARTNERSHIPS FOR THE GOALS		15 LIFE ON LAND		

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

D-Link believes that sustainable development is an operation strategy that is both beneficial to others and to oneself. It can create financial value by reducing costs and increasing revenue for the company, and build priceless non-financial value by creating a culture internally and an image externally. By keeping abreast of sustainability trends and managing them through the PDCA cycle, D-Link can avoid financial losses or the impact of improper strategies on the Company's reputation.

About the Report
About D-Link

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategy
- 1.2 SustainableManagementStructure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality

 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

D-Link's ESG Short/ Medium/ Long-term Strategic Goals

Aspect	Duration	Strategic Goal
	Short-term	 Proactively respond and improve CDP results. Planning to commit to net-zero emission targets. Set promotion indicators and goals according to TCFD results.
Environmental	Long-term	 Acquired ISO 50001 (Energy Management System). Obtained ISO 14025 (EPD third product environmental declaration). Complete the carbon inventory and verification of consolidated subsidiaries. Set overall carbon reduction target of the supply chain and assist in carbon reduction.
	Short-term*	Undertake human rights due diligence.Implement employee engagement survey.
Social	Medium-term*	 Formulate talent development plans or management trainee plans for key positions.
	Long-term*	Promote sustainable human rights risk assessment.
Governance	Short-term	 Continue to improve Corporate Governance Evaluation results. Ensure sustainability to promote the effective operation of the organization, set ESG goals, and implement plans. Introduce Taiwan Intellectual Property Management System (TIPS). Establish a complete whistleblower process.
	Medium-term	Establish an enterprise risk management system.Establish supplier sustainability audit and risk assessment.
	Long-term	Incorporate suppliers' ESG performance into the supplier selection system.
	Short-term	 Promote and optimize sustainable product development and design planning. Draw up a marketing activities plan for sustainable products.
Sustainable Products	Medium-term	 Formulate sustainable product operation goals. Establish the influence of D-Link's sustainable products, and hold relevant publicity, seminars, and strategic alliances.
	Long-term	 Continue to deepen the influence of D-Link's sustainable products in Taiwan and abroad.

REDO IN PROGRESS TO-DO PLANNING DONE

^{*} Short-term (by the end of 2023), Medium-term (by the end of 2026), Long-term (by the end of 2031)

About the Report
About D-Link

CH1 Sustainable Operations

- 1.1 Sustainability Vision and Strategy
- 1.2 SustainableManagementStructure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality
 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

The short/medium/long-term goals of D-Link's sustainable development management strategy

Short-term (by the end of 2023)	 Develop sustainable development strategies in combination with the industrial functions of networking equipment. Review and manage sustainable development goals and performance through external evaluation and comparison. Link the sustainable development performance with supervisors' KPI. Launch the green energy procurement program. Launch the art and cultural activity link program. Organize internal sustainability education courses and workshops to enhance employees' competency for sustainability.
Medium-term (by the end of 2026)	 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. Link the sustainable development performance with each employee's KPI. Plan and execute internal ESG proposal competitions within the Company.
Long-term (by the end of 2031)	 Link the functions and industrial characteristics of the networking equipment industry, leading smart living, creating sustainable value together. Gradually achieve the goal of Net-zero by 2050.

2022 Sustainable Development Management and Strategic Goals

Prepare a sustainability report based on GRI and SASB standards and verify it through third-party verification

Regularly provide ESG education and training to employees

Organize social engagement projects that combine functions

D-Link establishes a dedicated unit to manage the Company's sustainable development strategy and promote the implementation of sustainable development policies. Establish the ESG Committee to assist the Board of Directors to continue promoting corporate sustainable development and implementing sustainable management. D-Link also set up the ESG Office, with the chairman as the convener, and through this functional working group, which holds meetings once a month, it reviews and discusses with heads of all departments about the company's core operating capabilities and set the direction of ESG development and improvement.

2022 Management Performance

- The 2021 Sustainability Report was published in June. It is the first sustainability report
 prepared by the Company based on the GRI Standards core options and referring to
 SASB standards. The report was verified through AA1000 ASv3 Type 2 Moderate Level
 verification.
- Starting in August, ESG education was provided to employees through the internal announcement system every day, with a total of 97 articles published and 17,351 views, an average of nearly 180 views per article. In addition, employees' awareness of sustainable development was strengthened through lectures, education and training, film promotion, and other means.
- Invested 6 times resources and implemented 13 social engagement projects, including
 assisting vulnerable people to stand on their own, network checkups for social welfare
 institutions, Internet and information security education for vulnerable children, biodiversity
 participation plan, material collection and donation, promoting health awareness, promoting
 environmental education, etc.
- In November, a meeting of the ESG Committee was held to report on the annual implementation of ESG.



D-Linker Ms. R Chang

Every day, I can read a short story on sustainability or ESG news shared on the internal announcement system. I think this is very meaningful. With just a few minutes, I will know what is happening in the world, or understand what other companies or organizations have done. This will also make me think about how to start from daily life to become a sustainable driving force.

About the Report
About D-Link

CH1 Sustainable Operations

- 1.1 Sustainability Vision and Strategy
- 1.2 SustainableManagementStructure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality
 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

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

About the Report
About D-Link

CH1 Sustainable Operations

- 1.1 Sustainability Vision and Strategy
- 1.2 SustainableManagementStructure
- 1.3 D-Link's Sustainable
 Value
- 1.4 Materiality
 Analysis and
 Stakeholder
 Engagement
- 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society Appendix

1.2.1 ESG Committee

D-Link established the ESG Committee in 2021. The ESG Committee is the top management unit of ESG-related affairs and is responsible for continuously promoting programs related to sustainable development and actively responding to stakeholders.

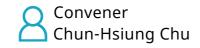
Responsibilities of ESG Committee

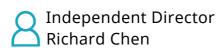
The ESG Committee assists the Board of Directors to continue promoting corporate social responsibilities and improve corporate governance to implement sustainable management, and its powers include:

- 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.

Members of ESG Committee

The ESG Committee is composed of all independent directors, with three members (including at least one expert in sustainable development). Under the committee, the ESG Office was set up to integrate sustainable development into the Company's business strategy and ensure the promotion and implementation of work related to the corporate sustainable development.







Please refer to the page of the ESG Committee on the Company's website for the professional experience of its members

Operation of ESG Committee

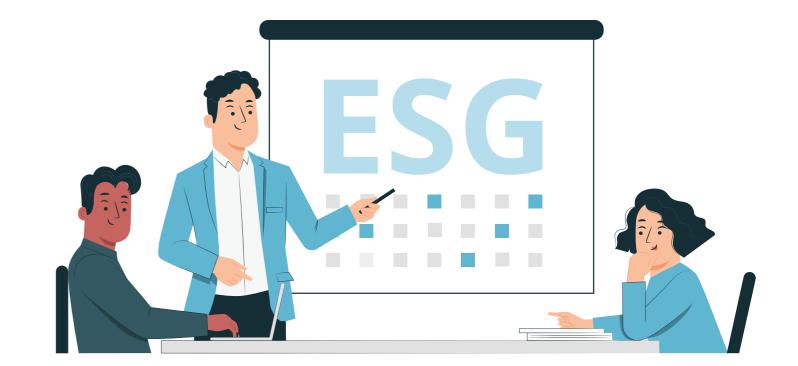
The term of office of the first committee members is from February 2, 2021, to June 14, 2023. The latest annual meeting of the ESG Committee was held on November 2, 2022. Only one meeting was held and the attendance rate of members was 100%. Matters reported and discussed/resolved at the meeting include corporate annual intellectual property management, greenhouse gas inventory, corporate sustainable development, risk management, stakeholder communication, ESG strategic objectives, human rights policy and management plan revision, revision of organizational procedures of the ESG Committee, change of the committee convener, etc. Please refer to the page of the ESG Committee on the Company's website for detailed operation status.

1.2.2 ESG Office

To implement the resolutions of the ESG Committee, D-Link set up the ESG Office in 2021, and through this functional working group, it will review and discuss with heads of all departments the company's core operating capabilities and set the direction of ESG development and improvement.



To ensure the implementation of ESG meeting decisions, D-Link uses the ESG Office as an interdepartmental communication platform to continuously track the annual implementation strategies, goals, and implementation results of sustainability issues or projects. The implementation results are submitted to the ESG Committee and reported to the Board of Directors regularly.



About the Report About D-Link

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategy
- · 1.2 Sustainable Management Structure
- 1.3 D-Link's Sustainable Value
- · 1.4 Materiality Analysis and Stakeholder Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society **Appendix**

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. This year, the Company refers to the integrated reporting framework published by the International Integrated Reporting Committee for the first time 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.



















About the Report
About D-Link

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategy
- 1.2 Sustainable Management Structure
- 1.3 D-Link's Sustainable
 Value
- 1.4 Materiality

 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

D-Link Value Chain

Six Maj	Six Major Capitals- Investments for the Year (NTD)		Business Model		Six Major Capitals- Outputs of the Year	Sustainability Impact
Financial Capital	Optimize operating profitability by making the best use of shareholders' capital and bank funds and by managing financial resources effectively. • Capital: NT\$6 billion	Driving Upward	Stable Operation	Impact Downward	Net income before tax: NT\$458 million, with 15.9% increase per year	Stable returns for investors/ shareholders
Manufactured Capital	Manage suppliers to confirm that they provide products and services that meet the needs of customers under conditions that meet the expectations of society. • Amount of cooperation with major suppliers: NT\$6.5 billion	Suppliers In Business Partners	Operation vestors/Shareholders Colleagues Subsidiaries	Customers Clients	 Operating revenue: NT\$15.525 billion with 10.0% increase per year Number of supplier sustainability management audits: 9 Percentage of major suppliers covered by sustainability management: 100% 	Drive the value of industry supply chain
Intellectual Capital	Invest in forward-looking, innovative products and services to continue to create product differentiation and market segmentation, strengthen D-Link's intellectual capital and enhance the resilience of operations. • Product R&D devotion cost: NT\$57 million • Service R&D labor cost: NT\$58 million	Risk Management Optimization of Operation Management Sustainable Supply Chain Professional Talent Cultivation Innovation and R&D Risk Management Local Care Globalization Operation		 Number of patents obtained: 2 Total number of patents granted worldwide: 562 R&D manpower training hours/attendance: 276 hours/141 attendances Consumer cloud solutions subscriptions of NT\$82.7 million with a growth rate of 49% New Taipei Education Network adopted Enterprise Cloud, with 2,300 classrooms and 50,000+ users 		Assist customers/ clients to achieve success in product and service applications
Human Capital	Provide professional knowledge and skills to the employees, provide diversified benefits, and build cohesiveness so that the employees can grow with the company. • Contribution to welfare: approximately NT\$12 million • Training and education cost: approximately NT\$173,000	Sustainability Management Competence	Green Products ustainability Brand Positioning Janagement		 Provided 43 benefits for colleagues Total employee training hours: 8,023, with 62.4% increase per year Turnover rate of 31.6%, with 21.5% decrease per year 	Create employment opportunities and employee well-being
Natural	Reduce natural energy and resource consumption, effective control, and pursuit of optimal use efficiency.	Corporate Governa			Annual reduction in electricity consumption: 8.5%	Drosonia nativial
Capital	 Green Pack Program: NT\$260,000 Costs associated with the introduction of ISO 14064-1: approximately NT\$1.5 million Procurement of energy-saving equipment and environmental labeling goods: about NT\$800,000 	Innovation and R&	&D	vorking solutions id intelligent	 Category 1 and 2 carbon emissions reduced by 10.5% per year Total waste volume decreased by 10.9% per year 	Preserve natural capital through environment
		Supply Chain Management networking dev		orking devices	Total water consumption decreased by 4.9% per year	management
		Customer Relationsi Management	Customer Relationship Management			Create social welfare and nurture talent for industry
Social & Relationship Capital	Combine the functions of the networking equipment industry and invest resources and caring momentum to strengthen local links and help the disadvantaged, in order to give back to the community and gain trust. • Amount of community involvement: NT\$2.36 million • Amount of investment in brand management: NT\$6.1 million • Customer service management investment: NT\$580 million	Environment Management Core Spirit		Core Spirit	 Number of social engagement projects: 13, with 62.5% increase per year 	
		Human Resources Management	Human Resources Management Entrepreneurship Accountability		Number of social participation activities beneficiaries:	
		Stakeholder Engager	ment Integr	ity Teamwork	Customer Satisfaction score: 86, with 2.4% increase per year	,

About the Report About D-Link

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategy
- · 1.2 Sustainable Management Structure
- 1.3 D-Link's Sustainable Value
- · 1.4 Materiality Analysis and Stakeholder Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental **Sustainability**

CH5 People and Society **Appendix**

1.4 Materiality Analysis and Stakeholder Engagement

D-Link keeps communicate regularly/irregularly through diverse channels with 5 types of major stakeholders, achieving different outcomes and generating diverse social value. Addressing the concerns of each stakeholder, communication is also conducted through corresponding chapters in the Report.

GRI 2-12, 2-14, 2-28, 2-29, 3-1, 3-2)

- 1.4.1 Materiality Analysis
- 1.4.2 Stakeholder
- 1.4.3 Initiatives and Organizations

















About the Report
About D-Link

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategy
- 1.2 SustainableManagementStructure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality

 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

1.4.1 Materiality Analysis

GRI 2-12, 2-14, 2-29, 3-1, 3-2

1.4.1.1 Evaluation Procedure for Materiality

D-Link analyzes global trends, collects sustainable issues concerned by stakeholders, identifies stakeholders and material topics by the GRI General Guidelines 2021 and the AA 1000 Stakeholder Engagement Standard, and further evaluates the significance of the economic, environmental, social, and human rights impacts of these material topics, as the basis for information disclosure in the annual sustainability report and the basis for planning of sustainable development strategy.

Category	Step	Key Performance	Measure
	Step 1. Understanding the organization's context v	5 types of major stakeholders	Identifying stakeholders: According to the five dimensions of AA1000 SES stakeholders engagement principles, namely responsibility, influence, tension, diversity, and dependency, at the beginning of 2022, 17 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, shareholders/investors, employees, government authorities, suppliers, etc., are ranked in order.
		30 main issues of concern	Collecting topics of concern: The working group summarized and listed 30 main issues of concern after sorting and analyzing 95 sustainable issues collected from internal and external channels by referring to global norms and standards (SDGs, TCFD, SASB, etc.), industry norms, and standards, domestic and foreign peers, ESG benchmark enterprises, organizational annual goals, etc., and evaluating "corporate/industry correlation", "impact on the economy, environment, and society", and "impact on enterprise development".
Continuously		487 questionnaires	Investigating concern level of stakeholders: 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 30 main issues of concern. A total of 487 effective feedback were received.
identifying and evaluating impacts	Step 2. Identifying actual and potential impacts	6 aspects of analysis	Analyzing operational impacts: 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.
		11 material topics	Confirming material topics: The results of stakeholder surveys and operational impact surveys are analyzed, and adjustments are made based on the recommendations of the management team. Eleven sustainable issues were selected as material topics of the year.
	Step 3. Assessing the significance of impacts	3 phases of review	Analyzing the significance of impacts: An impact assessment questionnaire was distributed to 10 senior executives and internal experts to analyze the impact intensity of operations related to 11 material topics on the economy, environment, and people and their occurrence probability, and evaluate the impact of these material topics on the value chain. After the evaluation, it was confirmed that all 11 material topics had significant impacts, and a matrix chart of material topics was drawn, which was submitted to the ESG Committee and the Board of Directors for approval in order.
		11 SDGs	Analyzing SDGs: 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 the value chain. Eleven core SDGs were selected and reported at the monthly meeting of corporate sustainable development.
Determine material topics for reporting	Step 4. Prioritizing the most significant impacts for reporting	10 GRI topics	Confirming the ranking of topics and disclosure content: Material topics are sorted according to their impact intensity, and the response strategies, short/medium/long-term goals, achievement performance, and management policies for major topics are explained based on the reporting requirements of each topic. Among the 11 major topics, 6 correspond to 10 GRI topic guidelines, and another 5 are customized topics.

About the Report
About D-Link

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategy
- 1.2 Sustainable Management Structure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality

 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

Main Issues of Concern

Environment	People and Society	Governance
Green Products	Corporate Image	Business Performance
Promoting Environmental Sustainability Awareness	Customer Relationship Management	Innovation and R&D
Climate Change and Adaptation	Serious Infectious Disease Control Measures	Product Quality
Energy Management	Employment	Information Security
Greenhouse Gas Emissions Management	Human Rights and Inclusion	Supply Chain Management
Waste Management	Talent Attracting and Retaining	Sustainable Development Strategy
Sustainable Ecological Development	Diversity and Equal Opportunities	Ethical Management
Water Resource Management	Workplace Health and Safety	Compliance with Laws and Regulations
	Social Engagement	Corporate Governance
	Talent Cultivation and Development	Risk Management
		Intellectual Property
		Public Policy Participation

Assessment and ranking of impacts of ESG

	Environment –		Impact Degree		Occurrence Probability	
	Environment	Positive	Negative	Positive	Negative	
1	Sustainable Development Strategy (G)	4.5	3.5	2.5	2.5	
2	Green Product (E)	2.5	4	2	3.5	
3	Innovation and R&D (G)	3	1	3.5	1	
4	Supply Chain Management (G)	3	3.5	1	1.5	
5	Waste Management (E)	2.5	3	1	1.5	

	People and Society	Impact	Impact Degree		Occurrence Probability	
	reopie and society	Positive	Negative	Positive	Negative	
1	Customer Relationship Management (S)	2.5	3	3	2	
2	Sustainable Development Strategy (G)	3	1	3.5	1	
3	Talent Cultivation and Development (S)	3	1.5	3	1	
4	Ethical Management (G)	2.5	2.5	2	1	
5	Risk Management (G)	3	1.5	2	1	

Governance		Impact Degree		Occurrence Probability	
	Governance	Positive	Negative	Positive	Negative
1	Business Performance (G)	4.5	2.5	3.5	1.5
2	Innovation and R&D (G)	4.5	1	3.5	1
3	Risk Management (G)	2.5	3	2	3
4	Customer Relationship Management (S)	3.5	1	3	1
5	Information Security (G)	3.5	2	2.5	1

About the Report
About D-Link

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategy
- 1.2 SustainableManagementStructure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality

 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Assessment of significance of operational impacts

Note:

- 1. The main reason for significant changes in material topics is the need to simultaneously evaluate negative, positive, and human rights impacts in response to the requirements of the GRI guidelines 2021; in addition, "Corporate Governance" and "Ethical Management", which ranked first and second last year, were consolidated into "Governance and Ethical Management" for the high homogeneity and relevance of the disclosed contents.
- 2. The "Risk Management" was not within the scope of selection in the original impact ranking. However, after assessing this topic, the management team believed this topic is of great importance to the Company's operations and should be included in the material topics.

Material Topics	Significance for D-Link	Positive Impact Degree	Negative Impact Degree	Corresponding Chapter
Innovation and R&D (G)	Continue to innovate D-Link's products and services to create value and to meet customers' expectations for products and services in the new era. In response to the speed of technological change, it is necessary to maintain the momentum of innovation. Failure to understand technology trends will impact competitiveness, affect market share, and harm investors' interests.		••••••	3.5 Innovation and R&D
Business Performance (G)	Pursuing business and financial performance and achieving profitability is the foundation of the Company's sound operation. The ability of a company to generate economic value from its operations will affect shareholders' equity and economic development.			Overview 2.5 Financial Performance and Tax Governance
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.		••••••••	3.3 Product Quality and Safety
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.			•••••••••••	3.6 Supply Chain Management
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. If a major information security incident occurs, it will affect customer trust and the company's reputation and market competitiveness.		••••••	••••••	3.3.2 Product InformationSecurity3.4 Information SecurityManagement
Governance and Ethical Management (G) ¹	A sound governance structure and good integrity management are the foundation of sustainable business operations. An imbalance in corporate governance or corruption may not only affect operational stability and corporate reputation but may also result in financial losses.	••••••••	••••••	2.2 SustainableGovernance2.4 Ethical Management
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. If the Company does not keep up with the times and introduce environment-friendly products, it will not be able to enter the international market and weaken its competitiveness in the market.		••••••	•••••0000	4.4 Green Products
Through corporate image management, D-Link makes stakeholders feel good and identify with it, enhances trust and loyalty, and then drives investment cooperation or consumer choice, forming a positive cycle. Without a consistent brand attitude, the Company will not be able to accumulate market reputation and recognition, and failure to respond to crises in a timely manner will undermine customer trust and, in serious cases, affect revenue.		••••••	••••••	Message from the Chairman Overview 3.2 Brand Image
Risk Management (G) ²	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.		••••••	2.6 Risk Management
Sustainable Development Strategy (G)	Sustainable development is an altruistic and self-beneficial business strategy that can reduce costs, increase revenue and create financial value for the company; it can also create a culture internally and an image externally, creating priceless non-financial value. Keep abreast of sustainable development trends and manage them through the PDCA cycle to avoid financial losses or impact on the company's reputation due to inappropriate strategies.		•••••	1.1 Sustainability Strategies and Goals5.8 Social Engagement
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.	••••••	•••••••	3.3.3 Customer Services

About the Report
About D-Link

CH1 Sustainable Operations

- 1.1 Sustainability Vision and Strategy
- 1.2 SustainableManagementStructure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality
 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

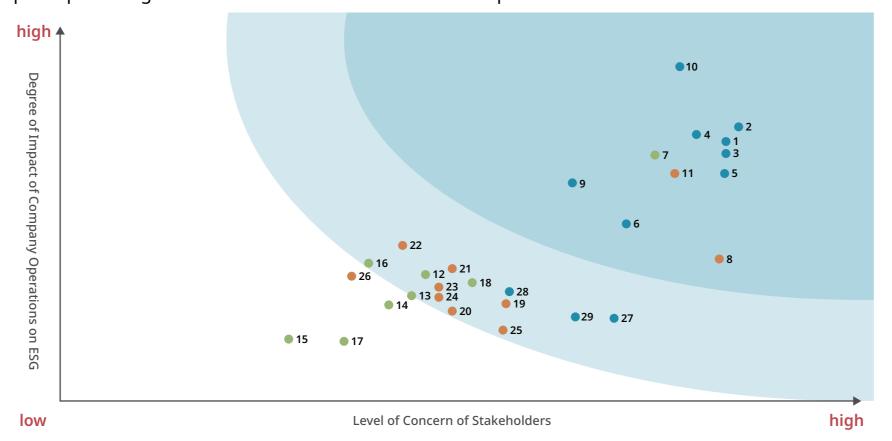
CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

1.4.1.2 Material Topics

D-Link evaluated the impact of sustainable issues on corporate development and corporate value, as well as the impact of company operations on the environment, people, society, and economy, based on the principle of significance and selected 11 material topics:



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

• Ranking of material topics of the year

Ranking	2021	2022	Change of Ranking
1	Corporate Governance (G)	Innovation and R&D (G)	A
2	Ethical Management (G)	Business Performance (G)	A
3	Information Security (G)	Product Quality (G)	A
4	Business Performance (G)	Supply Chain Management (G)	NEW
5	Innovation and R&D (G)	Information Security (G)	•
6	Intellectual Property (G)	Governance and Ethical Management (G)	•
7	Compliance with Laws and Regulations (G)	Green Products (E)	NEW
8	Risk Management (G)	Corporate Image (S)	NEW
9	Talent Cultivation and Retention (S)	Risk Management (G)	•
10	Product Quality (G)	Sustainable Development Strategy (G)	NEW
11	Greenhouse Gas Emissions Management (E)	Customer Relationship Management (S)	NEW
12	Energy Management (E)		-

^{* &}quot;Greenhouse gas management" and "energy management" were assessed as potential impacts, so they were not included in 2022.

The management policy of each material topic is described separately in relevant chapters, and is also available from the Appendix " Management Approach for Material Topics ".

About the Report
About D-Link

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategy
- 1.2 SustainableManagementStructure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality
 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

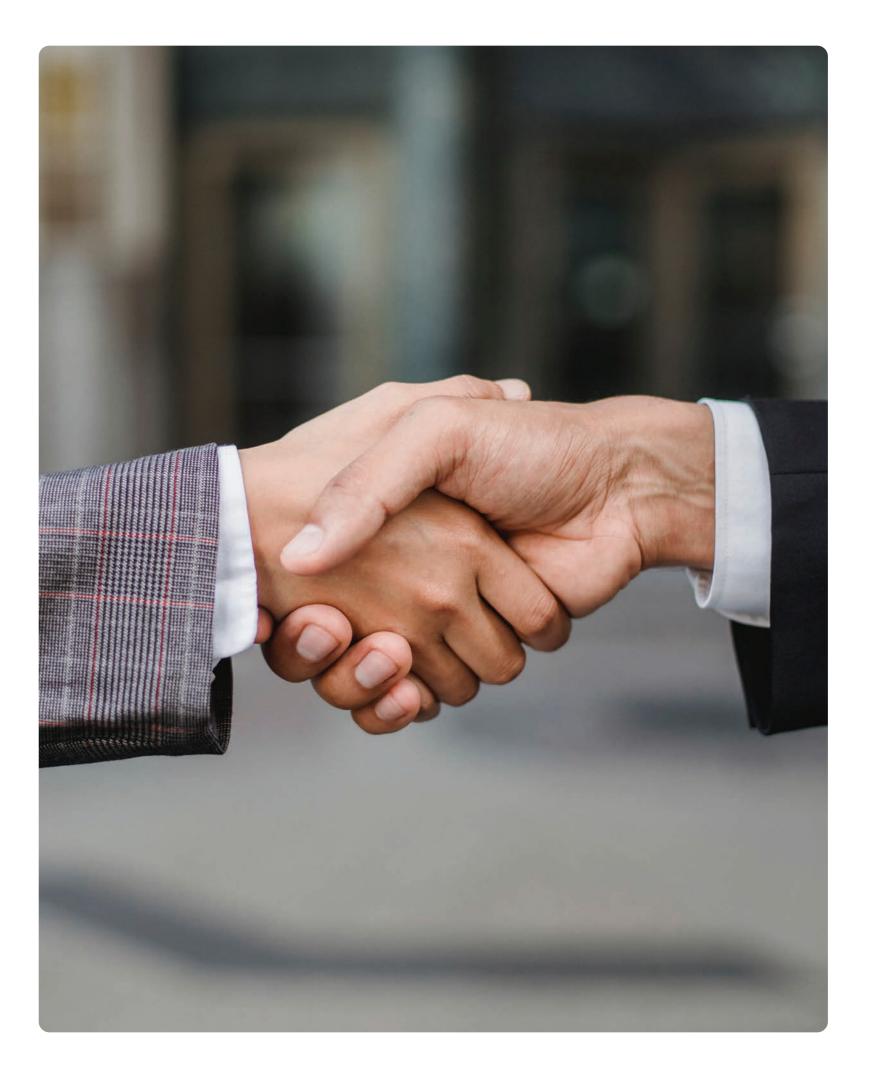
CH4 Environmental Sustainability

CH5 People and Society
Appendix

1.4.2 Stakeholder

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 on November 2, 2022, and to the Board of Directors on November 4.

Stakeholder		Significance for D-Link	
Customers		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.	
Shareholders and Investors	\$ 6	Investors are a significant financial resource of D-Link. Sustainable management can be achieved through capital investments and corporate governance supervision.	
Employees	<u>R≡</u>	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 the Company.	
Government		The government manages the network industry through policies. D-Link has earned the government's trust, support, and cooperation through transparent two-way communication.	
Suppliers		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.	



About the Report
About D-Link

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategy
- 1.2 Sustainable Management Structure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality
 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Stakeholder	Main Issues of Concern	Channels/Frequency	of Communication	Communication Res	sults in 2022
Customers	 Governance and Ethical Management Innovation and R&D Product Quality Corporate Image Customer Relationship Management 	 International exhibitions and product conferences: At least once a year Customer satisfaction survey: Once a year Meetings related to specific issues: Aperiodically Customer visits: Aperiodically 	 Repair center and after-sales services: Aperiodically Company website: Respond to customer questions in the visitor comment section immediately 	· Taiwan Branch held three EAGLE PRO AI new product exhibitions (September 17, October 1, and October 15) in H2 to introduce the new products to customers through on-site business and technical personnel to increase sales in physical channels.	 Held new product R32 launch events in Q3. Held the year-end Welcome Back Fanfest in Q4. From January to December, the average customer satisfaction score in Taiwan was 97, while the global average score was 86.
Shareholders and Investors	 Business Performance Innovation and R&D Corporate Image Sustainable Development Strategy Governance and Ethical Management Risk Management 	· Shareholders' Meeting: Once a year · Investor Conference: At least once a year · Announcement on the Market Observation Post System: As needed	 "Investor Section" of D-Link website: Disclosed at any time Investor mailbox and hotline: Handled at any time Corporate governance evaluation: Once a year 	 Held one shareholders' meeting (May 27). Held two corporate briefing sessions (March 30, and December 19). A total of 40 major messages in both Chinese and English were released on the Market Observation Post System. Instantly update the "Investor Relations" section on the company website for the investors to access the latest information in real time. 	 Received a total of 322 feedbacks from the Investor Relations Mailbox and the hotline for the year and replied to all of them. The evaluation results of the annual corporate governance indicators are expected to be released by the end of April 2023.
Employees	Business Performance Product Quality Corporate Image Sustainable Development Strategy Governance and Ethical Management Risk Management	 Labor Pension Supervisory Committee: Once a quarter Labor-management conference: Once a quarter Employee Welfare Committee: Once a month Education and training (outside-of-work training, in-work training, and self-development): Held according to the plans 	 Employee satisfaction survey: Once a year Employee complaints and sexual harassment complaints in the workplace have a dedicated complaint channel: Handled at any time Hotline and email: Handled at any time Club activities: Aperiodically Appointment with supervisor: every two weeks 	 Held 4 labor pension supervision committee meetings (March 25, June 24, August 8, December 6). Held 4 labor-management meetings (March 23, June 22, September 21, December 21). Held 8 employee welfare committee meetings (January 7, February 18, March 15, April 14, July 13, August 17, September 14, and October 27); From May to June and from November to December, no such meetings were held due to COVID-19 and no meeting agenda respectively. Held 143 internal training sessions with 5,644 participants for 7,250.7 hours. Since October, the corporate sustainable development promotion film has been broadcast in the public space of the headquarters building 6,977 times. 	 Held 63 external training sessions with 111 participants for 772 hours. Started the 2022 employee satisfaction and engagement survey in December with a completion rate of 71.5% and an effective completion rate of 64.4%. Annual employee appeal cases: 0. There are currently 15 static/dynamic clubs with a total of 715 participants in 489 events throughout the year. Arranged a "Appointment with Supervisor" session in December in which 3 employees participated.
Government	 Governance and Ethical Management Risk Management Business Performance Product Quality 	 Communication through official documents and letters: As needed Questionnaire surveys: As needed Conferences/ seminars/ symposiums: As needed 	· Competent authority audits: As needed · Regular updates to the D-Link website and Market Observation Post System: Monthly/quarterly/annually	· Communicated with the government to help implement government policies or regulations and completed specified regulatory audits.	
Suppliers	Business Performance Supply Chain Management Sustainable Development Strategy Governance and Ethical Management Green Products Risk Management	 Delivery system: Daily Supplier audits: Once a year Abnormal quality tracking and review meeti Production and sales meetings (manufacture meetings): Weekly/monthly Supplier questionnaire (integrity management) 	rer communication and review	 Check the order commitment system daily and timely respond to any changes in the supplier's delivery time. Conducted inspections on 9 major suppliers with a completion rate of 100%. Tracked the progress of improving quality anomalies with major suppliers every week. 	 Held regular (weekly/biweekly/monthly) production and sales meetings with different suppliers to communicate customer order requirements, review production on capacity, material conditions, and meet resolutions to the best delivery time. Conducted a questionnaire survey on D-Link's 35 suppliers (integrity management/conflict minerals) with a completion rate of 100%.

About the Report
About D-Link

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategy
- 1.2 SustainableManagementStructure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality

 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

1.4.3 Initiatives and Organizations



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 Global Certification 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)



About the Report
About D-Link

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategy
- 1.2 SustainableManagementStructure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality
 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

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. Eleven core corporate sustainable development goals were selected.



About the Report
About D-Link

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategy
- 1.2 Sustainable Management Structure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality

 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

	Management Approaches	Actions in 2022
3 GOOD HEALTH AND WELL-BEING	 Create a healthy and safe working environment and plan fair, reasonable, and competitive systems, benefits, and incentives. Promote and care for the well-being of external stakeholders through social engagement programs. 	 Create the healthiest workplace with eight major measures, and create a peaceful and safe workplace. Provide welfare care superior to regulations. Act as a youth sports pusher to support the sports industry. Support Taiwan's sports elites with the hope of nurturing more basketball experts, promoting sports culture, enhancing health awareness, and building a healthy society.
4 QUALITY EDUCATION	 Construct a comprehensive learning education and training system to enhance the competitiveness of sustainable management. Formulate personal development plans to assist supervisors and colleagues to continuously enhance their career development. Expand web-based education through social engagement programs. 	 Construct the comprehensive D-Link learning system to enhance the competitiveness of sustainable management. Form a talent cultivation plan with six aspects. Collaborate with schools to carry out networking education at the foundation level. Shape soft power with annual total training hours of 8,022.7 hours. 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. Set up "D-Link Group Scholarship" to cultivate international talents.
5 GENDER EQUALITY	· Build a gender-affirmative work environment.	 Build a gender equity and gender-friendly work environment. Empower the female. Promote maternal health protection plan for the workplace.
7 AFFORDABLE AND CLEAN ENERGY	 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. Follow the ISO 14001 environmental management system, set an annual environmental management plan every year, and commit to and implement five major environmental policies. 	 Energy-saving projects saved 2.0% of electricity and externally purchased electricity saved 8.51% of electricity. (Base year: 2021) The energy-saving project saved a total of 5.17% of electricity over the past three years and is expected to save approximately 155,000 kWh of electricity annually thereafter.
8 DECENT WORK AND ECONOMIC GROWTH	 Continue to expand production capacity, create product and service features, and build diversified product capabilities. Create a healthy and safe working environment and plan fair, reasonable, and competitive systems, benefits, and incentives to attract and retain key talents. 	 Improving risk management procedures and shaping D-Link's risk management culture. Cultivate talents for the networking equipment industry through a complete training system. Protect employee rights through human rights protection policies. Share company profits with employees and involve the employees in business outcomes.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	 Devote to developing and applying new technologies to provide quality and convenient products and services to customers. Formulated the "Information Security Management Policy" and established the "Information Security Management Committee", to understand information and communication security according to international standards. 	 Cooperation with internationally renowned chip manufacturers. Developed chip-accelerated smart traffic management and AI beamforming algorithms. Invested resources to develop point-to-point connection software and obtained several connection patents. Continued to provide central network management, remote monitoring, analysis reports, email notifications, and zero-contact network deployment based on the cloud framework, creating easy-to-use and safe cloud network solutions for various services. Partnered with National Yang Ming Chiao Tung University to participate in the "Smart Network Core System Development Flagship Project" of the Ministry of Economic Affairs Department of Industrial Technology Industry-Academia Value Creation Plan. Improving Risk Management Procedures, and Shaping D-Link's Risk Management Culture.

About the Report
About D-Link

CH1 Sustainable Operations

- · 1.1 Sustainability Vision and Strategy
- 1.2 Sustainable Management Structure
- · 1.3 D-Link's Sustainable Value
- 1.4 Materiality
 Analysis and
 Stakeholder
 Engagement
- · 1.5 SDGs Practice

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

	Management Approaches	Actions in 2022
10 REDUCED INEQUALITIES	 Identify relevant risks through due diligence and manage them appropriately. Protect employee rights through human rights protection policies. Provide a suitable complaint channel. 	 Launch human rights due diligence project to identify major issues related to human rights. Adhere to policies and plans that promote diversity, equity, and inclusiveness (DEI) to involve representatives and participants from different groups. Ensure the rights and interests of labors, without differences based on age, ethnicity, ability, physical or mental disabilities, gender, religion, culture, or sexual orientation. Provide diverse channels for employees to express ideas and suggestions.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	 Set up management representatives, establish quality policies, set management objectives by quality policies, and review them regularly for effective management and continuous improvement. Protect customers' rights and increase trust by establishing standard operating procedures, conducting regular surveys on customer satisfaction, and reviewing various service management indicators. 	 Enhancing ESG Information Disclosure. Zero product label violation. Implemented internal management activities according to ISO 9001 quality management system specification. All products are required to pass information security-related tests to ensure that there are no known risks. D-Link has established a "Product Information Security Management Platform", consolidating the important information security functions into a single platform for effective control. Provided consumers with a diverse and instant technical support channel through 13 telephone customer service centers around the world. Assisted subsidiaries and customer service centers in effectively addressing consumer issues through the "1-3-7 Service Quality Assurance Agreement". Biodiversity and zero-deforestation commitments. Total annual waste volume decreased by 2.4 tons (about 11%). Green products accounted for 49% of total product revenue. Launched "D-Link Green Pack Program" to strive to use environmental protection materials, plastic-free packaging, and optimal material volume. Encourage the procurement of agricultural products that meet biodiversity requirements.
13 CLIMATE ACTION	 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. Stipulate related policies according to the ISO 14064 Greenhouse Gas Inventory system. Establish eco-friendly commitments. 	 Imported TCFD architecture to identify and manage 3 risks and 3 opportunities. 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. Updated to ISO 14064-1: 2018, and encouraged suppliers to import the standard. Biodiversity and zero-deforestation commitments.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	· Respond to and support global ESG trends and related initiatives.	 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. Biodiversity and zero-deforestation commitments.
17 PARTNERSHIPS FOR THE GOALS	 Establish supplier management guidelines, incorporate ESG-related impacts and risks, and regularly evaluate the impact of suppliers on society and the environment. Increase local procurement percentage. Collaborate with diverse partners to benefit people and society through various social engagement programs. 	 Incorporated ESG-related impacts and risks into ISO management guidelines. All suppliers are required to sign the "Integrity Commitment". All suppliers are required to sign the "Conflict Minerals Due Diligence Declaration". Increase local procurement percentage. Biodiversity and zero-deforestation commitments. Collaborated with 15 public welfare partners and implemented 13 social engagement programs.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- · 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

 Management

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Responding to Sustainability Issues

CH2 Corporate Governance

- · Business Performance
- · Corporate Image
- Sustainable Development Strategy
- Governance and Ethical Management
- · Risk Management

Major Stakeholders

- Customers
- · Shareholders and Investors
- Employees
- · Government
- Suppliers

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- · 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

 Management

CH3 Value Creation
CH4 Environmental
Sustainability
CH5 People and Society
Appendix

/ 2022 Sustainability Report

2.1 Sustainability Strategies and Goals - Governance Aspect

Short/ Medium/ Long-term Goals

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

Short-term

- · Work with high-quality ODMs to build a controllable supply chain system with close relationships.
- Reestablish D-Link's brand image and enhance brand value from three aspects: specification and price, scalable functions and performance, and corporate identity.
- 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.
- Develop a succession plan for board members and key management to maintain the professionalism and experience of board members and key management.
- 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.
- At least one member of the Board of Directors shall be a woman to implement the gender equality policy.
- Prepare a directors' handbook to familiarize new board members with the Company's business and directors' duties.
- There are no related cases involving violations of integrity management and will continue to be maintained.
- Link risk to strategy by identifying, analyzing and measuring potential risk events for D-Link and developing risk response measures.
- Earn the level A certification from Taiwan Intellectual Property Management System (TIPS) for the second year.
- · File no less than 5 patent applications.
- 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.

Medium-term

- Implement D-Link's sustainable development strategy through sustainable development plan and by combining its seven sustainability management capabilities to create an internal culture and an external image.
- Set up a "Nomination Committee" to assist the board of directors to develop and manage a fair and transparent process to formulate human resource strategies for directors and senior managers.
- 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.
- Reduce identified significant risks in the risk matrix through effective risk response measures, and identify and resolve potential risk events in a timely manner.

Medium- to long-term

- Link the functions and industrial characteristics of the networking equipment industry, leading smart living, creating sustainable value together.
- Achieve management and provisioning minification of networking products with cloud computing as the main pillar.
- Create stable and advanced networking products with excellent radio frequency and high-speed signal technology.
- Propose all-in-one solutions for enterprises based on the needs form SOHOs and SMBs.
- Strengthen partnerships with Tier 2 and Tier 3 carriers to win long-term contracts with localized services.

Long-term

- Continue to enhance corporate governance evaluations and elevate the evaluation results to the top 5% of rankings, forming the corporate governance culture.
- Increase the proportion of female directors to over 1/3 of the Board of Directors.
- Implement a natural person director system that can better consider the interests of the company and shareholders.
- 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.
- 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.

By the end of 2031

By the end of 2028

By the end of 2026

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

 Management

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

38 / 2022 Sustainability Report

D-Link's Major Contributions to SDGs



External Performance Evaluation for Board of Directors



Improving Risk Management Procedures, and Shaping D-Link's Risk Management Culture



Enhancing ESG Information Disclosure

Goals in 2022



Drive profits with innovative growth



Recover global consolidated revenue to prepandemic levels



Strengthen the performance evaluation of the board of directors and increase discriminative indicators



Arrange courses and exchange meetings on different topics to enhance the decision-making quality of the board and strengthen its functions



Established a complete whistleblowing system for any cases violating ethical management

2022 Management Performance

In 2022, the Company's global consolidated revenue was NT\$17.08 billion, with an increase of 10% compared with 2021, the highest in recent 4 years; the operating expense was NT\$3.762 billion, a decrease of 6.4% compared with 2021; and the net operating profit was NT\$553 million, an increase of NT\$383 million compared with 2021.

- In 2022, the operating revenue increased by 10%, and the net operating profit increased by 225%.
- Taiwan Corporate Governance Association was appointed to conduct an external performance evaluation for the Board of Directors.
- Review the design of the board performance evaluation questionnaires and revise the "Rules for Performance Evaluation of Board of Directors" to include qualitative indicators related to ESG.

In response to the global minimum tax burden system, external tax teams are invited to conduct further training courses in the Company to assist directors in understanding the unavoidable international and domestic tax-related risks faced by the Company in its operations and how to respond to these risks.

- Irregularly hold important meetings and invite directors to participate in these meetings, i.e. product and R&D conferences.
- · Present the fully established whistleblowing system in detail on the relevant pages of the Company's website.
- Insider trading and similar matters: 0
- Employee corruption and illegal behavior: 0
- Internal complaints: 0
- Penalties for violating regulations related to information and labeling of products: 0
- Penalties for violating regulations related to the health and safety of products: 0
- Penalties for violating regulations related to marketing and publicity activities: 0
- Penalties for violating regulations related to environmental protection: 0
- Penalties for violating regulations related to social aspects, such as human and labor rights: 0
- Penalties for violating regulations related to economic aspects, such as fair trading and significant cyber security: 0
- Introduce "Taiwan Intellectual Property Management System (TIPS)", and earned the level A certification.
- Total number of 731 patents have been applied, and total number of 562 patents have been granted worldwide.
- The main brand, "D-Link", has been registered as trademark and maintained in over 116 countries/regions around the world.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- · 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

 Management

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

39 / 2022 Sustainability Report

Management Approaches for Material Topics GRI 3-3

Note:

- 1. The D-Link value chain includes upstream (suppliers), D-Link's own operations (headquarters and subsidiaries) and downstream (customers), and is responsible for providing and undertaking all D-Link products and services as a whole.
- 2. Direct impact; Indirect impact.

Material		Impacts on Value Chain ^{1, 2}					
Topics	Significance for D-Link	nk Suppliers/ D-Link/ Customers/ Response Policies and N Business Partners Subsidiaries Clients		Response Policies and Measures	Administrative Actions		
Business Performance	Pursuing business and financial performance and achieving profitability are the foundation of the Company's sound operation. The ability of a company to generate economic value from its operations will affect shareholders' equity and economic development.	0	•	-	Continue to expand production capacity, create product and service features, and build diversified product capabilities.	Regularly hold business review meetings, track business performance, fully grasp the operating status and monitor the progress.	
Governance and Ethical Management	A sound governance structure and good ethical management are the foundation of sustainable business operation. An imbalance in corporate governance or corruption may not only affect operational stability and corporate reputation, but may also result in financial losses.	0		0	 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. Create a quality culture of integrity and compliance to ensure the long-term interests of all stakeholders. 	 Regularly convene the Board of Directors and shareholders' meetings, re-elect directors every three years, and ensure the professionalism and diversity of directors. Voluntarily participate in the evaluation of international corporate governance, and incorporate the indicator requirements into the corporate governance improvement plan. 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	0	•	0	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 at least once a year on the implementation of risk management.	

Responsible Unit

GRI 2-13

relationships and enhancing market trust.

- · Corporate Finance & Operation Center
- · Supply Chain Management Center
- · Audit Office

Management Mechanism

- 1. Regulations Governing Procedure for Board of Directors Meetings
- 2. Articles of Incorporation
- 3. Corporate Governance Best Practice Principles
- 4. Management Regulations on the Remuneration of Directors and Functional Committee Members
- 5. Rules for Performance Evaluation of Board of Directors
- 6. Internal control system and relevant operation methods
- 7. Procedures for Materiality Management and Prevention of Insider Trade

- 8. Code of Conduct
- 9. Ethical Corporate Management Best Practice Principles
- 10. Implementation Measures for the Whistleblowing System
- 11. Internal Audit Implementation Guidelines
- 12. Group Tax Policy and Management Regulation
- 13. Tax Governance and Transfer Pricing Policy
- 14. Risk Management Policies and Procedures

Communication Channel

Relevant Appeals	https://www.dlink.com/en/contact-usOnline message: https://reurl.cc/p5yz4a
Investor Relations	 Special Line: 886-2-6600-0123 Ext. 6437 Special E-mail: ir@dlinkcorp.com
Anti-Corruption Reporting	 Special E-mail: SRC@dlinkcorp.com Special Mail Box: 114, No. 289, Xinhu 3rd Rd., Neihu Dist., Taipei City (To Audit Committee)

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

 Management

CH3 Value Creation
CH4 Environmental
Sustainability
CH5 People and Society
Appendix

2.2 Sustainable Governance

D-Link believes that strengthening corporate governance is the cornerstone of an enterprise's pursuit of sustainable growth. Adhering to the core spirit of integrity and integrity, D-Link operates transparently, attaches importance to stakeholders, and achieves the goal of creating shareholder profits and being responsible to stakeholders through corporate governance. At the same time, follow the sustainable faith, harmony and mutual benefit with the environment and society, to maintain the long-term competitive advantage of the enterprise.

- 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

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

 Management

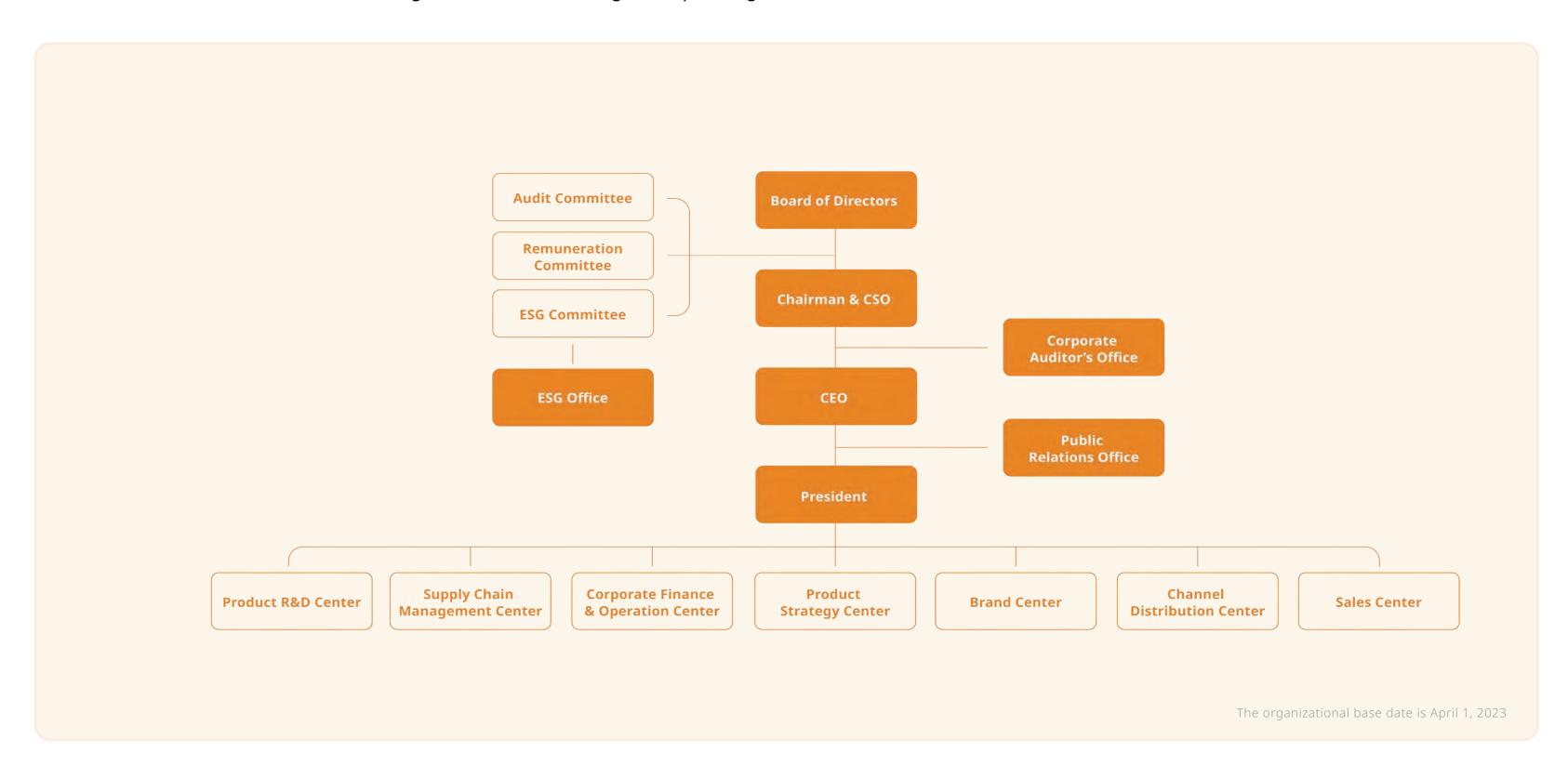
CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

2.2.1 Organization Structure

In order to maintain its leading brand position in the networking equipment industry, D-Link has set up seven centers to comprehensively manage the Company's operations and a 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.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- · 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- 2.7 Intellectual Property
 Management

CH3 Value Creation
CH4 Environmental
Sustainability
CH5 People and Society
Appendix

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 functions 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.

Board of Directors meetings in 2022 2 months Once every two months on average 6 meetings were convened in 2022 Average attendance rate of independent directors

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 Page

18 of the Company's 2022 Annual Report). The 12th board of directors consists of 9 directors (including 3 independent directors), with Mr. Victor Kuo as the Chairman, and the term of office is from June 15, 2020 to June 14, 2023. The Board of Directors shall be convened once every quarter. In 2022, 6 Board of Directors meeting were held, and the average attendance rate of directors was 92.5%.

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 8 directors, among whom 25% are directors with employee status, and 37.5% are independent directors, achieving the specific management objective of not more than 1/3 of the board seats for directors concurrently serving as managers of the Company (Director Mr. John Lee, resigned on September 28, 2022). 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.

* For the professional qualifications and experience of independent directors, please refer Page 18 of the Company's 2022 Annual Report.

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 diversity in the composition of directors, therefore it has set a specific goal for board diversification: after the re-election of directors after the expiration of their term of office in 2023, female directors will occupy at least one seat to achieve the policy of gender equality and diversification and continue to improve corporate governance.

Governance Structure

		Age/Ge				
2022		Under 30 years old	30-50 years old	Over 50 years old	Subtotal	Percentage
	Female	0	0	0	0	0%
Gender	Male	0	1	7	8	100%
Subt	total	0	1	7	8	100%
Percentage		0%	12.5%	87.5%	100%	

* For the list of the members of the 12th Board of Directors, please refer Page 27 of the Company's 2022 Annual Report.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- 2.3 Transparency in Information Disclosure
- · 2.4 Ethical Management
- 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

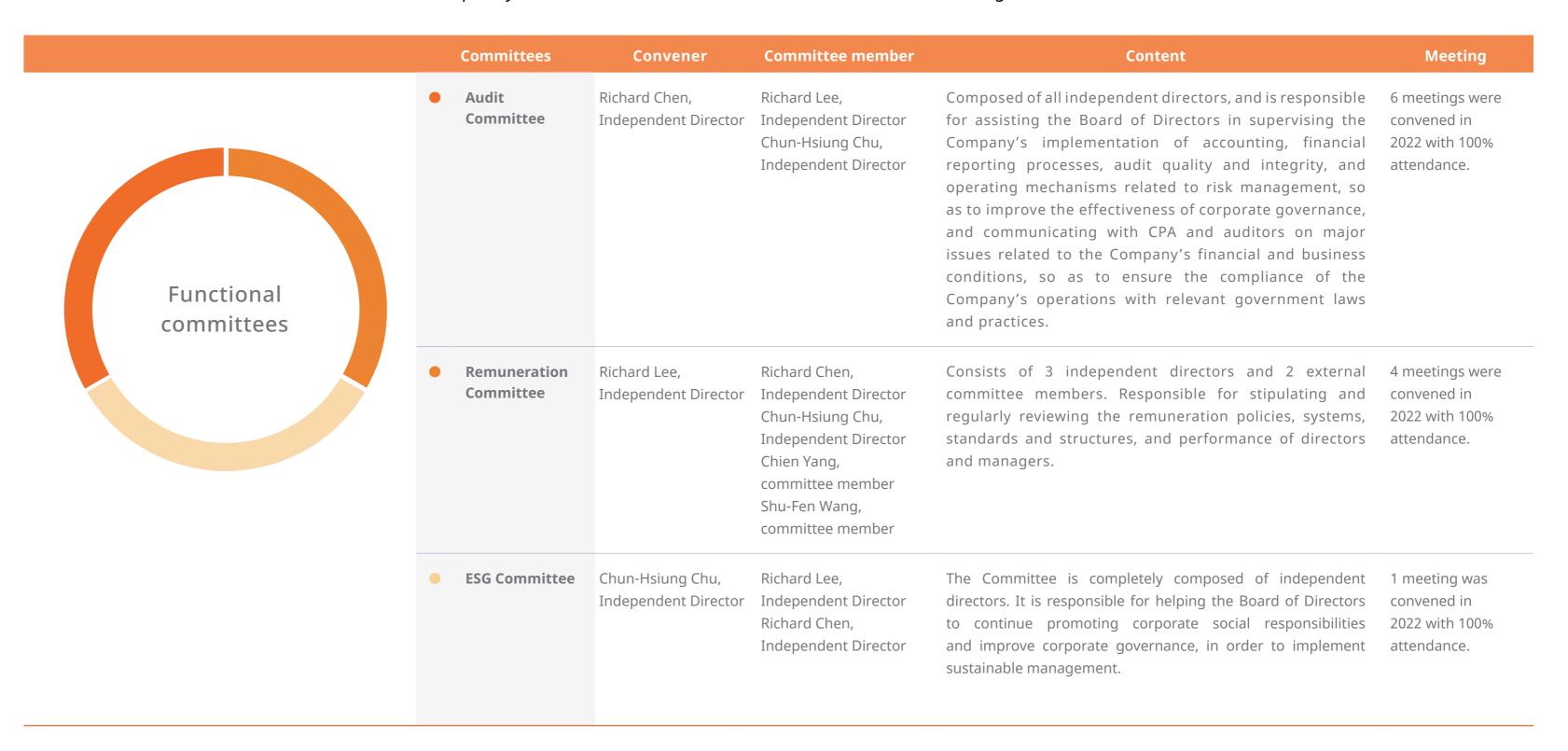
 Management

CH3 Value Creation
CH4 Environmental
Sustainability

CH5 People and Society
Appendix

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. Major proposals of the Board of Directors will be reviewed and audited in advance, and the quality of resolutions of the Board of Directors was also strengthened.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

 Management

CH3 Value Creation
CH4 Environmental
Sustainability
CH5 People and Society
Appendix

Remuneration for the Governance Body GRI 2-17, 2-18, 2-19, 2-20 Directors' Remuneration System

2.2.4 Performance Evaluation and

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 and Remuneration 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.
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. However, the Company may, depending on the situation, devise a remuneration deferral mechanism 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 "2022 Annual Report".

I. External Performance Evaluation for Board of Directors

In May 2022, Taiwan Corporate Governance Association (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) 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.

II. Internal Performance Evaluation for Board of Directors

The 2022 performance evaluation for Board of Directors are reported on the Board of Directors meeting on February 22, 2023, 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 4.71 points. (out of 5 points), showing that the board 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.

	Assessees	Indicators of	Performance
, o, o, Co, o, Co, o	Board of Directors	 Level of participation in the Company's operations Improvement of the quality of the Board of Directors' decision making Composition and structure of the Board of Directors 	
	Individual Board Member	responsibilities of directors	 Management of internal relations and communication Professionalism and continuing education of directors Internal controls
	Functional Committee	 Level of participation in the Company's operations Understanding the responsibilities of functional committees Improvement of quality of functional committee's decision making 	 Composition and selection (election) of members of functional committees Internal controls (Audit Committee only)

^{*} For information on the performance evaluation of the Board of Directors, please refer to "2022 Performance Evaluation of Board of Directors" on the Company's official website for details.

Continuing Education for Directors

In order to enhance the functions of board members, according to the D-Link "Corporate Governance Best Practice Principles", various external courses are arranged every year to help enhance professional capabilities. In 2022, D-Link's Board of Directors received 66 hours of continuing education in total. In addition, respond to the global minimum tax burden system, external tax teams are invited to conduct further training courses in the Company to assist directors in understanding the unavoidable international and domestic tax-related risks faced by the Company in its operations and how to respond to these risks. Please refer to the 2022 Annual Report for details of continuing education.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- 2.3 Transparency in Information Disclosure
- · 2.4 Ethical Management
- 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- 2.7 Intellectual Property
 Management

CH3 Value Creation
CH4 Environmental
Sustainability
CH5 People and Society
Appendix

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.

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.

Composition of Managerial Officers' Performance Objectives

	Business Objectives	Other Strategic Objectives
Content	Specific quantifiable items such as revenue and earnings per share	 Brand value and corporate image Corporate governance and sustainability (performance objectives of sustainable issues include indicators such as climate change and enterprise risk management) Talent retention and development and others
Percentage (varies depending on the nature of managers)	40%-80%	20%-60%

2.2.6 Corporate Governance Performance



D-Link is committed to improving and continuously promoting the corporate governance mechanism. In 2022, the corporate governance evaluation scored 103.04 points, ranking in the second range (top 6% -20%). Compared to the average score of 98.52 points in this level of range (6% -20%), the score of D-Link is 4.52 points higher. It also ranks in the top 5% of the same industry (with a market value of NT\$5 billion to NT\$10 billion); compared with the previous year, the evaluation ranking has increased by one level and the score has significantly increased by 14.66 points.

Furthermore, D-Link voluntarily participates in international corporate governance evaluations, such as S&P Global, and incorporates the Sustainalytics ESG Evaluation and FTSE Russell ESG Evaluation indicator requirements into the corporate governance improvement plan. In 2022, the S&P Global ESG evaluation scored 45 points, 12 points higher compared with last year. The Sustainalytics ESG evaluation showed D-Link's performance stays at a Low-Risk level. The risk score decreased for three consecutive years.

• Sustainalytics ESG risk score in the past three years: (100~0, 0 is the best)

	April 2020	July 2021	November 2022	May 2023
Risk assessment score	24.9	23.8	15.8 (Reduced from moderate to low risk)	12.3

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- · 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

 Management

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

2.3 Transparency in Information Disclosure

GRI 2-15

D-Link treats all shareholders fairly and keeps the shareholders informed of important information of the Company 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

About the Report
About D-Link
CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- 2.7 Intellectual Property
 Management

CH3 Value Creation
CH4 Environmental
Sustainability
CH5 People and Society

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 2022 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 know important information of the Company in time or in advance, so as to safeguard shareholders' rights and interests.

- **Setting up an independent investor relations website:** Enhance the user experience and convenience of investors.
- 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 corporate website. Announce the Company's financial report, quarterly report, annual report, and sustainability report in both Chinese and English versions.
- 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 enterprise 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 2022.
- · **Convening shareholders' meeting:** The Company tried its best to maintain the shareholders' rights and interests during the pandemic, and held a general shareholders' meeting on May 27, 2022.

Enhancing ESG Information Disclosure











TCFD
Disclosure of climaterelated risks and
opportunities

Disclosed the financial significance and usefulness of investment decisions, which were verified through third-party verification

SASB

Renamed the sustainability report

Passed AA1000AS v3 third-party verification Adopted GRI Standard 2021

Shareholder-related Rights and Interests

- · The right to propose and propose to convene an extraordinary shareholders' meeting
- · Share disposal rights and share subscription rights
- · Rights to nominate of directors
- Rights to know

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.
- **Reminder emails:** Stock affair specialist remind directors and insiders quarterly by email not to trade D-Link stocks before the announcement of the financial statement.



2022 Insider trading and other matters: 0

Appendix

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- · 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

 Management

CH3 Value Creation CH4 Environmental

Sustainability
CH5 People and Society
Appendix

2.4 Ethical Management

GRI 2-12, 2-26, 2-27, 205-1, 205-2, 205-3, 206-1, 416-1, 416-2, 417-1, 417-2, 417-3, 418-1

Integrity is one of the core spirits of D-Link. Every aspect of the Company's daily operations follows internal and external laws and regulations, and all employees are requested to maintain 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 the 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 Laws and Regulations

About the Report
About D-Link
CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- · 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- 2.7 Intellectual Property
 Management

CH3 Value Creation
CH4 Environmental
Sustainability
CH5 People and Society
Appendix

2.4.1 Ethical Management and Anti-corruption GRI 2-12

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", which clearly disclose the Company's internal rules and regulations. The ethical management policy requires the Company and its subsidiaries to abide by relevant laws and regulations in their overall operating activities, abide by high professional ethics standards, avoid engaging in unfair competition, oppose to any form of bribery, and establish appropriate management systems. Training courses such as intellectual property rights information management and business secret infringement prevention were conducted to enhance employees' awareness on the ethical management, and further strengthen corporate governance. D-Link reports to the Board of Directors its execution of ethical management once a year, and the annual report was made to the Board of Directors on November 5, 2022. The training related to D-Link's ethnical management is divided into the following 3 categories, and a total of appromixatly 575 training hours were implemented in 2022:

New employee orientation

D-Link has included ethical management in the content of its orientations for new employees, which is held every two months to ensure that every new employee in the orientation has been made known to adhere to the "Ethical Corporate Management Best Practice Principles" and "Code of Conduct". In 2022, among the new employees, 106 of them have completed 2 hours of ethical management training, totaling 212 training hours. The in-service employees who have not completed the ethical management education and training will finish the training in 2023.

External training

In 2022, a total of 6 employees applied for external training related to accounting and internal control systems, totaling 113 training hours.

Internal training

In November 2022, D-Link held courses on "Ethical Management Promotion" to bring awareness to all employees' awareness on ethical management. The courses included promotion of the concept of ethical management, anti-money laundering, anti-corruption and insider trading. There was an aggregate of 500 attendees for the course, totaling 250 training hours. The course had an attendance rate of 97%, and the average test score was 87 (out of 100).

In 2022, D-Link also broadcasted videos related to ethical management, anti-corruption, and insider trading regularly in the public area of the headquarter. A total of 7 videos of different topics have been broadcasted as of November 2022. All courses were made online internally and became a part of D-Link training system from 2022.

W

D-Linker Ms. L. Lin

D-Link often plays some videos related to legal knowledge in the public area, which is easy to understand and closely related to daily life. You will notice when passing by, and it is very helpful for accumulating legal knowledge.

In terms of anti-corruption assessment, D-Link uses the latest international corruption index "Corruption Perceptions Index" to evaluate whether each operating site is located in a high-risk anti-corruption area, it is necessary to strengthen relevant anti-corruption education and training. The locations undertaking corruption-related risk assessment in 2022 belonged to middle or low risk areas according to the corruption perceptions indexes.

• In 2022, the analysis of D-Link operating locations that underwent anti-corruption risk assessment is as follows:

Corruption Related Risk Assessment					
Number of operating locations that have conducted assessments					
Number of operating locations	12				
Percentage	100%				

* According to the reporting boundary of this assessment, the operating locations refer to 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 ares, the United States, Singapore, Taiwan, , collectively account for more than 60% of D-Link's global sales).

The communication and training of anti-corruption policies and procedures are carried out through the signing of declarations (directors), training courses for newcomers (employees), and signing of procurement contracts with relevant specifications (suppliers). In 2022, there is no major corruption-related risk after assessment.



2022 Employee corruption and illegal behavior: 0 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%

* In 2022, anti-corruption education and training were carried out for new employees; the number of existing employees has not been counted, and all supplementary training have been completed in 2022.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- · 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- 2.7 Intellectual Property
 Management

CH3 Value Creation
CH4 Environmental
Sustainability
CH5 People and Society
Appendix

2.4.2 Internal Audit

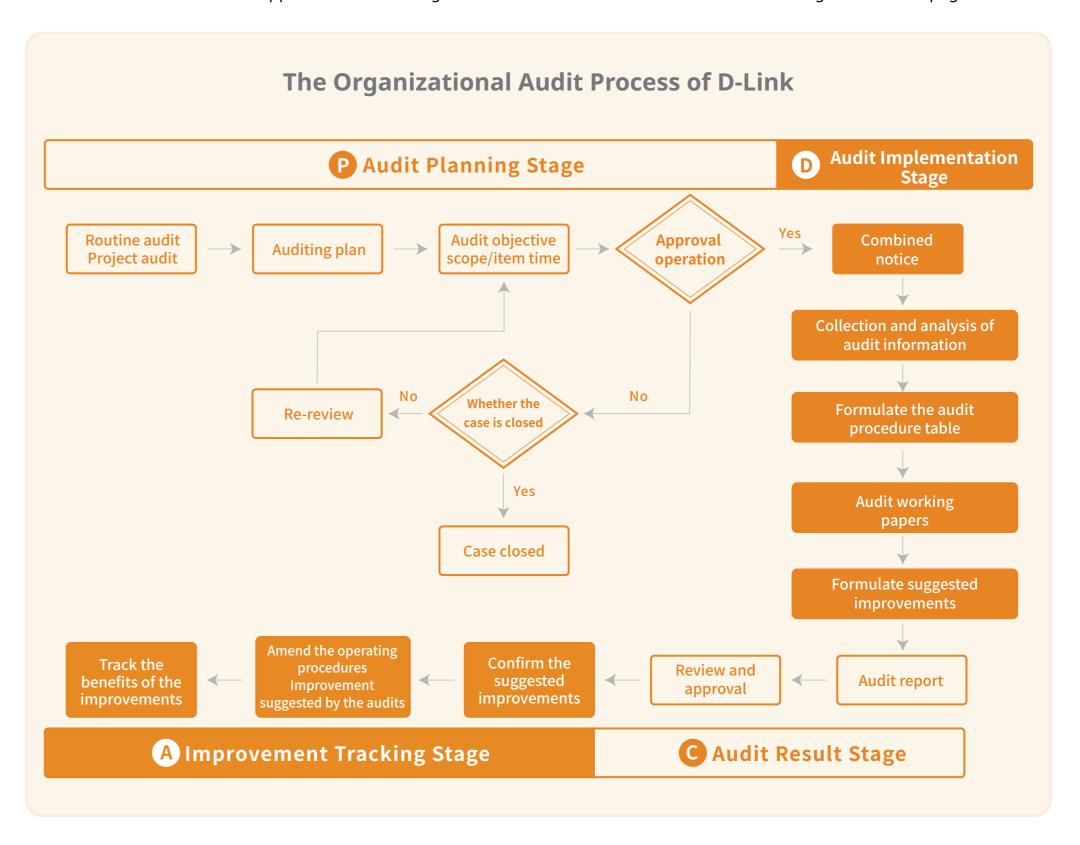
In order to strengthen the operations and management of the Company, D-Link has established an independent audit office under the Board of Directors. The appointment of the audit supervisor must be approved by the Board of Directors and a dedicated audit personnel has been additionally established. The 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 units, operations, and subsidiaries of the Company. 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 Chairperson.

In 2022, except for the routine items implemented according to the annual audit plan, to cope with the Company's TIPS certification operation, intellectual property management audit work was arranged.

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 Chairperson 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 on the internal regulations web page.



About the Report About D-Link CH1 Sustainable Operations

CH2 Corporate Governance

- · 2.1 Sustainability Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information Disclosure
- · 2.4 Ethical Management
- · 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property Management

CH3 Value Creation CH4 Environmental Sustainability **CH5** People and Society **Appendix**

/ 2022 Sustainability Report

2.4.3 Whistleblowing System GRI 2-26

D-Link established a whistleblowing mechanism in accordance with the established 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 system for whistleblowing, keeps the identity of the whistleblower and whistleblowing content confidential, and promises that the whistleblower will not suffer improper consequences due to the whistleblowing.

Scope of the Reporting Cases

Anyone who found any action related to the violation of D-Link's financial system and affecting the accuracy of financial reports, the violation of laws and regulations, the violation of the Company's policies, systems and ethical standards, the embezzlement of the D-Link's goods or assets, receiving improper benefits, fraudulence by the management or employee, any other behaviors damaging the interest of the D-Link, etc., may file a report according to D-Link's "Implementation Measures for the Whistleblowing System".

Reporting Method and Channel

In 2022, D-Link has announced its latest information relating to the reporting methods and channels as

- · Reporting method: in writing or by email
- · Reporting channel: the Audit Committee
- · Address: No. 289, Xinhu 3rd Rd., Neihu Dist., Taipei City 114
- · Email: SRC@dlinkcorp.com

Handling of the Reporting Cases

Under the "Implementation Measures for the Whistleblowing System", D-Link designates the Audit Committee as the reporting unit, and the audit office as the investigating unit to manage and record cases, and investigate and handle reporting cases in accordance with relevant procedures. The Company shall issue written reports over the investigation results along with handling suggestions and carry out standard operating procedures in accordance with the subsequent follow-up processing mechanism.

Protections for Whistleblower's Identity and Report Content

D-Link's personnel handling the reporting case shall make a written statement to keep confidential the identity of the whistleblower and the content of the report, and shall not disclose information sufficient to identify the identity of individuals involved in the case, including but not limited to the name, age, address, document, picture, news, appearance, identification data or other items sufficient to identify the identity of the whistleblower and the reported individual. Nevertheless, the whistleblower agreeing to disclose his or her identity, or the information being disclosed due to the legal requirement shall be the exceptions. When the whistleblower is threatened, intimidated or faced with similar acts by others, he or she shall be assisted and report to the police to handle the situation.

Protection for Whistleblower's Rights

There shall be no adverse personnel measures imposed as an attempted retaliation against the internal personnel for whistleblowing, cooperating in the investigation or refusal to participate in the case being reported. If such personnel measures are present, the internal personnel may file for relief in accordance with the relevant provisions from the "Implementation Measures for the Whistleblowing System".

Reward for the Whistleblower

If the reporting case is verified to be true, appropriate rewards shall be provided in accordance with D-Link's enforcement measures for rewards and punishments taking into consideration the contribution the internal whistleblower has made to corporate governance.

2.4.4 Compliance with Laws 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, ensure that labor policies meet the requirements of human rights conventions and local government regulations; 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., to ensure transparency and smooth communication between labor and management.

D-Link's operating and sales locations can be found all over the world, and the Company has always followed the relevant laws and regulations of various countries related to Internet communication, competition law, anti-bribery law, economic sanctions law, and personal information law, and has tracked, identified and implemented all regulations on a daily basis. Furthermore, the Company also adjusts its operating policies in a timely manner. The company conducts education and training on compliance with laws and regulations for the supervisors and employees of each unit. In 2021, the education and training courses related to contracts and regulations were held, with a total of 55 participants, totaling 82.5 training hours; in 2022, education and training courses related to personal information regulations were held, with a total of 51 participants, totaling 76.5 training hours.

In addition, D-Link's products and services also comply with regulations related to information and labeling, health and safety, and marketing and promotion activities also comply with regulations related to marketing communications, as well as in environmental protection and social and economic fields.

2022 D-Link's Status of Compliance with Laws and Regulations

	Туре	Violation of Laws
1	Product/service information and labeling	None
2	Product/service health and safety	None
3	Marketing and publicity activities	None
4	Environmental protection	None
5	Social aspects, such as human rights and labor	None
6	Economic aspects, such as fair trading and significant Cyber security	None

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

 Management

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

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





About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

 Management

CH3 Value Creation
CH4 Environmental
Sustainability
CH5 People and Society
Appendix

2.5.1 Financial Performance

GRI 201-1

D-Link's consolidated operating revenue in 2022 was NT\$17.08 billion. Despite the impact of market factors such as COVID-19 epidemic, shortages price increases of key components, the Company managed to cope with the fact that its turnover still increased by 10% over the previous year; in addition, under the prudent management of operating expenses, a decrease of 6.4% resulted in an increase of net operating income from NT\$170 million in the previous year to NT\$550 million, an increase of approximately 2.3 times. In addition, non-operating expenses was NT\$100 million, mainly due to foreign currency exchange losses. In terms of overall profit performance, current net profit attributable to the owners of the parent company in 2022 was NT\$109 million, and EPS was NT\$0.18.

In 2022, switches were the main revenue products of D-Link, with revenue accounting for about 3% of the annual growth rate; in the global market, Pan-Asia-Pacific region had the highest proportion of shipments, with revenue accounting for an annual growth rate of about 5%. 5G is driving the deployment of global telecommunications industry, and under this trend, D-Link has achieved a favorable layout in the global telecommunications industry. In addition, it has deeply cultivated the enterprise market, continuously developed new customers, actively digested inventory, adopted appropriate promotion strategies, and product tying strategies, resulting in a new high in annual revenue record in the past four years. Improved product structure and increased gross profit margin, combined with a decrease in operating expense ratio, resulting in a 2% increase in operating income. The decrease in net profit after tax is mainly due to foreign currency exchange loss caused by exchange rate fluctuations in 2022. In the future, D-Link will continue to enhance its core competitiveness and strengthen management, and increase gross profit by launching high-quality new products, deepening cloud platform services, and optimizing product portfolios. 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 2022, D-Link headquarters and global subsidiaries received around NT\$24.48 million in subsidies, including government tax relief and deduction of about NT\$10.25 million, and COVID-19 and other related subsidies of NT\$14.23 million.





• Financial performance in the past three years

Unit: in	NT\$	mil	lion
----------	------	-----	------

Items	2020	2021	2022
Operating revenue	15,179	15,525	17,078
Gross profit	4,775	4,189	4,315
Operating expenses	4,695	4,019	3,762
Net operating income	80	170	553
Non-operating income and expenses	1,417	225	(95)
Net profit before tax	1,497	395	458
Net profit after tax	1,311	318	260
Net profit of parent company	1,240	239	109
Gross profit (GP%)	31.5%	27.0%	25.3%
Operating expenses (OPEX%)	30.9%	25.9%	22.0%
Operating profit (OPM%)	0.5%	1.1%	3.2%
Net profit after tax (NI%)	8.6%	2.0%	1.5%

^{*} Please refer to the Company's 2022 Annual Report for details of the entities included in this table.

About the Report
About D-Link
CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- 2.7 Intellectual Property
 Management

CH3 Value Creation
CH4 Environmental
Sustainability
CH5 People and Society
Appendix

2.5.2 Tax Governance

D-Link Group adheres to the goal of implementing tax compliance and improving tax risk management. D-Link Group establishes Group Tax Policy and Management Regulation to implement corporate sustainability development and fulfill social responsibilities.

According to D-Link Group's Group Tax Policy and Management Regulation, the Group takes the Board of Directors as the highest decision maker of an effective tax risk management mechanism. In order to put tax management into practice and establish an internal tax management mechanism, on August 12, 2022, the Company invited directors and top management to participate a tax seminar and hired global tax experts to lecture the impact of the global tax reform on tax governance from the perspective of directors and supervisors. The lecture topics included the global minimum tax rules, Taiwan's anti-tax avoidance rules and ESG trends on tax governance issues to let directors and top managements understand the changes in international and domestic tax regulations and countermeasures.



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 prepared Master Files and competed filing in India and Italy to enhance the transparency of the tax information of the Group and implement global transfer pricing.

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 remit such surplus to the ultimate parent company, D-Link Corporation, and pay corresponding income tax in Taiwan. Please see the Appendix "Tax Governance Related Information" for the income and tax burden of each tax jurisdiction in 2022 and the main business activities of each company in the tax jurisdiction in 2022.

Tax Performance in the Recent Three Years

Unit: in NT\$ million

	2020	2021	2022
Net profit before tax	1,497	395	458
Income tax expense	186	77	197
Effective tax rate ¹	12%	19%	43%
Income tax paid	92	101	126
Effective tax rate of income tax paid ²	6%	25%	28%

Note:

- 1. Effective tax rate = Income tax fee/ net profit before tax
- 2. Effective tax rate of income tax paid=Income tax paid/net profit before tax

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- · 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

 Management

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

2.6 Risk Management

GRI 2-12, 2-16, 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.





About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- · 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

 Management

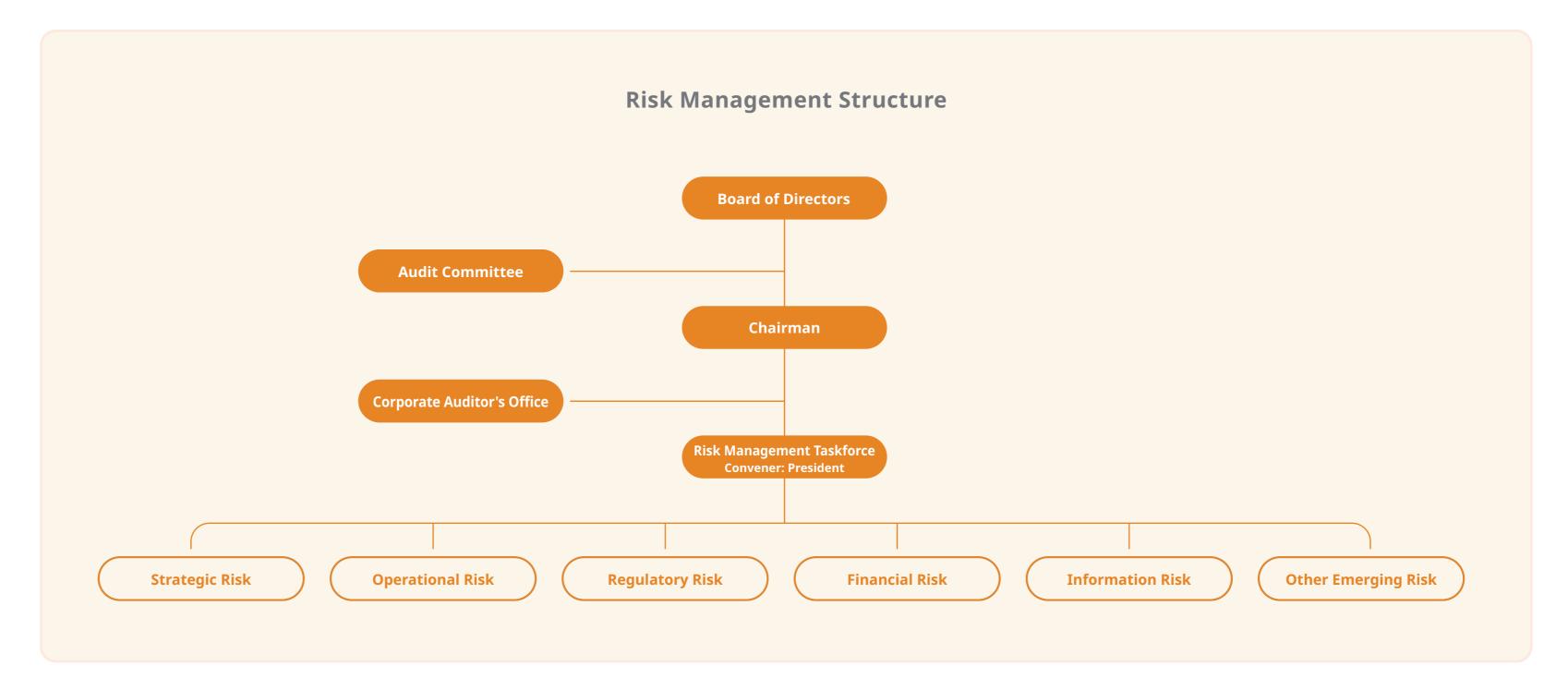
CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

Shaping D-Link's Risk Management Culture

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. Risk measurement indicators are developed for key risk categories to review risk management mechanisms regularly, and strategies, control objectives, internal control systems and procedures are established to effectively prevent and manage risk-related company operations.



About the Report About D-Link CH1 Sustainable Operations

CH2 Corporate Governance

- · 2.1 Sustainability Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information Disclosure
- · 2.4 Ethical Management
- · 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property Management

CH3 Value Creation CH4 Environmental Sustainability CH5 People and Society **Appendix**

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 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.

200



Supervision and Review Mechanism

Each operating unit of the Company shall be directly responsible for the risks 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 or the MOPS.

Operating Status

- · On November 2, 2022, D-Link convened the ESG Committee meeting. The annual risk management operating status was reported to the ESG Committee.
- · In accordance with the promotion measures of the competent authorities, the Audit Committee was appointed to supervise the operational mechanisms related to risk management, and the revised "Risk Management Policies and Procedures" was approved by the Audit Committee and the Board of Directors on November 4, 2022.
- · On November 4, 2022, the revised President Performance Indicators were reported to and approved by the Board of Directors to include risk management indicators in the evaluation items.
- On December 15, 2022, the course of risk management education was held. The trainees included the Chairman, CEO, the President, and supervisors of various units. The number of participants in the course is 24, with a total of 60 training hours.

Top 10 risks of the Company identified at the beginning of 2023:

Туре	Risk
Strategic Risk	Imbalance of production and marketing Product innovation Brand image
Operational Risk	Customer management Product quality Talent
Regulatory Risk	Intellectual Property Rights Compliance with global operational laws
Financial Risk	Exchange rate changes
Information Risk	Information security incidents

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- · 2.7 Intellectual Property

 Management

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society
Appendix

2.7 Intellectual Property Management

GRI 2-12, 405-1

Innovation has been the cornerstone of D-Link's operation and management since its establishment. In order to properly protect the research and development results and strengthen D-Link 's competitiveness in the global market, D-Link has formulated an intellectual property management plan that is combined with operational goals to deal with intellectual property and other related issues. Decision-making and execution guidelines for transactions, and management. In 2022, D-Link introduced Taiwan Intellectual Property Management System (TIPS) and earned the level A certification, and intends to continue to earn the certification in 2023.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

- 2.1 Sustainability
 Strategies and Goals
- · 2.2 Sustainable Governance
- · 2.3 Transparency in Information
 Disclosure
- · 2.4 Ethical Management
- 2.5 Financial Performance and Tax Governance
- · 2.6 Risk Management
- 2.7 Intellectual Property
 Management

CH3 Value Creation
CH4 Environmental
Sustainability
CH5 People and Society
Appendix

Intellectual Property Management Plan

Patents

In order to actively protect its own research and development results and integrate resources from different units, D-Link has formulated and implemented specific rules to promote patent applications, which are handled by a dedicated unit responsible for submitting to the domestic and foreign patent offices for review, so as to strengthen the patent portfolio and protect company interests. Due to the Company's emphasis on the quality and capability of patent applications, inventors are also given certain rewards to encourage their innovation. At the same time, patent management is also in place to properly record, integrate, maintain, and make use of patent assets to enhance D-Link's competitiveness.

Trademark

D-Link is a brand deeply rooted in numerous countries facing consumers directly. In order to establish customer recognition of brand image and consolidate market advantages, the Company has been actively registering its trademarks around the world to market and promote products, sparing no effort to protect and enhance product value. D-Link has the visual image of trademarks design by a dedicated unit, and also manages to define application categories and countries through its overall strategy. As markets and products constantly change, the Company not only continues to dynamically review its corresponding registration portfolio, but also regularly conducts trademark monitoring, and dispute similar trademark applications or other unfair competition practices by any third party in order to maintain the uniqueness and identity of the trademarks, so as to ensure that economic benefits derived from D-Link's trademarks can be fully utilized.

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 and personal data protection, which may serve to observe conduct, objects, workplace areas, classification levels, and relevant education and training to employees. It also has an internal review mechanism in place to review related matters regularly.

Internally, D-Link conducts important documents and technical inventory from time to time 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.

	Trade secrets protection measures
Employees	 Upon arrival, an employment contract containing confidentiality clauses must be signed A confidentiality agreement shall be signed upon resignation
Manufacturer	· Before actual cooperation takes place, a confidentiality agreement must be signed
Access control	 There is an access control at the D-Link gate and IT department, and outside personnel need to apply for visitor permission before entering and leaving

Copyright

An employment contract between D-Link and an employee has stated that and D-Link is the rightful owner of all copyrights resulting from the employee's work within the scope of employment; for any development project in cooperation with any supplier or client, the ownership of the copyright of development work shall be fully agreed upon in a contract in advance.

Status of Implementation

yearly. The latest annual report was made to the Board of Directors on November 4, 2022.

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

A report recounting intellectual property related issues will be submitted to the Board of Directors

addition to establishing a professional legal and intellectual property team to support the research and development team, the Company has long paid attention to the relevant trends and regulatory requirements of intellectual property rights both domestically and abroad. The main status of implementation in recent years is as follows:

2019	2020	2021	2022
•	•	•	•
Improvement on	Comprehensive	Expansion of the	Introduction and level A
Patent Application	review and	scope of ISO/	certification of Taiwan
and Rewards	consolidation of	ICE 27001 ISMS	Intellectual Property
Implementation Rules	trademark portfolio	certification	Management System
			(TIPS)

Training and Education

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.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society

Appendix

CH3 Value Creation

Responding to Sustainability Issues

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

Major Stakeholders

- · Customers
- · Shareholders and Investors
- · Employees
- · Government
- Suppliers

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

- 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental Sustainability

CH5 People and Society

Appendix

3.1 Sustainability Strategies and Goals - Value Aspect

Short/ Medium/ Long-term Goals

Short-term

- · Position the corporate direction and focus on the value of enhancing corporate image.
- Establish a dedicated department to develop corporate brand communication and marketing strategies.
- 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.
- · Filed at least 5 patent applications.
- · Maintain the completeness of quality management procedures.
- · Establish information security management system.
- Fully introduce a digital signature system for product, software, and firmware, and apply HSM management keys.
- Revamped SIM system and integrated into the new information security management platform.
- · Activate product certification mechanism according to ETSI EN 303 645.
- All employees completed at least one hour of information-related education training per quarter.
- · Suppliers accounting for 87% of the total purchase amount were the main target of the evaluation.
- · Consistently achieve a customer satisfaction score of 85 or higher.

Medium-term

- Implement D-Link's sustainable development strategy through sustainable development plan and by combining the Company's seven sustainability management capabilities to create an internal culture and an external image.
- Convey the brand concept and strengthen the corporate image.
- Build brand recognition and manage customer relationships.
- 80% of D-Link's suppliers are externally certified to ISO 9001 and have obtained the certificate.
- Pass the ISO/IEC 27001:2022 Information Security Management System before the end of 2024.
- 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.
- Continuously improve customer satisfaction rating to over 90 points.
- · Understand the extent of supplier ESG management though supplier survey.

By the end of 2026

Medium- to long-term

 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.

Long-term

- · Expand corporate image to lead the industry.
- Execute brand responsibility and sustainable development.

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

- Link the functions and industrial characteristics of the network equipment industry and lead the smart living and creating sustainable value together.
- D-Link's suppliers are 100% compliant with ISO 9001 management procedures and have obtained external certification.
- Gradually build a joint defense system for group information security.
- Purchase insurance coverage based on business needs.
- Adjust internal safety regulations and product specifications immediately to comply with the latest information security regulations of each country.
- · Suppliers' ESG performance is included in the vendor selection criteria.
- Maintain a high level of customer satisfaction of over 90 points every year.

By the end of 2031

By the end of 2028

About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

D-Link's Major Contributions to SDGs

- · Careful information security management strategy and system to safeguard user data security.
- · Cooperation with internationally renowned chip manufacturers. Developed chip-accelerated smart traffic management and AI beamforming algorithms.
- · Invested resources to develop point-to-point connection software and obtained several connection patents.



- Continued to provide central network management, remote monitoring, analysis reports, email notifications, and zero-contact network deployment based on the cloud framework, creating easy-to-use and safe cloud network solutions for various services.
- Partnered with National Yang Ming Chiao Tung University to participate in the "Smart Network Core System Development Flagship Project" of the Ministry of Economic Affairs Department of Industrial Technology Industry-Academia Value Creation Plan.
- · Zero product label violation.
- · Implemented internal management activities according to ISO 9001 quality management system specification.
- · All products are required to pass information security related tests to ensure that there are no known risks.



- D-Link has established a "Product Information Security Management Platform", consolidating the important information security functions into a single platform for effective control.
- Provided consumers with a diverse and instant technical support channel through 13 telephone customer service centers around the world.
- · Assisted subsidiaries and customer service centers in effectively addressing consumer issues through the "1-3-7 Service Quality Assurance Agreement".
- · Incorporated ESG-related impacts and risks into ISO management guidelines.



- · All suppliers are required to sign the "Integrity Commitment".
- · All suppliers are required to sign the Conflict Minerals Due Diligence Declaration.
- · Increase local procurement percentage.

Goals in 2022

D-Link

New brand spirit shaping and management



Launch new consumer products primarily focused on AI series



Upgrade and expand cloud platform services, and merge and share cloud resources to optimize cost control



Launch new network management software and develop, integrate and import Nuclias charging authorization mechanism



Pass the certification renewal review procedure for ISO 9001:2015 quality management system



Pass 3 information security related international certifications, which include ISO/IEC 27001:2013 Information Security Management System certification, IEC 62443-4-1:2018 Secure Product Development Lifecycle Requirements certification, and BS 10012:2017 Personal Information Management System



Establish the "Information Security Management Committee" to oversee the Company's asset security policies and regularly report the implementation results to the Board of Directors



Promote the "Product Information Security Management Platform", which was consolidated in 2022



Select suppliers accounting for 85% of the total procurement amount as main evaluation objects



Provide immediate local support, understand customers' needs and voice through questionnaires, regularly review and improve deficiencies, and promote customer satisfaction to 85 points or more

About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- 3.1 SustainabilityStrategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental Sustainability

CH5 People and Society
Appendix

2022 Management Performance

Collaborated with professional brand consultants to reposition the brand spirit and manage brand identification through systems.

Planned to set up the Brand Management Department, which is responsible for the integrated management of brand identity and image and was officially put into operation in 2023 Q1.

- · Number of products violating regulations on labels: 0
- Violation of laws and regulations related to quality management: 0

Passed the certification renewal review procedure for ISO 9001:2015 quality management system in September.

- From February, more rigorous processing procedures have been set for VIP projects/customers.
- Passed two patent reviews related to AI series consumer products.

Cooperated with Meta to create DWA-F18 VR Bridge, the only one in the market tailored for Meta Quest headsets.

In 2022, a total of 15 new consumer products were launched, with AI series products accounting for one-third.

Mydlink Consumer Cloud: R&D support for customers' professional full-time home image monitoring services, support for cloud-to-cloud and third-party platform interface, and 2K image quality streaming services.

Nuclias Enterprise Cloud: Platform upgraded with comprehensive support for IPv6 and DDNS services.

D-ECS Industrial Cloud: Relocated the service server platform to merge and share cloud resources among Mydlink, Nuclias, and D-ECS, so as to optimize cost management.

Official sale of D-View 8 network management software, which was imported into Nuclias enterprise cloud charging authorization mechanism.

On February 22, the Board of Directors passed the Information Safety Policies and established the "Information Security Management Committee", with the President as the convener, to hold regular information security meetings and supervise the Company's information security policies. The first Information Security Management Committee meeting was held on July 25.

Obtained the TRUSTe Privacy seal.

Passed the external review operation for ISO/IEC 27001:2013 Information Security Management System.

Passed the external review operation for BS 10012:2017 Personal Information Management System.

From May to August, vulnerability scans were conducted on the hosts in the computer room to identify and fix weaknesses and verify to effectively reduce information security risks.

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.

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.

- Major deficiency in information security: 0
- Material information security incidents: 0
- Material information security complaint: 0

Continuously importing server virtualization construction to reduce save energy and reduce maintenance costs simultaneously.

The Company's products have won the German iF Design Award, MIT Taiwan Gold Selection, and Taiwan Excellence Award.

- · Audits were conducted for major suppliers (9 in total). The audit completion rate was 100%.
- Improvement rate of deficiencies in coaching suppliers: 81.88%.
- Number of suppliers listed as unqualified suppliers for violating social responsibility standards: None
- Reports on bribery of suppliers: 0
- · Implemented customer service procedures and regularly review various service indicators.

Established a VIP service process to assist subsidiaries in promptly solving the needs or issues of projects of VIP customers.

The annual average customer satisfaction in Taiwan was 97 points, and the global average customer satisfaction was 86 points.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

Management Approaches for Material Topics

Note:

- 1. The D-Link value chain includes upstream (suppliers), D-Link's own operations (headquarters and subsidiaries) and downstream (customers), and is responsible for providing and undertaking all D-Link products and services as a whole.
- 2. Direct impact; Indirect impact.

		Impacts on Value Chain ^{1, 2}					
Material Topics	Material Topics Significance for D-Link		D-Link/ Subsidiaries	Customers/ /Clients	Response Policies and Measures	Administrative Actions	
Corporate Image	Through corporate image management, D-Link makes stakeholders feel good and identify with it, enhances trust and loyalty, and then drives investment cooperation or consumer choice, forming a positive cycle. Without a consistent brand attitude, the Company will not be able to accumulate market reputation and recognition, and failure to respond to crises in a timely manner will undermine customer trust and, in serious cases, affect revenue.	-	•	•	Set up a brand center and consult with professional brand consultants to create and implement a new brand strategy.	Shared a common goal from internal staff to external partners by extending the brand spirit to all operational details, and enabled the customers to experience a consistent and quality brand image at every point of contact.	
Innovative and R&D	 Continue to innovate D-Link's products and services to create value and to meet customers' expectations for products and services in the new era. In response to the speed of technological change, it is necessary to maintain the momentum of innovation. Failure to understand technology trends will impact competitiveness, affect market share and harm investors' interests. 	0	•	•	Commit 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.	
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.	
Information Security	 Continue to improve the information security management system and strengthen protection capabilities to comply with domestic and international information security-related regulations and to implement them in daily operations. If a major information security incident occurs, it will affect customer trust and the Company's reputation and market competitiveness. 	-		•	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.	
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 in order 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.	•	•	_	 Establish supplier management guidelines, incorporate ESG-related impacts and risks, and regularly evaluate the impact of suppliers on society and the environment. 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; customers' trust and satisfaction are the motivation for the Company's 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 Quality Assurance Agreement", conducted monthly surveys on customer satisfaction, reviewed various service management indicators, and set up a customer complaint handling authority to properly manage customer relations.	

About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Responsible Unit

- · Brand Center
- · Product Strategy Center
- · Product R&D Center
- · Supply Chain Management Center

Management Mechanism

- · Corporate identification specifications
- · Label relevant product information according to local regulations
- · ISO 9001 Quality Management System
- · BSIMM V7 regulations
- · IEC 62443: Security for industrial automation and control systems Part 4-1: Secure product development lifecycle requirements
- · ETSI EN 303 645 Cyber Security for Consumer Internet of Things: Baseline Requirements
- · ISO 9000 Customer Satisfaction Management Procedure
- · ISO/IEC 27001:2013 Information Security Management System
- · Responsible Business Alliance (RBA)
- · Quality policy



Quality first



Continuous improvement



Customer satisfaction

· 1-3-7 Service Quality Assurance Agreement:



Communication Channel

Туре	Channel	
Customer Service	 Toll-free line: 0800-002-615 https://www.dlink.com/en/contact-us Online message: https://reurl.cc/p5yz4a 	
Suppliers-related Channel	· Special E-mail: supplychain@dlinkcorp.com	
Sustainability- related Channel	 Special line: 02-6600-0123 Ext. 6834 Special E-mail: csr@dlinkcorp.com 	
Anti-Corruption Reporting	· Special Mail Box: 114, No. 289, Xinhu 3rd Rd., Neihu Dist., Taipei City	

About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.2 Brand Image GRI: Self-defined topics

D-Link is the world leading networking brand. Deeply engaged in the global networking equipment market for over 30 years and still leading in the industry, it has transformed from a simple "global smart networking equipment" company into a leader in "global smart networking equipment" and "Comprehensive networking solutions" to keep pace with the times.

About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

To facilitate the mutual development of the headquarters and global operation locations, D-Link set up a brand strategy center in 2021. In early 2023, the center was renamed "Brand Center" in response to its responsibilities. The Brand Center has a Brand Management Department, which is responsible for coordinating and planning the communication strategy between the Company's brand and product image, formulating a global brand publicity plan, and applying new communication channels or methods to ensure the consistency of the brand image around the world. D-Link aims to establish a favorable impression and brand recognition among stakeholders through sound corporate image management and enhance their trust and loyalty, so as to drive investment cooperation or consumption choices and form a positive cycle.

In 2022, D-Link focuses on shaping and managing the new brand spirit, collaborating with professional brand consultants to reposition the brand spirit, symbolizing D-Link's provision of users with a free, omnipotent, and safe and clean wireless network interactive world with the smart white representing safety and trust, the broad and stable infinite blue, and the D-Link classic blue. Through a comprehensive brand recognition system and rigorous management, D-Link is aiming to expand its brand spirit to various operational details such as production lines, sales channels, websites, communities, product packaging, after-sales services, promotional activities, etc., so that both the internal employees and external partners will have a common goal, and customers can feel a consistent high-quality brand image at every touchpoint, thereby enhancing brand perception among stakeholders.

At the same time, D-Link deeply recognizes the power of brand and the responsibility of global citizens. It actively shapes the role of international brands and corporate citizen, and practice corporate sustainability through the three aspects of ESG, and implements and internalize it into corporate DNA.

Core Advantages of D-Link







Intelligence

Made In Taiwan

Sustainability

D-Link's Product Spirit

One Connection – Infinite Possibilities

In 2022, it identified brand image as one of the potential risks that the Company may face. In response to this potential risk, the responsibility centers of D-Link coordinates to understand the market voice and avoid negative image events by regularly collecting consumer opinions, referencing global customer service system data, collecting user experience feedback, establishing actual product usage simulation, developing design specifications, and conducting verification. Subsequently, marketing or product strategies are adjusted periodically according to feedback to avoid brand image related risks.



About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.3 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, certification warning/certification label, 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 2022, D-Link had 100% compliance and no violation of relevant regulations throughout the year.

- 3.3.1 Quality Management
- 3.3.2 Product Information Security
- 3.3.3 Customer Services





About the Report About D-Link CH1 Sustainable Operations CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental Sustainability CH5 People and Society **Appendix**

3.3.1 Quality Management GRI 416-1, 416-2

Quality Policy

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.







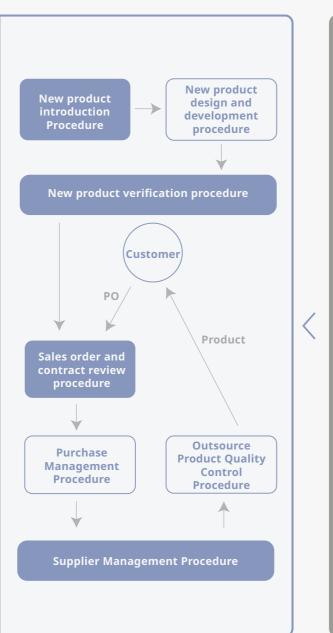
Continuous improvement

Customer satisfaction

2022 Violation of laws and regulations related to quality management: 0

D-Link's Quality Management System Procedures







About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.3.2 Product Information 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 information 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.

D-Link Product Security Development History 2012 Started to cooperate with the information security consultant verification unit (such as the information industry planning association of consortium legal person, etc.) every year to detect the information security risk of new products. 2016 Imported the building security software development framework (Building Security in Maturity Model, BSIMM), implemented code review, and stipulated that the source code information security scan report must be checked before the product is shipped. 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 information 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 TÜV Nord; passed the external review operation for ISO/IEC 27001:2013 Information Security Management System.



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 information security with the highest security specifications, so that customer privacy is guaranteed.

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

- · 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.
- · Integrate the historical data and information security events of all product information security testing reports to speed up inquiry and effectively track.
- · Automatically compare the product software package data with the latest external security incidents, and automatically notify and follow up if there is a match.
- Regularly generate information security vulnerability statistics reports for each product line, you
 can check the current status of product information 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.
- 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.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

- 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

In addition, in view of the fact that general information security systems usually operate independently, such as: follow-up management of vulnerability reports of test products, tracking of vulnerability information security events, product version history records, used suite software databases, etc., there is little correlation with each other, resulting in cross-border Platform inquiries are time-consuming and complex. In the event of an information security incident, it is time-consuming and labor-intensive to recourse and inquiries, and it is impossible to learn the previous processing procedures of the application. Therefore, D-Link has started to establish a "Product Information Security Management Platform" since 2020, consolidating the following important information security functions into a single platform for effective control:

- · Product vulnerability management
- · Information security incident management
- · Product version database
- Vulnerability penetration testing
- · External vulnerability and media news database
- · Product safety development documents
- · Source code security scanning
- · Information security management for open source software kit

The Product Information and Safety Management Platform was consolidated in 2022. After completion, all product development and management personnel can complete all related product information security management and inquiries, software versions and information security events, test reports, etc. on a single platform. All functions can interact with each other. Connected; platform users can also check the history repair data at any time, learn from experience, and at the same time, they can also instantly grasp the latest information security information, query the scope of vulnerability impact, notify and require developers to complete the repair within a certain period of time, and release updated software.

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.

Faced with the upcoming ETSI EN 303 645 Consumer Internet of Things Network Security Benchmark by the European Union in 2024, D-Link officially launched a special response project in mid-2022. A total of 97 product development personnel have completed relevant education and training courses, totaling 145 person hours; in terms of product development security specifications, modifications have also been made to ETSI EN 303 645 requirements to comply with regulations. It is planned to launch a product certification mechanism in 2023, and all wireless products sold to the European Union must comply this certification.

ETSI EN 303 645 Training and education





Completed relevant education and training courses

Completed relevant education and training courses

There are a total of 41 product information security notification events in 2022, including 37 existing process products developed in the early stages, 2 with third-party open source kit vulnerabilities, and only 2 new products developed after obtaining IEC 62443-4-1 certification in 2020. After the product has undergone a proper security development process, the information security quality has significantly improved. In 2022, there was no major information security accidents.



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.

About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix



Platform users can check the history repair data at any time, learn from experience, and at the same time, they can also grasp the latest security information, query the scope of vulnerability impact, notify and require developers to complete the repair within a certain period of time, and release updated software.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.3.3 Customer Services

GRI: Self-defined topics

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

Through the "1-3-7 Service Level Agreement (SLA)", D-Link headquarters provides the subsidiaries with Call Center solutions to ensure effective resolution of consumer issues and require general case processing to be closed within 7 days.

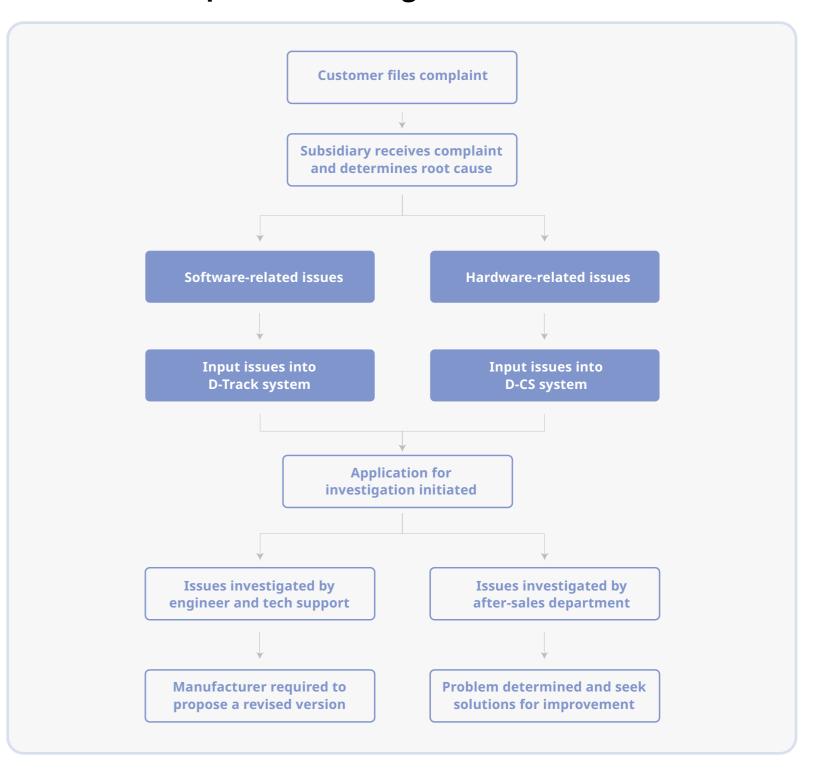


Quality Policy

From February 2022, D-Link has developed stricter process flows for VIP projects/customers: the Field Technical Support Engineer (FAE) 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.



Customer Complaint Handling Unit



About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

Customer Satisfaction Survey

D-Link conducts customer satisfaction surveys annually in accordance with ISO 9000 customer satisfaction management procedures, with a score of 80. Investigation process.



In the past three years, the customer satisfaction survey scores have been above 80; the customer satisfaction survey scores in 2022 will increase by 2.3% compared with 2021.



Improvement in Survey Results

Customer Service Center Case Closed Satisfaction survey via email or phone voice at preset times Satisfaction survey results are automatically sent back to the system Does the customer express dissatisfaction with the serviceor product NO YES The call center conducts internal **Summary of monthly** reviews such as overcoming survey results process, system service, product issues and personnel expertise The results of the questionnaire survey are compiled every year and sent to the ISO Management Review **Committee for review**

Customer Satisfaction Survey Flow Chart

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.4 Information Security Management

SASB TC-HW-230a.

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.

- 3.4.1 Information Security Management Structure
- 3.4.2 Information Security Management Strategy
- 3.4.3 Information Security Risk Management and Continuing Improvement
- 3.4.4 Specific Information Security Management Solutions
- 3.4.5 Resources Invested in Information Security Management
- 3.4.6 Major Information Security Incidents







About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

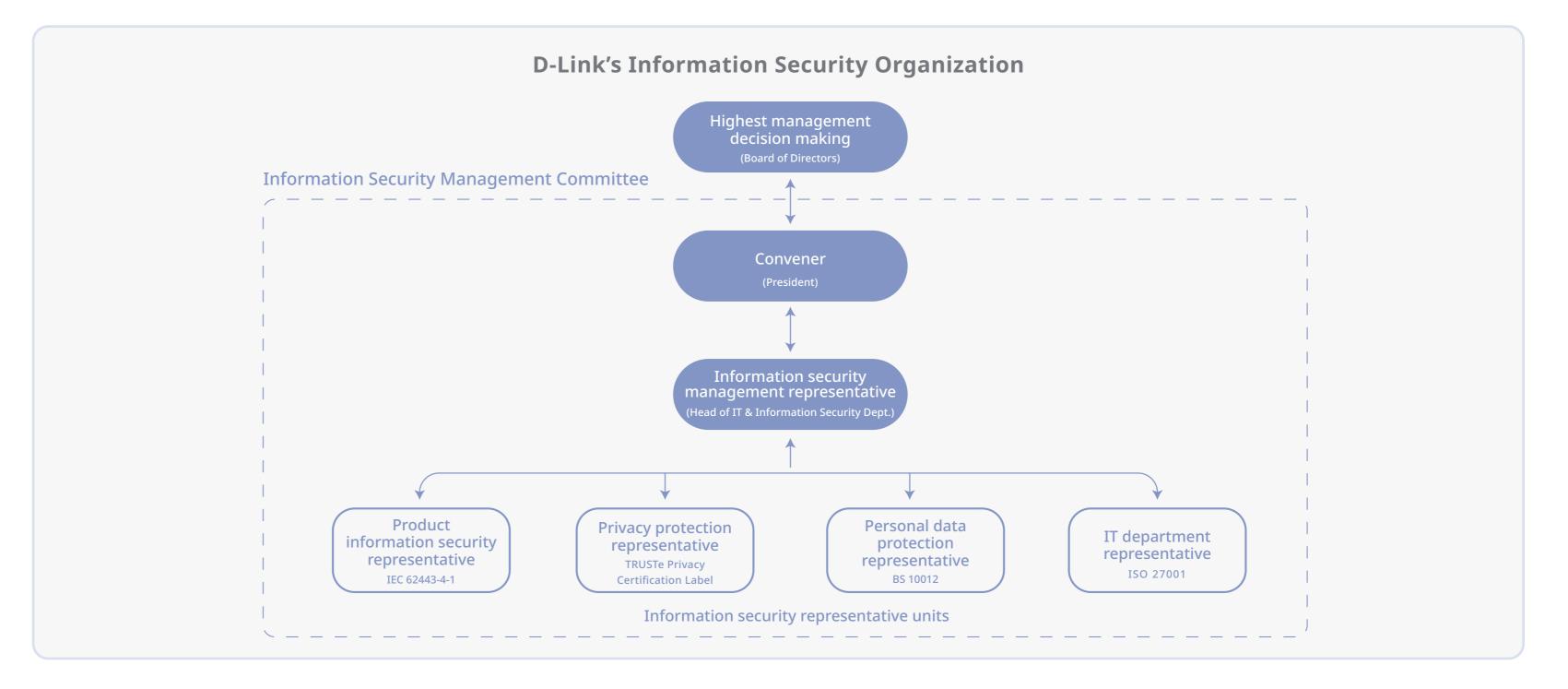
 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.4.1 Information Security Management Structure

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. The execution results of the information security management operations and systems of the information security management organization shall be reported to the Board of Directors regularly. On February 22, 2022, the Board of Directors has passed the "Information Security Management Policy". The confidentiality, integrity, availability, and legality of information assets are reviewed regularly every year. The first Information Security Management Committee meeting was held on July 25, 2022.



About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.4.2 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.



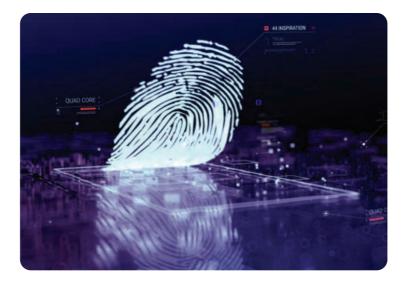
Personal Data Protection

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".

3.4.3 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 is maintaining 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.

Information Security Risk Management and Continued Improvement Framework

Plan

Information Security Risk Management

- Corporate information security risk assessment
- Information security policy and risk management
- Comply with international information security standards
- ISO/IEC 27001, BS 10012, IEC 62443-4-1

Do

Information Security Protection and Controls

Asset management, personnel safety, physical environment security, communication operation management, access control, password, and key management, system development and maintenance, information security incident management, and continuous operation management

Act

Review and Continuous Improvements

- Information security measure review and improvements
- Information security threats and technological mastery
- Information security violation and punishment
- Information security education and training and promotion

Check

Monitor the Results of Information Security Management

- Continuous monitoring of information security
- Quantitative assessment of information security indicators
- Vulnerability scanning and penetration testing
- Pass the information security audit certification

About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.4.4 Specific Information Security Management Solutions

Completed vulnerability scanning in August 2022 and listed external websites for testing to prevent external penetration.

Information Security Protection and Control

Category	Specific Management Approaches
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.

• Information Security Risk Review and Continuous Improvements

Category	Specific Management Approaches
Education and training and promotion	 Strengthen employee vigilance against social engineering attacks through email and implement phishing email detection. Regularly organize continued operation drills and improve employee information security awareness.
Information security risk management and monitoring	 Commission a third-party impartial inspection unit to regularly conduct information security evaluations on the Company: ISO/IEC 27001:2013 Information Security Management System. IEC 62443-4-1:2018 Secure Product Development Lifecycle Requirements. BS 10012:2017 Personal Information Management System.
External threat detection and protection	 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. 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.

About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.4.5 Resources Invested in Information Security Management

2022 information security measures and execution results include:



Passed 3 international agency standards related to information security.

- ISO/IEC 27001:2013
 2013 Information Security Management
 System
- IEC 62443-4-1:2018
 Secure Product Development Lifecycle Requirements
- BS 10012:2017
 Personal Information Management System



Invited external consultants to provide 3-hour education and training for the entire company on capital security issues.



Organized over 20 information security related meetings. Implemented information security education for all employees on the internal website every quarter. 1 dedicated member of the dedicated information security unit and 7 information security network management personnel must undergo more than 24 hours of professional information security training every year.



The goal for 2023 is 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.

3.4.6 Major Information Security Incidents GRI 418-1



2022

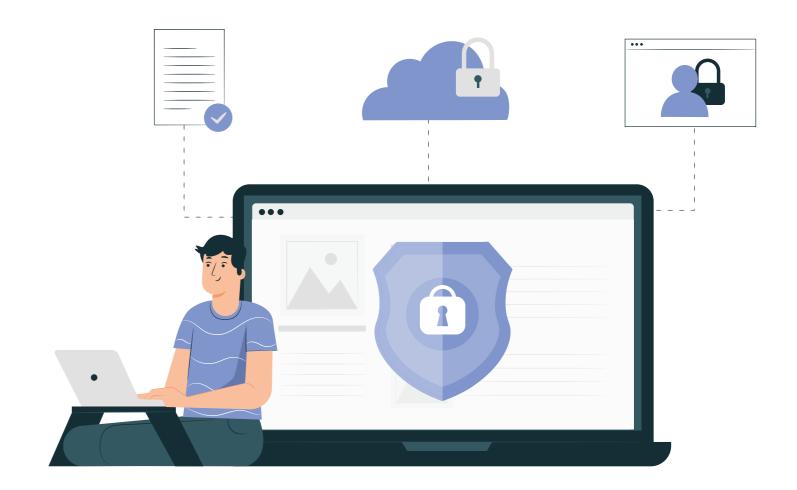
Major deficiency in information security: 0

Material information security incidents¹: 0

Material information security complaint²: 0

Note:

- 1. Definition of material information security incidents: Violation of regulations on information security or personal data protection, resulting in customer or employee information leakage and fines.
- 2. Definition of important information security complaint cases: no complaints from third-party impartial inspection units or competent authorities related to customer personal data protection violations or customer data losses leading to judicial actions were received.



About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.5 Innovation and R&D

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.

GRI: Self-defined topics

- 3.5.1 Innovation Strategies and Practices
- 3.5.2 Innovation-related Education and Training
- 3.5.3 Cooperation with Academic Units
- 3.5.4 Actions, Planning, and Patents Related to Product Development and Technical Innovation
- 3.5.5 International Design Award-winning Products





About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

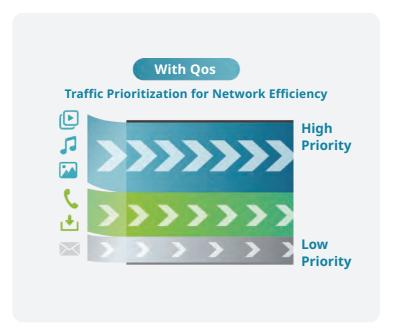
 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.5.1 Innovation Strategies and Practices

Hardware

Intelligence, intuitive design, and green energy are used as the basis; to 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.



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.



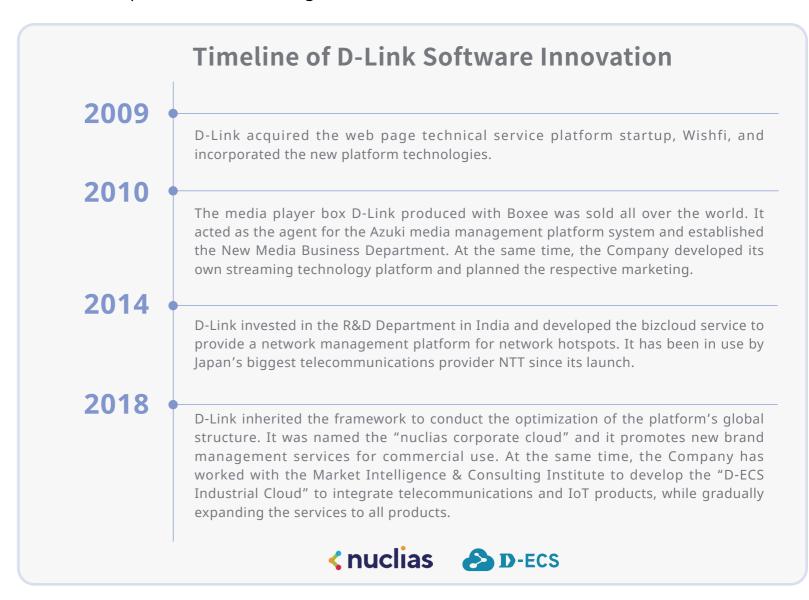
AI beamforming algorithm

Together with smart AI beamforming, it can precisely improve the backbone network quality between mesh nodes, fundamentally improving home network quality and making smart home living easy and carefree. D-Link conducted user experience and smart transformations in 2020. With commercial and product smart management, D-Link will provide overall brand smart service experience and optimize the services.

Software

After the separation of the OEM production department in 2003, D-Link does not possess internal software development personnel. Seeing that Web 2.0 is a rare new business opportunities for the networking equipment industry in the past 20 years, D-Link established the New Business Development Center in 2006 and invested several million USD in the development of Web 2.0. The Company has reorganized its development efforts, grasped core key technologies, and announced the "D-Link 2.0 New Generation Web Application Service Platform" and the full "VoIP Internet Phone Solutions" series. The Company has then introduced the operating model into its consumer products, including webcams and digital home products, targeting the business opportunities and prospects of internet security monitoring.

In order to solve network connection issues and reduce the burden on the platform, D-Link has invested resources to develop point-to-point connection software and obtained several connection patents. It then conducted technology optimization and enhanced the mydlink consumer cloud platform, in order to drive sales and promote services through brand services. Furthermore, to improve software and technology developments, the introduction of new technologies and technical cooperation and exchanges have become inevitable.



About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- 3.1 SustainabilityStrategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

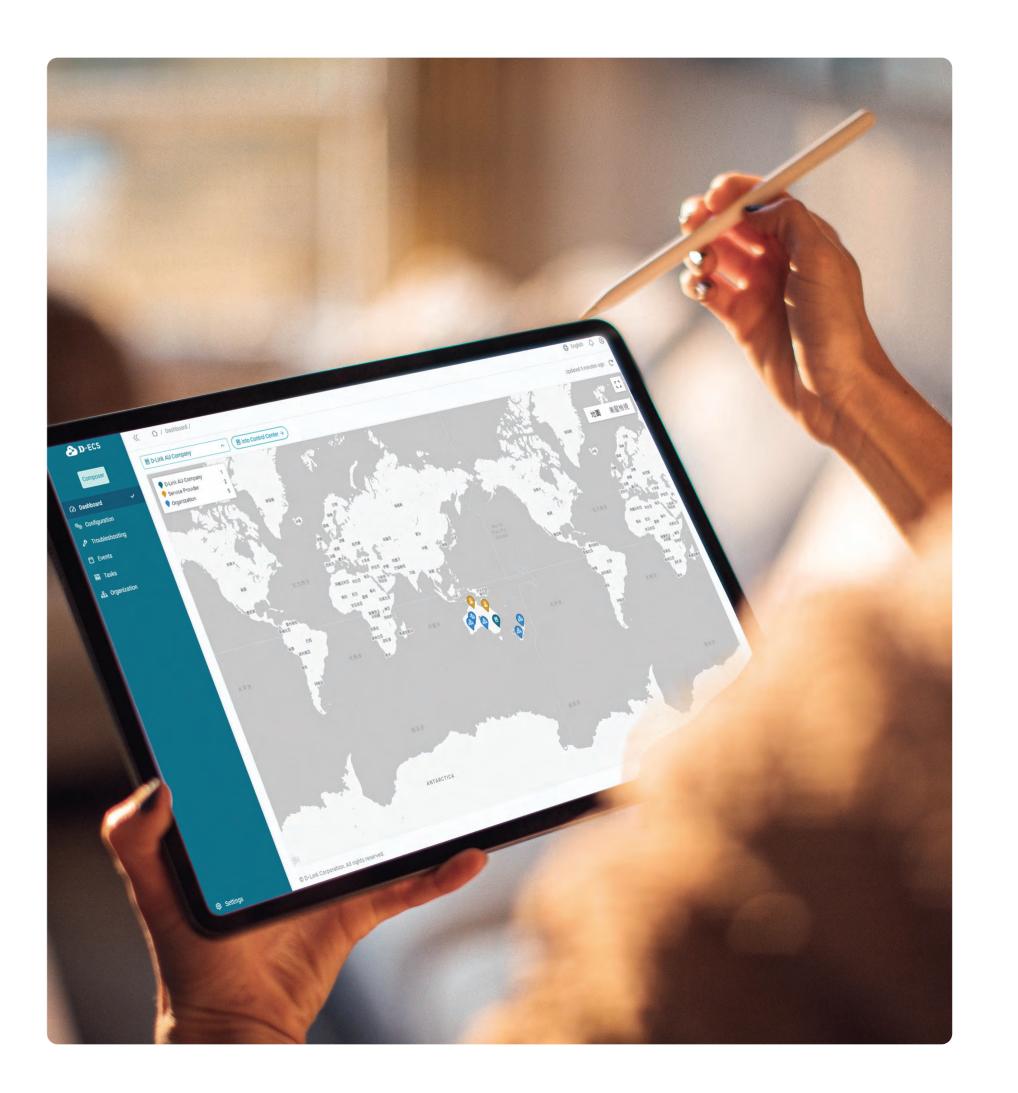
To strengthen cloud management systems, D-Link established the "Cloud Platform Product Department" to integrate the manpower and technologies to compensate for the shortcomings of the different teams, accelerate product function development, and enhance the performance of the cloud platforms. D-Link 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.

Furthermore, D-Link continues to provide central network management, remote monitoring, analysis reports, email notifications, and zero-contact network deployment based on the cloud framework, creating easy-to-use and safe cloud network solutions for various services.

66

D-Link keeps providing cloud management systems, which includes centralized network management, remote monitoring, analysis reports, email monitor alarms, zero touch networking deployment, etc. to offer easy and safe cloud solutions.



About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.5.2 Innovation-related Education and Training

In order to improve R&D capacity, D-Link organized 4 on-site/online education and training sessions for the R&D unit and related personnel and sent representatives of R&D personnel to participate in 4 external education and training in 2022. The total training hours exceeded 26 hours and almost 141 people participated, with a total of 276 training hours.

3.5.3 Cooperation with Academic Units

In order to cultivate key networking talents and improve industry competitiveness, D-Link partnered with National Yang Ming Chiao Tung University to participate in the "Smart Network Core System Development Flagship Project" of the Ministry of Economic Affairs Department of Industrial Technology Industry-Academia Value Creation Plan. The project will last for 4 years, from October 2018 to September 2022, and a total of NT\$ 12 million was invested. In 2022, the project entered its last year. D-Link has conducted cross-system integration planning and discussion with academic teams by introducing the NAT traversal core technologies of IoT-C2C. It has used various technical methods to overcome the challenges of NAT translation. It can directly establish a connection with private IPs externally, providing devices with direct access without having to pass through the cloud server, thereby reducing cloud bandwidth costs by more than 90% and improving product competitiveness. Further, design smart home products (IP-Cam and Doorbell) and integrate with the smart network platform of the academic team to implement commercialization and productization and discuss the co-development directions of IoT cloud platforms, data centers, mobile private networks, and SDN controllers.

Because D-Link has long been invested in the development of the mydlink consumer cloud system and end-user video products, and manages global brand and marketing channels, it has created value for the project execution results. Apart from improving technological certification and integration, the Company has greatly reduced R&D time, increased product competitiveness, improved technological autonomy in the industry, and driven technological upgrades for upstream and downstream partners. D-Link has also created major benefits for future technological developments and product marketing and promotion.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.5.4 Actions, Planning, and Patents Related to Product Development and Technical Innovation

Hardware

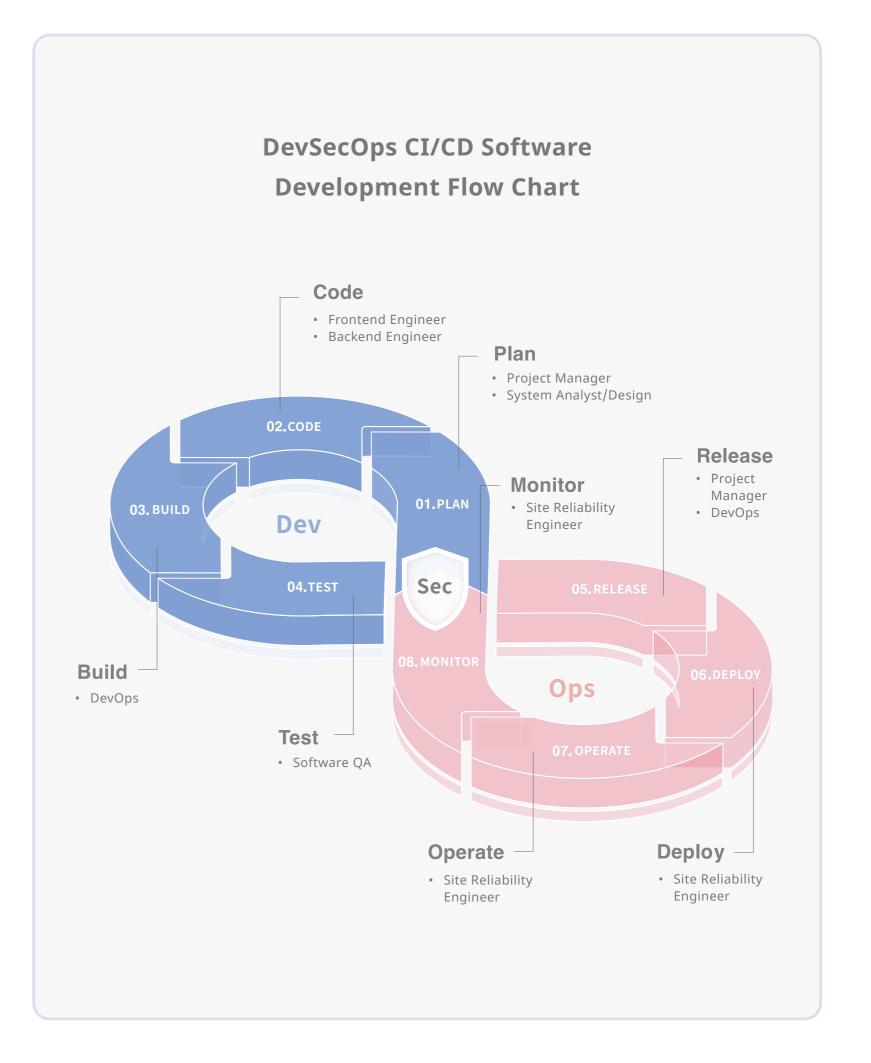
In order to ensure quality, D-Link will strictly control every step of development according to market and customer needs, as well as the situation of key chips. Before products are put into mass production, the Company test the performance of new products with the user experiences collected by its laboratory, in order to ensure the quality and stability of new products after mass production. After products are put into mass production, a dedicated department is responsible for handling user problems, which are provided as the basis for future product improvements.

To create a unique, simple, smart, and optimal user experience, the D-Link conducted 2 internal patent reviews for AI series consumer products, which have passed the review. The topics of the patent applications are as follows:

- A smart channel switching method based on past channel information, its terminal devices and readable storage medium.
- A surveillance analysis assistance and guidance method used in network devices, its terminal devices and readable storage medium.

DevSecOps CI/CD Software Development Flow Chart

Step		Team	Result
01 P	LAN	Project ManagerSystem Analyst/Design	Specification/ScheduleSecurity Requirements
02 C	ODE	Frontend EngineerBackend Engineer	· Source Code · API
03 B	UILD	DevOps	Release PackagesSecurity Scan Report
04 T	TEST	Software QA	· Test Report · Integrated Security Test
05 RE	LEASE	· Project Manager · DevOps	· Release Notes · Deployment SOP
06 DE	PLOY	Site Reliability Engineer	Deployment Report
07 OP	ERATE	Site Reliability Engineer	Operation Report
08 MO	NITOR	Site Reliability Engineer	Monitor/Security Report



About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

Software

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.

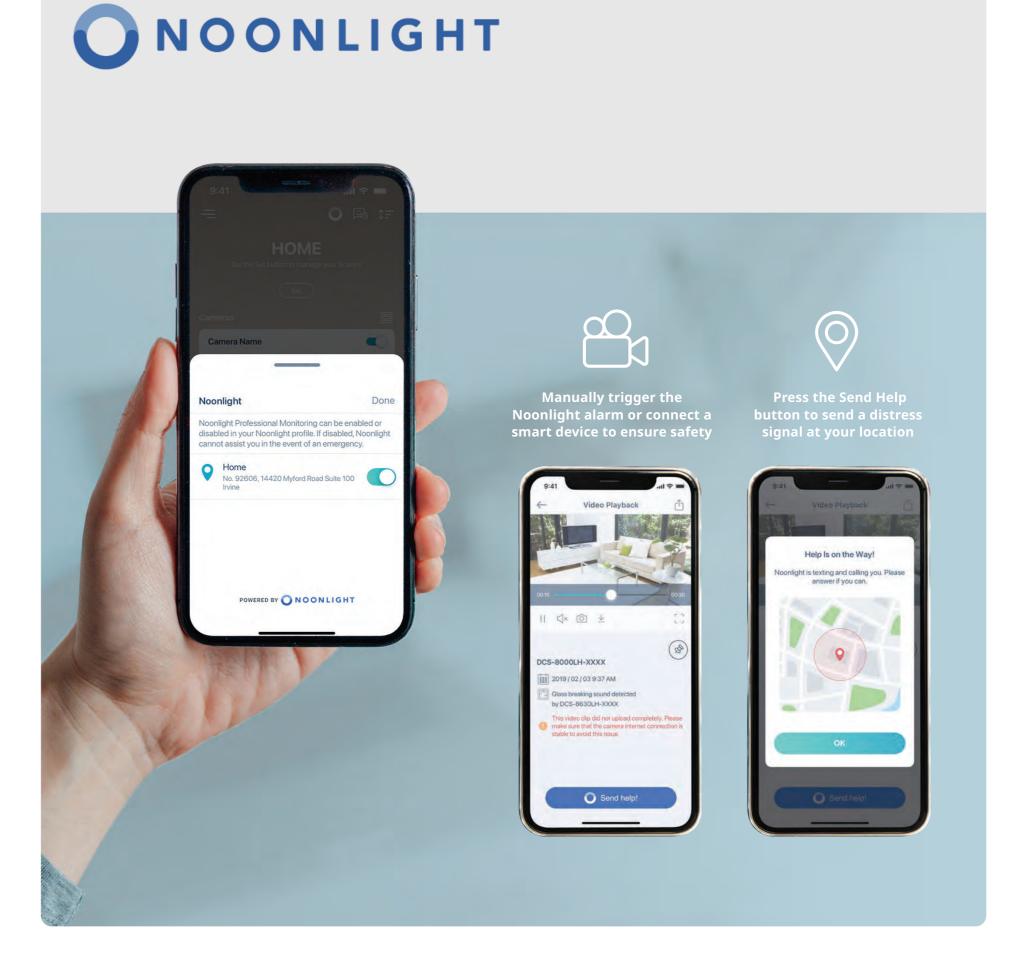
In order to shorten project development schedules and quickly respond to customer needs, the D-Link development team has implemented the agile software development process. Through effective communication, frequent delivery of new software versions, writing code that can adapt to changes in needs, and importation of automated testing, the Company has established an agile cross-function team.

On the other hand, in order to enhance product applications and respond to customer needs, the development team effectively utilizes resources. They conduct market strategy analysis in the pre-development stage. After the evaluation, the team will enter the product function planning and software development cycles. During the software development period, the team regularly organizes meetings to discuss functions, track progress, and adopt multi-function development management systems. It can effectively link the various tasks and help teams develop the testing and certification process together, in order to meet the quality requirements, deadlines, and budget of the product development process. This has clearly improved the process time and version numbers of the software launch platform.

In 2022, based on the original DevOps model, the D-Link R&D team further imported the DevSecOps model, adding "Sec" as the abbreviation for Security to incorporate security into the entire software development process. Through the integration of security testing, security monitoring, automated security inspection and other tools, D-Link can help developers find and repair security problems and improve the security in the software development process.



DevSecOps is an abbreviation combination of Development, Security and Operation. It is derived from the DevOps model and aims to build a more effective, reliable and secure operating procedure and environment.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.5.5 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 2022, the Company participated in international design awards and the Taiwan Excellence Awards, winning a total of 4 awards. The award-winning products are as follows: (Please refer to Page 15 for the "Awards" Chapter):



2K QHD Wireless IP Camera

DCS-8350LH)

Award: 2022 iF Design Awards - TV and Camera Category

The German iF Design Award is one of the four global design awards and a quality indicator for outstanding design. This is the 7th time D-Link has been recognized for its outstanding design in the world's top design competition. The award-winning DCS-8350LH 2K QHD Wireless IP Camera is characterized by high resolution, advanced sound and motion detection functions, and can protect users' home environment and family; at the same time, its built-in AI intelligent human body detection function is particularly sensitive to the sound of glass breakage, carbon monoxide, or smoke alarms, providing users with higher standards of safety protection.



VR Bridge

(DWA-F18)

31 Taiwan Excellence Awards

The selection of "Taiwan Excellence", known as the "Oscar Award in Taiwan Industry", was established by the Ministry of Economic Affairs in 1993. The selection is conducted annually based on four major aspects: research and development, design, quality, and marketing, while also considering Made in Taiwan (MIT). The event attracts over a hundred domestic experts and scholars to participate in the selection every year, and the award-winning products are all "high-quality products with innovative value".

The award-winning DWA-F18 VR Bridge is characterized in that it is not limited by space, and enables PC video game players to enjoy wireless, zero interference and efficient VR game experience. At the same time, DWA-F18 VR Bridge is equipped with the most stringent wireless security standard WPA3 and has fine image quality, which can create a perfect PC VR experience for consumers. The launch of this product has caused a market sensation.



AX1500 Wi-Fi 6 Dual Band Wireless Router

AX3200 Wi-Fi 6 Dual Band Wireless Router

M15

MIT Taiwan Gold Award of 2022

To assist high-quality Taiwanese manufacturing industries in expanding their market, shaping the high-quality image of Taiwan's production and manufacturing products, the Industry Bureau of the Ministry of Economic Affairs has been promoting the MIT Smile Product Verification System since 2010. Later, it sponsored the "MIT Taiwan Gold Selection", which selects high-quality products from MIT Smile products based on the five aspects of market differentiation, aesthetics, texture, cost-effectiveness, and green environmental protection, aiming to drive all businesses to produce high-quality products that can better meet market demand and are more recognized and supported by the public.

The award-winning M15 AX1500 Wi-Fi 6 Dual Band Wireless Router and M32 AX3200 Wi-Fi 6 Dual Band Wireless Router belong to the "EAGLE PRO AI" series, which has adopted the exclusive AI beamforming technology. By accurately grasping the position of the router and various Mesh nodes, the signal is strongly concentrated at these detection points, establishing a stronger and more stable signal return effect for the Mesh network. The device does not need to switch wireless network SSID on its own. Everything is realized by a smart connection, which automatically assign the device to the best wireless network with the best signal, perfectly solving consumer pain points. In addition, the M15 AX1500 Wi-Fi 6 Dual Band Wireless Router can automatically search for and connect the best channels and enhance serial connection signals. The products are characterized in AI parental monitoring, intelligently allocation of bandwidth, powerful functions, and a beautiful and exquisite appearance, and are popular among consumers.

About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.6 Supply Chain Management

GRI 308-1 308-2 414-1

SASB TC-HW-230a.1, TC-HW-230a.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.

- 3.6.1 Supply Chain System
- 3.6.2 Overview of Main Suppliers
- 3.6.3 Supply Chain Management Policy
- 3.6.4 Supplier Risk Grading Assessment and Integrity
- 3.6.5 Supplier Standards
- 3.6.6 Local Procurement







About the Report About D-Link CH1 Sustainable Operations CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental Sustainability CH5 People and Society **Appendix**

3.6.1 Supply Chain System GRI 2-6



D-Link supplier classification:

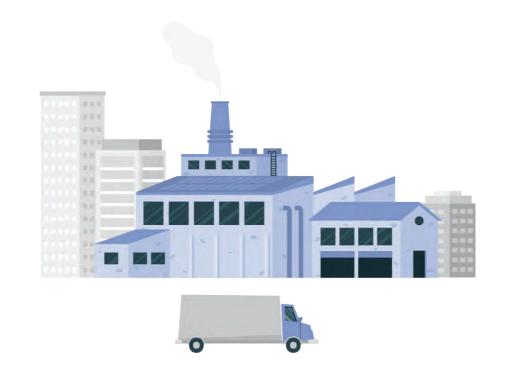
General Administrative and General Affairs

Building maintenance, office requirements, etc.

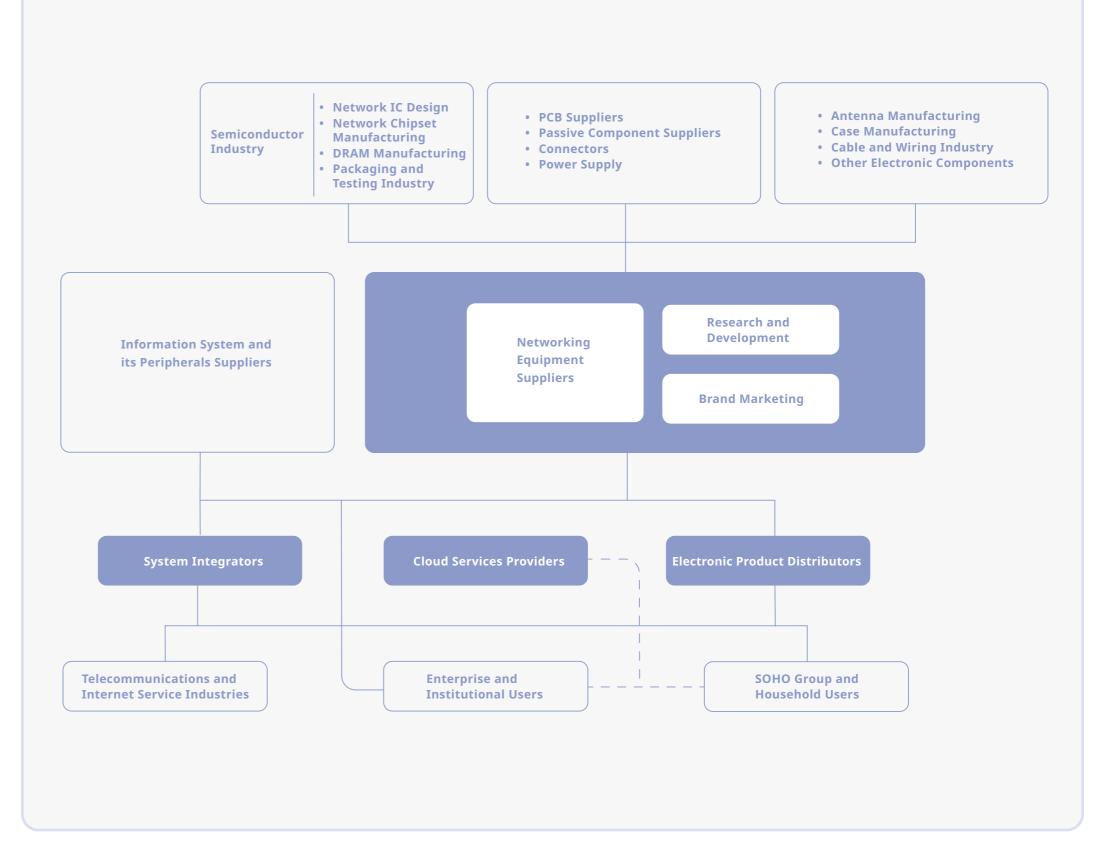
Product Procurement

Procurement of wireless network devices, commercial network devices, commercial cloud network devices, home network devices and other networking products from various suppliers, which are sold to the customers.

Because the administrative and general procurement amounts are smaller, the items are more varied, the procurement times are not fixed, and the suppliers change, therefore the following supply chain management measures are mainly for product procurement suppliers.



Supply Chain System



About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.6.2 Overview of Main Suppliers

D-Link's products have been outsourced to suppliers for production since it cancels the OEM and manufacturing department in 2003.

• The production quantities of each product category are as follows:

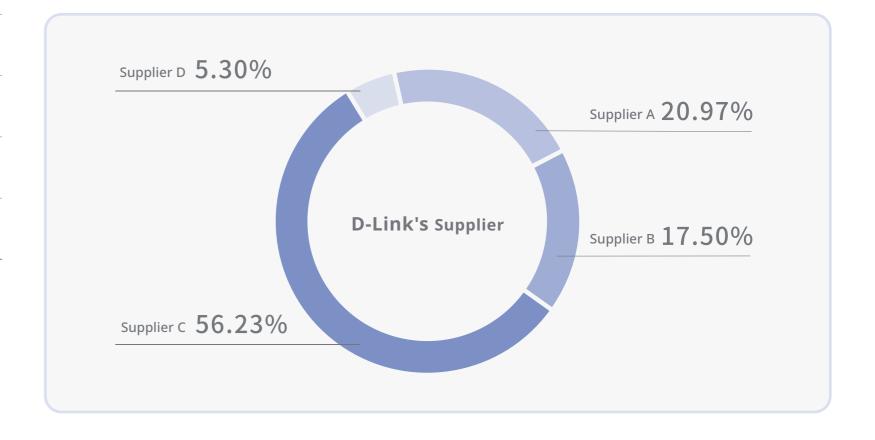
Product Category	Proportion of production in 2022
Switch & Security	41.96%
Wireless	34.67%
Broadband	12.86%
Mobile Access	4.01%
Surveillance and Peripheral	3.17%
Strategic Multi-Brand	2.37%
Integrated Consumer Solution	0.87%
Integrated Business Solution	0.07%
Material & Others	0.01%

At present, there are a total of 9 main suppliers that produce D-Link products through OEM, accounting for over 85% of the procurement amount in 2022. 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 2022 and the number of products produced, the total manufacturing area is approximately 475,000 square feet, and the distribution is as follows:

• Area of manufacturing regions

Name of Supplier	Area of Manufacturing Regions of D-Link Products
Supplier A	99,664
Supplier B	83,164
Supplier C	267,206
Supplier D	25,192
Total	475,226

* The supplier's information is represented with English letters for the confidential purpose.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

- 3.1 SustainabilityStrategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.6.3 Supply Chain Management Policy

D-Link incorporated ESG-related impact and risks into the management principles. Apart from providing high-quality products and services, D-Link hopes that suppliers can also focus more on social and environmental values and actively implement energy conservation and environmental protection. D-Link views suppliers as important partners for long-term development and growth. It upholds the principle of mutual benefit and co-prosperity with suppliers to promote sustainable operations together.

D-Link uses the management standards for supplier quality, costs, delivery dates, and services as the management basis and refers to the requirements of the Responsible Business Alliance (RBA) Code of Conduct. It expanded the scope of supplier management to include ESG issues such as environmental protection and social inclusion, which include labor rights, environmental protection, health and safety, ethics and management system. These issues have been listed as supplier selection and auditing conditions and used to establish the risk management items. Improvement measures are subsequently formulated according to the evaluation results to help suppliers continue to improve. The Company aims to enhance sustainable supply chain management and reduce supply chain operational risks, in order to establish partnerships for sustainable growth.

In order to establish the capabilities of sustainable supply chain members, D-Link executes management from the four aspects of evaluation, counseling, communication, and collaboration. The execution process corresponds to the supply chain management structure to ensure that the implementation of important issues in the supply chain management structure can be managed.

Supply Chain Management Structure

Evaluation

Qualification
evaluation for new
suppliers, tier 1 key
supplier selection,
and management
system risk evaluation
(quality, environment,
social ethics, etc.)

Counseling

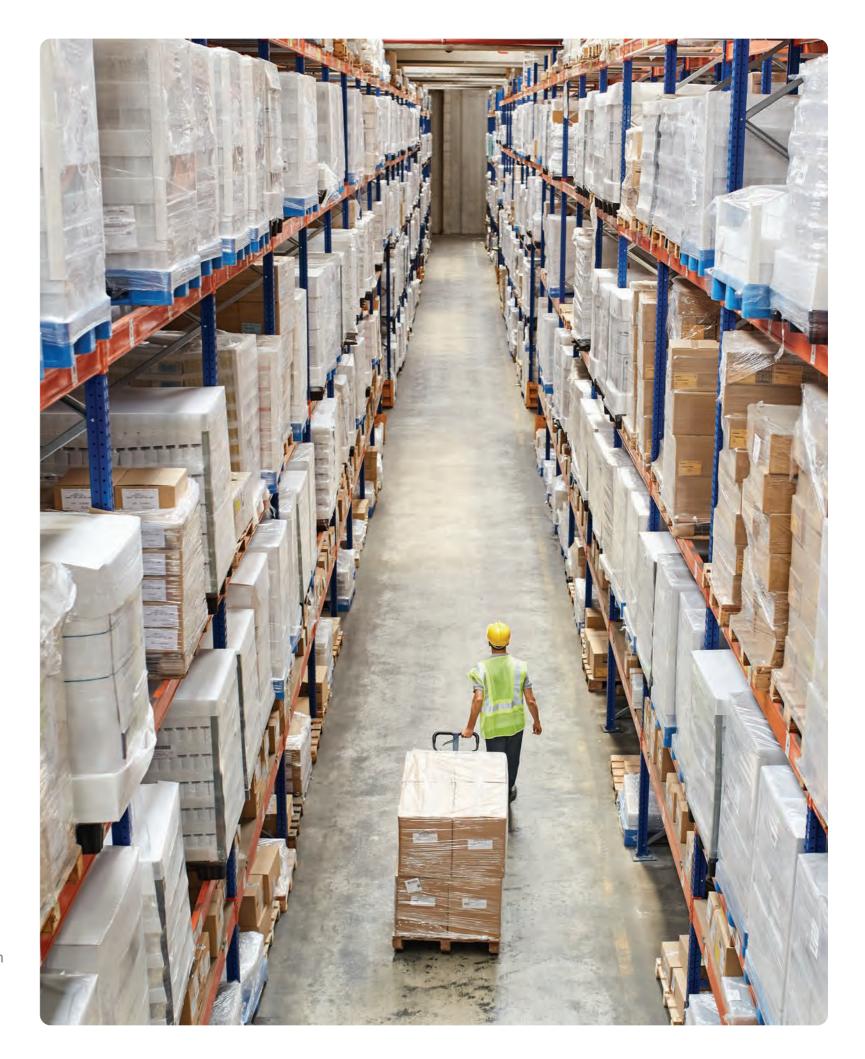
Regular supplier evaluations, tracking of deficiency improvements, promotion of policies and projects

Communication

Regular/irregular quality meetings, quarterly operational meetings

Collaboration

Continue to promote projects, enhance sustainable operation competency of suppliers



About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.6.4 Supplier Risk Grading Assessment and Integrity

D-Link offers a diverse line of products. In 2022, 28 suppliers have been registered in the Company's qualified suppliers list. In 2022, no new suppliers were added. However, 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.

Year	2020	2021	2022
Number of new suppliers to apply	1	0	0
Number of suppliers to pass the onsite audit	1	0	0
Percentage of new suppliers to pass the audit	100%	N/A	N/A

New Suppliers

In order to assess whether suppliers can produce products that meet the Company's quality requirements, provide stable material quality, and ensure supply, new suppliers must have ISO 9001 quality management system certification and meet the environmental management substance requirements. D-Link also encourages suppliers to pass the ISO 14001 environmental management system certification. Furthermore, suppliers must sign the procurement contract, integrity commitment letter, and conflict minerals statement. The suppliers must undergo onsite audits for procurement, quality, technology, hazardous substance management environment, and social ethics before they can be registered as a formal supplier of D-Link.

Existing Suppliers

D-Link conducts hierarchical management for qualified and continued suppliers:

Supplier Selection Tiers	Tier Standards	Management Approaches
Tier 1 (Class A)	 The total shipment volume in the previous year or the procurement amount proportion ranks in the top 85% Major (entire batch) abnormalities with shipment quality All new suppliers are included 	Onsite audits are conducted in the first half and second half of each year
Tier 2 (Class B)	The total shipment volume or annual procurement amount in the previous year is increased to 90%, all belonging to Tier 2 except Tier 1 factories	Conduct one onsite audit every year
Tier 3 (Class C)	The total annual shipment volume or annual procurement amount is less than 1%	If the supplier adopts self- management, if the supplier violates legal regulations or ESG-related clauses, the supplier will not be selected

D-Link formulates the tier 1 key supplier list every year according to the above-mentioned principles. It implements the annual quality management system, the environmental safety and health or labor integrity audits and promotes improvements. Furthermore, D-Link follows the evaluation results to identify the risk levels of tier 1 key suppliers in order to formulate subsequent counseling plans.



Improvement rate of deficiencies in coaching suppliers: 81.88%

Number of suppliers listed as unqualified suppliers for violating social

responsibility standards: 0

Reports on bribery of suppliers: 0

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

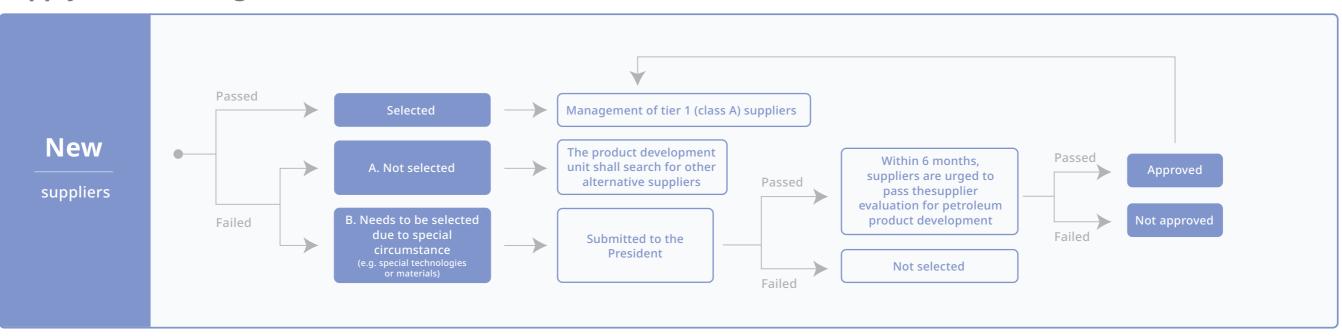
In 2022, no new suppliers joined D-Link. In 2021, due to the impacts of the COVID-19 pandemic, the onsite audit operations for qualified and registered suppliers have been slightly adjusted. Annual audits for tier 1 (class A) suppliers has been changed to once a year and quality monitoring of every shipment from tier 2 (class B) suppliers have been implemented. A total of 9 tier 1 key suppliers were selected according to the selection criteria. The suppliers were prioritized for investigation or audit. The regular audits for tier 1 key suppliers have been 100% completed.

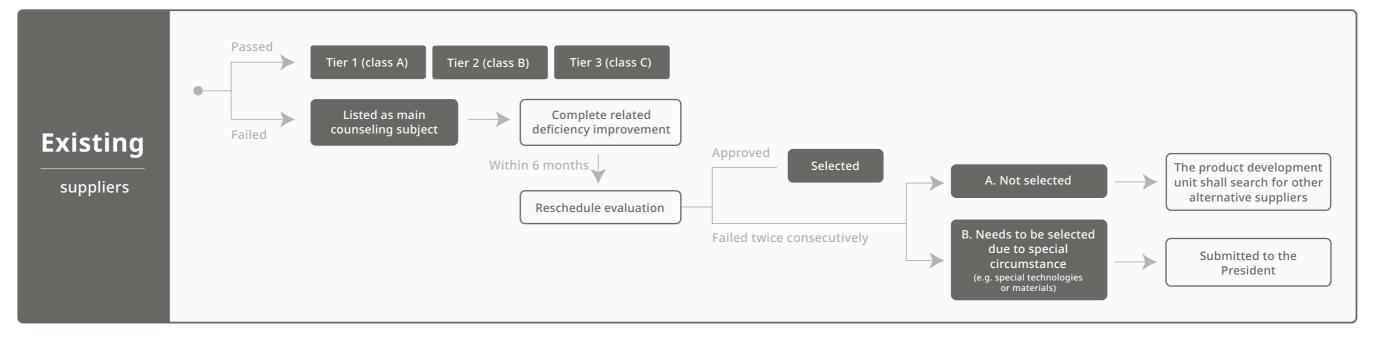
The tier 1 key supplier evaluation in 2022 discovered 147 deficiencies in terms of the quality system, which were mostly management system and operational negligence. In terms of health and safety, environment, labor, supply chain, and ethics, 13 deficiencies were discovered, which were mainly related to management systems and overtime. D-Link requires tier 1 suppliers to quickly compile internal improvement solutions and submit replies after receiving

the audit report. The suppliers shall propose specific improvement plans according to the actual situation in the factory. D-Link will subsequently review the supplier audit improvement report and follow up on the improvement progress to ensure the continuous implementation of the improvement plans.

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 2022. The Company requires suppliers and company employees to not pay any bribes, offer or pay other improper gains, or indirectly benefit D-Link employees or related persons to complete transactions or fulfill contracts. If a supplier is engaged in illegal behaviors, they shall be immediately terminated or the contract shall be terminated.

Supply chain management model





About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance

CH3 Value Creation

- 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security

 Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.6.5 Supplier Standards

D-Link refers to the related articles and requirements of the Responsible Business Alliance (RBA) Code of Conduct. In 2022, the Company included the RBA Code of Conduct in the supply chain evaluation scope, in order to review the implementation of environmental protection, ethics and integrity, employee human rights protection, and work environment, health and safety management by suppliers. D-Link encourages suppliers to develop environmental impact-reducing materials and production process, or implement energy conservation and carbon reductions for public production equipment.

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.

Please refer to Chapter 5.2.3 "Supplier human rights regulations" for the human rights regulations related to suppliers.

 \cdot Number of existing suppliers: 32

· Number of major suppliers: 9

· Number of new suppliers: 0

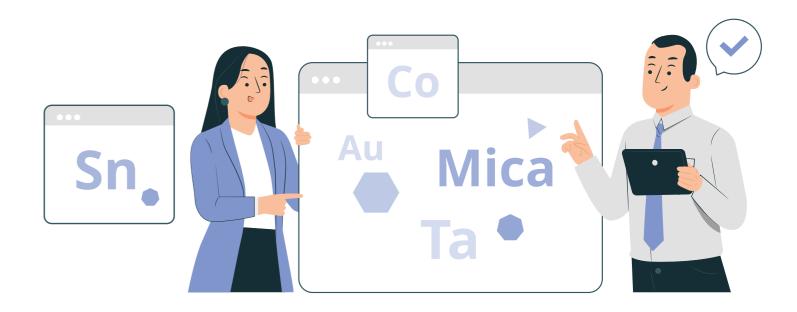
 \cdot Number of major suppliers screened with environmental/social standards: 9

 \cdot Number of new suppliers screened with environmental/social standards: 0

Year	2020	2021	2022
All suppliers	37	36	32
Main suppliers	19	13	9
Number of main suppliers conducting RBA/CMA audits	19	13	9
Proportion of main suppliers conducting RBA/CMA audits	100%	100%	100%
Number of high-risk suppliers	0	0	0
Percentage of suppliers in high-risk suppliers conducting RBA/CMA audits	-	-	-

- * Definition of main suppliers: the supplier with an overall delivery volume greater than 85%
- * Definition of high risk: Manufacturers seriously violating the regulations are high-risk suppliers
- Not yet audited by a third party

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.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

- · 3.1 Sustainability
 Strategies and Goals
- · 3.2 Brand Image
- · 3.3 Product Quality and Safety
- · 3.4 Information Security Management
- · 3.5 Innovation and R&D
- · 3.6 Supply Chain Managementt

CH4 Environmental
Sustainability
CH5 People and Society
Appendix

3.6.6 Local Procurement

In response to its operational strategy, D-Link actively increases the proportion of MIT (Made in Taiwan) procurement in the local market. Although some products with a low proportion of procurement volume in 2022 no longer have local procurement demand, the proportion of local procurement amount has increased by more than twice compared to the previous year, and will be increased year by year in the future.

Drosuroment Type	Proportio	on of Local Procureme	nt Amount
Procurement Type	2021	2022	Growth rate
Mobile Access	1.71%	15.75%	407.94%
Wireless	7.44%	36.52%	270.06%
Switch & Security	37.30%	49.58%	71.05%
Strategic Multi-Brand	8.42%	16.85%	67.73%
Integrated Business Solution	20.22%	89.32%	21.46%
Surveillance & Peripheral	1.95%	0.10%	(99.04%)
Broadband	1.61%	0.00%	(100.00%)
Others	0.84%	0.00%	(100.00%)
Annual procurement	16.44%	37.04%	101.92%



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- 4.3 Energy and Resources
 Management
- · 4.4 Green Products

CH5 People and Society Appendix

CH4 Environmental Sustainability

Responding to Sustainability Issues

- · Corporate Image
- Supply Chain Management
- Sustainable Development Strategy
- · Green Products
- · Risk Management

Major Stakeholders

- · Employees
- Suppliers

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- 4.3 Energy and Resources
 Management
- · 4.4 Green Products

CH5 People and Society

Appendix

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

Short/ Medium/ Long-term Goals

Short-term

- · Save approximately 1.5% of electricity through the energy-saving project.
- · Include ISO 14064-1 Scope 3 indirect emissions in the management.
- · Proactively respond and improve CDP results.
- · Plan for the commitment to the goal of net-zero emission.
- Set promotion indicators and goals according to TCFD results.
- Streamline product packaging, reduce material usage and improve transportation efficiency.
- · Initiate the green energy procurement program.
- Promote and optimize sustainable product development and design planning.
- · Draw up a marketing activities plan for sustainable products.

Medium-term

- Implement the Company's sustainable development strategy through sustainable development plan and by combining its seven sustainability management capabilities to create an internal culture and an external image.
- Set the goal to reduce carbon emissions by 10%
 by 2026 using 2021 as the baseline year.
- Set the goal to reduce power consumption by 4.5% and water consumption by 2.5% by 2026 using 2021 as the baseline year.
- · Reach more than 30% for the proportion of recycled plastics used in plastic outer cases.
- D-Link's product packaging is moving towards plastic-free, with recyclable/decomposable materials replacing them if it is necessarily required.
- Manufacture Green products according to the 4 aspects of "D-Link Green" are expected to account for 80% of total product revenue.
- · Formulate sustainable product operation goals.
- Establish the influence of D-Link's sustainable products, and hold relevant publicity, seminars, and strategic alliances.

Long-term

- Link the functions and industrial characteristics of the networking equipment industry, leading smart living, creating sustainable value together.
- Set the goal to gradually achieve net zero emission by 2050.
- Set the goal to reduce power consumption by 30% by 2030 using 2021 as the baseline year.
- · Introduce ISO 14067 carbon footprint of products.
- · Introduce ISO 50001 energy management system.
- · Complete the carbon inventory and verification of consolidated subsidiaries.
- Set overall carbon reduction target of the supply chain and assist in carbon reduction.
- · Continue to deepen the influence of D-Link's sustainable products in Taiwan and abroad.

By 2050 ·

 Achieve net zero emission by 2050 with 2021 as the baseline year.

By 2050

By the end of 2031

By the end of 2026

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- 4.3 Energy and Resources
 Management
- · 4.4 Green Products

CH5 People and Society

Appendix

D-Link's Major Contributions to SDGs



- Total water consumption decreased by 5% compared with 2021
- · Biodiversity and zero-deforestation commitments



- The energy-saving project saved 2% of electricity and externally purchased electricity decreased by 8.51% (baseline year: 2021)
- The energy-saving project saved a total of 5.17% of electricity over the past three years, and is expected to save approximately 155,000 kilowatt hours of electricity annually thereafter



- Biodiversity and zero-deforestation commitments
- · Carbon emissions reduced by 10.5% compared with 2021 (scope 1 and 2)
- · Total annual waste volume decreased by 2.4 tons (approximately 11%)
- Green products accounted for 49% of total product revenue
- Launched "D-Link Green Pack Program" to strive to use environmental protection materials, plastic-free packaging, and optimal material volume



- Imported TCFD architecture to identify and manage 3 risks and 3 opportunities
- 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
- Updated to ISO 14064-1:2018, and encouraged suppliers to import the standard
- · Biodiversity and zero-deforestation commitments



· Biodiversity and zero-deforestation commitments

Management Approaches for Material Topics

Imported TCFD architecture to identify and manage 3 risks and 3 opportunities. Biodiversity and zero-deforestation commitments.

2022 Management Performance

loading quantity of transportation pallets

Goals in 2022

- Updated to ISO 14064-1:2018, and encouraged suppliers to import the standard.
- Carbon emissions reduced by 10.5% compared with 2021 (scope 1 and 2).
- The energy-saving project saved 2% of electricity and externally purchased electricity decreasedby 8.51% (baseline year: 2021).

Adopt a simplified design for product packaging to reduce material usage and increase the

- The energy-saving project saved a total of 5.17% of electricity over the past three years, and is expected to save approximately 155,000 kilowatt hours of electricity annually thereafter.
- Total water consumption decreased by 5% compared with 2021.
- Total annual waste volume decreased by 2.4 tons (approximately 11%).
- Green products accounted for 49% of total product revenue.
- Packaging boxes of 10 products were replaced with gray copper paper containing up to 85% recycled pulp.
- Mineral oil is completely prohibited in printing, and 14 products are packaged with vegetable oil ink for printing.
- G416 removed the plastic packaging bag for the product body and replaced it with a small area of plastic film to protect areas prone to scratches, reducing the plastic usage area by 96%.
- Plastic bags are no longer used for M30 and M60 power supply units.
- The outer packaging design of all new products meets the optimal pallet loading quantity.

N

The D-Link value chain includes upstream (suppliers), D-Link's own operations (headquarters and subsidiaries) and downstream (customers), and is responsible for providing and undertaking all D-Link products and services as a whole.
 Direct impact; ○ Indirect impact.

		Impacts on Value Chain ^{1, 2}				
Material Topics	Significance for D-Link	Suppliers/ Business Partners	D-Link/ Subsidiaries	Customers/ /Clients	Response Policies and Measures	Administrative Actions
Green Products	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. If the Company does not keep up with the times and introduce environment-friendly products, it will not be able to enter the international market and weaken its competitiveness in the market.	•	•	0	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.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- 4.3 Energy and Resources
 Management
- · 4.4 Green Products

CH5 People and Society
Appendix

Responsible Unit

- · Supply Chain Management Center
- Corporate Finance & Operation Center
- Product R&D Center

Management Mechanism

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

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.

Aspects Covered by D-Link Green









Product design

Product functions

Product materials

Product packaging

ISO 14001:2015 Environmental Management System

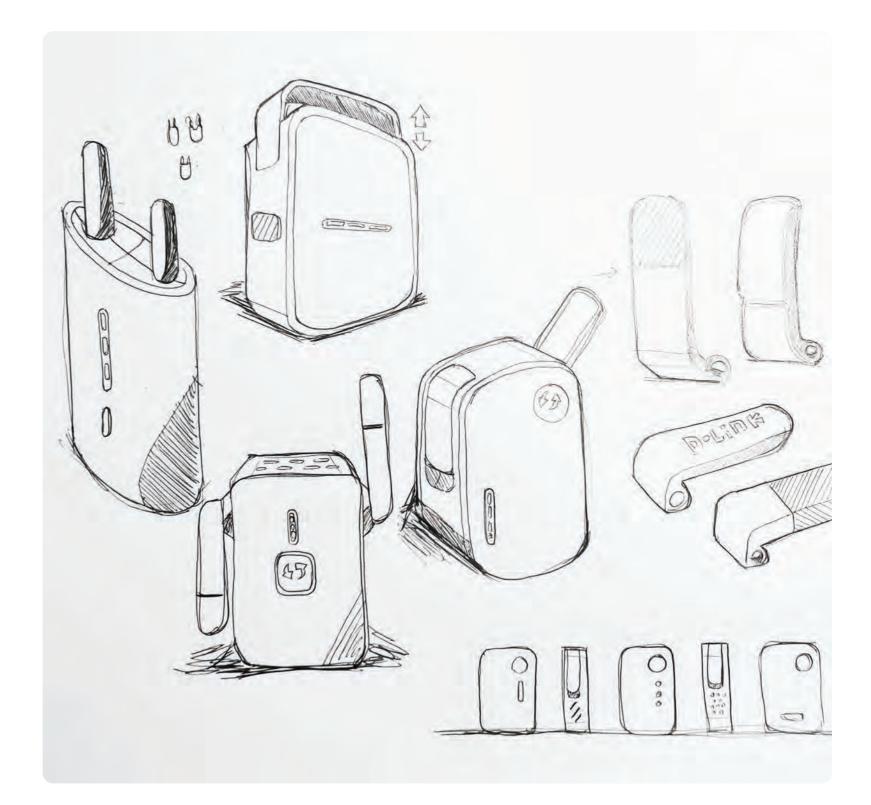
In response to the global environmental protection trend, D-Link has obtained the certification of ISO 14001:2015 environmental management system, with the main task of enhancing environmental protection awareness and establishing a green enterprise, and continuously implementing environmental protection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

D-Link complies with the requirements of ISO 14001 environmental management system, conducts regular assessments of environmental management risks every year, and sets improvement goals and improvement measures based on the assessment results. Internal and external audits are also carried out every year to make recommendations for system implementation deficiencies or omissions and improve them. The internal/external audit in 2022 was completed, and no major defects occurred.

Communication Channel

Channel

- · https://www.dlink.com/en/contact-us
- · Online message: https://reurl.cc/p5yz4a



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- 4.3 Energy and Resources
 Management
- · 4.4 Green Products

CH5 People and Society
Appendix

4.2 Climate Governance and Actions

Climate change is an urgent challenge facing the world today. Although D-Link is not a high-carbon emission industry, it still raises its focus on the impact of climate change independently, and appoints professional consultants to use the TCFD framework to analyze and expose risks and opportunities, hoping to identify the financial impact of climate change. D-Link will further face and improve its operational strategies, and at the same time promise and develop diversified plans to help mitigate climate change, promote biodiversity and create a sustainable future with the world.

- 4.2.1 Response to Task Force on Climate-Related Financial Disclosure (TCFD) Framework
- 4.2.2 From Inventory to Net Zero
- 4.2.3 Biodiversity Commitment

About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance
CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- 4.3 Energy and Resources
 Management
- · 4.4 Green Products

CH5 People and Society Appendix

4.2.1 Response to Task Force on Climate-Related Financial Disclosure (TCFD) Framework

GRI 2-12

Governance

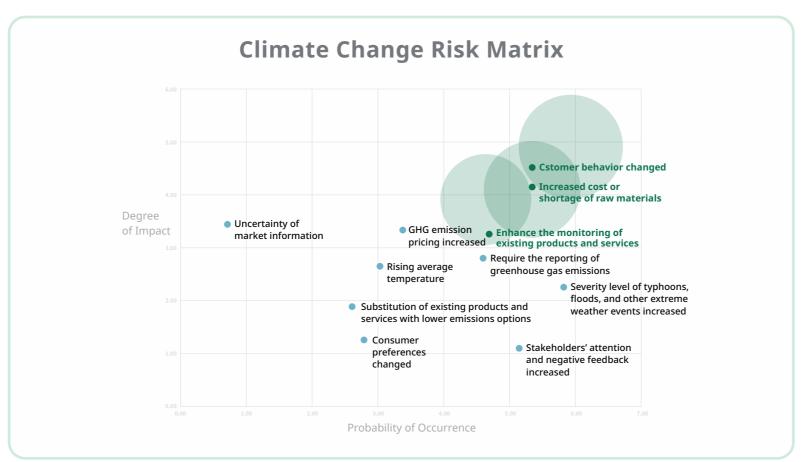
The Board of Directors is the highest supervision unit for D-Link's climate change management and is responsible for reviewing climate change-related risk management reports and implementation reports, to ensure effective implementation of the climate change-related risk management system.

The Corporate Sustainable Development Office is D-Link's organization promoting internal ESG initiatives and is responsible for pushing forward the implementation of climate change management-related programs. The Corporate Sustainable Development Office shall report annually to the Board of Directors on the results of its operations related to climate change and shall be monitored by the Board. The Board regularly reviews ESG impacts, performance and strategic objectives, and follows relevant management practices to immediately mitigate operational threats caused by occasional climate events.

The ESG Working Group is composed of the supervisors of the responsible departments, the Executive Board and the ESG Committee, who approve projects related to sustainable development and climate change.

Strategies

- D-Link defines the management period: 1 year for the short term, 4 years for the medium term, and 9 years for the long term. With the vision of net zero emissions by 2050.
- D-Link analyzes the financial and non-financial impacts of climate-related risks, explores business opportunities, and discusses countermeasures and responses.

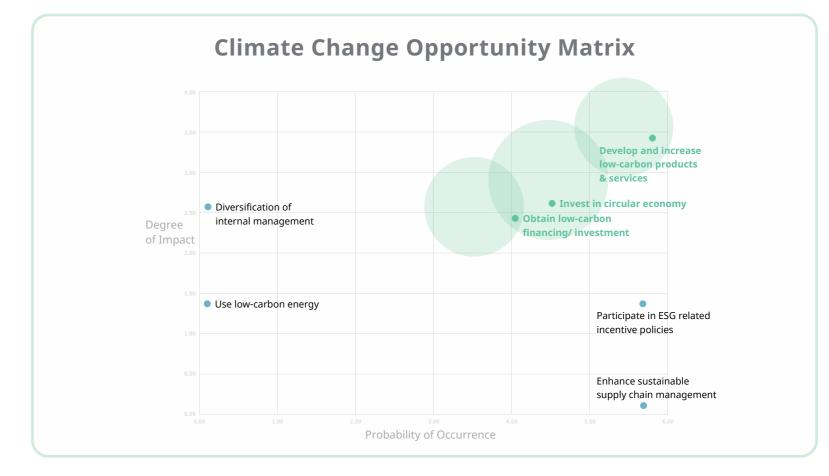


Climate Risk and Opportunity Identification

D-Link follows the four core elements of TCFD to disclose information related to climate governance, strategies, risk management, and indicators. The internal interdepartmental team assesses and identifies climate change risks and response measures to find potential dangers and possible opportunities.

During the climate change risk and opportunity identification meetings, the team members identify short-, medium-, and long-term risks and opportunities according to the TCFD transformational risks, physical risks, and opportunities list, and assess the response strategies and financial impacts. At the same time, the team must consider the impact on the Company's products and services, supply chain, adaptation and mitigation activities, R&D investments, and business operations.

According the analysis conducted through this identification process, 3 main climate change risks and 3 climate change opportunities were ultimately identified. The team members conducted strategy formulation according to the identified items and stipulated D-Link's climate change response strategies.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- · 4.3 Energy and Resources

 Management
- · 4.4 Green Products

CH5 People and Society
Appendix

Risk Types	Risk Factors	Time of Occurrence Evaluation	Impact Scenario	Risk Impact Assessment	Financial Impact Assessment
Transition Risks - Markets	Customer Behavior Changed	Mid-term	Due to the rising international awareness for sustainability issues, customer preferences and needs have shifted towards low-carbon and low-energy consumption products, which may impact D-Link's order volume.	Impact on products or services: If products are unable to meet relevant standards, they will not be sold in global markets. In addition to paying carbon taxes and other additional fees, it may cause revenue to decrease and may even lead to fines. Impact on new developments or investments: ODM factories must be required to develop environmentally friendly materials, energy-saving products with better specifications, and low-energy consumption chips using new technologies. The factories may also be required to update their equipment, which would affect product delivery and sales price.	If D-Link is unable to meet market demands immediately, it foresee reduced product sales, which will lead to decreased revenue. Furthermore, if no innovative products are introduced, investors may be less willing to invest, thereby affecting D-Link's long-term development and deployment.
Transition Risks - Markets	Increased Cost or Shortage of Raw Materials	Mid-term	Investments in energy transformation and carbon-reducing activities may require materials with higher specifications. This may lead to increases in raw material and production costs, reducing D-Link's product competitiveness and decreasing sales. This would lead to decreased revenue and increased cost.	 Impact on supply chains and value chains: The collection of carbon fees may lead to raw material suppliers increasing the price of products. With the long-term transfer of costs, supplier may need to be replaced. Rising raw material prices and production costs would lead to relatively higher product pricing. Customers will have to pay higher prices to purchase the products. 	In order to meet the low carbon and low energy consumption requirements, the price of raw materials has increased, which has led to price adjustments throughout the supply chain. This may gradually affect the end price by 20% to 30%.
Transition Risks - Policies And Regulations	Enhance the Monitoring of Existing Products and Services	Mid-term	In response to climate risks, policies related to domestic/foreign products are continuously updated. If D-Link is unable to respond to the requirements and regulations of various parties in a timely manner, it will cause D-Link's products to fail to meet regulations and impact its business. Instabilities in quality and service may cause products to be fined for violating legal regulations and create a negative impression among customers. This would lead to decreased product sales and revenue.	 Impact on products or services: The frequency and speed of changes to environmental policies in various countries have increased. Products may not be able to meet the requirements of new laws and policies. Inventories that have been manufactured may not be able to meet the regulations due their raw materials or products, leading to the need to recertify raw materials and the inability to supply, or products must be readjusted or are unable to be sold, causing an increase in inventory. 	 The acquisition of materials and equipment needed to update products increases operating costs. Incompliance with legal regulations causes decreases in product sales, leading to decreased revenue.
Opportunity Types	Opportunity Factors	Time of Occurrence Evaluation	Impact Scenario	Opportunity Impact Assessment	Financial Impact Assessment
Products and Services	Develop and Increase Low- carbon Products & Services	Mid-term	Following the international trend of carbon reduction, the company is expanding low-carbon, low-power, and green energy products to respond to the shift in consumer preferences, in order to seize market opportunities in advance. Promote increases in market competitiveness of the company, increases in market share, and improvements of revenue and corporate image, bringing positive impacts to the industry.	Improving product function and performance can reduce the use of physical devices, reduce power usage in data centers, improve heat resistance, and reduce overheating and crashes during operations. Through the network management software developed by the company, D-Link can help customers understand the usage performance and troubleshooting of products, improve customer usage performance, strengthen communications between management and various operating locations, and quickly eliminate abnormal issues.	 Reduce indirect (operation) cost The increased demand for products and services leads to increased revenue Increase revenue by entering emerging markets
Resource Efficiency	Invest in Circular Economy	Long-term	In response to international environmental protection trends, D-Link is developing recyclable circular economy products to encourage consumers to recycle products. D-Link is working with strategic partners to develop renewable raw materials and establish the benefits of a circular economy. By promoting environmental awareness and reducing electronic waste, the Company is improving its corporate image and increasing its revenue.	 Maximizing recycling: The company can inspect and sort replaced information equipment and provide them to disadvantaged groups for use, so that they may obtain more resources. As product functions increase, the software and hardware of products must be replaced and upgraded. Customers are advised to purchase new and low-carbon equipment. When customers are recommended to replace their equipment, the replaced equipment can be donated to local social welfare groups or schools for technical training. Minimization of waste output: During the design and development stage of products, methods of saving energy, fuel, water, paper, and improving transportation capacity must be evaluated. Product materials that comply with the ideas of a circular economy should be developed to reduce waste output. 	 Environmentally aware products can improve corporate image, gain more attention and orders from customers, and increase revenue. Simplifying product transportation packaging and reducing accessories can reduce product cost and expenditure, allowing the product price to better meet market expectations.
Markets	Obtain Low-		In response to climate change, financial institutions and investors have higher ESG requirements for the company. If the company has specific measures and results, D-Link can reduce capital	Impact on products or services:	Focus on green finance trends while attaining sustainability goals to obtain better loan interest rates. Currently, related financing solutions

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- · 4.3 Energy and Resources

 Management
- · 4.4 Green Products

CH5 People and Society
Appendix

Risk Response Strategies

Risk Types	Risk Factors	Risk Response Strategies	Risk-Based Cost
Transition Risks - Markets	Customer Behavior Changed	Products or services: In response to future market demands and to promote carbon reduction, the company will design more environmentally friendly and energy-saving products. Through the development of software and hardware technology, the company has promoted the "D-Link Green" series of products that comply with ErP specifications to meet the needs of the consumer market. As suppliers continue to introduce low-power components, the company will prioritize the adoption of eco-efficient solutions for end-use electronic products. Supply chain or value chain: Supply chain partners continue to promote low-power solutions, which have effectively reduced power consumption of major components by 28% to 59% in recent years. In response to regulatory requirements and customer specifications, the company requires immediate feedback and cooperation from suppliers to create an eco-system of energy-saving products. Location and type of business operation facility: Actively develop online shopping malls and provide diversified business models and project cooperation.	 ■ Increased operating costs ■ Adjustments to capital expenditure
Transition Risks - Markets	Increased Cost or Shortage of Raw Materials	Supply chain or value chain: Material costs will directly and indirectly affect product costs. The Company works with suppliers to explore low carbon process technologies, such as heat dissipation system design and product power saving technology development, in order to meet carbon reduction standards. For the selection and price negotiation of main materials, collective selection and price negotiation are adopted to help suppliers reduce material costs, and increase material inventory, raw material preparation, and inventory turnover to minimize the impact of rising raw material and production costs on the supply chain.	and capital allocation
Transition Risks - Policies and Regulations	Enhance the Monitoring of Existing Products and Services	Products or services: The Company monitors regulatory updates in the market, regularly promote and update operation plans internally to review the compliance of existing products and services, explore relevant countermeasure strategies, and evaluate the need for new/old product introductions and revisions through the new regulatory compliance process.	

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- · 4.3 Energy and Resources

 Management
- · 4.4 Green Products

CH5 People and Society
Appendix

Opportunity Response Strategies

Opportunity Types	Opportunity Factors	Opportunity Response Strategies	Opportunity Cost	
Products and services	Develop and Increase Low-carbon Products & Services	 Products or services: Energy management of product operation: The product operation and power supply of the chip adopts a low energy consumption design to reduce overall energy consumption. Setting the fan start-up temperature to reduce energy consumption, reduce the number of blade rotations to increase fan life to reduce maintenance frequency, and still maintain constant equipment temperature. Product energy consumption is divided into high and low peak periods. The energy output will be set to low when the product is under low usage. Streamlined product and material management: Reduce product volume and packaging materials to save space and transportation costs. Use environmentally friendly and recyclable materials to improve recycling rate and reduce waste generation. The product mechanism is designed with an integrated type and a clip-on type; operation manuals are available online to minimize material use. 	 Increased operating costs Adjustment of capital acquisition New financing plan For circular economy issues, the 	
Resource efficiency	Invest in Circular Economy	 Products or services: Maximize resource recovery After inspection, selected retired equipment are offered to organizations for the disadvantaged in rural areas to maximize resource recovery. As chip advancements increase product functionality, hardware and software will need to be replaced and/or upgraded. Customers are advised to purchase new low-carbon equipment and donate the old equipment to local public welfare groups or schools to for technical training. Supply chain or value chain: Minimize waste generation Suppliers are advised to use recyclable materials. Use product packaging materials that can be decomposed/reduced naturally. Modular product design; modules can be replaced during maintenance; no need to replace the entire product. 	Company needs to assign a project team with dedicated full-time personnel (such as sustainability managers) and appropriate budgets. Although short-term operating costs will increase, if they can be carried out in stages and managed quantitatively, they will positively affect the company in the long run.	
Markets	Obtain Low-Carbon Financing or Investment	Improve the quality of ESG information disclosure to meet the green financing review of financial institutions and sustainable investment trends, such as CDP, S&P Global, and FTSE Russell.		

About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance
CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- 4.3 Energy and Resources
 Management
- · 4.4 Green Products

CH5 People and Society
Appendix

Risk Management

- Identification and evaluation: In view of the various climate-related physical risks and transformation risks in D-Link's operations, the Company identifies and evaluate the impact and influence of climate-related risks every three years, review business opportunities, discuss corresponding countermeasures and response actions, and take relevant action plans. A team of professional consultants has assessed the potential financial impact of extreme weather events in Europe from three perspectives, including supply chain, business and product quality, to be approximately NT\$250 million. D-Link had no financial impact due to extreme weather events in 2022.
- Management mechanism: The Board of Directors has included the impact of climate change
 as one of D-Link's significant risks. The ESG Committee develops strategies and implements
 management of climate-related issues, systematically manages climate change-related issues
 through ISO management system validation and carbon emission verification, and regularly
 reports on management results.

• Integration with the overall risk management system of the organization: D-Link integrates climate change risks and various operational risks into the overall risk management system, and regularly identifies, evaluates and manages them through a standardized process. At the same time, the relevant departments regularly identify relevant risks and review them at annual planning and review meetings.

Targets and Objectives

In response to the transformation opportunities arising from climate change, D-Link has been actively promoting related issues, setting green management strategy goals, launching various projects, and performing management and effectiveness evaluation; meanwhile, D-Link also reviews the performance results through external audits to achieve the goal of environmental sustainability.

Туре	Short-term Goals (2023)	Medium-term Goals (2026)	Long-term Goals (2031)	Achievements in 2022
Greenhouse gas emissions management	 Include ISO 14064-1 Scope 3 indirect emissions in the management. Reduce carbon emissions by 2% using 2021 as the baseline year. 	Reduce carbon emissions by 10% by 2026 using 2021 as the baseline year.	Continuously reduce carbon emissions and set the goal to achieving net zero emission by 2050.	 Formally imported ISO 14064-1:2018, inventory categories 1-5 for indirect emissions. Replaced 463 LED lamps in September, which would be expected to save 55,351 kilowatt hours of electricity annually, equivalent to nearly 2% of the electricity in 2021.
Net zero emissions	 Plan and make a commitment to net zero emission goals Proactively respond to and improve CDP scores 	Import ISO 50001 energy management system	Continuously reduce greenhouse gas emissions and take achieving net zero emissions by 2050 as the goal.	Formally imported ISO 14064-1:2018 for the inventory of indirect emissions.
Energy management	Gradually replace the lighting fixtures on each floor of the headquarters building with LED flat panel lights with the goal of saving 1.5% of electricity.	Reduce power consumption by 4.5% by 2026 using 2021 as the baseline year.	Reduce power consumption by 30% using 2021 as the baseline year.	Replaced 463 LED lamps in September, which would be expected to save 55,351 kilowatt hours of electricity annually, equivalent to nearly 2% of the electricity in 2021.
Water Resource Management	Reduce water consumption by 2.5% by 2026 using 2021 as the baseline year.		None	Adjusted the startup time of the air conditioning units to reduce the cooling water usage.
Waste management	Reduce the waste by 2.5% by 2026 using 2021 as the baseline year.		None	The usage of copy paper in the building decreased by 20% from 20,000 to 16,000 sheets per month.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- 4.3 Energy and Resources
 Management
- · 4.4 Green Products

CH5 People and Society
Appendix

4.2.2 From Inventory to Net Zero GRI 2-23

In 2021, the United Nations COP26 made the first climate agreement with a clear plan to reduce coal use - the Glasgow Climate Agreement. In response to the global goal of net zero emissions, D-Link conducted greenhouse gas emissions, and analyzed and evaluated the results as a basis for organizing plans to reduce greenhouse gas emissions, and gradually move towards net zero 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

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. D-Link planned to conduct revision guidance for ISO 14064-1:2018 in 2022. The verification was completed by a third-party impartial inspection unit by August 2022 and continues to implement greenhouse gas inventories and reductions. The carbon emissions of Categories 1 and 2 summarized by the Company in 2022 decreased by 10.5% compared to 2021. The relevant data is expected to be verified by a third party in July 2023, and the verified data will be announced on the official website.

4.2.2.1 D-Link Carbon Emission Structure

Unit: metric tons CO₂e/year

Year	Average Number of Employees		Category 1	Category 2	Category 3	Category 4	Category 5	Category 6	Total
2021 608	Greenhouse Gas Emissions	127.1388	1,409.78	Not significant	26,836.46	809,277.85	Not significant	837,651.24	
	Proportion in total emissions	0.02%	0.17%	Not significant	3.20%	96.61%	Not significant	100%	
	GHG Emissions Intensity Ratio	0.21	2.32	Not significant	44.14	1,331.05	Not significant	1,377.72	
2022 487	Greenhouse Gas Emissions	119.87	1,255.52	Not significant	18,424.61	504,734.39	Not significant	524,534.39	
	Proportion in total emissions	0.02%	0.24%	Not significant	3.51%	96.23%	Not significant	100%	
		GHG Emissions Intensity Ratio	0.25	2.58	Not significant	37.83	1,036.42	Not significant	1,077.07

About the Report About D-Link CH1 Sustainable Operations CH2 Corporate Governance CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability Strategies and Goals
- · 4.2 Climate Governance and Actions
- · 4.3 Energy and Resources Management
- · 4.4 Green Products

CH5 People and Society **Appendix**

106 / 2022 Sustainability Report

4.2.2.2 From Low-carbon to Zero Carbon, Moving towards **2050 Net Zero Transformation**

Scope		Goals	Action	
Scope 1	Direct energy	Using 2021 as the baseline	Starting from 2021, to replace the headquarters building lighting	
Scope 2	Indirect energy (externally purchased electricity)	year, aiming to reduce carbon emissions of scope 1 and scope 2 by 10% by 2026.	fixtures with energy-saving lighting fixtures year by year. 463 LED lamps have been replaced in 2022.The green energy procurement program has been launched in 2023.	



4.2.3 Biodiversity Commitment GRI 2-23

As a brand operator, 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.

At the same time, D-Link also cooperated with the public welfare partner GUPPY INCLUDIVE in 2022 to help the bees in Zhongliao Township of Nantou County return to their habitat to balance the local ecological environment through adoption and contract work.

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 involved in the loss of biodiversity and illegal deforestation.
- · Encourage the Company's suppliers to assess the biodiversity-related risks of their operating
- Seek opportunities with partners to reduce biodiversity damage.
- · Support biodiversity convention activities or initiatives.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- 4.3 Energy and Resources
 Management
- · 4.4 Green Products

CH5 People and Society
Appendix

4.3 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.

- 4.3.1 Energy Management
- 4.3.2 Water Resource Management
- 4.3.3 Waste Management





About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- 4.3 Energy and Resources
 Management
- · 4.4 Green Products

CH5 People and Society

Appendix

4.3.1 Energy Management

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 2% in 2022 through the energy-saving project, and the power consumption has decreased year by year.

	2020	2021	2022	Total
Main energy conservation actions	Installed energy- saving lights on the 6th floor of the headquarters building	Installed energy- saving lights on the 5th floor of the headquarters building	Installed energy- saving lights on the 4th floor of the headquarters building	-
Power saving ratio	1.39%	1.78%	2.00%	5.17%

^{*} Due to changes in the baseline year, the power saving ratio for 2022 is based on 2021, while that for 2020 and 2021 is based on 2016

Implemented and planned energy conservation measures in the past 3 years are as follows:

- 2018: Installed energy-saving circulation fans in the IT office on the 4th floor and installed energy-saving LED panel lights in the west front area of the 2nd floor
- 2019: Installed energy-saving circulation fans in the office areas and conference rooms on the 2nd, 4th, and 5th floors of the building and adjusted the on/off times for the air conditioning units (turned off 1 hour earlier)
- 2020: Replaced the lighting in the public area and restrooms of the 1st to 6th floors with energy-saving lights (LED panel lights)
- 2021: Replaced the lighting in the offices, conference rooms, and manager offices on the 5th and 6th floors of the headquarters building in Taipei with energy-saving LED panel lights
- 2022: The 463 lighting fixtures on the 4th floor of the headquarters building were replaced with energy-saving lighting fixtures, which would be expected to save 55,351 kilowatt hours of electricity annually, equivalent to 2% of the electricity in 2021.
- 2023: The lighting on the other floors of the headquarters building is expected to be replaced with energy-saving lights. The energy conservation goal is 1.5% annually.

In addition to the aforementioned improvements to the building facilities, D-Link regularly conducts energy conservation promotion to employees and has set up energy-saving signs next to the switches in the conference rooms, reminding employees to develop the habit of switching off lights and air conditioners. In 2022, the externally purchased electricity decreased by 8.51% compared with the previous year.

• Energy Consumption and Intensity Statistics from 2020 to 2022

Туре	2020	2021	2022
Annual average number of employees in Taiwan	669	608	487
Externally purchased electricity (kWh)	3,122,800	2,696,004	2,466,636
Externally purchased electricity (kJ)	11,242,080,000	9,705,614,400	8,879,889,600
Annual increase/decrease rate of externally purchased electricity (kJ)	-0.002%	-13.67%	-8.51%
Energy intensity (kJ)	16,804	15,963	18,234

4.3.2 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 Feicui 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. The amount of wastewater discharged is the data after deducting the evaporation and spillage from the inflow (total water consumption = total water intake - total drainage). In addition, all bathroom faucets in the headquarters building were equipped with water-saving switches to save water resources. Although D-Link is not a company that consumes a significant amount of water resources, it still conducts self-supervision and does a good job in every aspect of water conservation, and does its best for environmental sustainability. In 2022, the total water consumption decreased by 5% compared with 2021.

Statistics on Water Consumption in 2020-2022

Unit: in megaliters

	•		
	2020	2021	2022
Water withdrawal	13.74	11.56	10.99
Water discharge*	12.37	10.40	9.89
Water consumption (total water intake - total discharge)	1.37	1.16	1.10
Annual decrease/increase rate of water consumption	10.99%	-15.87%	-4.93%

^{*} The total discharge is estimated based on 90% of the total water intake.

Water Resources Intensity Statistics from 2020 to 2022

	2020	2021	2022
Water resources (in ten thousand liters)	1,374	1,156	1,099
Annual average number of employees in Taiwan	669	608	487
Water consumption per capita (in ten thousand liters)	2.05	1.90	2.26

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- 4.3 Energy and Resources
 Management
- · 4.4 Green Products

CH5 People and Society
Appendix

4.3.3 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 2022, the total annual waste volume decreased by 2.4 tons (approximately 11%) than the previous year.

Waste management strategy

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

Туре	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 generation data from 2020 to 2022

Weight (Ton)

Turno	2020		2	021	2022	
Туре	Weight	Percentage	Weight	Percentage	Weight	Percentage
Recycled	8.73	39.82%	9.42	43.58%	6.28	32.61%
Incinerated	13.19	60.18%	12.19	56.42%	12.98	67.39%
Total	21.91	100%	21.61	100%	19.26	100%

^{*} Kitchen waste treatment: After collected, the group meal provider will bring it back forintegrated processing everyday



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- 4.3 Energy and Resources
 Management
- · 4.4 Green Products

CH5 People and Society
Appendix

4.4 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.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

- 4.1 Sustainability
 Strategies and Goals
- 4.2 Climate Governance and Actions
- 4.3 Energy and Resources
 Management
- · 4.4 Green Products

CH5 People and Society Appendix

111 / 2022 Sustainability Report

Aspects Covered by D-Link Green









Product design

n Product functions

Product materials

Product packaging

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

Stage	Action
Raw materials	 The raw materials strictly comply with and adopt international standards and specifications, including 100% compliance with the harmful substances limited by the EU RoHS and REACH regulations; and full compliance with the ban on mineral oil in packaging printing ink in French. 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. Reduce the use of packaging materials and printing ink and use recyclable environmental materials to reduce the impact of packaging waste on the environment.
Manufacturing	Reduce waste and resource consumption by optimizing the manufacturing process and improving product yield.
Transportation	 Tailor the packaging size according to the actual size of each product to meet the optimal transportation volume to improve transportation efficiency and reduce carbon emissions.
Use	 Dedicated to introducing the most advanced product design thinking and technologies and complying with EU energy-related product ecology design (ErP) and other international energy regulations to minimize the energy consumption of products. The external power supply (EPS) used in the whole series of products is 100% in line with the Level VI energy efficiency standard of the US Department of Energy.
End of life	 Easy-to-disassemble design is adopted for products, which is conducive to recycling and improving material reuse rate. Local regulations, i.e., EU WEEE, are followed when handling end-of-life products and electronic waste. There are standardized operating procedures and records for the recycling and disposal of scrapped products; and the Company planned to collect weight and other data starting from 2023 for future disclosure.

* In 2022, the weight of scrapped products and electronic waste and the percentage of recycling was 0, since they are not counted

The "D-Link Green Pack Program" launched in January 2022 includes:

- **Using environmentally-friendly materials:** Replace the single copper paper used for product packaging boxes with gray copper paper containing up to 85% recycled pulp. Initially, it was applied for packaging boxes of 10 models; in addition, to meet international standards, mineral oil is completely prohibited for packaging printing ink. Currently, the packaging boxes of a total of 14 products adopt all vegetable oil ink printing.
- No plastic packaging: For example, do not use plastic packaging paper for M30 and M60 power supplies; use a small area of plastic film to protect easily scratched areas of G416 to reduce the plastic usage area by 96%.
- Optimal material volume: The outer packaging design of all new products meets the optimal pallet loading quantity.

Packaging Reduction Cases

Taking G416 as an example, the product was originally packaged in plastic bags. If the plastic bags are completely removed, the surface of the product will be scratched due to vibration in transportation. After research and testing, a small area of plastic film was used to protect the easily scratched areas of the product, and the use of plastic was reduced by 96% after reducing plastic use.

Before



Area of the plastic bag: 172,800mm²

After



Area of the plastic film: 6,160mm² Reduce the use of plastic by 96%

Proportion of Green Products in 2022

In 2022, green products* accounted for 49% of total product revenue. By 2026, green products manufactured according to the 4 aspects of "D-Link Green" are expected to account for 80% of total product revenue.

* Green products in 2022 only included products with designs and functions that comply with "D-Link Green"

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 SustainabilityStrategies and Goals
- · 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

112 / 2022 Sustainability Report

CH5 People and Society

Responding to Sustainability Issues

- · Corporate Image
- · Supply Chain Management
- · Sustainable Development Strategy
- · Governance and Ethical Management

Major Stakeholders

- · Employees
- · Suppliers

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 SustainabilityStrategies and Goals
- 5.2 Human RightsProtection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

113 / 2022 Sustainability Report

5.1 Sustainability Strategies and Goals -Social Aspect GRIZ-12

Short/ Medium/ Long-term Goals

Short-term

- · Undertake human rights due diligence.
- · Implement employee engagement surveys.
- · Promote a series of social engagement programs.
- · Link sustainable development performance to supervisor KPI.
- · Launch the arts and culture linking project.
- Organize in-house sustainability education courses and workshops to strengthen the competency for sustainability of employees.

Medium-term

- Implement the sustainable development strategy through sustainable development plan and by combining D-Link's seven sustainability management capabilities to create an internal culture and an external image.
- Formulate talent development plans or management trainee plans for key positions.
- · Link sustainable development performance with each employee's KPI.
- Plan and execute internal ESG proposal competitions.

Long-term

- · Link the functions and industrial characteristics of the network industry, lead the way of smart living, and create sustainable value together.
- · Promote sustainable human rights risk assessment.

By the end of 2031

By the end of 2026

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

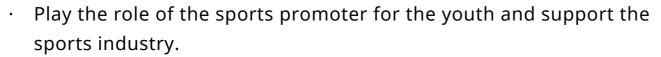
- 5.1 SustainabilityStrategies and Goals
- · 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

114 / 2022 Sustainability Report

D-Link's Major Contributions to SDGs

- · Build the healthiest workplace with eight major measures, and create a peaceful and safe working environment.
- · Provide welfare care superior to regulations.



- Support Taiwan's sports elites with the hope of nurturing more basketball experts, promoting sports culture, enhancing health awareness, and building a healthy society.
- · Construct a comprehensive learning and training system to enhance the competitiveness of sustainable management.

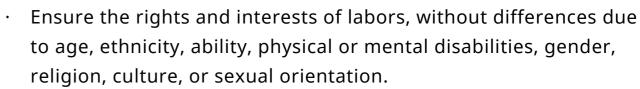


- · Form a talent cultivation plan from six aspects.
- Collaborate with schools to carry out networking education at the foundation level.
- · Shape soft power with annual total training hours of 8,022.7 hours.
- · Set up "D-Link Group Scholarship" to cultivate international talents.



- · Build a gender-equal and gender-friendly work environment.
- · Empower the female.
- · Promote maternal health protection plan for the workplace.
- · Protect employee rights through human rights protection policies.
- Cultivate talents for the networking industry through a complete training system.
- Share company profits with employees and allow the employees to reap the benefits of business results.

- · Launch human rights due diligence project to identify major issues related to human rights.
- Adhere to policies and plans that promote diversity, equity, and inclusiveness (DEI) to involve representatives and participants from different groups.



 Provide diverse channels for employees to express ideas and suggestions.



· Encourage the procurement of agricultural products that meet biodiversity requirements.



 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.

Goals in 2022



Launch the human rights due diligence project.



Strengthen ESG promotion to enhance employee sustainability.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- · 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

115 / 2022 Sustainability Report

2022 Management Performance

- Introduced the project to carry out human rights due diligence.
- Human rights related risks: 0
- Violations of human rights resulting in punishment: 0
- Supplier's violations of human rights resulting in punishment: 0
- The proportion of female senior executives reached 55.6%, higher than the proportion of female employees in the Company.
- Increased the proportion of female employees from 41.3% in the end of 2021 to 45.0%, up 3.7%.
- Launched the "Appointment with Supervisors" campaign to encourage employees to express their opinions freely.
- Launched an employee satisfaction and engagement survey, with a completion rate of 71.5% and an effective completion rate of 64.4%.
- Employee complaint cases: 0
 - 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.
- Strengthened ESG promotion and deepened legal awareness, with nearly 300 hours of promotion in total.
- The total annual training hours to reach 8,022.7 hours, up 62.4% annually, with an average of training hours of about 15.6 hours per person.
- Passed ISO 45001: 2018 occupational safety and health management system, and retained the certification. No deficiencies were found and 4 opportunities for improvement were completed.
- No contractor-related work injuries and safety accidents.
- Received the "Health Promotion Stamp" for Healthy Workplace Certification issued by the National Health Administration of the Ministry of Health and Welfare (announced in January 2023).
- Zero work accidents.
- Distributed 5% of the Company's profits annually as employee compensation.
- An average salary increase for the Company is 4.8%, with some over 30%.
- Prepared methods for issuing employee-restricted shares.

- Employed professional massage therapists with disabilities to provide stress relief massage services on site, and all proceeds thereof were donated to social welfare institutions.
- Purchased group health insurance for statutory infectious diseases such as COVID-19, enhancing the protection for all employees.
- Invested over NT\$2.35M to implement 13 social engagement programs, which benefited a total of 1,863 people.
- Set up "D-Link Group Scholarship" in collaboration with the National Taiwan University of Science and Technology, which provided a quota of 10 full scholarship recipients for non-Taiwan students. At present, there are 8 scholarship recipients.

Responsibility Unit

· Corporate Finance & Operation Center · Public Relations Office

Management Mechanism

- 1. Clauses on suppliers' sustainability
- 2. Management Measures for Recruitment and Appointment
- 3. Salary Management Measures
- 4. Performance Assessment Management Measures
- 5. Management Measures for Employee Resignation and Suspension of Pay
- 6. Complaint and Sexual Harassment Handling Measures
- 7. 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
- 8. ISO 45001: Standards of 2018 Occupational Safety and Health Management System
- 9. Safety and Health Planning Control Procedure
- 10. Contractor Control Procedure
- 11. Emergency Response Management Procedure

Communication Channel

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

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

116 / 2022 Sustainability Report

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









About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 SustainabilityStrategies and Goals
- 5.2 Human RightsProtection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

117 / 2022 Sustainability Report

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, creating an environment that fully protects human rights, and agreeing with and supporting international human rights 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, and requires that the business activities of cooperative manufacturers should also put an end to any violations and violations of human rights, so that both internal and external members of the Company can be treated with fairness and dignity. D-Link also respects diversity and anti-discrimination, abides by working hours, wages and benefits, prevents forced labor and human trafficking, prohibits illegal underage labor, respects freedom of association, pays attention to health and safety in the working environment, information security, and gives back to the society with the core competence. In addition, D-Link also announced labor rights on its official website and implemented measures to mitigate human rights risks. For the prohibition of illegal underage labor and forced labor, the Company strictly abides by the employment process, interview and consult the applicant's willingness to work, and implement the verification of identity documents to prevent the risk of illegal employment; and promotes labor rights through labor-management conferences, and 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 United States, Italy, Brunei, Turkey, Malaysia, India, Indonesia, South Korea, Burkina Faso, Nicaragua, Portugal 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 2022, it held one human rights education course with a total of 495 participants, accounting for 96.1% of the total number of employees.

• The analysis of D-Link operating locations that underwent 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 boundary of the Report, the operating locations are defined as the headquarters and the locations of the branches in Taiwan (Hsinchu office, Taichung office, Kaohsiung office, and Tainan warehouse).



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- 5.2 Human RightsProtection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

118 / 2022 Sustainability Report

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 suppliers and mapped them into a matrix. The human rights due diligence report has been completed by the end of May 2023. For related information, please refer to the announcement on the official website.

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.



2022

Human rights related risks: 0

Violations of human rights resulting in punishment: 0

5.2.3 Supplier Human Rights Regulations

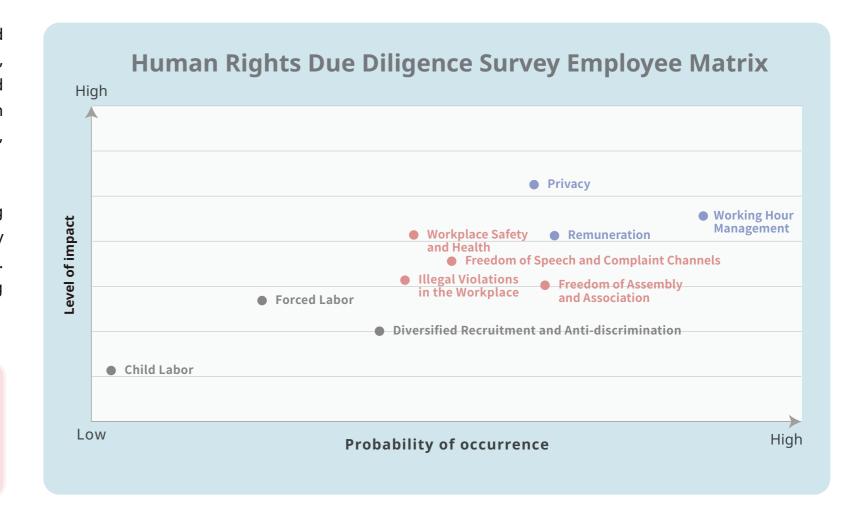
Based on the social and ethical principles of promoting the spirit of humanity and practicing human dignity, and fulfilling corporate social responsibilities, D-Link clearly defines the corporate social responsibilities of suppliers in the procurement contract, and also incorporates human rights norms 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.

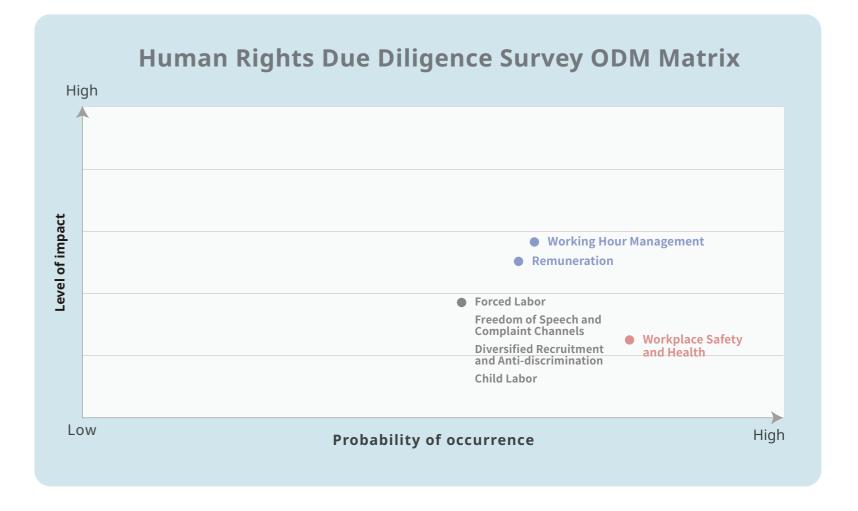
In 2022, D-Link signed procurement contracts containing human rights clauses with 32 qualified suppliers, with a signing rate of 100%.



2022

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





About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- · 5.2 Human Rights
 Protection
- 5.3 Employment and EmployeeParticipation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

119 / 2022 Sustainability Report

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 Overview5.3.2 Listening Strategy









About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- · 5.2 Human Rights
 Protection
- 5.3 Employment and EmployeeParticipation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

120 / 2022 Sustainability Report

5.3.1 Labor Overview

GRI 2-7, 2-8, 401, 405-1

SASB TC-HW-330a.1

Workforce Structure

In response to the adjustment of the Company's operating strategy, D-Link carried out structural reorganization and lean workforce operations in 2021. The total workforce was reduced from 717 in 2020 to 515 in 2022, a reduction ratio of approximately 28.2%. The percentage of female employees increased from 41.3% in the end of 2021 to 45.0%, up 3.7%.

• Workforce Composition in the Past Three Years

			2020		2021		2022	
			Number of employees	Percentage (%)	Number of employees	Percentage (%)	Number of employees	Percentage (%)
	Female		273	38.1%	229	41.3%	232	45.0%
Gender	Male		444	61.9%	326	58.7%	283	55.0%
	Others		0	0	0	0	0	0
	Less 30 years old		94	13.1%	65	11.7%	63	12.2%
Age	30 - 50		565	78.8%	437	78.7%	393	76.3%
	Over 50 years old		58	8.1%	53	9.6%	59	11.5%
Employee	Full time		717	100.0%	554	99.8%	498	96.7%
type	Part-time		0	0.0%	1	0.2%	17	3.3%
Lahau	General employment		717	100%	554	99.8%	498	96.7%
Labor contract	Regular employment		0	0.0%	1	0.2%	17	3.3%
Contract	Foreign workers		0	0.0%	0	0.0%	0	0.0%
	PhD		6	0.8%	3	0.5%	1	0.2%
	Master		255	35.6%	191	34.4%	151	29.3%
Education	University		373	52.0%	290	52.3%	286	55.5%
	College		66	9.2%	57	10.3%	57	11.1%
	High school and below	1	17	2.4%	14	2.5%	20	3.9%
	Supervisor ¹	Female	40	5.6%	41	7.4%	33	6.4%
	Supervisor	Male	75	10.5%	67	12.1%	61	11.8%
Position	Technician ²	Female	116	16.2%	83	15.0%	79	15.3%
	rechinician	Male	306	42.7%	205	36.9%	176	34.3%
	Other employees 3	Female	117	16.3%	105	18.9%	120	23.3%
	Other employees ³	Male	63	8.8%	54	9.7%	46	8.9%
	Number of people		717	100.0%	555	100.0%	515	100.0%

Note

- 1. Supervisor: the person in charge who actually leads the department.
- 2. Technician: non-supervisors of Product Center, R&D, IT, and technology-related departments.
- 3. Other employees: other non-supervisors of sales, logistics, customer service, marketing, administration, and finance.
- 4. The Company did not hire employees without guaranteed hours in 2022.

New Employees and Resignation Status

In 2022, 121 new employees were hired, and in terms of gender ratio distribution, the percentage of female new employees was 2.1% higher than that of male new employees; in terms of age composition, new employees aged 30-50 have the highest percentage of 15.1% in 2022.

In 2022, 163 new employees resigned, and in terms of gender ratio distribution, the percentage of female employees resigned was 6.8% lower than that of male employees resigned; in terms of age composition, newly resigned employees aged 30-50 have the highest percentage of 24.3% in 2022.

• Table of New and Resigned Employees in 2022

	New Employee			Resigned	Employee
		Number of People	Recruitment Rate ¹	Number of People	Resignation Rate ²
	Female	66	12.8%	64	12.4%
Gender	Male	55	10.7%	99	19.2%
	Gender total	121	23.5%	163	31.6%
	Less 30 years old	38	7.4%	26	5.0%
Λαο	30 - 50	78	15.1%	125	24.3%
Age	Over 50 years old	5	1.0%	12	2.3%
	Total by age	121	23.5%	163	31.6%

Note:

- 1. Recruitment rate = new employees/total number of employees in December of the current year.
- 2. Resignation rate = number of employees who resigned/total number of employees in December of the current year.

Statistics of Non-Employee Workers in 2022

Total Number							١	Work Type				
Year	employee Workers	Gender		Cle	aning	Cat	ering	Sec	urity	Other	s*	
		Gender	Number of people	Percentage	Number of people	^f Percentage	Number of people	Percentage	Number of people	Percentage ^l	Number of Per people	rcentage
2022 14	Female	7	50%	3	3 43%	3	43%	0	0%	1	14%	
	Male	7	50%	2	2 29%	5 1	14%	4	57%	0	0%	
	Total	14	100%	5	35%	5 4	29%	4	29%	1	7%	

^{*}Reception personnel in the lobby.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- 5.2 Human RightsProtection
- 5.3 Employment and EmployeeParticipation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

121 / 2022 Sustainability Report

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). Since December 2022, to provide multiple channels for employees to express their ideas and suggestions, the "Appointment with Supervisors" campaign has been arranged, so that the Company can also better understand the opinions of employees, and then reach a consensus through discussions.

Communication Results in 2022						
Formal communication and complaint channels	Labor-management meeting (3/23\6/22\9/21\12/21)	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 E-mail	There were no complaint cases in 2022.				
	Employee welfare committee	Chairperson and vice chairperson, with a total of 16 members, including 8 female representatives.				
Communication Channels	Employee opinion box	In 2022, through the labor-management meeting, the labor representative's feedback box received a total of 13 employee feedback responses and completed responses at the labor-management meeting, with a response rate of 100%.				
	Appointment with supervisor (12/17)	An event was arranged in December 2022, with a total of 4 employees registering and 3 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.

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 2022 employee satisfaction and engagement survey was initiated in December 2022 and completed in January 2023. This survey was conducted anonymously, covering eight aspects: supervisor, colleagues, work, salary, development, corporate culture, professionalism, and overall satisfaction. The completion rate was 71.5%, and the effective completion rate was 64.4%.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

122 / 2022 Sustainability Report

5.4 Diversity, Equity and Inclusion (DEI)

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







About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- 5.2 Human RightsProtection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

123 / 2022 Sustainability Report

Building a Diversified and Inclusive Working Environment through Various DEI Programs



Promote Salary Equity

D-Link is committed to promoting remuneration fairness for similar job positions and strives to identify patterns or trends of underpayment for specific employee groups in specific business areas, to ensure the competitiveness and equality in the market.



Mixed Team

D-Link encourages learning from different voices, experiences, values, and cultures. Multiple talents can enhance the perspective and stimulate the creativity of the team. For teams with members of high homogeneity, the Company will arrange employees of different gender, cultural background or age to participate in a plan or project, which may have a positive impact on creativity, innovation and problem-solving methods.



Develop Training Plans

D-Link plans to provide training to help employees understand how cultural differences affect work and interaction styles, and encourages employees to participate in diversified training, although not mandatory. In November 2022, promotion and training on gender equality and prevention of sexual harassment in the workplace was carried out for all employees. A total of 496 employees participated, with a participation rate of 96% and an average test score of 97 points (out of 100 points).



Promoting Feedback

Employees are encouraged to give feedback to better understand what is happening beneath the surface. D-Link uses opinion surveys every year to obtain the information needed to make smarter decisions and reduce or eliminate any discriminatory or biased patterns within the Company in specific areas.



Recognize Festivals of All Cultures

By recognizing and respecting various religious and cultural festivals, D-Link strives to establish a sense of diversity and promotes greater inclusiveness, as well as understanding the flexibility that employees may need based on different needs.



Evaluating Company Policies

D-Link regularly evaluates potential work areas where discrimination may exist, and determines whether company policies will lead to long-term workplace discrimination (such as racial or gender discrimination), and improve them to make the workplace more equitable.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- · 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

124 / 2022 Sustainability Report

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 2022, 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. 3 more employees with physical and mental disabilities were hired in 2022 compared to 2021.

Empower the Female

D-Link avoids gender inequality in recruitment and promotion. In 2022, the proportion of female employees increased from 38.1% in 2020 to 45.0%. The percentage of female employees continues to grow every year, with 55.6% of senior executives being female; in the future, D-Link will continue to increase the proportion of female supervisors to female employees to achieve substantive equality.

	2020	2021	2022
Percentage of female employees	38.1%	41.3%	45.0%
Percentage of female supervisors	34.9%	37.2%	35.3%

Multiple Nationalities

D-Link employs talents based on the principles of local employment, respect for diversity, and equal opportunities. In 2022, the headquarters and Taiwan subsidiaries hired a total of 6 foreign employees, accounting for 1.2% of the total workforce. They undertake the positions of senior manager, lead engineer, senior engineer and R&D, Intern respectively, and are from Türkiye, India, South Korea, Portugal, Malaysia and Italy. Foreign employees have equal employment opportunities as domestic employees.



5.4.2 Gender Friendliness

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., regardless of gender. In 2022, the basic salary and overall remuneration comparison of the two genders was that female: male is 1:1.07-1.16 for the basic salary, and 1:1.08-1.20 for the overall remuneration.

 Basic salary ratio for male and female employees in 2022

	Supervisor	Technician	Other employees
Female	1	1	1
Male	1.15	1.07	1.16

^{*} The basic salaries of all employees are higher than the statutory basic salary

 Overall remuneration ratio for male and female employees in 2022

	Supervisor	Technician	Other employees
Female	1	1	1
Male	1.13	1.08	1.20

^{*} 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.

Parental Leave

According to the "Act of Gender Equality in Employment", D-Link's employees may apply for parental leave without pay before their children reach the age of 3. In 2022, a total of 3 people applied for parental leave without pay, including 2 males and 1 female. 1 of them did not return to work after the parental leave without pay expired, 2 applied for an extension, and 0 was still within the original leave period.

Items	Female	Male	Total
Number of people who are eligible to apply for parental leave in 2022	12	48	60
Number of people who applied for parental leave in 2022	1	2	3
Number of people who should be reinstated from parental leave in 2022 (A)	2	1	3
Number of people who should be and have been reinstated from parental leave in 2022 (B)	0	0	0
Number of people who have been reinstated from parental leave in 2021 (C)	1	1	2
Number of people who have been reinstated from parental leave in 2021 and completed their first year of service in 2022 (D)	1	1	2
Return rate after parental leave % = B/A	0%	0%	0%
Retention rate after parental leave % = D/C	100%	100%	100%

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 SustainabilityStrategies and Goals
- 5.2 Human RightsProtection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

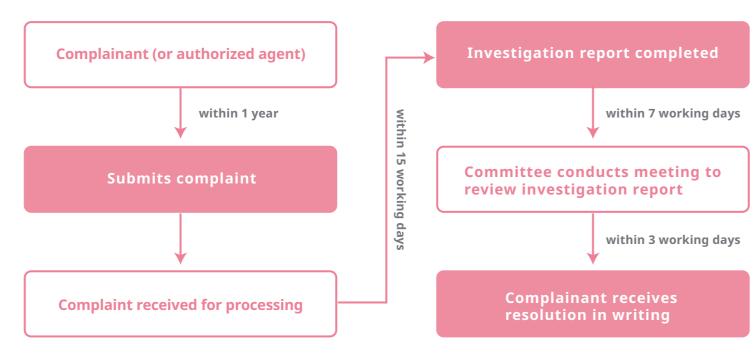
125 / 2022 Sustainability Report

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 Act of Gender Equality in Employment, employees are provided with leave and assistance during different stages of pregnancy, childbirth, and parenthood. There were no complaint cases in 2022. Starting from 2022, 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:

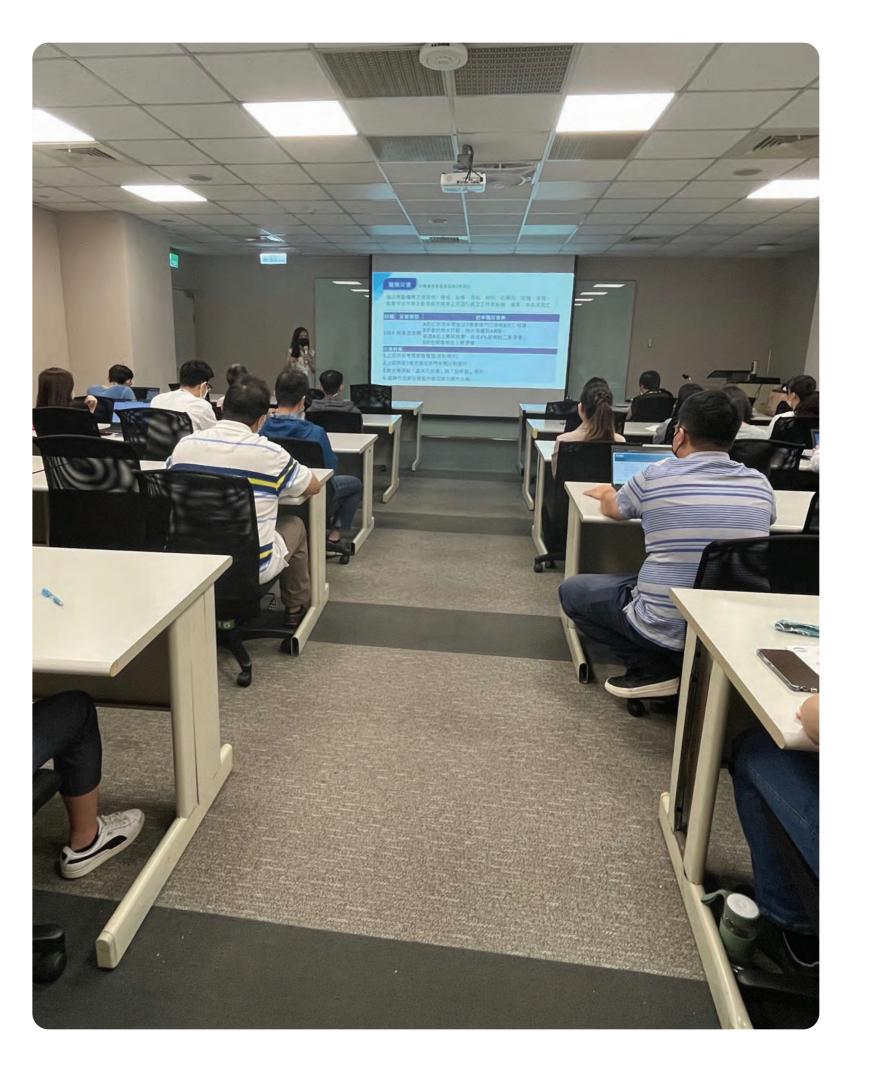
- 1. Be submitted by the complainant (or authorized agent) within 1 year.
- 2. The personnel in charge shall hold an investigation team meeting within 7 working days after accepting the complaint.
- 3. The investigation team should complete the investigation report within 15 working days.
- 4. The complaint 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 days after the resolution is made.



Note: The meeting must be attended by more than 50% of all committee members, and the resolution must be approved by more than 50% of all attending members.



2022 Employee complaint cases: 0



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- · 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

126 / 2022 Sustainability Report

5.5 Talent Cultivation and Development

GRI 401, 404, 405

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







About the Report About D-Link CH1 Sustainable Operations CH2 Corporate Governance CH3 Value Creation CH4 Environmental Sustainability

CH5 People and Society

- 5.1 Sustainability Strategies and Goals
- · 5.2 Human Rights Protection
- · 5.3 Employment and Employee Participation
- · 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- · 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

127 / 2022 Sustainability Report

5.5.1 Talent Recruitment Channel 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 2022, D-Link further entered the campus and actively participated in campus talent recruitment to expand and strengthen new talent resources of the information technology industry, and cultivate and attract more outstanding talents to join the Company.

Schools that the Company participated in the campus recruitment activities:

- National Taiwan University
- National Taiwan University of Science and Technology
- · National Taipei University of Technology
- · National Tsing Hua University

- · National Cheng Kung University
- · Takming University of Science and Technology
- · Asia Eastern University of Science and Technology
- · Chihlee University of Technology









205 友訊科技









About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- 5.2 Human RightsProtection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

128 / 2022 Sustainability Report

5.5.2 Diversity Learning

D-Link strengthens organizational human resources and constructs a unique learning system to enhance the competitiveness of the enterprise's sustainable operation based on its organizational strategy, vision, and values, and through a comprehensive course development plan, and according to different attributes such as new employees, general employees, entry-level supervisors, mid-level supervisors, and senior supervisors, with off work training, on-the-job training, and self-development as the main axis.

For new employees, D-Link provides complete training courses which focus on helping them quickly understand the Company's system and related benefits, and deepen their centripetal force and sense of identity with the Company. Since October 2022, the Company has 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 employees.

D-Link encourages employees to give internal lectures, share and inherit work experience, and organizes training courses internally or arranges for external institutions to provide relevant professional training according to the job attributes and professional skill requirements of each unit. Senior employees also have the opportunity to serve as coaches and mentors to assist new employees/interns/engineering students in quickly blending into D-Link's work and life.

Meanwhile, in combination with the corporate sustainable development goals, health promotion, legal compliance and other needs, D-Link implements common training and publicity courses in a diversified way, including courses related to intellectual property and personal data law, courses related to ethical corporate management, courses related to gender equality and prevention of sexual harassment in the workplace, human rights related courses, information security related courses, legal compliance courses, and also health promotion related lectures to enhance work-life balance for employees.

Training System

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

^{*}Corporate overview, Organization and Corporate Culture, Product Introduction, Industrial Safety Introduction, Information Security Introduction, Personal Information Protection Introduction

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- · 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

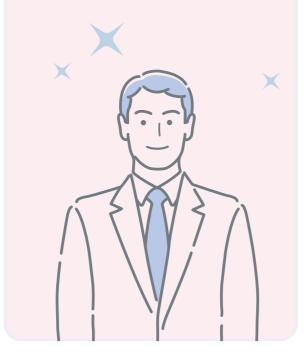
129 / 2022 Sustainability Report

5.5.3 Talent Cultivation Plan

Considering the development goals from different perspectives, D-Link provides a complete cultivation plan to ensure the overall strength of high-quality talents and strengthen the leadership and management abilities of supervisors at all levels. This includes the development of high-potential talents, the development of supervisory leadership, and the cultivation of professional abilities. D-Link formulates personal development plans to assist supervisors and colleagues in continuously enhancing their driving force of sustainable career development under a multiple and perfect education 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 nonsupervisors 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.
- a. Provide projects for key position successors to enrich their experience.
- b. Train key position
 successors with job
 rotations to cultivate their
 multiple perspectives
 and patterns, quickly dig
 out problems, stimulate
 resilience, and implement
 resource allocation and
 decision-making training.



Target Performance Management

- The Company introduced the concept of objective performance management in 1992 and combined its vision and strategic objectives and employees' work objectives with a systematic set of objective performance management.
- 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.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- · 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

130 / 2022 Sustainability Report

5.5.4 Education and Training

D-Link's learning and development system is based on the Company's strategy, vision and values. Through a comprehensive education and training program, it is a learning system constructed with new employees, professional training, management training, and self-development as the main axis. In 2022, D-Link arranged a total of 206 educational training sessions, with a total of 5,755 participants and 8,022.7 training hours. Wherein, 143 internal training sessions were held, with 5,644 participants and 7,250.7 course hours. In total, 63 external training sessions were held, with 111 participants and 772 course hours. A total of 65 related education and training sessions were held for newly recruited employees, with 227 participants and a total of 516 course hours. A total of 4 courses related to corporate sustainability were held, with 1,994 participants and a total of 1,248.5 hours of course hours. Since October, the Company has played 6,977 times videos related to promoting corporate sustainability with different themes such as "human rights", "ethical corporate management", "anti-corruption/money laundering prevention/insider trading prevention", "business secrets/personal data protection" and "gender equality/sexual harassment prevention" in the public area of the headquarters building, with a total of 296.8 hours.

• Total hours of employee education and training in 2022

	Supervisor	Technician	Other Employees	Total Training Hours
Female	799.1	1,146.2	1,760.0	3,705.3
Male	1,119.8	2,450.1	747.6	4,317.4
Total Training Hours	1,918.9	3,596.3	2,507.6	8,022.7

^{*} Please refer to Chapter 5.3 "Employment Relations and Employee Participation" for job definition (Page 119).

Average hours of training per employee in 2022

	Supervisor	Technician	Other Employees	Total Training Hours
Female	24.2	14.5	14.7	16.0
Male	18.4	13.9	16.3	15.3
Average Training Hours	20.4	14.1	15.1	15.6

^{*} The average hours are based on the total training hours in 2022.

5.5.5 Compensation and Performance Appraisal

D-Link conducts performance appraisals on a regular basis every year. The appraisal objects include all full-time employees who have passed the probationary period. The appraisal ranking is adjusted according to the Company's operating conditions (within 10%). The employees set annual performance goals at the beginning of each year, and the performance appraisals are carried out halfway of the year and at the beginning of the next year, and the results of the performance appraisal are used as a reference for employee promotion, training, and bonus distribution; for employees with poor performance, the unit supervisor will initiate a three-month performance improvement plan.

• Proportion of employees receiving regular performance appraisals in 2022

	Male	Percentage	Female	Percentage	Total	Percentage
Supervisor	60	12.58%	32	6.71%	92	19.29%
Technician	162	33.96%	74	15.51%	236	49.48%
Other Employees	37	7.76%	112	23.48%	149	31.24%
Total	259	54.30%	218	45.70%	477	100.00%

The 2022 annual performance appraisal started in late January 2023. After deducting 5 employees who were on the job at the end of 2022 but had left when the appraisal work started, 19 new employees who have not passed the probationary assessment, 4 employees who were dispatched and received appraisals by OBUs, and 10 employees with a fixed-term contract, a total of 38 employees having not undergone the 2022 annual performance appraisal, the rest of the employees have undergone the 2022 performance appraisal, and the ratio of appraisal is 100%.

D-Link formulates its salary policy with the concept of market competitiveness and internal fairness. The overall salary positioning is based on the information from market survey by the third party, and in accordance with the overall economy and economic changes, government regulations, etc., and also taking the Company's overall profit performance, the unit performance and individual performance into consideration for adjustment and change. The diversified compensation system includes the issuing of performance incentives and employee dividends; according to the Company's articles of incorporation, 1% to 15% of the current year's profit is set aside and 5% is distributed as employee dividends for 2022, so that employees can reap the benefits of business results. In 2022, the average salary increase for the entire company was 4.8%, with some over 30%.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- 5.2 Human RightsProtection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

131 / 2022 Sustainability Report

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



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- 5.2 Human RightsProtection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- 5.8 Social Engagement

Appendix

132 / 2022 Sustainability Report

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 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

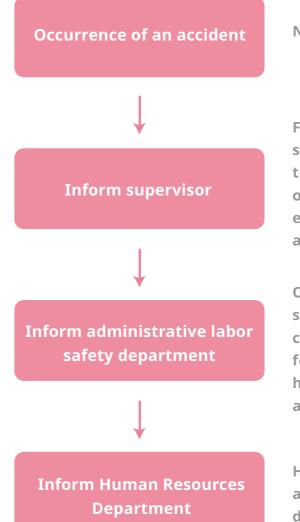
Passed external certification for ISO 45001: 2018 occupational safety and health management system in 2022, and retained the certification. No deficiencies were found and 4 opportunities for improvement were completed.

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 authorties 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.

Accident Notification and Investigation Process for Occupational Disaster (Including Traveling Disaster)



Notification by the person or persons involved.

Facilitate the department supervisor to understand the initial situation, control the on-site situation, and refer such accident to the relevant units, such as nursing staff (to deal with the injury), or administrative labor safety department (to deal with the environment), to avoid the recurrence of hazards or assist in the accident investigation, etc.

Occupational safety personnel provide relevant information such as occupational disaster accident investigation reports, and conduct investigation, follow-up, root cause analysis, and review for improvement. Nursing staff carry out employee care, provide health education, arrange doctor interviews for work resumption assessment, and track the health condition of the injured.

Human resources assist in workplace injury leave, labor insurance and group insurance claims (medical benefits, injury/disease benefits, disability benefits or death benefits), and other related matters.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- · 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- · 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

133 / 2022 Sustainability Report

• Achievement of Occupational Safety and Health Goals Plan for 2022

Goals	Plan Name	Contents	Progress
Compliance with requirements of laws and regulations	Implementation of prevention plan for illness caused by ergonomic hazards and abnormal workloads	Implemented the plan by the end of December 2022 and kept management records	Completed
Maintenance of ISO 45001	Passed the external certification for ISO 45001 occupational safety and health management system, and retained the certification in 2022	Passed the certification in January 2022	Completed
Prevention of commuting incidents	Promotion of traffic safety	Conducted traffic safety promotion once a month, and included it in the education and training materials	Completed
Prevention of major occupational disasters	Prevention of major occupational disasters	Published occupational safety and health announcement on the internal website for promotion once a month	Completed
Establishing the concept of employee independent health	Health lecture activity plan	Conducted health and safety promotion activity every two months or a quarter	Completed
Establishing employee self-preventive care	Health promotion activity program	Carried out activities such as setting up a station for employees to administer influenza vaccines by the end of December 2022	Completed

• Summary of Hazard Identification and Risk Assessment Results in 2022

	Operation Number and Name		На	zard Identificat	tion and Consec	quences		- Hazard	Description of the	Existing Protective	Proportion of Hazard Risk	Risk Reduction		
Identification No.	Name of Operation	Object	Operation Status	Operation Region	Machinery/ Equipment/ Tools	Energy/ Chemicals	Operation Qualifications	Type Scenarios that May Cause Hazards		Type Scenarios that May		Measures	Departments with Higher Risk Values	Measures
BS000000-002	Office operation	Employees	Routine	5/F Office in Western Zone	Computer	Electricity	None	17 Improper actions	Using a computer for a long time or without rest, causing eye fatigue and injury	Eye protection campaign promotion	14%	Through health promotion lectures. Eye care lectures were held on November 23, with a total of 60 participants		
F0000000-004	Office operation	Employees	Routine	Office			None	02 Fall	Water stains on the ground, causing slipping and injury	Keep the ground dry	14%	Strengthen environmental cleaning and inspection by cleaning personnel		
F0000000-001	Office operation	Employees	Routine	Office	Computer desks and chairs		None	17 Improper actions	Using a computer with improper sitting posture or lacking of rest, causing musculoskeletal damage	Computer Work Safety Promotion Prevention Plan for Ergonomic Hazards	3%	Conduct a health promotion lecture on musculoskeletal prevention topics		

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.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

 $134 \ / \ 2022 \ Sustainability \ Report$

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

Employee Safety and Health Organization

At D-Link, the "Financial and Administrative Occupational Safety 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 President acts as the Chairperson. The Chief Financial Officer of the Corporate Finance & Operation Center acts as the deputy chairperson. 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 President serves as the Chairperson. The Chief Financial Officer serves as the Deputy Chairperson and the supervisor and employees of the Administrative Labor Safety Department (4 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 2022, a total of 264 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.

• Regulations on the return training of personnel related to occupational safety and health

Personnel Related to Occupational Safety and Health	Requirements on Back-training*
Class A Business Supervisor	At least 6 hours every two years
Class A Occupational Safety Manager	At least 12 hours every two years
Level B occupational safety and health management personnel	At least 12 hours every two years

^{*}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.



2022

No contractor-related work injuries and safety accidents

Emergency Response and Response to Major Infectious Diseases

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.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 SustainabilityStrategies and Goals
- 5.2 Human RightsProtection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

135 / 2022 Sustainability Report

In response to the worldwide COVID-19 pandemic since 2019and adhering to the belief that "employees are the most important asset of the enterprise", D-Link cooperated with the competent authorities in epidemic prevention, and conducted comprehensive epidemic prevention in three aspects to protect employee health, safeguard employee work rights, and assist the employees in adapting to the daily life after the pandemic.



System

- COVID-19 Prevention and Response Plan
- Emergency Procedures for Employees with Abnormal Body Temperature
- Emergency Response Process for Employees
 Reporting High-risk Cases of Infection
- Emergency Response Process for Employees
 Diagnosed as Infected with COVID-19
- Establish a "COVID-19 Prevention Team"



Action

- Strengthened cleaning and disinfection, with a total of 75 times of cleaning and disinfection from January to December
- Implemented personnel access control
- Implemented environment and health management
- Implemented dietary hygiene management
- Implemented personal protection
- Strengthened health promotion
- Invited the Association of Taiwan Infection Control to collaborate with the Company in organizing a health lecture on "Infection Control"



Protection

- Purchased health insurance for statutory infectious diseases such as COVID-19, to enhance the protection for all employees
- Distributed masks
- Distributed rapid screening reagents
- The nursing staff and onsite physicians provided healthcare and epidemic prevention information to employees



2022

Large scale collective infection COVID-19 event: 0
Unpaid leave due to the pandemic COVID-19: 0
Unpaid leave due to the pandemic: 0

Occupational safety and health management results in 2022

• ISO 45001 Occupational Safety and Health Management System Structure

			Number of People Included in the Management System		ber of People in ganization	Proportion	
		Employees ¹	Non-employees ²	Employees	Non-employees	Employees	Non-employees
	Unaudited	0	0	0	0	-	-
2020	Audited by internal audit procedures	717	0	717	0	100%	-
	Audited or certified by external organizations	717	14	717	14	100%	100%
	Unaudited	0	0	0	0	-	-
2021	Audited by internal audit procedures	555	0	555	0	100%	-
	Audited or certified by external organizations	555	14	555	14	100%	100%
	Unaudited	0	0	0	0	-	-
2022	Audited by internal audit procedures	515	0	515	0	100%	-
	Audited or certified by external organizations	515	14	515	14	100%	100%

Note:

- 1. Employee: full-time employee.
- 2. Non-employee: interns, suppliers, contractors, etc.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- · 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

136 / 2022 Sustainability Report

Occupational injury statistics of employees and non-employees

			Cases	of Occupationa	ıl Hazards¹	Occupational Hazards Rate			
		Total work hours experienced	Number of deaths	Number of serious occupational injuries ²	Number of recordable occupational injuries	Death rate³	Percentage of serious occupational injuries ⁴	Percentage of recordable occupational injuries ⁵	
	Employees	1,436,440	0	0	4	0	0	2.78	
2020	Non- employees	31,635	0	0	0	0	0	0	
	Employees	1,304,480	0	0	0	0	0	0	
2021	Non- employees	31,738	0	0	0	0	0	0	
	Employees	1,001,360	0	0	0	0	0	0	
2022	Non- employees	29,908	0	0	0	0	0	0	

Note:

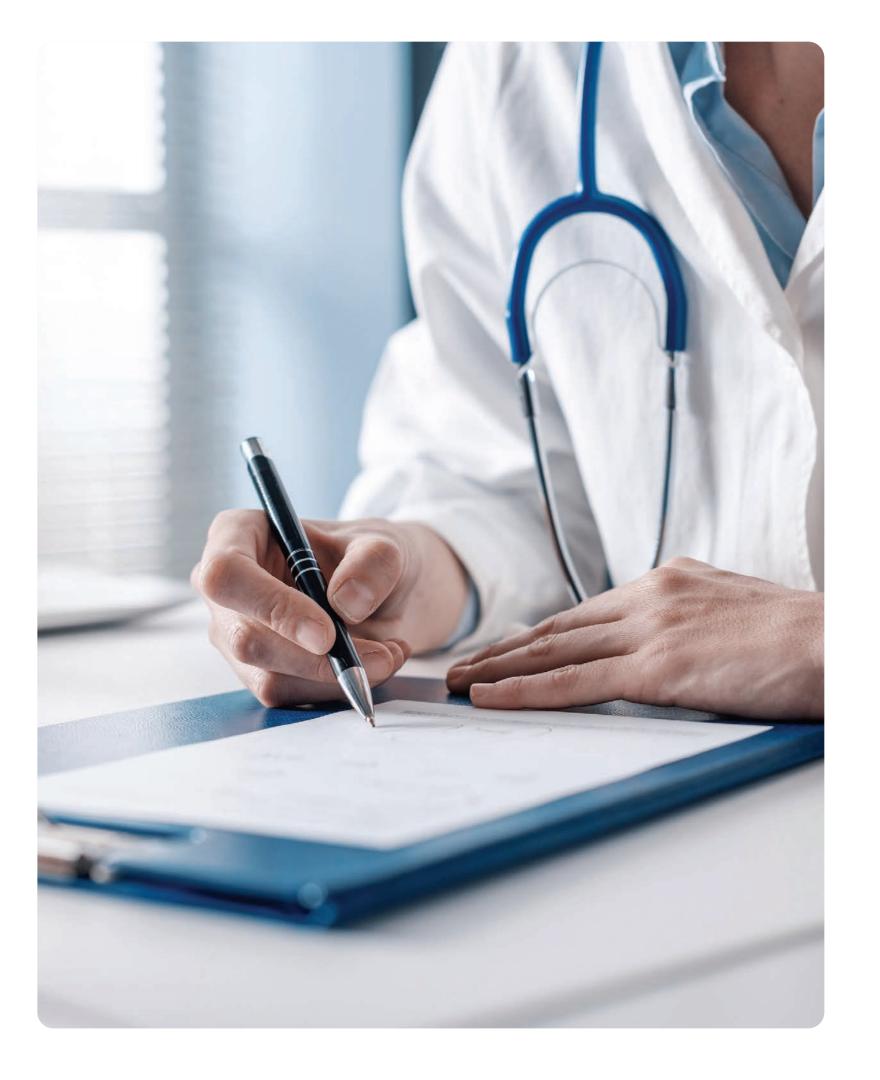
- 1. Occupational injury: injuries caused by workers performing their duties or occurring in the workplace, and "commuting disasters to and from work" are not included in the statistics.
- 2. Serious occupational injury: disability or inability to recover to a healthy state before the injury within 6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

• The disabling injury frequency rate (FR) and disabling injury severity rate (SR) for employees in the past 3 years

	2020	2021	2022
Days lost	4	0	0
Disabling injury frequency rate (FR)¹	2.78	0	0
Disabling injury severity rate (SR) ²	2.78	0	0

Note:

- 1. 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
- 2. 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)



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- 5.2 Human RightsProtection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

137 / 2022 Sustainability Report

5.6.3 Healthy Workplace

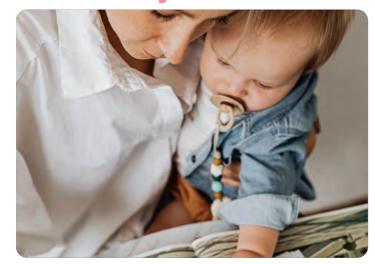
D-Link's eight major measures to build the best healthy workplace:

- Promotion of four major plans for labor health protection
- 2. Appointment of special on-site physicians to provide services

- 3. Appointment of a dedicated nurse
- 4. Ratio of emergency personnel to labor force higher than that specified in regulations
- 5. Diversified promotion methods
- 6. Establishment of a Health Promotion Club

- 7. Provision of employee health examinations superior to regulations
- 8. Diversified club activities

1. Four Major Plans for Labor Health Protection



1-1 Maternal health protection plan for the workplace

To optimize maternal health protection in the workplace, D-Link continues to promote maternal health protection programs in the workplace to ensure the physical and mental health of pregnant, postpartum, and lactating female employees.

- 1. Arrange risk evaluation.
- 2. Arrange occupational medical health visits.
- 3. Set up a nursing room to provide an accessible breastfeeding space and a supportive environment.
- 4. Equipped with a separate refrigerator for breast milk storage.
- 5. Regularly monitor the physical and mental changes of employees during pregnancy and within one year after giving birth:
 - · Hazard assessment and control
 - · Physician interview guidance
 - Risk level management
 - Work suitability arrangements and other relevant 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 nursing staff 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 psychological counselors 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 highrisk employees, and integrates the results of physical examination of employees to assess overwork hazards, arrange physician 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 nursing personnel, in collaboration with occupational medicine physicians, will work together to 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.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 SustainabilityStrategies and Goals
- 5.2 Human RightsProtection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

138 / 2022 Sustainability Report

2. Appointment of Special On-site Physicians



D-Link has employed physicians from the Occupational Medicine Department of the Chinese Association of Occupational Medicine to serve as appointed onsite physicians. The physicians provide onsite services once every 2 months (6 times/year), which include employee health consultation and workplace visits.

3. Appointment of a Dedicated Nurse



A dedicated nurse has been appointed to perform employee health services, plan and organize health checkups and health promotion events.

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" through the Health Promotion Society, 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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D-Linker Mr. S Chen

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

About the Report About D-Link CH1 Sustainable Operations CH2 Corporate Governance CH3 Value Creation CH4 Environmental Sustainability

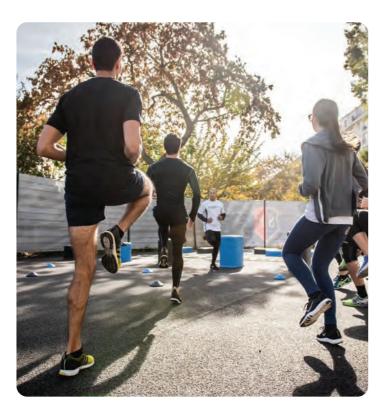
CH5 People and Society

- 5.1 Sustainability Strategies and Goals
- · 5.2 Human Rights Protection
- · 5.3 Employment and Employee Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- · 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

 $139 \ / \ 2022 \ Sustainability \ Report$

6. Establishment of a Health **Promotion Club**



A health promotion club has been set up to regularly hold outdoor/indoor health promotion lectures. In 2022, a total of 8 lectures were held with a total of 360 participants, 15% more than that in 2021.

證書編號: HPAA1110135 健康職場認證 健康促進標章 友訊科技股份有限公司 器異 路軍





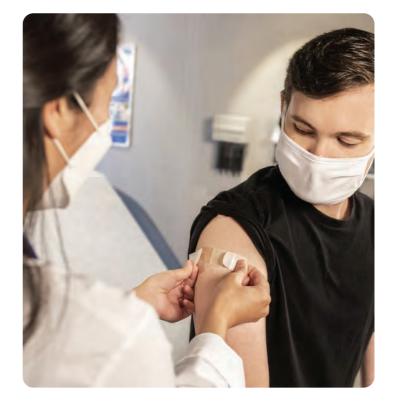
*Health Workplace Certification - Health Initiation Stamp, Health Promotion Stamp, and CHR Healthy Corporate Citizen Promise Corporate Logo

7. Provision of Employee Health Examinations **Superior to Regulations**



7-1 Employee Health Examinations

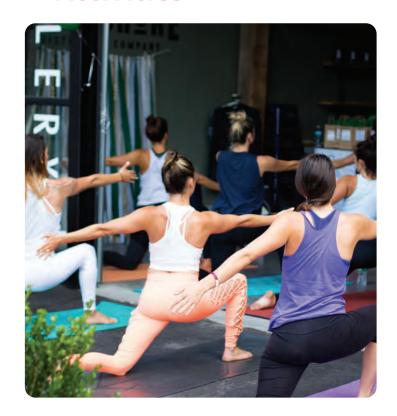
Employees who have been in service for at least one year are entitled to a free health examination that takes place biannually and worth NT\$6,000. In 2022, 444 employees participated in health examinations, with a participation rate of 98%.



7-2 Vaccine Protection

In 2022, for those who took self-funded or publicly funded influenza vaccines, self-funded human papillomavirus vaccine vaccination activities, and self-funded vaccination, a partial subsidy would be given, with a total of 50 employees and 4 employees' relatives and friends completing 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 15 static/dynamic clubs. In 2022, a total of 715 people joined the clubs and 489 events were held.

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 Initiation Badge" by the National Health Administration of the Ministry of Health and Welfare, and was awarded the "Health Promotion Badge" again in January 2023 due to its continuous commitment to promoting health awareness among employees, their family members, and the community. In addition, in 2022, D-Link also participated in and won the health "CHR Healthy Corporate Citizen Promise Enterprise Logo", with the hope of driving the industry and community to jointly build the best healthy workplace in the future.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- · 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

140 / 2022 Sustainability Report

5.7 Benefits and Retirement System

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





About the Report About D-Link CH1 Sustainable Operations CH2 Corporate Governance CH3 Value Creation CH4 Environmental Sustainability

CH5 People and Society

- 5.1 Sustainability Strategies and Goals
- 5.2 Human Rights Protection
- · 5.3 Employment and Employee Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- · 5.6 Workplace Health and Safety
- 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

141 / 2022 Sustainability Report

5.7.1 Employee Benefits

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



D-Linker Mr. W. Wang

D-Link is really a caring corporation - Among all these benefits, what I feel the most is the flexible working hours. This is particularly important for employees with families! With this benefit, we can arrange time flexibly to pick up and drop off children and take care of the family, while having complete time to get the work properly done.

Blue text: Government regulations

• Black text: Special welfare of D-Link - applicable to all employees (including fixed-term contract personnel) • Pink text: Special welfare of D-Link - limited to regular employees



· Flexible working hours

Mental Health

Physiological

Health

- New employees have a 3-day advanced annual leave from the date of entering the Company
- Free health examination worth NT\$6000 once every two years
- · New employee health examination assistance
- · Regular occupational medical visits

· Regular health promotion seminars

- · Dedicated on-site nurse
- · Travel insurance/sudden illness medical insurance
- · In response to COVID-19, relevant protection was provided for employees during the special epidemic prevention period in 2022
- · Group insurance (including fixed-term life insurance, accident insurance, hospitalization medical insurance, cancer medical insurance, major illness insurance, occupational disaster insurance, etc.)

- Subsidy for hospitalization medical insurance and cancer medical insurance for dependents of employees
- Five days of sick leave with full pay per year (including menstruation leave/excluding hourly employees)
- Three days of family care leave with full pay per year (excluding hourly employees)
- 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
- Employee care during pregnancy and within 1 year after delivery
- Exemption from Saturday make-up days in 2022 and 2023
- Remote work application
- Professional massage for stress relief

- Free gym, basketball court, table tennis table, dance classroom, and shower space
- Breastfeeding room, and medical room
- Employee restaurant and employee lounge
- Reading area for books, newspapers, and magazines
- Labor insurance
- National health insurance
- 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, childcare leave without pay, etc.) (Some working hours are given leave proportionally)



Health

- Festival cash gift (Mid-Autumn Festival/Dragon Boat Festival/ Spring Festival)
- Performance incentives
- Employees dividends
- · Department dining subsidy
- · Subsidy for group meals in employee restaurants
- · Subsidy for club funds
- Subsidy for external training

- Employee travel subsidy
- Gift certificates, birthday cash gift and other gifts
- Overtime meal allowance
- Marriage, funeral, childbirth, hospitalization, and emergency assistance
- Outstanding talent recommendation bonus (excluding specific supervisors and recruitment-related units)
- Coffee bar birthday gift cup

- · Employee discounts for group-affiliated enterprises
- · Employee purchase (welfare goods) discount
- · Discounts offered by collaborative stores
- · Free vehicle parking spaces and discounted vehicle parking plans
- · Labor pensions

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- · 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

142 / 2022 Sustainability Report

5.7.2 Retirement System

In accordance with the Labor Standards Act of the Republic of China, the 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 2022, the defined benefits assets totaled NT\$10,024 thousand. Defined contribution plans are based on the provisions of the Labor

Pension Act, 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 pension expenses worldwide (including overseas subsidiaries) in 2022 were NT\$118,269 thousand.

D-Link Pension Allocation Plan and Preparation Status

	Fund Value of the Retirement Plan	2022 Pension Preparation Status	Contribution as a Percentage of Salary	Degree of Participation in the Program
enefits Plan	At the end of 2022, the defined benefits obligations totaled NT\$70,547 thousand	The balance of the special account for labor retirement reserves is NT\$80,571 thousand, and NT\$622 thousand of pension expenses were recognized in 2022. The NT\$10,024 thousand that have been appropriated to the retirement reserve account and in excess of the defined benefit obligations has been accounted for and identified as defined benefit assets.	In accordance with the Labor Standards Act of the Republic of China, retirement reserves at a rate of 2% of the actual salary approved by the competent authority is deposited in a special account of the Bank of Taiwan.	It is implemented in accordance with the Labor Standards Act of the Republic of China, and foreign subsidiaries shall recognize pensions in accordance with relevant local laws and regulations.
ontribution Plan	The company's recognized pension expenses worldwide (including overseas subsidiaries) in 2022 were NT\$118,269 thousand.		The defined contribution plan is based on the provisions of the Labor Pension Act, 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 shall recognize pensions in accordance with relevant local laws and regulations.	

About the Report About D-Link CH1 Sustainable Operations CH2 Corporate Governance CH3 Value Creation CH4 Environmental **Sustainability**

CH5 People and Society

- 5.1 Sustainability Strategies and Goals
- · 5.2 Human Rights Protection
- · 5.3 Employment and Employee Participation
- · 5.4 Diversity, Equity and Inclusion (DEI)
- · 5.5 Talent Cultivation and Development
- · 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- 5.8 Social Engagement

Appendix

143 / 2022 Sustainability Report

5.8 Social Engagement

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 Public Relations 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. In 2022, D-Link worked with 15 charity partners and invested 6 times more resources than the previous year, over \$2.35 million, to implement 13 social engagement projects/activities, benefiting a total of 1,863 people, including social welfare organizations, children in remote areas, social enterprises, sports teams, people with physical and mental disabilities, disadvantaged groups, etc.

- 5.8.1 Charity Participation
- 5.8.2 Industry Development Promotion

























Date

About the Report About D-Link CH1 Sustainable Operations

CH2 Corporate Governance CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

- 5.1 Sustainability Strategies and Goals
- · 5.2 Human Rights Protection
- · 5.3 Employment and Employee Participation
- · 5.4 Diversity, Equity and Inclusion (DEI)
- · 5.5 Talent Cultivation and Development
- · 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

144 / 2022 Sustainability Report

Invested resources/ Number of beneficiaries

Project/activity

Results

Method of Participation

Social Influence

SDGs



1/12 \ 8/25



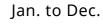
48,998 / 774

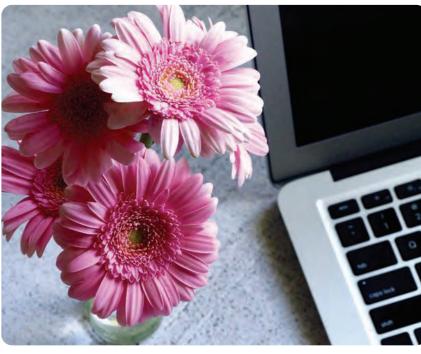
Hundred-person Charity Blood Donation

A total of 184 people participated, donating 258 bags of blood.

Initiated by the Care Club, the Company invited its employees and neighboring companies to support the Internal Medicine Thousand People Blood Donation Campaign and purchase the charity goods from Sheltered Workshop as gifts.

D-Link solved the blood bank shortage and helped the underprivileged stand on their own through gift procurement.





30,910 / 378

Weekly Ordering of Flowers for Charity

Ordered more than 37 bouquets during the year, which amounted to over NT\$3,700.

Since 2017, D-Link's employees have been subscribing to the Heart Lake Flower Shop on a weekly basis.

D-Link ordered nearly 40 bouquets of flowers each year to help people with physical and mental disabilities find confidence and develop self-sufficiency, while also beautifying office spaces and allowing staff to heal their bodies and minds through the fragrance and energy of flowers and plants.





About the Report

Date

About D-Link CH1 Sustainable Operations CH2 Corporate Governance CH3 Value Creation CH4 Environmental

CH5 People and Society

Sustainability

- 5.1 Sustainability Strategies and Goals
- · 5.2 Human Rights Protection
- · 5.3 Employment and Employee Participation
- · 5.4 Diversity, Equity and Inclusion (DEI)
- · 5.5 Talent Cultivation and Development
- · 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

Invested resources/ Number of beneficiaries

Project/activity

Results

Method of Participation

Social Influence

SDGs









39,000 / 500

2022 Pomelo of Happiness

A total of 33 people ordered 60 sets of pomelo gift boxes, with a total weight of nearly 200 kg.

In response to the seed social enterprise's "2022 Pomelo of Happiness" project, the Care Club and the Outing Club launched an organic pomelo subscription campaign, inviting employees to join in actions to support friendly farming products, and the proceeds will be used for dinners for the children in the remote villages that the Hualien County Growth Holistic Care Association counsels.

D-Link helped pomelo farmers live without worry, sustainably develop tribal industries and organic culture, provide meals to schoolchildren in rural areas.



10/1



48,480 / 40

"Make the Sea Cleaner" **Beach Cleanup Event**

A total of 40 people participated in the 1.5 hours to remove more than 25 bags of marine litter.

The Beach Cleanup on the Linshan Cape Trail was organized by the Care Club, the Outing Club and the Cycling Club.

11/21



26,400 / 44

"Citrus Wishes" Honeybee **Restoration Project**

A total of 44 boxes were ordered and donated to local social welfare organizations.

The Company initiated the joint purchase Citrus from the "Citrus Wishes" Project to support environmentally friendly agricultural practices.

By helping to restore the beach and conserve the marine ecology, D-Link is able to unite the team spirit of its employees and emphasize the importance of the ecological crisis through physical environmental education.





A balanced ecological environment is created by preserving biodiversity, sustaining sufficient income for farmers, keeping local people healthy, giving the land a respite, and allowing nature's guiding insect, the honey bee, to return to its habitat.









About the Report About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

- 5.1 Sustainability Strategies and Goals
- · 5.2 Human Rights Protection
- · 5.3 Employment and Employee Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- · 5.5 Talent Cultivation and Development
- · 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- 5.8 Social Engagement

Appendix

146 / 2022 Sustainability Report

Date

Invested resources/ Number of beneficiaries

Project/activity

Results

Method of Participation

Social Influence





12/2



8,983 / 228

Used Shoes Save Lives

228 pairs of shoes collected in 3 hours.

Used Shoes Saved Lives campaign organized by the Care Club and neighborhood businesses to collect used shoes from employees and neighborhood businesses/residents for donation to Africa.

Donors can get a fresher and cleaner home environment, and contribute to charity at the same time; rescue people in Africa from fleas; and extend the life cycle of goods, reduce waste, and be kind to the environment and people.







6,000 / 70

Citrus Wish for Love

A total of 10 boxes of fruit were donated to two social welfare organizations in the Neihu area.

A batch of charity citrus were subscribed and the subscribed fruits were donated to local social welfare organizations - the Taipei City Jinlong Development Center under the Syin-Lu Social Welfare Foundation and Taipei City Private Women's and Children's Home under the Eden Social Welfare Foundation.

Agricultural products were to local social welfare organizations to provide nutrition for the physically and mentally challenged and children receiving early treatment, and further match resources through visits and understanding the needs of local organizations.





10,154 / 10

D-Link, The Link

Provide meals, a laptop and a wireless router to social welfare organizations, conduct network health checks, and provide Internet and information security education to disadvantaged students.

D-Link conducted network checkups, donated equipment, and provided Internet and information security education for the Daqiaotou Children and Youth Base in collaboration with the Dreamers Non-profit Organization and the Fun Scene World, which focuses on after-school companionship and moral education for disadvantaged children.

The Company has combined the characteristics of the industry to improve the quality of connectivity for social welfare organizations, assist disadvantaged students in gaining equal access to learning resources, and enable networking and information security education to build the foundation from a young age through educational elementary school activities.













About the Report About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental **Sustainability**

CH5 People and Society

- 5.1 Sustainability Strategies and Goals
- · 5.2 Human Rights Protection
- · 5.3 Employment and Employee Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- · 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- 5.8 Social Engagement

Appendix

147 / 2022 Sustainability Report

Date

Invested resources/ Number of beneficiaries

Project/activity

Results

Method of Participation

Social Influence

SDGs











93,660 / 20

D-Link

12/22

D-Link

Laptop Donation

A total of 20 laptops were donated.

D-Link donated 20 used laptops to the Dreamers Non-profit Organization and then donated them to micro social welfare organizations in need throughout Taiwan.

D-Link extended the life cycle of usable materials and reduced waste; it also helped social welfare organizations that need to teach remotely due to the pandemic to meet their needs for laptops and other equipment to meet equal learning.







12,200 / 60

Massage Fee Donation

The total amount of NT\$12,200 for massages from August to November was donated to the Taipei City Jinlong Development Center.

Since August, D-Link has started the "Massage from the Physically Disabled Project", employing visually impaired masseurs with Grade B massage technician's license as regular employees to provide weekly services, and donating all massage fees to the social welfare organization. Development Center, D-Link donated a total of NT\$12,200 to the Taipei City Jinlong from August to November.

D-Link provided equal rights to work for the physically and mentally challenged and help them become independent; it also provided massage services to relieve the stress of its employees; all massage fees are donated to social welfare organizations to support their operational needs such as taking care of the physically and mentally challenged.







12/31



1,009,798 / 72

Support Professional Sports Teams

D-Link sponsored sports events to promote health awareness, and the team helped reveal D-Link's premium brand image and provided opportunities to watch games and cultivate healthy and quality leisure entertainment.

By sponsoring the professional basketball team of TSG Falcons, D-Link supported the sports industry and actively acts as a promoter of youth sports, looking forward to nurturing more basketball players. The Company plans to nurture more basketball players.

D-Link promotes the sports atmosphere, fully supports Taiwan's outstanding athletes, and at the same time promotes the sports atmosphere of the people and enhances health awareness in order to create a healthy society.





About the Report
About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- · 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

148 / 2022 Sustainability Report

Date

Invested resources/ Number of beneficiaries

Project/activity

Results

Method of Participation

Social Influence

SDGs









12/31



1,051,784 / 8

D-Link Group Scholarship

Eight foreign students from Ukraine, Ethiopia, Indonesia and India benefited from the first session.

In cooperation with the National Taiwan University of Science and Technology (NTUST), D-Link established the "D-Link Group Scholarship" to provide 10 full scholarships for master's degree to encourage and subsidize Ukrainian and other foreign students to study in Taiwan.

Nurture industry excellence and enhance international visibility.

Invested resources



2,359,157





1,863

• 2022 D-Link Charity Investment Form

	Invested Amount	Percentage
Charitable Donations	2,274,123	96.40%
Community Engagement	58,634	2.48%
Business Promotion	26,400	1.12%
Total	2,359,157	100%

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- 5.2 Human RightsProtection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- 5.8 Social Engagement

Appendix

149 / 2022 Sustainability Report

Support Public Health Care

D-Link's headquarters and Taiwan branch has long been supporters of the blood drives organized by the Taipei Blood Center of the Taiwan Blood Services Foundation. They participated in the Internal Medicine Thousand People Blood Donation Charity Event organized by the Internal Medicine Development Association. In the year 2022, a blood donation event was held in front of the headquarters building with the enthusiastic response of employees and neighboring residents. A total of 258 bags of blood were collected, with 184 people participating and a total of 129,000cc of blood donated.

D-Link provides a friendly environment for employees to donate blood. Employees of nearby companies and residents of neighboring communities are also invited to participate. It upholds the spirit of "donate a bag of blood to save a life" and "spreading love to save lives", and transform the spirit into practical actions. To encourage employees to participate, D-Link purchased sheltered workshop products as incentives to help the disadvantaged to become self-sufficient while paying attention to public health care.

Foster Social Enterprises

Since 2013, the Care Club has launched an annual charity subscription campaign by inviting employees to support friendly farming products so that pomelo farmers do not need to worry about the possible disasters caused by typhoons in summer. They can have a comfortable life and help develop tribal industries and organic culture with their spare time, achieving stable growth for the entire village.

In 2022, on the eve of the Mid-Autumn Festival, the Care Club and the Outing Club responded to the "2022 Pomelo of Happiness" project of the seed social enterprise by inviting employees to support friendly farming products through their actions. Moreover, the profits from subscribing pomelos were used as dinners for children in remote areas who are assisted by the Hualien County Growth Holistic Care Association. In 2022, about 30 executives and colleagues participated in the subscription, ordering 15 cases and 60 boxes, totaling 180 kg of organic grapefruit. These grapefruits have passed organic verification, allowing the employees to eat with peace of mind while showing their love and making an impact on food education, and allowing the project to benefit farmers, rural students, and employees at the same time.

D-Link participated in the good and meaningful social welfare activity to help pomelo farmers live without worry, sustainably develop tribal industries and organic culture, provide free dinners to schoolchildren in rural areas so they do not go hungry, and improve cohesion among employees.

"Make the "Sea" Cleaner" Linshan Cape Trail Beach Cleanup Event

Thanks to the joint efforts of the D-Link Care Club, the Outing Club and the Cycling Club, the beach clean-up event, which had been postponed due to the pandemic, finally restarted in 2022. In October, more than 40 employees and their families and friends put on gloves and picked up tools to pick up trash from the sandy beaches and rocky crevices along the shoreline of the Linshan Cape Trail in the Shihmen District, New Taipei City. Together, they make the sea cleaner. In just one and a half hours, more than 25 bags of marine waste were cleaned up, bringing a proud and shocking impact to the participants.



Volunteer of Care Club, Ms. C. Tseng

After this beach cleanup, I realized with my own eyes that ocean pollution is far more serious than what we can imagine! I deeply realize that reducing waste at source is the way to go, and how to reduce unnecessary waste in all aspects of life, such as replacing plastic bags with grocery bags, using eco-friendly tableware, bringing water bottles and drinks with you when you go out, reducing leftover food. Every little action can make a difference to the earth.

Citrus Subscription Program: Changing Taiwan through Consumption

"Let the bees return to the citrus garden and collect honey freely."

This is the wish of a beekeeper from Zhongliao Township, Nantou County, which seems to be natural and righteous. However, there were tears and bloodshed behind the scenes.

It turns out that in order to give the willow a yellowish appearance, various pesticides are used interchangeably at various stages of growth. However, the pesticides sprayed during the flowering period can cause the bees to be misdirected. If the bees are lucky enough to return to the hive, they will infect the entire hive and eventually die in the be mass amount, leaving the bees without honey when the next flowering season comes. Therefore, a few years ago, beekeeper Ah Yin made a land lease with a citrus farmer, asking the farmer to reduce the frequency of pesticide spraying. In particular, stop spraying pesticides when the willows are in bloom. After stopped spraying pesticide, the surface of the citrus had black spots and look bad, so it is called "burned citrus" or "black skin (Happy) citrus".

In view of this, Guppy Inclusive Tech Ltd, has launched the "Citrus Wishes" Project, calling for the participation of enterprises and organizations to expand the area of pesticide-reduced citrus cultivation in 3-4 years through crop adoption, so that black skin citrus can be sold, farmers can

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 SustainabilityStrategies and Goals
- 5.2 Human RightsProtection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- 5.8 Social Engagement

Appendix

150 / 2022 Sustainability Report

maintain sufficient income, residents can be healthy physically and mentally, the land can breathe, and nature's indicator insects, bees, can return to their habitat and fly freely. A balanced ecological environment can be built by the project.

In order to continue to develop the rural and tribal industries, and to fulfill its corporate social responsibility, D-Link participates in the Citrus Wishes subscription to keep the Citrus Wishes program going. In addition to helping local bees return to their habitat, creating a balanced ecological environment, and maintaining fruit farmers' income, D-Link hopes to benefit local social welfare groups in Neihu with the results of the subscription. The D-Link volunteers brought boxes of citrus and visited the Taipei City Jinlong Development Center under the Syin-Lu Social Welfare Foundation and the Taipei City Private Women's and Children's Home under the Eden Social Welfare Foundation so that the mentally and physically challenged and the children in early treatment could enjoy the fresh fruits irrigated with love and care, and enhance their sense of warmth and happiness.

Used Shoes Save Lives

In December 2022, D-Link cooperated with enterprises for the first time to hold a used shoes collection event, inviting everyone to gather their love and start the cycle of goodness with a pair of used shoes, sending the blessings across the ocean to Africa, helping local children to wear shoes and stop being afraid of the threat of sand fleas. In just 3 hours, 228 pairs of shoes were collected and the response was overwhelming. Such action allows the Donors to get a fresher and cleaner home environment, and contribute to charity at the same time; rescue people in Africa from fleas; and extend the life cycle of goods, reduce waste, and be kind to the environment and people.



Volunteer Mr. D. Chu

The enthusiasm of D-Linkers to participate in charity activities voluntarily is really both admirable and touching. This time I volunteered for the used shoes collection campaign and saw a colleague pushing a cart and donating more than 35 pairs of shoes. Thunderous cheers sounded at the scene immediately, which was very inspiring.

Network Checkups and Networking/Information Security Workshop for Social Welfare Association

On the eve of Christmas, D-Link joined hands with the Dreamers Non-profit Organization and the Fun Scene World to give full play to the functions and characteristics of the network communication industry, and conducted a network checkup for the Daqiaotou Children and Youth Base, and taught the children about network communication and how to become a good digital citizen through lively

contents. On that day, D-Link volunteer engineers first helped the organization set up the donated laptops, and then carefully checked and tested the network signals in the organization before the children finished their classes, and helped install new network equipment that could improve the communication quality. After the children have finished their homeworks, the volunteers will teach them how the Internet works, how signals are transmitted, what digital footprints are, the importance of information security, and how to protect their personal information...etc. It made the first-time volunteers felt touched when looking at these juvenile faces, who sometimes listening carefully, sometimes whispering and discussing, and sometimes bravely and confidently answering questions.

At the end of the class, the warm meal was delivered in time and the volunteers enthusiastically helped the children to arrange and distribute the food.



Volunteer Mr. D. Tsai

This was my first time as a volunteer engineer. I am working with a team of volunteers from my company to help them with network health checks at social welfare units. I think it is very meaningful for the company to arrange this activity so that I can use my expertise to help the underprivileged in society, and I will definitely continue to participate in it afterwards!

Sponsorship of Professional Basketball as a Youth Sports Promoter

In order to strengthen the brand image and echo the SDGs 3 "health and well-being" to promote health awareness, D-Link has joined the sponsorship of the TSG Falcons this year to support the sports industry, actively act as a youth sports promoter, and encourage the sports culture with its diversified layout. D-Link hopes to nurture more good basketball players, and at the same time promote the national sports culture and build a healthy society.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- 5.1 Sustainability
 Strategies and Goals
- 5.2 Human Rights
 Protection
- 5.3 Employment and Employee
 Participation
- 5.4 Diversity, Equity and Inclusion (DEI)
- 5.5 Talent Cultivation and Development
- 5.6 Workplace Health and Safety
- · 5.7 Benefits and Retirement System
- · 5.8 Social Engagement

Appendix

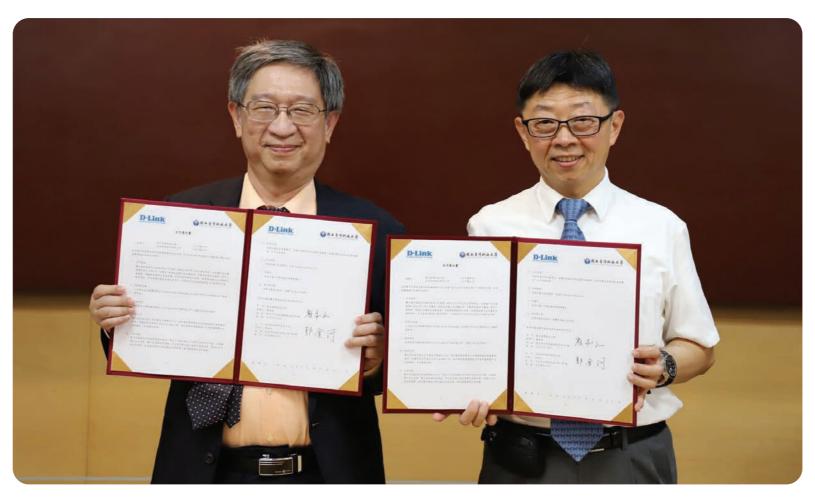
151 / 2022 Sustainability Report

5.8.2 Industry Development Promotion

Industry-university Cooperation

Enterprise sustainable management depends on long-term learning and development of talent suitability, D-Link has been committed to the promotion and implementation of an industry-school cooperation program. Since 2011, D-Link has established a two-way reciprocal industry-academia cooperation model with the neighboring Takming University of Science and Technology. D-Link teaches students product technology, and students will assist in developing product testing feedback. It has established a regular corporate internship model to provide job opportunities after graduation for the students.

D-Link collaborated with 9 universities in 2022, including National Tsinghua University, National Taipei University of Technology, National Taipei University of Education, National Taiwan Ocean University, Yuan Ze University, Tamkang University, Aletheia University, National United University, and Takming University of Science and Technology. Through the school's internship or work-study program, a total of 11 interns and 6 work-study students were hired by the company for internships or work-study, providing a bridge for students to connect with the industry in advance, and coaches are arranged to provide timely guidance, shorten the gap between learning and application, and deepen talent cultivation.



In 2022, due to the conflict between Russia and Ukraine, many Ukrainian students were displaced and their studies were interrupted. In June, D-Link cooperated with National Taiwan University of Science and Technology to establish the "D-Link Group Scholarship", which provides full scholarship for 10 foreign graduate students to compensate 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, so as to advance the global talent distribution and achieve the goal of corporate sustainable development. At present, 8 students have been awarded the scholarship, including 4 Indonesians, 2 Indians, and 1 Ukrainian and 1 Ethiopian.

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 "Modern Internet Perspectives" and operates its own media, to maintain smooth communication channels with the public through diverse channels.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH5 People and Society

Sustainability

CH4 Environmental

Appendix

- Data Recompilation and Correction
- Management Approach for Material Topics
- Relevant Tax
 Administration
 Information
- · GRI Standards Index
- · SASB Index
- TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

Data Recompilation and Correction

Data Recompilation in 2022

- The age discrimination method used in personnel surveys has been adjusted according to the original text of GRI 405-1 as follows: Under 30 years old, 30-50 years old, and over 50 years old.
- The publication period of the 2021 Sustainability Report coincided with the version update period of ISO 14064-1:2018, so information on greenhouse gas emissions was presented in the old format (Categories 1 to 3). In response to the revision of ISO 14064-1:2018, the information related to greenhouse gas emissions in the Report has adopted a new format (Categories 1-6) and presented the information in 2021 and 2022.

• Correction of D-Link's 2021 Sustainability Report

Chapters of 2021 Report	Page	Original Content	Recompiled/Corrected Content
About the Report	3	Report Management and Review Internal: 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 audit office before being submitted to the ESG Committee for review before approval.	Internal: 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 competent and responsible departments before approval. The company also incorporates the management of corporate social responsibility issues and preparation procedures into internal control matters. The implementation of audits can help meet the expectations of stakeholders and avoid major incidents of neglecting corporate social responsibility, resulting in heavy losses to the Company.
About the Report	3	Report Management and Reviewin compliance with AA1000 ASv3 Type 1 Moderate Assurance Level.	in compliance with AA1000 ASv3 Type 2 Moderate Assurance Level.
Message from the Chairman, Key Performance in Economic and Governance, CH.2 Governance, 2.2.3 Risk Warning Mechanism	5, 7, 31, 42	Risk Management Taskforce	Risk Management Group
Awards	11	The third item RedDot winning product was mistakenly written as DUB-E250	The correct rewarded product was DMS-106XT 6-Port Multi-Gigabit Unmanaged Switch
1.2.1 Stakeholders	24	Brand Strategy Center should be deleted from the responsibility of government	Corporate Finance & Operation Center
1.2.1 Stakeholders	24	The communication method and frequency are reported by the Corporate Sustainability Development Committee reports to the board of directors twice a year	Reported by the Corporate Sustainability Development Committee reports to the board of directors once a year
Ethical Management	37	Taiwan ranked 25th out of 136 in the latest corruption index, making it a low-risk area.	ranked 25th out of 180
2.5.4 Actions, Planning, and Patents Related to Product Development and Technical Innovation	57	Error in DevOps process (design version error)	
2.7.2 Supplier Risk Grading Assessment and Integrity	64	Error in supplier evaluation process (design version error)	
CH.3 Environment	67	By replacing energy-saving lamps, it can save about 100,000 kWh of electricity by 2021.	By using energy-saving lamps, it can save about 100,000 kWh of electricity each year.
4.3.2 Safety and Health Organization, Education and Training, and Workplace Environmental Monitoring	91	FSI formula error (design version error)	

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society Appendix

- Data Recompilation and Correction
- Management Approach for Material Topics
- Relevant Tax Administration Information
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

Management Approach for Material Topics

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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
Innovation and R&D	G	Self- defined topics		Continue to innovate D-Link's products and services to create value and to meet customers' expectations for products and services in the new era. In response to the speed of technological change, it is necessary to maintain the momentum of innovation. Failure to understand technology trends will impact competitiveness, affect market share and harm investors' interests.	 □ Suppliers/ Business Partners ■ D-Link ■ Subsidiaries ■ Customers/ Clients 	Customers/ Clients Suppliers/ Business Partners Shareholders/ Investors Subsidiaries	 Short-term 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. Filed at least 5 patent applications. Medium- to long-term In the application of networking products, it leads the trend of providing networking 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. 	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.	3.5 Innovation and R&D
Business Performance	G	201		Pursuing business and financial performance and achieving profitability are the foundation of the Company's sound operation. The ability of a company to generate economic value from its operations will affect shareholders' equity and economic development.	 Suppliers/ Business Partners D-Link Subsidiaries □ Customers/ Clients 	Employees Shareholders/ Investors Subsidiaries	 Short-term Work with high-quality ODMs to build a controllable supply chain system with close relationships. Reestablish D-Link's brand image and enhance brand value from three aspects: cost, scalable functions and performance, and corporate identity. 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. Medium- to long-term Achieve management and provisioning minification of networking products with cloud computing as the main pillar. Create stable and advanced networking products with excellent radio frequency and high-speed signal technology Propose all-in-one solutions for enterprises based on the needs form SOHOs and SMBs. Strengthen partnerships with Tier 2 and Tier 3 carriers to win long-term contracts with localized services. 	Continue to expand production capacity, create product and service features, and build diversified product capabilities.	 Regularly hold business review meetings, track business performance, fully grasp the operating status and monitor the progress. Quarterly hold board meetings to ensure the foresight and feasibility of business strategies. 	Overview 2.5 Financial Performance and Tax Governance
Product Quality	G	416 417		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 Subsidiaries Customers/ Clients 	Customers/ Clients Suppliers/ Business Partners Shareholders/ Investors Subsidiaries	 Short-term Maintain the completeness of quality management procedures. Medium-term 80% of the Company's suppliers are externally certified to ISO 9001 and have obtained the certificate. Long-term D-Link's suppliers are 100% compliant with ISO 9001 management procedures and have obtained external certification. 	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.	

■ Direct impact ☐ Indirect impact ● Business relations

¹⁵³ / 2022 Sustainability Report

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

- Data Recompilation and Correction
- Management Approach for Material Topics
- Relevant Tax Administration Information

Appendix

- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

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
Supply Chain Management	G	204 308 414	NEW	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 in order 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 PartnersD-LinkSubsidiaries	Customers/ Clients Suppliers/ Business Partners Subsidiaries	 Short-term Suppliers accounting for 87% of the total purchase amount were the main target of the evaluation. Medium-term Understand the extent of supplier ESG management though supplier survey. Long-term Suppliers' ESG performance is included in the vendor selection criteria. 	 Establish supplier management guidelines, incorporate ESG-related impacts and risks, and regularly evaluate the impact of suppliers on society and the environment. 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.	3.6 Supply Chain Management
Information Security	G	418		Continue to improve the information security management system and strengthen protection capabilities to comply with domestic and international information security-related regulations and to implement them in daily operations. If a major information security incident occurs, it will affect customer trust and the Company's reputation and market competitiveness.	■ D-Link ■ Subsidiaries ■ Customers/ Clients	Customers/ Clients Suppliers/ Business Partners Subsidiaries	 Short-term Establish information security management system. Fully introduce a digital signature system for product, software, and firmware, and apply HSM management keys. Revamped SIM system and integrated into the new information security management platform. Activate product certification mechanism according to ETSI EN 303 645. All employees completed at least one hour of information-related education training per quarter. Medium-term Pass the ISO/IEC 27001:2022 Information Security Management System before the end of 2024. 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. Long-term Gradually build a joint defense system for group information security. Purchase insurance coverage based on business needs. Adjust internal safety regulations and product specifications immediately to comply with the latest 	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.	3.3.2 Product Information Security 3.4 Information Security Management

■ Direct impact ☐ Indirect impact ● Business relations

^{*} Short-term: by the end of 2023; Medium-term: by the end of 2026; Medium- to long-term: by the end of 2028; Long-term: by the end of 2031

About the Report About D-Link CH1 Sustainable Operations CH2 Corporate Governance CH3 Value Creation CH4 Environmental Sustainability **CH5** People and Society

Appendix

- · Data Recompilation and Correction
- · Management Approach for Material Topics
- · Relevant Tax Administration Information
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

155 / 2022 Sustainability Report

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
Governance and Ethical Management	G	205 206		A sound governance structure and good integrity management are the foundation of sustainable business operation. An imbalance in corporate governance or corruption may not only affect operational stability and corporate reputation, but may also result in financial losses.	☐ Customers/ Clients	Customers/ Clients Employees Suppliers/ Business Partners Shareholders/ Investors Subsidiaries	 Short-term Develop a succession plan for board members and key management to maintain the professionalism and experience of board members and key management. 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. At least one member of the Board of Directors shall be a woman to implement the gender equality policy. Prepare a directors' handbook to familiarize new board members with the Company's business and directors' duties. There are no related cases involving violations of ethical management and will continue to be maintained. Medium-term Set up a "Nomination Committee" to assist the board of directors to develop and manage a fair and transparent process to formulate human resource strategies for directors, supervisors and senior managers. 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. Long-term Continue to enhance corporate governance evaluations and elevate the evaluation results to the top 5% of rankings, forming the corporate governance culture. Increase the proportion of female directors to over 1/3 of the Board of Directors. Implement a natural person director system that can better consider the interests of the company and shareholders. 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. 	 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. Create a quality culture of integrity and compliance to ensure the long-term interests of all stakeholders. 	 Regularly convene the Board of Directors and shareholders' meetings, re-elect directors every three years, and ensure the professionalism and diversity of directors. Voluntarily participate in the evaluation of international corporate governance, and incorporate the indicator requirements into the corporate governance improvement plan. There are internal rules and regulations such as "Code of Conduct", "Ethical Corporate Management Best Practice Principles" and "Implementation Measures for the Whistleblowing System", and abide by and continue to promote a high-standard business ethics culture. 	2.2 Sustainable Governance 2.4 Ethical Managemer
Green Product	E	301	NEW	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. If the Company does not keep up with the times and introduce environment-friendly products, it will not be able to enter the international market and weaken its competitiveness in the market.	 Suppliers/ Business Partners D-Link Subsidiaries □ Customers/ Clients 	Customers/ Clients Suppliers/ Business Partners Subsidiaries	 Short-term Streamline product packaging, reduce material usage and improve transportation efficiency. Medium-term Reach more than 30% for the proportion of recycled plastics used in plastic cases. D-Link's product packaging is moving towards plastic-free, with recyclable/decomposable materials replacing them if it is necessarily required. Long-term Introduce ISO 14067 product carbon footprint. 	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.	4.4 Green Products

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About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

Appendix

 Data Recompilation and Correction

CH5 People and Society

- Management Approach for Material Topics
- Relevant Tax
 Administration
 Information
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

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
Corporate Image	S	Self- defined topics	NEW	Through corporate image management, D-Link makes stakeholders feel good and identify with it, enhances trust and loyalty, and then drives investment cooperation or consumer choice, forming a positive cycle. Without a consistent brand attitude, the Company will not be able to accumulate market reputation and recognition, and failure to respond to crises in a timely manner will undermine customer trust and, in serious cases, affect revenue.	□ Suppliers/ Business Partners □ D-Link □ Subsidiaries □ Customers/ Clients	Customers/ Clients Employees Suppliers/ Business Partners Shareholders/ Investors	 Short-term Position the corporate direction and focus on the value of enhancing corporate image. Establish a dedicated department to develop corporate brand communication and marketing strategies. Medium-term Convey the brand concept and strengthen the corporate image. Build brand recognition and manage customer relationships. Long-term Expand corporate image to lead the industry. Execute brand responsibility and sustainable development. 	Set up a brand center and consult with professional brand consultants to create and implement a new brand strategy.	Shared a common goal from internal employees to external partners by extending the brand spirit to all operational details (production line, sales channel, website, social media, product packaging, aftersales service, promotional activities, etc.), and enabled the customers to experience a consistent and quality brand image at every point of contact.	Message from the Chairman Overview 3.2 Brand Image
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	Customers/ Clients Employees Suppliers/ Business Partners Shareholders/ Investors Subsidiaries	 Short-term Link risk to strategy by identifying, analyzing and measuring potential risk events for D-Link and developing risk response measures. Medium-term Reduce identified significant risks in the risk matrix through effective risk response measures, and identify and resolve potential risk events in a timely manner. Long-term 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. 	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 at least once a year on the implementation of risk management.	2.6 Risk Management

■ Direct impact ☐ Indirect impact ● Business relations

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About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

Appendix

- Data Recompilation and Correction
- Management Approach for Material Topics
- Relevant Tax
 Administration
 Information
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

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
Sustainable Development Strategy	S	Self- defined topics	NEW	Sustainable development is an altruistic and self-beneficial business strategy that can reduce costs, increase revenue and create financial value for the company; it can also create a culture internally and an image externally, creating priceless non-financial value. Keep abreast of sustainable development trends and manage them through the PDCA cycle to avoid financial losses or impact on the Company's reputation due to inappropriate strategies.	■ Suppliers/ Business Partners ■ D-Link ■ Subsidiaries □ Customers/ Clients	Customers/ Clients Employees Suppliers/ Business Partners Shareholders/ Investors Subsidiaries	 Short-term Integrate networking equipment industrial functions and formulate sustainable development strategies. Review and manage sustainability goals and performance through external evaluations and assessments. Link sustainable development performance to the supervisor's KPI. Initiate green energy procurement programs. Launch the Arts and Culture Link Project. Organize in-house sustainability education courses and workshops to strengthen the sustainability literacy of D-Link's employees. Medium-term Implement D-Link's sustainable development strategy through sustainable development plans and by combining the Company's seven sustainability management capabilities to create an internal culture and an external image. Link sustainable development performance with each employee's KPI. Plan and execute internal ESG proposal competitions. Long-term Link the functions and industrial characteristics of the networking equipment industry, leading smart living, creating sustainable value together. Set the goal to achieve net zero emissions by 2050 gradually. 	Establish a dedicated unit to manage the Company's sustainable development strategy and to implement the promotion of sustainable development policies.	Establish the ESG Committee to assist the Board of Directors in continuously promoting sustainable corporate development and achieving sustainable business objectives. Establish the ESG Office, hold monthly meetings with senior executives from various departments through functional working groups to review and discuss the Company's core operating capabilities and set the direction for ESG development and optimization.	1.1 Sustainability Strategies and Goals 5.8 Social Engagement
Customer Relationship Management	G	Self- defined topics	NEW	D-Link's commitment to customers is to provide quality products and services; customers' trust and satisfaction are the motivation for the Company's 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 Suppliers/ Business Partners Subsidiaries	 Short-term Consistently achieve a customer satisfaction score of 85 or higher. Medium-term Continuously improve customer satisfaction rating to over 90 points. Long-term Maintain a high level of customer satisfaction of over 90 points every year. 	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.	3.3.3 Customer Services

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About the Report
About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

- Data Recompilation and Correction
- Management Approach for Material Topics
- Relevant TaxAdministrationInformation
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

Relevant Tax Administration Information

• Income and Tax in Respective Tax Jurisdictions in 2022

Geographical Region	Operating Revenue	Profit and Loss Before Income Tax	Income Tax Paid (Tax Refund)	Current Income Tax Payable	Number of Employees
Taiwan	7,241	137	15	-	515
India	4,301	417	92	20	0~300
United Arab Emirates	3,471	148	-	-	0~300
Singapore	1,333	-266	-	-	0~300
Russia	1,825	164	2	-	0~300
UK	941	-274	-	-	0~300
Germany	648	10	-	-	0~300
Japan	761	25	8	5	0~300
Italy	541	9	5	4	0~300
United States	769	44	-9	-	0~300
France	448	4	2	-	0~300
Canada	298	-133	-4	-	0~300
Australia	330	13	9	1	0~300
Spain	333	6	1	-	0~300
Brazil	126	-38	-	-	0~300
Mainland China	135	282	-	-	0~300
South Korea	63	-6	-	-	0~300

Unit:	in NT	\$ million
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Geographical Region	Operating Revenue	Profit and Loss Before Income Tax	Income Tax Paid (Tax Refund)	Current Income Tax Payable	Number of Employees
Moldova	1	-	-	-	0~300
British Virgin Islands	-	138	-	-	0~300
Mauritius	-	156	1	-	0~300
Sweden	-	1	1	-	0~300
Poland	-	2	1	-	0~300
Chile	-	1	-	-	0~300
Netherlands	-	1	-	-	0~300
Peru	-	-1	-	-	0~300
Lithuania	-	1	-	-	0~300
Hungary	-	-	-	-	0~300
Czech Republic	-	1	-	-	0~300
Mexico	-	-13	-	-	0~300
Malaysia	-	-	-	-	0~300
Philippines	-	-	-	-	0~300
Colombia	-	-	-	-	0~300
Cayman Islands	-	282	-	-	0~300

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society

Appendix

- Data Recompilation and Correction
- Management Approach for Material Topics
- Relevant TaxAdministrationInformation
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

159 / 2022 Sustainability Report

• Main Business Activities of the Company within the Tax Jurisdiction in 2022

Company Name	Tax Jurisdiction	Business Description
D-Link Corporation	Taiwan	R&D, trading of network equipment and wireless communication systems, marketing and after-sales service
Yeo-Tai Investment Inc.	Taiwan	Investment
D-Link Canada Inc.	Canada	Marketing and after-sales service
D-Link Systems, Inc.	USA	Marketing and after-sales service
D-Link Holding Company Ltd.	B.V.I	Investment
D-Link (Europe) Ltd.	UK	Marketing and after-sales service
D-Link AB	Sweden	Marketing and after-sales service
D-Link (Magyarorszag) Kft	Hungary	Marketing and after-sales service
D-Link France SARL	France	Marketing and after-sales service
D-Link Polska Sp Z.o.o.	Poland	Marketing and after-sales service
D-Link Iberia SL	Spain	Marketing and after-sales service
D-Link s.r.o	Czech Republic	Marketing and after-sales service
D-Link (Netherlands) BV	Netherlands	Marketing and after-sales service
D-Link Mediterraneo SRL	Italy	Marketing and after-sales service
D-Link (Deutschland) GmbH	Germany	Marketing and after-sales service
D-Link (Holdings) Ltd.	UK	Investment
D-Link (UK) Ltd.	UK	Investment
D-Link Adria d.o.o	Croatia	Marketing and after-sales service
D-Link Russia	Russia	After-sales services
Success Stone Overseas Corp.	B.V.I	Investment
D-Link Holding Mauritius, Inc.	Mauritius	Investment
D-Link (India) Ltd.	India	Marketing and after-sales service
Team F1 Networks Private Limited	India	R&D

Company Name	Tax Jurisdiction	Business Description
D-Link Shiang-Hai (Cayman) Inc.	Cayman Islands	Investment
D-Link (Shianghai) Co., Ltd.	China	Marketing and after-sales service
Netpro (Shianghai) Co., Ltd.	China	R&D
D-Link International Pte. Ltd.	Singapore	Marketing, procurement and after- sales service
D-Link Korea Limited	Korea	Marketing and after-sales service
D-Link Trade M S.R.L	Republic of Moldova	Marketing and after-sales service
D-Link Russia Investment Co. Ltd.	B.V.I	Investment
D-Link Malaysia Sdn Bhd	Malaysia	Marketing and after-sales service
D-Link Sudamerica S.A.	Chile	Marketing and after-sales service
D-Link Mexicana S.A de C.V	Mexico	Marketing and after-sales service
D-Link Japan K.K.	Japan	Marketing and after-sales service
D-Link Australia Pty Ltd.	Australia	Marketing and after-sales service
D-Link Middle East FZCO	UAE	Marketing and after-sales service
D-Link Brazil LTDA.	Brazil	Marketing and after-sales service
D-Link Investment Pte. Ltd.	Singapore	Investment
D-Link Trade	Russia	Marketing and after-sales service
D-Link Latin-America Company Ltd.	Cayman Islands	Investment
D-Link Peru S.A.	Peru	Marketing and after-sales service
D-Link de Colombia S.A.S.	Colombia	Marketing and after-sales service
D-Link Guatemala S.A.	Guatemala	Marketing and after-sales service
D-Link Argentina S.A.	Argentina	Marketing and after-sales service
D-Link Service Lithuania, UAB	Lithuania	After-sales services

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

Appendix

 Data Recompilation and Correction

CH5 People and Society

- Management Approach for Material Topics
- Relevant Tax Administration Information
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

$160\,$ / 2022 Sustainability Report

GRI Standards Index

General Disclosure

GRI Code	Disclosures	Corresponding Chapters	Page
GRI 1: Foun D-Link has r		rds for the period January 1, 2022 to December	· 31, 2022.
GRI 2: Gene	ral Disclosures 2021		
GRI 2-1	Organizational details	Overview	3
GRI 2-2	Entities included in the organization's sustainability reporting	About the Report	2
GRI 2-3	Reporting period, frequency and contact point	About the Report	4
GRI 2-4	Restatements of information	Data Recompilation and Correction	152
GRI 2-5	External assurance	Third-party Verification/Assurance	169
	Activities, value chain and other	Overview	{
GRI 2-6	business relationships	3.6.1 Supply Chain System	88
		Overview	8
GRI 2-7	Employees	5.3.1 Labor Overview	120
GRI 2-8	Workers who are not employees	5.3.1 Labor Overview	120
GRI 2-9	Governance structure and composition	2.2.2 Board of Directors	42
GRI 2-10	Nomination and selection of the highest governance body	2.2.2 Board of Directors	42
GRI 2-11	Chair of the highest governance body	2.2.2 Board of Directors	42
		1.4.1 Materiality Analysis	26
		2.4.1 Ethical Management and Anti- corruption	49
		2.6 Risk Management	5.5
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	2.7 Intellectual Property Management	58
		3.4.1 Information Security Management Structure	76
		4.2.1 Response to Task Force on Climate- related Financial Disclosure (TCFD) Framework	100
		2.1 Sustainability Strategies and Goals - Governance Aspect	37
GRI 2-13	Delegation of responsibility for	3.1 Sustainability Strategies and Goals - Value Aspect	6
GKI 2-13	managing impacts	4.1 Sustainability Strategies and Goals - Environmental Aspect	96
		5.1 Sustainability Strategies and Goals - Social Aspect	113

GRI Code	Disclosures	Corresponding Chapters	Page
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	46
		2.2.2 Board of Directors	42
	Communication of critical	2.6 Risk Management	55
GRI 2-16	concerns	There have been no major appeals or reported cases that require communication with the Board of Directors this year.	_
GRI 2-17	Collective knowledge of the highest governance body	2.2.4 Performance Evaluation and Remuneration for the Governance Layer	44
GRI 2-18	Evaluation of the performance of the highest governance body	2.2.4 Performance Evaluation and Remuneration for the Governance Layer	44
CD1 2 40	Decree matical malicina	2.2.4 Performance Evaluation and Remuneration for the Governance Layer	44
GRI 2-19	Remuneration policies	2.2.5 High-level Compensation Linked to Sustainable Business Performance	45
GRI 2-20	Process to determine remuneration	2.2.4 Performance Evaluation and Remuneration for the Governance Layer	44
GRI 2-21	Annual total compensation ratio	Unable to disclosure due to confidential regulations.	
GRI 2-22	Statement of sustainable	Message from the Chairman	5
GK1 2-22	development strategy	1.1 Sustainability Vision and Strategy	17
		1.1 Sustainability Vision and Strategy	17
GRI 2-23	Policy commitments	4.2.2 From Inventory to Net Zero	105
		4.2.3 Biodiversity Commitment	106
		5.2.1 Human Rights Policy	117
		2.1 Sustainability Strategies and Goals - Governance Aspect	37
GRI 2-24	Embedding policy commitments	3.1 Sustainability Strategies and Goals - Value Aspect	61
		4.1 Sustainability Strategies and Goals - Environmental Aspect	96
		5.1 Sustainability Strategies and Goals - Social Aspect	113
GRI 2-25	Processes to remediate negative impacts	5.3.2 Listening Strategy	121
GRI 2-26	Mechanisms for seeking advice and raising concerns	2.4.3 Whistleblowing System	
GRI 2-27	Compliance with laws and regulations	2.4.4 Compliance with Laws and Regulations	
GRI 2-28	Membership associations	1.4.3 Initiatives and Organizations	32
GRI 2-29	Approach to stakeholder engagement	1.4 Materiality Analysis and Stakeholder Engagement	
GRI 2-30	Collective bargaining agreements	No relevant agreements were signed during the Reporting year.	-

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

CH5 People and Society Appendix

- Data Recompilation and Correction
- Management Approach for Material Topics
- Relevant Tax
 Administration
 Information
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

$161\,$ / 2022 Sustainability Report

• Disclosures on Material Topics

GRI Code	Disclosures	Corresponding Chapters	Page
GRI 3: Mate	erial 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
Innovation	and R&D		
GRI 3-3	Management of material topics	3.1 Sustainability Strategies and Goals - Value Aspect	61
	Self-defined topics	3.5 Innovation and R&D	80
Business Pe	erformance		
GRI 3-3	Management of material topics	2.1 Sustainability Strategies and Goals - Governance Aspect	37
GRI 201-1	Direct economic value generated and distributed	2.5.1 Financial Performance	53
Product Qu	ality		
GRI 3-3	Management of material topics	3.1 Sustainability Strategies and Goals - Value Aspect	61
CDT 446.4	Assessment of the health and safety	2.4.4 Compliance with Laws and Regulations	51
GRI 416-1	impacts of product and service categories	3.3.1 Quality Management	69
	Incidents of non-compliance concerning	2.4.4 Compliance with Laws and Regulations	51
GRI 416-2	the health and safety impacts of products and services	3.3.1 Quality Management	69
GRI 417-1	Requirements for product and service	2.4.4 Compliance with Laws and Regulations	51
GRI 417-1	information and labeling	3.3 Product Quality and Safety	68
CDV 447.0	Incidents of non-compliance concerning	2.4.4 Compliance with Laws and Regulations	51
GRI 417-2	product and service information and labeling	3.3 Product Quality and Safety	68
	Incidents of non-compliance concerning	2.4.4 Compliance with Laws and Regulations	51
GRI 417-3	marketing communications	3.3 Product Quality and Safety	68
Supply Cha	in Management		
GRI 3-3	Management of material topics	3.1 Sustainability Strategies and Goals - Value Aspect	61
GRI 204-1	Proportion of spending on local suppliers	3.6.6 Local Procurement	94
GRI 308-1	New suppliers that were screened using environmental criteria	3.6 Supply Chain Management	87
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	3.6 Supply Chain Management	87
GRI 414-1	New suppliers that were screened using social criteria	3.6 Supply Chain Management	87
GRI 414-2	Negative social impacts in the supply chain and actions taken	3.6 Supply Chain Management	87

GRI Code Disclosures Corresponding Chapters Page Information Security 3.1 Sustainability Strategies and Goals - Value Aspect 61 GRI 3-3 Management of material topics 2.4.4 Compliance with Laws and Regulations 51 GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data 3.4.6 Major Information Security Incidents 79 Governance and Ethical Management 3.4.6 Major Information Security Incidents 37 GRI 3-3 Management of material topics 2.1 Sustainability Strategies and Goals Governance Aspect 37 GRI 205-2 Communication and training about anticorruption policies and procedures Confirmed incidents of corruption and actions taken 2.4 Ethical Management 48 GRI 205-2 Confirmed incidents of corruption and actions taken 2.4 Ethical Management 48 GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices 2.4 Ethical Management 48 GRI 301-2 Recycled input material topics 4.1 Sustainability Strategies and Goals Environmental Aspect 96 GRI 301-2 Recycled input material topics 3.1 Sustainability Strategies and Goals Value Aspect 61								
Substantiated complaints concerning breaches of customer privacy and losses of customer data 2.4.4 Compliance with Laws and Regulations 51	GRI Code	Disclosures	Corresponding Chapters	Page				
SRI 3-3 Management of material topics Value Aspect 01 Augustantiated complaints concerning breaches of customer privacy and losses of customer data 02.4.4 Compliance with Laws and Regulations 3.4.6 Major Information Security Incidents 03.4.6 Major Information Security 13.7 Management 04.8 Management 05 Corruption on Incidents of Incidents of Corruption Operations of Security 13.7 Management 05 Confirmed incidents of corruption and actions taken 03.4 Ethical Management 04.8 Ethical Management 04.8 Management 05 Incidents 05 Confirmed Incide	Information Security							
Substantiated complaints concerning breaches of customer privacy and losses of customer data revisions of customer privacy and losses of cus	GRI 3-3	Management of material topics		61				
Governance and Ethical Management GRI 3-3 Management of material topics 2.1 Sustainability Strategies and Goals-Governance Aspect 48 GRI 205-1 Operations assessed for risks related to corruption 2.4 Ethical Management 48 GRI 205-2 Communication and training about anticorruption policies and procedures 2.4 Ethical Management 48 GRI 205-3 Confirmed incidents of corruption and actions taken 2.4 Ethical Management 48 GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices 4.1 Sustainability Strategies and Goals-Environmental Aspect 96 GRI 3-3 Management of material topics 4.1 Sustainability Strategies and Goals-Environmental Aspect 96 GRI 301-2 Recycled input materials used 4.4 Green Products 110 Corporate Image 4.4 Green Products 110 Corporate Image 5.5 Self-defined topics 3.1 Sustainability Strategies and Goals-Value Aspect 5.5 Sustainable Development Strategy 17 GRI 3-3 Management of material topics 2.6 Risk Management 55 Sustainable Development Strategy 17 GRI 3-3 Management of material topics 1.1 Sustainability Strategies and Goals-Governance Aspect 5.5 Sustainable Development Strategy 17 Self-defined topics 1.1 Sustainability Vision and Strategy 17 La Sustainable Management Structure 21 La Sustainable Management Strategy 23 Customer Relationship Management	CDI 410 1	·	·	51				
GRI 3-3 Management of material topics 2.1 Sustainability Strategies and Goals Governance Aspect 2.4 Ethical Management 48 GRI 205-2 Communication and training about anticorruption policies and procedures 2.4 Ethical Management 48 GRI 205-3 Confirmed incidents of corruption and actions taken 2.4 Ethical Management 48 GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices 3.4 Ethical Management 48 GRI 3-3 Management of material topics 4.1 Sustainability Strategies and Goals Environmental Aspect 5 GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals Self-defined topics 3.2 Brand Image 66 RIS 3-3 Management of material topics 3.1 Sustainability Strategies and Goals Self-defined topics 3.2 Brand Image 66 Risk Management 6 RIS 3-3 Management of material topics 2.1 Sustainability Strategies and Goals Self-defined topics 3.2 Brand Image 66 RIS 3-3 Management of material topics 2.1 Sustainability Strategies and Goals Self-defined topics 3.2 Brand Image 66 RIS 3-3 Management of material topics 3.1 Sustainability Strategies and Goals Self-defined topics 3.2 Brand Image 66 RIS 3-3 Management of material topics 3.1 Sustainability Strategies and Goals Self-defined topics 3.4 Risk Management 3.5 Sustainable Development Strategy 37 Self-defined topics 3.1 Sustainability Vision and Strategy 17 1.2 Sustainable Management Structure 21 1.3 D-Link's Sustainable Value 23 Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals Value Aspect 61	GRI 418-1	1 2		79				
GRI 205-1 Operations assessed for risks related to corruption 2.4 Ethical Management 48 GRI 205-2 Communication and training about anticorruption policies and procedures 2.4 Ethical Management 48 GRI 205-3 Confirmed incidents of corruption and actions taken 2.4 Ethical Management 48 GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices 2.4 Ethical Management 48 GRI 3-3 Management of material topics 4.1 Sustainability Strategies and Goals - Environmental Aspect 110 Corporate Image 3.1 Sustainability Strategies and Goals - Value Aspect 110 Corporate Image 3.1 Sustainability Strategies and Goals - Value Aspect 110 Corporate Image 3.2 Brand Image 66 Risk Management of material topics 2.1 Sustainability Strategies and Goals - Governance Aspect 110 GRI 3-3 Management of material topics 2.6 Risk Management 110 Self-defined topics 2.6 Risk Management 110 Self-defined topics 1.1 Sustainability Strategies and Goals - Governance Aspect 110 Sustainable Development Strategy 17 GRI 3-3 Management of material topics 1.1 Sustainability Vision and Strategy 17 Self-defined topics 1.1 Sustainability Vision and Strategy 17 La Sustainable Management Structure 21 1.2 Sustainable Management Structure 21 1.3 D-Link's Sustainable Value 23 Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 110 Customer Relationship Management 110 Anagement of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 110	Governance and Ethical Management							
Corruption 2.4 Ethical Management 48 GRI 205-2 Communication and training about anticorruption policies and procedures 2.4 Ethical Management 48 GRI 205-3 Confirmed incidents of corruption and actions taken 2.4 Ethical Management 48 GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices 2.4 Ethical Management 48 GRI 306-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices 4.1 Sustainability Strategies and Goals - Environmental Aspect 96 GRI 301-2 Recycled input materials used 4.4 Green Products 110 Corporate Image GRI 3.3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 96 Risk Management GRI 3.3 Management of material topics 3.2 Brand Image 66 Risk Management GRI 3.3 Management of material topics 2.6 Risk Management 55 Sustainable Development Strategy GRI 3.3 Management of material topics 1.1 Sustainability Vision and Strategy 17 Self-defined topics 1.2 Sustainable Management Structure 21 Self-defined topics 2.3 Sustainable Management Structure 21 Customer Relationship Management GRI 3.3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 9.3 Customer Relationship Management 9.3 Management of material topics 3.1 Sustainability Vision and Strategy 17 Customer Relationship Management 9.3 Customer Relationship Management 9.3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 9.3	GRI 3-3	Management of material topics		37				
GRI 205-3 Confirmed incidents of corruption and actions taken 2.4 Ethical Management 48 GRI 205-3 Confirmed incidents of corruption and actions taken 2.4 Ethical Management 48 GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices 2.4 Ethical Management 48 Green Products GRI 3-3 Management of material topics 4.1 Sustainability Strategies and Goals - Environmental Aspect 96 GRI 301-2 Recycled input materials used 4.4 Green Products 110 Corporate Image GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 96 Risk Management GRI 3-3 Management of material topics 3.2 Brand Image 66 Risk Management GRI 3-3 Management of material topics 2.1 Sustainability Strategies and Goals - Governance Aspect 55 Sustainable Development Strategy GRI 3-3 Management of material topics 1.1 Sustainability Vision and Strategy 17 Self-defined topics 1.2 Sustainable Management Structure 21 1.3 D-Link's Sustainable Value 23 Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 96 Customer Relationship Management 97 GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 97 Customer Relationship Management 97 GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 97 Customer Relationship Management 97 GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 97 Customer Relationship Management 97 GRI 3-3 Management 97 GRI 3-3 Management 97 GRI 3-3 Management 97 GRI 3-3 Management 97 GRI 3-4 Ethical Management 98 Als Ethical Management 98 Als Ethical Management 98 Als Sustainability Strategies and Goals - Value Aspect 98 GRI 3-5 Management 98 Als Ethical Management 98 Als Sustainability Strategies 98 Als Sustainability St	GRI 205-1	·	2.4 Ethical Management	48				
actions taken GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices GRI 3-3 Management of material topics GRI 3-1 Recycled input materials used GRI 3-2 Recycled input material topics GRI 3-3 Management of material topics GRI 3-3 Management of material topics GRI 3-3 Management of material topics Self-defined topics 1.1 Sustainability Vision and Strategy Topical Management Structure 1.2 Sustainable Management Structure 2.3 Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 3.2 Customer Relationship Management 3.3 Management of material topics 3.4 Sustainability Strategies and Goals - Value Aspect 61	GRI 205-2		2.4 Ethical Management	48				
GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - For Sustainable Development Strategy GRI 3-3 Management of material topics 4.1 Sustainability Strategies and Goals - Environmental Aspect 5.2 Sustainability Strategies and Goals - Value Aspect 6.1 Self-defined topics 6.2 Self-defined topics 7.2 Sustainability Strategies and Goals - Governance Aspect 7.3 Sustainable Development Strategy 7.3 Self-defined topics 7.4 Sustainability Vision and Strategy 7.5 Sustainable Development Strategy 7.5 Sustainable Development Strategy 7.5 Sustainable Management Structure 7.5 Self-defined topics 7.5 Sustainable Management Structure 7.5 Self-defined topics 7.5 Sustainable Management Structure 7.5 Sustainable Management Structure 7.5 Self-defined topics 7.5 Sustainable Management 8.5 Sustainable Management	GRI 205-3	·	2.4 Ethical Management	48				
GRI 3-3Management of material topics4.1 Sustainability Strategies and Goals - Environmental Aspect96GRI 301-2Recycled input materials used4.4 Green Products110Corporate ImageGRI 3-3Management of material topics3.1 Sustainability Strategies and Goals - Value Aspect61Self-defined topics3.2 Brand Image66Risk Management2.1 Sustainability Strategies and Goals - Governance Aspect37Self-defined topics2.6 Risk Management55Sustainable Development Strategy1.1 Sustainability Vision and Strategy17GRI 3-3Management of material topics1.1 Sustainability Vision and Strategy17Self-defined topics1.2 Sustainable Management Structure21Customer Relationship Management3.1 Sustainability Strategies and Goals - Value Aspect61	GRI 206-1	13K1 /11D-1		48				
GRI 3-3 Management of material topics GRI 301-2 Recycled input materials used 4.4 Green Products 110 Corporate Image GRI 3-3 Management of material topics Self-defined topics 3.1 Sustainability Strategies and Goals - Value Aspect Self-defined topics 3.2 Brand Image 66 Risk Management GRI 3-3 Management of material topics Self-defined topics 2.1 Sustainability Strategies and Goals - Governance Aspect Self-defined topics 2.6 Risk Management 55 Sustainable Development Strategy GRI 3-3 Management of material topics 1.1 Sustainability Vision and Strategy 17 Self-defined topics 1.2 Sustainable Management Structure 21 1.3 D-Link's Sustainable Value 23 Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 61	Green Produ	ıcts						
Corporate Image GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 66 Self-defined topics 3.2 Brand Image 66 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 55 Sustainable Development Strategy GRI 3-3 Management of material topics 1.1 Sustainability Vision and Strategy 17 Self-defined topics 1.2 Sustainable Management Structure 21 Self-defined topics 3.3 D-Link's Sustainable Value 23 Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 61	GRI 3-3	Management of material topics		96				
GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 66 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 55 Sustainable Development Strategy GRI 3-3 Management of material topics 1.1 Sustainability Vision and Strategy 17 Self-defined topics 1.2 Sustainable Management Structure 21 1.3 D-Link's Sustainable Value 23 Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 61	GRI 301-2 Recycled input materials used		4.4 Green Products	110				
Self-defined topics Self-defined topics 3.2 Brand Image 66 Risk Management GRI 3-3 Management of material topics Self-defined topics Self-defined topics 2.1 Sustainability Strategies and Goals - Governance Aspect 2.6 Risk Management 55 Sustainable Development Strategy GRI 3-3 Management of material topics 1.1 Sustainability Vision and Strategy 17 Self-defined topics 1.2 Sustainable Management Structure 21 1.3 D-Link's Sustainable Value 23 Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 61	Corporate In	mage						
Risk Management GRI 3-3 Management of material topics 2.1 Sustainability Strategies and Goals - Governance Aspect 55 Self-defined topics 2.6 Risk Management 55 Sustainable Development Strategy GRI 3-3 Management of material topics 1.1 Sustainability Vision and Strategy 17 Self-defined topics 1.2 Sustainable Management Structure 21 1.3 D-Link's Sustainable Value 23 Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 61	GRI 3-3	Management of material topics	, ,	61				
GRI 3-3 Management of material topics Self-defined topics Sustainable Development Strategy GRI 3-3 Management of material topics 1.1 Sustainability Vision and Strategy 1.2 Sustainable Management Structure Self-defined topics 1.3 D-Link's Sustainable Value Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 61		Self-defined topics	3.2 Brand Image	66				
Self-defined topics 2.6 Risk Management 55 Sustainable Development Strategy GRI 3-3 Management of material topics 1.1 Sustainability Vision and Strategy 17 Self-defined topics 1.2 Sustainable Management Structure 21 Self-defined topics 1.3 D-Link's Sustainable Value 23 Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 61	Risk Manage	ement						
Sustainable Development Strategy GRI 3-3 Management of material topics 1.1 Sustainability Vision and Strategy 17 Self-defined topics 1.2 Sustainable Management Structure 21 1.3 D-Link's Sustainable Value 23 Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 61	GRI 3-3	Management of material topics	ý g	37				
GRI 3-3 Management of material topics 1.1 Sustainability Vision and Strategy 17 1.2 Sustainable Management Structure 21 1.3 D-Link's Sustainable Value 23 Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 61		Self-defined topics	2.6 Risk Management	55				
Self-defined topics 1.2 Sustainable Management Structure 21 1.3 D-Link's Sustainable Value 23 Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 61	Sustainable	Development Strategy						
Self-defined topics 1.3 D-Link's Sustainable Value 23 Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 61	GRI 3-3	Management of material topics	1.1 Sustainability Vision and Strategy	17				
Customer Relationship Management GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 61			1.2 Sustainable Management Structure	21				
GRI 3-3 Management of material topics 3.1 Sustainability Strategies and Goals - Value Aspect 61		Self-defined topics	1.3 D-Link's Sustainable Value	23				
Value Aspect Value Aspect	Customer Ro	elationship Management						
Self-defined topics 3.3.3 Customer services 73	GRI 3-3	Management of material topics	ý g	61				
		Self-defined topics	3.3.3 Customer services	73				

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

Appendix

 Data Recompilation and Correction

CH5 People and Society

- Management Approach for Material Topics
- Relevant Tax
 Administration
 Information
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

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	3.3.2 Product Information Security 3.4 Information Security Management	70 75
Diversity of Employees	TC-HW-330a.1	Quantitative	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	5.3.1 Labor Overview 5.4.1 Diversified Employment	120 124
	TC-HW-410a.1	Quantitative	Percentage of products by revenue that contain IEC 62474 declarable substances	N/A 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.	-
	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.	-
Product Lifecycle Management	TC-HW-410a.3	Quantitative	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	D-Link products are not required to comply with ENERGY STAR certification. However, the external power supplies for the products must 100% comply with level 6 energy efficiency standards of the US Department of Energy.	-
	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 (including the sale of scrap hardware and other scrap materials). However, weight data has not yet been recorded in 2022. Therefore, it is planned to establish relevant fields in 2023 and record them regularly for future transparent disclosure, and to discuss product recycling mechanisms.	-
Complex Chaire	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	3.6 Supply chain management	87
Supply Chain Management	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	3.6 Supply Chain Management	87
Source	TC-HW-440a.1	Qualitative	Description of the management of risks associated with the use of critical materials	3.6 Supply Chain Management	87
	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 the Company's 2022 Annual Report.	_
Activity Indicators	TC-HW-000.B	Quantitative	Area of manufacturing facilities	3.6 Supply Chain Management	87
	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.	_

About the Report
About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

- Data Recompilation and Correction
- Management Approach for Material Topics
- Relevant Tax
 Administration
 Information
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

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

Dimension	TCFD's Suggested Disclosures	Corresponding Chapters	Page
	How does the Board of Directors monitor climate-related issues?	4.2 Climate Governance and Actions	99
Governance	How does the management assess and manage climate-related issues?	4.2 Climate Governance and Actions	99
	The Company identified short-, mid- and long-term climate change-related risks and opportunities.	4.2 Climate Governance and Actions	99
Strategy	Impact of climate-related issues on the Company's business model, strategy, and financial plan.	4.2 Climate Governance and Actions	99
	Scenario analysis (including 2°C or more severe scenarios).	4.2 Climate Governance and Actions	99
	Climate-related risk identification and assessment process.	4.2 Climate Governance and Actions	99
Risk Management	The process of managing climate-related risks.	4.2 Climate Governance and Actions	99
aa.gee.e	Explain how the above risk identification and management processes are integrated into the Company's overall risk management system.	4.2 Climate Governance and Actions	99
	Whether the evaluation indicators are consistent with the Company's	1.1 Sustainability Vision and Strategy	17
Metrics and	strategy and risk management.	4.2 Climate Governance and Actions	99
Targets	Disclosure of greenhouse gas emissions and associated risks.	4.2.2 From Inventory to Net Zero	105
	Management objectives and related performance.	4.2.2 From Inventory to Net Zero	105

About the Report
About D-Link
CH1 Sustainable Operations
CH2 Corporate Governance
CH3 Value Creation
CH4 Environmental

CH5 People and Society

Sustainability

Appendix

- Data Recompilation and Correction
- Management Approach for Material Topics
- Relevant Tax Administration Information
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

SDGs Index

Sustainable Development Goals	Management Approaches	Corresponding Chapters Pa	Page
3 GOOD HEALTH AND WELL-BEING	 Create a healthy and safe working environment and plan fair, reasonable, and competitive systems, benefits, and incentives. Promote and care for the well-being of external stakeholders through social engagement projects. 	5.6.3 Healthy Workplace 5.7 Benefits and Retirement System	113 137 140 143
4 QUALITY EDUCATION	 Construct a comprehensive learning education and training system to enhance the competitiveness of sustainable management. Formulate personal development plans to assist supervisors and colleagues to continuously enhance their career development. Expand web-based education through social engagement projects. 	5.5.2 Diversity Learning 5.5.4 Education and Training 5.8.1 Participation in Charity	113 128 130 143 151
5 GENDER EQUALITY	Build a gender-affirmative work environment.	5.3 Employment and Employee Participation 5.4.1 Diversified Employment	113 119 124 137
7 AFFORDABLE AND CLEAN ENERGY	 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. Follow the ISO 14001 environmental management system, set an annual environmental management plan every year, and commit to and implement five major environmental policies. 	,	96 105 108
8 DECENT WORK AND ECONOMIC GROWTH	 Continue to expand production capacity, create product and service features, and build diversified product capabilities. Create a healthy and safe working environment and plan fair, reasonable, competitive systems, benefits, and incentives to attract and retain key talents. 	5.2 Human Rights Protection 5.4 Diversity, Equity and Inclusion (DEI) 5.5.2 Diversity Learning	37 55 113 116 122 128 130
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	 Devote to developing and applying new technologies to provide quality and convenient products and services to customers. Formulated the "Information Security Management Policy" and established the "Information Security Management Committee" to understand information and communication security according to international standards. 	3.1 Sustainability Strategies and Goals - Value Aspect 3.4 Information Security Management 3.5 Innovation and R&D	61 75 80

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

- Data Recompilation and Correction
- Management Approach for Material Topics
- Relevant Tax
 Administration
 Information
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

Sustainable Development Goals	Management Approaches	Corresponding Chapters	Page
10 REDUCED NEQUALITIES	 Identify relevant risks through due diligence and manage them appropriately. Protect employee rights through human rights protection policies. Provide a suitable complaint channel. 	5.1 Sustainability Strategies and Goals - Social Aspect 5.2 Human Rights Protection 5.3.2 Listening Strategy 5.4 Diversity, Equity and Inclusion (DEI)	113 116 121 122
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	 Set up management representatives, establish quality policies, set management objectives by quality policies, and review them regularly for effective management and continuous improvement. Protect customers' rights and increase trust by establishing standard operating procedures, conducting regular surveys on customer satisfaction, and reviewing various service management indicators. 	2.1 Sustainability Strategies and Goals - Governance Aspect 2.4.4 Compliance with Laws and Regulations 3.1 Sustainability Strategies and Goals - Value Aspect 3.3 Product Quality and Safety 3.4 Information Security Management 3.6 Supply Chain Management 4.1 Sustainability Strategies and Goals - Environmental Aspect 4.2.3 Biodiversity Commitment 4.3.3 Waste Management 4.4 Green Products 5.8.1 Participation in Charity	37 51 61 68 75 87 96 106 109 110
13 CLIMATE ACTION	 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. Stipulate related policies according to the ISO 14064 Greenhouse Gas Inventory system. Establish eco-friendly commitments. 	4.1 Sustainability Strategies and Goals - Environmental Aspect 4.2 Climate Governance and Actions	96 99
16 PEAGE, JUSTICE AND STRONG INSTITUTIONS	Respond to and support global ESG trends and related initiatives.	4.1 Sustainability Strategies and Goals - Environmental Aspect 4.2.3 Biodiversity Commitment 5.1 Sustainability Strategies and Goals - Social Aspect 5.2.1 Human Rights Policy	96 106 113 117
17 PARTNERSHIPS FOR THE GOALS	 Establish supplier management guidelines, incorporate ESG-related impacts and risks, and regularly evaluate the impact of suppliers on society and the environment. Increase local procurement percentage. Collaborate with diverse partners to benefit people and society through various social engagement projects. 	3.1 Sustainability Strategies and Goals - Value Aspect 3.6 Supply Chain Management 4.1 Sustainability Strategies and Goals - Environmental Aspect 4.2.3 Biodiversity Commitment 5.8.1 Participation in Charity	61 87 96 106 143

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CHA Frankermental

CH4 Environmental Sustainability

CH5 People and Society

Appendix

- Data Recompilation and Correction
- Management Approach for Material Topics
- Relevant Tax
 Administration
 Information
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

▲ Article 4 of the Rules: Strengthen Disclosure Indicators - Communication Network Industry

No.	Indicator	Indicator Type	Annual Disclosure Situation	Unit	Corresponding Chapters	Page
I	Total energy consumption, percentage of purchased electricity, and utilization rate of renewable energy	Quantitative	The total energy consumption of D-Link in 2022 is 8,879.89 GJ; 100% of the electricity is purchased externally, and the current utilization rate of renewable energy is 0%.	Billion Joules (GJ) Percentage (%)	4.3.1 Energy Management	108
Ш	Total water intake and total water consumption	Quantitative	In 2022, the total water intake of D-Link was 10.99 thousand cubic meters, while the total water consumption was 1.10 thousand cubic meters.	Thousand cubic meters (m³)	4.3.2 Water Resource Management	108
Ш	Weight and recovery percentage of hazardous waste generated	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 (%)	4.3.3 Waste Management	109
IV	Explain the category of and number and ratio of people involved in occupational accidents	Quantitative	There were no occupational accidents in D-Link in 2022, so both the number and ratio of people were 0.	Percentage (%) Number	5.6.2 Labor Health and Safety Organization, Education and Training, and Work Environment Monitoring	134
V	Disclosure of product lifecycle management: including the weight of scrapped products and electronic waste and the percentage of recycling	Quantitative	D-Link has standardized operating procedures and records for the recycling and disposal of scrapped products (including the sale of scrap hardware and other scrap materials). However, weight data has not yet been recorded in 2022. Therefore, it is planned to establish relevant records in 2023 and record them regularly for future transparent disclosure.	Metric Tons (t) Percentage (%)	4.4 Green Products	110
VI	Description of risk management related to the use of key 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.	-	3.6 Supply Chain Management	87
VII	Total monetary losses caused by legal proceedings related to anti-competitive behavior regulations	Quantitative	In 2022, D-Link did not have any legal proceedings or related financial losses related to the anti-competitive behavior regulations; NT\$ 0.	Reporting currency	2.4.1 Ethical Management and Anti-corruption	49
VIII	Main product output by product category	Quantitative	Unable to be disclosed due to it involving sensitive information of the Company. Please refer to the Company's 2022 Annual Report.	-	Page 134 of the Company's 2022 Annual Report.	_

About the Report About D-Link CH1 Sustainable Operations CH2 Corporate Governance CH3 Value Creation CH4 Environmental Sustainability

Appendix

· Data Recompilation and Correction

CH5 People and Society

- · Management Approach for Material Topics
- · Relevant Tax Administration Information
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

167 / 2022 Sustainability Report

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

No.	Items	State of Implementation
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Board of Directors is the highest supervision unit for D-Link's climate change management and is responsible for reviewing climate change-related risk management reports and implementation reports, to ensure effective implementation of the climate change-related risk management system. The ESG Office is responsible for promoting climate change-related management plans, and the heads of all departments form a working group to jointly implement and regularly review relevant projects; the ESG Office must also regularly report the relevant implementation progress and performance to the Board of Directors every year.
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	To fully grasp the impact of various climate-related risks and opportunities on the company's operations, D-Link collects relevant issues through regular working group meetings and initially assesses the degree of impact, plans to take a comprehensive inventory once every three years, re-evaluate and assess the specific impact of each risk and opportunity, and then plans appropriate response strategies and action plans. Please refer to the chapter "4.2.1 Response to Task Force on Climate-related Financial Disclosure (TCFD) Framework" for the identification results of climate-related risks and opportunities in 2022.
3	Describe the financial impact of extreme weather events and transformative actions.	A team of professional consultants has assessed the potential financial impact of extreme weather events in Europe from three perspectives, including supply chain, business, and product quality, to be approximately NT\$250 million. In 2022, D-Link did not have any financial impact caused by extreme climate events; the investment amount for related transformation actions is approximately NT\$2.209 million, mainly including carbon inventory, verification, and green product research and development costs.
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	D-Link integrates climate change risks and various operational risks into the overall risk management system and regularly identifies, evaluates, and manages them through a standardized process. At the same time, the relevant departments regularly identify relevant risks and review them at annual planning and review meetings.
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.	At present, the scenario set for transformation risks is mainly assessed based on the scenario of 2050 Net Zero Emissions (SSP1-1.9). Please refer to "4.2.1 Response to Task Force on Climate-Related Financial Disclosure (TCFD) Framework" for the potential financial impacts of the identified risks.
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.	D-Link is committed to achieving net zero emissions by 2050. To this end, D-Link has established a medium-term goal of reducing carbon emissions by 10% by 2026 (with a base year of 2021). Its near-term transformation action plan includes replacing energy-consuming lighting fixtures, introducing ISO 14064-1:2018 methodology for organizational carbon inventories, participating in CDP questionnaires and obtaining a medium-high rating, and further evaluating and obtaining ISO 50001 energy management system certification and other feasible and effective solutions.
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 used 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.	The current climate target set by D-Link includes both Scope 1 and Scope 2. With 2021 as the base year, the carbon reduction target is 2% in 2023 and 10% in 2026. D-Link is also planning the implementation benefits of purchasing renewable energy certificates and has been strengthening carbon reduction, publicly disclosing the implementation process, and actively realizing the commitment of 2050 net zero emissions.
9	Greenhouse gas inventory and assurance status.	D-Link preferentially has imported the methods in ISO 14064-1:2018 to conduct greenhouse gas inventory operations, and the inventory and disclosure for category 3 were also completed. It is planned to complete the confirmation operation by 2027.

• Greenhouse Gas Inventory and Assurance Status

	• Greenhouse Gas Inventory and Assurance Status						
of G	Basic information of the Company	 □ Capital of NT\$10 billion or more, iron and steel industry, or cement industry ■ Capital of NT\$5 billion or more but less than NT\$10 billion □ Capital of less than NT\$5 billion 					
s, of c	Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEx Listed Companies	 ■ Inventory for parent company only □ Inventory for all consolidated entities □ Assurance for parent company only □ Assurance for all consolidated entities 					

	Total Emissions (Metric tons CO₂e)	Intensity (Metric tons CO₂e/ NT\$ 1 million)	Confirmation Organization
Scope 1	119.87	0.0070	The 2022 data verification
Scope 2	1,255.52	0.0735	operation is in progress, and the third-party
Scope 3	523,159.00	30.6337	verification is expected to be completed by July 2023.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental

Sustainability

Appendix

 Data Recompilation and Correction

CH5 People and Society

- Management Approach for Material Topics
- Relevant Tax
 Administration
 Information
- · GRI Standards Index
- · SASB Index
- · TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

■ The UN Global Compact

Classification	10 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	116
	Principle 2: Make sure that they are not complicit in human rights abuses	5.2 Human Rights Protection	116
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 Laws and Regulations	51
		5.2 Human Rights Protection	116
		5.3 Employment and Employee Participation	119
	Principle 4: The elimination of all forms of forced and compulsory labor	3.6 Supply Chain Management	87
		5.2 Human Rights Protection	116
	Principle 5: The effective abolition of child labor	3.6 Supply Chain Management	87
		5.2 Human Rights Protection	116
	Principle 6: The elimination of discrimination in respect of employment and occupation	5.2 Human rights protection	116
		5.3 Employment and Employee Participation	119
		5.4 Diversity, Equity and Inclusion (DEI)	122
Environment	Principle 7: Businesses should support a precautionary	1.1 Sustainability Vision and Strategy	17
	approach to environmental challenges	4.2 Climate Governance and Actions	99
	Principle 8: Undertake initiatives to promote greater environmental responsibility	1.1 Sustainability Vision and Strategy	17
		3.6 Supply Chain Management	87
		4.2 Climate Governance and Actions	99
		4.3 Energy and Resources Management	107
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies	4.4 Green Products	110
Anti-Corruption	Principle 10: Businesses should work against corruption in all	2.4 Ethical Management	48
	its forms, including extortion and bribery	3.6 Supply Chain Management	87

About the Report About D-Link CH1 Sustainable Operations CH2 Corporate Governance

CH3 Value Creation

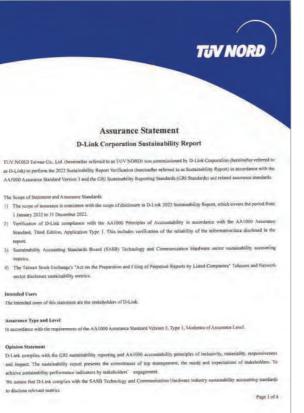
CH4 Environmental Sustainability

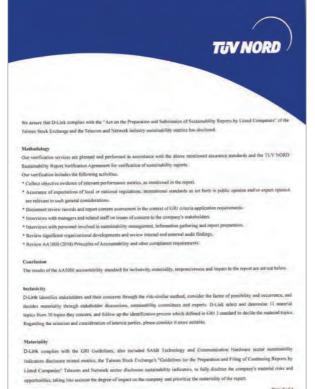
CH5 People and Society

Appendix

- Data Recompilation and Correction
- Management Approach for Material Topics
- Relevant TaxAdministrationInformation
- · GRI Standards Index
- · SASB Index
- TCFD Index
- SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

■ Third-party Verification/ Assurance (GRI 2-5)









Assurance Statement of Sustainability Report







169 / 2022 Sustainability Report

ISO 9001:2015

ISO 45001:2018

About the Report About D-Link CH1 Sustainable Operations

CH2 Corporate Governance

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

- Data Recompilation and Correction
- Management Approach for Material Topics
- Relevant Tax
 Administration
 Information
- · GRI Standards Index
- · SASB Index
- TCFD Index
- · SDGs Index
- · Article 4 of the Rules
- · Article 4-1 of the Rules
- · The UN Global Compact
- · Third-party Verification

■ Third-party Verification/Assurance (GRI 2-5)







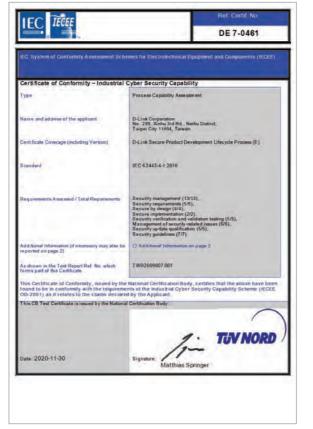
ISO 14064-1:2018



ISO/IEC 27001:2013



BS 10012:2017



IEC 62443-4-1:2018





TIPS (level A)



