



D-Link[®]
Building Networks for People

2014 D-Link Corporate Social Responsibility Report

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About this report

The reporting period for this document is from January 1, 2014 to December 31, 2014.

There were no significant changes in our company's organizational size, structure, ownership, or supply chain during the 2014 reporting period.

The present document considers the same aspects as the 2013 report, and the aspects have been prepared in accordance with the GRI 4.0 guidelines on materiality assessment.

Reporting principles and report highlights

D-Link identifies economic, environmental, and social issues of global importance and validates the level of concern for these issues amongst the stakeholders through substantive analysis. According to our company's operational planning, screening and selection of important issues was performed in 2014, the results of which are presented in this report. Sustainability issues, as well as corresponding strategies, goals, and actions to be presented in this report were determined based on the guiding principles (GRI G4). The information contained herein satisfies the core. Please refer to page 72 of this report for the GRI content index. Although this report focuses on our efforts in Taiwan, some of our initiatives presented here also involve other global operating sites.

Verification

OHSAS18001	TUV Rheinland Germany
ISO14001	SGS Taiwan
ISO14064	SGS Taiwan
ISO9001	SGS Taiwan

Publication

D-Link's Corporate Social Responsibility Report is an annual publication.

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Letter From Our Chairman and President

In recent years, with economic instability, limitations in natural resources, and an increasing focus on human rights, businesses are faced with increasingly stringent standards for sustainable development. D-Link is amongst the world's leading brands in Internet communication, and that gives us a solid foundation on which to conduct our businesses. We are aware that with a larger corporate size, we have greater economic, environmental, and social impacts. The World Economic Forum defines four main aspects for "Corporate Social Responsibility", namely 1) Good corporate governance and ethics; 2) Responsibility for environmental impacts; 3) Broader contribution to development; and 4) Responsibility to the people. These are the main responsibilities as a member of the global community. In addition to the above, D-Link believes in undertaking further responsibilities in economic and industrial development. We are committed to promoting active economic growth through conducting our business well, which will in turn ensure the sustainability of our business strategies in the long run.

Corporate Governance and Ethics

As we forge ahead on our path towards sustainability, we hold on to the core values we have had since our early days - "Innovation, Execution, Heritage", as the highest guiding principles for our decisions and operations. To ensure our company's sustainable development, in addition to the Code of Conduct that was introduced in 1993 for our employees worldwide, we announced the "Procedure for Gift Acceptance" guidelines in 2014 to ensure that our employees uphold the highest level of business ethics during commercial activities. We have also appointed a Disciplinary Committee to act as a competent authority to oversee compliance with regulations and the upholding of integrity at the workplace through clearly established systems. The chairman of the Committee was personally appointed by the chairperson of our Board of Directors.

Responsibility for Environmental Impacts

D-Link has always taken an active stance on promoting green product management systems and ensuring that both our suppliers and products comply with relevant international standards, such as the Restriction of Hazardous Substances (RoHS). Since 2012, D-Link has gone full steam into developing energy-efficient products, and has since met its target of reducing energy consumption by 50%. In order to realize our corporate vision of reducing carbon emissions for sustainable development, we have pushed for 70% of our system manufacturers to meet the carbon emission criteria of the ISO 14064-1 standard. Henceforth, we will continue our environmental protection efforts in the areas of developing low-carbon products, reducing the hazardous substance content of our products, increasing the proportion of products recovered and recycled, and developing low energy consumption designs.

In addition to imposing more stringent standards for our products and our corresponding suppliers, D-Link's headquarters also took the lead in ensuring that its employees play their part in protecting the Earth by reducing water and electricity consumption through setting progressively lower annual targets.



Chairman and Chief Executive Officer: Roger Kao

Responsibility to the People

Our employees are our greatest assets. D-Link believes that on top of providing a safe work environment, we should actively create a challenging, nurturing and fun work environment for our employees. We should also provide good welfare and a variety of recreational clubs to support work-life balance and to promote wellness and happiness amongst our employees. At present, the company has formally appointed various committees to look into sharing our successes with our employees through the following means:

1. Appointing a Labor Health and Safety Committee as a health promotion organization which will oversee the Employee Welfare Committee, recreational clubs, and the Labor Safety Management department.
2. Establishing a reasonable and attainable health promotion program, including providing employee health checks beyond labor law requirements, statistical analyses of health check results, and on-site health advisory services by doctors.
3. Focusing on the key areas of organizing "Health Talks" and "Social Activities". We aim to increase cohesion within our organization and promote a healthier body and mind amongst our employees through clearly established systems and a comprehensive array of recreational clubs.
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Responsibility for Development

Currently, D-Link has 189 branches/offices worldwide, and around 3,000 employees total. D-Link is among the world's leading brands in networking products.

D-Link sought to distinguish itself from competitors and has successfully transformed into a networking company that provides value-added cloud services. Since the launch of mydlink™ Cloud Services in 2013, the number of global registered users surpassed 1 million, capturing the attention of the market as the leading cloud service provider. We actively adopted new technologies, and our marketing strategy for the 11ac product line proved effective. We also introduced the mydlink™ Home app and series of connected home products in 2014. Looking forward, we will be introducing new services on the mydlink™ Cloud Services platform, as well as digital security surveillance applications. We will forge ahead to reposition ourselves as a global supplier for solutions for the smart home cloud and for security surveillance, and will work towards being the top name in networking.

We will continue to pursue excellence in corporate management, economic and industrial development, labor-capital relations, employee care, environmental protection, and social welfare to make D-Link the best brand in networking, which will also promote our company's core values to a wider community.



President: AP Chen



1 Company Profile

- 1.1 Company Background
- 1.2 Milestones and Community Involvement
- 1.3 Engaging and Managing Stakeholders

Company name	D-Link Technology Co., Ltd.
Employees	Approximately 3,045 employees worldwide
Capital	Paid up capital: NT \$6.476 billion yuan
Date established	1986
Main products and technologies	Ethernet switch port products, broadband products, wireless products, digital home products
Chairman of the board of directors	Roger Kao
President	AP Chen
Headquarters	No. 289 Xinhua 3rd Road, Neihu District, Taipei City 114

Business locations

We have 189 sales points in 66 countries worldwide, and operate in regions including Taiwan, America and Canada, Europe, Australia, India, Singapore, the Middle East (Dubai), Turkey, Egypt, Israel, Latin America, Brazil, South Africa, Russia, China, and other countries.



1.1 Company Background

1.1.1 Introduction

D-Link Technology was founded in 1986 as a joint stock company under the R.O.C Corporate Law, and was first listed on the TWSE in October 1994. Our annual global consolidated revenue in 2013 amounted to NT \$30.56 billion yuan. Since our founding, D-Link's products can be found worldwide. Over the years, our company has grown steadily through internationalization, localization, and globalization, and has extensively explored and developed many markets. With research, design, development, and sales of networking equipment and related services as our core businesses, we are committed to providing high-quality solutions for global consumers and businesses of various scales. With our comprehensive and diversified product lines and our outstanding, internationally acclaimed and award-winning Internet products and services, D-Link has become the top brand in consumer networking products. Not only do we have a strong foothold in the mainstream European and American markets, we are also the leading competitor in emerging markets.

Our products have received international recognition for design and functionality. We also lead the industry in developing green technology. We were amongst the first to introduce high-quality green energy and environmentally friendly networking products. We have 189 sales and service points in 66 countries, regional logistics centers in 15 countries, and a total of 44 maintenance centers. Our products and services are available worldwide, and we have become one of the largest Taiwanese manufacturers in the world. Our main product lines include switch ports, wireless networking, broadband networks, etc., and we are amongst the main players in these markets. We are also a global leader in networking equipment for home

networks and SME, and are the top-selling brand for networking equipment in many countries. At the same time, we are also developing the markets for corporate and broadband telecommunications, and we aim to become a well-rounded supplier of network solutions.

1.1.2 Corporate Culture and Values

D-Link is committed to the design, production and marketing of high-quality networking solutions. We hold fast to our company's culture and core values, namely, Entrepreneurship, Accountability, Teamwork, and Integrity, as we believe that they are the main reasons for D-Link's continued growth and its edge over other competitors.



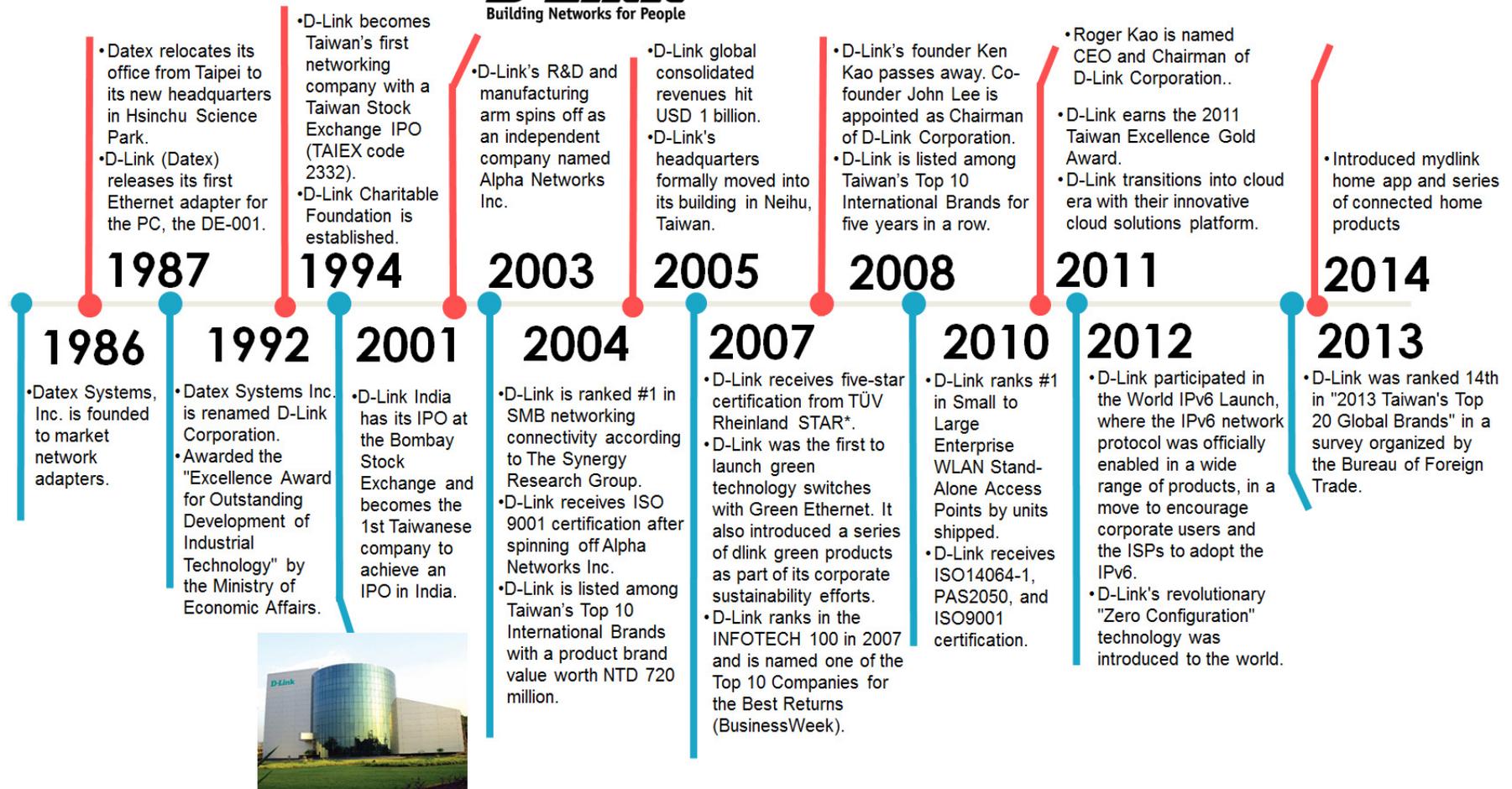
Global Business Bases



1.2 Milestones and Community Involvement

1.2.1 Milestones in D-Link's History





The timeline features a central horizontal line with blue and red circular markers. Blue markers point to the years 1986, 1992, 2001, 2004, 2007, 2010, 2012, and 2013. Red markers point to the years 1987, 1994, 2003, 2005, 2008, 2011, and 2014. Vertical lines connect these markers to their respective text blocks. A photograph of a D-Link building is positioned below the 2001-2004 section.

Year	Milestone
1986	Datex Systems, Inc. is founded to market network adapters.
1987	Datex relocates its office from Taipei to its new headquarters in Hsinchu Science Park. D-Link (Datex) releases its first Ethernet adapter for the PC, the DE-001.
1992	Datex Systems Inc. is renamed D-Link Corporation. Awarded the "Excellence Award for Outstanding Development of Industrial Technology" by the Ministry of Economic Affairs.
2001	D-Link India has its IPO at the Bombay Stock Exchange and becomes the 1st Taiwanese company to achieve an IPO in India.
2003	D-Link becomes Taiwan's first networking company with a Taiwan Stock Exchange IPO (TAIEX code 2332). D-Link Charitable Foundation is established.
2004	D-Link is ranked #1 in SMB networking connectivity according to The Synergy Research Group. D-Link receives ISO 9001 certification after spinning off Alpha Networks Inc. D-Link is listed among Taiwan's Top 10 International Brands with a product brand value worth NTD 720 million.
2005	D-Link's R&D and manufacturing arm spins off as an independent company named Alpha Networks Inc. D-Link global consolidated revenues hit USD 1 billion. D-Link's headquarters formally moved into its building in Neihu, Taiwan.
2007	D-Link receives five-star certification from TÜV Rheinland STAR*. D-Link was the first to launch green technology switches with Green Ethernet. It also introduced a series of dlink green products as part of its corporate sustainability efforts. D-Link ranks in the INFOTECH 100 in 2007 and is named one of the Top 10 Companies for the Best Returns (BusinessWeek).
2008	D-Link's founder Ken Kao passes away. Co-founder John Lee is appointed as Chairman of D-Link Corporation. D-Link is listed among Taiwan's Top 10 International Brands for five years in a row.
2010	D-Link ranks #1 in Small to Large Enterprise WLAN Stand-Alone Access Points by units shipped. D-Link receives ISO14064-1, PAS2050, and ISO9001 certification.
2011	Roger Kao is named CEO and Chairman of D-Link Corporation.. D-Link earns the 2011 Taiwan Excellence Gold Award. D-Link transitions into cloud era with their innovative cloud solutions platform.
2012	D-Link participated in the World IPv6 Launch, where the IPv6 network protocol was officially enabled in a wide range of products, in a move to encourage corporate users and the ISPs to adopt the IPv6. D-Link's revolutionary "Zero Configuration" technology was introduced to the world.
2013	D-Link was ranked 14th in "2013 Taiwan's Top 20 Global Brands" in a survey organized by the Bureau of Foreign Trade.
2014	Introduced mydlink home app and series of connected home products

1.2.2 Market Image

D-Link Technology is committed to upholding our corporate culture of innovation, execution and heritage. We have received wide recognition both domestically and internationally for our excellence in product development and business management. Internally, we hold ourselves by the same standards in terms of employee welfare, and spare no effort in providing the best work environment and benefits to our employees.

Employee Welfare Compensation and Benefits

Employees are the greatest assets of any business. At D-Link, all standard starting wages are set higher than the local statutory minimum wages. We believe that the basic wages of our employees should not be influenced by gender, race, religion, political affiliation, marital status, or participation in trade unions or other associations. In addition to providing labor and health insurance, childbirth subsidy/childcare leave, and retirement funds as stipulated by laws and regulations, D-Link's employees can also opt to extend this welfare and protection to their dependents at their own expense.

Our Long-Term Efforts Towards Ensuring Workplace Health Have Long Been Recognized by the Government

Workplace health has always been one of our major concerns. We have employees worldwide, and our headquarters in Taipei has been painstakingly designed and crafted to create a safe and comfortable work environment to serve as the standard for all our offices worldwide. We hope that through this effort, all our employees can be as comfortable, safe, and relaxed at work as they are at home. D-Link was officially recognized by the Taipei City government for its efforts towards workplace health in 2010.

Vibrant and Flourishing Recreational Scene

By virtue of our robust welfare system, D-Link had more than 20 types of recreational and social activities available to our employees in 2014, including community care clubs (Care Club), parent-child clubs (My Kids & I Club, Folk Arts Interest Club), fitness clubs (Basketball Club, Mountain Climbing Club, Cycling Club, Swimming Club, Yoga Club, Aerobics Club, etc.), and arts clubs (Photography Club, Arts Club, Talent Club, Board Games Club, etc.). We also organize a wide range of diversified social activities as well as large events such as the annual group travel event, Family Day, etc. Through these activities, we hope to enhance work-life balance and promote physical and mental wellness amongst our employees.

Comprehensive Health Checks

At D-Link, we care for our employees and take special interest in their health. Aside from the mandatory health checks for new employees, D-Link also provides comprehensive health checks above and beyond the statutory requirements on a regular basis (once every two years), which include ultrasound examination, cancer screening, thyroid function screening, bone density scans, X-ray examination, CT brain scans, digestive system examination, colonoscopy, pap smear, ECG, heart rate variability analysis, and other tests. Doctors are also present on-site to provide first-hand health counseling services to help employees better understand their own health statuses after the health checks.

Recognitions and Awards

Since our founding, we have made numerous breakthroughs through continuous innovation, and we are proud of our outstanding achievements that have made us the world's leading networking brand today. We constantly seek to innovate and revolutionize our product design and manufacturing processes, and are internationally recognized and celebrated for our successes. Our achievements in the past 3 years are summarized as follows:

Award	Highlights
Taiwan Excellence Award	<ul style="list-style-type: none"> 21st Taiwan Excellence Award: A total of 16 D-Link products won this award, including cloud surveillance devices, cloud routers, mobile cloud companions, cloud storage devices, and other products. Of these, three products were awarded gold and silver awards. Silver Excellence Award: DCS-2310L HD PoE Outdoor Network Camera; DCS-2310L HD PoE Outdoor Network Camera. Gold Excellence Award: DIR-505/505L All-in-one Mobile Companion. 22nd Taiwan Excellence Award: 19 D-Link products won the award. 23rd Taiwan Excellence Award: 8 D-Link products won the award.
iF Design Award	<ul style="list-style-type: none"> D-Link's DCS-825L MommyEye HD Wi-Fi Baby Camera and DWR-930 4G Portable LTE Router won this prestigious award in 2014.
Red Dot Award	<ul style="list-style-type: none"> In 2012, 4 of our innovative products won over the judges for this award: the DNS-320L 2-Bay Cloud Network Storage Enclosure, DCS-6010L Panoramic Wireless Cloud Camera, DHP-W310AV Wireless-N Powerline AV, and DWR-910 4G LTE Mini USB Router. In 2013, the DMG-304P HomePlugAV PowerLine Wi-Fi Network Adapter and the DWR-730 Portable HSPA+ Mobile Router won this prestigious design award.
Japan Industrial Design Promotion Association Good Design Award	<ul style="list-style-type: none"> In 2012, the DIR-636L 11N USB 1000M Wireless N300 Gigabit Cloud Router won over the judges for this award. In 2013, D-Link won this award with our lightweight, simple, and stylish DAP-1320 Wireless Extender.
CNET Best of CES Awards	<ul style="list-style-type: none"> 2012: DIR-857 Amplifi™ HD Media Router 3000 2013: DGL-5500
CES Innovations	<ul style="list-style-type: none"> 2013: DIR-508L 2014: DCS-825L · DCS-2136L
National Industry Innovation Award	<ul style="list-style-type: none"> In 2012, D-Link was presented with the Distinguished Enterprise Innovation Award in the 2nd National Industry Innovation Award organized by the Ministry of Economic Affairs.
Interbrand Taiwan Top 20 Global Brands	<ul style="list-style-type: none"> D-Link has consistently ranked as one of Taiwan's Top 20 Global Brands; in 2014 we ranked 17th, with a brand value of US \$ 138 million.



1.3 Engaging and Managing Stakeholders

1.3.1 Dialogue with Stakeholders

We believe that understanding the stakeholders is the key to corporate sustainable development. Dialogues with stakeholders not only facilitate transparent communication, they are also the foundation of sustainable development. D-Link Technology has official websites in all the countries in which our offices may be found. These websites are our direct channels of communication with the stakeholders. The information provided on the official websites includes technical support, online shopping, education, training, repair services, financial information, media contacts, and more. We have also assigned dedicated personnel to take charge of the customer service mailboxes tied to the official websites of each country, and these personnel will promptly direct received e-mails to relevant departments. In addition, residents in the district of our headquarters can also contact us directly by approaching our service department in the headquarters building. Alternatively, we also welcome any communication or feedback through the Hi-Tech Promotion Center of the Department of Economic Development, Taipei City or the 1999 Taipei Citizen Hotline. Currently, communication is focused mainly on the areas of economic, environmental and social issues.

1.3.2 Investigation of and Response to Issues of Concern

D-Link's key stakeholders may be divided into ten categories, namely the shareholders, financial institutions, non-governmental organizations (NGO), government agencies, employees, professional service providers, media, academia, customers, and suppliers. In addition to the usual communication channels, we also seek to understand the issues of concern amongst the stakeholders through a questionnaire survey. To determine the key issues for 2014, we employed a four-step process comprising shortlisting, prioritizing, validating, and auditing, and we involved the stakeholders at each step. First, we identified 26 of the 46 aspects included in the GRI G4 guidelines based on our communications with the stakeholders. Next, we considered global issues and standards, and gathered the views of the stakeholders using questionnaires that were sent through e-mail or official letters. With the responses, we consolidated a list based on Materiality.

754 copies of the questionnaire were sent out, and we received 379 responses; the statistical response rate was approximately 50%. In this report, we present these results in accordance with the GRI G4 indicators. The responses to each aspect of consideration are described in detail under their respective chapters as listed in the index.

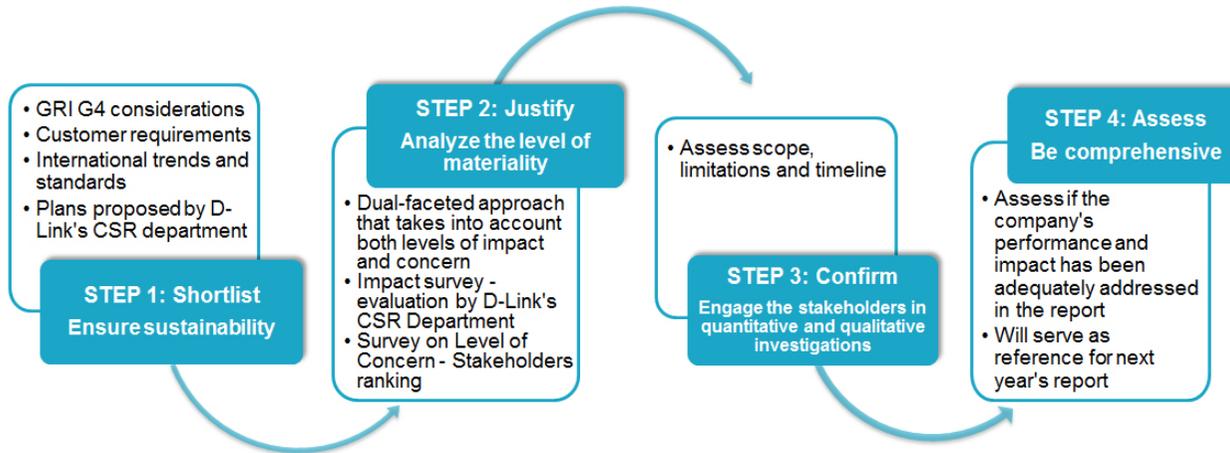
Channels of Communication with the Stakeholders

Subject	Communicated issues ¹			Communication channels			
Employees	Economic performance	Employer-employee relations	Occupational health and safety	D-Link Report	Internal bulletin	Social and recreational activities	Education and training
Customers	Customer privacy	Marketing communications	Supplier human rights assessment	D-Link Report	Questionnaire survey	Official websites	Product launches
Shareholders	Compliance with laws and regulations	Customer privacy	Marketing communications	D-Link Report	Board of shareholders	Conferences	Investment forums
Government	Emissions	Wastewater and waste materials	Compliance with laws and regulations	D-Link Report	Official correspondences	Official websites	Official letters
Suppliers	Mechanism for raising environmental concerns	Staff diversity and equal opportunity	Supplier labor practices assessment	D-Link Report	Contracts	Letters	Audits
Academia	Economic performance	Energy	Biodiversity	D-Link Report	E-mails	Official websites	Phone
Media	Economic performance	Procurement practices	Product and service labels	D-Link Report	Press releases	Contracts	E-mails
Financial institutions	Economic performance	Corporate image	Indirect economic impact	D-Link Report	Accounts office	Conferences	Financial reports
NGO	Training and education	Economic performance	Corporate image	D-Link Report	Education and training	Official correspondences	Phone
Professional service providers	Compliance with laws and regulations	Employer-employee relations	Labor-capital relations	D-Link Report	Accounts office	Financial reports	Project meetings

The survey questionnaire recovery rate for each group of stakeholders is as follows

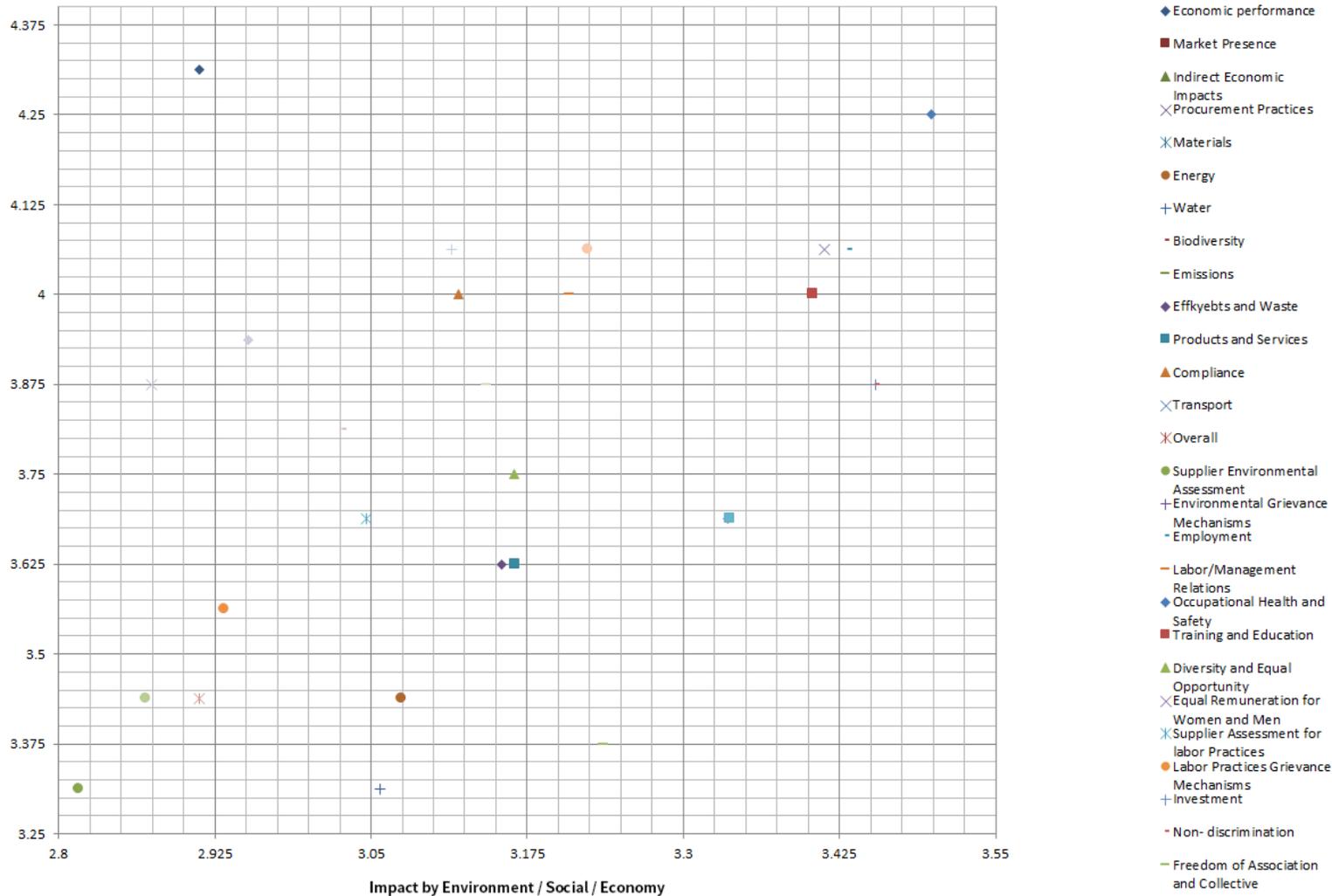
Subject	Recovered	Total number sent out	Recovery rate
Employees	363	718	51%
Customers	1	7	14%
Government agencies	0	2	0%
Shareholders	1	1	100%
Suppliers	8	15	53%
Media	2	3	67%
Financial institutions	0	2	0%
NGO	1	1	100%
Academia	3	5	60%
Professional service providers	0	0	0%

Process of Identifying Issues of Concern



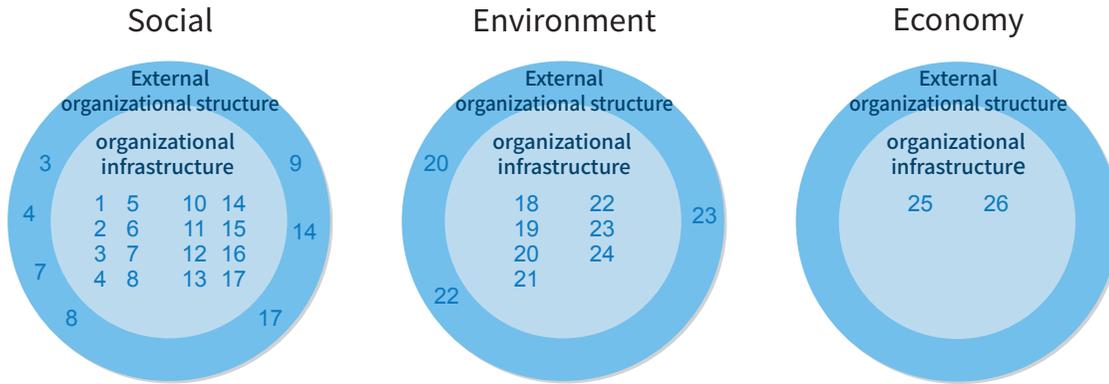
Results of Materiality Assessment

The items in the upper right quadrant were identified as significant in terms of materiality (above 3.25 on the vertical axis, and above 2.8 on the horizontal axis)



Scope of Consideration

To reflect D-Link's overall value chain, the scope of each of the 26 issues identified in 2014 was determined based on both internal inputs and those from the stakeholders. This is to ensure the transparency and impact of our value chain. As each aspect involves multiple indicators and has different boundaries, the largest boundary will be adopted for the presentation of its results. Our efforts in each facet of the value chain are presented in their respective chapters of this report.



Materiality List

Social			Environment	Economy
1. Employer-employee relations	8. Non-discrimination	15. Marketing communications	18. Energy	25. Economic performance
2. Labor-capital relations	9. Child labor	16. Customer privacy	19. Water	26. Corporate image
3. Occupational health and safety	10. Local communities	17. Compliance	20. Emissions	
4. Training and education	11. Anti-corruption		21. Wastewater and waste materials	
5. Staff diversity and equal opportunity	12. Anti-competitive behavior		22. Compliance	
6. Gender wage equality	13. Supplier social impact assessment		23. Overall	
7. Supplier labor practices assessment	14. Products and services		24. Supplier environmental assessment	



2 Business Status

- 2.1 Trends, Risks and Opportunities
- 2.2 Economic Performance
- 2.3 Corporate Governance
- 2.4 Managing with Honesty and Integrity

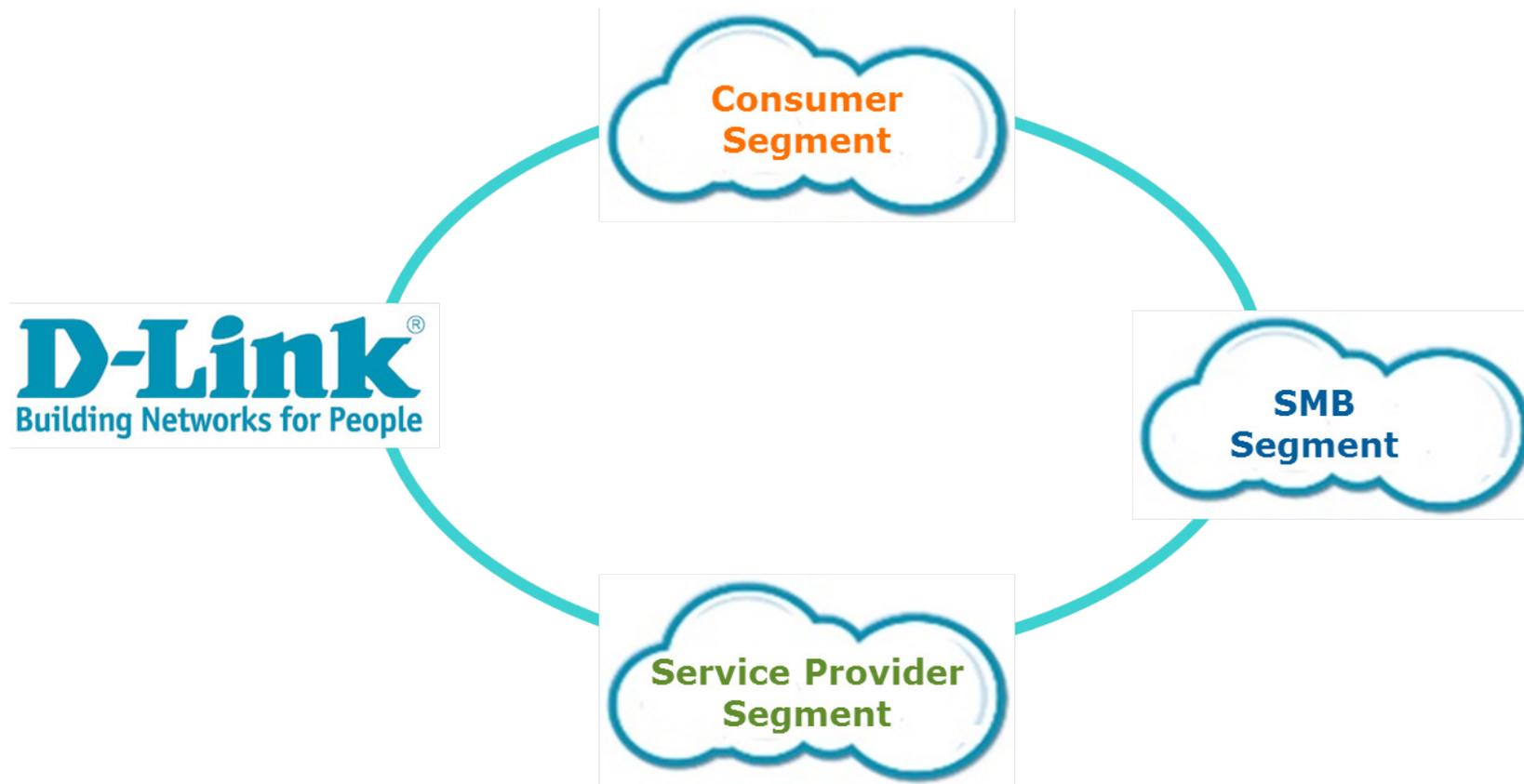
- 2.5 Customer Relations Management
- 2.6 Supplier Management

2.1 Trends, Risks and Opportunities

Market Analysis and Future Development

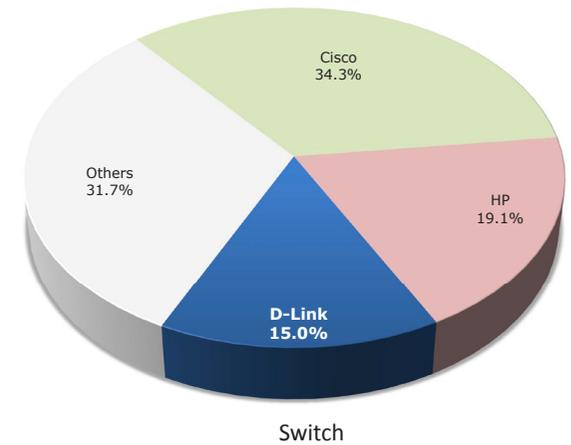
D-Link Technology is the leading manufacturer in the networking industry, and its brand name is globally renowned. D-Link's product lines include switches, wireless broadband products, digital home products, etc, and our main customers include general consumers, corporate users, and telecommunications firms.

Over the years, D-Link Technology has been committed to providing consumers and corporate users with a wide range of diversified products that are at the forefront of the industry in terms of functionality, effectiveness, and innovative design, delivering quality solutions with exceptional added value. As we face increasing threats from global warming, D-Link is committed to deliver on its promise of sustainable development. We have accelerated the development and production of green products, as well as the implementation of green supply chain management. On top of providing our consumers and stakeholders with technological convenience and economic profits, we also hope to tap on our brand power to build a better environment and to preserve and protect it for future generations.



Trends in Ethernet Switch Products

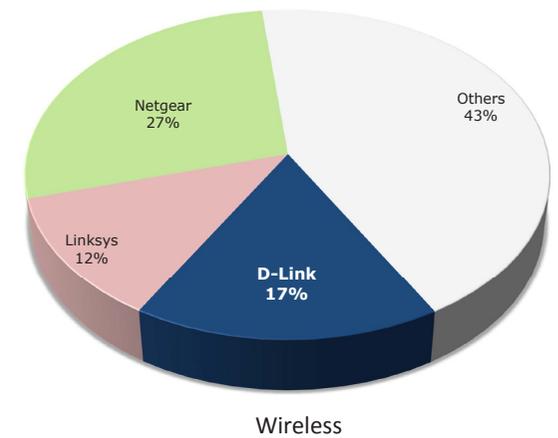
With dawning of the Big Data era, the corporate market has faced increasing demand for Data Centers, and this in turn drives the demand for 10G and 40G Ethernet. With the gradual stabilization of the economy, various corporate users are investing more to purchase and upgrade their basic networking equipment. According to the forecast by the Gartner market research firm, the global growth rate of switch and connector port shipments will reach 2.8% by 2015. D-Link is ranked third in the global Ethernet switch market.



Global market share for Ethernet switch products (Source: Gartner)

Trends in Wireless Products

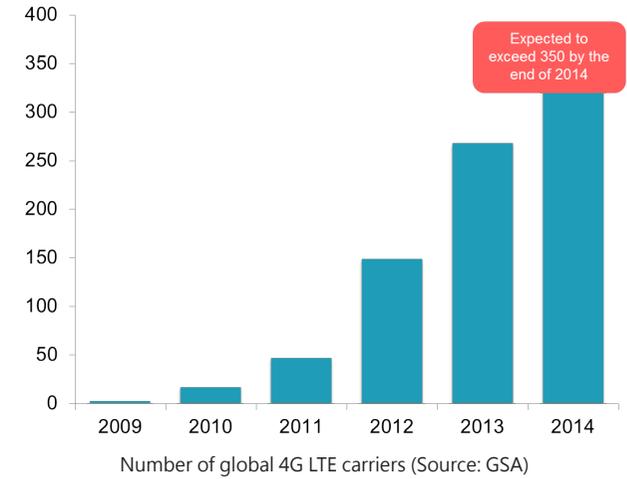
With the rise in demand for various types of mobile devices, consumer dependence on wireless networks has also increased. The escalating demand for higher transmission speeds has accelerated the production and delivery of related wireless network equipment. In recent years, competition in the networking industry has been intense. D-Link's primary goal is to meet consumer demand for speed and quality in networking products. We began to implement 802.11ac wireless in 2012, and by 2013, we were the first to launch a full range of 11AC products to meet the needs of consumers at every level. The reception for these products in all our markets has been very enthusiastic. In 2014, D-Link had a 17% global market share in wireless routers and gateways. Furthermore, most of these D-Link products have built-in support for the mydlink cloud services platform, which is free for life and proved to be a big draw for consumers. From 2010 to the present day, the number of global registered users for the mydlink platform has exceeded 3 million.



Global market share for 802.11ac routers and gateways (Source: IDC)

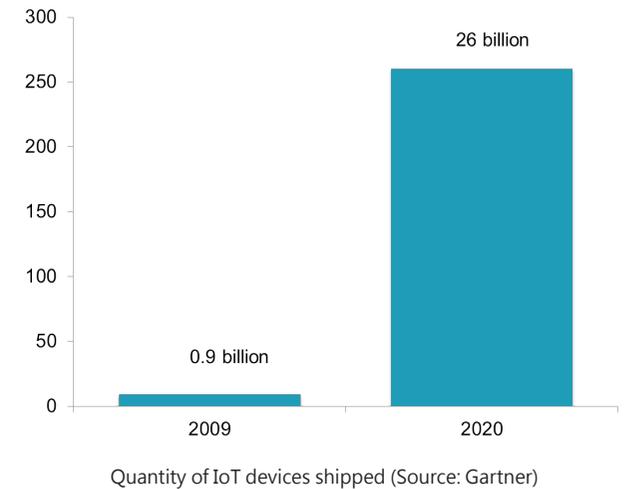
Trends in Broadband Products

With the continual rise in the number of mobile broadband users globally, the demand for mobile devices will continue to rise. According to statistics from the Global mobile Suppliers Association (GSA), by the end of 2014, the number of 4G LTE service providers will exceed 350. In view of this, we attempted to integrate our solutions with the idea of "mobility". We launched products such as the LTE Multi-Service Adapter, Smart Antenna, and LTE outdoor devices, which allow our users to access their 4G LTE connection anywhere, anytime.



Trends in Digital Home Products

Gartner, a well-established market research firm, believes that the Internet Of Things (IoT) is poised for explosive growth in the coming years; by 2020, the number of IoT devices will exceed 26 billion, and IoT will add some USD 1.9 trillion to the world economy. The rise of IoT also popularizes the concepts of the smart home and smart city. D-Link was the first to spot an opportunity in the security surveillance market. With the technological advantage from our extensive experience with networking equipment, we took the market by storm. According to the NPD and Context consumer market research groups, D-Link currently holds up to 40% of the market share in North America and Europe. Other than network surveillance cameras, D-Link also launched home gateways, smart plugs, motion sensors, door/window contact sensors, and sirens, and has developed other new products based on corresponding technologies. These products can be interconnected via the mydlink cloud service platform, providing our customers with a safe and convenient smart network environment.



2.2 Economic Performance

D-Link Technology Co., Ltd. (hereinafter referred to as D-Link Technology) is committed to maintaining a high level of business ethics, an effective system of accountability, and good corporate governance in all aspects of our business. We believe in conducting our business with integrity and accountability to safeguard the long-term interests of our company and shareholders. D-Link Technology firmly believes that good corporate governance is the foundation for future progress, which will in turn lead to better products and services, and higher returns for our shareholders.

D-Link Technology has an internal audit office and two supervisors to maintain sound internal control systems. Our efforts towards safeguarding our shareholders' interests are evident from our appointment of the Remuneration Committee, and from our highly efficient board of directors, which disseminates company-related information to our shareholders at the first opportunity. We also maintain a high level of transparency by keeping our shareholders and investors up to date with our financial status and operations. On top of this, D-Link Technology also organizes regular Investor Conferences during which our management will take questions from our investors.

In 2014, D-Link's consolidated revenue amounted to NT \$30.3 billion. Our after-tax earnings was NT \$111 million, of which the net profit attributable to owners of the parent company was NT \$62 million. D-Link's after-tax earnings were NT \$0.1 per share. See the table below for D-Link's economic performance in the recent five years. For more details on our business performance and financial status, please refer to pages 98 to 104 of our 2013 annual report and 2014 financial report, which are available on the MOPS website

<http://goo.gl/FII9SC>
<http://goo.gl/SbhG7Q>

D-Link's major shareholders

Name of major shareholder	Number of shares held	Shareholding ratio (%)
Civil Servant's Retirement Fund	12,861,470	1.99
Li Zhongwang	10,714,042	1.65
Alpha Networks	10,051,475	1.55
Templeton Institutional Foreign Smaller Companies Series Fund	9,753,240	1.51
Citibank Dimension Emerging Market Evaluation Fund	9,518,717	1.47
China Life Insurance Co., Ltd.	8,709,946	1.34
Zuo Lijun	8,389,500	1.3
Deutsche Bank Hancock International Small Company Fund (entrusted to Taipei branch)	7,666,101	1.18
Gaoju Investment Co., Ltd.	7,050,040	1.09
Qianjing Investment Limited	7,002,474	1.08

Note : Shareholder list updated on April 4th, 2015.

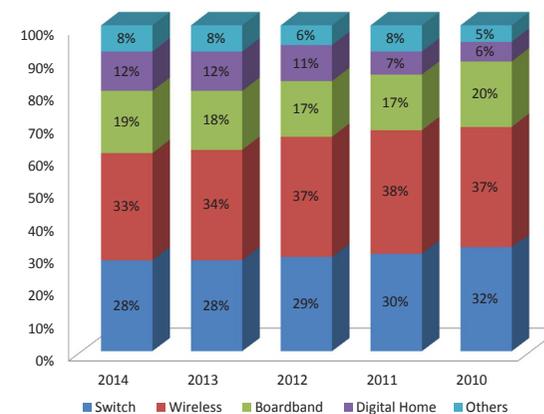
D-Link's Performance (in NT \$ 100 million)

Item	2010	2011	2012	2013 ¹	2014
Net Sales	339	325	325	306	303
Operating costs and Expenses	329	316	318	302	220
Net profit after tax	12.21	9.7	7.79	6.48	1.11
Earnings per share (yuna)	1.89	1.52	1.23	1.06	0.1
Tax expenditures	2.8	2	3.00 ²	0.7	0.3
Employee wages and benefits	38.81	39.16	37.17	38.33	39.01
Total capital	64.76	64.76	64.76	64.76	64.78
Total shareholders' equity	147.53	144.28	138.73	133.48	128.28

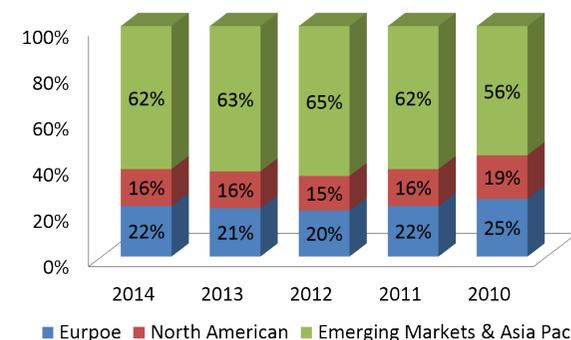
¹ In 2013, Taiwan formally adopted the International Financial Reporting Standard approved by the Financial Supervisory Commission. Hence, the 2013 data comes under the new standard.

² Computed to be NT \$ 293 million according to the new standard.

Net sales per product category



Net sales per Location

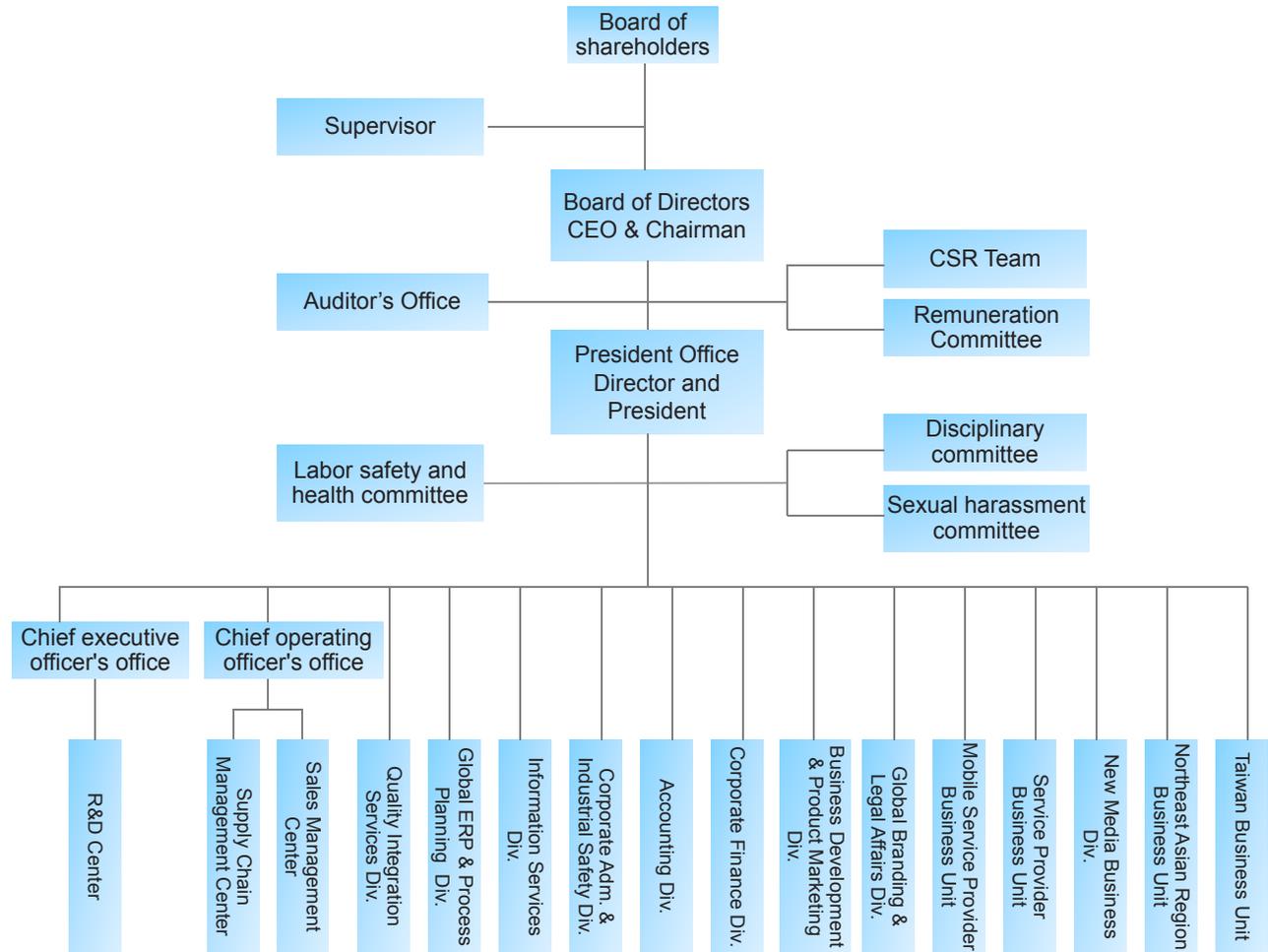


2.3 Corporate Governance

2.3.1 Management Representatives and Organization

Chairman and CEO	Roger Kao
Educational qualifications	Master's Degree in Computer Science, National Chiao Tung University
Concurrent positions	<ul style="list-style-type: none"> Chairman of D-Link Corporation Director of D-Link Systems
President	AP Chen
Educational qualifications	Master's Degree in Business Administration, National Chiao-Tung University in Taiwan
Concurrent positions	Chairman and legal representative of You Chai Investment, You Mao Investment, You Tai Investment, JiuKangInvestment, VXIS, BothHand and MiiiCasa; Director and legal representative of: Wangzi Information(Shanghai), D-Link (Shanghai) Limited Corp., Alpha Networks, Cameo Communications, Lanner Electronics Inc., IC Plus Corp., QuieTek Corp., Chi Jiu Venture Investment, D-Link Australia Pty Ltd., D-Link Canada Inc., D-Link Holding Co. Ltd., D-Link Holding Mauritius, Ltd., D-Link (Holdings)Ltd., D-Link Hong Kong Ltd., D-Link Latin-America Company Ltd., D-Link Middle-East FZCO, D-Link Shiang-Hai(Cayman) Inc., D-Link Systems, Inc., D-Link Sudamerica S.A., D-Link (UK) Ltd., D-Link (Europe) Ltd., D-Link Japan K.K., Success Stone Overseas Corp., D-Link Russia Investment Co.Ltd., D-Link Korea Ltdand MiiiCasa Holding (Cayman) Inc.; Chairman of D-Link (India) Ltd.; Director of Zerone *
Chief operating officer	Raphaie Chen
Educational qualifications	Executive Master's in Business Administration, National Chiao Tung University
Management representative for ISO9001/ISO14001	Ping Chen
Educational qualifications	Master's Degree in Computer Engineering, National Chiao Tung University, Master of Computer Engineering
OHSAS Management Representative	Josephine Hsieh
Educational qualifications	Executive Master's in Business Administration, National Chiayi University

Organizational Chart



Scope of Work for Each Department

Department	Responsibilities
Auditor' s Office	Assess the effectiveness of our company's internal control system, identify operational flaws, and provide timely recommendations for rectification.
President Office	Oversee the execution of our company's global operations, products, as well as marketing and developmental strategies, and supervise and support each department's business development.
Corporate Adm. & Industrial Safety Div.	<ol style="list-style-type: none"> 1. Provide general support to other departments, manage equipment and property, and manage labor safety and health. 2. Oversee training, recruitment, payroll management and other human resource related matters.
Corporate Finance Div.	<ol style="list-style-type: none"> 1. Facilitate communication between our company and our investors, and enhance the transparency of our financial information. 2. Analyze the performance of each department. 3. Oversee cash management, financing management, hedging, credit risk management, investment management, stocks and other financial related businesses.
Accounting Div.	<ol style="list-style-type: none"> 1. Manage the accounts and perform related tasks 2. Co-ordinate and oversee the accounts of all global branches and subsidiaries. 3. Offer a variety of timely financial and management reports for each of the decision-making units.
Global Branding & Legal Affairs Div.	<ol style="list-style-type: none"> 1. Plan and execute marketing campaigns relating to the company's brand and product image. 2. Establish global marketing plans suited to specific products and operational strategies. 3. Establish a global marketing document repository to enhance efficiency of communication between global marketing personnel, and strengthen the management of marketing resources. 4. Oversee the legal aspects of investment, technology, procurement, marketing, and debt, as well as intellectual property rights and other legal matters.
Business Development & Product Marketing Div.	<ol style="list-style-type: none"> 1. Plan and formulate strategies for the research and development of consumer products and management of related projects 2. Develop global marketing strategies for consumer products and assist subsidiaries in promoting target products in order to meet performance targets.

Department	Responsibilities
Northeast Asian Region Business Unit	Expand businesses in Northeast Asia and formulate relevant plans for strategic alliances.
Service Provider Business Unit	<ol style="list-style-type: none"> 1. Plan and formulate strategies for the research and development of broadband telecommunication products and management of related projects. 2. Develop global marketing strategies for broadband telecommunication products and assist subsidiaries in promoting target products in order to meet performance targets.
Mobile Service Provider Business Unit	<ol style="list-style-type: none"> 1. Plan and formulate strategies for the research and development of mobile telecommunication products, and manage related projects. 2. Develop global marketing strategies for mobile telecommunication products and assist subsidiaries in promoting target products in order to meet performance targets..
Sales Management Center	<ol style="list-style-type: none"> 1. Develop our company's business strategies and oversee the execution of our business strategies. 2. Support overseas subsidiary companies in business development and achieving of performance targets.
Supply Chain Management Center	<ol style="list-style-type: none"> 1. Oversee the procurement, price negotiation, delivery dates and distribution logistics of outsourced products, and other related matters. 2. Supplier management, product supply and demand management, and import and export operations. 3. Forecast and consolidate the global requirement for products and parts and manage their strategic procurement.
Global Integration Service Division	<ol style="list-style-type: none"> 1. Increase operation income by after sale products quality control and reduce quality loss cost 2. Improve customer satisfaction and increase market competitiveness through Observe the market quality evaluation to help improve the product performance 3. Internal quality information feedback and systems integration, in order to enhance the quality and improve the synergy.

Department	Responsibilities
R&D Center	<ol style="list-style-type: none"> 1. Plan and formulate R&D strategies for new products and technologies for each year. 2. Research and develop various hardware and software, integrate various technologies, and provide testing at the R&D stage. 3. Provide efficient and effective technological support for R&D of new products and technologies to solve any problems encountered. 4. Provide effective testing and analysis of software and hardware at the R&D stage of new products and technologies.
Taiwan Business Unit	Responsible for the marketing of products in the Taiwanese market and the related after-sales services.

2.3.2 Board of Directors

The Board of Directors is the highest governance unit in the company and the main decision-making center. It comprises seven directors and two supervisors. Members of the 10th Board of Directors were elected in 2014. Members of the Board of Directors include:

Position	Name	Gender	Main educational qualifications	Current positions and duties
Chairman of the board of directors	Roger Kao	Male	Master degree from the Chiao Tung University, Institute of Computer Science and Engineering; served as General Manager of the US sector, President of the Great China Sector and other positions.	Chief Executive Officer
Vice Chairman	Douglas Hsiao	Male	Graduated from the Chiao Tung University, Department of Telecommunication Engineering; served as vice chairman and CEO of D-Link Corporation, President of Alpha Networks.	Executive Director
Director	John Lee	Male	Master degree from the Taiwan University, Institute of Computer Science; served as General Manager and Chairman of D-Link Corporation, Chairman of Alpha Networks, and other positions; won the Personal Achievement Award in 1998 under the Industrial Technology Advancement Award organized by the Ministry of Economic Affairs; a member of our founding team.	President
Director	AP Chen	Male	Master degree from Chiao Tung University, Institute of Management; served as Chairman of Citibank and Bank of Boston, as well as our company's Vice President, Chief Financial Officer and other positions.	Consultant
Director	Charley Chang	Male	Graduated from the Chiao Tung University, Department of Telecommunication Engineering; MBA from Cheng Chi University; a member of our company's founding team; served as Deputy General Manager, Supervisor, Chairman, and other positions.	
Director	Zhong- He Tai	Male	Graduated from the Chiao Tung University, Department of Electrical Control Engineering; Master degree from Tamkang University, Institute of Technology & Innovation Management; co-founder of Acer Inc.; current Chairman of Richtek Technology, Xu Zhi Technology, Da Chuan, and other companies.	
Director	Mao- Song Liu	Male	Graduated from Chengchi University, Department of Finance and Tax; currently serving as Director of Finance in D-Link Technology and as Chief Financial Officer in Alpha Networks.	
Director	Shi-Guang Shao	Female	Master of Chinese Literature, Chinese Culture University; was lecturer at the Shih Hsin University, Investment supervisor of Jie Xun, and Director of Rui Hua Co.	
Supervisor	Shi-Guo Lin	Male	Graduated from the Chiao Tung University, Department of Telecommunication Engineering; currently serving as Chairman of Heli-Ocean Technology, General Manager of Han-Lin Technology, and other positions	
Supervisor	Guan-Zhen Chen	Female	MAcc from New York University; CPA (USA); held positions in Lotus Accountancy, Underwriting department of Yuanta Securities, and served in other positions.	

Note: In 2015, the following changes were made to the Board of Directors:

1. Roger Kao resigned as CEO and became the Chief Brand Officer of D-Link
2. Douglas Hsiao became CEO and President of D-Link
3. AP Chen resigned as President and became a consultant of D-Link

The main responsibilities of our Board of Directors include: appointment and discharge of management personnel, monitoring and review of business performance, debate and decision making for operational strategies or development issues raised at various operating levels within the company, and instructing and informing the operational sector of major company directives, all with the ultimate objective of maximizing profits for shareholders. Board meetings are held at least once every quarter; 7 board meetings were held in 2014, with an average attendance rate of 96.3%.

Position	Name	Attendance in Person [A]	Attendance by Proxy	Attendance Rate [A/6]
Chairman of the board of directors	Yun Wei Investments Co., Ltd. Representative: Roger Kao	7	0	100%
Vice Chairman	Douglas Hsiao	4	0	100%
Director	John Lee	7	0	100%
Director	Jiu Kang Investment Co., Ltd Representative: AP Chen	7	0	100%
Director	Zhong- He Tai	5	2	71%
Director	Alpha Networks Co., Ltd Representative : Mao- Song Liu	4	3	57%
Director	Shi-Guo Lin	4	0	100%
Director	Charley Chang (2014.06.20 abdicate)	3	0	100%
Supervisor	Jia Hua Investment Co., Ltd. Representative : Shi-Guang Shao (2014.06.20 abdicate)	3	0	100%
Supervisor	Jie Sun Investment Co., Ltd. Representative : Feng- Yun Zou	4	0	100%
Supervisor	Guan-Zhen Chen	7	0	100%

Important decisions made by the Board of Directors will be released on the MOPS website after the board meeting as a reference for investors. To facilitate communication between the Board of Directors and the operational sector, the CEO, President, Chief Financial Officer, Chief Accounting Officer, and Chief Audit Officer are required to sit in at all board meetings, while other managers, accountants, and legal advisors may be asked to sit in on a case-by-case basis.

The Board of Directors is accountable to the Board of Shareholders, and submits reports on the company's performance and dividends to the latter each year. Remuneration for the directors and supervisors is stipulated in our company's "Articles of Association". Company profits are computed at the end of each fiscal year, and after the deduction of taxes and various reserves, one percent of the balance will be paid to the directors and supervisors after validation by the Board of Shareholders, according to the stipulations of our company's "Remuneration Policy for Directors and Supervisors". Our company also schedules regular training courses for our directors and supervisors in the areas of corporate governance, securities regulations, business practices, and so forth. The 2014 training record for our directors and supervisors is listed below.

Position	Name	Organizer	Course	Date of Course	Number of sessions	Is the training compliant with requirements?
Director	Roger Kao	Securities and Futures Institute	Decree directors and supervisors to follow the obligations and legal effects of the obligation breached	2014.12.08	3	Y
Director	John Lee	Securities and Futures Institute	Directors and supervisors and cross-border tax inspection coping strategies	2014.08.18	3	Y
Director	AP Chen	Securities and Futures Institute	2014 annual equity of listed companies insider trading laws follow outreach seminars	2014.08.06	3	Y
Director	Douglas Hsiao	Securities and Futures Institute	Directors and supervisors earnings untrue legal liability and risk control - to discuss practical case for the center	2014.12.02	3	Y
Director	Zhong- He Tai	Securities and Futures Institute	M & A Research and Analysis scandal - from the point of view of corporate governance	2014.09.26	3	Y
Director	Mao- Song Liu	Securities and Futures Institute	2014 annual equity of listed companies insider trading laws follow outreach seminars	2014.07.25	3	Y
Director	Shi-Guo Lin	Securities and Futures Institute	Decree directors and supervisors to follow the obligations and legal effects of the obligation breached	2014.12.08	3	Y
Supervisor	Feng- Yun Zou	Securities and Futures Institute	Measures to halve the directors, supervisors and shareholders and dividend tax deductible and coping	2014.12.22	3	Y
Supervisor	Guan-Zhen Chen	Securities and Futures Institute	Merger and Acquisition Workshop	2014.08.08 2014.08.09	6	Y

2.3.3 Preventing Conflicts of Interest

Personal conflicts-of-interest clauses for directors are clearly listed in our company's "Rules and Procedures for Board of Directors Meetings". Should any director or his/ her relations have interests in the subject of discussion, he/she shall be present at the meeting to present his/her views and respond to any queries. The director will have to absent himself/herself when the board is debating or making decisions, and shall not exercise voting rights on behalf of other directors. Details of these measures will be recorded in the minutes of the meeting. In addition, should a director be engaged in businesses that are similar in scope with our company's businesses, for personal benefit or otherwise, the director will have to declare this to the Board of Shareholders after being elected. He/She will have to seek the shareholders' permission to lift the conflicts-of-interest restrictions and shall disclose this information on the MOPS website for investors' information. Furthermore, to safeguard our company's interests, various regulations for conflicts of interests are clearly listed in our company's code of conduct, including: non-competition; related party transactions; nepotism; investing in suppliers, customers or competitors; inappropriate benefits or gains; etc.

2.3.4 Remuneration Committee

Since 2011, our Board of Directors has appointed a Remuneration Committee to look into the regular review of policies governing performance evaluation and remuneration for directors, supervisors, and managers, as well as reward systems, salary structures, and standards. In accordance with our company's "Remuneration Committee Charter", the Remuneration Committee consists of at least 3 external professional experts who are appointed by the Board of Directors for a term equivalent to the term of service of the board. Current members include: Professor Qian Yang from the Institute of Management, Chiao Tung University; Associate Professor Shu-Fen Wang from the Institute of Finance, Chiao Tung University; and Professor Wen-Jie Wang from the School of Law, Chengchi University. Professor Yang was unanimously elected as the Chairman of the committee. As stipulated by law, two committee meetings were held in 2014, with an attendance rate of 100%.

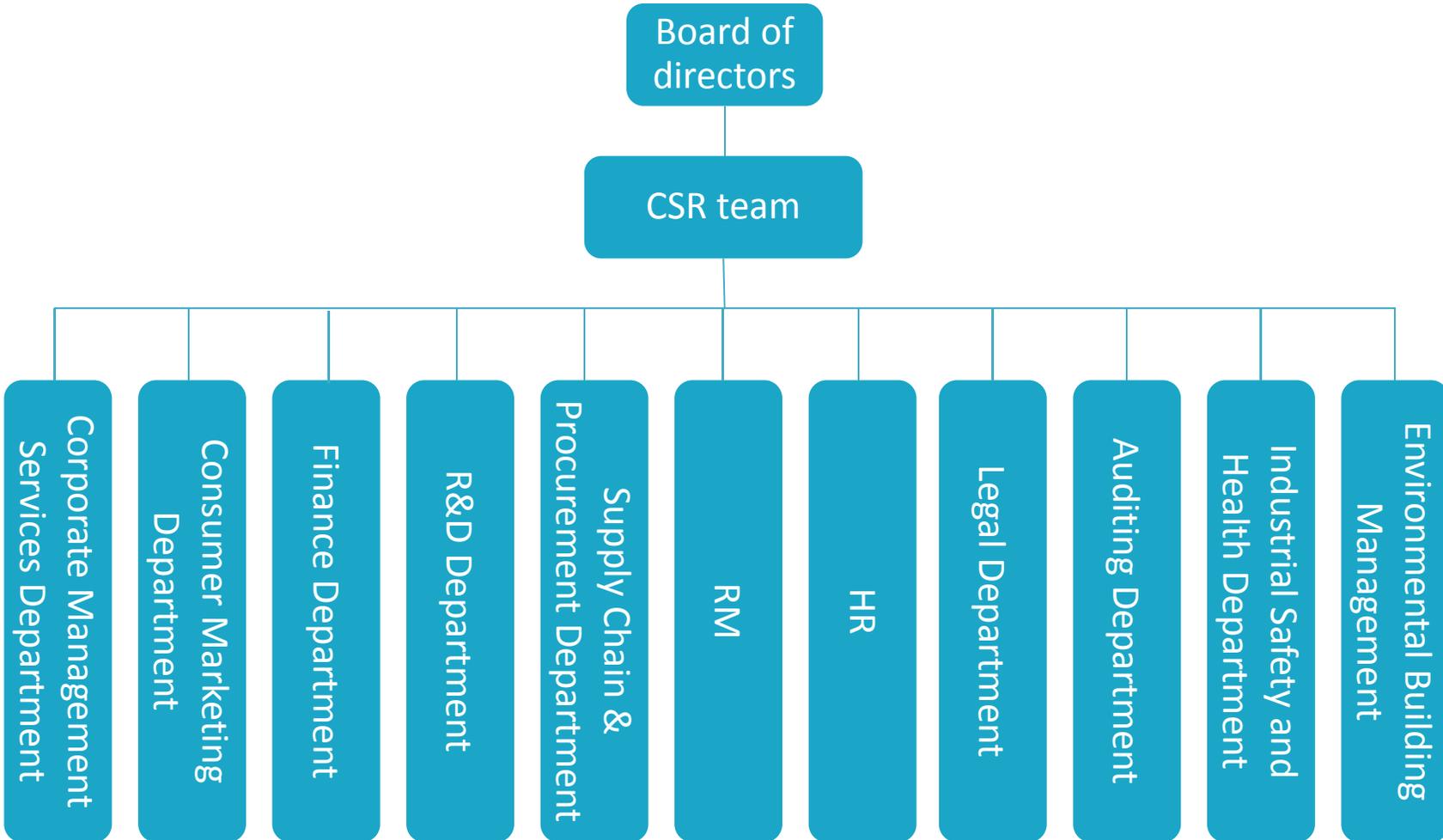
In order to strengthen corporate governance and to comply with international standards, D-Link Technology appointed a Remuneration Committee on November 10 2011, comprising three university professors. The Remuneration Committee assists the Board of Directors in evaluating the company's remuneration for directors, supervisors, and managers based on the performance of the company. The committee also formulates corporate-level strategies based on the competitiveness of the industry, the performance of the company, and market benchmarks.

The Remuneration Committee met twice in 2014.

Member	Name	Educational qualifications	Experiences
Convener	Qian Yang	PhD Computer Science, University of Washington Master of Management Science, Chiao Tung University Master of Computer Science, Chiao Tung University	Associate Professor/Professor at Institute of Management, Chiao Tung University, Assistant Professor of Electrical and Computer Engineering, US Naval Institute MIS System Analyst, Burnham Service Company (US)
Committee Member	Shu- Fen Wang	PhD Financial Management, University of Houston Master of Management Sciences, Chiao Tung University	Head/ Associate Professor of the Institute of Finance, Chiao Tung University External supervisor of Microelectronics Technology Inc. Committee member of the Chinese Association of Valuation Associate Professor of the Department of Management Sciences, Chiao Tung University
Committee Member	Wen- Jie Wang	Phd. Faculty of Law, National Chengchi University	Associate Professor/ Professor, School of Law, Chengchi University Associate Professor and director of the Science & Technology Law Institute, Chiao Tung University Visiting scholar at Harvard Law School Assistant Professor of National Chiao Tung University of Science and Technology Law Institute

2.3.5 CSR Team

Our CSR team was formed in 2008 with the approval of our Board of Directors. The CSR team is formed by managers from different departments (Administration, Marketing, Sales & Business Management, Supply Chain Management, R&D, Human Resources, Finance, and Legal).



2.3.6 Information Security

As a globalized company, D-Link's finance, accounting, and ERP are managed globally. Hence, the stability and availability of various relevant information systems is of vital importance to the company. To effectively control the risks associated with our financial system's operation, in 2014, we adopted the ISO 27001 standard to minimize risk and establish preventive measures so as to ensure that our businesses can run smoothly without disruption. The various types of information security threats as well as their respective identification processes are listed below:

1. Natural threats, such as floods, earthquakes, typhoons, lightning, etc.
2. Environmental threats, such as fire, pollution, explosions, riots, etc.
3. Human-based threats, such as illegal wiretapping, job negligence, hacking, and other activities.
4. Technical threats, such as equipment failure, program errors, network disruptions, etc.

2.3.7 Protection of Customer Privacy and Information Security in Products

D-Link's Corporate Information Security Policy

Confidentiality: Only authorized employees are allowed to access confidential information.

Integrity: Ensure the accuracy and comprehensiveness of information protection and its methods.

Availability: Ensure that relevant equipment is available to authorized users when they need to retrieve information.

Customer information and privacy are protected through the following 5 mechanisms:

1. Credential encryption is applied on external sites to ensure data security.
2. All employees are required to sign confidentiality agreements, and fulfill the responsibilities and obligations stipulated therein.
3. Our manufacturers and their employees are required to sign confidentiality agreements, and are forbidden to disclose any confidential information they had acquired in the course of their collaboration with us.
4. We periodically select our employees at random to assess their levels of confidentiality awareness.
5. We also engage the help of external consultants for ISO 27001 audits to ensure the robustness of our information security measures.

There were no complaints regarding violation of customer privacy or loss of customer data in 2014.

Information Security in Products

All of D-Link's networking products, such as routers, IP cameras, network storage devices (NAS), and so forth, have been designed with information protection features at the development stage to safeguard against abnormal data access, malicious Trojan attacks, and system vulnerabilities. We also collaborate with established third-party information security testing agencies on a long-term basis, and engage their help to perform comprehensive information security tests of specific models on an irregular basis. We will then make modifications to further improve the defense capabilities of our devices based on the results. We also keep a close watch on emerging online security breaches and hacker attacks, and update our devices and services accordingly.



2.4 Managing with Honesty and Integrity

Honesty is one of D-Link's core values and we expect all our employees to have ethical work attitudes, values, and principles, and to carry out their duties in an honest manner. D-Link's businesses can be found worldwide, and our global customer base includes local government agencies and large carriers. Not only would bribery tarnish our company's image and compromise our morale, it would also undermine our customers' trust in us. It is therefore, an area of major concern to our stakeholders.

D-Link strictly prohibits bribery of any sort, and anti-bribery regulations are clearly stated in relevant documents such as "D-Link Technology's Code of Conduct" and "Procedure for Gift Acceptance". It is also part of our company's training protocol to educate all employees on our company's stance and regulations on honesty. Annual assessment on the level of knowledge and application of relevant regulations amongst our employees is carried out through online surveys. We aim to extend this practice to all our subsidiaries around the world within the next three years. This will ensure that all our employees around the world uphold the highest standards of business ethics when engaging in commercial activities with other firms.

As of this report, there have been no instances of bribery or corruption involving any of our directors, managers, or employees. Furthermore, all our company's donations to third-party organizations are solely for charitable purposes. To ensure that donations and sponsorships are not abused as disguises for bribes, all donations are executed by specially appointed personnel and are planned by D-Link's Charity Fund and Care Club.

2.4.1 D-Link Technology's Code of Conduct

1. Our company shall comply with all applicable anti-bribery laws.
2. All employees shall be aware that bribery is punishable by law and shall not engage in illegal or inappropriate behavior involving bribery, kickbacks, inappropriate rebates, or gifts of cash or valuables with any other person in order to obtain or secure business favors related to D-Link products or services. The aforementioned "other person" shall include governments, companies, public organizations, and officials of international organizations, employees, or representatives, or any other third party. An activity is deemed illegal or inappropriate if there are reasonable grounds to believe that the act(s) of offering monetary or other benefits to a person involved in commercial decision-making process has substantially influenced the good judgment and decision of this person.

To ensure honesty and operational efficiency, all our employees are required to comply with the following:

- All employees are prohibited from receiving improper benefits from the company or from any other third party in their course of work; this extends to family members and friends of our employees.
- All employees are prohibited from offering kickbacks, bribes, and other benefits in the form of money or goods to any of our business partners in order to obtain or secure business favors related to D-Link products or services.
- All employees are prohibited from manipulating, withholding, or abusing any information obtained in their course of work, and from making untruthful declarations in important matters so as to obtain improper benefits.

2.4.2 Integrity and Honesty of Suppliers

D-Link's expectations for integrity and honesty are clearly stated in our contracts with our suppliers. It is stated in all our contracts that "In the event of any of the following, D-Link has the right to rescind or terminate the contract with immediate effect: if the Supplier attempts to offer a D-Link employee (including employees of our branch offices, subsidiaries, or affiliates) an improper benefit, including but not limited to agreements, gifts, or bribes, or has engaged in a similar activity for his/her personal or company's gain". None of our suppliers has been found to be involved in any illegal dealings in 2014.

2.4.3 D-Link Technology's "Procedure for Gift Acceptance"

The "Procedure for Gift Acceptance" is applicable to all employees, and explicitly prohibits any individual or group from improper behavior including but not limited to, the offer/receipt of bribes, unreasonable gifts, hospitality, or other improper benefits. The document also lays out the relevant response measures and disciplinary actions. Any related misconduct may be reported via the following means:

Hotline for reporting misconduct: 1444

External Line: 02-66000123*1444

E-mail address for reporting misconduct: coc@dlinkcorp.com

Chairman of the Disciplinary Committee, personal e-mail address: coc.chair@dlinkcorp.com

We accept both named and anonymous reports. Our company shall ensure confidentiality of the reported content and identity of the whistleblower.

2.4.4 Fair Competition

D-Link fully complies with all applicable laws and regulations pertaining to commercial transactions, including the Fair Trade Act, antitrust laws, and unfair competition laws. When competing for business opportunities, all of D-Link's employees are prohibited from manipulating, withholding, and abusing any information obtained in their course of work, and from making untruthful declarations in important matters in order to obtain improper benefits. Our company's policies on ensuring fair competition include:

1. As D-Link has businesses worldwide and local laws vary in scope and stringency, in the event of legal disputes, our

local branch/subsidiary shall engage the help of local legal consultants to best protect the interests of our company.

2. Should the dispute involve our headquarters, the headquarters shall collaborate with the local branch/subsidiary in dispute settlement.

As a global corporation, we adopt the good values and practices of developed countries in ensuring fair competition. In addition to pursuing corporate growth, we are committed to complying with laws and regulations governing fair competition in Taiwan and internationally as part of our social responsibility and to protect the interests of all stakeholders. Through these efforts, we hope to uphold social justice and substantive justice. To ensure that our company does not breach the principle of fair competition, we have always required our foreign subsidiaries to report any act or case involving violation of fair competition to our headquarters at the first opportunity. Our legal and other relevant departments will be notified immediately, who will then discuss, investigate, and confirm the scope of the reported incident. Should the incident be serious and require litigation, our legal team will work with the legal department of the subsidiary company in deciding whether to negotiate for settlement or to bring the matter to court. If it was determined that the incident does not involve monopolistic or anti-competitive acts, the incident will be placed at the sole discretion of the local subsidiary. We will continue to step up our efforts to ensure fair competition. Our employees at foreign subsidiaries are required to monitor and record any anti-competitive behavior on-site, and shall notify and respond to our legal staff immediately should any such instance arise. In the event of any future breach of fair competition that has an impact on D-Link's businesses, operations, or prospects, we will assess the situation appropriately and actively take steps to resolve the matter.

As of the end of 2014, there have been no reports of any such related case.

2.4.5 Disciplinary Committee

To ensure that all our employees conduct themselves with integrity and honesty, D-Link has appointed a Disciplinary Committee to oversee disciplinary matters. The chairman of the committee is appointed by the Chairman of the Board of Directors, and the committee shall comprise no less than 7 members. Members of the Disciplinary Committee are elected from the human resources, legal, audit, business, research and development, and administration departments.

Duties and Responsibilities of the committee include:

1. Reporting, receiving, gathering evidence for, investigating, and resolving any illegal matters, including reported cases and self-initiated investigations.
2. Monitoring any abnormal dealings that our procurement, technology, business, marketing, or other departments may have with our manufacturers.
3. Establishing employee reward and penalty systems, and disseminating related information.
4. Explaining legal sources, providing consultation on laws and regulations, and liaising with legal agencies.
5. Monitoring and investigating any abnormal business dealings with manufacturers.
6. Making regular and unscheduled announcements on relevant regulations and policies.
7. Liaising with relevant authorities and stakeholders.

There were no instances regarding breaches of integrity in 2014.

2.5 Customer Relations Management

The information network industry is fast-paced, highly competitive, and constantly evolving. D-Link takes pride in being continuously innovative and in providing consumers and all levels of corporate users with highly efficient network solutions. We place great emphasis on product liability and are very cautious when dealing with any compensation matter resulting from infringement of rights. We have stringent rules for the certification marks used on our product packaging; all product managers are required to ensure that the marks comply with the relevant requirements. The printed marks are examined with the highest standards, and the color, dimensions, and size of the trademarks must be accurately represented. Should any disputes or infringement issues arise in our overseas markets, our overseas offices will formally notify our subsidiary company, and the latter's business department will first examine the scope of the incident. If it is reported that the incident can be resolved through modifying our product's copywriting or packaging, the business department at our headquarters will take over and will inform the persons responsible as well as the management. In addition to reporting the matter during routine business meetings, a formal notice will also be issued to improve internal product management practices so as to prevent similar incidents. If the incident is highly disputable or involves infringement of copyrights, the relevant business department of the subsidiary will refer the matter to the legal and business departments at our headquarters immediately, which will undertake to resolve the matter in the shortest possible time.

D-Link has always regarded the needs of our customers as our top priority. We are always eager to find out and understand our customer's views and put in our best to meet our customer's expectations. In terms of business goals, we believe in building long-term relationships with our customers through sustainable development, service differentiation, and the provision of flexible and customized solutions. To enhance

customer relations, our business staff pays regular visits to our existing customers to understand the current status of stores and product sales. During these visits, we also share new product information and technological updates in the industry, and gather feedback from our customers. Our customers' feedback is invaluable in helping us improve and develop new marketing strategies. For especially important customers, on top of offering preferential prices and signing long-term contracts, we also offer after-sales warranties beyond that of average customers, and giving priority to main components purchase procedure. We also collaborate with customers who are working on similar projects on the development of new, competitive products, based on the principles of mutual trust and mutual benefit.

2.5.1 Level of Customer Satisfaction

Customer satisfaction is the force that drives D-Link's continued growth. Building upon our compliance with the "OEDC Guidelines for Multinational Enterprises", we consider our respect of our customers' interests and the provision of safe and high quality products and services as our performance standards. D-Link places great emphasis on our customers' interests. We consider customer satisfaction to be the indicator for the quality of our products and after-sales services. We always put our best foot forward to provide our customers with the best products and the fastest and most courteous after-sales services.

We conduct customer satisfaction surveys once a month, and local customer service centers submit survey responses directly to our headquarters. Our Taiwan office conducted phone interviews with customers (who had called our customer service hotline) to gather feedback on our service attitude, problem solving abilities, response efficiency, and overall service. In 2014, 960 customers were randomly selected from the 82,192

customers who called our 0800 hotline for the survey. Phone interviews were conducted by employees in the maintenance department and the consumers' responses were gathered to help us improve on our services.

	1.How satisfied are you with the speed of our response to your queries?	2. Our service attitudes?	3.Our problem solving skills?	4.Were your problems resolved in a timely manner?	5.How satisfied are you with our overall customer service?
2014	10%	30%	30%	20%	10%
Average	91.41	92.12	92.53	90.83	90.06

Procedure for Conducting Customer Satisfaction Surveys

- Preparation: Initiate the Customer Satisfaction Survey and determine the list of customers
- Create the Customer Satisfaction Survey: Determine the items, scoring criteria, and objectives of the survey
- Data Collection: Conduct survey and perform analysis of satisfaction indicators
- Review: Submit the results of the customer satisfaction survey to the department head
- Improve Our Service: If we have failed to provide satisfactory service, our technical engineers will call the concerned customer again and provide further service; if there are no shortfalls, the survey is deemed to have been completed

For our overseas branch offices, we send monthly satisfaction

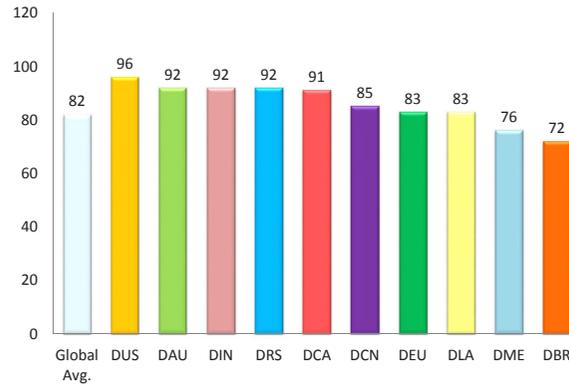
survey questionnaires to customers (who have called our service hotline) to gather feedback on their overall level of satisfaction with our services, likelihood of purchasing our products again, and likelihood of recommending our products to friends or relatives. The survey is designed with a total of 9 questions with one open-ended question. In 2014, a total of 325,952 questionnaires were sent to 10 of our branch offices and 325,458 questionnaires were successfully delivered to our customers. We received 43,632 responses, and the average rate of recovery was 13.4%.

OBU	E-mail Sent	Delivered Successfully	Failed	Response
DUS	13,327	13,327	0	13,327
DCA	10,881	10,881	0	10,881
DRS	5,730	5,370	0	5,370
DAU	4,624	4,624	0	4,624
DEU	25,677	25,644	33	2,711
DIN	58,690	58,690	0	2,601
DLA	26,215	26,215	0	26,215
DBR	13,827	13,815	12	1,187
DCN	152,025	151,961	64	1,010
DME	15,316	14,931	385	319
Total	325,952	325,458	494	43,632

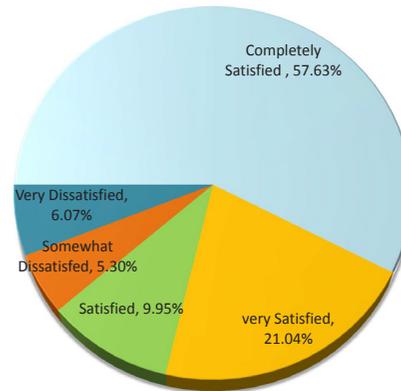
2014 TCE Questionnaire Delivery

Our branch in the United States scored 96 points and had the highest levels of service satisfaction, while the Brazilian and Middle Eastern branches were least satisfactory in this respect. Overall, 78.67% of our customers were "Completely Satisfied" or "Very Satisfied" with our services, 9.95% were "Satisfied", and 11.37% were "Somewhat Dissatisfied". Our employees in the global customer service department further analyzed the "Very Dissatisfied" responses to the survey for each region. They then communicated directly with the customer service departments of the branches to propose solutions and set new targets for improvement. Their performances in the subsequent half-year and one-year period will then be monitored and will serve as an important input to the improvement process.

2014 Surveyed Customer Satisfaction Levels



2014 Call Center Satisfaction Survey Results



2.5.2 Patent Infringements

Although production of all D-Link products is outsourced to external suppliers, all our products comply with regulations and international standards. To avoid patent infringement issues, we have adopted the following measures:

1. We have procurement contracts with all our suppliers, and we provide them with relevant production standards. The procurement contracts include clauses on resolving product-related disputes, and the suppliers' responsibilities and obligations are clearly stated in the contracts.
2. We encourage our employees to conduct independent research and development and to apply for patent rights.
3. We collaborate with internationally established manufacturers on cross-licensing.

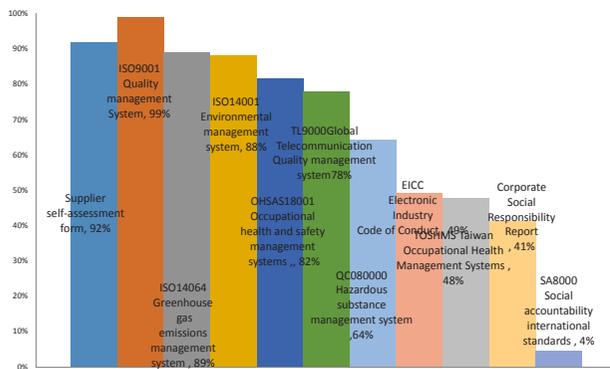
Patent litigations in 2014: 4 cases resolved, 11 cases pending resolution.

2.6 Supplier Management

2.6.1 Supplier Management

D-Link works closely with suppliers to achieve customer satisfaction. We promote commitment to corporate social responsibility among our affiliated suppliers, including commitment to procurement integrity, product safety, production environment evaluation, compliance with laws and social standards, human rights, and labor safety. Furthermore, as certain corporate management issues increase in importance, such as human rights, employee rights, and environmental safety and health, we offer preferential procurement for suppliers who meet the following conditions. The following chart shows our international supplier management system certification, analyzed based on procurement value. There were no major changes in our supply chain in 2014..

2014 International supplier management system certification - analyzed based on procurement value

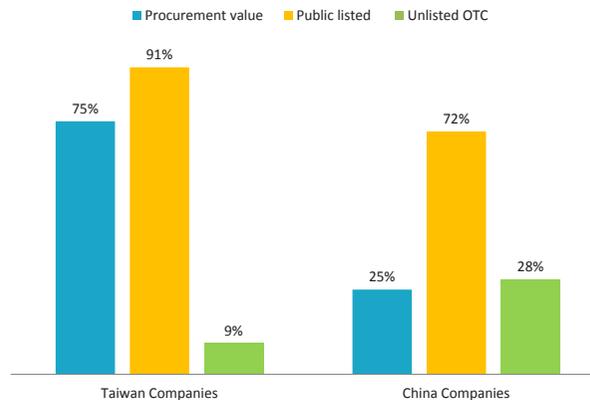


2.6.2 D-Link's Suppliers

Our suppliers are our important partners in our operations, and we work closely with them to pursue sustainable development and growth. In 2014, we were in stable working relationships with about 58 suppliers. For our procurement strategy, we are mainly leaning towards Taiwanese manufacturers. In 2014, our collaboration with Taiwanese suppliers accounted for 70% of our total procurement value. This approach offers the advantages of supply efficiency and stability of the local economy. Furthermore, publicly listed companies in Taiwan are bound by the corporate social responsibilities requirements stipulated by the Taiwan Financial Supervisory Commission.

A total of 32 audits on the quality of products received from our suppliers were conducted in 2014. This resulted in a pass rate of 53% for new suppliers, and a pass rate of 100% for existing suppliers.

2014 Procurement Value Analysis



At present, more than 80% of our suppliers have obtained the three main international management certifications. First, 99% of our suppliers have obtained the ISO9001 Quality Management System Certification. Second, 89% of our suppliers have obtained the ISO14064 Greenhouse Gases Management System Certification. Third, 88% of our suppliers have obtained the ISO14001 Environmental Management System Certification.

Summary of Product Audits in 2014			
Supplier	Passed	Failed	Total audits
Audit on products from new supplier	8	7	15
Routine audit on products from old supplier	17	0	17
Total	18	14	32

2.6.3 Potential Risks Associated with Manufacturers

Taiwan suppliers make up 79% of our procurement value and mainland China suppliers account for the remaining 21%. Dealing with suppliers from these locations involves a certain amount of social and environmental risk.

Potential risks	China	Taiwan
Potential labor risks	Requirements for its suppliers	Requirements for its suppliers
Potential environmental risks	Recycling or reuse of waste	Recycling or reuse of waste
	Reducing greenhouse gases or carbon reduction	
Potential ethic risks	Requirements for its suppliers	Requirements for its suppliers
	Business Integrity	Business Integrity
	Intellectual Property Rights	Personal information protection
	Requirements for its suppliers	Requirements for its suppliers

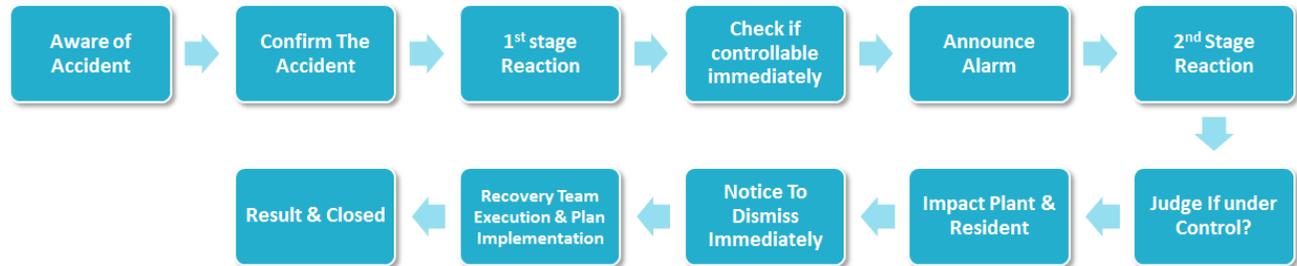
2.6.4 Supplier Management

We manage our suppliers through an integrated assessment based on their economic, environmental, and social characteristics. Through our collaborative efforts, we hope to motivate our suppliers to strive for continuous improvement and to work towards both corporate development and social responsibility targets.

We see our suppliers as our long term partners, and for this reason, we believe that collaborative relationships are only sustainable if our partners have corporate cultures that are similar to ours. We feel that competitive product quality, technology, delivery dates, and prices are required qualities for D-Link's partners. In the future, D-Link will look into developing the "Corporate Social Responsibility Standard for Suppliers of D-Link Technology" based on the principles of our global sustainability report to help us better manage our suppliers. We will mandate that our suppliers play a more active role in assuming corporate social responsibilities in the areas of ethics, labor rights, environment, health and safety, and management systems. We would like to thank all our suppliers for working with us to build a socially responsible supply chain.

Management Process

D-Link monitors our partners closely for any production risks that could potentially affect our operations and to offer our help immediately. The figure below shows our company's risk control procedure:



2.6.5 Supplier CSR Guidelines

We have always held firmly to our values of honesty in business and compliance with the law as we work with our suppliers to promote social responsibility awareness. D-Link will promote CSR-related values such as ethics, labor rights, environmental protection, and health and safety to our suppliers through the "Corporate Social Responsibility Standard for Suppliers of D-Link Technology". The document will stipulate our requirements and stringency with respect to these issues, and we will require our suppliers to develop good risk management and business sustainability plans. Together, we will work towards efficient and sustainable global business operations. In our contracts with our suppliers, in addition to our standard clauses on transaction modes and quality demands, we will insert clauses that stipulate our requirements on code of conduct.



Aspect	Business Integrity	Labor conditions	Safety and Health	Environmental Protection	Management Systems
Item	Prohibition of bribery, corruption, extortion and embezzlement.	Prohibition of forced labor, inhuman treatment, and child labor; non-discrimination. All overtime work shall comply with relevant regulations.	Compliance with labor safety and health standards. Safety and healthy working environment. Relevant education and training.	Suppliers' management of hazardous substances shall comply with national and legal standards. Compliance with relevant environmental regulations and specifications.	<ul style="list-style-type: none"> • Policies and goals • Auditing and certification

Corporate Governance and Ethics

D-Link believes in upholding the highest standards of integrity in all our commercial transactions and interactions. All forms of bribery, corruption, extortion, and embezzlement are strictly prohibited in our suppliers. All business transactions must be transparent. Our expectations on our suppliers' integrity are clearly laid out in our contracts.

D-Link takes business integrity very seriously. We have formally notified all our suppliers in writing to refrain from offering a D-Link employee (including employees of our branch offices, subsidiaries, or affiliates) an improper benefit, including but not limited to agreements, gifts, or bribes, and from engaging in a similar activity for his/her personal or company's gain. We have upload this notification letter on our procurement network platform for suppliers. There were no such instances in 2014.

We believe that in addition to fulfilling corporate social responsibilities on our part, we should extend sustainable development values to our supply chain. In order to improve green performance of the whole value chain, sustainable development capacity should be increased. Therefore, D-Link will continue to develop standards for ethics, labor, environment, and health and safety to encourage our suppliers to strive for improvements and to assume corporate social responsibilities.

Labor Conditions

We expect our suppliers to comply with international and local labor regulations when hiring employees. They must also comply with the guidelines of the ISO14001 Environmental Management Standard and OHSAS 18001 Occupational Health and Safety Management Standard, and actively create healthy and friendly work environments in which the health and safety threats faced by employees during production, operation, and disposal processes are minimized. In 2014, 88% (by procurement value) of our suppliers were awarded the ISO14001 Environmental Management System Certification, and 82% of our suppliers have been awarded the OHSAS 18001 Occupational Safety and Health Management System Certification.

For humane reasons and to comply with laws and regulations, our suppliers are strictly prohibited from using child labor and are required to comply with local labor standards, labor safety standards, and other relevant labor laws and regulations. Our requirements are clearly stated in all our contracts to ensure that our emphasis on labor issues is not compromised in any of our business regions. We expect our suppliers to demand the same from their suppliers as well.

Safety and Health/Environment

We also expect that for all our products, "The supplier shall ensure that the product and its manufacturing process comply with the RoHS Directive and with D-Link's standard for management of hazardous substances in products. The product shall not contain any toxic chemicals or other substances prohibited by international environmental regulations."

2.6.6 Results of Supplier Self-assessments

We have sent 13 of our major suppliers (which together account for 90% of our total procurement value) copies of the CSR Standard for Suppliers and the CSR Self-Assessment Questionnaire; the recovery rate for the questionnaire was 99.9%. From our suppliers' self-assessments, we found that our suppliers have fallen short in the areas of "providing regular labor health checks and providing follow-up treatment according to labor inspection regulations" under the social aspect, and in "providing training on environmental protection" under the environment aspect. The affected suppliers were required to take action to improve on their respective areas, and to submit a report within a given period of time.

As D-Link's customers are most concerned about the protection of labor rights and the environment, we have included these aspects in our self-assessment. In the future, we will progressively include other issues in our self-assessment in accordance with the EICC standard. Our current appraisals are focused on the protection of labor rights and the environment, and our suppliers were found to be inadequate in these areas. In addition to expecting the affected suppliers to take actions toward rectification, we will also offer to share our experiences on the introduction and implementation of relevant management systems with our suppliers at a suitable time.

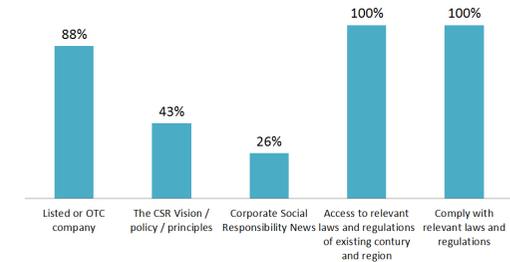
Publicly listed Taiwanese companies account for 69% of our total procurement value, and companies that are listed in Taiwan are required to comply with the CSR guidelines of the Financial Supervisory Commission. For our secondary suppliers, on top of relevant contractual obligations, we also require these suppliers to comply with D-Link's "Supplier CSR Standard". We look forward to working with our suppliers to achieve our targets for upholding good ethics, respecting labor rights and ensuring environmental sustainability.

2.6.7 Selecting New Suppliers

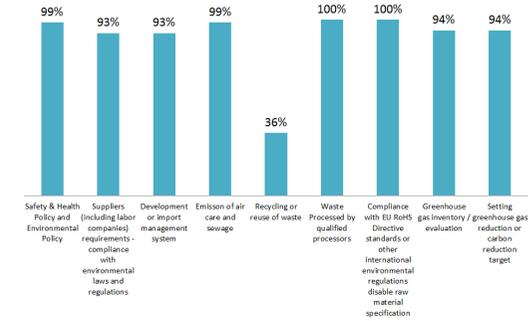
D-Link is actively involved in the management of our supply chain. When selecting new suppliers, based on our company's future product specification requirements and procurement strategies, we examine each supplier to determine if it meets our requirements in terms of its production capacity, technical capability, and quality, as well as in terms of environmental protection, sustainable development, and other management principles. Our Product Development, Supplier Audit, Procurement, Product Management, and other relevant departments will come together and perform evaluations based on the information provided by the suppliers, which includes completed survey questionnaires, the Supplier Self-Assessment, the Vendor Communication Survey, the supplier's international quality certifications, and other data. Our evaluation team will then decide if this is to be followed with an on-site evaluation or written evaluation. We will review and verify the supplier's basic corporate information, products, major customers and financial status, procurement obligations, and other related responsibilities and obligations, and also investigate its hazardous substances control procedures, social responsibility management, labor and environmental health, and safety management. Furthermore, anti-bribery provisions will be included in the contracts to prohibit the offer/acceptance of improper benefits, so as to ensure the transparency and legality of all transactions.



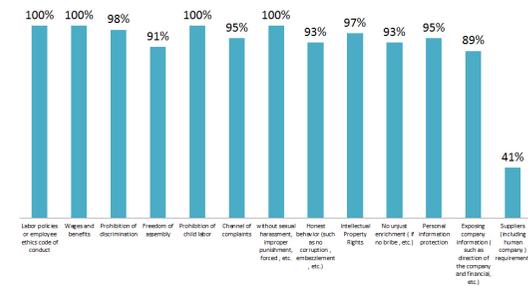
Supplier company governance self-assessment ratio - based on procurement value

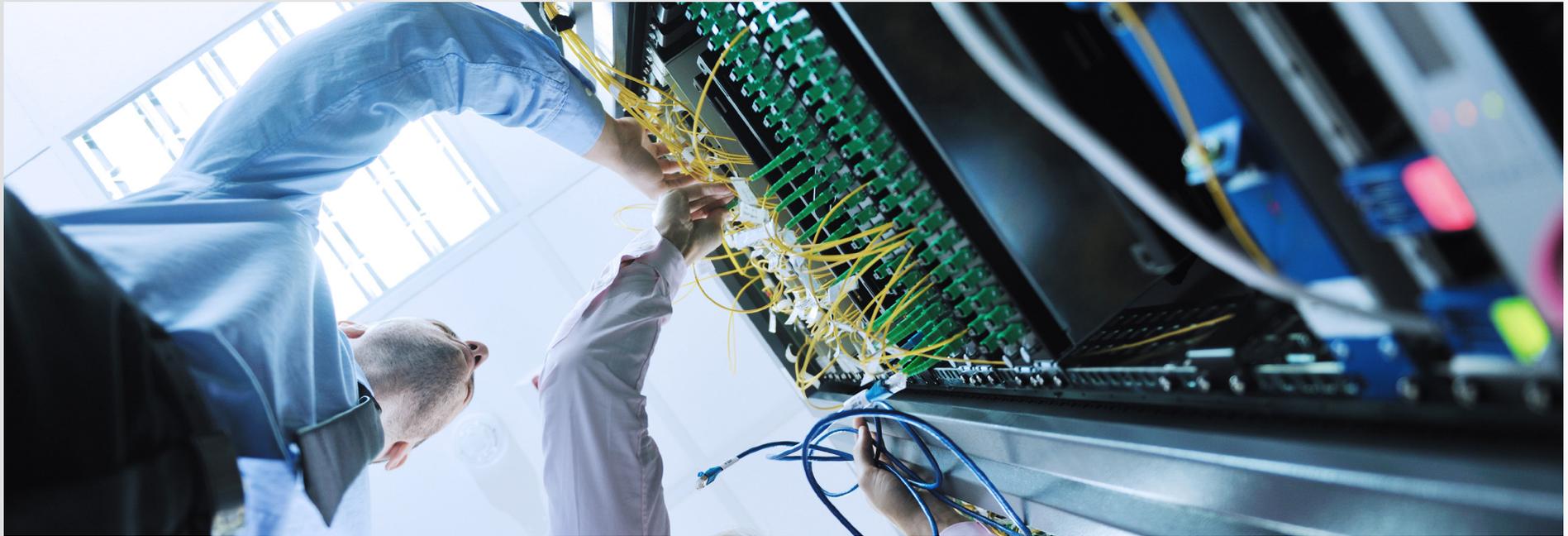


Supplier environmental self-assessment ratio - based on procurement value



Supplier labor rights and ethics self-assessment - based on procurement value





3 Green Products

3.1 Sustainable Product Management

3.2 Hazardous Substance Management

3.3 Conflict Minerals

3.1 Sustainable Product Management

3.1.1 Strategies and Milestones in Product Sustainability

The development of green products is crucial in ensuring corporate sustainable development. To keep ourselves at the forefront of our industry and to keep up to date with relevant environmental protection efforts and laws, we need to develop long-term and sustainable production plans for green products. As a supplier of home and business network solutions, D-Link has four major product lines: wireless equipment and routers; Ethernet and information security products; digital home products; and broadband and mobile communication products. We are committed to developing solution-oriented products that not only improve the quality of life, but also protect the environment.

D-Link leads the industry in developing innovative, energy-saving technology that does not compromise operating performance or functionality. The criteria and objectives of such technology are:

- Innovative; uses environmentally friendly materials; has environmentally friendly functions
- Reduces energy consumption and heat generated
- Extends product life
- Reduces operating costs
- Complies with the requirements of relevant environmental laws and regulations in all regions

3.1.2 D-Link Green Product Certification Program

To stay ahead of the growing global trend in environmental protection, D-Link began to plan the design of green products in 2005, and introduced the "D-Link Green Internal Product Certification Program" in 2007 to actively promote the development and design of green products. We are constantly improving our environmental protection standards for green products, and are working on the research and development of innovative, energy-saving functions and green packaging in compliance with environmental directives to satisfy the needs of our customers. To be certified as "D-Link Green", a product must meet the requirements of specific standards, including:

- Green Technology: The product must be designed with energy-saving technology that is specific to its type.
- Green Regulations: The product itself must comply with international and local environmental laws and regulations, such as WEEE, RoHS, ENERGY STAR, and ErP/REACH.
- Green Packaging: The product must use environmentally friendly packaging materials, and the use and volume of packaging materials should be reduced to minimize energy consumption during transportation.

Greenhouse gas reduction

On top of our ongoing efforts in reducing carbon dioxide emission by reducing energy consumption, we also self-funded a Carbon Disclosure Project that investigated the amount of greenhouse gases emitted by our suppliers in their production processes. In response to global trends in green products and green economy, and to fulfill our corporate responsibility, we see conducting carbon disclosures in our company and our supply chain as merely the first step in our long-term plan. Thereafter, we will look into incorporating carbon emission reduction criteria into our Green Supplier Audits so as to lay the foundation for future plans for emission reduction. D-Link's 5-port (DGS-1005D) and 8-port (DGS-1008D) desktop Ethernet switches have been awarded ISO/CD14067-1:2010 and PAS 2050:2008 certificates. We have plans to proceed with carbon disclosure for other products in accordance with PAS2050:2011.



Green Technology

D-Link Green products use special energy-saving features that detect a port's connected status and attached cable length and adjusts power usage accordingly. The following data is calculated based on the DGS-1005D:

- With D-Link Green technology, when a switch port is not connected to a device, or when the connected device to it has been turned off, the port will enter "Sleep Mode" and its energy consumption is drastically reduced compared to when it is in normal operation. Power usage is also reduced during periods of low data traffic, when there might be high idle times.
- When the connected computer is turned off, D-Link Green Technology can reduce power consumption by up to 78%.
- When the connected computer is turned off, D-Link Green Technology can reduce power consumption by up to 86%.
- D-Link Green technology automatically detects the length of Ethernet cable used for connected devices, and can adjust and optimize power usage accordingly, reducing power consumption. Cables for everyday use are generally around 3 meters in length. The switch will only use the amount of power required for this length, instead of the full power that was originally specified for 100-meter cables.
- If the cable length is 3 meters, a switch with D-Link Green technology can save up to 64% in power usage.
- Routers with D-Link Green Technology allow the customization of the period using which Wi-Fi is enabled, according to specific user needs.
- Routers with D-Link Green Technology come with the SharePort® feature that allows users to access a network printer, without having to turn on the host computer.
- Storage enclosures with D-Link Green Technology can automatically control their fans to provide cooling according to the detected temperature; the fans will hibernate when the hard drives are not in use.

- PowerLine adapters with D-Link Green Technology make use of existing home cabling and turn off automatically when data is not being transmitted.



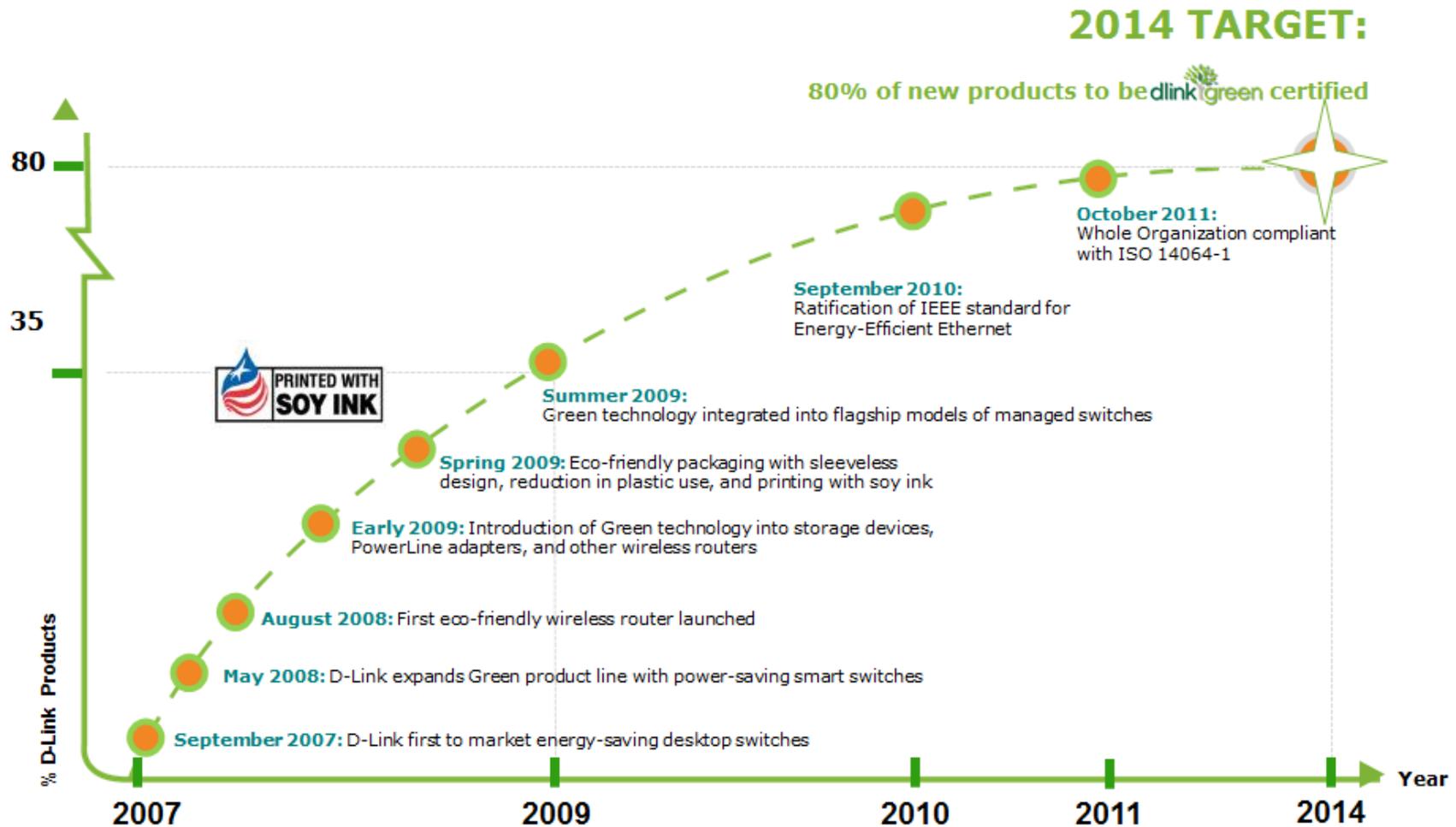
In general, all new versions of consumer products use 30% (by weight) less packaging material than their predecessors.

Green Packaging

D-Link Green adopts a green approach to packaging: using environmentally friendly packaging materials without compromising aesthetics or quality.

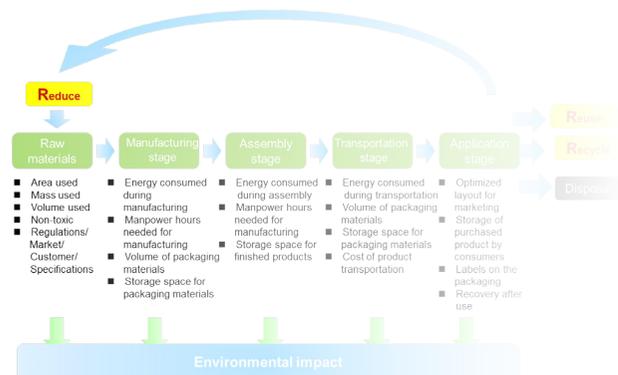
1. Recyclable packaging materials
 - Internal paper trays are made from recovered paper pulp that can be processed for reuse.
 - Cartons and instruction manuals are made from a mixture of virgin pulp and recovered pulp, hence satisfying both texture and environmental protection requirements.
 - Printing is done in nontoxic soy ink.
2. Minimizing and fully-utilizing packaging materials
 - The specifications for Quick Installation Guides (QIG) have been changed to use 80-pound wood-free paper and monochrome printing.
 - Implementation of a new packaging concept that reduces the use of inner white boxes.
3. Reductions in packaging material also increases transportation efficiency
 - The load capacity of each cargo pallet is increased.
4. Reduce excess material
 - Reduced plastic usage and avoiding packing items individually; individual products can be placed into large cartons for transportation.

D-Link Green Milestones



3.1.3 Product Life Cycle Assessment

Every D-Link product is assessed at each stage of its life cycle. From early product and function design, to intermediary production and packaging, and to final disposal and recovery, D-Link expects every stage of a product's life cycle to comply with environmental standards and regulations on energy conservation, as well as with policies governing energy efficiency and waste reduction.



3.2 Hazardous Substance Management

3.2.1 Ecological Designs

The European Union implemented the Waste Electrical and Electronic Equipment Directive (WEEE) in August 2005, followed by the Restriction of Hazardous Substances Directive (RoHS) in July 2006. Our design and development personnel are adept in designing ecological products that comply with the EU EuP Directive, RoHS Directive, WEEE Directive, and REACH Directive, and this has helped us respond quickly to the rising trend in green design. At the same time, we developed various eco-

design standards to help our business and project development departments and our customers better understand green specifications. With these standards, our R&D employees can better assess each stage of a product's life cycle. D-Link earned the environmental protection labels that are important to our customers, showing our reduced impact on the environment. All these demonstrate that D-Link's Green management system is able to adapt quickly to changes in global environmental protection standards, and our responses were quick and flexible. D-Link began to promote the dlinkgreen™ certification program for low-carbon products in 2008, and has consistently worked towards reducing the content of hazardous substances in our products, increasing the ratio of recyclable products, and developing low energy consumption products. These efforts have earned the recognition of our customers time and again.

As we do not use any toxic substances in our production processes, we have no toxic waste generation, transportation, or spillage problems. In the past few years, 2013 included, there were no instances of environmental protection law violations, nor have any related sanctions or administrative penalties been imposed on us.

Managing Standard	Objectives	Eco-design direction
Management of Hazardous Substances (RoHS, REACH)	<ul style="list-style-type: none"> Low pollution Non-toxic 	<ul style="list-style-type: none"> Gradually reduce the use of bromine-based flame retardants Reduce the use of PVC plastic materials Choosing halogen-free materials
Waste Recycling Management (WEEE)	<ul style="list-style-type: none"> Recyclable Easy to dismantle Easy to treat 	<ul style="list-style-type: none"> Reduce the number of steps and tools required for dismantlement Reinforce the use of recycling labels for plastic materials Simplify the complexity of product designs in order to increase the rate of waste recovery and recycling
Energy management (ErP)	<ul style="list-style-type: none"> Energy conservation Resource conservation Reduce impact 	<ul style="list-style-type: none"> Reduce energy consumed by products during both operation and standby Enhance energy conversion efficiency of EPS Incorporate power saving modes in products

We use RoHS Chemical Analysis Reports and test reports from third-party chemical laboratories to validate the content and proportion of controlled substances in our products. Scheduled and unscheduled samplings are conducted to help us monitor and validate the Incoming Quality Control (IQC) data and manufacturing inspection data provided by our manufacturers. We will then provide feedback on the effectiveness of their detection standards.

RoHS Chemical Analysis Report on Hazardous Substances

SGS TEST REPORT

REPORT NO. KA2005/70977
DATE: 2005/07/26
PAGE: 1 OF 1

THE FOLLOWING MERCHANDISE WAS(WERE) SUBMITTED AND IDENTIFIED BY THE CLIENT AS :

CLIENT : YAGEO CORPORATION,
: 3F, 233-1, PAO CHIAO RD., HSIN TIEN, TAIPEI, TAIWAN.

PRODUCT DESCRIPTION : THICK FILM CHIP RESISTOR,
STYLE/ITEM NO. : RC0603 SERIES(LEAD FREE)

SAMPLE : AS ATTACHED PHOTO.

TESTING DATE : 2005/07/19 TO 2005/08/01

SAMPLE RECEIVED : 2005/07/15.

WE HAVE TESTED THE SAMPLE(S) SUBMITTED AS REQUESTED AND THE FOLLOWING RESULTS WERE OBTAINED.

TEST ITEM(S)	UNIT	METHOD	DET. LMT	RESULT
SILVER	ppm	ANALYSIS BY ICP-AES WITH ADVANCE TREATMENT US EPA 3052	2	10700
ARSENIC	ppm	ANALYSIS BY ICP-AES WITH ADVANCE TREATMENT US EPA 3052	2	n.d.
BISMUTH	ppm	ANALYSIS BY ICP-AES WITH ADVANCE TREATMENT US EPA 3052	2	5350
COBALT	ppm	ANALYSIS BY ICP-AES WITH ADVANCE TREATMENT US EPA 3050B	2	28.9
CHROMIUM	ppm	ANALYSIS BY ICP-AES WITH ADVANCE TREATMENT US EPA 3050B	2	78.7
COPPER	ppm	ANALYSIS BY ICP-AES WITH ADVANCE TREATMENT US EPA 3050B	2	81.4
NICKEL	ppm	ANALYSIS BY ICP-AES WITH ADVANCE TREATMENT US EPA 3050B	2	46300
PALLADIUM	ppm	ANALYSIS BY ICP-AES WITH ADVANCE TREATMENT US EPA 3052	5	105
ANTIMONY	ppm	ANALYSIS BY ICP-AES WITH ADVANCE TREATMENT US EPA 3050B	2	n.d.
TIN	ppm	ANALYSIS BY ICP-AES WITH ADVANCE TREATMENT US EPA 3050B	2	18900

NOTE : n.d. = not detected.

<END>

K. Tsai
Kunlin Tsai / Senior Chemist

3.2.2 Product Information and Labeling

D-Link is committed to providing high-quality network solutions for consumers and corporate users worldwide. In addition to ensuring that our products comply with the quality and safety standards of each country, such as the US Federal Communications Commission (FCC) certification, European Union's CE certification, Canadian Standards Association (CSA) certification, and Taiwan NCC certification, we also actively develop products with reduced energy consumption and have earned Energy Star and RoHS certifications. Moving forward, we will continue to develop products that use D-Link Green technology as part of our environmental efforts

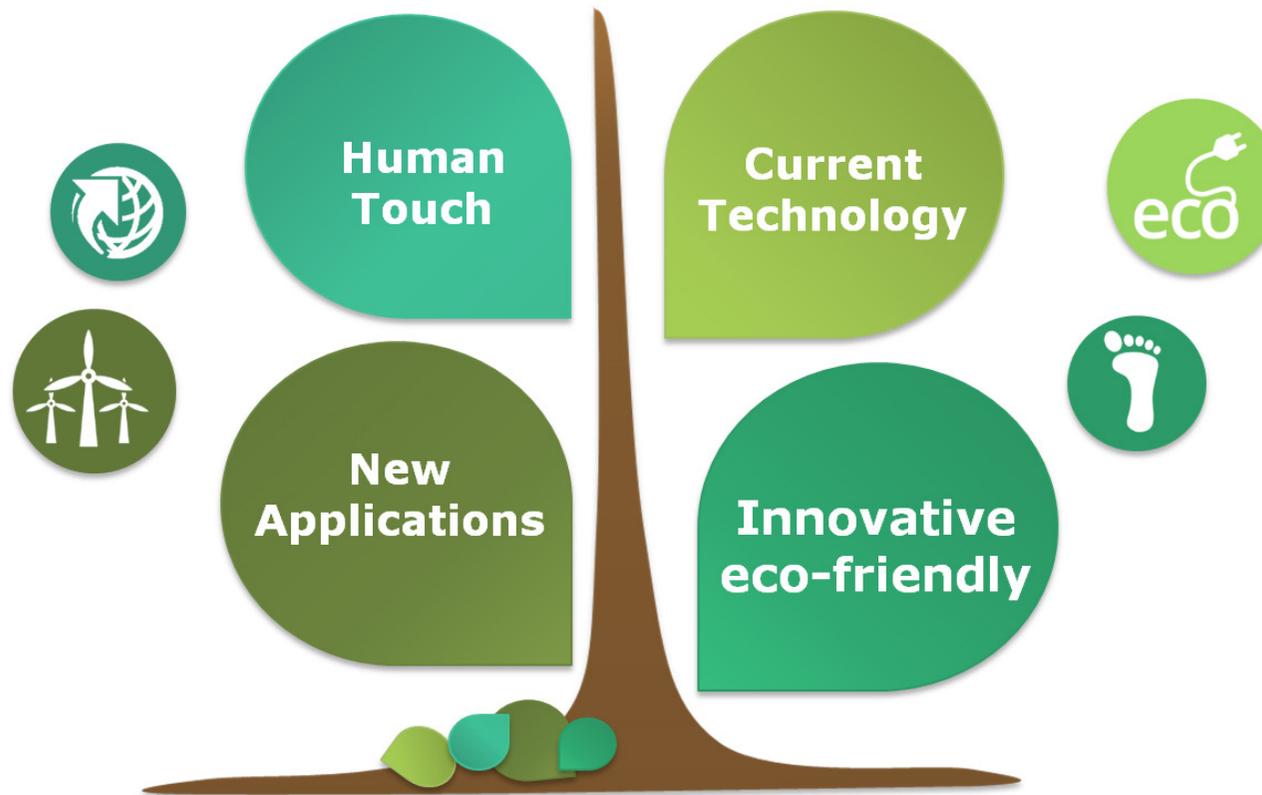
- Compared to other similar products in the market, D-Link Green technology enables energy consumption to be cut by up to 80%.
- In Europe, our service center recovered 90% of locally disposed products.
- To protect both our users and the environment, we do not use any hazardous materials; all our products are fully compliant with the European RoHS standard.
- We are committed to recycling, and are compliant with the recycling directives in each region, such as the European WEEE Directive. Additionally, we provide product recycling-related information specific to each region to help consumers recycle.
- We are the first networking company to become a registered Energy Star partner, and actively work to reduce greenhouse gas emissions in all our offices worldwide. We also take steps to ensure that our power adapters comply strictly with energy efficiency requirements.

<p>TÜV STAR (2007)</p> 	<p>In November 2007, D-Link was awarded a five-star TÜV Rheinland STAR* rating. The TÜV Rheinland STAR* scheme rates a product based on its Sustainability, Trustworthiness, Accountability and Responsibility (abbreviated as STAR). This achievement shows that D-Link is able to adequately address public concerns with respect to both internal and external environments.</p>
<p>ISO 14001 (2006)</p> 	<p>D-Link implemented the following environmental quality strategies and obtained ISO 14001 certification in November 2006:</p> <ul style="list-style-type: none"> • Reduce the impact of our products on the environment • Promote green products • Energy conservation and protection of resources • Prevent environmental pollution • Protect the health and safety of our employees
<p>ISO 9001 (2004)</p> 	<p>D-Link was awarded ISO 9001 certification in November 2004, showing that D-Link has established and is maintaining a set of effective production quality systems. This certification lays out the general requirements for product quality, and has become an international indicator of product quality. Based on relevant guidelines in this document, D-Link has developed quality strategies that emphasize high quality and excellence in products and customer satisfaction.</p>
<p>RoHS</p> 	<p>We collaborate with our suppliers to ensure compliance with the EU Restriction of Hazardous Substances (RoHS) standard in our electrical and electronic equipment. Since January 2006, the RoHS expressly prohibits the import of electronic equipment containing any hazardous substance specified by the EU. D-Link met this requirement even before the implementation of this RoHS directive. The security and integrity of our products is the key to our relationship with our customers. Certain chemicals and substances have been labeled "hazardous" due to government, industry, and user concerns. The EU specifically identified the following substances, which are found in some electronic products, as hazardous: hexavalent chromium (Cr + 6), cadmium (Cd), lead (Pb), mercury (Hg), and Polybrominated Diphenyl (PBB). As soon as D-Link learned that these substances were identified, we took steps to assure our end-users that our products are safe.</p>
<p>REACH</p> 	<p>REACH is a European Community Regulation on chemicals and their safe use (EC 1907/2006). It deals with the Registration, Evaluation, Authorization, and Restriction of Chemical substances. The most recent regulation came into effect on June 1, 2007. REACH aims to improve the protection of human health and the environment through improved, early identification of the intrinsic properties of chemical substances. At the same time, REACH aims to enhance innovation and competitiveness of the EU chemicals industry. The benefits of the REACH system will come gradually, as more and more substances are phased into REACH.</p>
<p>ENERGY STAR</p> 	<p>As part of our D-Link Green strategy, we are an ENERGY STAR® partner for end-user products incorporating single voltage and external AC-DC or AC-AC power supplies. ENERGY STAR is a collaborative project between the US Environmental Protection Agency and the US Department of Energy that aims to develop and promote the use of energy-efficient products, and thus help consumers save money and protect the environment.</p>
<p>Soy Ink</p> 	<p>Use of the American Soy Bean Association's Soy Ink Seal certifies that D-Link recognizes its value as a renewable resource and an alternative to petroleum-based inks.</p>
<p>Energy-related Products (ErP)</p> 	<p>D-Link employs the EN 62075 environmental checklist as a reference to guide our designers through the various aspects of a product's life cycle, including material efficiency, energy efficiency, consumables and batteries, emissions, product life span, end-of-life processing, hazardous substances and protection, and packaging. This is to ensure that D-Link products have satisfied financial viability and environmental protection criteria under the scope of the ErP (EuP) directive.</p>

3.3 Conflict Minerals

The controversy surrounding the production of precious metal ores has become a global concern. Precious metals include gold (Au), tantalum (Ta), tin (Sn), and tungsten (W), which are used in the production of electronic devices. D-Link fully supports the Dodd-Frank Wall Street Reform and Consumer Protection Act (H.R. 4173) and agrees not to use any conflict mineral or primary ore that is mined from the Democratic Republic of Congo (DRC) or other nearby African countries.

To ensure that the gold (Au), tantalum (Ta), tin (Sn), tungsten (W) and other similar metals used in our products have not been mined from sources involved in the conflict in the DRC, our suppliers are asked to avoid the use of conflict minerals and to comply with our "Conflict Minerals Procurement Policy". Our suppliers also have to sign the "Conflict Mineral-Free Guarantee" and the "Reasonable Country of Origin Inquiry Form". We conducted a survey on our Level 1 suppliers with the Reasonable Country of Origin Inquiry form developed by the Electronic Industry Citizenship Coalition (EICC) to understand the source of their metals. 92.16% of the surveyed suppliers signed and returned the "Conflict Mineral-Free Guarantee" document and 90.02% responded to the Reasonable Country of Origin Inquiry. Results indicated that the smelting mines in our supply chain do not belong to any country involved in the conflict. With our actions, D-Link has actively avoided exerting any impact or influence on the situation.





4 Commitment to the Environment

- 4.1 Environmental Protection Strategies
- 4.2 Environmental Expenditures
- 4.3 Greenhouse Gas Emissions
- 4.4 Energy Consumption and Waste Discharge

4.1 Environmental Protection Strategies

As the world's leading brand in consumer networking products, we believe that it is our duty to protect the environment, and we are committed to the development of green products, environmental protection, energy conservation, and recycling and re-use. Over the years, to fulfill our responsibility as a global citizen, we have continuously incorporated environmental protection measures in our routine operations. Our action plan includes reducing paper usage through more electronic-based operations; reducing waste generation by not providing trash bins at each cubicle, and performing trash sorting and recycling; conserving water by replacing all our taps with water-saving models; conserving electricity by replacing lighting at public and underground parking areas with energy-saving LED lights, stopping the operation of some elevators during off-peak hours, putting the drinking fountains on standby during holidays, and through other measures; reducing the use of disposable items by providing reusable utensils at the staff canteen instead of disposable ones, providing a discount of NT \$10 for using personal cups at the cafe, and other practices. In addition, we also introduced the ISO 14001 environmental management system and obtained certification. We are continually working towards our goal of conserving the environment and protecting the Earth through regular reviews by external agencies and good internal management practices.

As of 2014, we have not been fined or issued any order for improvement by local environmental protection authorities.

4.2 Environmental Expenditures

D-Link's investments in environmental protection in 2013 are as follows:

Environmental expenditure item	Expenditure details	Expenditure (NTD)
Business operating cost	Cost of pollution control: for water pollution prevention/prevention of other forms of pollution	4,895,545
	Cost of resource recovery and recycling: for general waste recovery/waste reduction/cleaning outsource/saving energy	157,311
	Environmental cost: for prevention of global warming	371,320
Environmental management cost	Environmental education and training fees/license fees/environmental monitoring cost/activity costs/cost of environmental management system	131,575



4.3 Greenhouse Gas Emissions

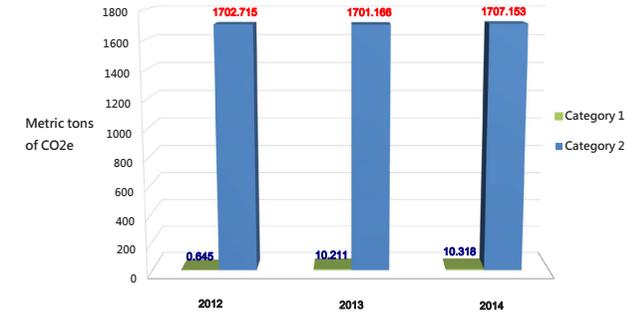
D-Link has undergone the ISO 14064-1 Greenhouse Gas Audit since 2008, and engages third-party agencies to conduct the audit as an effort to raise auditing standards. The greenhouse gas audit system adopts an emission controlling mechanism. Currently, audits are conducted for direct (Category 1) and indirect (Scope 2) emissions. We are unable to conduct audits for emission sources (Category 3) as this falls under the ownership or management of other companies.

In 2014, our main contribution to greenhouse gas emission is through the use of purchased electricity, i.e. indirect emission under Scope 2. Greenhouse gas emission in this category amounted to 1708.081 tons of CO₂e, accounting for 99.399% of the total emissions of our company. This is followed by direct emissions under Scope 1, including the generation of per fluorinated compounds (PFCs) from the use of appliances (such as drinking fountains, refrigerators, air conditioners, etc.), emissions from fuel combustion during the use of equipment such as emergency generators, and direct CO₂ emissions from the use of equipment (such as CO₂ fire extinguishers, etc.) and other sources. Greenhouse gas emissions in this category amounts to 10.211 tons of CO₂e, accounting for 0.601% of our total emission. In 2014, D-Link's total greenhouse gas emissions from Scope 1 and Scope 2 totaled up to be about 1717.471 tons. The audit was conducted on D-Link's operational headquarters in the Taipei Neihu Technology Park (2014 greenhouse gas emissions results are awaiting verification by a third-party agency).

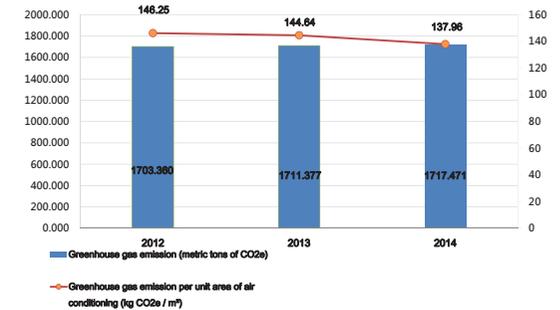
D-Link's total greenhouse gas emissions in 2014 exceeded those in 2013. This was mainly due to increases in office space and workforce. The rise in use of purchased electricity under Scope 2 was the factor that led to elevated greenhouse gas emission levels.

Total greenhouse gas emissions

Greenhouse Gas Emissions by Category



Greenhouse Gas Emission



Year	Greenhouse gas emission(kgCO ₂ e/m ²)
2014	137.96
2013	144.64
Comparison	Reduced by 1.10%

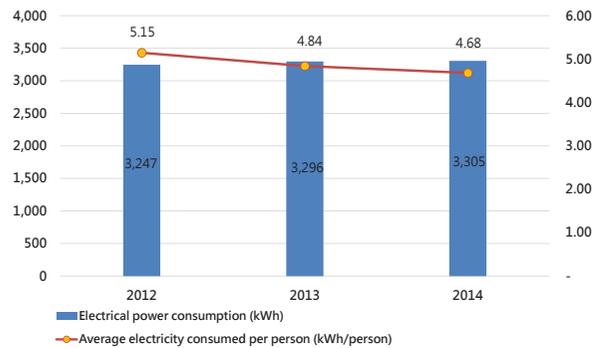
4.4 Energy Consumption and Waste Discharge

Managing energy consumption and waste discharge has been always been the focus of D-Link's environmental protection work, and it includes the management of electricity, water, effluent, and solid waste, as presented in this report. In 2014, despite the rise in air-conditioning power consumption and total waste discharged due to an increase in office space and manpower, under the combined effort of all our employees, the average power consumption per capita and waste generated per capita in 2014 were less than that in the previous year.

4.4.1 Power Consumption

Electricity is D-Link's main source of energy. To reduce energy consumption, we implemented a number of energy-saving measures in 2014, including adjustments to the air conditioning system's cold water discharge temperature and the ambient room temperature. Compared with 2013, the average electricity consumption per capita in 2014 fell by 3.29%.

Electrical Power Consumption

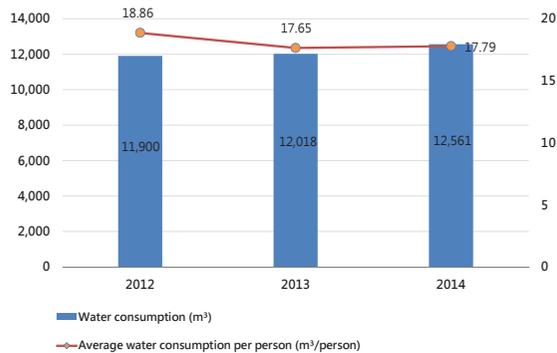


Year	Water consumption (m3/person)
2014	4.68
2013	4.84
Comparison	Reduced by 3.29%

4.4.2 Water Consumption

In 2014, D-Link headquarters used a total of 12,561 cubic meters of water, mostly through daily activities and air conditioning. On top of promoting water-saving practices amongst our employees from time to time, we also participated in various water conservation seminars and trainings, and introduced various energy-efficient technologies to facilitate water conservation. Compared with 2013, the average water consumption per capita in 2014 rose by 0.82%. This was mainly due to increases in office space and workforce.

Water Consumption

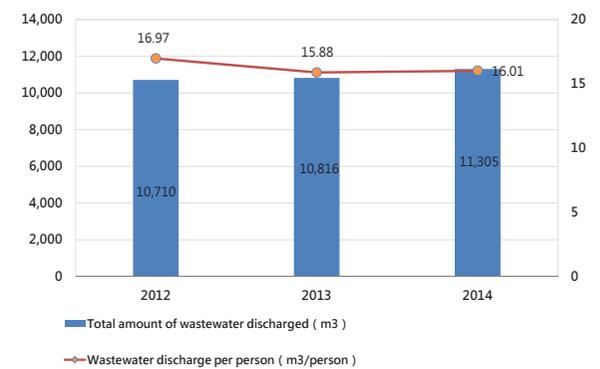


Year	Water consumption (m3/person)
2014	17.79
2013	17.65
Comparison	Reduced by 0.82 %

4.4.3 Reduction in Effluent Discharge

At our headquarters, aside from the rainwater collected in external rain gutters, most of our effluent is discharged into the underground sewers of the Taipei City domestic sewage system and directed to a wastewater treatment plant to be treated. Our annual effluent discharge volume is estimated to be around 90% of our annual water consumption. In 2014, our headquarters discharged a total of 11,305 cubic meters of effluent. Compared with 2013, the average effluent discharge per capita in 2014 rose by 0.82%. This was mainly due to increases in office space and workforce.

Wastewater discharge trend

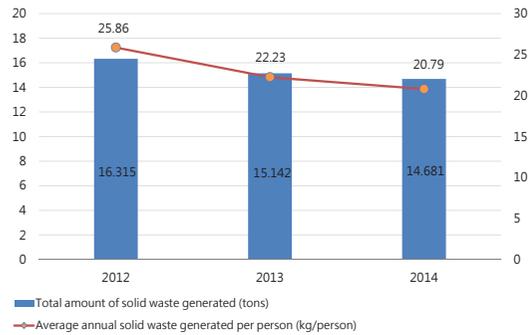


Year	Amount of effluent discharged (m³/person)
2014	16.01
2013	15.88
Comparison	Reduced by 0.82%

4.4.4 Solid Waste

Solid waste generated at our operational headquarters is general domestic waste; no industrial waste is produced. This waste is disposed of according to relevant regulations by authorized disposal companies, and sent to authorized incineration plants to be processed. In order to reduce the impact of solid waste on the environment, we regularly promote presorting and recycling practices amongst our employees. Compared with 2013, the average waste generation per capita in 2013 fell by 0.93%.

Solid Waste Disposal



Year	Waste generated (m3/person)
2014	20.79
2013	22.23
Comparison	Reduced by 6.93%



5 Labor and Safety

5.1 Overview of our Human Resources

5.2 Employee Welfare

5.3 Labor Policy

5.4 Safety and Health at Work

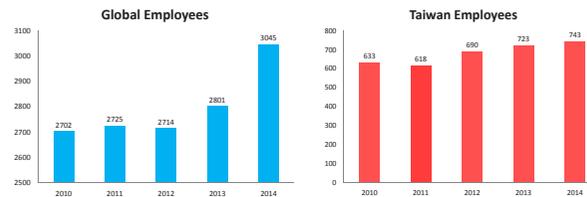
5.5 Training and Education

5.1 Overview of our Human Resources

D-Link believes in "building networks for people", and "people" has always been our key focus. As a member of society, we believe that our employees are the very foundation of corporate value and corporate sustainable development. We have always believed in treating our employees with friendliness, openness, and equality, and are committed to creating safe and secure workplaces and working environments that respect harmony in diversity and gender equality, so that our employees are free from any form of bias. We value employee development and provide training specific to each employee's position and career development needs; we hope to develop each employee to their full potential based on their areas of strength. D-Link is well aware that a company's wellbeing is tied to its employees. We believe that only by promoting mutual understanding between the company and its employees through good capital-labor relations management practices can the company and its employees work together towards mutual benefit. For the senior and highly-experienced employees who have contributed tirelessly to our company, we provide them with preferential retirement plans, in compliance with relevant laws and regulations, to express our care and concern for our long term employees.

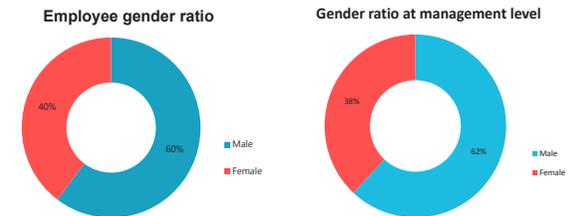
5.1.1 Stable Growth in Workforce

Since 2009, in line with our global development strategies, our employee strength has grown by approximately 10%, and currently stands at 3,045 people. In Taiwan, to cater to the development of 4S products and cloud application services, we have gradually increased the number of research staff working on the design and development of relevant cloud platforms and related application software. Our current employee strength is growing at a rate of 17% and stands at 743, of which 5% are definite-contract and outsourced employees (limited to cleaning and security personnel) and over 95% are indefinite-contract employees. For recruitment, the Manpower Department of the Taiwan region will first prepare an annual manpower plan, and after assessment of the plan during the annual manpower budget meeting, a formal application for manpower based on actual needs will be submitted to the Human Resources Department. Information on the available job openings will then be disseminated through local recruitment channels. All recruitment procedures are in compliance with relevant local regulations and standards, and we adopt a fair and equitable approach when scouting for talent. D-Link believes in meritocracy and developing our employees based on their individual talents. We have a long-term interest in helping the following groups of people, and offer them priority in employment, where their qualifications and professional experiences fulfill the required criteria: people with mental or physical impairments, indigenous groups, women who are the main breadwinners for their families, families on social assistance, and other comparatively disadvantaged groups.



5.1.2 Balanced Development of our Manpower Structure

To attain our strategic goals in business, we are currently building up our strength in software for products and cloud services. With our headquarters based in Taiwan, D-Link Technology is constrained by Taiwan's manpower structure. In 2014, research staff accounted for 45% of our total employee strength; in Taiwan, where our headquarters is based, the majority of university graduates who majored in informatics, information engineering, electronics, and other related areas of specialization are male - a common phenomenon in Taiwan. Hence, at D-Link Technology, male employees account for 60% of our total employee strength, whilst female employees make up the other 40%. Despite this, we insist on meritocracy and allocating jobs based on suitability and capability. As such, a good balance in gender ratio is maintained at the management level.

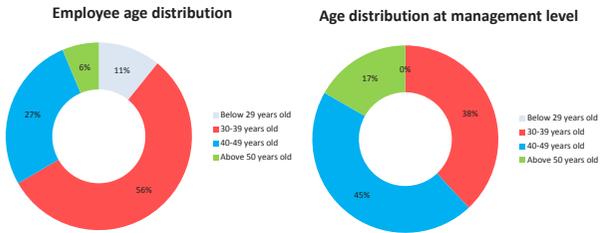


2014 Gender Ratio and Age Distribution of Incoming/Outgoing Employees in Taiwan

	Gender	Total	Below 29 years old	30-39 years old	40-49 years old	Above 50 years old
Incoming	Male	58%	13%	34%	8%	3%
	Female	42%	21%	20%	1%	0%
Outgoing	Male	62%	8%	31%	15%	8%
	Female	38%	14%	20%	4%	0%

5.1.3 Reasonable and Equitable Wage Policy

D-Link strongly believes that our employees are our greatest asset. We determine the wage of each employee based on his/her educational background, professional knowledge and expertise, professional experience and personal performance, and every employee's wage will be compliant with local laws and regulations. Our wage evaluation criteria are independent of gender, race, religion, political affiliation, marital status, and association with trade unions and other associations.



Gender ratios and gender wage ratios amongst employees in Taiwan in 2014

Employees ¹	General Employees		Senior Employees	
	Male	Female	Male	Female
Gender	55%	45%	73%	27%
Percentage	55%	45%	73%	27%
Gender wage ratios	58%	42%	76%	24%

Note: Our company has 5-13 grades of employment; "General Employees" refers to employees who are Grade 9 (inclusive) and below, equivalent to management or non-management personnel at the section level; "Senior Employees" refers to employees who are Grade 10 (inclusive) and above, equivalent to management or nonmanagement personnel at the department level.

2014 Ratio of management and non-management employees in Taiwan and their wage ratios

Employees ²	Non-management positions		Management positions	
	Male	Female	Male	Female
Gender	59%	41%	63%	37%
Number of people	59%	41%	63%	37%
Salary	63%	37%	69%	31%

Note: "Management positions" refers to Section Chief (inclusive) or higher.

5.1.4 Implementation of Performance Management

For performance management, D-Link Technology conducts performance appraisals in July each year and in January of the subsequent year, based on an open and clear performance appraisal system. The appraisal is applicable to all our employees, regardless of gender, age, race, color, religion, nationality, sexual orientation, religion, disability, citizenship, experience, or political stand, and will serve as assessment criteria for staff appointment, evaluation, and promotion. With the performance management system, we aim to establish common working goals and consensus between our employees and their superiors. In addition, we hope that through these appraisals, our employees and their superiors can work together to improve on the inadequacies identified, hence driving the learning and development of both our employees and the organization. With time, we hope to make this part of our regular work, which will help us nurture and develop the talents of each employee, and thereby raise the overall competitiveness and efficiency of our organization.



5.2 Employee Welfare

5.2.1 Wide Variety of Interesting Welfare Programs and Social Activities

D-Link Technology respects the needs of our employees. We hope to help each employee realize the goal of "Enjoy Your Work, Enjoy Your Life". For this reason, we have actively planned a variety of welfare systems. For example, for our employees in Taiwan, in addition to providing labor and health insurance, childbirth subsidy/childcare leave, and labor pension (through both the new and old system) as stipulated by our laws and regulations, we also purchase group insurance for each employee from the day he/she reports for work (including full-time, part-time, and temporary employees). Our employees can also opt to extend this welfare and protection to their dependents at their own expense. For our employees in other regions, the local laws and regulations apply for their insurance systems. We also provide our employees with a leave system beyond the stipulations of the Labor Standards Law. Every year, our employees are entitled to full-pay for the first 7 days of their medical leave, and 3.5 days of special leave-in-advance from the day they report for work, so that both their bodies and minds can be adequately rested when needed.

5.2.2 Employee Welfare Committee

In accordance with legal requirements, we appointed a "D-Link Technology Employee Welfare Committee" (hereinafter referred to as Welfare Committee) to look after the welfare of our employees. Members of the committee are elected, and the number of representatives from each department varies in proportion to its size. The committee holds regular monthly meetings, through which it exercises its authority in planning our employee's welfare policies and organizing activities for our employees. Welfare initiatives are implemented based on the

decisions made in these meetings. The Welfare Committee also funds the activities organized by each social club according to their annual plans. This encourages all our employees to start various social clubs and participate actively in their activities. Our employees enjoy the autonomy of starting up social clubs based on their interests. Presently, more than 20 types of recreational and social activities are available to our employees, including community care clubs (Care Club), parent-child clubs (My Kids & I Club, Folk Arts Club), fitness clubs (Basketball Club, Mountain Climbing Club, Cycling Club, Swimming Club, Yoga Club, Aerobics Club, etc.), and arts clubs (Photography Club, Arts Club, Talent Club, Board Games Club, etc.). We also organize a variety of other activities to promote physical and mental wellness, as well as hold large events such as the annual group outing, Family Day, etc. Aside from encouraging active participation on the part of our employees, we also welcome their family members to join us on these occasions. Through these varied activities, we hope to promote interaction and understanding between our employees, their families, and our company, and to extend our care for our employees to their families as well. In this way, we hope to help our employees achieve good work-life balance.

Two large-scale outdoor activities each year (spring and autumn outings)

1. The welfare committee organizes annual travel activities during the best seasons for travel: spring and fall.
2. Over the years, our employees have visited many fun and exciting theme parks in Taiwan.

Two cultural events each year (two film-screening events)

1. The committee invited our employees to the screening of the movie, "Interstellar". This movie was selected in the hope that we can promote higher awareness amongst our employees about environmental issues.
2. Other films were also selected to provide family-friendly options to enjoy.

Daily lunch subsidy of NT\$ 10

1. The committee carries out annual evaluation of food vendors who provide lunch for our employees.
2. On top of ensuring that the provided meals are economical and balanced in nutrition, the Welfare Committee also offers a daily lunch subsidy of NT\$ 10.

Newspapers and magazines are provided at our staff lounges

1. There is a Chinese saying that goes, "Stop reading for three days and you'll have an unpleasant face." Each year, the welfare committee carefully selects a range of publications to be placed in our staff lounges for our employees to read at their leisure.
2. Newspapers are also provided daily.

Gym Facilities

Besides providing fitness equipment, the welfare committee also engages personal training coaches to help our employees stay fit.

Social Activities

1. The committee currently oversees a total of 26 social clubs covering a wide range of interest areas, including self-improvement, health, leisure, and lifestyles.

2. In addition to receiving hardware resource support from the company, the clubs are also granted autonomy in management so as to promote growth and development. An annual subsidy is also allocated to each club, and the amount of which is decided based on the performance, employee participation rate, fund management, membership, and projects of each club. Through discussions in meetings, the clubs are divided into 5 categories, each with a different level of subsidy.

D-Link Hiking Club

This is one of D-Link's evergreen clubs, and has a total of 83 members. Hiking can be cultivated as an interest; it can also be a habit and a lifestyle. Starting from "Increase frequency, reduce difficulty", the club aims to help its members enjoy nature in the mountains, and thereby regulate their bodies and minds and relieve work stresses. Needless to say, hiking is also an effective form of exercise.

The club organizes 7 to 10 activities each year, and each activity is planned with appropriate safety measures. These activities come in a range of difficulty levels. Some are suitable for all ages, and members are welcomed to bring their families for a leisurely hike up the gentle mountain trails. More demanding activities that aim to conquer the untamed mountains are also organized to challenge the more adventurous; these activities will span over days. Participants for each activity range between 5 and 30 people. For details on the activities and to see more related photos, please see the Mountain Climbing Club website: <https://sites.google.com/site/dlinkhiking/>.

Board games club

It started as a pastime amongst our colleagues to relieve work stress through a battle of wits over their favorite board games. Through

the games, our colleagues build stronger bonds of friendships and better teamwork. The pastime gradually gained popularity and the Board Games Club was started. It now has as many as 86 members. The club holds regular activities every Thursday during the lunch break; members of the club come together to play board games and teach/learn new games. To make things more exciting, competitions are organized frequently to allow members to pitch their skills against one another, and to promote board game activities.

There is much to be gained from board games: communication skills are honed when teaching and explaining the games to others; logical reasoning skills are sharpened when players strategize to win the games; through the games, our colleagues get to know people from other departments and interpersonal relationships are enhanced; board games require focus, flexible thinking, tactical planning, and execution, which are skills required during work; and the games help players relieve stress from work.

Photography club

The Photography Club has more than one hundred members. It gathers a group of people within our company who have common interest in photography. The club regularly invites external instructors to conduct different photography courses for its members. The curriculum of which includes basic photography skills, and, as a new initiative this year, specific skills required for photography of food, ecology, culture, travels, as well as instant photography and a variety of other specialized areas. Outdoor classes are also conducted on weekends, during which the instructors will lead the students outdoors in search of different subjects and provide on-site instruction. The Photography Club provides opportunities for its members to develop their interest in photography, facilitates interactions between members, and cultivates a sense of photographic aesthetics.

Yoga Club

The D-Link Yoga Club was founded in 2009, and currently has a total of 74 active members, which is one-tenth of our staff strength. It is

one of our most active clubs. As our colleagues work on increasing muscle endurance and flexibility during yoga classes, work stress is relieved and both physical and mental health is enhanced, this in turn generates higher work efficiency.

Care Club

The Care club begins with D-Link Charity Foundation visited Mennonite Good Shepherd Taiwan 15 years ago, and start to plan the starlight class program, then set up a Care Club in D-Link to organized people who would like to support the starlight class program and other charity events. The Care Club organizes a blood drive each year. Different clubs also come together and collaborate in charity projects, for example, the Talent Club donates the items created by its members to the Care Club's charity sale events.

Social Club Subsidies	
Level S	NT\$ 110,000
Level A	NT\$ 90,000
Level B	NT\$ 60,000
Level C	NT\$ 40,000
Level D	NT\$ 20,000

Status of D-Link Technology's Social Clubs in 2014

Name and members of clubs			
Taichung physical training club	9	Talent club	128
Kaohsiung swimming club	10	Badminton club	79
English club	15	Arts club	251
Snooker club	8	Modern dance club	49
Fitness club	55	Volleyball club	55
Board games club	57	My Kids & I club	88
Yoga club	86	Aerobics club	18
Photograph club	18	Basketball club	45
Care club	81	Health promotion club	135
Folk arts interest club	87	Mountain climbing club	81

Our social clubs have a total of 1800 members

5.2.3 Childcare Policies and Goodwill for Both Genders

D-Link is aware of the nursing and childcare needs of our female employees. We aim to provide friendlier childcare facilities and work environments to help our employees find the proper balance between body and mind, work and family. To meet the expectations of current regulations in providing a warmer, more harmonious, and better work environment, we set up nursing rooms in our headquarters building in Taiwan. On top of providing dedicated refrigeration equipment for the storage of breast milk, we also ensure strict access control to these rooms to protect the privacy and safety of our female employees. Furthermore, based on the recommendations of our internal evaluation and our employees, we signed agreements with good nurseries/childcare centers in the vicinity to provide more childcare options for our employees. In Taiwan, in accordance with the "Gender Equality in Employment Act" and the "Operational Standard for Unpaid Childcare Leave", any employee who has worked a full year with us and who has at least one child below the age of three may apply for unpaid childcare leave for up to two years. Upon expiration of the unpaid childcare leave, we will arrange for the employee to be reinstated in his/her original position in their original department.



Item	2014		2013		2012		2011		2010	
	Male	Female								
Actual applications for unpaid childcare leave	1	4	0	4	1	3	1	2	1	2
Expected number of reinstatements from unpaid childcare leave	1	1	1	0	1	3	0	1	1	2
Actual applications for reinstatement after unpaid childcare leave	0	0	1	0	0	3	0	1	1	1
Number of people reinstated (after unpaid childcare leave) and who continued to work for a year	1	0	0	2	0	1	1	1	0	0
Reinstatement Rate ¹	0%	0%	100%	0%	0%	100%	0%	100%	100%	50%
Retention rate ²	100%	0%	0%	67%	0%	100%	100%	100%	0%	0%

¹ Reinstatement Rate = (actual no. of applications for reinstatement after unpaid childcare leaves in that year) / (expected number of reinstatements after unpaid childcare leave in that year)

² Retention rate = (no. of people reinstated from unpaid childcare leave in the previous year and who continued to work for one year) / (actual no. of applications for reinstatement from unpaid childcare leave)

5.2.4 Compassionate and Caring Retirement System

In Taiwan, under the local Labor Standards Law and Labor Pension Act, any employee who joined us before June 30, 2005 (inclusive) is eligible for the old pension system. Under the old pension system, the employer will deposit an amount equivalent to 2% of an employee's monthly wage to their retirement fund account, which is managed by the Trust Department of the Bank of Taiwan. Contributions are made solely by the employer. Currently, the total retirement fund is valued at NT\$ 117 million. Employees may elect to switch to the new pension system.

Under the new pension system, for each eligible employee, the employer will deposit an amount equivalent to 6% of that employees' monthly wage to the employee's personal retirement fund account each month. On top of the employer's contribution, the employee can choose to contribute another 0 to 6% to his/her personal retirement fund account each month. In appreciation of our employees' tireless contributions to our company, we offer a retirement scheme with superior benefits for employees who draw relatively high wages under the old pension system. This is an expression of our care and respect for the employees who have served us well over their long terms of service.

Retirement Plan	Proportion of wage contributed to pension	Level of employee involvement in plan
Old pension system: Company account	Employer : 2%	100%
	Employer : 0%	
New pension system: Personal accounts	Employer : 6%	
	Employer : 0-6%	

5.3 Labor Policy

5.3.1 Congenial Labor Relations Built on Respect

To build a congenial relationship between labor and capital, and to promote mutual collaboration and cooperation, we developed the "Operational Standard for Labor Meetings Policy" as stipulated in Article 83 of the Labor Standards Law. Labor representatives are openly elected, according to procedures described in the aforementioned document, for a term of three years. Labor meetings are held once every quarter, and are chaired in rotation by the labor representatives. In these meetings, issues relating to labor-capital negotiations and major labor problems are discussed and debated; all of our employees are welcome to offer suggestions for improvement through the labor representatives. We hope to create a caring corporate environment based on respect for people and human rights, and to protect the labor organization and its group negotiation rights. This will help to promote healthy and positive labor-capital communication. In the event of a major change in the company's operations, on top of capital-labor negotiations through the local channels of communication, notice periods will be served in accordance with local regulations.

5.3.2 Open and Positive Communications

D-Link is committed to safeguarding the rights of our employees. Beyond providing a positive environment to facilitate communication with our employees, we also have a management system that handles general and sexual harassment complaints, as well as various channels for communication and complaints (Hotline: 02-6600-0123 ext 1850; Private mailboxes: dlink850@dlink.com.tw; dlink850@yahoo.com.tw). Confidentiality is strictly observed to protect the privacy of the employees involved in complaints and other incidents. In 2014, there were no breaches in any labor rights as laid out by the labor authority. There were also no public or legal incidents involving a violation of human rights. In the event of any incident involving a violation of human rights or mismanagement, our employees are encouraged to speak to us via the available channels of communication; confidentiality of personal information is strictly observed to protect our employees' privacy and confidentiality.

5.3.3 D-Link's Core Values

D-Link has always promoted our core corporate values of integrity and honesty. We encourage a culture of openness, freedom, and mutual respect, and we hope to strengthen moral awareness amongst our employees through the spirit and letter of our Code of Conduct. There were no reports on moral violations in 2014. D-Link also advocates freedom of employment, which means all work should be done voluntarily. No employee should be forced to work against their will through coercion, mortgages, unreasonable contracts, or restraint of freedom. It is clearly stated in D-Link's CSR Code of Conduct that child labor is strictly prohibited; the employment of children below the minimum legal age is forbidden. Furthermore, to protect the mental and physical health of minors, it is also prohibited to force minors to work in difficult or dangerous conditions. There were no reports on slavery or human trafficking in 2014.

D-Link Promises To:

1. Ensure all work is done voluntarily and no employees have been forced or coerced into employment.
2. Eliminate child labor and prohibit any worker below 18 years of age from engaging in dangerous tasks.
3. Ensure all employees are entitled to at least one day of rest each week, and that weekly working hours comply with the stipulations of local laws and regulations.
4. Provide our employees with a reasonable salary and benefits. Wages will be paid in accordance to relevant local laws, and wage deduction as a form of disciplinary penalty is prohibited.
5. Provide our employees with varied and equal employment opportunities, and protect our employees from all forms of harassment, including sexual harassment, molestation, corporal punishment, mental or physical coercion, verbal abuse, etc.
6. Ensure that no employee is discriminated or treated unfairly due to his/her race, color, religion, nationality, age, gender, sexual orientation, religion, disability, citizenship, prior experiences, or other grounds that are protected by statutory regulations.
7. Respect our employees' freedom of association, and their right to participate in labor organizations and to elect representatives.
8. Ensure that all our employees have equal access to education, training, and other career development opportunities.

5.4 Safety and Health at Work

5.4.1 Safety at Work

Establishing an Occupational Health and Safety Management System

D-Link comes under Category 2 of the Occupational Safety and Health Act in terms of occupational risk; businesses in this category are not required to execute an occupational safety and health management system. However, we believe that providing a safe and healthy work environment is part of our corporate social responsibility. Thus, we adopted the international standard of the "OHSAS 18001 Occupational Safety and Health Management System" and earned certification in 2012 after verification by an external agency. Under this management system, we perform assessment, identification, reduction, and elimination of safety and health hazards in the workplace. Through the OHSAS PDCA (Plan-Do-Check-Act) model, we continue to improve our work environment and reduce the occurrence of accidents at the workplace. We hope to provide our employees with safer and healthier working environments and attain our goal of corporate sustainable development.

Emergency Response Training

There is a possibility that our company's operation may be potentially affected by a major crisis. To increase our preparedness for such situations, we hold regular trainings and exercises, including regular fire drills and epidemic prevention training, to reduce the risk of operational disruption.

Duties of the Health and Safety Committee

公D-Link's "Occupational Health and Safety Committee" meets quarterly to discuss health and safety management plans in the areas of education and training programs, strategies for environmental improvements, hazard prevention, audits, vendor management, health promotion, and other matters. A total of 3 labor representatives sit on the committee, making up 40% of the members in the committee.

Item	2012		2013		2014	
	Including commuting accidents	Excluding commuting accidents	Including commuting accidents	Excluding commuting accidents	Including commuting accidents	Excluding commuting accidents
Frequency Rate (FR) of incapacitating injuries	3.68	0	2.04	0	2.61	0.65
Severity Rate (SR) of incapacitating injuries	43	0	3	0	8.47	1.30

Item	2012		2013		2014	
	Number	%	Number	%	Number	%
Commuting accidents	7	100%	4	66.7%	7	87.5%
Cuts and bruises	0	0%	1	16.7%	0	0%
Falls	0	0%	1	16.7%	0	0%
Collison	0	0%	0	0%	1	12.5%
Total	7	100%	6	100%	8	100%

Incidents involving Incapacitating Injuries

In 2013, there were a total of 3 cases of incapacitating injuries in Taiwan with a disabling frequency rate (FR) of 2.04 and a severity rate (SR) of 3. All three cases involved temporary, total disability; there was no permanent incapacitation or death. The injuries were mostly incurred due to commuting accidents. To improve this situation, aside from promoting traffic safety on a regular basis, we also invite our traffic police to give lectures on "Traffic Safety" to increase awareness amongst our colleagues and help everyone get to work and get home safely.



5.4.2 Healthy Workplace

Caring for our Employees' Workplace Health

Workplace health has always been one of D-Link's major concerns. We spared no efforts in ensuring that our headquarters in Taipei meets the highest workplace health standards; it will then serve as a benchmark for our other offices worldwide.

Fire drill training



Epidemic prevention training



Employee Health Checks

In addition to the employment health check for new employees, we also provide biannual health checks for all of our existing employees. Our comprehensive health check covers more items than is required by statutory regulations. In our health check, we provide ultrasound examination, cancer screening, thyroid function screening, bone density scans, X-ray examination, CT brain scans, digestive system examination, colonoscopy, pap smears, ECG, heart rate variability analysis, and other tests. Doctors are also present on-site to provide health counseling services after the health checks to help employees better understand their own health statuses.



Health Promotion

To help us achieve our goals in promoting health, D-Link set up a "Health Promotion Club" to promote and provide training in physical and mental health. In 2014, we organized a total of 8 lectures in collaboration with medical and transportation agencies, and all lectures were fully attended. This goes to show that health is a universal area of concern amongst our employees.

Date	Health Course	Number of participants
2014/04/22	Non-toxic , out of danger	61
2014/05/22	Food safety and processing	62
2014/06/19	Happy feet Foot Care	63
2014/07/16	Lipid control, health control	53
2014/09/17	Awareness of colorectal cancer	64
2014/10/8	Beautiful life from the heart	60
2014/11/19	Eye Health	61
2014/10/24 - 12/12	Weight loss competition	18
Total number of participants		442

Health Promotion



減重比賽



Providing a Comfortable Dining Environment

D-Link's headquarters is equipped with a staff canteen and cafe that can collectively accommodate 150 employees at a time. The staff canteen serves buffet meals, noodles, vegetarian meals, and fruit platters. The cafe offers a variety of teas and snacks for our employees during their breaks.



Healthy Meals for our Employees

We require our canteen vendors to provide food calorie lists for the meals they serve as a reference for our employees. This helps our employees eat well and stay healthy.



Providing a Complete Range of Health Facilities

We also provide facilities in our headquarters for sports and recreation, including a staff lounge, medical center, gym, yoga studio, snooker/billiards room, and an outdoor basketball court.



Comprehensive Parking Facilities

For the parking convenience of our employees, D-Link provides both indoor and outdoor parking facilities in the basement and behind our headquarters building. Parking is chargeable at NT \$500 per month to cover cleaning and maintenance costs.



5.5 Training and Education

5.5.1 Lifelong Learning and Development

The sustainable development of a company depends on long-term individual learning and development of talent. The training and development of our employees is one of our key areas of concern; we value each and every one of our employees. As such, our Human Resource Department assists each of our new employees in familiarizing them with the company's policies, operations, and environment from their first day of work. Orientation trainings are also conducted bimonthly to help new employees understand the company's products, organization, business direction, and philosophies. To cater to different areas of specialization, the department heads and human resource department will arrange for our employees to undergo on-the-job training and internal training, including common core functional training such as DC/ BC/KC courses, management training such as MTP/MSP courses, and other courses related to marketing, business, customer service, etc. Based on the needs of each department and their professional skill requirements, our employees are also selectively chosen for relevant trainings (e.g. marketing, business, labor safety, fire safety, specialization-related) through external agencies. Furthermore, to better respond to rapidly changing industry trends, our employees may also be required to attend external seminars or lectures to learn about the latest trends and developments. Through these actions, we hope to encourage mutual learning and growth amongst our employees, which will then be internalized as a driving force for overall corporate growth. Annual training sessions are also provided according to organizational goals and employees' developmental needs. Each department will propose a specific training program, which will then be organized and executed by the Human Resource Department.

2014 Average training hours for Management and Non-management personnel

Personnel/ Percentage	Non-management positions		Management positions	
	Male	Female	Male	Female
Average training hours/year for each person	13.05	13.57	4.21	4.02

Note: "Management positions" refers to Section Chief (inclusive) or higher

Education and Training Provided Over the Years

Year	2010	2011	2012	2013	2014
Total training hours	405.5	815	850	817	782
Growth rate (Note 1)	180%	201%	104%	96%	96%
Training cost (NTD)	2,558,770	3,526,462	1,598,309	1,970,447	1,072,783
Growth rate (Note 2)	153%	138%	45%	123%	54%

Note 1 : Growth rate= total training hours/training hour in pervious year *100%

Note 2 : Growth rate= total training cost/training cost in pervious year *100%



6 Community Involvement

6.1 Helping, Caring, and Giving Back

6.2 D-Link's Starlight Classrooms

6.3 Charity Agriculture

6.4 Social Enterprise

6.5 D-Link Charitable Foundation

6.1 Helping, Caring, and Giving Back

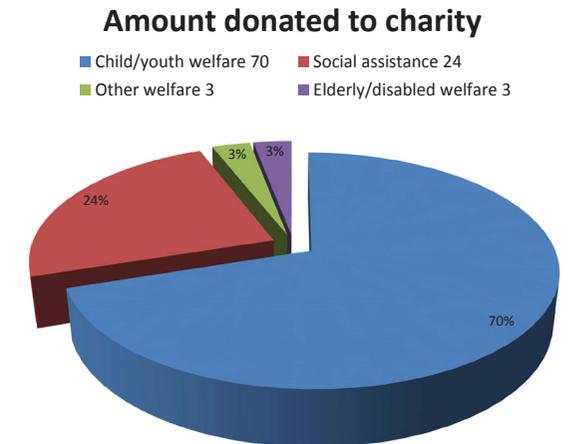
Believing in our motto of "Helping, Caring, and Giving Back to Society", D-Link has long been committed to social and charitable work. The D-Link Technology Charitable Foundation was formally set up in 1994 to help us play a more active role in social and charitable work. To increase the degree of involvement amongst our employees, we also started the Care Club, and welcome every employee to join us in caring for and helping those in need.

D-Link Technology embarked upon its "Starlight Community Outreach Program" in 2008 to reach out to disadvantaged children in remote areas. The program is conducted in three phases:

- **Preliminary:** Provide tuition and dinner. We act through local charitable organizations to address the pressing problems of lack of tuition and meals.
- **Intermediary:** Promote "Charity Agriculture". We suggest that parents of the children under this program switch to cultivating organic or toxin-free crops as their main economic produce. Being of higher economic value, these crops can help to increase family income and can help parents work closer to home, helping address the social problem of having no one take care of the children at home when both parents are often away at work. This is also in line with D-Link's corporate social responsibility goal of encouraging the production of green products.
- **Long-term:** As the saying goes, "Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime." D-Link is fully aware that charitable organizations depend on external donations to support their social work. However, the sustainability of social work is often affected by instability and lack of funds. For this reason, we hope to help charitable organizations become "social enterprises"; a "social enterprise" operates much like a profitable business, with the difference being that its profits are used solely for charitable purposes. D-Link hopes to help social enterprises become self-sufficient by generating income through the sale of organic or toxin-free products.

In the period between 2011 and 2014, D-Link Technology donated a total of NT\$ 15,235,000 to charitable causes. In 2014, donations were made mainly in the area of social assistance, elderly/disability welfare, and child/youth welfare. Amongst these, donation to child/youth causes accounts for more than half of our total donations.

2014 donated charity
Eden social welfare foundation
Association of Spinal Cord Injury - Chiayi
Catholic Kuang Jen social welfare foundation
Single leaf association
ECPAT Taiwan
Music class of WuFeng junior high school, Hsin-Chu
Hualien county growth holistic care association
Seed charity association
Son of miner education foundation
World Leadership Education Foundation
TCB bank ping-pong team
Zhu-ming education foundation



6.2 D-Link's Starlight Classrooms

D-Link set up "Starlight Classrooms" in remote areas and within disadvantaged communities to provide care and concern on a local scale. In them, we provide subsidized meals and after-school tuition for children from grade 1 to grade 3 in Keelung, Hualien, Taitung, and other areas. On top of this, we also provide talent and skill development courses, such as computer skills, painting, kendo, etc. We hope to support both knowledge and character development in children by expanding their scope of learning and by providing a diverse curriculum. In addition, we started our company's Care Club to support our systematic involvement in social welfare activities.

In the recent three years, through our Starlight Classrooms, we reached out to a total of 166,350 children by providing support in the areas of care, learning, and development.



D-Link's Starlight Classroom Service

Care

Tuition and dinner services

We provide warm and stable learning environments, for disadvantaged children who do not have the care of their family members or meals after school. "We encourage the children to complete their homework before their meals, and provide them with care and meals. We hope to supplement and reinforce family functions and to provide after-school care." ┘

Learning

Free Skills Training

We provide after-school courses for children and youths in disadvantaged communities that lack learning resources, as well as in remote areas, in hope of enhancing the learning of academically-challenged children in non-academic areas, hence building up their confidences and supporting their physical and mental development.

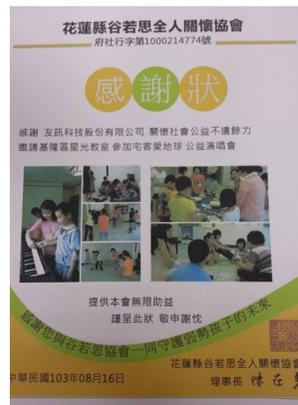
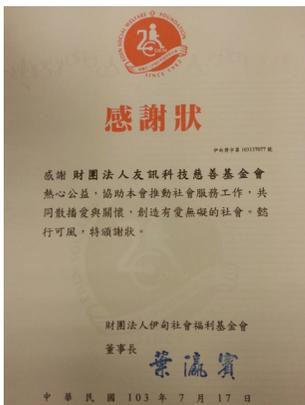
Developmental

Character Education and social integration training

We also develop specialized training programs for character education and social integration training, with the aim of building up each student's character, values, and professional skills. By providing academically-challenged children with education and training in their areas of strength, we hope to increase their interactions with the outside world and prepare them for early entry to the working world

Scope of Starlight Classroom Service in 2014

Region	Name of Classroom	Type of service and no. of beneficiaries			
		Starlight Dinner After-school tutoring	No. of beneficiaries	Developmental Type	No. of beneficiaries
Keelung	Church Classroom A	✓	11,580		
	Classroom B	✓	7,942		
	Church Classroom C	✓	9,200		
	Campus D	✓	9,007		
Hualien	Kendo Class E	✓	1,566	Kendo	640
	Hualien Starlight Classroom 1	✓	2,478	Cooking Class	640
	Hualien Starlight Classroom 2				
	Hualien Starlight Classroom 3	✓	2,890	Painting Class	810
Taitung	Taitung Starlight Classroom 1	✓	11,005		
Total			55,668		2,090



6.3 Charity Agriculture

Aside from the Starlight Classroom program, we also promoted the Charity Agriculture program to help the students' families gain financial independence. Under this program, parents of the children under the Starlight Classroom program are taught to switch to organic farming methods that do not use granular fertilizers or pesticides. The resulting produce is toxin-free and can command a higher price. D-Link was also the first to purchase this toxin-free produce. We also collaborated with other charity organizations in establishing an online sales platform for the produce. All proceeds from the sale were used to help children in need.



Our employees actively participate in Charity Agriculture activities



Seedinland Social Enterprise' s Profits Were Used to Fund These Charitable Activities

Painting Class



Community Counseling



Kendo



Helping Seedinland Publish Its First CSR Report

D-Link and the Foundation of Taiwan Industry Service helped Seedinland to publish its first CSR report based on the GRI G4 standard. The report can be found on their CSR website:

1. <http://www.growth.org.tw/assets/種子社會企業公司-1-1.pdf>
2. <http://www.growth.org.tw/assets/%E7%A8%AE%E7%B1%BD%E7%A4%BE%E6%9C%83%E4%BC%81%E6%A5%AD%E5%85%AC%E5%8F%B8-1-1.pdf>



6.5 D-Link Charitable Foundation

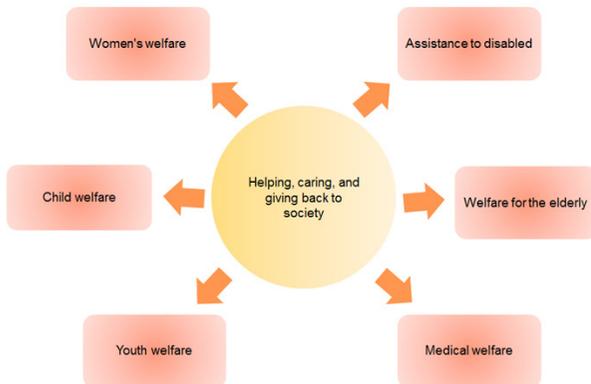
D-Link's Charitable Foundation was founded in 1994 and has a 20 year history. With our corporate spirit of empathy, we pull out all the stops in promoting charitable causes and helping those in need. With a motto of "Helping, Caring, and Giving Back to Society", the foundation is actively involved in various charitable activities and brings people together to promote social welfare. Over the years, the foundation has contributed to child and youth welfare, welfare for the elderly, disability assistance, women's welfare, and medical welfare. In 2010, the foundation was graded Level A by the Taipei City Bureau of Social Affairs.

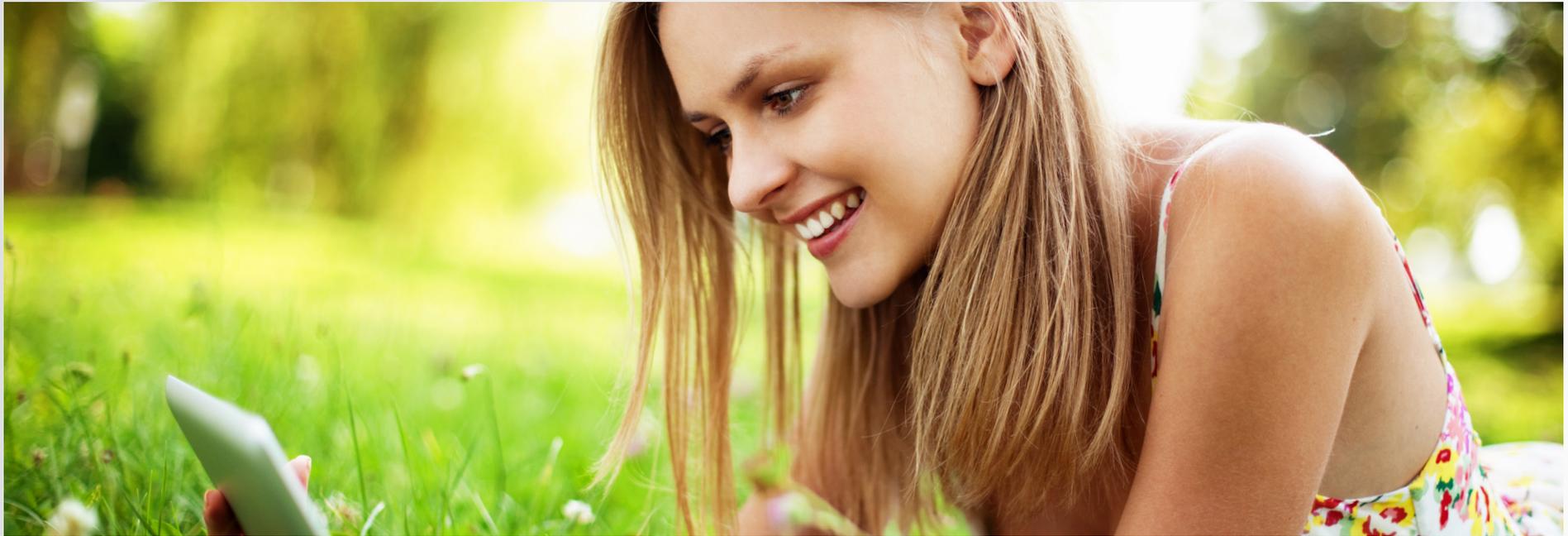
As part of the Starlight Community Outreach Program, the D-Link Technology Charitable Foundation organized many charity visits

The directors of the foundation pay regular visits to the Starlight Communities.



Objective and scope of work of the foundation





7 Appendix

7.1 Memberships and Initiatives

7.2 GRI G4 Comparison Chart

7.1 Memberships and Initiatives

7.1.1 Memberships and Initiatives

D-Link places great emphasis on product safety and corporate social responsibility (CSR) issues, and as such, is a corporate member of the organizations listed below. Through these memberships and initiatives, we hope to protect the interests of our stakeholders through our continued interest and participation in CSR.

Organization/Society	Focus Group / Committee	Member	Initiatives
IEEE Standards Association (IEEE-SA)		✓	The IEEE-SA is a leading consensus building organization that nurtures, develops, and advances global technologies. It is responsible for the standardization of electrical and electronic equipment, experiment methods, original components, symbols, definitions, and test methods.
Broadband Forum (Member)		✓	The Broadband Forum is the central organization driving broadband wireline solutions and empowering converged packet networks worldwide to better meet the needs of vendors, service providers, and their customers. It is a multinational organization with over 200 corporate members from the telecommunications and information technology industries. Its main goal is to establish industry standards for broadband networks.
CDMA Certification Forum (CCF)	✓	✓	It is the official authority governing CDMA Device certification. CDMA is the key technology supporting 3G mobile communications.
US Consumer Electronics Association (CEA)		✓	The CEA is a standards and trade organization for the consumer electronics industry in the United States. Its goal is to promote advancements in the consumer electronics industry, and provides its members with a range of resources, including market research reports, corporate communication platforms, and the latest training courses. It sees itself as the spokesperson for the US consumer electronics industry.
Digital Living Network Alliance (DLNA) (Member)		✓	It is an alliance of consumer electronics, mobile phones, and computer manufacturers. DLNA is responsible for defining interoperability guidelines to enable sharing of digital media between multimedia devices. It aims to enhance the digital lifestyle of consumers through interconnected interfaces and platforms. DLNA certified products allow exchange of digital media through wired or wireless connections.
Digital Transmission Licensing Administrator (DLTA) (Member)		✓	The DLTA is mainly responsible for administering the licensing of the specifications for the DTCP content protection technology. It is dedicated to the protection of the intellectual property rights of digital content from illegal piracy.
High-Definition Multimedia Interface (HDMI) (Member)		✓	HDMI is an all-digital video and audio transmission interface that allows the transmission of uncompressed audio and video signals. HDMI can transmit audio and video signals concurrently through the same cable, hence simplifying the installation of system lines to a great extent. It is a digital replacement for existing analog video standards.
HomeGrid Forum		✓	It is an industry alliance that brings together the technology innovators, silicon vendors, system manufacturers, and service providers to promote G.hn, the globally recognized gigabit home networking technology based on ITU-T standards. The ITU-T G.hn Standard integrates wired technologies, such as power lines, telephone networks, and coaxial cables. It promotes the popularization of audio and video applications, and provides the basis for high-quality home-based broadband Internet access in digital home network environments.
HomePlug Powerline Alliance		✓	The Alliance establishes standards for and promotes the use of various powerline communication technologies known as HomePlug. HomePlug technology allows the interconnection of multiple equipments through power supply cables. Plugging multiple devices that support HomePlug into power sockets connects them to the same network.
ICSA Labs (Certified Member)		✓	ICSA Labs is responsible for organizing and funding forums on security technology and for sharing information on various network security products. Its mission is to increase awareness of the need for computer security and to provide education about various security products and technologies.
IPv6 Forum (Member)		✓	It is a worldwide consortium of Internet vendors aiming to promote IPv6. It is an organization responsible for promoting IPv6 network construction and industrial applications. IPv6 is the latest network layer protocol with applications in packet-switched Internet, and is designed to solve IPv4 address depletion problems.
Metro Ethernet Forum (MEF) (Member)		✓	The MEF identifies various Metro Ethernet-related technologies and current market trends. Its mission is to accelerate the popularization of Carrier-class Ethernet networks and services worldwide.
Multimedia over Coax Alliance (MoCA) (Member)		✓	The Multimedia over Coax Alliance (MoCA) is an industry standard consortium developing technology for the connected home. MoCA technology runs over the existing in-home coaxial cabling, enabling whole home distribution of high definition video and content.
Open IPTV Forum (OIPF) (Member)		✓	The OIPF is a non-profit consortium and standards organization focused on defining and publishing open and free standards for end-to-end Internet Protocol television (IPTV) services. Other than establishing and supporting global IPTV standards, it also ensures the compatibility of related systems.

Organization/Society	Focus Group / Committee	Member	Initiatives
Open Network Video Interface Forum (ONVIF) (Member)		✓	ONVIF is a global and open industry forum with the goal of facilitating the development and use of a global open standard for the interfaces of physical IP-based security products. It is dedicated to the development of a standard interface for network video products. Its main objective is to promote integration between different brands of network video equipment and to help manufacturers, software developers, and independent software vendors ensure compatibility between their products.
UL		✓	It is an independent product safety certification organization. It also provides instrumentation standards, test procedures, tools, and materials to help global buyers and manufacturers obtain safety accreditation and win the trust of consumers.
VMware Partner		✓	Part of the VMware Partner Network, VMware is the global leader in visualization software. It provides IT solutions for access to data centers, clouds, and mobile devices, from anywhere and at any time, through its virtual infrastructure. The Partner Network of VMware provides extensive resources, training and support in this area.
Virtual Private Network Consortium (VPNC)		✓	VPNC is the international trade association for manufacturers in the VPN market. It aims to promote VPN technologies and standards. VPN virtual private networks make use of public networks (such as the Internet) for the transmission of intranet data. It brings the convenience of intranet to remote individuals or networks.
WiFi Alliance		✓	It is a trade association that promotes Wi-Fi technology and certifies Wi-Fi products. At present, WiFi is the most popular standard for wireless LAN communication.
WiMAX Forum		✓	The WiMAX Forum is an industry-led, non-profit organization that certifies and promotes the compatibility and interoperability of broadband wireless products based upon the IEEE 802.16/ETSI HiperMAN Standard. WiMAX is one of the industry-standards for 4G mobile communications. The WiMAX Forum® is an industry-led, not-for-profit organization that certifies and promotes the compatibility and interoperability of broadband wireless products based upon the IEEE 802.16 standard.
Zigbee Alliance		✓	It is an open, non-profit association driving development of innovative, reliable, and easy-to-use ZigBee standards. It aims to provide a simple, reliable, inexpensive, short-range, low power consumption, and low-speed wireless connection technology. The technology is applicable to wireless connections between sensor elements.
Z-Wave Alliance		✓	It is a consortium that is dedicated to interoperable wireless control products based on the Z-Wave open standard. Z-Wave is a low power consumption, high reliability, short-range wireless communications technology aimed at home-based automation applications.
Small Cell Forum		✓	It is aimed at promoting small cell base stations. To date, significant progress has been made in the areas of increasing indoor signal coverage of mobile networks, improving the quality of voice signals, installing small cell base stations in sports/concert halls, railway stations, stores, schools, government buildings, business buildings, and other indoor and outdoor environments, and enhancing customer satisfaction. The forum supports the wide-scale adoption of small cells.
Taipei Neihu Technology Park Development Association		✓	A service organization formed by a group of manufacturers concerned with social welfare and development of the technology park.
Taipei Computer Association		✓	An association to promote the Taiwan ICT industry.
SDN Alliance Taiwan (SDN Alliance)		✓	Taiwan Alliance of SDN Technology Development. It is an alliance for the development of SDN technologies. SDN is a new approach to networking that focuses on routing to enhance network performance, and has great potential for further development.
Taiwan Electrical and Electronic Manufacturers Association (TEEMA)		✓	TEEMA is an organization that provides consulting services on technology standards to its members by organizing industrial, technological, trade, legal, training, and international events in Mainland China. Its mission is to provide its members with globalized and diversified services, promote common interests, bridge the industry and the government, and promote economic development. With 3,022 members from all levels of the supply chain, the total upstream and downstream industry output value and export value of TEEMA's members account for more than 50% of Taiwan's GDP, making it the most important industrial association in Taiwan.
Network Benchmarking Lab (NBL)		✓	A real traffic and benchmarking test laboratory for networking equipment at NCTU in Taiwan. It aims to provide objective assessments of network equipment.
Global Certification Forum (GCF)		✓	An active partnership between mobile network operators, mobile device manufacturers, and the test industry. Its membership was responsible for creating an independent certification program to help ensure global interoperability between mobile devices and networks.
Business Council for Sustainable Development of Taiwan (BCSD)	✓	✓	The Business Council for Sustainable Development of Taiwan (BCSD-Taiwan) is a non-profit business organization consisting of top Taiwanese companies working together towards developing Corporate Social Responsibility (CSR) initiatives. BCSD integrates efforts from the business industry to promote environmental protection and resource management for the sustainable development of enterprises and to improve the quality of life. The Business Council for Sustainable Development of Taiwan (BCSD-Taiwan) is a non-profit business organization consisting of top Taiwanese companies working together towards developing Corporate Social Responsibility (CSR) initiatives.
Energy Star (Member)		✓	Energy Star is a powerful energy efficiency platform which originated from the U.S., created to help communities save energy and reduce greenhouse gas emissions. It provides an international standard for energy efficient consumer products.

Organization/Society	Focus Group / Committee	Member	Initiatives
USB Implementers Forum (Member)		✓	This forum provides a support organization and forum for the advancement and adoption of Universal Serial Bus technology. USB is a serial port connection bus standard for connections between computers and external devices; it is also a technical specification for input and output interfaces. USB is widely used in personal computers, mobile devices, and other information communications products. Its functionality also extends to photographic equipment, digital TV (set-top boxes), game consoles, and other related fields.
Cloud & Connect TV Forum (CCTF)	✓	✓	CCTF is a non-profit organization formed by companies from various industries that operates by exchanging experiences and integrating services among its members. It promotes the integration of television and broadband Internet and encourages consumers to use cable networks to download content on a cloud platform. It aims to develop Taiwan's cloud industry and Internet TV, and to construct a one cloud, multi-screen application environment.
Physical Security Interoperability Alliance (PSIA)		✓	A global consortium for security manufacturers and systems integrators focused on promoting interoperability of IP-enabled security devices and systems across the physical security ecosystem.
Taiwan Seeds Trade Association		✓	The association promotes non-toxic and organic products. It is a non-profit organization, and 100% of the funds it receives are channeled to help less advantaged families and children and to support farmers in making the switch to non-toxic or organic farming. Its mission is to leave the future generation a better Earth.
Growth Holistic Care Association		✓	The society is primarily concerned with the welfare of children and youth. It was active in helping child prostitutes in the Huadong region, and leads the movement to promote prevention of sexual transactions involving children and youth. The word "Growth" in its name symbolizes its mission to help children grow up healthy and strong. It hopes to reach out to less advantaged children with care and love and to provide them with suitable support through their growing years.

7.2 GRI G4 Comparison Chart

7.2.1 General Standard Disclosures

General Standard Disclosures		Page number
Strategy and Analysis		
G4-1	a. Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	4, 5
G4-2	a. Provide description of key impacts, risks, and opportunities.	18
Organizational Profile		
G4-3	a. Report the name of the organization.	7
G4-4	a. Report the primary brands, products, and services.	7
G4-5	a. Report the location of the organization's headquarters.	3
G4-6	a. Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	7
G4-7	a. Report the nature of ownership and legal form. (including geographic breakdown, sectors served, and types of customers and beneficiaries).	9
G4-8	a. Report the markets served.	7
G4-9	a. Report the scale of the organization.	7
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	50
G4-11	a. Report the percentage of total employees covered by collective bargaining agreements.	54
G4-12	a. Describe the organization's supply chain.	33
G4-13	a. Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	3

General Standard Disclosures		Page number
G4-14	a. Describe how the organization has implemented a precaution plan or principle.	18
G4-15	a. List social, environmental and economic principles or programs externally developed, as well as any other initiative that the organization supports or promotes.	69-71
G4-16	a. List the main associations to which the organization belongs (such as sector associations) and/or national and international entities the organization supports	69-71
Material aspects and coverage		
G4-17	a. List the entities included in the consolidated financial statements. b. Report if any of these entities has not been included in the sustainability report.	9
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	13
G4-19	a. List all the material aspects identified in the process for defining the report content.	15
G4-20	a. For each material topic, report if it is a material topic for the entire organization. If not, indicate which aspect is not material for any of the entities of the organization.	16
G4-21	a. For each material topic, report if it is a material topic outside the organization.	16
G4-22	a. Describe the effect of the restatement of information from previous reports, along with the reasons that have motivated such restatement.	3
G4-23	a. Explain any significant changes related to previous terms in the scope or coverage of valuation of the annual report.	3
Stakeholders Involvement		
G4-24	a. List the stakeholders with which the organization has relations.	13,14
G4-25	a. Report the basis for the identification and selection of the stakeholders with which the organization has relations.	13
G4-26	a. Describe the approaches implemented for communicating with the stakeholders, including the frequency of their involvement by stakeholder type; indicate if any of the communications was performed as part of the report drawing-up process.	13, 14

General Standard Disclosures		Page number
G4-27	a. Describe the main concerns and topics of interest that have arisen through the communications with the stakeholders and the way the organization has responded to these topics in the drawing up of the report. Report the stakeholders and the topics identified as relevant.	13,14
Report Profile		
G4-28	a. Reporting period (such as fiscal or calendar year) for information provided.	3
G4-29	a. Date of most recent previous report (if any).	3
G4-30	a. Reporting cycle (such as annual, biennial).	3
G4-31	a. Provide the contact point for questions regarding the report or its contents.	3
G4-32	a. Report the "in accordance" option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be "in accordance" with the Guidelines.	3
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	3
Governance		
G4-34	a. Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	22
G4-35	a. Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	27
Ethics and Integrity		
G4-56	a. The organization's values, principles, standards and norms of behavior	29

7.2.2 Specific Standard Disclosures

Category	Material Aspects	DMA and Indicators	Page number	
Economy	Economic performance	Management approach	50	
		G4-EC1	Direct economic value generated and distributed	21
	Corporate image	Management approach	50	
		G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	51
		G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	50
Environment	Energy	Management approach	45	
		G4-EN6	Reduction of energy consumption	46
	Water	Management approach	45	
		G4-EN8	Total water withdrawal by source	47
	Emissions	Management approach	45	
		G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	46
		G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	46
	Wastewater and waste materials	Management approach	45	
		G4-EN22	Total water discharge by quality and destination	47
		G4-EN23	Total weight of waste by type and disposal method	47
	Compliance with laws and regulations	Management approach	45	
		G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	45
	Overall	Management approach	45	
		G4-EN31	Total environmental protection expenditures and investments by type	45
	Supplier environmental assessment	Management approach	34	
G4-EN32		Percentage of new suppliers that were screened using environmental criteria	36	

Category	Material Aspects	DMA and Indicators	Page number	
Social	Employer-employee relations	Management approach	50	
		G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	50
		G4-LA2	Report the benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation.	52
		G4-LA3	Return to work and retention rates after childcare leave, by gender	54
	Labor-capital relations	Management approach	55	
		G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	55
	Occupational health and safety	Management approach	50	
		G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	55
		G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	56
	Training and education	Management approach	59	
		G4-LA9	Average hours of training per year per employee by gender, and by employee category	59
	Staff diversity and equal opportunity	Management approach	50	
		G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	50
	Gender wage equality	Management approach	50	
		G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	51
	Supplier Assessment for Labor Practices	Management approach	35	
		G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	36
	Human Rights	Non-discrimination	Management approach	50
G4-HR3			Total number of incidents of discrimination and corrective actions taken	55
Child labor		Management approach	55	
		G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	55

Category	Material Aspects	DMA and Indicators	Page number	
Social	Local communities	Management approach	61	
		G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	61, 65
	Anti-corruption	Management approach	29	
		G4-SO4	Communication and training on anti-corruption policies and procedures	29
	Anti-competitive behavior	Management approach	30	
		G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	30
	Supplier social impact assessment	Management approach	29	
		G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	29
		G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	29
	Product Responsibility	Product and Service Labeling	Management approach	31
G4-PR3			Type of product and service information required by the organization' s procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	38
G4-PR5			Results of surveys measuring customer satisfaction	32
Marketing communications		Management approach	38	
		G4-PR6	Sale of banned or disputed products	32
Customer privacy		Management approach	28	
		G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	28
Compliance with laws and regulations		Management approach	31	
		G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	32