

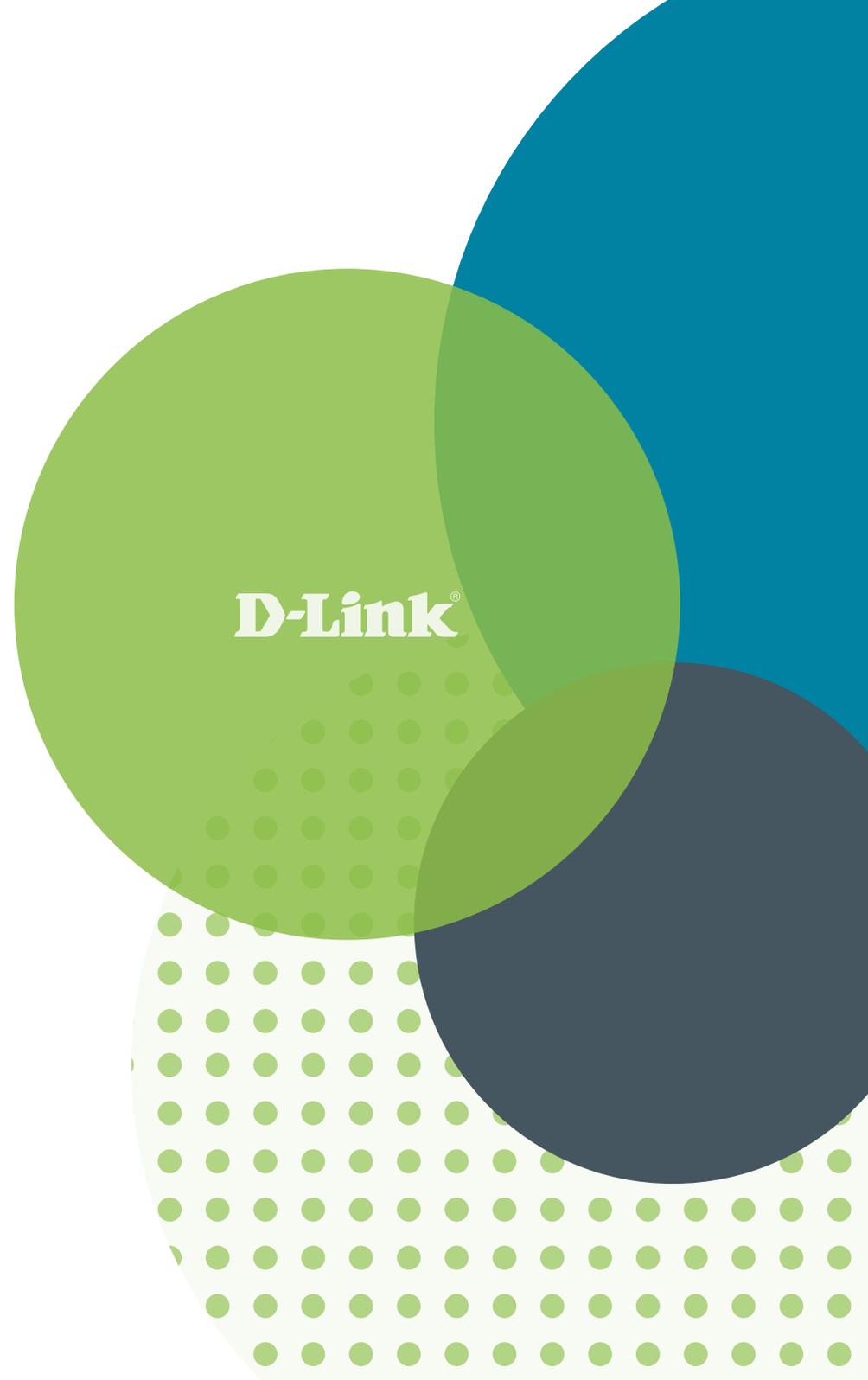


D-Link Corporation  
2016 CSR Report

**D-Link**<sup>®</sup>

# Contents

Message from the Chairman	1
About this Report	3
About Us	13
Corporate Governance	23
Environment Category	28
Employee Care	39
Social Participation	51
Appendix	60





# Message from the Chairman

## Message from the Chairman

# Creating a New Look for the Smart Home

“D-Link strives to provide smarter network communications solutions that help cities and enterprises innovate and transform themselves in the process of digitization, create more business opportunities for enterprises, and provide consumers with a smarter and more convenient networking experience.”

Currently, our company’s global operation consists of 170 subsidiaries and offices with 2,270 employees. We market our products and services globally using the D-Link brand, constantly strive to differentiate ourselves from other players in the industry, and continue to innovate and ultimately transform ourselves into a network communications enterprise with the capability to provide value-added cloud services. Upholding the core values of D-Link – “Innovation”, “Execution Capability”, and “Heritage” – I have aimed since assuming office to make the D-Link trademark synonymous with “Building Networks for People” in the minds of our global consumers. Additionally, I will be implementing “D-Link 4.0 Three Strategies” for the next 30 years. “D-Link 4.0” aims to emphasize the D-Link brand value, attach more importance to interaction with consumers, and pursue excellence and corporate sustainability. With D-Link’s “Heritage” core value as our foundation, first, we aim to pass

down the spirit from our entrepreneurial teams to our business development teams, thereby reinforcing the capabilities of our professional management teams. Second, we aim to implement our “brand” and “innovation” market segmentation strategies: in the European and the American markets, our products are developed according to the customers’ demands for innovation; in the emerging markets, our brands are promoted to meet the customers’ demands for brands. Last but not least, we aim to attract long-term high-yield shareholders to secure our company’s sustainable development.

### **Integrated Smart Cloud Solutions for Home Consumers**

The number of global registered users of mydlink™ cloud services, our very own creation, has officially grown beyond one million, and mydlink™ has since become the focus

of market attention as the world’s largest surveillance cloud application. Furthermore, we have actively deployed new technologies to be the first to effectively launch the 11AC wi-fi full product line for smart homes. In 2014, we released the mydlink™ Home App and Smart Home product series. In the future, we plan to launch the mydlink™ value-added cloud service platform and digital security surveillance application services as part of our move towards becoming the preferred provider of Smart Home cloud and integrated security surveillance solutions. Our ultimate goal is to become the top cloud networking brand globally.

### **D-Link Green Project – Green Technologies, Compliance, and Packaging**

As the leading global manufacturer of network products, we continue to strive to enhance our R&D capabilities as well as our commitment to protecting the environment along the product supply chain. We expect to meet consumers’ demand for excellent product functionality as well as robust environmental protection. In 2009, we initiated the D-Link Green Project. This project consists of three key solutions: Green technology to reduce energy consumption, compliance with Green regulations by using non-toxic raw materials, as well as a Green packaging initiative to reduce the volume of packaging materials. The D-Link Green Project initiative demonstrates our commitment to

servicing all our consumers and stakeholders. D-Link will continue to ensure that both our consumer and enterprise product sets comply with global environmental standards throughout their life cycles.

### **Strengthening Our Corporate Values and Realizing a Sustainable Business**

D-Link is not only dedicated to the design, production and marketing of top quality networking solutions, but also the upholding of our corporate values: Entrepreneurship, Accountability, Teamwork, and Integrity. These corporate values are what drive D-Link’s sustainable growth and continued superiority over its competitors in the network communications industry.

Looking forward, we will continue to improve in the aspects of corporate governance, economic and industrial development, labor/management relations, employee care, environmental protection, and social commitment, etc., such that D-Link can realize the practices of corporate social responsibility and fulfill its heritage responsibility for sustainable innovation.

### **D-Link Chairman**



# 2

## About this Report

# D-Link Corporation 2016 CSR Report Complies with GRI G4 and AA1000 International Standards

We provide a public account of our non-financial operations and our corporate vision on an annual basis as part of our practice of sustainable management.

## Reporting Period

The reporting period for the 2016 CSR Report is from January 1 to December 31, 2016. There were no significant changes in our company's organizational size, structure, ownership or supply chain during the 2016 reporting period.

## Date of Release of Last Report

The last report was released in June 2016.

## Reporting Cycle

The CSR report is released once a year.

## Scope and Boundary of this Report

This report takes into account the economic information and data sources from the company's 2015 annual report, which includes the published consolidated financial statements. The consolidated revenue data cover the D-Link group's overall operating income. In the disclosure of environmental and social categories, the Taipei operational headquarters was the disclosure boundary.

## Compilation Guidelines

This report is compiled based on the Global Reporting Initiative, Sustainability Reporting Guidelines Version 4.0 (GRI G4). In accordance with core option, the report discloses the annual sustainability issues and information based on GRI G4's General Standard Disclosures and Specific Standard Disclosures. The GRI G4 annex of this report is provided as a cross-reference for the content in each individual section.

## Verification Criteria and Results

This report has been vetted by Senior Management as well as referred externally for further verification to improve its reliability. We have adopted the standard established by a global non-profit organization, AccountAbility, of Type 1 and High Assurance in the 2008 Edition of AA1000 Assurance Standard as our Assurance standard. We single out the report's disclosure of information in simulation verification. In the future, we will also invite a third-party certification body for external assurance.

## External Guarantee Measures for Collateral Reporting

External guarantee measures for collateral reporting of the financial data revealed are from the accounting firm, KPMG, and are in line with the International Financial Reporting Standards (IFRS) auditing and attestation consolidated financial

statements. Moreover, ISO 9001 Quality Management System, OHSAS 18001 Occupational Safety & Health Management System, ISO 14001 Environmental Management System, ISO 14064-1 Greenhouse Gas Inventory Standards have all been verified by third-party certification bodies. Third-party certification institutions include TUV Rheinland Germany, SGS Taiwan, and AFNOR Group.

## Contact Information

If you have any suggestions for this report, please feel free to contact us via the following means. For ease of reference, this report is also published on our website.

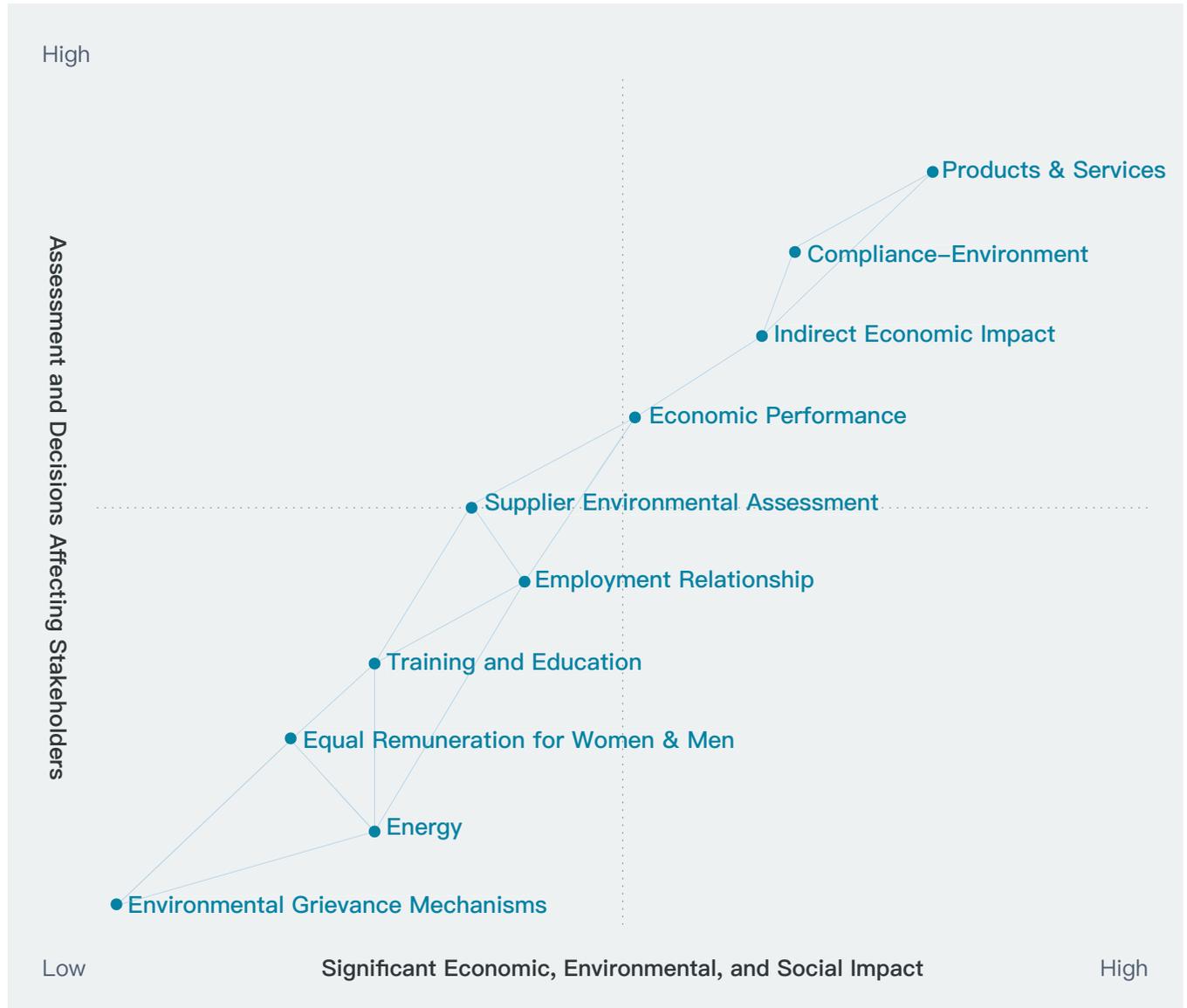
Address: No. 289, Xinhua 3rd Road, Neihu District, Taipei City  
Website: [www.dlink.com.tw](http://www.dlink.com.tw)  
Contact person/spokesperson: Vice President Hua-Kuen Miao  
Tel: 02-66000123  
Email: [ir@dlinkcorp.com](mailto:ir@dlinkcorp.com)

# Identifying Material Aspects and Boundaries

Material aspects are identified through the four-step process of identification, prioritization, validation, and review. In the process of identification (Step 1), a dedicated corporate social responsibility unit holds internal meetings to select the relevant topics and identify a list worth disclosing based on GRI G4 aspects and standard disclosures.

Next, relevant topics are prioritized according to GRI G4's three principles (Step 2). Principle 1: Stakeholder Inclusiveness: Clarify stakeholders and explain how to respond to their reasonable expectations and interest in this report. Principle 2: Materiality: Confirm the selected issues once again for their significance in making economic, environmental, and social impacts. Principle 3: Sustainability Context: Disclose our company's improvements or mitigation of our activities on the environment. Also, based on the GRI G4 guidelines, relevant topics identified in Step 1 are known as "aspects" from this point on. We have also collected stakeholders' concerns through a survey and reported them in the routine meetings. According to the statistics, the material issues are prioritized as follows.

In the process of validation (Step 3), identified material aspects are assessed based on the principles of completeness in GRI G4. Completeness includes the scope, that is, all aspects covered in this report, such as economic performance, materials, occupational health and safety, and staff training and education; aspect boundaries, namely, the defined boundary of each aspect; and integrity of information during the reporting period. More importantly, the list of prioritized material aspects in this report has been approved by policy-makers in the higher echelons of management. The final stage in identifying material aspects and boundaries, or Step 4 (review), involves collecting information from stakeholders for the next reporting period after the current report is published. The results of stakeholder surveys are beneficial for identification during the next reporting cycle.



▼ Topic Identification, Boundaries and Material Aspects

Relevant Issues	Aspects	GRI G4 Index	Boundaries							
			Internal	External						
			Employees	Shareholders	Clients	Suppliers	Government	Media	NPOs	
1	Brand and marketing	Products and services	G4-EN27 Mitigation of environmental impacts of products and services	●		●	●			
2	D-Link Green	Compliance Environment	G4-EN-29 No heavy fines due to violation of environmental laws and regulations	●		●	●	●		
3	D-Link Charitable Foundation	Indirect economic impact	G4-EC7 Investment in local community infrastructure and development and impact of support services	●			●	●	●	●
4	Revenue disclosure	Economic performance	G4-EC1 Direct economic value generated and distributed	●	●			●	●	
5	Supplier Management	Supplier environmental assessment	G4-EN-32 Proportion of new suppliers selected under environmental standards	●			●			
6	Parental leave	Employment relationship	G4-LA3 Reinstatement and retention rates after parental leave, by gender	●			●			
7	Employee training	Training and Education	G4-LA9 Average hours of training per year per employee, by gender and by employee category	●				●		
8	Gender equality in the workplace	Equal remuneration for women and men	G4-LA13 Ratio of basic salary and remuneration of women to men, by employee category and by operation	●				●		
9	Emissions	Energy	G4-EN16 Indirect emissions of greenhouse gases (Scope 2)	●				●		
10	Introduction of ISO 14001:2015 Environmental Management System	Environmental grievance mechanisms	G4-EN34 The number of grievances about impacts on the environment registered, processed, and solved by formal grievance mechanisms	●				●		

# Maintaining Continuous Communications with Stakeholders

## Stakeholder Engagement Group, Identification and Selection

In our engagement with stakeholders, we plan out a rigorous process of identification. First, members of the Corporate Social Responsibility Office will, through internal meetings, brainstorm and identify various stakeholders, including worldwide customers, domestic and foreign investors, employees, government officials, suppliers, non-profit organizations and the media. We then adhere to the reporting standards formulated by AccountAbility, a global non-profit organization, namely the AA1000 Stakeholder Engagement Standard 2015 Edition (AA1000 SES 2015), which includes responsibilities, influences, conflicts, dependency and different points of views. Based on these five standards, we identify stakeholders, score their importance, and ultimately engage six major categories of stakeholders as our first priority. After the identification process has been completed, the engagement of stakeholders for the annual report is done with respect to seven major categories, namely customers, employees, non-profit organizations, investors, suppliers, government, and the media. Notably, we place special emphasis on D-Link product users as they form an integral part of our daily operational process and are the stakeholders with whom we communicate the most frequently.

## Methods, Frequency and Particular Procedures of Engagement with Stakeholders

We employ various methods of engaging, cooperating with and surveying the views of our stakeholders, in particular D-Link users. For more details, refer to Table. In addition to relevant topics, such as the company's corporate social responsibility policy, development direction, material issues, and development plans, we also use questionnaires and email to gauge stakeholders' opinions and feedback on the disclosure of material issues and corporate sustainability. Feedback is transmitted to the department heads for processing, and an internal meeting is organized where all the material issues are discussed and resolved.



## ▼ Practice, Frequency and Specific Procedures for Stakeholders' Engagement

Stakeholders	Channels of Communication	Frequency of Communication	Records
Customers	Marketing activities	Monthly	Press Center
	Social network	Daily	Cloud D-Link, D-link Youtube and other records
	Official website in multiple languages	Daily	Dedicated personnel are responsible for forwarding customers' feedback from the the customer service mailbox to the responsible unit for subsequent handling. Technical support, shopping, and maintenance records
	Global toll-free services	Daily	Statistical report on consumer feedback
	Customer service mailbox	Daily	Statistical report on consumer feedback
	Customer satisfaction survey	Daily	Customer satisfaction survey report
	Brick-and-mortar operation consultation	Daily	Dealer feedback
Employees	Labor conferences	Every quarter	Labor conference records
	Staff performance interview	Twice a year	Employee performance review forms
	Internal publications: Email, posters, and bulletin boards		Email, posters, and photos
NPO	Conference call communication	Irregular intervals	Telephone interview records
	Face-to-face communication	Irregular intervals	Interview records
	Email	Irregular intervals	Email
	Foundation's contact person	Irregular intervals	Meeting minutes
Investors	Shareholder meetings	Every year	Shareholders' meeting handbook and meeting minutes
	Quarterly operational achievement presentation and conference call	Every quarter	Legal financial information from Market Observation Post System
	Disclosure of monthly revenue	Once a month	Monthly revenue and press release on Market Observation Post System and the company's website
Suppliers	Selection of new suppliers	Once per supplier	Supplier selection and evaluation report
	Requirements for environmental protection	Irregular intervals	Supplier's letter of commitment
	Annual audit	Every year	Supplier audit records
	Supplier training	Irregular intervals	Training materials
	Supplier conferences	Every year	Meeting minutes
Government agencies	Official correspondence		Official documents
	Market Observation Post System		
	Company's website		
Media	Press conferences	Irregular intervals	Latest news and press releases

## Stakeholder Communication

# Continuous Participation in Trade Shows Active Communication with Consumers Worldwide

D-Link is one of the few global networking manufacturers in Taiwan that markets its own brands worldwide. We attach great importance to conversations with customers in the hope of understanding the potential needs of consumers across the globe. Such conversations take place at iconic electronics shows in which we participate both at home and abroad with systematically planned themes. We also participate in trade shows on a regular basis, such as Consumer Electronics Show (CES) held in the USA, Mobile World Congress (MWC) held in Barcelona and IT exhibitions in Taiwan. In recent years, we have entrenched our brand appeal as a smart home provider, with solutions and products like Smart Life, Speedy Network, Cloud Surveillance, Ultra 11AC High-end Router, Full 180-degree Wide Eye Wi-Fi Camera, and smart home products with IFTTT (if This Then That) support displayed in the trade shows.

### ► CES 2016





▲ 2016 IT exhibitions in Taiwan

Stakeholder Communication

# 2016 D-Link League of Legends Corporate Cup

To encourage colleagues to relax and interact with one another, D-Link Employee Welfare Committee invited staff to participate in the League of Legends Corporate Cup held by Garena.



Stakeholder Communication

# Overseas Business Unit (OBU) Conference One Team, One Goal!

Held in the headquarters in Neihu, the Overseas Business Unit Conference brought together executives from global branches. The goals of the conference were Communication, Commitment, and Complete Company Target. Global executives discussed the market situation of each region and the Forward-looking Program and reported sales in 2016.





## About Us

## Company Profile

# The Next 30 Years Building Networks for People

### About Us

D-Link Corporation was established in 1986 in accordance with the Company Act of the Republic of China. In October 1994, we listed on the Taiwan Stock Exchange (stock code: 2332). In 2016, which was also the 30th anniversary of the year the company was founded, the total paid-up capital reached NT\$6,519,961,660. D-Link now has 2,270 employees worldwide, footholds in more than 60 countries, and more than 170 sales centers around the world.

### Primary Products and Services

D-Link product lines cover switches, wireless broadband and digital home products, and much more. We provide services to general consumers, business users and operators alike. Since its founding, D-Link brand products have been sold throughout the world. Through internalization, localization and globalization, sales performance has grown steadily. Deeply rooted in the market for so many years, we have studied, designed, developed and marketed Internet communication equipment products and related services as part of our core business development process. Our commitment to global consumers and businesses of all sizes is to provide high-quality networking solutions. With our complete and diverse product lines, we have been awarded international prizes as an affirmation of our network products and services. D-Link has expanded beyond the European and American mainstream markets to become a leading global consumer networking brand. Our brand also occupies an important position in emerging markets, ahead of its main competitors.

### Locations of Operation

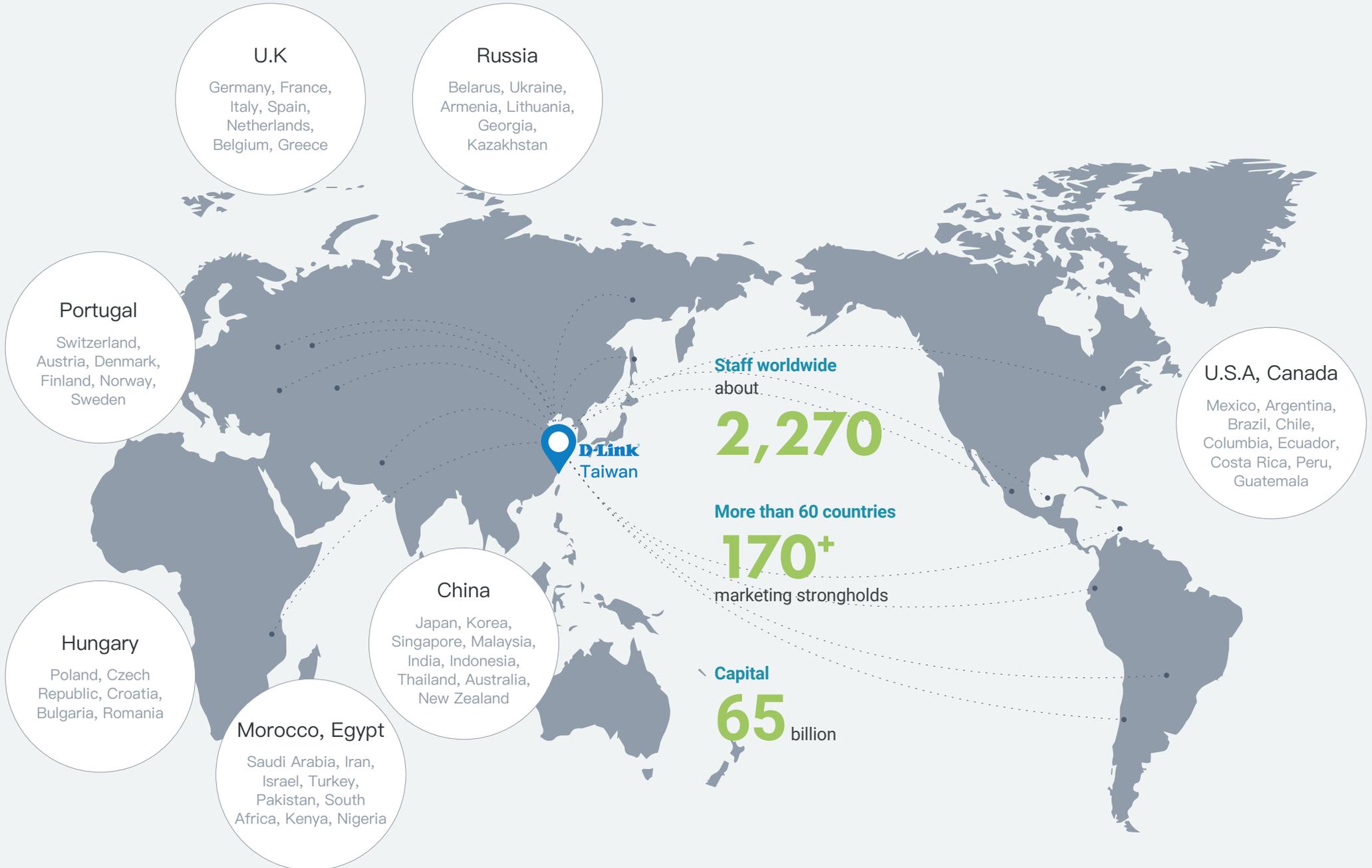
D-Link has more than 170 marketing strongholds in more than 60 countries. Areas covered include: Taiwan, USA, Canada, Europe, Australia, India, Singapore, Middle East (Dubai), Turkey, Egypt, Israel, Latin America, Brazil, South Africa, Russia and China.

### ISO 27001 Information Security Management System

In 2014, we adopted the ISO 27001 Information Security Management System to ensure the stability and security of our global business operations, sales, accounting, and confidentiality of services as well as to minimize risks and establish preventive measures to enable that our business runs smoothly without disruption. Each year, asset stocktaking and identification of risk level are implemented to prevent risks effectively. The categories of information security threats include: natural threats (such as flooding, earthquakes, typhoons, and thunder strikes), environmental threats (such as conflagrations, pollution, explosions, and riots), man-made threats (such as illegal eavesdropping, operational negligence, and hacking), and technical threats (such as computer crashes, bugs, and Internet disconnections).



# Global Presence



## Wi-Fi · Surveillance · Smart Home

# D-Link Launches into Smart Future

Spurred by the IoT trend and with the aim of launching users into a smart future, our production lines have delivered smart home applications, Wi-Fi routers, and Wi-Fi network cameras to consumers worldwide. Through Wi-Fi routers, Wi-Fi network cameras, and IoT-based equipment, D-Link perfectly demonstrates the vision of Internet of Everything (IoE) by networking every electrical appliance in the home.

As IoT gathers, Wi-Fi routers have become the most popular way to connect electrical home appliances to the network. With years of experience in developing Wi-Fi network cameras featuring the core of smart coupling, D-Link has the most complete and solid technologies in the industry, making it the leader in IoT product development. Since 2014, D-Link has launched related conceptual products. This year, in addition to developing products to a wider and deeper extent, the company also engaged the global industrial chain, supported IFTTT, and adopted IoT applications.

D-Link Connected Home Series provides variety of innovative products, including Home Surveillance Series DCH-S150 + DCH-S220 + DCS-8200LH, which are used to scare thieves; Dynamic Monitor Series, which monitor the movements of families/children after work/school; and Smart Life Series, which turn on the lights once occupants return home.

Cloud surveillance has become one of our main product lines in recent years. The Mr.180° Series, including DCS-960L and DCS-2630L Wi-Fi Camera, designed for business are widely recognized. The lightweight DCS-2530L and DCS-962L and DCS-2670L Outdoor 180-degree Wi-Fi Camera are also popular.

We also launched the DCS-8200LH 180-degree Wi-Fi Camera, the first to support D-Link's smart IoT. In the future, consumers will be able to experience the ultimate convenience of a smart home made possible by connected electrical home appliances.



WiFi · Surveillance ·  
Smart Home



## 2016 Bestselling Products

# MommyEye Wi-Fi Camera Secret Behind Bestseller for Two Consecutive Years

The first-generation MommyEye Wi-Fi Camera launched in 2015 was sold out in only three hours.

This year, D-Link worked with GMP Baby to launch the second-generation MommyEye Wi-Fi Camera models, DCS-850L and DCS-855L, which are the best aids in baby care.

The reason why MommyEye Wi-Fi Camera sold out for two consecutive years was D-Link adopted a proper marketing strategy based on extensive experience, expanded its partnership, and extended the marketing front-lines. To achieve remarkable success in 2015, we invited well-known bloggers to share their unboxing experience so that consumers can have a full understanding of the advantages and convenience of D-Link MommyEye Wi-Fi Camera. We also sell the camera with the products of which GMP Baby holds the distribution rights, including Dr. Brown's Natural Flow Feeding Bottle/Pacifier/Teether to attract more customers.

As early as the end of 2013, we launched four versions of MommyEye Wi-Fi Camera, namely DCS-700L, DCS-825L, DCS-850L, and DCS-855 featuring rotary lens, HD, temperature sensor, built-in lullabies, MicroSD memory card slot that can record videos and store copyright music or stories, and two-way audio. With fool-proof setup, moms can use our products with ease.



# 2016 Award-Winning Product Designs

## CES Innovations 2016 Design and Engineering Honoree Award

Two products, namely mydlink® Smart Alarm Detector (DCH-S165) and Unified Home Wi-Fi Network Kit with Adaptive Roaming Technology (DKT-891) each won the CES Innovations 2016 Design and Engineering Honoree Award.

## 2016 Technology Trends Gold Medal Award

D-Link won three awards in the 9th Technology Trends Gold Medal Award organized by PCHome Publication Group, making it the networking brand that won the most awards (in the most nominated categories) in the Internet communication industry. The AC5300 Ultra Gigabit Wi-Fi Router (DIR-895L) won the Outstanding Technology Gold Medal in the wireless router category; the HD Wireless Network Camera (DCS-936L) won the Outstanding Technology Gold Medal in the network camera category; and the world's first 4T4R AC2600 Wi-Fi Repeater (DAP-1860) won the Special Recommendation Gold Medal in the wireless router category.

**Selected by PC Magazine, one of the Most Renowned American Computer Magazines, as the Best Wireless Router of 2016**

AC5300 Ultra Gigabit Wi-Fi Router (DIR-895L).

## 25th Edition of the Taiwan Excellence Awards

The following products won the 25th Edition of the Taiwan Excellence Awards:

- DCS-6518, DAP-1860,
- DCS-2630L, DCH-G020,
- DCH-Z110, DCH-S150,
- DSL-4320L.



# Achievements

## CNET Best of CES Awards

- 2012 : DIR-857 Amplifi™ HD Media Router 3000
- 2013 : DGL-5500

## CES Innovation

- 2012 : DIR-636L 11N USB 1000M
- 2013 : DIR-508L
- 2014 : DCS-825L / DCS-2136L
- 2016 : DCH-S165 / DKT-891

## Taiwan Excellence Awards

- 22nd Edition: 19 D-Link products won excellence awards.
- 23rd Edition: 8 D-Link products won excellence awards.
- 24th Edition: 11 D-Link products won excellence awards.
- 25th Edition: 7 D-Link products won excellence awards.

## iF Product Design Awards

- MommyEye DCS-825L and DWR-930 4G LTE Mobile Router won the iF Product Design Award in 2014.

## Red Dot Design Award

- DMG-304P HomePlugAV PowerLine and DWR-730 HSPA+ Mobile Router won the Red Dot Design Award in 2013.

## Japanese Industrial Design Promotion Association

- The light, simple, and fashionable DAP-1320 Wireless Repeater won the Good Design Award in 2013.



# Operating Revenue

The Company had consolidated revenue of NT\$22,921,798 thousand, gross profit of NT\$6,016,963 thousand, and net value per share of NT\$14.95.

For more information regarding the operational performance and finances of D-Link, please refer to the “2016 D-Link Annual Report” or the Market Observation Post System.

## ▼ Operational Performance (Unit: NT\$ thousand)

	2012	2013	2014	2015	2016
Capital	6,475,803	6,475,803	6,477,557	6,769,961	6,519,961
Consolidated Revenue	32,466,950	30,558,474	30,305,802	26,614,479	22,921,798
Gross Profit	9,481,716	8,067,782	8,273,704	6,433,117	6,016,963
Income Tax Expenses (Benefits)	300,161	69,971	31,996	(266,263)	120,292
Consolidated After-Tax Profit	803,887	676,280	111,461	(1,825,737)	(909,666)
Earnings per Share After Tax	1.23	1.04	0.09	(2.90)	(1.50)
Net Value per Share (NT\$)	21.55	21.86	19.80	16.46	14.95
Employees Salary and Welfare (Note 2)	3,717,112	3,832,874	3,901,198	4,042,139	3,623,934
Payment Made to Investors: Stock dividends Paid to Shareholders	608,773	730,527	310,474	189,841	155,237

Note 1: Starting from 2013, financial statements are based on International Financial Reporting Standards (IFRS) instead of Generally Accepted Accounting Principles (GAAP).

Note 2: Source: International Accounting Standard 19 (IAS 19) – Employee Benefits.

## 2016 Operation Model

# D-Link and Partners Team Collaborating with Leading Partners to Expand Our Global Presence

In 2016, D-Link set up “D-Link and Partners Team” to integrate solution providers and provide quality products that meet customers’ needs in a smart environment. We have provided the business platform infrastructure, including sales pipelines, warehousing, logistics, maintenance, service centers, and customs services, for our partners to improve their access to overseas markets and revenue. Currently, D-Link and Partners Team consists of seven brand partners: Clientron Corp. (8119), Harvatek Corporation (6168), MITAC-SYNNEX Group (3706), Morelink Technology Corporation, V2Plus Technology Inc (8176), and Skardin Industrial Corporation (3466). With the partners’ product strengths and D-Link’s extensive network of sales centers in more than 60 countries, D-Link and Partners Team aims to drive Taiwan’s international competitiveness to a new peak.

In addition, D-Link worked with global IT industry leaders such as Apple, Amazon, and Microsoft to support SmartHome Kit (Apple) and Alexa (Amazon). D-Link also participated in the industrial chain actively through Super WiFi led by Microsoft. Through its active participation in the global industrial chain, D-Link expects to serve as a model for other Taiwanese brands and, together reclaim our former glory as a global IT heavyweight.



Future Revenue Momentum

# Strengthening Investment in Super WiFi

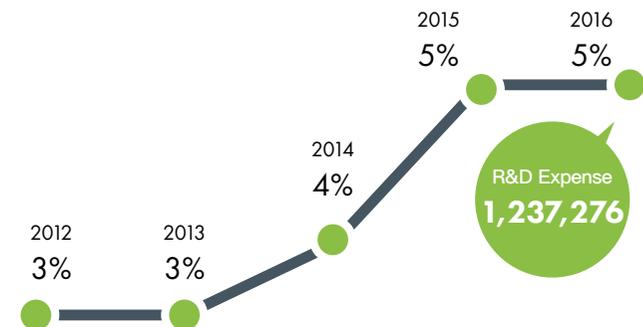


D-Link worked with Microsoft to develop Super WiFi and took the lead to invest in new technology. In the future, the company will cooperate with global top companies that are capable of launching products at the beginning of the technology launch.

Led by Microsoft, Super WiFi improves the quality of transmission by taking advantage of high coverage and excellent penetration of the unused white space in the broadband TV spectrum. Super WiFi aims to narrow the digital gap worldwide and build a solid network infrastructure in advance for remote areas that lack broadband wireless connectivity. The first trial program has been initiated in the USA and will be implemented in three other countries in the future.

Currently, the fastest Wi-Fi technical standard for the business use is 802.11ad, which is developed based on 802.11ac. Super Wi-Fi is developed based on 802.11af, which means the cross-time progress of wireless communication technology. Super Wi-Fi transmits Wi-Fi signals through spare white space of the wireless TV spectrum, so its coverage and penetration are better than that of the existing wireless spectrum.

▼ Proportion of R&D Expenses to Net Revenue Increases Year by Year



# 4

## Corporate Governance

# Sound Corporate Governance System Maximizes Shareholder Interests

We firmly believe that excellent corporate governance will establish a sound basis for business development, enabling the Company to provide high-quality products and services and simultaneously deliver the best returns to shareholders.

A well-structured board of directors benefits shareholders' equity and is also the cornerstone of sustainable management. The long-term interests of the Company and its shareholders guide the Company's business strategies and its dealings in an objective and independent manner. We have adhered to sound corporate governance principles for a long time and continue to do so. A shareholding system that separates ownership and management engenders transparent management; the Board of Directors comprises the management team elected by shareholders and investors. The Company maintains high standards of corporate governance and ensures the effective operation of the Board of Directors in order to protect the interests of shareholders.

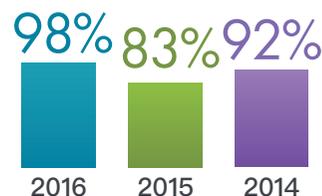
The Board of Directors is the top governance unit and the center of major business decisions of the Company. It com-

prises nine directors and one supervisor. The responsibilities of the Board include the appointment and dismissal of supervisors and managers of the Company, monitoring and auditing business performance, discussing major decisions, proposing business strategies and other issues related to the operational direction of the Company in order to reap the highest benefits for shareholders. The Board of Directors must hold a meeting on a quarterly basis. It held four meetings in 2016, with a combined attendance rate of 98%.

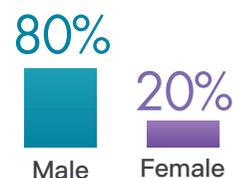
Important resolutions passed by the Board of Directors are released on the Market Observation Post System (MOPS) website after the board meeting for the benefit of investors. To facilitate communications between the Board of Directors and the management team, the CEO, President, Chief Financial Officer, Chief Accounting Officer, and Chief Audit Officer are required to sit in at all board meetings; other managers, accountants, and legal advisors may be asked to sit in on a case-by-case basis.

## ▼ Corporate Governance Transparency Index

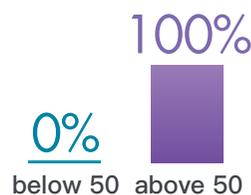
Average Attendance of the Board Members



Gender Distribution of the Board Members



Age Distribution of the Board Members



## ▼ Board Diversity Index

Title	Name	Gender	Age Over 50
Chairman	Yun-Wei Investment Co., Ltd. Legal representative: Min-Chih Hsuan	Male	●
Vice Chairman	Douglas Hsiao	Male	●
Director	John Lee	Male	●
Director	Shih-Yao Investment Co., Ltd. Legal representative: Jui-Shu Chen	Male	●
Director	Kenneth Tai	Male	●
Director	Alpha Networks Inc. Legal representative: Yu-Chin Lin	Male	●
Director	Shi-Guo Lin	Male	●
Independent Director	Hsiang-Feng Chung	Male	●
Independent Director	Chung-Peng Feng	Male	●
Supervisor	Soonest Investment Co., Ltd. Legal representative: Feng-Yun Zou	Female	●

The Board of Directors is accountable to shareholders, and submits reports on the Company's performance and proposals for dividend distribution to the latter each year. Remuneration for directors and supervisors is stipulated in the Company's Articles of Association. The Company's profits are computed at the end of each fiscal year. 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 annual shareholders' meeting, according to the Company's "Remuneration Policy for Directors and Supervisors". The Company also schedules regular training courses for its directors and supervisors in the areas of corporate governance, securities regulations, business practices, and so forth. A list of training courses attended by the directors and supervisors during the reporting period is available in MOPS.

### Preventing Conflict of Interest

Personal conflict-of-interest clauses for directors are clearly listed in the Company's "Rules and Procedures for Meetings of the Board of Directors". Should any director or his/her relations have interests in the subject of discussion, they shall be present at the meeting to present their views and respond to any queries. He/she will have to recuse himself/herself when the board is deliberating on the matter, and shall not exercise voting rights on behalf of other directors. Details of these measures will be recorded in the minutes of the meetings. In addition, should a director be engaged in businesses that are similar in scope to the Company's businesses for personal benefit or otherwise, the director will have to declare this fact in the annual shareholders' meeting after being elected. He/she will have to seek the shareholders' permission to lift the conflict-of-interest restrictions and shall disclose such information on the MOPS website for investors' reference. Furthermore, to safeguard the Company's interests, various regulations for conflict of interest are clearly listed in the Company's Code of Conduct, including non-competition, related-party transactions, nepotism, investing in suppliers, customers or competitors, inappropriate benefits or gains, etc.



### Setting up an Internal Audit Office to Monitor and also Prepare the Remuneration Committee to Conform to International Standards

To ensure the sound operation of our internal control system, we set up the Auditor's Office and appointed one Supervisor of the Company in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies formulated by the Financial Supervisory Commission. In addition, to continually strengthen corporate governance in line with international standards, our Board of Directors set up the Remuneration Committee in 2011, which consists of the Company's independent directors and three impartial university professors. The Auditor's Office is responsible for monitoring the Remuneration Committee and preparing it to conform to international standards. The Remuneration Committee is itself

responsible for regularly reviewing policies governing performance evaluation and remuneration for directors, supervisors, and managers, as well as reward systems, salary structures, and standards. In accordance with the Company's "Remuneration Committee Charter", the Remuneration Committee consists of at least three external professional experts and two independent directors who are appointed by the Board of Directors for a term equivalent to the term of service of the directors. Current members include: Independent Director Hsiang-Feng Chung, Independent Director Chung-Peng Feng, Emeritus Professor Qian Yang from 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. Mr. Hsiang-Feng Chung was unanimously elected as the convener of the Remuneration Committee. Two committee meetings were held in 2016.

## Integrity Management

# Senior Executives Lead by Example

All staff members are required to adhere to the highest standards of business ethics. Through an annual online survey, employees are required to examine their colleagues' concept of integrity and practical results.

Integrity 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 business operations extend worldwide, and our global customer base includes local government agencies and large telecom operators. Not only would bribery tarnish the Company's image and compromise morale, it would also undermine our customers' trust in us. Therefore, it is 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's "Code of Conduct" and "Procedures for Gift Acceptance". It is also part of the Company's training protocol to educate all employees on the Company's stance and regulations on integrity. An annual assessment of the level of knowledge and the application of relevant regulations among all our employees is carried out through an annual online survey. 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 the cut-off date of this report, there has been no instance of bribery or corruption involving any of our directors, managers, or employees. Furthermore, all the 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 planned by D-Link's Charity Fund and Care Club and executed by specially appointed personnel.

### Anti-Bribery Code of Conduct

The Company complies with all applicable anti-bribery laws. All employees are made aware that bribery is punishable by law and are prohibited from engaging in illegal or inappropriate behavior involving bribery, kickbacks, inappropriate rebates, or gifts of cash or valuables with any other persons in order to obtain or secure business favors related to D-Link products or services. The aforementioned "other persons" include officials, employees or representatives of governments, companies, public organizations or international organizations or other third parties. 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 the 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 other third parties 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 strictly 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.

## Integrity and Honesty of Suppliers

D-Link's expectations for integrity and honesty are clearly stated in the contracts with our suppliers. All our contracts state 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 the Company's gain". None of our suppliers has been found to be involved in any illegal dealings in 2016.

## Procedures for Gift Acceptance

The "Procedures 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: internal line for reporting misconduct: ext.1444; external line: +886-2-66000123 ext.1444; email address for reporting misconduct: coc@dlinkcorp.com; personal email address of Chairman of the Disciplinary Committee: coc.chair@dlinkcorp.com. We accept both named and anonymous reports. The Company shall ensure confidentiality of the reported content and identity of the whistleblower.

## Fair Competition

D-Link fully complies with all applicable laws and regulations pertaining to commercial transactions, including the Fair Trade Act, anti-trust laws, and unfair competition laws. When competing for business opportunities, all D-Link 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. The 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 branches/subsidiaries shall engage the help of local legal consultants to best protect the interests of the Company.
2. Should the disputes involve our headquarters, the headquarters shall collaborate with the local branches/subsidiaries to settle the disputes.

As an international company, D-Link, in addition to pursuing business growth, is committed to complying with laws and regulations governing fair competition in Taiwan and around the world. It takes into account the interests of all stakeholders as part of its responsibility to uphold social and formal justice. To ensure that the Company does not breach the principles of fair competition, we have always required our foreign subsidiaries to report any act or case involving violations of fair competition to our headquarters at the first opportunity. Our legal and other relevant departments will be notified immediately and will then discuss, investigate and confirm the scope of the reported incident. Should the incident be serious and require litigation, it will need to be resolved. In future, if there is any violation of fair competition which will have an impact on the business, operations, and prospects of D-Link, the situation will be assessed appropriately and dealt with. As of the end of 2016, there was no report of any such case.

## Disciplinary Committee

To ensure that all our employees conduct themselves with integrity and honesty, D-Link has set up a Disciplinary Committee to oversee disciplinary matters. The chairperson of the Disciplinary Committee is appointed by the Chairman of the Board of Directors, and the committee shall comprise

no less than seven members. Members of the Disciplinary Committee are elected from the human resources, legal, audit, business, research and development, and administration departments.

The responsibilities of the Disciplinary 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 2016.

## Corporate Social Responsibility Working Group

Since 2008, the Board of Directors has established a working group, which is a part-time unit in charge of planning corporate social responsibilities. The CEO holds the post of the convener and brings together all the departmental heads. Members come from the stock services, marketing, finance, R&D, procurement, business, human resources, and other departments. Every year, the working group holds a review meeting to propose, implement and report corporate social responsibility policies, guidelines and related action plans to the Board of Directors.

A large, bold, blue number '5' is the central focus of the graphic. It is set against a circular background with a halftone dot pattern. Several thin white lines radiate from the center of the '5' towards the edges of the circle, creating a sense of depth and structure.

Environment Category

## Environmental Management Policies and Guidelines

# Maintaining the Beauty of the Environment is Our Duty

Climate change is posing a threat to the Earth. As resources will eventually be depleted one day, we often think about how to reduce the use of energy, water resources and land resources in every stage of our operations, including production design, process, and transnational logistics. We have made all efforts to maintain the beauty of the environment and consider this our duty as citizens of the Earth.

D-Link operates its headquarters in the Neihu Technology Park in Taipei City. Over the years, as part of fulfilling our role as a global citizen, we have continually 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, performing trash sorting and recycling, conserving water by replacing all our taps with water-saving models, conserving electricity by replacing lighting in public and underground parking areas with energy-saving LED lights, stopping the operation of some elevators during off-peak hours, and placing drinking fountains on standby during holiday periods. We have also reduced the use of disposable items by providing reusable utensils in the staff canteen, as well as provided a discount of NT\$10 for using personal cups at the cafe, and other similar practices, with the view of conserving and re-using Earth's limited resources. In 2016, the Company was not fined or issued with any orders for improvement by the local environmental protection authorities.



## Leading the Industry with SGS ISO 9001:2015 and ISO 14001:2015 Dual Certification

The new editions of ISO 9001/ISO 14001 are oriented toward performance management systems, and are specially designed with a focus on high-order participation, leadership and communication, management of interest group expectations, paying attention to the handling and environmental changes in management processes, and identifying risk and opportunities to promote a management system that rapidly adapts to changes in the business environment. This revision has three major aspects: documentary control of substantial deregulation, paying more attention to the organization's external business environment, and integration of higher-order management and quality systems to enhance performance and execution.



## Compliance with International Standards Toxin-Free Raw Materials

D-Link's quality products are made of safe and non-toxic raw materials without lead, mercury, cadmium or any other hazardous substances. Currently, we have audited and analyzed the raw materials of tens of thousands of components and have recorded the data cumulatively in an in-house system.

We exclude the use of toxic substances from each of our product units. Currently, all raw materials containing lead and mercury have been phased out. We comply with the EU RoHS hazardous substances specifications. In fact, in our supplier management process, we started very early on to make complete records of the traceability of raw materials, showing the chemical composition of each part of every product displayed. This also helps us reduce and eliminate such toxic substances.

Our design and development team adheres to EU environmental standards in line with EU Eup, RoHS, WEEE and REACH Directive for green products in order to develop such items. At the same time, we have developed a number of products with ecological characteristics to help businesses, project development units, and customers conform to green-product environmental protection specifications. This also helps the R&D personnel to attain the relevant environmental standards and to reduce the impact on the environment according to customer requirements when assessing the product life cycle.

We abide by and adopt international standards and regulations, including RoHS (Restriction of Hazardous Substances Directive 2002/95/EC), which took effect in 2006, and REACH (Registration, Evaluation, and Authorization of Chemicals), as best practice guidelines when identifying raw materials for our products and evaluating the chemicals in the components in order to understand these components' impact on our health and environment and achieve the goal of green design.

We manage the hazardous substances of our products in accordance with IECQ HSPM QC 080000 (Electrical and Electronic Components and Products Hazardous Substance Process Management System Requirements) in the aspects of regulations and customers' requirements, approval of parts, supplier management, material inspection, manufacturing, inventory, shipments, and training.

Upon identifying toxic substances in our products, we will reduce and eliminate these toxic substances or select new suppliers that can provide safer materials. Through our efforts to remove toxic substances, we not only protect our employees and consumers from hazards, but also prevent air and water pollution.

In addition, in terms of examination and supervision, through the RoHS Hazardous Substances analysis table and third-party chemical laboratory test reports, we consistently regulate substance content and conduct occasional spot checks on suppliers to inspect materials and production processes. Bilateral cooperation with suppliers ensures more than just one-way evaluation and supervision – it also increases the qualification rate. Since our work process does not use any toxic products, there is no toxic waste, transportation or spillage problem. In 2016, the Company did not violate any environmental laws and regulations, and therefore were not subject to any penalty.

▼ D-Link's products are made of safe and non-toxic raw materials without lead, mercury, cadmium or other hazardous substances.



Lead (Pb)



Mercury (Hg)



Cadmium

Maximum content of 0.01 (100ppm)



Hexavalent chromium (CrVI)



Polybrominated biphenyls (PBB)

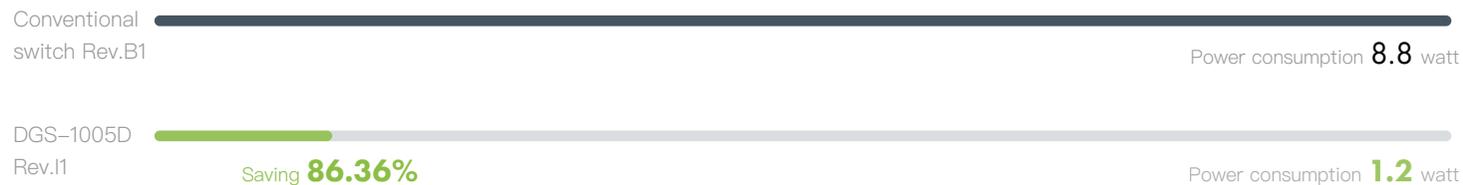
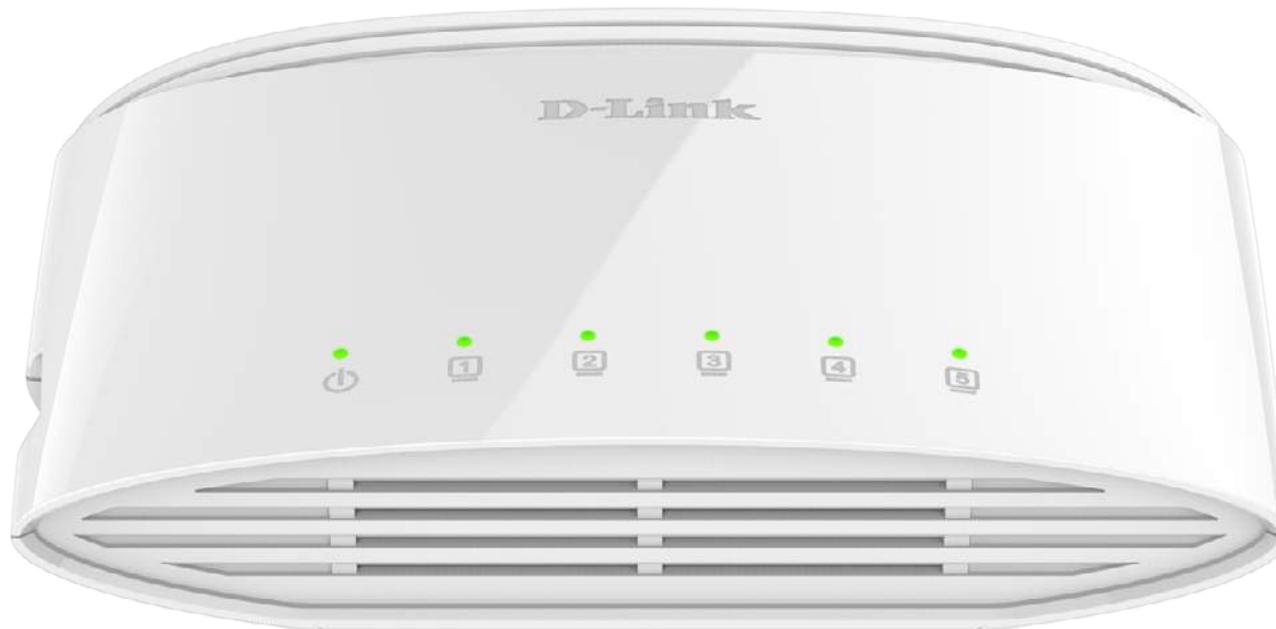


Polybrominated diphenyl ethers (PBDE)

Maximum content of 0.1% (1000ppm)

# Since 2008, D-Link has Reduced the Average Power Consumption of Our Products by 86.36%.

Compared to previous-generation models, current products require 86.36% less energy to operate. As an example, the previous-generation conventional switch Rev.B1 consumes 8.8 watts of power while the new-generation model, DGS-1005D Rev. I1, consumes just 1.2 watts of power.

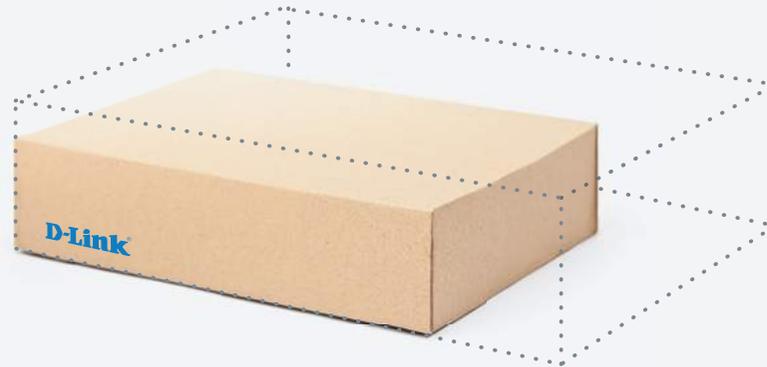
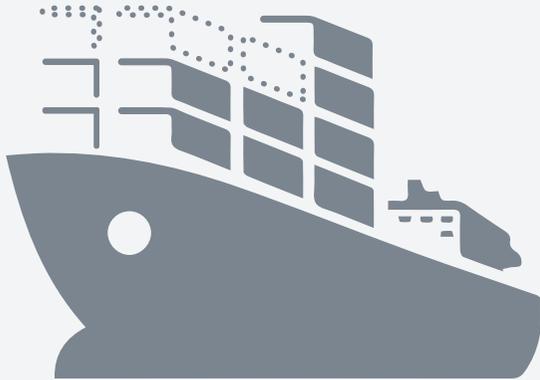


## Green Packaging

# Considering Every Detail in the Use of Raw Materials

D-Link has always been researching smarter ways of making lightweight product packaging and developed new technologies to use raw materials effectively.

With global resources being a finite source, we are committed to conservation and accounting for every minute detail of raw materials usage. In recent years, our efforts have paid off by effectively reducing the consumption of raw materials. At the same time, we have also reduced the use of consumable supplies and cut transportation costs, creating great economic benefits. We have launched a series of packaging reduction programs to effectively reduce the volume and weight of packaging materials in order to scale down the carbon footprint of international shipping.



Taking D-Link Europe's most popular product, DSL-2500U/BRU, as an example, design optimization led to a weight reduction of up to 22% per year, which is equivalent to **ten 20-foot** containers.

D-Link inner box Type A: Volume reduction of **32%** and weight reduction of **48%** through design optimization.

Taking one of D-Link's best-selling items, DIR-615, as an example, **10 metric tons** of plastic raw materials can be saved in one year through design optimization.

Cherish Natural Resources and Keep the Earth Clean

# Input and Output of Energy and Water Resources

D-Link records the use of electricity purchased externally and water resources through the input and output of environmental information. Long-term record-keeping and disclosure of information will help us examine whether the environmentally-friendly measures undertaken have achieved the set goals. For more information on D-Link's responses to climate change and the action plans for reducing the consumption of natural resources, refer to GHG Emission Solutions and Performance.

▼ Energy and Water Consumption

Category	Unit	2014	2015	2016
Externally Purchased Electrical Power	kWh	3,304,600	3,304,600	3,123,400
Water Resources	m <sup>3</sup>	12,561	12,504	10,888

▼ Gas, Waste Water and Waste Emissions

Scope	Regulations or International Standards	Item	Unit	2014	2015	2016 (Note)
Green-house Gas	ISO 14064-1	Scope 1: Direct emissions. Plants generate electricity through burning of coal, natural gas and gas, etc.	ton CO <sub>2</sub> e	10,348	10,0974	9,7228
		Scope 2: Indirect emissions. Plants purchase electrical power externally.	ton CO <sub>2</sub> e	1707.153	1,686.4283	1,634.3128
Effluents	Water Pollution Control Act	Domestic Effluents	m <sup>3</sup>	11,305	11,254	9,799
Wastes	Waste Disposal Act	General Waste Consumption	ton	14.68	13.32	11.85

Note: 2016 data have not been verified by the third-party certification body.



Climate Change is Happening  
D-Link has been Exploring all Kinds of Ways to Save  
Energy and Reduce Carbon Emissions.

We have identified two risks arising from climate change, namely the increase in energy cost and carbon tax. We have continued to manage energy, improve energy efficiency, and implement low-carbon procurement and transportation in our main operations. In addition, we have continually paid attention to developments in climate change and have closely monitored and controlled the risks arising from climate change. In response to the global trend of environmental protection, we have strived to take various measures to reduce energy consumption. We have started reducing our impact on the environment by cutting down electricity consumption in the workplace. GHG emission solutions adopted by D-Link over the years are described below.

#### ▼ GHG Emission Solutions and Performance

Item	Year	Description	Electricity Saved per Year Unit: kWh	Expenditure on Energy Conservation and Carbon Reduction Unit: NT\$
1	2016	Installation of LED lights in RF/6F (female toilet)/5F (female toilet)/4F/3F/2F/1F toilets and 1F pantry/4F Administration Department/1F warehouse T8	5,087	35,764
2	2016	Installation of automatic lighting sensors in 6F/5F/4F/3F/2F toilets	1,371	35,764
3	2015	Installation of LED lights in B1 & B2 parking/1F cafe/5F & 6F male toilets/B2 lobby/passenger elevators & freight elevators	16,120	78,795
4	2015	Toilet aspirator/exhauster auto-off at night/on holidays	11,690	2,500
5	2014	Installation of LED floor lights at emergency stairs	2,575	8,500
6	2013	Installation of timing functions of 1F steamers and RF water heaters	3,285	20,000
7	2013	Light adjustments in underground parking	15,577	5,000
8	2013	Light adjustments at emergency stairways in east and west wings	3,110	10,000
9	2013	Installation of LED lights in 1F meeting rooms and RF	3,283	25,200
10	2013	Installation of LED projection lights at 1F walkways in east wing	1,364	9,000
11	2012	Reduction in 600RT cooling water	439	20,000

Total Expenditure on Environmental Protection over the Years

250,523

## Supplier Management

# Improving the Performance of Suppliers

### Supplier Management Policy

The D-Link brand has been deeply rooted in 60 countries for more than 30 years. Our sales centers around the world add up to more than 170 in total. Therefore, we have a good foundation for green manufacturing that can be incorporated into the training material for local suppliers and can guide them to meet the requirements of global environmental protection. From the point of view of the suppliers, such training and guidance can enable them to continue to improve their skills and knowledge base while they improve their traditional labor, technology and procurement processes to select environmental-friendly non-toxic raw materials, thus indirectly promoting a new virtuous learning cycle. Our involvement in the local supply chain has created a network hub in Taiwan, enabling the switch industry to grow in S-curve fashion.

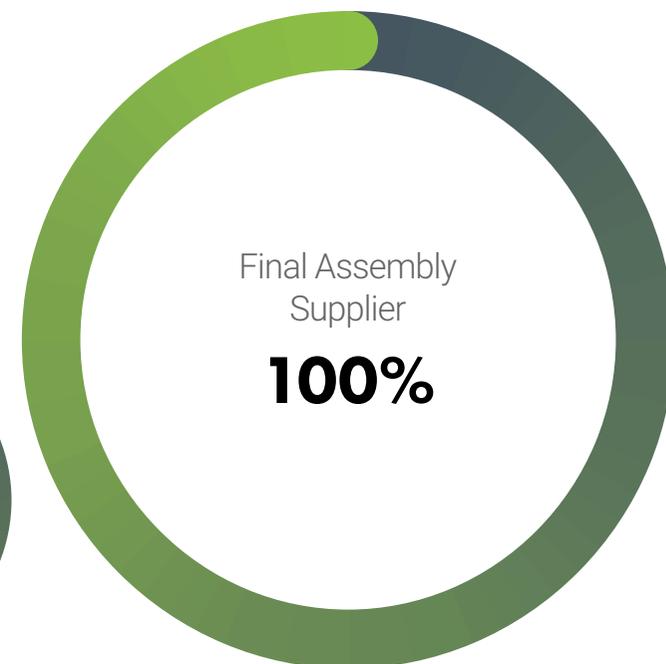
We established the “D-Link Supplier Management Regulations” for our Quality Control Department and Department of Procurement to evaluate suppliers and assess the industry. When new suppliers join the Company’s supply chain, they must first accept our evaluation. Thereafter, as an official supplier, they must accommodate our regular annual assessments. These assessments look into quality, costs, delivery, service, and various environmental protection issues. We thus use an audit mechanism to promote QCDS (Quality, Cost, Delivery, Service) supplier capability, and have developed an audit procedure at each stage to help them comply with the “D-Link Supplier Management Regulations”. Furthermore, we also recognize and have signed off on the environmental initiatives by external departments. These rules and regulations synchronously require suppliers’ commitments. The following are the environmental initiatives and regulations that suppliers and we ourselves have signed and agreed to.

### Implementing Local Procurement

In 2016, we had stable cooperation with three categories of suppliers: (1) raw material suppliers, (2) transportation contractors, and (3) final assembly suppliers. For more information on the proportion of local procurement for each category, please refer to “Supplier Category and Percentage of Local Procurement.” Based on our deep understanding of the local economy, our economic impact goes beyond merely paying wages and taxes. Through the integration of local organizations into the supply chain, we indirectly attract more investments to the local economy. Our local procurement policy ensures supply stability as well as stability of the local economy, and has proven to be more effective than remote management. In addition, the proportion of local procurement is also a significant factor in contributing to the local economy and in maintaining communal relationships.

#### ▼ Supplier Category and Percentage of Local Procurement

Category	Boundary	Percentage of Local Procurement
Raw Material Supplier	Annual procurement of NT\$500,000	<b>90%</b>
Transportation Contractor	Full disclosure	<b>100%</b>
Final Assembly Supplier	Top 10 manufacturers in terms of shipments	<b>100%</b>



### WEEE, RoHS, HSF Environmental Norms Required by the EU

We have the cutting-edge technique and knowledge in green product development, which enable us to conduct training to local suppliers. Up to now, the proportion for selecting new suppliers under the basis of environmental initiatives and standards is 100%. All our suppliers are required to comply with the EU Hazardous Substance Free (HSF) regulations, and must have signed the Restriction of Hazardous Substances Directive 2002/95/EC (RoHS) as well as undertook to commit to the Waste Electrical and Electronic Equipment (WEEE) regulations. Under strict RoHS management, the maximum amount of hazardous substances contained in the raw materials of the supplier shall not include the following six chemicals: lead, mercury, cadmium (maximum content of 100ppm), hexavalent chromium (CrVI), polybrominated biphenyls (PBB), and polybrominated diphenyl ethers (PBDEs). Moreover, information on chemical components used in the production of parts for processing, the Material Safety Data Sheet (MSDS), and a third-party inspection notarized report must all be produced and made available.

### Undertaking to Sign EU REACH

Whereas the RoHS directive is for the control of electronic products, the European Union’s Registration, Evaluation, Authorization of Chemicals (“EU REACH”) is focused on the control of chemical raw materials. These regulations were promulgated by the EU in 2008 specifically for the processing of electrical and electronic products and their sources of raw materials, and their use of chemical products, such as plastic, rubber, organic or inorganic chemical raw materials. Suppliers are required to undertake and ensure that their products comply with the EU REACH. If products contain substances of very high concern (SVHC), suppliers have to perform their duty to communicate the fact.

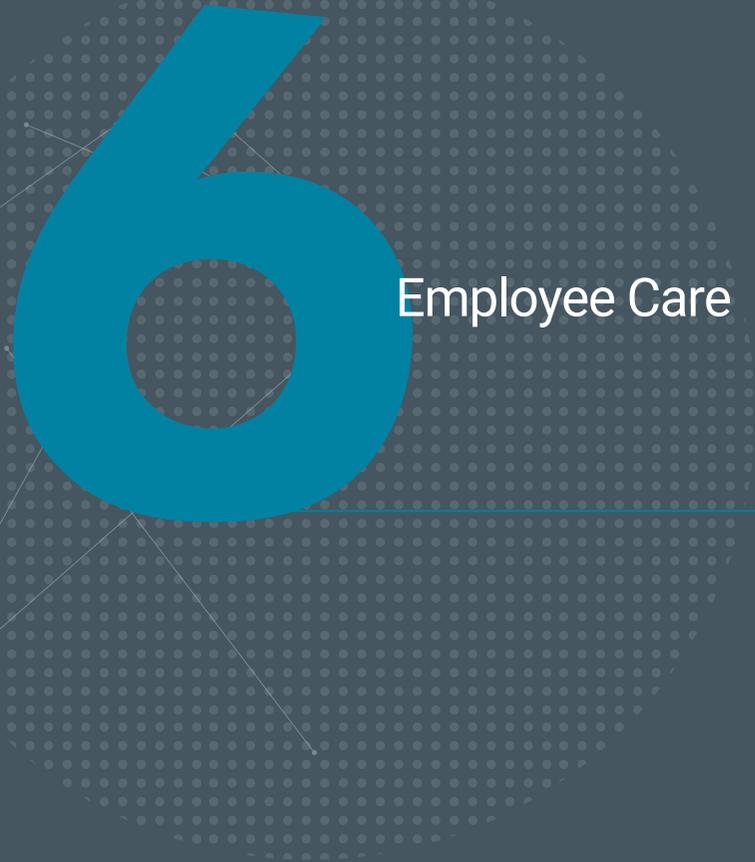
### International Management System Certification

In addition to the aforementioned environmental initiatives and regulations, suppliers are also required to make use of international management system certification and, through third-party validation, ensure that their management processes and environmental policies are in line with international standards. During the period under review, a total of 100% of suppliers passed the QCDS Quality Review, 100% passed the ISO 9001 Quality Management System, 100% signed the Conflict-free Mineral Declaration, 10% passed the QC080000 Hazardous Substance Management System, 30% passed the ISO 14064-1 Greenhouse Gas Inventory Standard, and 70% passed the ISO 14001 Environmental Management System.

### Suppliers’ Practice of Human Rights and Social Responsibility

Looking into the future, D-Link continues to uphold the integrity of the business, complies with national laws and regulations and works with suppliers to enhance awareness of social responsibility. In addition to general business activities and conditions, D-Link will include the Supplier’s Code of Conduct in the management process to require suppliers to abide by good corporate social responsibility principles and practices. In next year’s report, we will disclose more supplier quality, environmental management, and more social responsibility training and assessment results.





Employee Care



▲ The Company organized a sports competition on June 26, 2016 to celebrate its 30th anniversary. Chairman Min-Chih Hsuan (middle), CEO Douglas Hsiao (second from right), President Anny Wei (leftmost), Chairman of Alpha Networks Inc. John Lee (second from left), and Chairman of D-Link Charitable Foundation Hsueh Hu (rightmost).

# Equal Employment Policy

In 2016, we again invested heavily in our employees, cultivating and training them through an excellent working environment and a variety of training programs that attract and retain excellent talents. D-Link believes in “building networks for people,” with people being our key focus. As a member of society, we believe that our employees are the very foundation of corporate values and corporate sustainable development. D-Link has always believed in treating our employees in a friendly manner, openly and equally. We are committed to creating safe and secure workplaces and working environments. We respect 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 developmental needs. Our aim is to nurture each employee to meet their full potential based on their areas of strength. D-Link is well aware that a company’s well-being is tied to that of its employees. We believe that only by promoting mutual understanding between the company and its employees through good management practices of capital-labor relations can the company and its employees work together toward mutual benefits. For senior and highly-experienced employees who have contributed tirelessly to the Company, we provide them with preferential retirement plans in compliance with the relevant laws and regulations as an expression of our care for them and our appreciation of their long-term service.

For recruitment, the department that requires new staff will first prepare an annual manpower plan. After assessment of the plan during the annual manpower budget meeting, a formal application for manpower based on actual needs is 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. We have a long-term interest in helping the following groups of people, and offer

them priorities in employment if 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.

D-Link is aware of the nursing and childcare needs of our female employees. We aim to provide conducive 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 have set up nursing rooms at our headquarters in Taiwan. In addition to 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 our internal evaluation and the recommendations of our employees, we signed agreements with competent nurseries/childcare centers in the vicinity to provide enhanced childcare options to our employees. In Taiwan, in accordance with the “Act of Gender Equality in Employment “ and the “Regulations for Implementing Unpaid Parental Leave for Raising Children,” 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.

## Defending Employees’ Human Rights

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 also 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, forcing minors to work in difficult or dangerous conditions is prohibited. There was no report of slavery or human trafficking in 2016. In addition, we have requested all suppliers to commit themselves to our human rights policy.

- Make no attempt to seek, agree on, offer, accept or deliver bribes or other improper business interests.
- Ensure all work is done voluntarily and no employees have been forced or coerced into employment.
- Eliminate child labor and prohibit any worker under the age of 18 from engaging in dangerous tasks.
- 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.
- Provide employees with a reasonable salary and benefits. Wages will be paid in accordance with relevant local laws, and wage deduction as a form of disciplinary penalty is prohibited.
- Provide employees with varied and equal employment opportunities, and protect employees from all forms of harassment, including sexual harassment, molestation, corporal punishment, mental or physical coercion, verbal abuse, etc.
- Ensure that no employee is discriminated or treated unfairly due to his/her race, color, religion, nationality, age, gender, religion, disability, citizenship, prior experiences, or other grounds that are protected by statutory regulations.
- Respect our employees’ freedom of association, and their right to participate in labor organizations and to elect representatives.
- Ensure that all employees have equal access to education, training, and other career development opportunities.

# Manpower Structure



Number of D-Link's Worldwide Employees

# 2,602

D-Link has responded to market changes by developing a human resources strategy. The Company currently employs 2,602 people worldwide. In Taiwan, the combination of the smart home life concept and the use of cloud technology services has resulted in the designing and development of a cloud platform and application software for the research and development of human resources every year. At present, the number of employees in Taiwan is 596 people, including 594 full-time employees (99.7%) and 2 contractors (less than 1%).

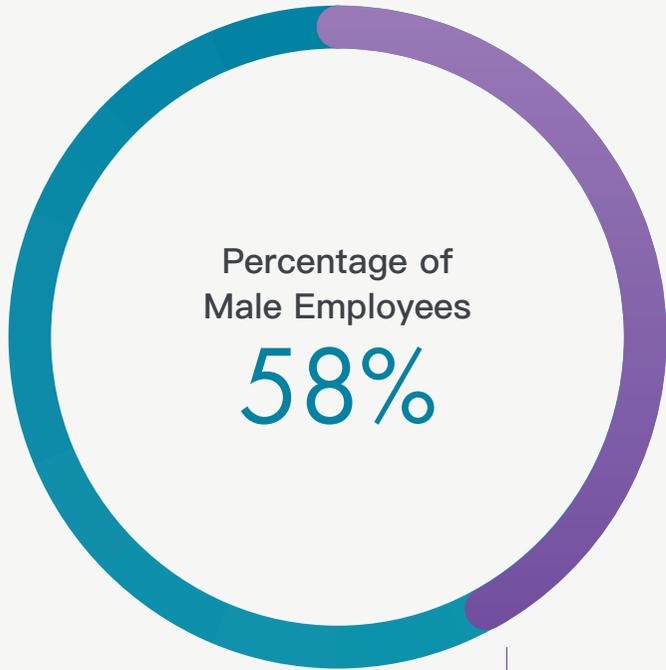
To attain our strategic goals in business, we are currently building up our strength in software for products and cloud services. With our headquarters based in Taiwan, D-Link is constrained by Taiwan's manpower structure. In 2016, research staff accounted for 47% of our total employee strength. We insist on meritocracy and allocate jobs based on suitability and capabilities. As such, a good balance in gender ratio is maintained at the management level.

## ▼ Total Number of Employees in Taiwan by Employment Contract, Gender and Location of Operation

Item	Location of Operation	Full-time Employees/Contractors	Male	Female	Total
1	Head Office No. 289, Xinhua 3rd Road, Neihu District, Taipei City	Full-time employees	319	242	561
		Contractors	0	1	1
2	Hsinchu R&D and Business Office 2F&9F-7, No. 27, Guanxin Road, East District, Hsinchu City	Full-time employees	10	3	13
		Contractors	0	1	1
3	Taichung Business Office Suite B-30F, No. 285, Section 2, Taiwan Boulevard, North District, Taichung City	Full-time employees	9	1	10
		Contractors	0	0	0
4	Kaohsiung Business Office Suite B1-24F, No. 502, Jiuru 1st Road, Sanmin District, Kaohsiung City	Full-time employees	7	3	10
		Contractors	0	0	0
Total		Full-time employees	345	249	594
		Contractors	0	2	2

Note 1: Based on the number of employees in office as of the last day of fiscal year 2016.

## By Gender Percentage of Employees



Number of Male Employees  
**345**

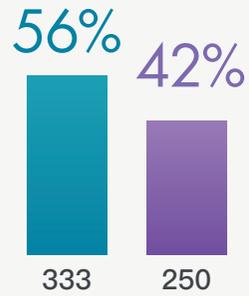
Number of Female Employees  
**251**

Percentage of Female Employees  
**42%**

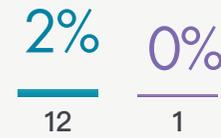
● Male ● Female

## By Other Indicators of Diversity

### Taiwanese Nationality

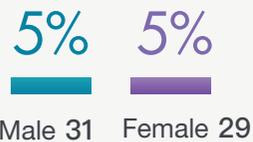


### Foreign Nationality

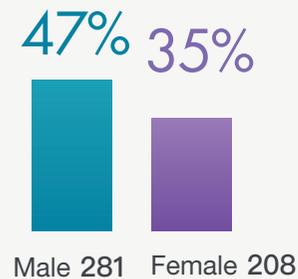


## By Age

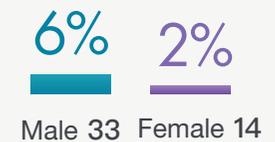
### Under 30



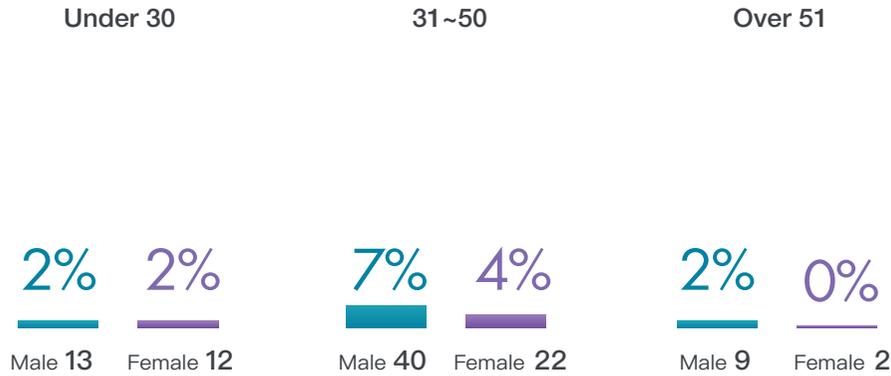
### 31~50



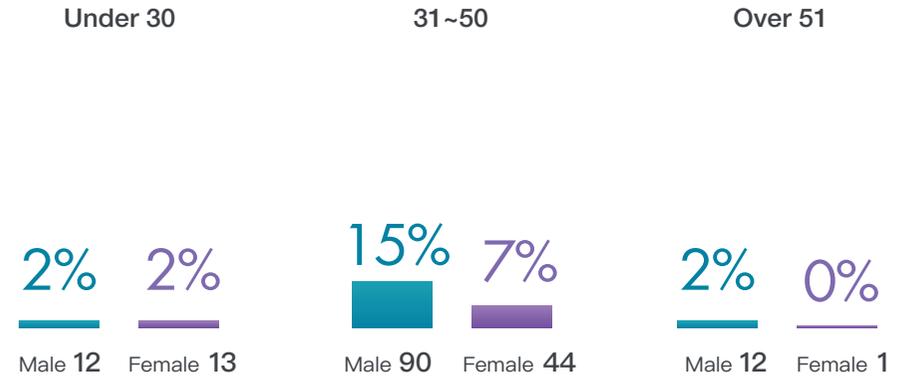
### Over 51



### Number and Percentage of New Employees

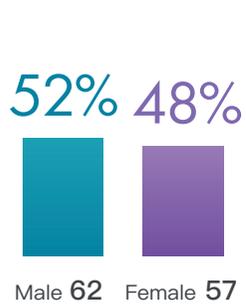


### Number and Percentage of Employee Turnover

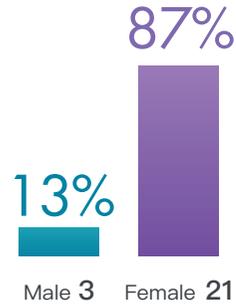


### Reinstatement and Retention Rates after Parental Leave

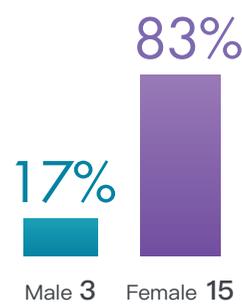
Number of Employees with Rights of Parental Leave



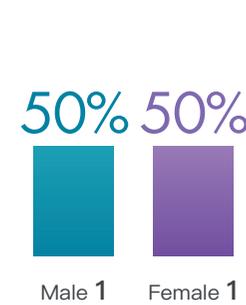
Number of Employees who Exercised Rights of Parental Leave



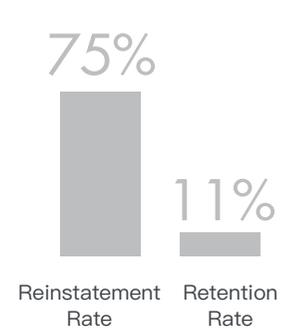
Number of Employees Reinstated after Parental Leave



Number of Employees still in Office 12 Months after Reinstatement



Percentage of Employees Reinstated and Retaining Office after Parental Leave



● Male ● Female

Note: From 2014 to 2016.

# Salary and Benefits

## Reasonable and Equitable Salary Policy

D-Link's greatest assets are its employees, and salary standards are established based on educational background, professional knowledge, professional experience and individual performance. All salaries are in compliance with local laws and regulations. Gender, race, religion, political affiliation, marital status and labor unions have no bearing on salary standards.

## Implementing Performance Management

In the area of performance management, D-Link conducts performance appraisals in July each year and in January of the following 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 serves as the assessment criterion 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 the Company.

## Retirement Plan

In Taiwan, the Labor Standards Act and the Labor Pension Act stipulate that any employee who joined the company prior to June 30, 2005 (inclusive) is eligible for the old pension system; however, employees may elect to switch to the new pension system. Under the old pension system, the employer will deposit an amount equivalent to 2% of an employee's monthly salary 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\$100 million. Only the employer can make deposits and withdrawals. Under the new pension system, for each eligible employee, the employer will deposit an amount equivalent to 6% of the employee's monthly salary toward the employee's personal retirement fund account each month. On top of the employer's contribution, the employee can opt to contribute another 0% to 6% to his/her personal retirement fund account each month. In appreciation of our employees' long-term contributions to the 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 those employees who have served us well over a long career.

## Variety of Welfare Programs and Social Activities

D-Link 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 proactively plan a variety of welfare programs. For example, our employees in Taiwan benefit from labor and health insurance, childbirth subsidies/childcare leave, and labor pension (through both the new and old systems) as stipulated by laws and regulations. Additionally, we also purchase group insurance for each employee (full-time, part-time, and temporary) from the day he/she reports for duty. Our employees can also opt to extend this welfare and protection to their dependents at their own costs. For our employees in other regions, the local laws and regulations apply to their insurance programs.

We also provide our employees with a leave system beyond the stipulations of the Labor Standards Act. Our employees are entitled to annual full-pay for the first 7 days of their medical or menstrual 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 and relaxed when needed.



# Promoting Healthy and Positive Capital-Labor Communication

To build a congenial relationship between labor and management, and to promote mutual collaboration and cooperation, D-Link in Taiwan developed the “Regulations Governing Implementation of Capital-labor Meetings” as stipulated in Article 83 of the Labor Standards Act. Labor representatives are openly elected according to procedures described in the aforementioned Regulations for a term of three years. Capital-labor meetings are held once a quarter, and are chaired in rotation by the labor representatives. In these meetings, issues related to labor-management negotiations and major labor issues 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 promote healthy and positive capital-labor 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.

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 2016, there was no breach in any labor rights as laid out by the labor authority. There was no public or legal incident involving a violation of human rights either. In the event of any incident involving a violation of human rights or mismanagement, our employees are encouraged to voice their concerns via the available channels of communication; confidentiality of personal information is strictly observed to protect our employees’ privacy and confidentiality. We are committed to ensuring that every employee is treated fairly, to eliminating bonded labor, to not hiring underage workers or indulging in overtime work. In the future, we will work with all suppliers to continually promote our human rights policy.

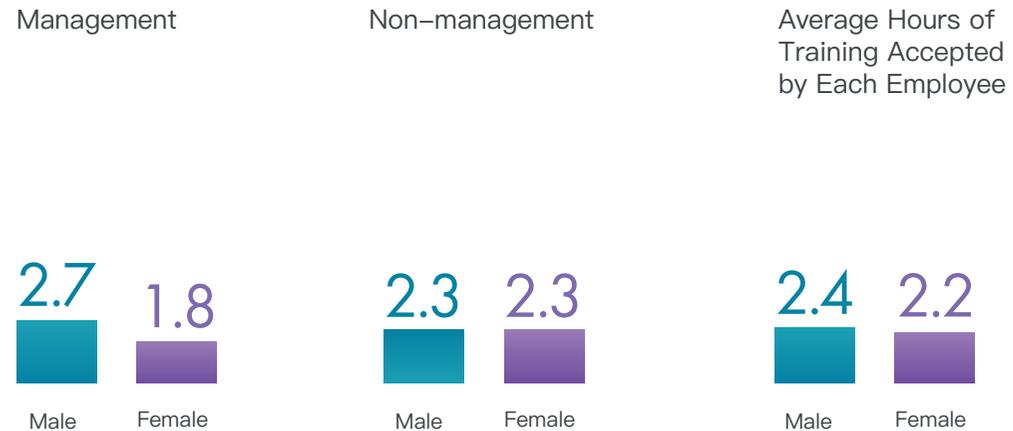


# Responding to Organizational Change Focusing on Employees' Basic Training

The sustainable development of a company depends on long-term individual learning and the development of talent. The training and development of our employees is of prime importance to D-Link. As such, our Human Resources Department assists each of our new employees in familiarizing with the Company's policies, operations, and the environment from their first day of work. Orientation training sessions are also conducted bi-monthly to help new employees understand the Company's products and its organization, business direction and philosophies. To cater to different areas of specialization, the department heads and the Human Resources Department arrange for employees to undergo on-the-job training and internal training, including common core functional training, such as DC/BC/KC courses, management training programs (MTP), and management skills training (MSP). Based on the needs of each department and its professional skills requirements, our employees are also selectively chosen for specific training (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 among our employees that 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 proposes a specific training program, which will then be organized and executed by the Human Resources Department.

Our employees have equal access to education and training regardless of gender. In 2016, D-Link underwent a major organizational change, coupled with convergence and integration of products and human resources and several adjustments, so as to become more in line with the requirements for business development. During the transformation of the manpower structure, we focused on basic training. In 2016, a total of 596 employees participated in training programs. On average, each employee spent 2.3 hours taking training courses; male employees averaged 2.4 hours of training per year, while female employees averaged 2.2 hours of training.

Average Hours of Training Accepted by Each Employee per Year



(Unit: Person, Hour)

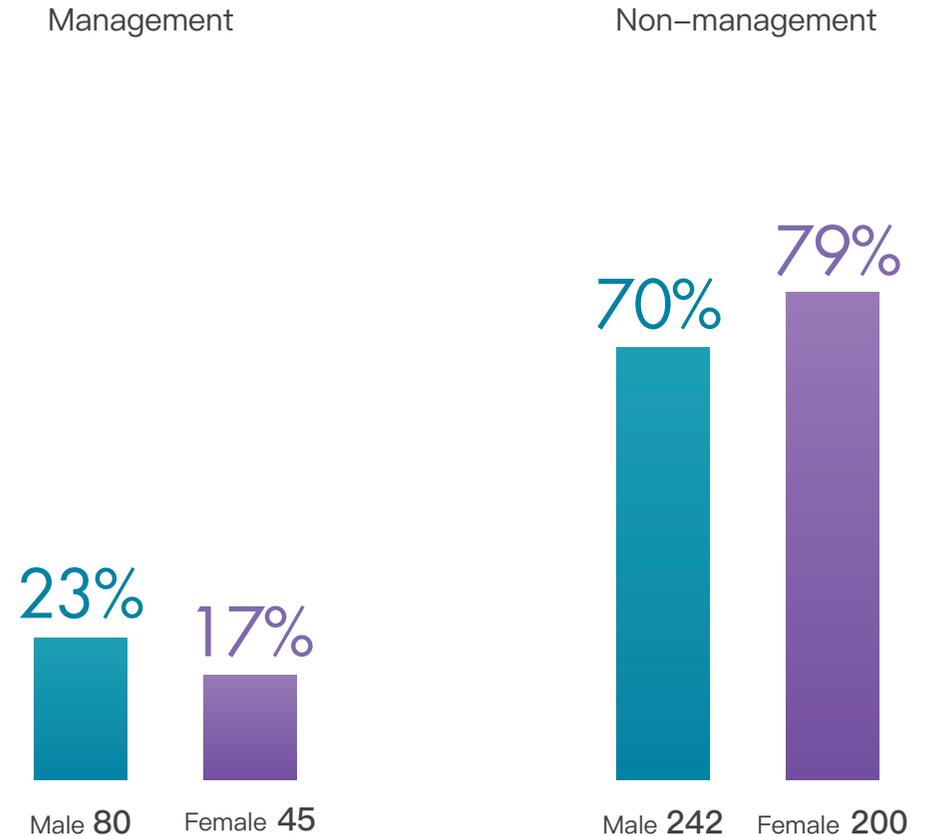
# Management by Objectives

Since 1992, D-Link has introduced the concept of “management by objectives” to systematically integrate the Company’s vision, strategic objectives, and employees’ work goals with the Company’s development and needs. To this end, we facilitate communication and feedback through preliminary setting, mid-term review, and final assessment. In addition, different aspects of functional assessment of managerial/non-managerial employees are carried out to help the organization develop and use human resources properly. With the integration of the organization’s business performance and the performance management system, the results of performance assessment are reflected in the promotion and reward system to motivate the growth of every employee and the Company. Except for contractors and employees who

were reinstated for less than three months after taking leave of absence, all employees who have served for three months or more (after probation) are required to participate in the regular performance and career development reviews.

In Taiwan, 567, or 95.1% of all employees, received regular performance and career development reviews in 2016. Of these, 322 male employees (93.3% of all male employees as at end of reporting period) received regular reviews. 245 female employees (97.6% of all female employees at end of reporting period) received regular reviews. More information on the regular reviews by employment position during the reported period is available in “Percentage of Employees Receiving Regular Performance and Career Development Reviews by Gender and Employment Position”.

## Number of Employees Receiving Regular Reviews



Note: The following have not received the regular performance and career development reviews: (1) contractors, (2) employees still on probation by the deadlines of the reviews, and (3) employees reinstated from leave of absence for less than three months by the deadlines of the reviews. The deadlines of the reviews are June 30 and December 31.

# Occupational Safety and Management

We formed the Occupational Safety and Health Committee based on Article 23 of the Occupational Safety and Health Act to discuss and review issues related to occupational safety. Labor representatives dedicated to supervising and giving advice on occupational health and safety make up one-third of the Occupational Safety and Health Committee. Our employees have not engaged in any work that is risky for their safety or health.

## ▼ Work Injury Types, Work Injury Frequency, Occupational Disease, Days Lost and Absenteeism Rate during Reported Period

Item	Formula	Work Injuries		Commute	
		Male	Female	Male	Female
Number of people	None	1	0	2	2
Work hours lost	None	280	0	32	152
Working days lost	None	35	0	4	19
Absenteeism Rate (AR)	Total number of days absent / Total number of days worked × 200,000* (*The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.)	0.024	0	0.003	0.013
Integrated Absenteeism Rate (AR)	Same as above	0.04			
Disabling Injury Frequency Rate (FR)	Number of people injured ×10 <sup>6</sup> / Total person-work hours	Male: 2.52 Female:1.68			
Disabling Injury Severity Rate (SR)	Number of days charged for disabling injury ×10 <sup>6</sup> / Total person-work hours	Male: 32.82 Female:15.99			
Frequency-Severity Indicator (FSI)	(FR × SR) / 1,000	Male: 0.29 Female:0.16			

Note 1: Total number of days worked: 148,541

Note 2: Total person-work hours: 1,188,328



# Smarter Assistance for Disadvantaged Groups.

## D-Link Charitable Foundation

In 1994, D-Link set up the D-Link Charitable Foundation to provide social assistance, care and feedback for those who are in need. The foundation invests in social welfare activities, such as child and youth welfare, welfare for the elderly, disability assistance, women’s welfare, and medical welfare. In 2015, the D-Link Charitable Foundation was assessed by the Department of Social Welfare, Taipei City Government to be the top charity fund provider. To increase the degree of involvement among our employees, we also started the Care Club, and welcome all employees to join in caring for and helping those in need. Since 2011, the cumulative amount of donations has reached a total of about NT\$16.6 million and is proportioned as follows: 43% to children’s welfare, 45% to youth welfare, 5% to women’s welfare, and 7% to others.

## D-Link’s Starlight Classroom

D-Link set up the “Starlight Classroom” in remote areas and within disadvantaged communities to provide care and giving at a local level. We provide subsidized meals and after-school tuition for children from first grade to ninth grade in Keelung, Hualien, Taitung, and other areas. We also provide talent and skill development courses, such as computer skills, painting, kendo, cooking, etc. We hope to support both knowledge and character development in children by expanding their scope for learning and by providing a diverse curriculum.

Welfare for the Elderly

5%

Other Welfare

7%

Children’s Welfare

43%

Youth Welfare

45%

## ▼ Donation Recipients in 2016

- Taipei Spinal Cord Injury Foundation
- Harmony Home Association
- Catholic Home for Seniors
- Children Are Us Foundation
- Catholic Marian Long-term Care Center
- Chunghwa Telecom Foundation
- Single Leaf Association
- Taipei City Yangming Home for the Disabled
- Hualien County Holistic Care Association
- Chung Yi Social Welfare Foundation
- Asia-Pacific Diversified Learning Association
- Seed Charity Association
- Hand-In-Hand Teen’s Service Center

# New Strategy for Tribes

Children from Starlight Classrooms are economically, culturally, and educationally disadvantaged or grow up in dysfunctional families. Among these disadvantaged groups, most of the children are from economically disadvantaged families in remote areas and the percentage continues to increase year by year. Considering that parents are the most suitable candidates for taking care of their own children, D-Link Charitable Foundation has promoted the development of tribal industry in cooperation with non-profit organizations in the hope of increasing the income of tribes and families, so as to solve social problems caused by lack of proper care for children.

The project is carried out in three stages:

01

## Care

We provide a warm and stable learning environment for disadvantaged children whose families cannot easily care for them after school. We encourage them to complete their homework and provide them with meals, supplementing and reinforcing family functions through this form of sincere after-school care.

02

## Learning

We provide after-school courses for children and the youth from disadvantaged communities and those in remote areas who lack the resources for learning, in the hope of advancing their academic, non-academic, physical, and mental development and building up their confidence.

03

## Development

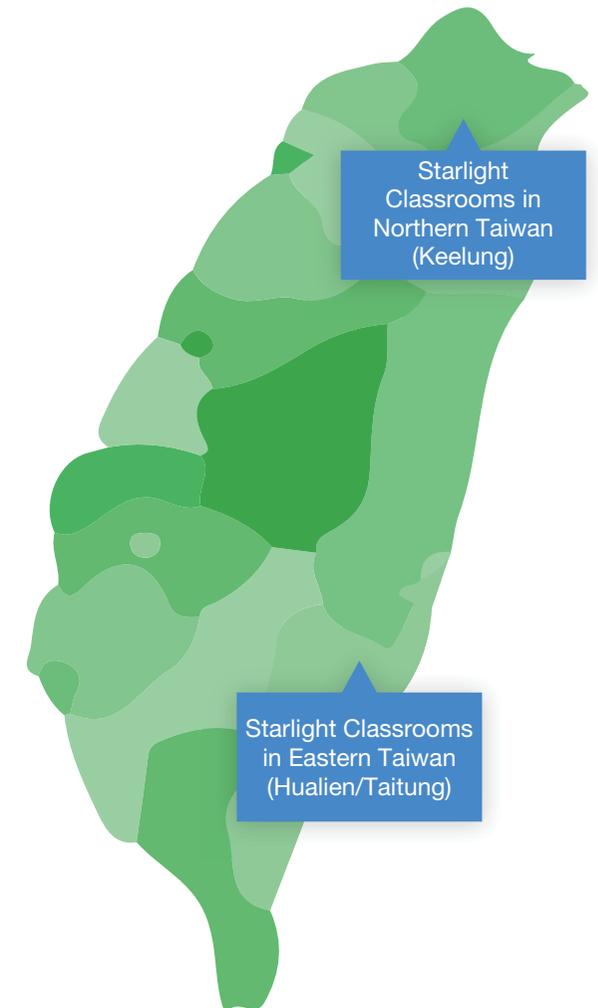
We also develop specialized training programs for character building and social integration, with the aim of building up each student's character, values and professional skills. By providing academically-challenged children with education and training in their areas of strength, we hope to increase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

- Preliminary stage: Provide tuition and dinner. We act through local charitable organizations to address the pressing problems of a lack of tuition and meals.
- Intermediary stage: Promote the "Charity-based Agriculture Project." We suggest that parents of the children under this project 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 to take care for the children at home when both parents are 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 stage: As the saying goes, "Give a man a fish and you feed him for a day; teach a man how 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 a lack of funds. For this reason, we hope to help charitable organizations become "social enterprises" that remain self-sufficient by generating income through the sale of organic or toxin-free products.

▼ D-Link's Starlight Classrooms operate in Keelung, Hualien and Taitung



### Setting up a Sales Platform under the Guidance of Charity-based Agriculture Project

This project helps the parents of Starlight Classroom children to transform their agricultural methods by not using pesticides and fertilizers and substituting with natural farming techniques to produce toxin-free products which are sold at better prices. D-Link also pioneered the procurement of toxin-free products under guidance and at the same time combined its efforts with public interest groups to set up an online sales platform. The profits are used to provide assistance for children in need.

The achievements of Charity-based Agriculture Project include:

- Purchased toxin-free rice produced by Starlight Classrooms as the gift at D-Link's shareholders' meeting.
- Referred Starlight Classrooms' products to other companies and institutions for procurement.
- D-Link initiated the adoption of organic grapefruit trees in cooperation with public interest groups to invite the public to support the grapefruit farmers against wind disasters.



### Assisting Non-profit Organizations in Transforming into Social Enterprises

D-Link hopes to help social enterprises become self-sufficient by generating income through the sale of organic or toxin-free products. A social enterprise refers to a business model that solves social or environmental issues, such as engaging in socially responsible activities or promoting environment-friendly products and services and creating jobs for the disadvantaged. The organization exists as an enterprise. Any surplus earned is mainly reinvested in the social enterprise to continue addressing issues of public concern. Currently, we have successfully transformed the Seedinland Charity into the Seedinland Social Enterprise.



## 2016

Guided Seedinland Social Enterprise Wenxin Coffee Project in Taitung

## 2016

Guided the Issuance of 2015 Seedinland Social Enterprise CSR Report in Accordance with GRI G4

## 2015

Guided the 55th and 57th Social Enterprise Gatherings Organized by Small and Medium Enterprise Administration, Ministry of Economic Affairs

## 2014

Guided the Issuance of 2013 Seedinland Social Enterprise CSR Report, the First CSR Report in the Social Enterprise Industry

## 2012

Guided the Establishment of Seedinland Charity

## 2016

Initiated the Adoption of Organic Grapefruit Trees

## 2016

Guided the Social Enterprise Gatherings Organized by Small and Medium Enterprise Administration, Ministry of Economic Affairs

## 2015

Guided the Issuance of 2014 Seedinland Social Enterprise CSR Report in Accordance with GRI G4

## 2015

Guided the Social Enterprise Seminars Organized by Ministry of Labor in Hualien and Keelung

## 2013

Guided the Establishment of Seedinland Social Enterprise





# Reading 2.0 Project Builds Conducive Digital Environment for School Children

The Reading Project initiated by Commonwealth Education Foundation aims to cultivate an interest in reading and develop reading habits of school children in remote areas. In the face of a digital era, the Reading 2.0 Project was initiated to help school children in remote areas engage in digital learning as soon as possible.

In response to the Reading 2.0 Project, D-Link donated 21 DIR-822 Wi-Fi Routers to build a conducive digital environment for school children.



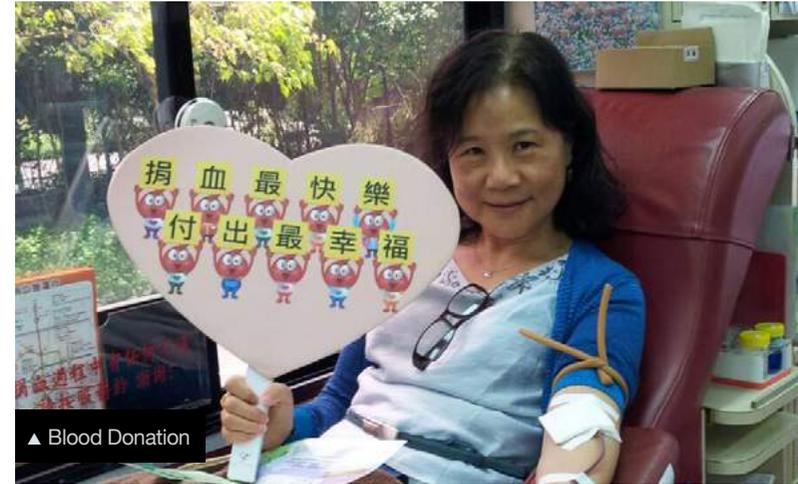
# Activities in the Public Interest



▲ Visit to Harmony Home Association



▲ Visit to Harmony Home Association



▲ Blood Donation



▲ Huashan Social Welfare Foundation Elders' Sports Competition



▲ Blood Donation



▲ Huashan Social Welfare Foundation Elders' Sports Competition

# Summer Picnic





# Appendix

# Appendix

## Appendix : GRI G4 Index

GRI G4 Index			
Indicator Numbers	Indicator Description	Disclosure Status	Page(s)
<input checked="" type="radio"/> Covered in the Report <input type="radio"/> Partially covered in the Report			
<b>General Standard Disclosures</b>			
<b>Strategy and analysis</b>			
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, Chairman, or the equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	●	4
<b>Organizational Profile</b>			
G4-3	Report the name of the organization	●	15-22
G4-4	Report the primary brands, products and services	●	15-22
G4-5	Report the location of the organization's headquarters	●	15-22
G4-6	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	●	15-22
G4-7	Report the nature and legal form of ownership	●	15-22
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	●	15-22
G4-9	Report the scale of the organization	●	15-22
G4-10	Report the total workforce by region/country, employment type, employment contract and gender	●	57-58
G4-11	Report the percentage of total employees covered by collective bargaining agreements	●	57-58
G4-12	Describe the organization's supply chain	●	15-22
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	●	15-22
G4-14	Describe whether precautionary approach or principle is addressed by the organization	●	15-22
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	●	15-22
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations	●	15-22

GRI G4 Index			
Indicator Numbers	Indicator Description	Disclosure Status	Page(s)
<input checked="" type="radio"/> Covered in the Report <input type="radio"/> Partially covered in the Report			
<b>Identified Material Aspects and Boundaries</b>			
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents Describe whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the Report	●	7-10
G4-18	Explain the process for defining the report content and the Aspect Boundaries Explain how the organization has implemented the Reporting Principles for Defining Report Content	●	7-10
G4-19	List all the material Aspects identified in the process for defining report content.	●	7-10
G4-20	For each material Aspect, report the Aspect Boundary within the organization	●	7-10
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	●	7-10
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	●	7-10
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	●	7-10
<b>Stakeholder Engagement</b>			
G4-24	Provide a list of stakeholder groups engaged by the organization	●	11-12
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	●	11-12
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	●	11-12
G4-27	Report key topics and concerns that have been raised through stakeholder engagement engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	●	11-12
<b>Report Profile</b>			
G4-28	Reporting period (such as fiscal or calendar year) for information provided	●	7-10
G4-29	Date of most recent previous report	●	7-10
G4-30	Reporting cycle	●	7-10
G4-31	Provide the contact point for questions regarding the Report or its contents	●	7-10
G4-32	Report the 'in accordance' option the organization has chosen	●	7-10
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the Report	●	7-10

GRI G4 Index			
Indicator Numbers	Indicator Description	Disclosure Status	Page(s)
<input checked="" type="radio"/> Covered in the Report <input type="radio"/> Partially covered in the Report			
<b>Governance</b>			
G4-34	Report the governance structure of the organization	●	27-34
<b>Ethics and Integrity</b>			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	●	27-34
<b>Specific Standard Disclosures</b>			
Category: Economic			
Aspect: Economic Performance			
G4-EC1	Direct economic value generated and distributed	●	23
Aspect: Energy			
G4-EN7	Reductions in energy requirements of products and services	●	67-71
Aspect: Emissions			
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	●	51
Aspect: Effluents and Waste			
G4-EN23	Total weight of waste by type and disposal method	●	51
Aspect: Products and Services			
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	●	38-45
Aspect: Compliance			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	48
Aspect: Supplier Environmental Assessment			
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	●	52
Aspect: Environmental Grievance Mechanisms			
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	●	38

GRI G4 Index			
Indicator Numbers	Indicator Description	Disclosure Status	Page(s)
<input checked="" type="radio"/> Covered in the Report <input type="radio"/> Partially covered in the Report			
<b>Category: Social</b>			
<b>Sub-category: Labor Practices and Decent Work</b>			
<b>Aspect: Employment</b>			
G4-LA3	Return to work and retention rates after parental leave, by gender	●	60
<b>Aspect: Training and Education</b>			
G4-LA9	Average hours of training per year per employee by gender, and by employee category	●	53
<b>Aspect: Equal Remuneration for Women and Men</b>			
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	●	60

The D-Link logo is rendered in a bold, white, sans-serif font. The 'D' is significantly larger than the other letters, and a registered trademark symbol (®) is positioned at the top right of the 'k'. The background features a dark blue area with a pattern of light blue hexagons on the left, and a large green area with a white dot grid pattern on the right, separated by a curved boundary.

D-Link Global Headquarter, Taipei, Taiwan

No. 289, Sinhu 3rd Rd., Neihu District,

Taipei City 114, Taiwan

Tel: 886-2-6600-0123 | Fax: 886-2-6600-9898