



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Corporate Governance

Responding to Sustainability Issues

- Ethical Management
- Business Performance

Major Stakeholders

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

chapter

02

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

2.1 Sustainability Strategies and Goals - Governance Aspect

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

- 2.1.1 Management Approaches for Material Topics
- 2.1.2 Short / Medium / Long-Term Goals
- 2.1.3 Achievement Status of Management Goals for 2024
- 2.1.4 Responsible Unit
- 2.1.5 Management Mechanism
- 2.1.6 Communication Channel



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Management Approaches for Material Topics

Material Topics	Significance for D-Link	Impacts on Value Chain*			Response Policies and Measures	Management Actions
		Suppliers / Business Partners	D-Link / Subsidiary	Customers / Clients		
Business Performance	Pursuing business and financial performance and achieving profitability is the foundation of the Company's sound operation. The economic value generated from the Company's activities will directly impact shareholders' rights, investment scale, growth rate, and social contributions.	○	●	-	1. Continue to expand production capacity, create product and service features, and build diversified product capabilities. 2. Reduce the total inventory through the risk mitigation measures, and in the future, the Company will formulate separate action plans for inventory with longer inventory ages.	1. Regularly hold business review meetings, track business performance, fully grasp the operating status and monitor the progress. 2. The Board of Directors Meetings are held every quarter to ensure the forward-looking and feasibility of business strategies.
Ethical Management	A good ethical management is the foundation of sustainable business operation. Relevant risk events may affect operational stability and corporate reputation and may result in financial losses.	○	●	○	A culture of ethical management and legal compliance is built to ensure the long-term interests of all stakeholders.	We have established the "Code of Conduct", "Ethical Corporate Management Best-Practice Principles" and "Implementation Measures for the Whistleblowing System" among other internal regulations and systems, to uphold and continue to promote a high-standard business ethics culture.

*●Direct impact ; ○Indirect impact

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Short / Medium / Long-term Goals

Material Topics	Short-Term	Medium-Term	Long-Term
Business Performance	<ul style="list-style-type: none">• Continue to cooperate with high-quality ODMs within the conglomerate group to establish a controllable supply chain system with close relationships to reduce costs.• Constantly reshape D-Link's brand image and enhance brand value from three aspects : specifications and prices, functional performance, and corporate identity.• Invest in the development of M2M solutions for industrial use and 4G / 5G solutions to expand the target market.	<p>Achieve by the end of 2030 :</p> <ul style="list-style-type: none">• Continuously achieve management and provisioning minification of networking products with cloud computing as the main pillar.• Continuously utilize the synergy of resources within the Group to develop and create the one-stop product services for customers.• Continuously strengthen partnerships with Tier 2 and Tier 3 carriers to win long-term contracts with localized services.	
Ethical Management	<ul style="list-style-type: none">• No ethical management violations, and continue to maintain so.	<ul style="list-style-type: none">• The comprehensive education and training of the "Ethical Corporate Management Best-Practice Principles" to be provided for all employees. The overall training completion rate to be above 95% and continue to further improve.	<ul style="list-style-type: none">• Internalize the concept of integrity management into the DNA of all employees and the Company, so that the "Ethical Corporate Management Best-Practice Principles" has been highly recognized by the stakeholders and become the highest standard.• The introduction of the ISO 37001 certification for ethical management / anti-bribery-related management systems is assessed.

By the end of
2025

By the end of
2028

By the end of
2033



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Achievement Status of Management Goals for 2024

Material Topics	Goals in 2024	Management Performance	Achievement Status
Business Performance	<ul style="list-style-type: none">• Continue to cooperate with high-quality ODMs within the conglomerate group to establish a controllable supply chain system with close relationships to reduce costs.• Constantly reshape D-Link's brand image and enhance brand value from three aspects : specifications and prices, functional performance, and corporate identity.• Invest in the development of M2M solutions for industrial use and 4G / 5G solutions to expand the target market.	<ul style="list-style-type: none">• In 2024, the global consolidated revenue reached NT\$14.4 billion, with a gross margin of 26%, an representing 2% increase compared to the previous year.• In the M2M industry sector, D-Link launched devices supporting multi-network connectivity, integrated with the D-ECS cloud management platform. These solutions have been widely adopted in transportation systems and urban infrastructure.• The industrial-grade switch series offers a multi-level management options and integrates with 4G / 5G devices to meet diverse application needs across various environments.	
Ethical Management	<ul style="list-style-type: none">• Establish a complete whistleblowing system for any cases violating ethical management.	<div><ul style="list-style-type: none">• Present the fully established whistleblowing system in detail on the relevant pages of the Company's website.• Whistleblower reports : 0 cases• Insider trading and similar matters : 0• Employee corruption and illegal behavior : 0• Internal complaints : 0• Penalties for violating regulations related to information and labeling of products / services : 0</div> <div><ul style="list-style-type: none">• Penalties for violating regulations related to the health and safety of products / services : 0• Penalties for violating regulations related to marketing and publicity activities : 0• Penalties for violating regulations related to environmental protection : 0• Penalties for violating regulations related to social aspects, such as human and labor rights : 0• Penalties for violating regulations related to economic aspects, such as fair trading, anti-competition practices, and significant cyber security : 1*</div>	

This penalty case refers to the information security incident that occurred in October 2023. For detailed information, please refer to Section 3.3.5 Information Security Incidents in the Company’s 2023 Sustainability Report (p.82).In May 2024, the case resulted in a fine of NT\$200,000 each for the Company and the responsible individual, in accordance with Article 50 of the Personal Data Protection Act, due to a violation of Paragraph 1, Article 27 of the same Act.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

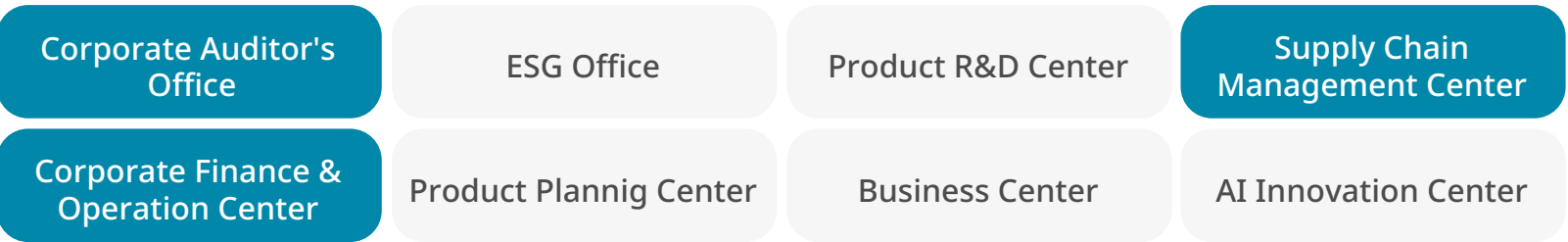
CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Responsible Unit



Management Mechanism

- [Ethical Corporate Management Best Practice Principles](#)
- [Implementation Measures for the Whistleblowing System](#)
- [Group Tax Policy and Management Regulation](#)
- [Related Party Transaction Regulations](#)

Communication Channel

Type	Channel
Relevant Appeals	<ul style="list-style-type: none">• https://company.dlink.com/en/contact-us/• Online message: https://www.dlink.com/en/contact-d-link
Investor Relations	<ul style="list-style-type: none">• Special Line : 886-2-6600-0123 Ext. 6438• Special E-mail : ir@dlinkcorp.com
Anti-Corruption Reporting	<ul style="list-style-type: none">• Special E-mail : SRC@dlinkcorp.com• Special Mail Box : No. 289, Xinhua 3rd Rd., Neihu Dist., Taipei City 114 (To Audit Committee)

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

2.2 Sustainable Governance

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

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

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

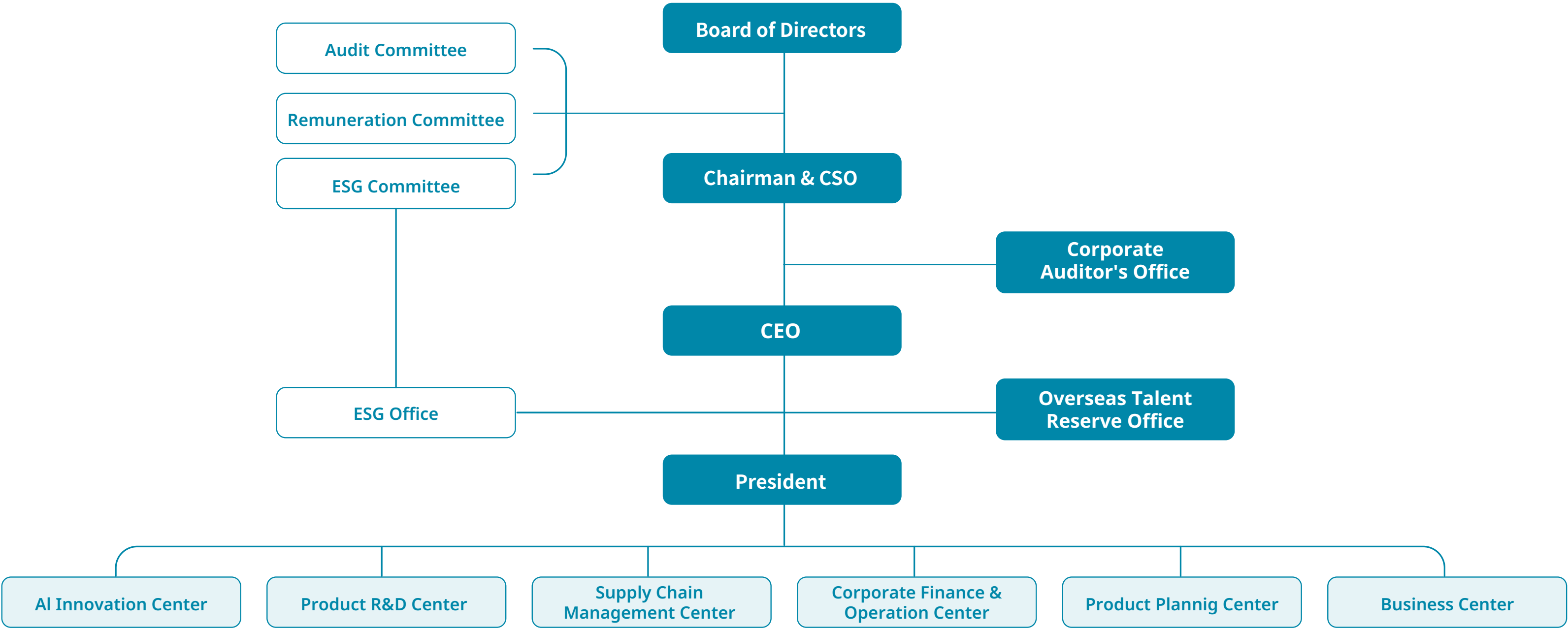
CH5 People and Society

Appendix

2.2.1 Organization Structure

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

▼ D-Link Organization Structure



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

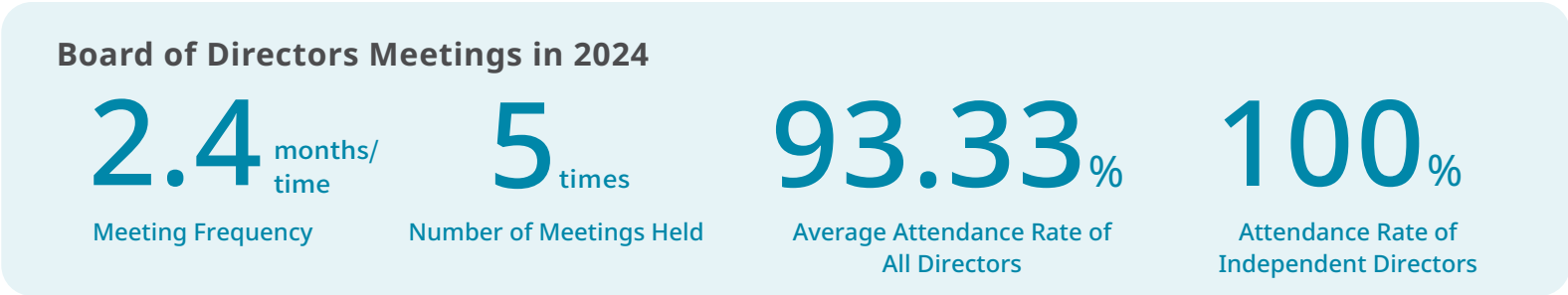
2.2.2 Board of Directors GRI 2-9, 2-10, 2-11, 2-16, 405-1

The Board of Directors is the highest governance body of the Company and has the responsibility of selecting and nominating senior managers. Its operation shall follow the "Regulations Governing Procedure for Board of Directors Meetings". In addition, to effectively fulfill the functions of the Board of Directors, three functional committees have been established under the Board according to their authority and responsibilities (see section 2.2.3), thereby enhancing the effectiveness of operational governance.

Operation of Board of Directors

The Board of Directors shall convene at least one meeting for each quarter to review the Company's operational performance, and discuss important ESG strategic issues and key events¹⁰, including economic, environmental, and social impacts, risks, and opportunities. The responsible units for subsequent handling are determined at the meetings, and the handling situation is tracked and reported in the next meeting.

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



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation





CH4 Environmental Sustainability

CH5 People and Society

Appendix

2.2.3 Functional Committees [GRI 2-9, 2-20](#)

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

	Committee	Convener	Committee Member	Operational Status	Number of Meetings Held / Attendance Rate in 2024
	 Audit Committee	Richard Chen, <i>Independent Director</i>	Richard Lee, <i>Independent Director</i> Chun-Hsiung Chu, <i>Independent Director</i>	Composed of all independent directors, and is responsible for assisting the Board of Directors in supervising the Company's implementation of accounting, financial reporting processes, audit quality and integrity, and operating mechanisms related to risk management, so as to improve the effectiveness of corporate governance, and communicating with CPA and auditors on major issues related to the Company's financial and business conditions, so as to ensure the compliance of the Company's operations with relevant government laws and practices.	5 meetings were convened in 2024 with 100% attendance.
	 Remuneration Committee	Richard Lee, <i>Independent Director</i>	Richard Chen, <i>Independent Director</i> Chun-Hsiung Chu, <i>Independent Director</i>	Composed of all independent directors. Responsible for stipulating and regularly reviewing the remuneration policies, systems, standards and structures, and performance of directors and managers.	4 meetings were convened in 2024 with 100% attendance.
	 ESG Committee	Chun-Hsiung Chu, <i>Independent Director</i>	Richard Lee, <i>Independent Director</i> Richard Chen, <i>Independent Director</i> Victor Kuo, <i>Chairman</i>	Composed of 3 independent directors and the Chairman. It is responsible for helping the Board of Directors to continue promoting corporate social responsibilities and improve corporate governance, in order to implement sustainable management.	3 meetings were convened in 2024 with 91.7% attendance.

* For the list of functional committees and other details, please refer to the D-Link official website "[Audit Committee](#)", "[Remuneration Committee](#)", "[ESG Committee](#)".

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

2.2.4 Performance Evaluation and Remuneration for the Governance Body

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

Directors’ Remuneration System

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

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

The Remuneration Committee and the Board of Directors shall review the performance evaluation and rationality of remuneration, and also review the remuneration at times based on the operation of the Company and relevant laws and regulations. No retirement benefit is provided to directors, and there is no mechanism for claiming back remuneration¹². However, the Company may devise a remuneration deferral mechanism, depending on the situation, after being reviewed by the Remuneration Committee and resolved by the Board of Directors in response to future risks.

Performance Evaluation for Board of Directors

To implement corporate governance and enhance the functions of the Board of Directors, D-Link revised the " Rules for Performance Evaluation of Board of Directors " on August 12, 2022, stipulating that the Board of Directors should conduct internal performance evaluations at least once a year for the Board of Directors, its members, and functional committees, and external evaluations should be conducted at least once every 3 years by an independent external institution or a team of external experts and scholars. The results should be disclosed on the Company's website and the Annual Report.

External Performance Evaluation for Board of Directors

In May 2022, Taiwan Corporate Governance Association¹³ was appointed to conduct an external evaluation for the performance of the Board of Directors. The association issued an evaluation report on July 7, 2022, and the overall evaluation results were

¹²There is neither a relevant mechanism for senior management.
¹³A non-governmental and non-profit corporation provides independent services for evaluating Taiwan's professional corporate governance system and the performance evaluation of the Board of Directors.

submitted to the Board of Directors meeting for review and improvement on August 12, 2022. It is expected to conduct an external evaluation of the Board of Directors' performance again in 2025.

Internal Performance Evaluation for Board of Directors

The performance evaluation method for the Board of Directors is internal self-evaluation of the Board of Directors and self-evaluation of board members. The evaluation process is conducted through internal questionnaires. The 2024 performance evaluation for the Board of Directors is reported on the Board of Directors meeting on February 26, 2025, and improvement measures are proposed, and the results are used as reference for Directors' remuneration and renewal. On a 5-point scale, the overall average score of the performance assessment of the Board of Directors is 4.69 points, and the overall average score of the performance evaluation of individual board members is 4.69 points, showing that the board is functioning well. In addition, before the laws and regulations have specified, the performance assessments of the Audit Committee, the Remuneration Committee and the ESG Committee have been conducted, and the evaluation results all reached 4.65points, indicating that the functions and operational efficiency of the Company's functional committees are good.

Performance Evaluation Metrics		
Board of Directors	- Level of participation in the Company's operations. - Improvement of the quality of the Board of Directors' decision making. - Composition and structure of the Board of Directors.	- Selection and continuing education of the directors. - Internal controls. - Concern on sustainable management (ESG).
Individual Board Members	- Familiarity with the Company's goals and missions and focus on sustainable management (ESG). - Understanding of the role and responsibilities of directors. - Level of participation in the Company's operations.	- Management of internal relations and communication. - Professionalism and continuing education of directors. - Internal controls.
Functional Committee	- Level of participation in the Company's operations. - Understanding the responsibilities of functional committees. - Improvement of quality of functional committee's decision making.	- Composition and selection (election) of members of functional committees. - Internal controls.

※ For more information, please refer to the "Board Performance Evaluation" section on D-Link official website.

Continuing Education for Directors

In order to enhance the competences of board members, in accordance with D-Link's "Corporate Governance Best Practice Principles", diverse external courses are arranged every year to help to enhance their professional capabilities. In 2024, D-Link Directors had 60 hours of continuing education, including engaging corporate governance and information security experts to the Company on April 10, 2024 to hold the continuing education sessions of "2024 New Corporate Governance and Board Performance Evaluation Practice Analysis" and "The Role and Responsibility of Information Security Governance in the Board" to help directors understand the Company's corporate governance regulations and information security risks that cannot be avoided in business operations, and the countermeasures thereof. For detailed training information, please refer to the Company's "2024 Annual Report" P.44.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

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

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

▼ Composition of Managerial Officers’ Remunerations

Fixed Salary	The basic salary is determined based on the market competition and the Com-pany’s financial position.
Variable Bonus	It is linked to the performance of the Company or the center to which the of-ficer belongs. The better the performance is, the higher the proportion of the bonus in the remuneration.
Long-Term Remuneration	Through the share-based incentive design, the long-term incentives of the managerial officers are linked to personal performance, the Company's oper-ating performance, and the value of shareholders by issuing new restricted employee shares over a period of three years.

The performance targets and the reasonableness of the remunerations of managerial officers, including the President and Vice Presidents, are reviewed and evaluated by the Remuneration Committee and approved by the Board of Directors before distribution.

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

Composition of Managerial Performance Targets	• Business Performance Indicators
	• Strategic Indicators
	• Sustainability and Internal Control Indicators

Since 2022, the Company has included ESG sustainability indicators into the performance evaluation of senior managerial officers, such as the CSO (concurrently served by the Chairman) and the CEO (concurrently serving as the President), with the results linked to short-term remuneration, long-term incentives (such as new restricted employee shares), and annual salary adjustments. Since 2023, ESG indicators have gradually been expanded to supervisors at all levels, and finally to all employees, to deepen the sustainable development in corporate operations.

▼ Chief Strategy Officers’ Performance Objectives in 2024

Indicator Item	Weight Percentage	Indicator Description
Business Performance Indicators	40%	• Annual operating targets approved by the Board of Directors, such as global operating revenue and EPS, among other things.
Strategic Indicators	30%	• The brand value is enhanced and the corporate image is promoted; the basis is the important domestic and international awards won by the products or brands, or ranking improvement. • Development or promotion of new series of products, new business, new investment, or new organizational structure of subsidiaries.
Sustainability and Internal Control Indicators	30%	• Improvement of corporate governance evaluation and international ESG evaluation indicators. • Focus on climate change and voluntarily conduct greenhouse gas (GHG) emissions inventories. • Implementation of formulating and executing the sustainable talent succession plan.

▼ Chief Executive Officers’ Performance Objectives in 2024

Indicator Item	Weight Percentage	Indicator Description
Business Performance Indicators	70%	• Annual operating targets approved by the Board of Directors, such as global operating revenue and EPS, among other things.
Strategic Indicators	5%	• The brand value is enhanced and the corporate image is promoted; the basis is the important domestic and international awards won by the products or brands, or ranking improvement.
Sustainability and Internal Control Indicators	25%	• Improvement of corporate governance evaluation and international ESG evaluation indicators. • Implementation of systematic corporate risk management. • Focus on climate change and voluntarily conduct greenhouse gas (GHG) emissions inventories. • Implementation of formulating and executing the sustainable talent succession plan.

▼ Senior Executives ESG Performance Indicators in 2024

Indicator Item	Weight Percentage	Indicator Description
Environmental Indicators	5%	• Green Products.
Social Indicators	5%~10%	• Customer Management. • Talent Development. • External Stakeholder Engagement.
Governance Indicators	5%~20%	• Refinement of information security governance. • Improvement of ESG evaluation or corporate governance performance. • Mastering key technologies and product trends. • Group investment structure and global tax fund management.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

2.2.6 Corporate Governance Performance

D-Link is committed to continuously improving its corporate governance mechanism to ensure the sound development. The corporate governance evaluation score in 2024 was 106.04 points, Maintain position in the top 5% of all listed companies.

Furthermore, D-Link actively engages in international ESG-related assessments and ratings, such as S&P Global, FTSE Russell, Sustainalytics, and CDP. These assessments provide in-depth analysis of the criteria and indicators, serving as a reference to enhance sustainability strategic goals. In 2024, D-Link achieved significant improvements in its ESG assessments : the S&P Global ESG assessment score ranking in the top 4% percentile within the industry and being selected in the 2025 Sustainability Yearbook ; The FTSE Russell ESG score increased by 15.8% from the previous year. Of which, the corporate governance indicator has been scored with full marks for three consecutive years. The Sustainalytics risk rating has remained at a low-risk level ; and the CDP rating improved from B- to B, showcasing the Company's commitment to sustainable practices.

► Domestic and International Evaluation Results

* The scores were slightly better than the previous year, as the scoring agency adjusted the weighting of indicator scores.



Time to announce the results : 2025.04

- Top 5% of all listed companies.



Time to announce the results : 2024.11

- Top 3% in the global communication equipment industry.
- Being selected for in the 2025 Sustainability Yearbook.



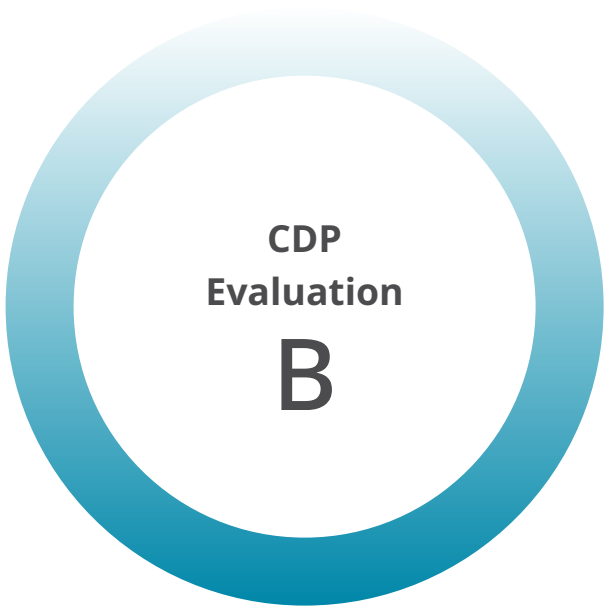
Time to announce the results : 2024.12

- The corporate governance indicator has been scored with full marks for three consecutive years.
- The total score was 15.8 higher than the previous year.



Time to announce the results : 2025.03

- Remained at a low-risk level.



Time to announce the results : 2025.02

- The ranking has increased by 1 level. (Improved from D to B within 3 years)

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

2.3 Transparency in Information Disclosure GRI 2-15, 2-23

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

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

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

2.3.1 Safeguarding Shareholders' Equity

The primary principle of improving the corporate governance mechanism is to protect the rights and interests of shareholders and treat all shareholders fairly. In addition to maintaining close contact with major shareholders, D-Link still spares no effort in safeguarding the rights and interests of other shareholders. Please refer to the Company's 2024 Annual Report for the list of Top 10 shareholders (P.92).

Improving Transparency

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

Setting up an Independent Investor Relations (Ir) Website	Enhance the user experience and convenience of investors.
Improving English Information Disclosure	The material information is announced simultaneously in Chinese and English on the MOPS and IR website, and through the MOPS and IR website, the Chinese and English versions of financial reports, quarterly reports, and annual reports are announced, and the Chinese and English versions of the sustainability reports are published on the official website, allowing stakeholders to obtain information in real time.
Improving the Disclosure Quality of Non-Financial Information	The Company regularly publishes the sustainability report to disclose non-financial information every year, and ensures the quality of disclosure through third-party verification and ISO audits. The Company also provides more immediate information on the Company's official website.
Regularly Holding Investor Conference	The Company was invited to attend two investor conferences in 2024.
Convening Shareholders' Meeting	The Company held a general shareholders' meeting on May 29, 2024.

Enhancing ESG Information Disclosure

		
Adopt the latest version of GRI standards to prepare the sustainability reports.	Disclose the financial impact of climate-related risks and opportunities.	Disclosed the financial significance and usefulness information of investment decisions.
All of the above have been disclosed after verified by a fair third party		

2.3.2 Internal Control System

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

In compliance with the legal requirements, the Company has incorporated the management of sustainability information into the internal control system. The amended content was approved by the Board of Directors in May 2024, and the sustainability information was added to the annual audit plan. The 2025 audit plan was approved by the Board of Directors in November 2024.

2.3.3 Preventing Insider Trading

To establish a sound internal mechanism for handling and disclosing major information, avoid improper disclosure of information, ensure the consistency and accuracy of information published to the outside and strengthen the prevention of insider trading, D-Link has revised the "Procedures for Materiality Management and Prevention of Insider Trade" and established an evaluation procedure for publishing major information in accordance with the requirements of the competent authority on November 13, 2024. It also developed and published the evaluation procedures for publishing material information, the preservation of submission and approval records and the disposal of lost.

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

2024
Insider trading and other matters : 0



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

2.4 Ethical Management

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

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

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

2.4.1 Ethical Management and Anti-Corruption

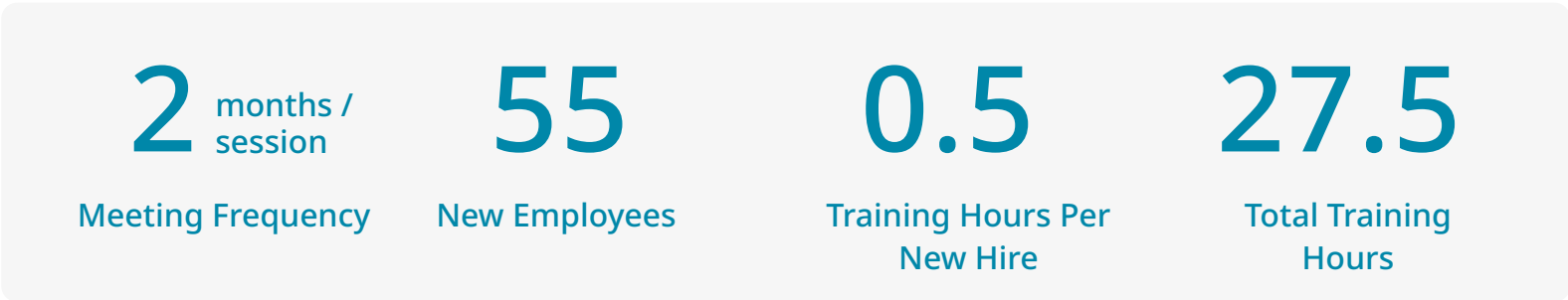
GRI 2-12, 2-23, 205-1, 205-2, 205-3

In order to ensure the implementation of ethical management and compliance with laws and regulations, D-Link regularly promotes the core value of ethical management, and has established internal rules and regulations such as the "Code of Conduct", "Ethical Corporate Management Best Practice Principles" and "Implementation Measures for the Whistleblowing System". These clearly demonstrate D-Link's commitment to an ethical management policy. The Company requires that all activities of the Company and its subsidiaries comply with relevant laws and regulations and adhere to high standards of professional ethics. D-Link is committed to avoiding unfair competitive practices, opposing any form of bribery, and establishing appropriate management systems. Training courses such as intellectual property rights management and trade secret infringement prevention were conducted to enhance employees' awareness of integrity on business operations, and thereby strengthen corporate governance. D-Link reports to the Board of Directors its execution of ethical management once a year. The latest annual report was presented to the Board of Directors on November 13, 2024.

The training related to D-Link's ethnical management is divided into the following three categories, and a total of over 418.7 training hours were implemented in 2024 :

New Employee Orientation

In the orientation, it promotes that each new employee must comply with the Company's principles of ethics and ethical code of conduct; the orientation is held every two months to ensure that every new employee understands that he or she must comply with the Company's "Ethical Corporate Management Best Practice Principles" , "Ethical Code of Conduct" and related ethical management policies. Each of the 55 new employees in 2024 completed 0.5 hours of ethical education training, totaling 27.5 training hours.



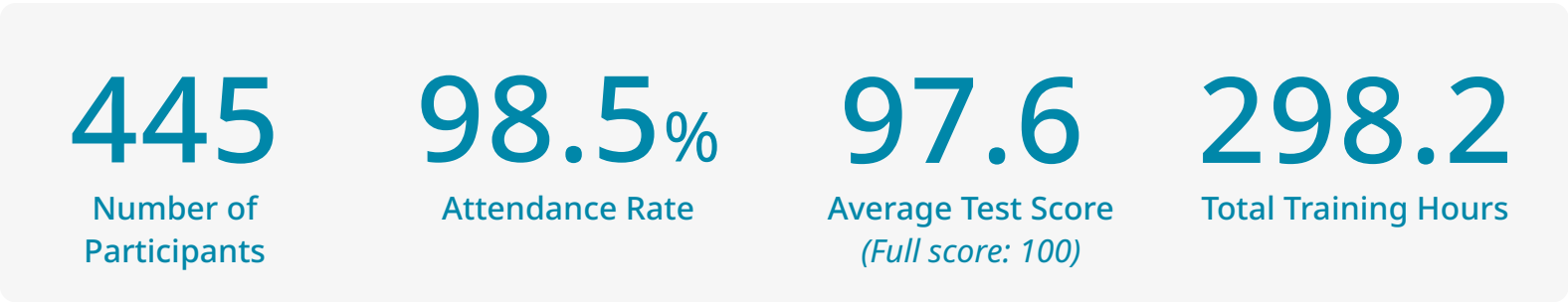
External Training

In 2024, 14 internal employees applied for external education and training on accounting systems and internal control systems, totaling 93 training hours.

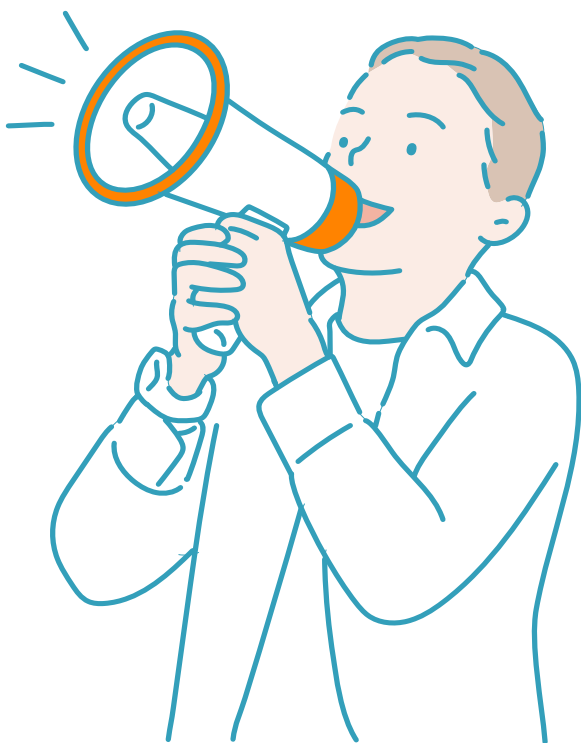
Internal Training

In August 2024, the Company conducted the "Ethical Corporate Management" promotional session to raise the employees' awareness.

In 2024, the Company additionally used videos to promote ethical management, anti-corruption, prevention of insider trading and other issues to employees in the public area of the headquarters. 36 videos with different themes were screened, and the videos were played for more than 7,800 times and more than 230 hours.



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



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

Anti-Corruption Risk Assessment

D-Link has continued to strengthen its anti-corruption risk management system and gradually include overseas locations systematically to implement ethical management. For overseas subsidiaries, the Company assessed whether they had introduced anti-corruption policies and guidelines, the communication of the relevant contents and management commitment by the supervisors, and identified potential risks based on the location of the operating site and the local integrity index¹⁴. The results of the 2024 corruption risk assessment showed that all operating locations were in mid to low-risk areas.

▼ Operational Site Analysis for Corruption Risk Assessment

Corruption Related Risk Assessment	
Overseas Subsidiaries with Substantive Sales Activities	35
Those Signed up and Included in the Group's Anti-Corruption Management System	32
Percentage	91.4%

* The subsidiaries not signing due to reduced operation scale or businesses terminated or to be terminated have been included as subjects of Group's continuous attention and management.

In addition, the Company has communicated and distributed anti-corruption policies and norms through the director's statement, employee education and training, and supplier procurement contracts. Upon the assessment, there had been no significant risk of corruption in 2024.

2024

Employee corruption and illegal behavior / Internal complaints : 0

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

	Trainee	Number of People/ Branches	Communication/ Awareness Conducted		Training Conducted	
			Number of People / Branches	Percentage	Number of People / Branches	Percentage
2022	Governance organization	9	9	100%	9	100%
	Employees	515	515	100%	500	97%
	Suppliers	54	54	100%	54	100%
2023	Governance organization	9	9	100%	9	100%
	Employees	518	518	100%	517	99%
	Suppliers	34	34	100%	34	100%
2024	Governance organization	9	9	100%	9	100%
	Employees	460	460	100%	453	98%
	Suppliers	38	38	100%	38	100%

* "Governance organization" means Bord of Directors

¹⁴Corruption Perceptions Index, CPI

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

2.4.2 Internal Audit

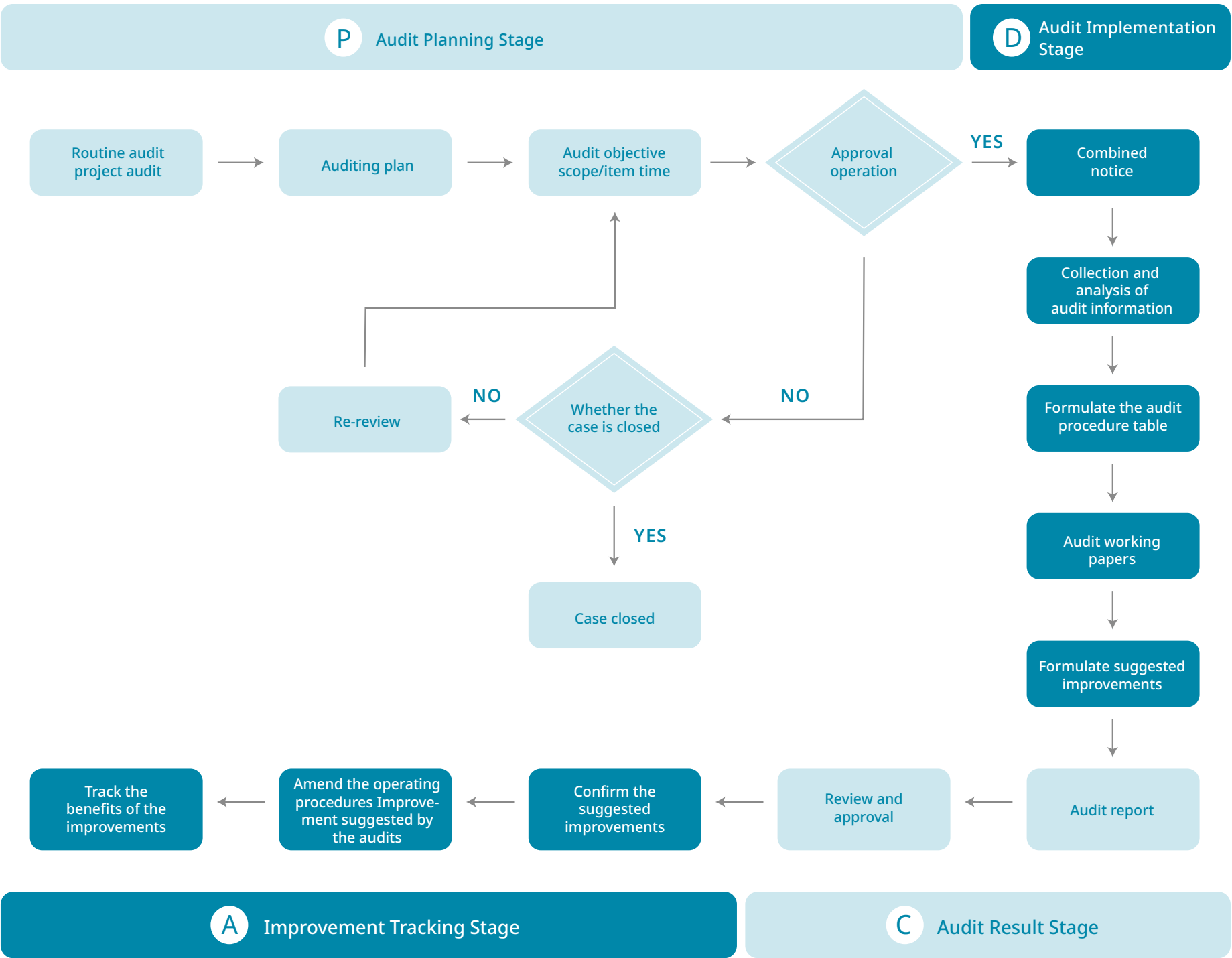
In order to strengthen the operations and management of the Company, D-Link has established an independent audit office under the Board of Directors. The appointment of the audit supervisor must be approved by the Board of Directors and a dedicated audit personnel has been additionally established. The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

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

In 2024, in addition to implementing the annual audit plan as scheduled, to comply with regulatory requirements, sustainable information management operations will be incorporated into the internal control system and annual audit plan, and the Company will continue to assist in supervising the management of information security risks.

Appointment and Dismissal of Internal Audit Personnel

The appointment, dismissal, evaluation, and remuneration of D-Link's internal audit personnel are based on the "Recruitment and Appointment Management Rules", "Remuneration Management Rules", "Performance Appraisal Management Guidelines", and "Employee Resignation and Leave without Pay Management Rules". The evaluation is conducted twice a year and shall be submitted to the Chairman for approval according to the approval procedure. The appointment of the internal audit supervisor shall be submitted to the Board of Directors for approval. The relevant regulations have been published on the internal website.



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

2.4.3 Whistleblowing System GRI 2-16, 2-26

D-Link has established a whistleblowing mechanism in accordance with its Implementation Measures for the Whistleblowing System, and accepts and investigates reporting cases in accordance with standard operating procedures, in order to improve corporate governance and sustainable business operations. D-Link has implemented a confidentiality policy for whistleblowing, keeping the identity of the whistleblowers and the content of their reports confidential, and committing to protecting whistleblowers from any undue consequences resulting from their reports. The Company treats the reported cases substantiated via investigation as material cases and reports to the Board of Directors in accordance with the procedures. There were no material cases in 2024, and therefore no necessity to report to the Board of Directors.

Scope of the Reporting Cases

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



Reporting Methods and Channels

Reporting Methods	Written or via email.
Reporting Channels	The Audit Committee
	Address : No. 289, Xinhua 3rd Rd., Neihu Dist., Taipei City 114
	Email : SRC@dlinkcorp.com

Handling of the Reporting Cases

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

Protections for Whistleblower's Identity and Report Content

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

Protection of Whistleblower's Rights

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

Reward for the Whistleblower

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



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

2.4.4 Compliance with Law and Regulations

GRI 2-27, 206-1, 416-1, 416-2, 417-1, 417-2, 417-3, 418-1

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

With operating and sales locations worldwide, the Company consistently adheres to various countries' telecommunications regulations, competition laws, anti-bribery laws, economic sanctions laws, and personal data protection regulations. It conducts regular tracking, identification, and implementation of all regulations and adjusts operational policies accordingly. Training on regulatory compliance is provided to unit supervisors and employees. In 2024, D-Link conducted regulatory compliance training courses, with a total of 1,699 participants, totaling 2,551.5 training hours.

▼ 2024 Compliance Education and Training Statistics

	Number of Participants	Training Hours
Personal Data Protection Act	457	1,283.0
Occupational Safety and Health Act	116	348.0
Sexual Harassment Prevention Act	624	579.8
Securities and Exchange Act	2	15.0
Money Laundering Control Act & Whistleblower Protection	500	325.7
Total	1,699	2,551.5

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

▼ Regulatory Compliance Status in the Past 3 Years

	Incidents of Non-Compliance		
	2022	2023	2024
Product / Service Information and Labeling	None	None	None
Product / Service Health and Safety	None	None	None
Marketing and Publicity Activities	None	None	None
Environmental Protection	None	None	None
Social Aspects, Such As Human Rights and Labor	None	None	None
Economic Aspects, Such as Fair Trading, Anti-Competitive Practices, Major Infomation Security ¹ , Etc.	None	1 ²	1 ²

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

² Major Infomation Security incidents.

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

2.5 Financial Performance and Tax Governance

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

2.5.1 Financial Performance

2.5.2 Tax Governance

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

2.5.1 Financial Performance [GRI 201-1, 201-4](#)

Looking back on the past year, as the Russo-Ukrainian War and the Middle East dispute continue, and the global countries are still in the process of reducing interest rates and inflation, the demand for end products and network infrastructure is still not strong. Although the shortage of materials has eased, the global enterprises still face the pressure of inventory due to the shortage of materials, which increases uncertainty to the recovery of the economy. However, the Company has implemented strict inventory control. After more than 1 year of supply and demand adjustment, the current inventory has reached a normal level. In terms of sales in various regions, the Asia Pacific region is facing a severe inventory reduction and sales reduction in China. However, with long-term customer relationship, sales are still maintained at a certain level. In addition, the economic growth in Europe is sluggish, and the competition in the Americas is intensified. As a result, the turnover declined significantly. Looking at the 2024 financial performance, the global consolidated revenue was NTD 14.4 billion, a 10% decline compared to 2023; the gross margin was 26%, an increase of 2% compared to 24% in 2023. The operating loss in 2024 was NTD 200 million, and the net profit after tax attributable to the parent company was NTD 0.35 million. The earnings per share after tax was NTD 0.06.

In 2024, the D-Link headquarters and global subsidiaries received a total subsidy of NT\$1 million¹⁵, including financial subsidies for the corporate-specific zone, energy and employment-related subsidies.

▼ Distribution of Economic Value in 2024

		Amount
Direct Economic value Generated	Operating revenue	14,395
	Operating costs	10,691
Economic Value Distributed	Salaries and benefits of employees	2,675
	Cash dividends paid	441
	Interest paid	33
	Income tax paid (Taiwan)	18
	Income tax paid (Asia)	143
	Income tax paid (Europe)	46
Residual Economic Value		348

1. The currency for this table is NT\$ million
2. Residual economic value = direct economic value generated - economic value distributed

¹⁵In 2024, the locations receiving the subsidies include the headquarters and the subsidiaries in Asia.

▼ Financial Performance in the Past 3 Years

Items	2022	2023	2024
Operating Revenue	17,078	15,941	14,395
Gross Profit	4,315	3,844	3,704
Operating Expenses	3,762	3,718	3,904
Operating Profit (Loss)	553	126	(200)
Non-Operating Income and Expenditure	(95)	735	562
Net Profit before Tax	458	861	362
Net Profit after Tax	260	698	132
Net Profit of Parent Company	109	568	35
Gross Profit (GP%)	25.3%	24.1%	25.7%
Operating Expenses (OPEX%)	22.0%	23.3%	27.1%
Operating Profit (OPM%)	3.2%	0.8%	(1.4%)
Net Profit after Tax (NI%)	1.5%	4.4%	0.9%

1. The currency for this table is NT\$ million
2. Please refer to the financial statements of the Company's annual reports over the years

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

2.5.2 Tax Governance

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

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

D-Link has operating bases all over the world, and each operating base follows the tax laws and regulations of the country where it locates. Since unfavorable factors of regulatory changes will have an adverse impact on business performance, the Company regularly analyzes tax changes of the locations where

Compliance Principle

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

Risk Control

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

Reasonable Tax Incentives

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

Reasonable Structure

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

Information Transparency


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

Arm's Length Principle

Related-Party transactions are based on arm's length principle and in compliance with internationally accepted transfer pricing guidelines announced by the Organization for Economic Cooperation and Development (OECD).

Integrity in Communication

Establish a relationship of mutual respect and honest communication.



its operating base are located, continuously evaluates local tax law regulations and recent supervision focuses of local tax authorities, to identify the tax risks arising from operations. The Corporate Finance & Operation Center Accounting Department regularly reports on the Group's tax risk environment, risk assessment and responding measures to executives. Starting from 2023, the tax risk management has been included in enterprise risk management and the tax management status is reported to the Board of Directors every year.

Compliance with Global Transfer Pricing

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

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

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

	2022	2023	2024
Net Profit Before Tax	458	861	362
Income Tax Expenses	197	163	230
Add (Less): Temporary Differences	(56)	44	(19)
Adjusted Income Tax Expenses	141	207	211
Effective Tax Rate ¹	43%	19%	64%
Adjusted Effective Tax Rate ²	31%	24%	58%
Income Tax Paid	126	248	207
Effective Tax Rate of Income Tax Paid ³	28%	29%	57%

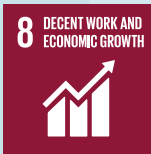
¹ Effective tax rate = Income tax expenses/Net profit before tax.
² Adjusted effective tax rate = Adjusted income tax expenses/Net profit before tax.
³ Effective tax rate of income tax paid = Income tax paid/Net profit before tax.

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

2.6 Risk Management

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

- 2.6.1 Shaping D-Link’s Risk Management Culture
- 2.6.2 Risk Management Procedures
- 2.6.3 Risk Identification Results and Operation Practices



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

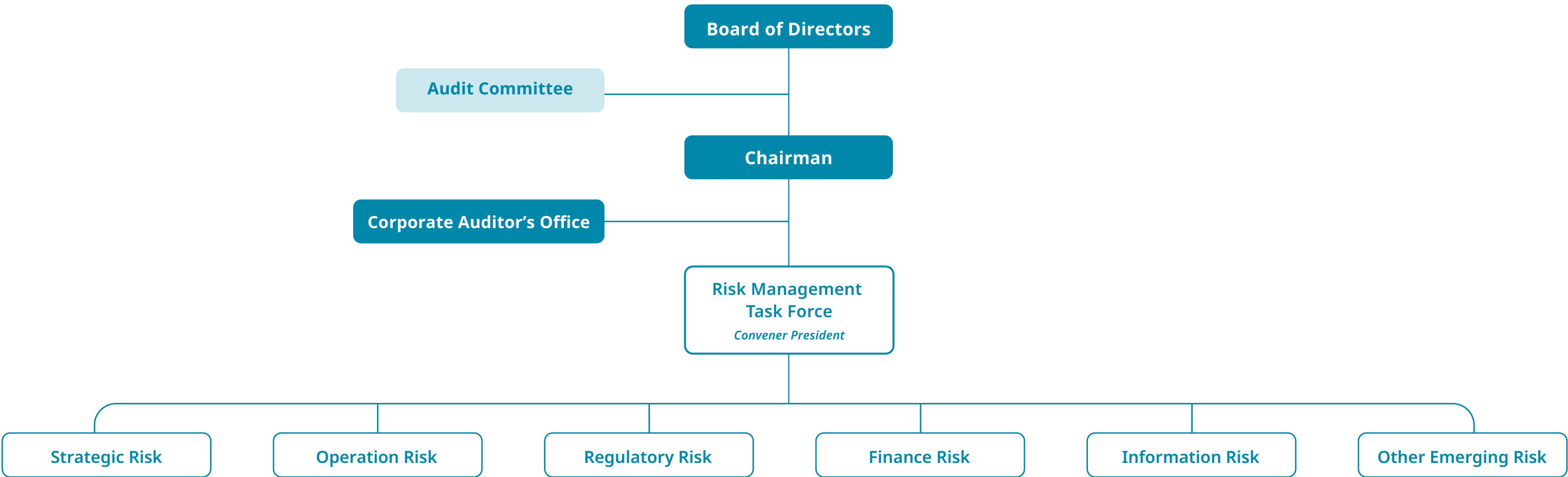
2.6.1 Shaping D-Link’s Risk Management Culture

GRI 2-12

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

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

▼Risk Management Structure



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

2.6.2 Risk Management Procedures



About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

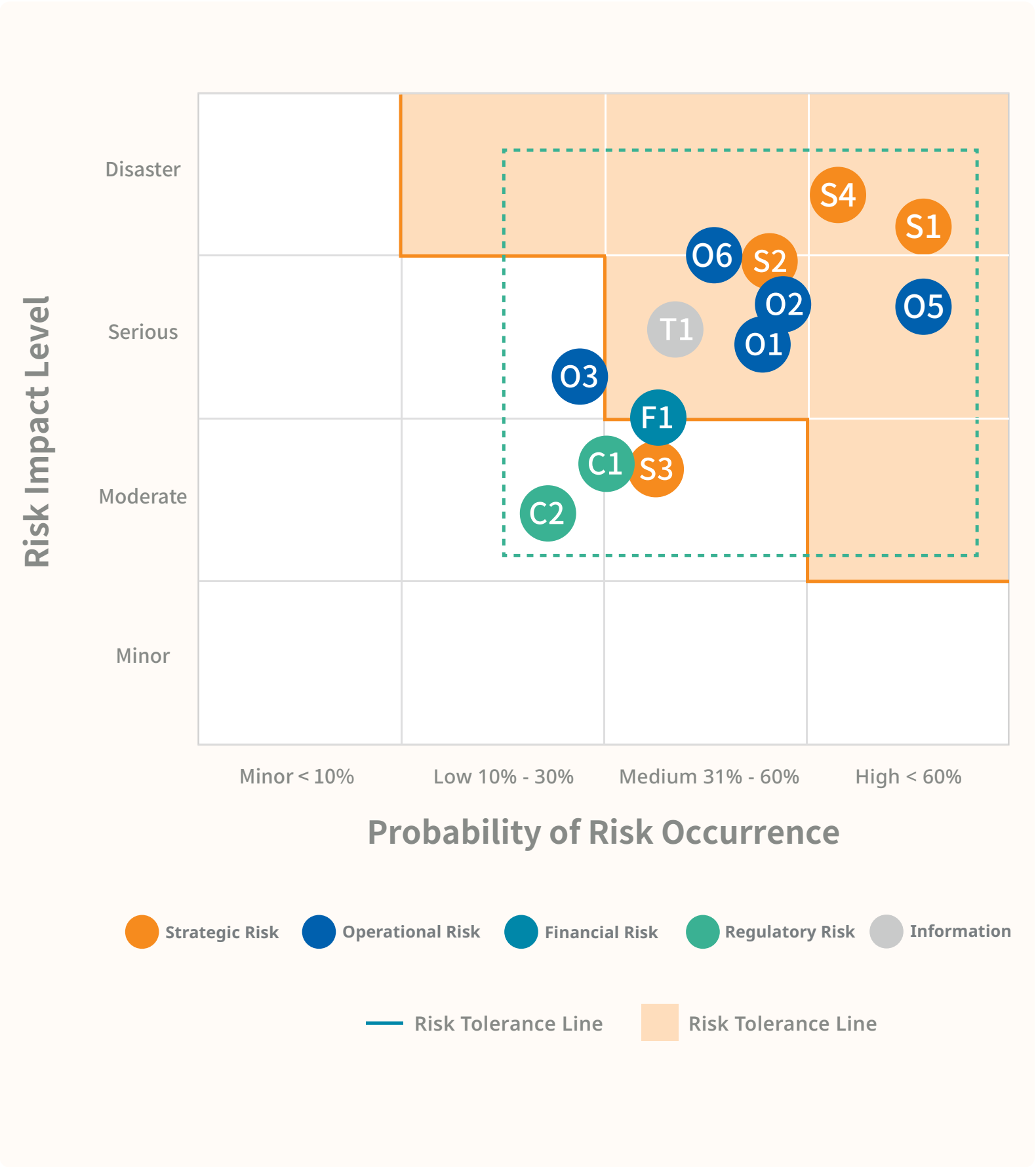
2.6.3 Risk Identification Results and Operation Practices

- In order to comply with the requirements of the "Corporate Governance 3.0 - Sustainable Development Blueprint" and the "Risk Management Best Practice Principles for TWSE/TPEX Listed Companies" issued by the Financial Supervisory Commission. The Company has amended the "Risk Management Policy and Procedures" and implemented such upon the resolution of the Board of Directors on May 10, 2023.
- The Company complies with the "Risk Management Policies and Procedures", to convene the risk management meetings, on quarterly bases, on January 22, June 28, September 23, and October 23, 2024, to plan, implement and supervise quarterly risk management operations, to ensure that all risks are effectively managed.
- As a part of the annual review of the risk management system, the Board of Directors and the Audit Committee conducted a review of key risks and control measures on February 27, 2024 and November 13, 2024.
- Regarding the key risks identified in early 2024, the Company has reported to the Board of Directors on the implementation of the 2024 risk management action plan on November 13, 2024. The risk items are controlled by using the key risk indicators (KRIs) to mitigate the degree of risk impact. In the board meeting on February 26, 2025, the Company's newly identified key risks were reported.
- The Company has reported to the Board of Directors on the implementation of the 2024 risk management action plans on November 13, 2024.

Identified Key Risks in Early 2024

Risk Categories	Risk Details
Strategic Risk	S1 Inventory Management / S2 Product Innovation and Application / S4 The time to launch/development progress of new product inconsistent to market demand
Operational Risk	O1 Customer management / O2 Product quality / O4 Subsidiary Organizational Functions and Operating Model / O5 Costs affect the price competitiveness
Information Risk	T1 Information security incident
Emerging Risk	Climate Change Tax Governance

Risk Matrix of 2024





About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

▼ Important / Emerging Risks and Countermeasures

Risk Items	Countermeasures	Material Topics Corresponded
Inventory Management	Coordinate organizational resources to establish transaction guidelines for long-aged inventory, effectively reducing the group's stock levels.	Business Performance
Product Innovation and Applications	Centrally plan product catalogs, hold product planning and sales alignment meetings, and implement the group's sales strategy.	-
The Time to Launch / Development Progress of New Product Inconsistent to Market Demand	Monitor the synchronization rate between the roadmap and product initiation each quarter to meet customer supply demands.	Business Performance
Customer Management	Review changes in key customers; for customers with deferred shipments, progress has been made, and deliveries have been completed.	-
Product Quality	Risk mitigation and improvement measures have been taken, to reduce risk trends and improve product defect rates; all implementation items under the action plans have been completed.	Product Quality
Subsidiary Organizational Functions and Operating Model	Regularly review the operating results of subsidiaries; for underperforming subsidiaries, enhance management oversight, formulate operational adjustment plans as special projects, and track execution progress.	Business Performance
Costs Affect the Price Competitiveness	Implement quarterly component cost reduction (cost down) and semi-annual finished product cost reduction targets.	Business Performance
Information Security Incident	Employee cybersecurity education and social engineering drills have been completed, along with the establishment of an incident response plan and internal reporting mechanism. Moving forward, we will continue to enhance training and awareness programs, incorporate recommendations from external cybersecurity experts, conduct regular simulation tests and evaluations, procure firewall equipment, and plan upgrades for antivirus-related software and hardware. These measures aim to strengthen overall defense capabilities and comprehensively reduce the risk of cybersecurity incidents.	Information Security
Tax Governance	Implement tax governance and establish an internal tax management mechanism, with regular reporting to the management on the group's tax risk environment, risk assessments, and response measures. Engage tax experts periodically to provide tax education, training, and consulting services to ensure tax compliance.	-
Climate Change	Committing to the 2050 net-zero emissions. Introduce the TCFD framework, regularly disclose climate change response performance, and establish relevant indicator targets for continuous tracking and management.	Climate Change Response Actions

* Items marked in blue indicate significant risks.

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

2.7 Intellectual Property Management

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

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

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

2.7.1 Intellectual Property Management Plan

Patents

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

Trademark

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

Trade Secrets




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

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

Copyright

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

▼ Trade Secrets Protection Measures

	Employees	<ul style="list-style-type: none">• Upon arrival, employees are required to sign employment contracts containing confidentiality clauses.• A confidentiality agreement shall be signed upon resignation.
	Vendors	<ul style="list-style-type: none">• Before actual cooperation takes place, a confidentiality agreement must be signed.
	Access Control	<ul style="list-style-type: none">• The main gate has access control, and visitors must apply for permits before accessing. The IT Department and various offices are also controlled, allowing access only to personnel with specific identities.
	System Control	<ul style="list-style-type: none">• All systems or public drives involving the storage of trade secrets or confidential information have permission-based access control measures in place.

About the Report

About D-Link

CH1 Sustainable Operations

CH2 Corporate Governance

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

CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

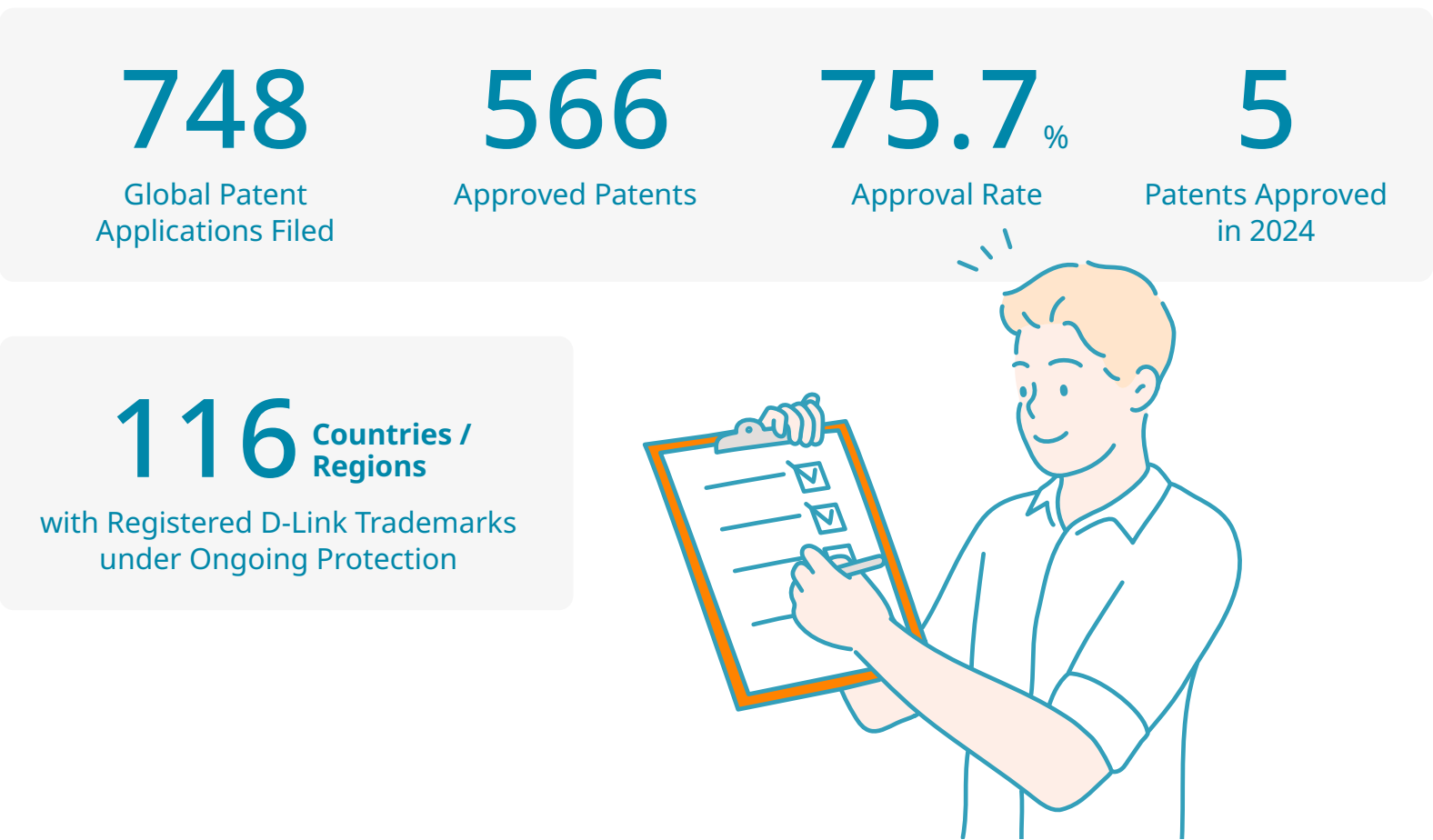
2.7.2 Status of Intellectual Property Management Implementation GRI 2-12

D-Link attaches great importance to intellectual property management. In addition to establishing a professional legal and intellectual property team to support the R&D team, it has also monitored related domestic and foreign trends and regulatory requirements for a long time and regularly reported intellectual property-related matters to the Board of Directors every year. The 2024 report was completed in the board meeting on November 13. D-Link also continues to launch various training programs to enhance the knowledge and understanding of the personnel on the fundamental and advanced knowledge of intellectual property rights.

2019	2020	2021
Improvement on Patent Application and Rewards Implementation Rules.	Comprehensive review and consolidation of trademark portfolio.	Expansion of the scope of ISO / ICE 27001 ISMS certification.
2022	2023	
Implemented the Taiwan Intellectual Property Management Standard (TIPS) and obtained Level A certification.	Successfully passed the TIPS Level A certification again, valid until December 31, 2025.	

▲ Intellectual Property Management of D-Link in Recent Years

▼ Patents and Trademarks Management



▼ Education and Training Related to Intellectual Property in 2024

