D-Link

Value Creation

Responding to Material Topics

- Product Quality

- Information Security

- Supply Chain Management

Major Stakeholders

- Customers / Clients

- Employees

- Suppliers / Business Partners

- Shareholders / Investors

- Subsidiaries

chapter

03

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

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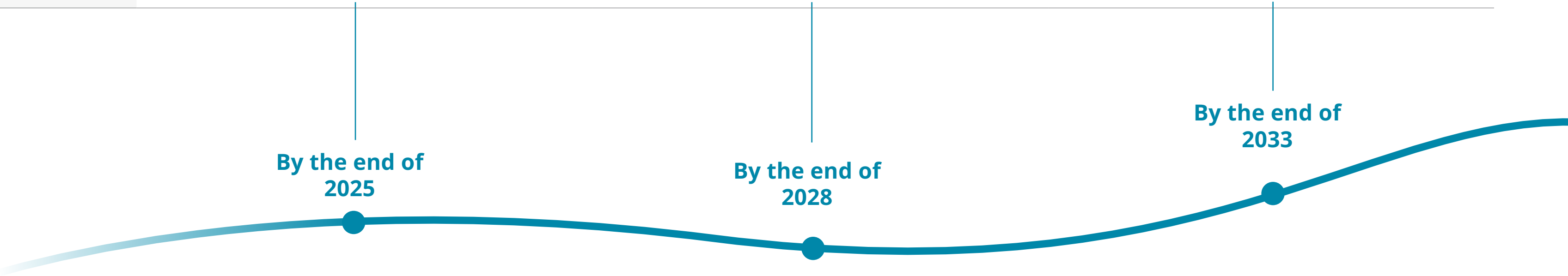
Management Approaches for Material Topics

Material Topics	Significance for D-Link	Impacts on Value Chain*			Response Policies and Measures	Management Actions
		Suppliers / Business Partners	D-Link / Subsidiaries	Customers / Clients		
Product Quality	Provide quality products and services to customers and become a leading brand of networking equipment through various stages of control. Quality and stability are closely related to customer losses and reputation, which directly affect market share and competitiveness.	●	●	●	Set up management representatives, establish quality policies, set management goals in accordance with the quality policies and review them regularly for effective management and continuous improvement.	• The Company sets annual customer satisfaction surveys, supplier management surveys, and product manufacturing quality evaluations based on the quality policy, as well as the quality targets including product manufacturing quality appraisals. It also submits annual quality targets to the management review meeting for resolution and implementation. • The President serves as the management representative of the ISO management system. The direction of quality policy is reviewed in the annual management review meeting and adjusted on a rolling basis.
Information Security	Continue to improve the Company's information security management system and strengthen its protection capabilities to comply with domestic and international information security-related regulations and to implement them in daily operations. We are dedicated to mitigating information security risks, maintaining customer trust, preserving the Company's reputation, and sustaining market competitiveness.		●	●	Formulate the "Information Security Management Policy" and establish the "Information Security Management Committee", in order to understand information and communication security according to international standards.	The President serves as the convener of the "Information Security Management Committee" to supervise the Company's information security policy. Each informationsecurity-related unit (information, product, personalinformation, privacy, etc.) must assign an information security representative to participate in information security meetings held twice a year to continuously optimize and regularly perform audits on information security management.
Supply Chain Management	Implement due diligence responsibilities and exert market influence to strengthen the sustainability value of the overall industry chain and continuously refine the value chain management strategies of upstream/downstream partners to mitigate the risk of various negative impacts on suppliers, including the ongoing operational management of suppliers, which will directly impact the Company's operations and commitments to customers.	●	●	○	• Established the "D-Link Sustainable Procurement Policy" and the "Supplier Code of Conduct" as the highest principles for ESG management of suppliers. • regularly evaluate the impact of suppliers on society and the environment. • Continue to increase the percentage of local purchases.	• Through the "Self-Evaluation Form of ESG Implementation", we regularly investigate the ESG conduct of suppliers and encourage suppliers to regularly disclose relevant performance, thereby driving the sustainable development of the overall value chain. • Implement risk-graded assessment of suppliers, regularly schedule different audit strategies according to different levels, On-site audits are conducted on major suppliers every year, including ESG audit indicators developed by referring to the Responsible Business Alliance Code of Conduct.

* ● Direct impact; ○ Indirect impact

Short / Medium / Long-Term Goals

	Short-Term	Medium-Term	Long-Term
Product Quality	• Maintain the completeness of quality management procedures. • The rate of major suppliers passing the shipment inspection is higher than 90%.	• 100% of D-Link's suppliers are compliant with ISO 14001 and have obtained the certificate.	• The rate of major suppliers passing the shipment inspection is higher than 95%.
Information Security	• Upgrade the wireless network equipment in office space, strengthen management, and improve availability. • Introduce HSM[1] key management system to all new products. • Introduce the cloud-based solution to the source code scanning system, and integrate third-party package security monitoring and SBOM[2] functions. • Certify all products sold to Europe in response to the CE RED Information Security Regulation EN 18031.	• Establish effective anti-hacking and anti-weak measures on external services or websites, regularly entrust third-party external experts to conduct penetration tests, and continuously optimize the system. • Strengthen the automated analysis function of the product security management platform : periodical information security reports, automated risk and authorization type analysis of SBOM, and correlation of detection reports and product versions.	• Gradually build a joint defense system for group information security. • Purchase insurance coverage based on business needs. • Adjust internal safety regulations and product specifications immediately to comply with the latest information security regulations of each country. • Establish the D-Link product security testing team, to cultivate the professional skills and professional certifications over the long term, and actively participate in international information security organization activities and resource sharing.
Supply Chain Management	• Build sustainability and resilience of the supply chain.	• Understand the extent of supplier ESG management though supplier survey. • Conduct sustainable procurement-related education and training for procurement personnel.	• Suppliers' ESG performance is included in the vendor selection criteria.

By the end of 2025

By the end of 2028

By the end of 2033

1. Hardware Security Module (HSM)
2. Software Bill of Materials (SBOM)

D-Link®

Achievement Status of Management Goals for 2024

Material Topics	Goals in 2024	Management Performance	Achievement Status
Product Quality	• Maintain the completeness of quality management procedures.	• Violation of laws and regulations related to quality management : 0 • The rate of major suppliers passing the shipment inspection : 91.2% • Percentage of suppliers certified for ISO 14001 environmental management system : 87%	✓
Information Security	• Passed the new version of ISO 27001:2022 Information Security Management System at the end of 2024. • Started to introduce the HSM product key management system. • Integrated SBOM function into the product information security management platform. • Continue the ETSI EN 303 645 certification mechanism for wireless products sold to Europe.	• Completed the ISO / IEC 27001: 2022 information security management system upgrade and transition to external audit operations. • 2 Information Security Management Committee meetings were held, and the implementation results were reported to the Board of Directors. • The HSM key management system has been fully introduced. • SBOM has been completed integrated into the product information security management platform. • A total of 40 products have obtained ETSI EN 303 645 certification. These are expected to be transferred to EN 18031 before August 2025 to comply with the EU CE RED regulations. • Material information security incidents[1] : 1 • Material information security complaint[2] : 0	✓
Supply Chain Management	• Build the supply chain resilience	• Starting from 2024, we share our sustainability vision, governance structure, and specific promotion measures with suppliers through the ESG newsletter, hoping to drive the value chain to engage in sustainable development. • The self-assessment forms of ESG implementation are distributed annually to keep track of the sustainability of suppliers. In 2024, the survey of 38 existing suppliers was completed. • Audits were conducted for major suppliers (7 in total). The audit completion rate was 100% • Improvement rate of deficiencies in coaching suppliers : 88.76% • Number of suppliers listed as unqualified suppliers for violating social responsibility standards : 0 • Reports on bribery of suppliers : 0	✓

1. Including the Company's core information system, official website or confidential documents and files, have been invaded, destroyed, compromised, deleted, encrypted, stolen, and under distributed denial of service attacks (DDoS), resulting in the inability to operate or provide services normally, or the leakage of personal information, etc.
2. Complaints from third-party impartial inspection units or competent authorities resulting in judicial action due to the Company's violation of customer personal data protection or loss of customer information. If an individual's complaint is accepted as a case, it will also be included in the statistics.

Responsible Unit

| Corporate Auditor's Office | ESG Office | Product R&D Center | Supply Chain Management Center |

| Corporate Finance & Operation Center | Product Planning Center | Business Center | AI Innovation Center |

Management Mechanism

- Corporate identification specifications

- D-Link Quality policy

- ISO 9001 Quality Management System

- Product Labeling Regulations in Various Countries

- ISO / IEC 27001:2022 Information Security Management System

- BS 10012:2017 Personal Information Management System

- TRUSTe Privacy Certification

- Introduced the industrial product security standard : IEC 62443-4-1 Industrial Automation and Control System Security

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

- D-Link Sustainable Procurement Policy

- Supplier Code of Conduct

Communication Channel

Type	Channel
Customer Service	Toll-free line : 0800-002-615 https://www.dlink.com/en/hq-support Online message : https://www.dlink.com/en/contact-d-link
Suppliers-Related Channel	• Special E-mail : supplychain@dlinkcorp.com
Sustainability-Related Channel	• Special line : 02-6600-0123 Ext. 6834 • Special E-mail : csr@dlinkcorp.com
Anti-Corruption Reporting	• Special E-mail : SRC@dlinkcorp.com • Special Mail Box : No. 289, Xinhu 3rd Rd., Neihu Dist., Taipei City 114 (To Audit Committee)

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

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

D-Link's products are marked with relevant product information in accordance with local regulations, and the Company's trademark, product model, part number, UPC, quantity, serial number, safety certification mark, origin mark, hard disk version, firmware version, MAC, power supply information, and number of boxes are clearly marked on the product packaging. The Company also specify video signal output, lithium battery warnings, Important Labels, etc., according to product type and export requirements. In 2024, D-Link had 100% compliance.

3.2.1   Quality Management

3.2.2   Product Information Security

3.2.3   Customer Services

2024
Number of products violating regulations on labels : 0

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

3.2.1 Quality Management GRI 416-1, 416-2

D-Link products comply with the quality-related laws and regulations of various countries. During the development and design stage, suppliers are required to comply with corresponding regulations, and the development verification stage is to verify one by one and obtain a compliance verification report. By controlling from the source, we strictly ensure that products comply with regulatory requirements and quality standards.

In addition, the Company has, pursuant to ISO 9001 quality management system specifications, established various policy indicators, internal regular audits, management review reviews, and resolutions, which are completed and certified by external units.

▼ Quality Policy

Quality First

Continuous Improvement

Customer Satisfaction

2024
Violation of laws and regulations related to quality management : 0

▼ D-Link's Quality Management System Procedures
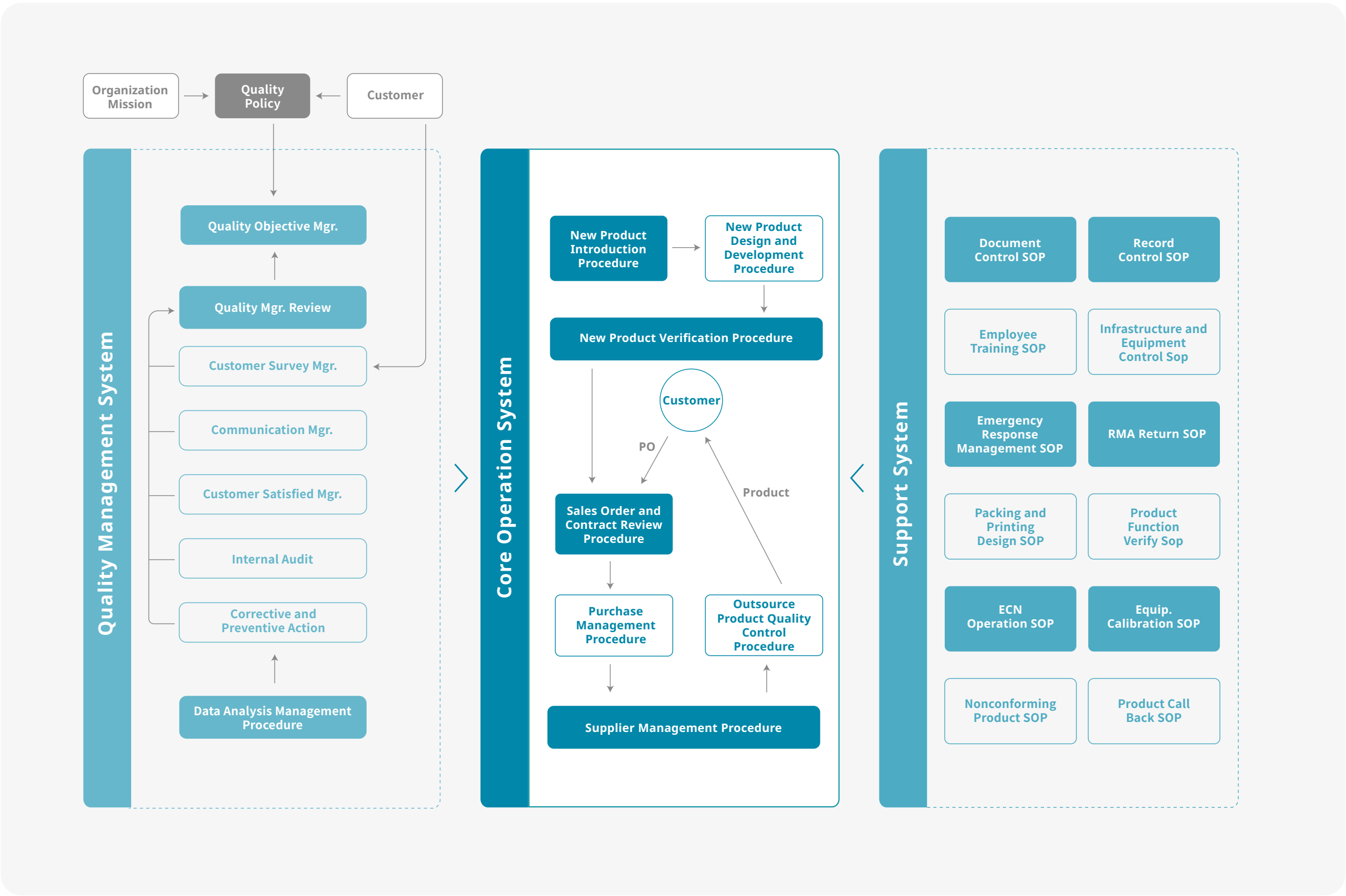
3.2.2 Product Security SASB TC-HW-230a.1

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

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

2017	2018	2020	2023	2024
Became the first networking equipment company in Taiwan to pass the BSIMM verification, and the product development process conforms to the BSIMM V7 specification.	Introduced the latest industrial product security specification standard-IEC 62443 Industrial Automation and Control System Security.	• Obtained the IEC 62443 Industrial Automation and Control System Safety Part 4-1 product safety development system certification verified by German TUV Nord. • Passed the external review operation for ISO/IEC 27001:2013 Information Security Management System.	Obtained the first ETSI EN 303 645 Cyber Security Certificate in Taiwan.	Certified with ISO / IEC 27001:2022 Information Security Management System

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

ETSI EN 303 645 Cyber Security for Consumer Internet of Things: Baseline Requirements
Released by European Telecommunications Standards Institute, it aims to address significant and widespread network security vulnerabilities, establish a security baseline for consumer products connected to the network, safeguard user privacy, and prevent primary attacks on basic design flaws. Manufacturers must comply with the standards in the design and production of their products to ensure that all connected devices are safe and secure before being launched in the European Union, so as to protect consumer privacy and personal information, preventing risks such as hacker extortion.

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

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

Introduce the Automatic Comparison System
In addition to cooperating with external security companies to review all products, Automatically compare the product software package data with the latest external security incidents, and automatically notify and follow up if there is a match.

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

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

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

Digital Signature

D-Link has fully implemented the digital signature mechanism to strengthen the information security protection of product firmware and software, ensure product integrity, and ensure source verification without concern. Since 2024, we have further introduced the highest-spec[16] HSM and signature management system, which is expected to be fully applied to all products by 2025. The system adopts equipment compliant with the Federal Information Processing Standards FIPS 140-3 Level 3 to securely store product keys to ensure no storage of product keys at endpoints, which greatly improves product information security confidentiality.

UK PSTI

The UK "Product Security and Telecommunication Infrastructure Act" (UK PSTI[17]), taking effect at the end of April 2024, requires all companies involved in the supply chain of consumer IoT products to comply with the minimum safety requirements established according to the UK Code of Practice for Consumer IoT Security and ETSI EN 303 645 standards. Since 2020, D-Link has complied with the strict IEC 62443-4-1 product safety development process specifications to conduct product R&D, and only the products that passed relevant verification tests may be delivered. Therefore, the safety requirements of the Act have been met in advance.

CE RED

Moreover, in response to the upcoming implementation of CE RED Information Security Regulations in 2025, D-Link has been actively initiating projects since 2022 to adjust safety specifications for product development to meet the requirements of relevant regulations. In May 2023, the M30 AX3000 Wi-Fi 6 dual-frequency wireless router under the D-Link AQUILA PRO AI series successfully obtained the first EN 303 645 certificate in Taiwan. Following the announcement regarding the latest designation of EN 18031 by the EU in January 2025, D-Link immediately cooperated with the certification laboratory to comprehensively plan to convert existing EN 303 645 certified products to EN 18031, continuously strengthening product network security and ensuring compliance with the latest regulatory standards.

In 2024, a total of 30 product information security incidents were reported, which was the same as the previous year. Only one incident was related to product software, which was immediately patched and updated. In general, the overall information security quality of products has improved significantly since the full adoption of the IEC 62443 safety development process. This shows that the relevant measures have gradually yielded results.

[16] Hardware Security Module
[17] Product Security and Telecommunications Infrastructure Act (UK PSTI)

3.2.3 Customer Services

Diverse Customer Service System

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

▼ D-Link Instant Technical Support Channel

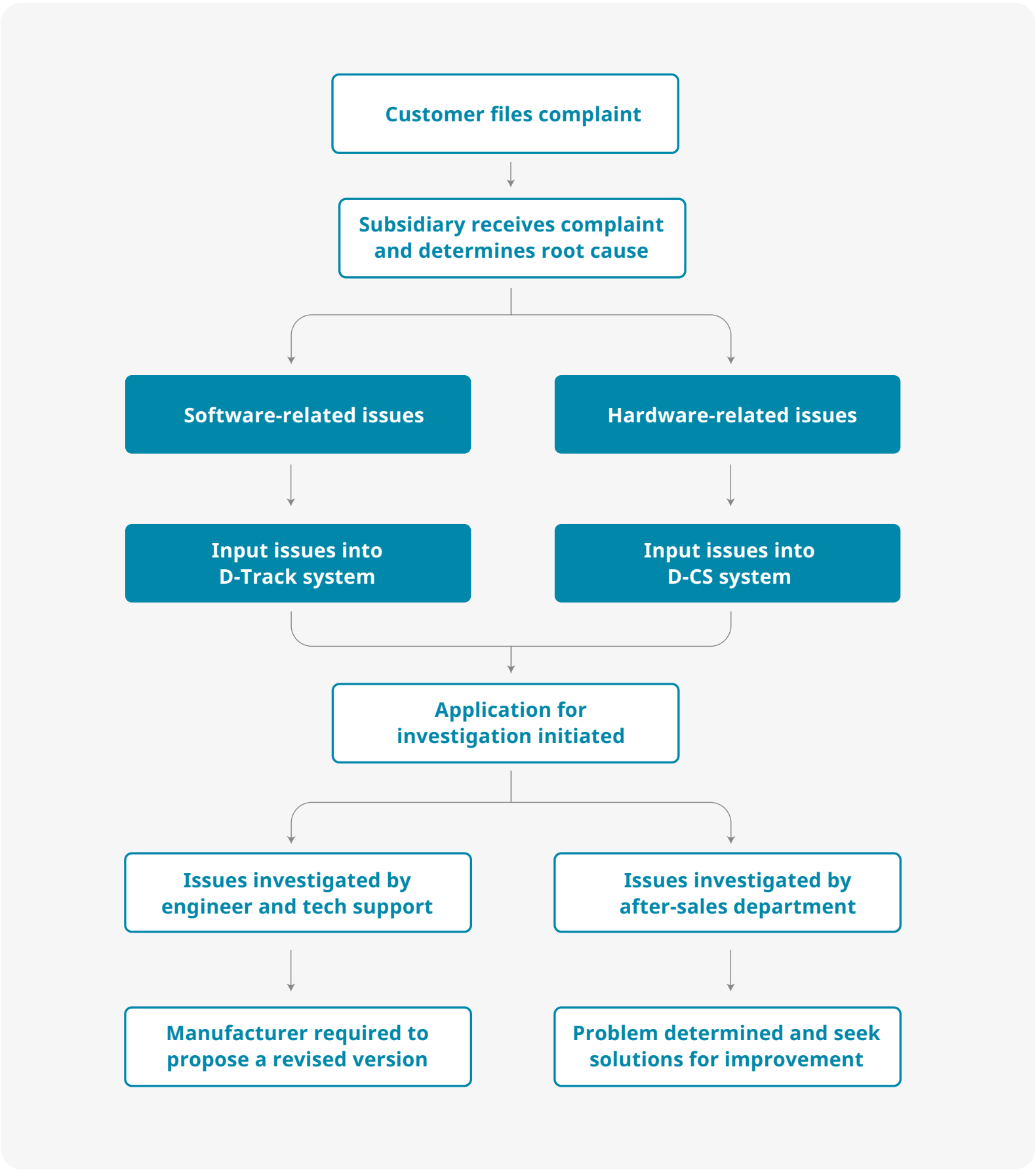| Toll-Free Number | Email | Chat Support | Social Media Platforms |

1-3-7 Service Level Agreement

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

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

| Day 1 — Confirm the issue | > | Day 3 — Provide temporary solutions | > | Day 7 — Provide solutions for issues |

▼ The Customer Complaint Handling Procedures and Responsible Units

Customer files complaint
↓
Subsidiary receives complaint and determines root cause
↓
- **Software-related issues** → **Input issues into D-Track system**
- **Hardware-related issues** → **Input issues into D-CS system**
↓
Application for investigation initiated
↓
- **Issues investigated by engineer and tech support** → **Manufacturer required to propose a revised version**
- **Issues investigated by after-sales department** → **Problem determined and seek solutions for improvement**

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

Service Management Indicators	Goals	Achievement Rate
First Call Resolution	80% of incidents are closed after the first phone call.	More than 95% of the incidents in each subsidiary were resolved after the first phone call.
Average Handling time	Answer customer questions within 15 minutes.	Each incident was handled within 10 minutes on average.
Customer Satisfaction Survey	The average score is above 85 points.	The average score was 85.

Customer Satisfaction Survey

D-Link conducts customer satisfaction surveys annually in accordance with the ISO 9000 Customer Satisfaction Management Procedure. With a target of 80 points, in recent years, the customer satisfaction survey scores have been above 80 points, reaching the target. In addition, to further improve customer and consumer loyalty to the brand, D-Link has continued to increase diverse social media software communication channels and monitored comments on products in forums and e-commerce platforms. Subsequently, customers are provided with product-related education and training courses, to continuously improve toward medium and long-term goals.

▼ Customer Satisfaction Scores in the Past 3 Years

2022	2023	2024
86 Points	**86** Points	**85** Points

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

3.3.1 Information Security Management Structure

3.3.2 Information Security Management Strategy

3.3.3 Information Security Risk Management and Continuing Improvement

3.3.4 Information Security Management Measures and Resource Allocation
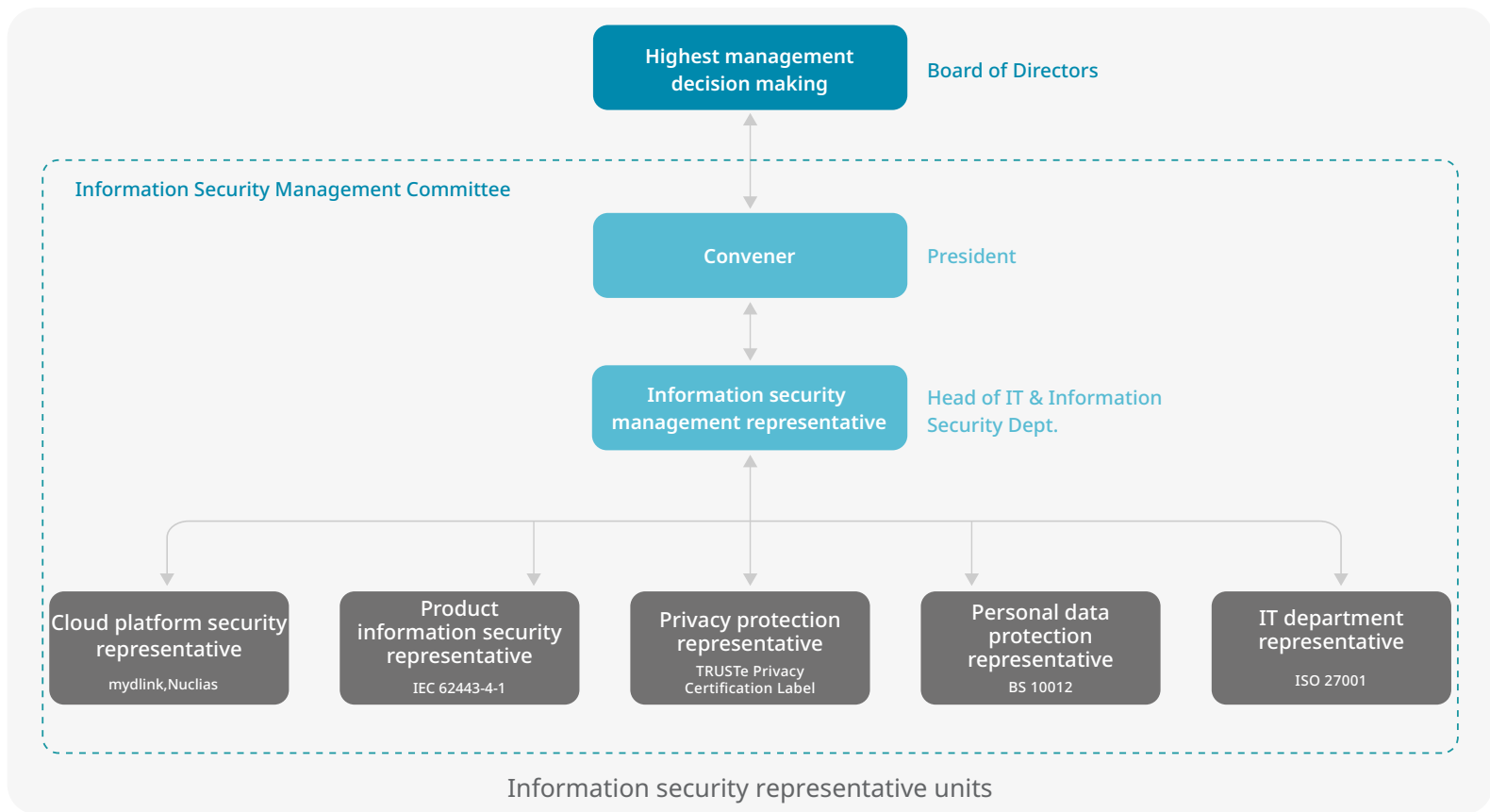
3.3.5 Information Security Incidents
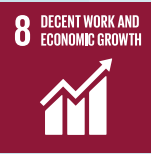
3.3.1 Information Security Management Structure GRI 2-12

In order to fully manage information and communication security, D-Link has established the "Information Security Management Committee". The President shall act as the convener to regularly convene information security meetings and supervise the information security policies of the entire company. The Committee references the ISO 27001:2022 information security management system and the Regulations Governing Establishment of Internal Control Systems by Public Companies. The Information Technology and Security Department. The Information Technology and Security Department serves as the dedicated information security unit. The Information Technology and Security Department supervisor shall act as the information security management representative to coordinate the formulation, execution, risk management, and compliance audit of information security and protection-related policies. Each information security related unit (product, personal data, privacy, etc.) shall appoint an information security representative to regularly participate in information security meetings. They shall discuss information security policies and other material issues related to information security, as well as supervise the execution of the Company's information security operations and the effectiveness of the information security risk management mechanisms. Two Information Security Management Committee meetings were held in 2024, and relevant implementation results were reported to the Board of Directors.

▼ D-Link Information Security Organization

3.3.2 Information Security Management Strategy

Information Security for Systems
Passed the **ISO / IEC 27001:2022 Information Security Management System** certification, and through the import of international standards, the response and handling capabilities for information security incidents were strengthened, so as to protect the security of the Company and customers' in-formation assets.

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

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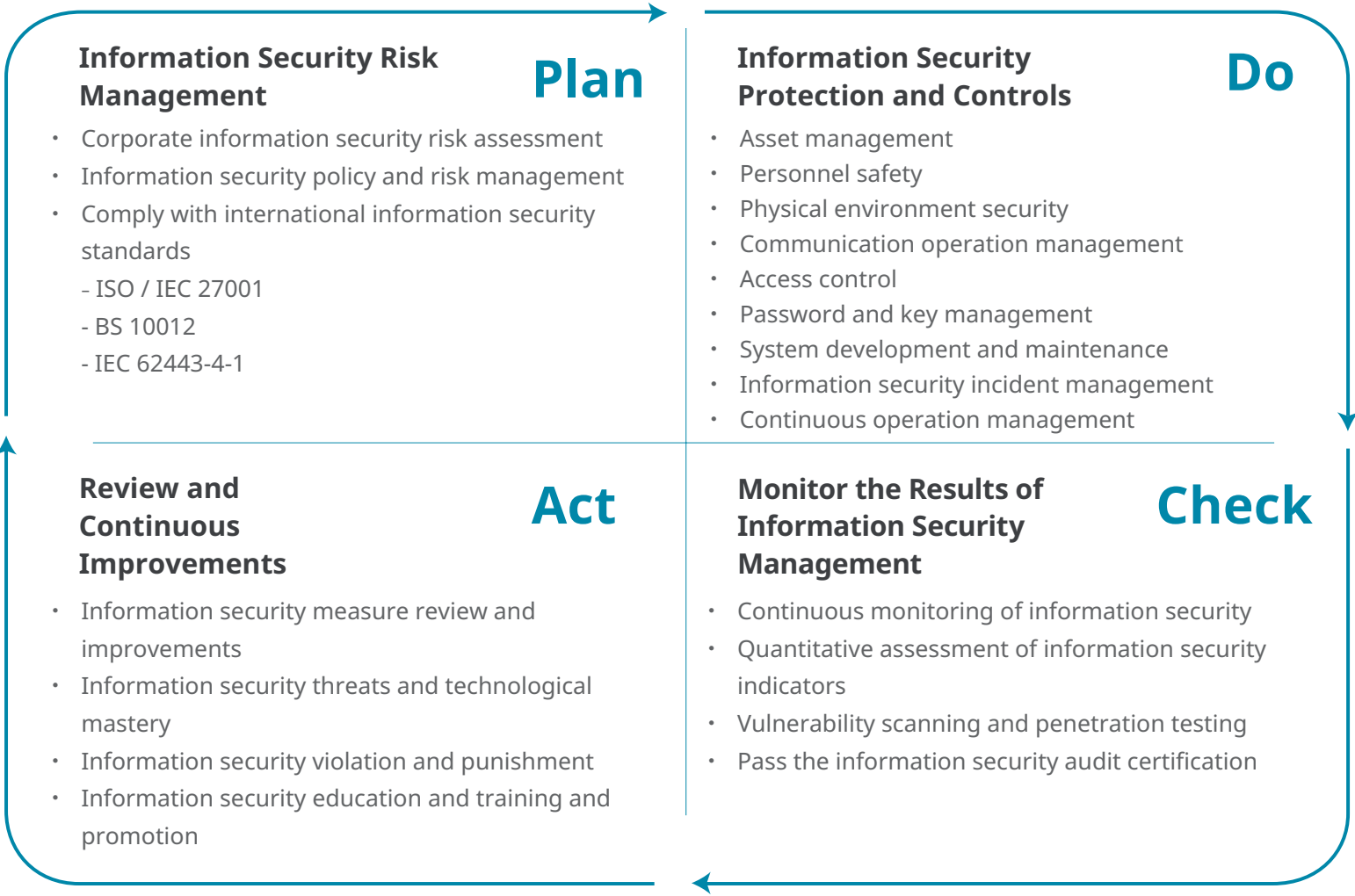

Privacy Protection
Since 2014, D-Link's external service website and domain have been audited and certified by TrustArc Inc., a data privacy management authority, and have received the **"TRUSTe Privacy Certification Stamp".**

3.3.3 Information Security Risk Management and Continuing Improvement

D-Link has been cultivating network equipment and services markets for a long time. The Company places great importance on information security and the scope of its focus includes employees, organizations, supplier and operation related information, and software and hardware. D-Link complies with the ISO/IEC 27001:2022 Information Security Management System standards to formulate the information security policy. The Company has strengthened information security management to ensure that important information assets are protected from intentional or accidental internal and external threats, in order to maintain the confidentiality, integrity, and availability of data. Through the information asset and risk management procedures, D-Link has established and maintained the Company's important information assets using the " Plan - Do - Check - Act " model. D-Link ensures the continued operation of its business, reduce operational risks, enhance service quality, and ensure the consistent and effective implementation of all information security-related policies, procedures, and operating guidelines during daily operations.

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

Information Security Risk Management — **Plan**
• Corporate information security risk assessment
• Information security policy and risk management
• Comply with international information security standards
  - ISO / IEC 27001
  - BS 10012
  - IEC 62443-4-1

Information Security Protection and Controls — **Do**
• Asset management
• Personnel safety
• Physical environment security
• Communication operation management
• Access control
• Password and key management
• System development and maintenance
• Information security incident management
• Continuous operation management

Review and Continuous Improvements — **Act**
• Information security measure review and improvements
• Information security threats and technological mastery
• Information security violation and punishment
• Information security education and training and promotion

Monitor the Results of Information Security Management — **Check**
• Continuous monitoring of information security
• Quantitative assessment of information security indicators
• Vulnerability scanning and penetration testing
• Pass the information security audit certification

[18] Intrusion Detection System / Intrusion Prevention System (IDS / IPS)

3.3.4 Information Security Management Measures and Resource Allocation

In response to the increasingly severe cyberattacks and risks, the Company prepares a budget every year to adopt multi-layer defense structures (such as firewalls, IDS / IPS[18] , and endpoint protection systems), and the dedicated information security unit continues to promote information security management and monitoring protection operations.

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

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

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

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

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

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

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

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

▼ Measures to Mitigate Information Security Risks and Implementation Status In 2024

Information Security Risk Management and Monitoring	· Commission a third-party impartial inspection unit to regularly conduct information security evaluations on the Company. In 2024, successfully passed the following 3 verifications : - ISO/IEC 27001 : 2022 Information Security Management System. - IEC 62443-4-1 : 2018 Secure Product Development Lifecycle Requirements. - BS 10012:2017 Personal Information Management System.
External Threat Detection and Protection	· Commission a third-party impartial inspection unit to regularly conduct vulnerability scanning and regularly collect external threat information. The information is used to perform risk assessments to strengthen external information security threat protection. In 2024, some of the mainframe equipment were identified to have high risk vulnerabilities, and corrective actions have been taken to ensure system security. · D-Link has joined the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT / CC) to regularly collect external threat information and conduct risk assessments according to the information content. Information security personnel are responsible for confirming and tracking the handling results of the information to strengthen external information security threat protection.
Hold Regular / Special Information Security Meetings	· Information security management review meeting, 2 times in total. · Conduct endpoint protection analysis meetings with vendors every quarter, 4 meetings in total. · Important system upgrades and updates, 6 meetings in total. · A total of 16 sessions were conducted for information security-related product introductions and Proofs of Concept (POC)*. · Meetings responding to the 2024 information security incidents and internal information security education and training-meetings, 20 meetings in total.
Training and Drills	· 1 dedicated member of the dedicated information security unit and 6 information security network management personnel must undergo more than 21 hours of professional information security training every year. · Regularly organize continued operation drills and improve employee information security awareness every year. · Conduct the social engineering drills to increase employees' alertness and sensitivity to email social engineering attacks. - 4 relevant drills were carried out in 2024 ; for employees and their supervisors who leaked information during the drills, they are required to participate in follow-up information security education training. - 599 participants on average, with a pass rate of 92%. - For employees who failed the drill and their supervisors, compulsory education and training must be undertaken.
Education and Advocacy	· Education and advocacy for all employees : - To implement 1 hour of information related education and training for all company employees every quarter. Every year, 2 hours of information security education and 2 hours of other information education and training shall be planned. - Implemented information security education : All employees on the internal website every quarter.

* It is used to prove whether a security product or solution can achieve the expected effect in the actual environment

3.3.5 Information Security Incidents

GRI 418-1

In October 2024, the Company encountered a hacking attack on the server of an external web page; it was fortunate to have no damage to the rights and interests of customers, nor any disruption to the Company's operations or other impacts. At the moment of an attack, the IT Department immediately blocked the connection to prevent the attack from spreading, activated all defense mechanisms, and invited technical experts from external information security companies to collaborate and comprehensively inventory and strengthen the information security detection and protection mechanism. Although no significant impact has been caused, the Company will continuously improve the security control of network and infrastructure to ensure information security.

2024
Material information security incidents 1 : 1[1]
Material information security complaint : 0[2]

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

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

3.4 Research, Development & Innovation SASB TC-HW-230a.1

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

3.4.1 Innovation Strategies and Practices

3.4.2 Innovation-Related Education and Training

3.4.3 Cooperation with Industry–Academia units

3.4.4 Products

3.4.1 Innovation Strategies and Practices

Software

In 2023, D-Link launched a new platform cloud integration plan, and begun to expand the integration of mydlink and nuclias, to transform into a value-added platform to optimize the service platform architecture performance. D-Link also promotes pay-per-subscription to enhance user stickiness and expand operating revenue sources. Meanwhile, the Company also introduced the artificial intelligence (AI) technology to provide value-added services, support the Matter smart home standard, and connect to the product cloud control function, to achieve highly compatible and stable smart home applications. In addition, we have invested in the research and development of AIoT application service solutions to expand and improve the functions of our product service platform and build a smart living blueprint in all aspects.

In 2024, D-Link adopted a hybrid cloud strategy, which not only increased the flexibility and cost efficiency, but also integrated artificial intelligence and machine learning technology into cloud computing deeply; a new generation of monitoring mechanisms was also introduced and the resource allocation and operational efficiency were significantly optimized. In addition to achieving the automation of resource management, it also ensures optimal configuration and further enhances the security of cloud-based data. In addition, the serverless architecture was introduced, which not only simplifies the development and deployment process of applications, but also enables faster and more flexible implementation of innovative applications. In addition, the edge computing architecture was also integrated to move data processing to a location closer to the source of the data, which not only solves the problem of delay, but also significantly improves the user experience.

Integration of GreenOps (green operations) and FinOps (financial operations)

In order to ensure the cloud software functions and platform service quality, the D-Link development team has adopted the DevOps model to eliminate the gaps between development, operations, and quality assurance. In the past three years, based on the original DevOps model, the continuous optimization for the following :

2022

Further introduction of the DevSecOps model to incorporate "safety"- into the software development process.

2023

In response to the vigorous development of AI technology, AIOps smart maintenance technology was introduced, and ML algorithms were used to automatically scan and identify program code vulnerabilities. Further strengthening the security of software development iterations

2024

GreenOps and FinOps were successfully integrated to achieve the dual goals of *"environmental protection x cost optimization."*

From the perspective of FinOps, cloud cost monitoring ensures efficient allocation of computing resources, reduces unnecessary running time, and supports GreenOps to reduce energy consumption. In addition, the Company regularly monitors and analyzes costs, purchases cloud preferential packages, and adopts serverless architecture as needed to effectively reduce the cost of long-term operating resources.

As for GreenOps, through optimization of application and infrastructure, it can be converted into a high-performance and low-energy consumption ARM server, combining dynamic resource adjustment and program code restructuring, to reduce computing resource demand, further reducing cloud costs, making FinOps more significant.

According to the estimates of the cloud-based carbon footprint tool, the carbon emissions from the Company's cloud computing between August 2022 and October 2024 were 31.25 metric tons of CO_2e, a successful reduction of 73.88 metric tons of CO_2e, significantly improving the environmental protection benefits and cost optimization performance.

DevOps and Subsequent Evolution Modules

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

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

• "AIOps (Artificial Intelligence for IT Operations)" leverages AI and machine learning to automatically analyze IT operations data, enhancing failure prediction, anomaly detection, and operational efficiency.

• "GreenOps (Green Operations)" reduces carbon emissions by optimizing IT resources and energy consumption to achieve environmental protection and sustainable development.

• "FinOps (Finance Operations)" enhances cloud cost-effectiveness and promotes cross-departmental collaboration through financial monitoring and resource optimization.

Hardware

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

D-Link focuses on product function intelligence, product performance MIT, and product manufacturing sustainability, develop easy-to-install EAGLE PRO AI products with smart notification and management functions. We have created a comprehensive smart family service network and collaborated with internationally renowned chip manufacturers to develop Wi-Fi 7 multi-frequency link mesh networks. In addition, we have partnered with the Connectivity Standards Alliance (CSA) to realize the new smart home connection standard Matter in the AQUILA PRO AI router product.

▶ D-Link Develops Smart Home Hubs that Comply with Matter Standards
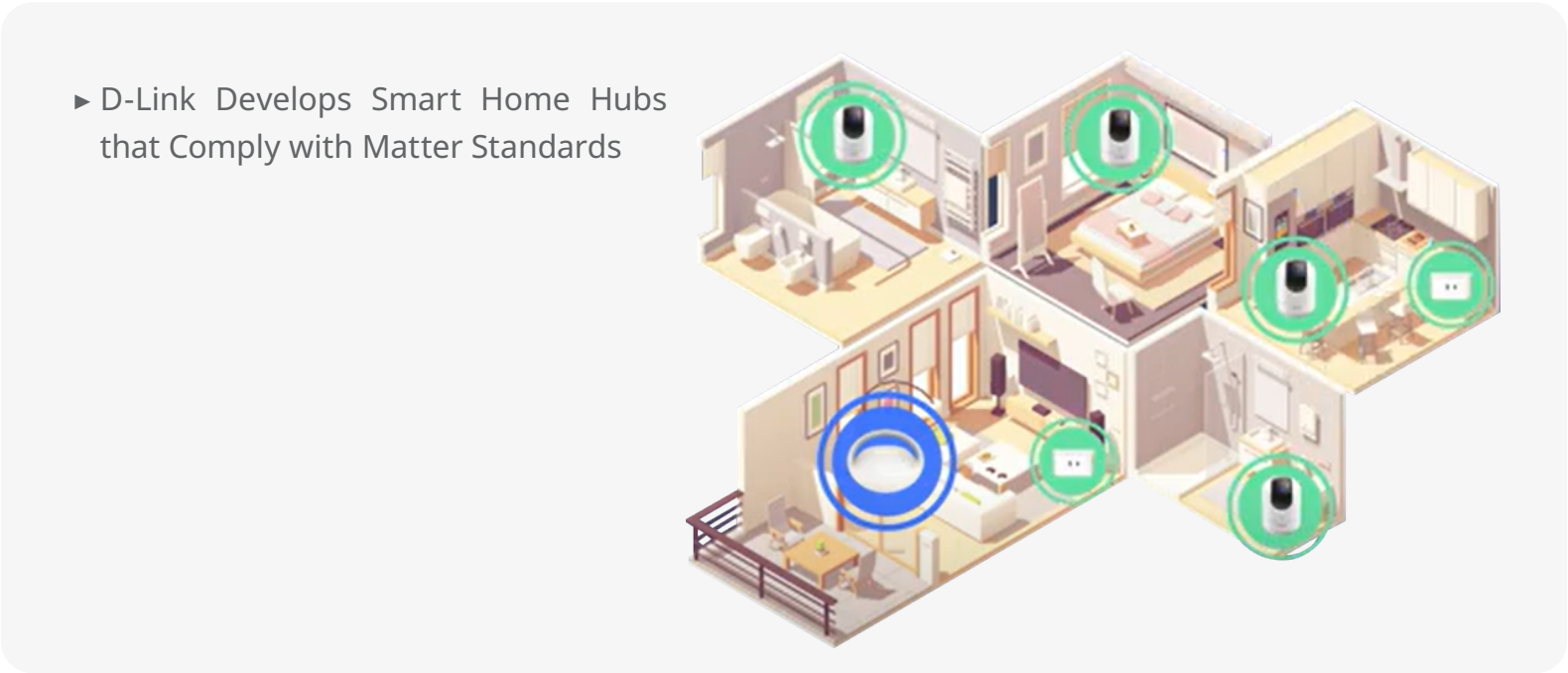
※ For more information, please refer to "MWC 2024 - Smart Healthcare Solution".

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

Multi-Link Operation (MLO)
Faster Speed, Lower Latency, Better Reliability

MLO Mesh 6 GHz 5 GHz
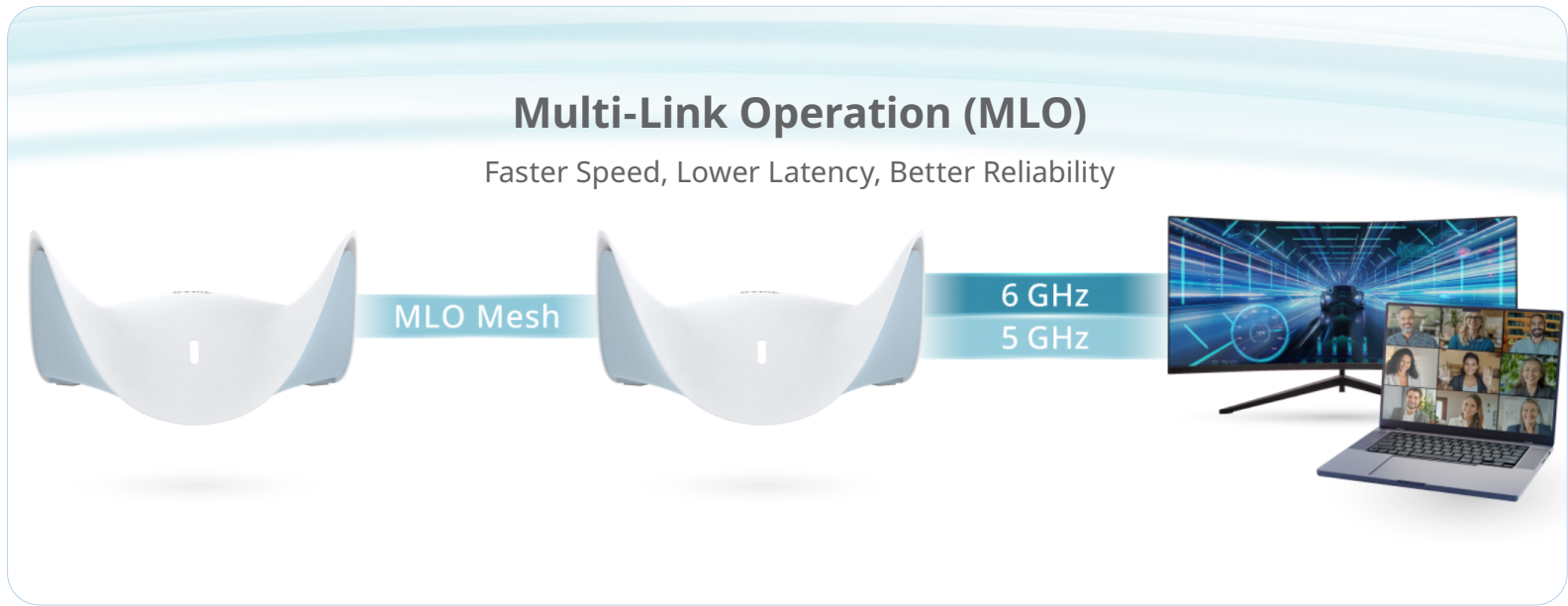
Wi-Fi 7 Multiple Frequency Link Mesh Network
Multi-Link Operation (MLO) is one of the core technologies of Wi-Fi 7, allowing Wi-Fi devices to simultaneously use multiple frequency bands for data transmission, similar to the concept of expanding the number of lanes to increase traffic flow, to greatly improve network traffic processing capabilities. By integrating MLO and mesh network, it not only accelerates transmission speed, but also optimizes network quality and traffic dispatch to ensure smarter network management.

With the popularity of Wi-Fi 7 routers and mesh systems, MLO Mesh will become a key technology for future high-efficiency wireless networks to bring a smoother connection experience for users.

3.4.2 Innovation-Related Education and Training

In order to enhance R&D capacity, D-Link organized seven physical education and training sessions for R&D units and related personnel in 2024, including courses on GenAI application development, AIOps application introduction, real-time data analysis, and information security-related topics. We also organized an information security competition, a game-like and challenging learning activity that allowed participants to use cloud-based solutions to solve the technical problems in the real world, for strengthening the skills of troubleshooting and the spirit of teamwork. A total of 204 people participated in the program and received 825.5 training man-hours in the year.

3.4.3 Cooperation with Industry– Academia Units

D-Link continues to promote the development of the AIoT smart service platform and has completed the "AIGC Multi-Frequency Voice Recognition Integration Technology Service 'AI Gateway' Optimization Project" with the Digital Transformation Research Institute under the Institute for Information Industry to build a basic GAI training environment and accumulate the ability to voluntarily train and adjust the GAI[19] model. Meanwhile, the Company has conducted research and exploration on ML[20] / DL[21] technology and linked ASR[22] / LLM[23] / TTS[24] technology to create a home care field by correlating to the IoT surroundings, so as to accumulate experience for the continuous development of smart home ecosystem services.

[19] Generative Artificial Intelligence
[20] Machine Learning
[21] Deep Learning
[22] Automatic Speech Recognition
[23] Large Language Model
[24] Text-to-Speech

3.4.4 Products

D-Link actively participates in world-class design competitions. In 2024, the Company received recognition with 18 domestic and international awards. For the list of award-winning products, please refer to the "Awards and Honors" section of this report. (P.14).

Feature Summary

MS30 Wi-Fi 6 AX3000 IoT Gateway

With the advanced Wi-Fi 6 technology, the product provides a speed of up to 3 Gbps, supporting a smooth and stable video streaming and online gaming experience. It optimizes the stability and connection quality of network connections with the D-Link AI algorithm and provides Bluetooth device connection with the free-of-charge AQUILA PRO AI application for simple installation and management to build a high-performance smart home connection.

M30 AX3000 Wi-Fi 6 Smart Mesh Router
M60 AX6000 Wi-Fi 6 Smart Mesh Router
E30 AX3000 Wi-Fi 6 Mesh Range Extender

Create a smooth high-speed network for smart homes with AI intelligence capabilities, including smart connectivity, smart concatenation, and smart traffic control. By adopting the latest WPA3 encryption security protocol, it provides the highest level of security protection. It is the first one to pass verification of the ETSI EN 303 645 consumer IoT network security standards in Taiwan.

AQUILA PRO AI App

Easy network management with the AQUILA PRO AI app. The AI assistant monitors network performance and automatically provides optimization suggestions. A guest Wi-Fi network can be easily set up for friends and family, while parental controls ensure safer internet use for children. You can also schedule Wi-Fi to turn off at night for a peaceful, uninterrupted sleep.

3.5 Supply Chain Management

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

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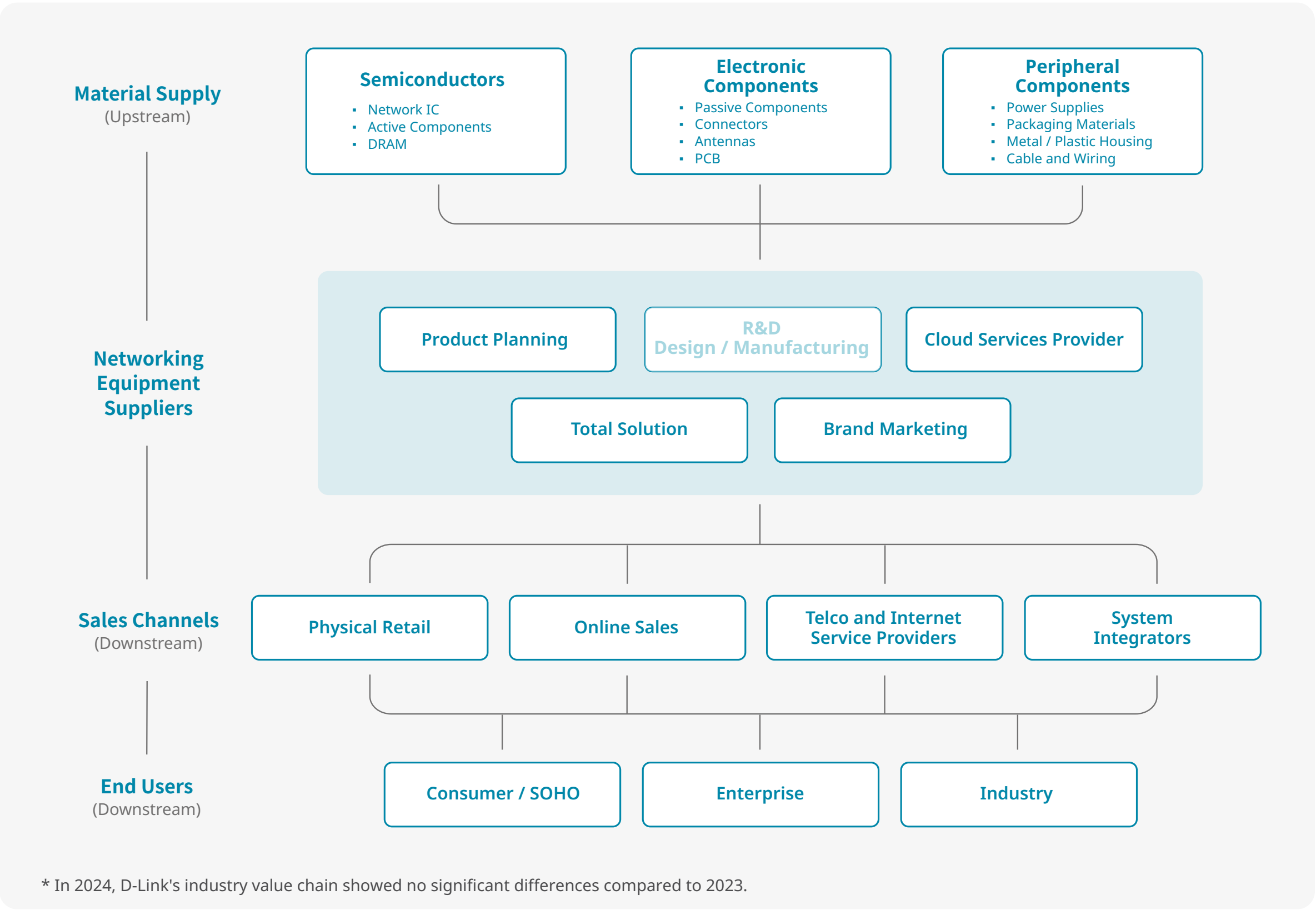
3.5.1 Overview of the Value Chain

GRI 2-6, 204-1

D-Link's suppliers can be roughly divided into two categories : "General Administration" and "Product Procurement". The former refers to the operations of maintaining the buildings, office needs, with various types and relatively smaller purchase amount. Therefore, this chapter primarily focuses on product procurement, while data for green procurement only includes figures from general administration category.

▼ D-Link's Industry Value Chain

Material Supply
(Upstream)

Semiconductors
- Network IC
- Active Components
- DRAM

Electronic Components
- Passive Components
- Connectors
- Antennas
- PCB

Peripheral Components
- Power Supplies
- Packaging Materials
- Metal / Plastic Housing
- Cable and Wiring

Networking Equipment Suppliers

Product Planning

R&D Design / Manufacturing

Cloud Services Provider

Total Solution

Brand Marketing

Sales Channels
(Downstream)

Physical Retail

Online Sales

Telco and Internet Service Providers

System Integrators

End Users
(Downstream)

Consumer / SOHO

Enterprise

Industry

* In 2024, D-Link's industry value chain showed no significant differences compared to 2023.

Overview of Main Suppliers

D-Link is a brand company, its business scope does not include manufacturing, and its products are all commissioned to suppliers. Currently, there are 7 main OEM suppliers[25] for D-Link products.
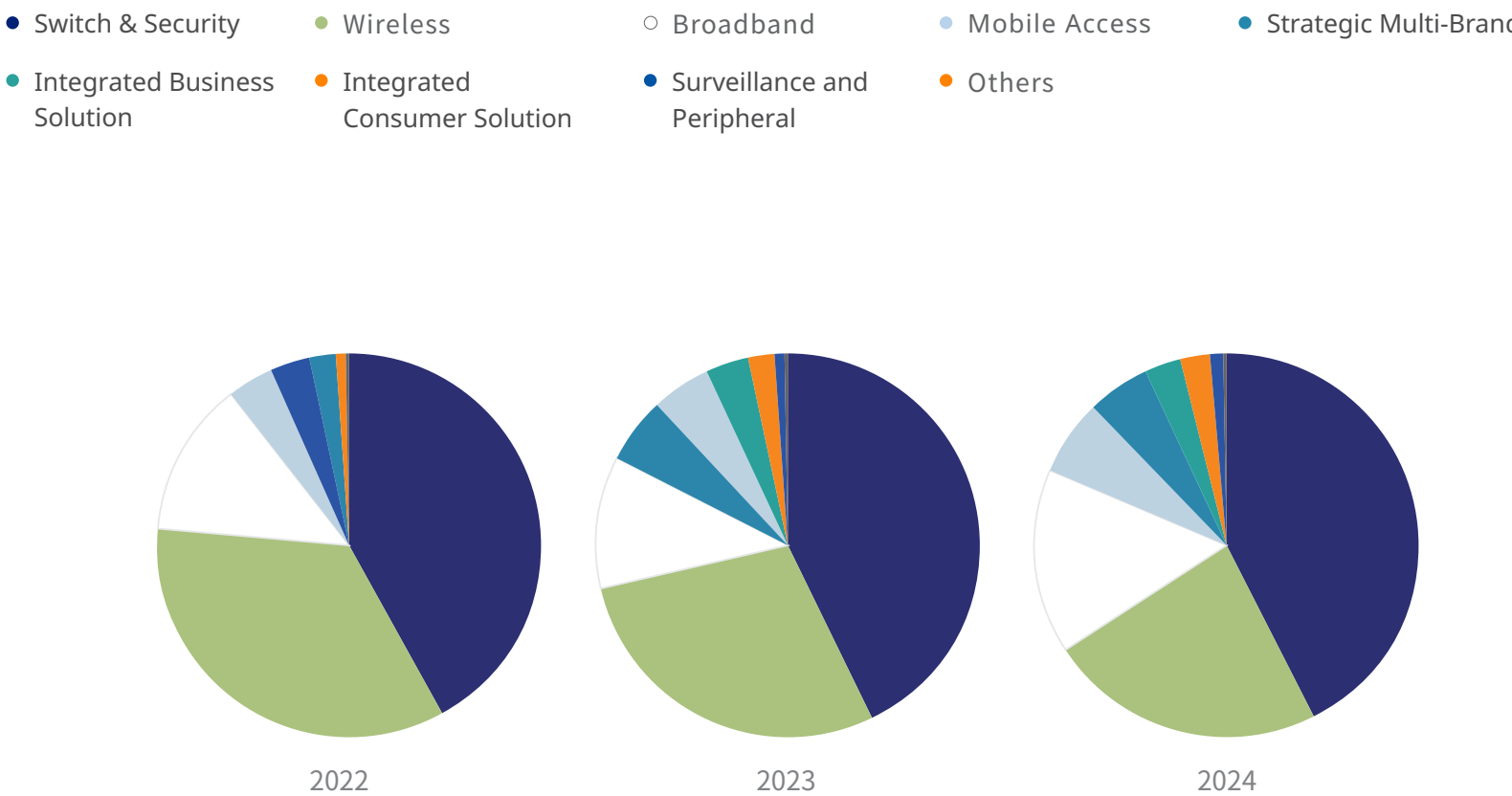
D-Link does not have a production department. Calculated based on the four main suppliers who accounted for over 50% of D-Link's total procurement in 2024 and the number of products produced, the total manufacturing area is approximately 433,000 square feet, and the distribution is as follows :

Supplier	Supplier A	Supplier B	Supplier C	Supplier D	Total
Area of Manufacturing Regions	158,615	90,350	81,169	103,399	433,533

※ Area unit: square feet

▼ The Proportion of Production for Various Product Categories in the Past 3 Years

Product Category	2022	2023	2024
Switch & Security	41.96%	42.81%	42.74%
Wireless	34.67%	28.71%	23.12%
Broadband	12.86%	11.06%	15.57%
Mobile Access	4.01%	5.09%	6.49%
Strategic Multi-Brand	2.37%	5.57%	5.29%
Integrated Business Solution	0.07%	3.57%	3.15%
Integrated Consumer Solution	0.87%	2.27%	2.40%
Surveillance and Peripheral	3.17%	0.89%	1.22%
Others	0.01%	0.04%	0.03%

- Switch & Security
- Wireless
- Broadband
- Mobile Access
- Strategic Multi-Brand
- Integrated Business Solution
- Integrated Consumer Solution
- Surveillance and Peripheral
- Others

2022   2023   2024

[25] The total purchase amount accounted for more than 85%

Local Procurement

The key material used in D-Link products is active components, particularly integrated circuits (ICs). To mitigate the risk of supply instability, the Company actively develops multiple sources of supply, regularly reviews sourcing distribution, and intentionally maintains a certain proportion of local suppliers to ensure effective control and flexible responses. Based on this strategy, D-Link has been increasing the proportion of locally sourced components made in Taiwan. In 2024, due to inventory level adjustments and supplier integration policies, the proportion of local procurement slightly decreased by 3.88% compared to the previous year. Looking ahead, the Company is committed to continuous growth in this area.
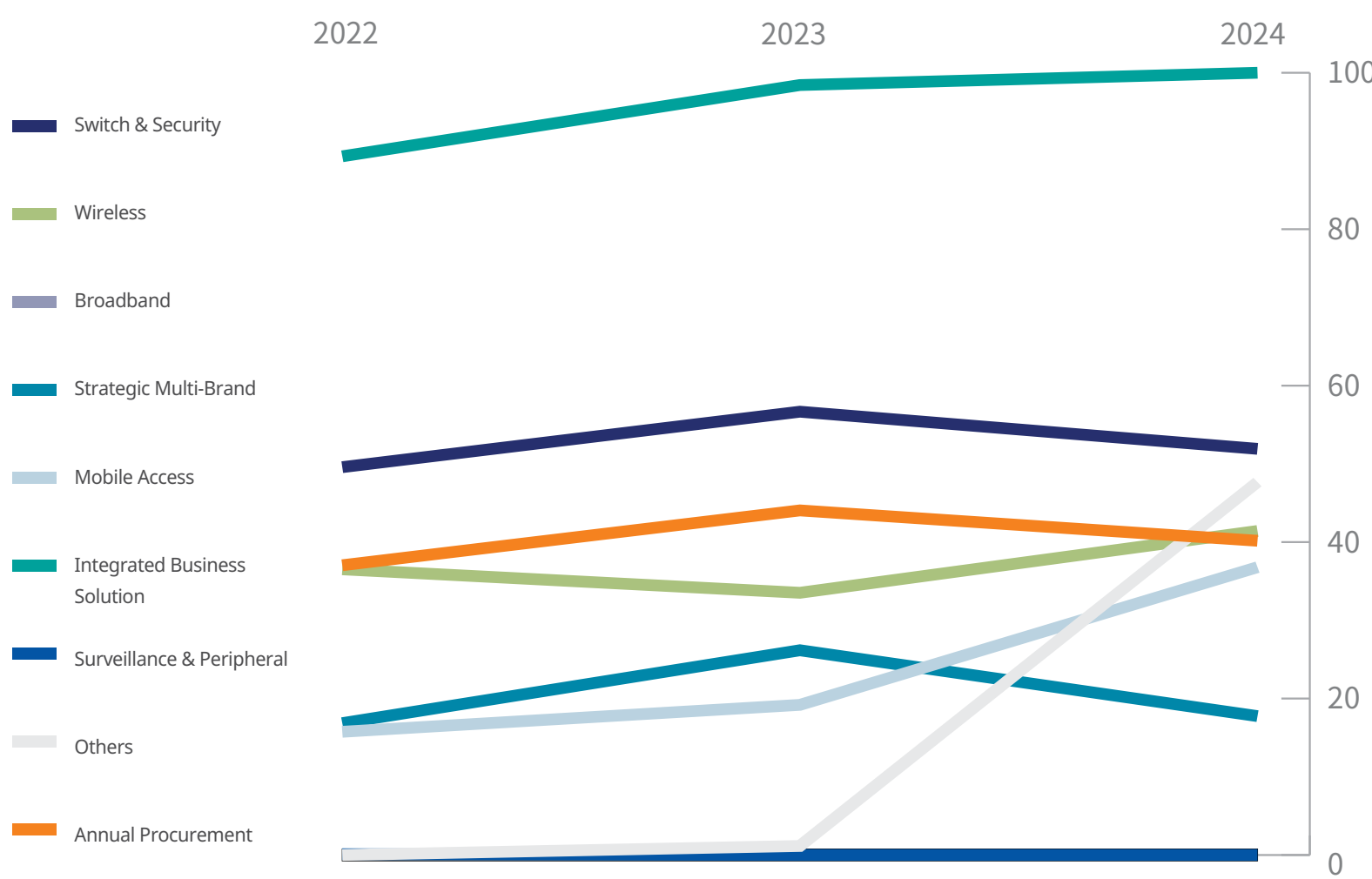
Green Procurement

In 2024, D-Link responded to the government's green procurement policy to integrate the internal demand and implement procurement process management. It gradually introduced products and services with environmental protection labels, selecting various products and services with environmental protection labels. From LED lighting replacement in daily life, procurement of eco-friendly cartridges, to group insurance covering employee health, all of these implement the concept of environmental and social friendliness and continue to fulfill the responsibility, procurement commitment, and green living vision in the tiniest details. The total amount of green procurement[26] in 2024 is NT$2.18 million.

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

Types of Procurement	Proportion of Local Procurement Amount*			
	2022	**2023**	**2024**	**Growth / Decline**
Switch & Security	49.58%	56.67%	51.92%	-4.75%
Wireless	36.52%	33.52%	41.42%	7.90%
Broadband	0.00%	0.00%	0.00%	0.00%
Strategic Multi-Brand	16.85%	26.17%	17.75%	-8.42%
Mobile Access	15.75%	19.19%	36.79%	17.60%
Integrated Business Solution	89.32%	98.43%	100.00%	1.57%
Surveillance & Peripheral	0.10%	0.00%	0.00%	0.00%
Others	0.00%	1.15%	47.67%	46.52%
Annual Procurement	**37.04%**	**44.05%**	**40.17%**	**-3.88%**

Legend: Switch & Security, Wireless, Broadband, Strategic Multi-Brand, Mobile Access, Integrated Business Solution, Surveillance & Peripheral, Others, Annual Procurement

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

[26] Compliant with Green Procurement Standards by the Environmental Protection Administration (Taiwan)

3.5.2 Sustainable Procurement Policy and Measures

GRI 2-23 , 407-1, 408-1, 409-1

To realize its vision of "Leading Smart Living, Creating Sustainable Value", D-Link has established the "D-Link Corporation Sustainable Procurement Policy[27]" with reference to the ISO 20400 Sustainable Procurement – Guidance. We hope our suppliers will work together with us on this commitment to sustainable management through a positive business model for continuous operation and development.

- Guided by the principle of fulfilling corporate social responsibility, D-Link conducts due diligence on its collaborating suppliers and assesses the impact of our procurement activity on the environment, society, and human rights.

- We respect, consider, and respond to the procurement interests of stakeholders, and we seek more sustainable procurement solutions based on procurement needs, ensuring that these activities align with our company's sustainability principles and strategies.

- We strictly prohibit any behavior that is a violation of ethics in the procurement of goods and services by developing procurement procedures that are based on transparency, fairness, and integrity.

- We comply with international human rights policies, a code of conduct, laws and regulations, and require our suppliers to do the same.

- We provide appropriate competitive opportunities to encourage supplier innovation and sustainability, and we disclose them publicly.

- In response to the sustainable development trends, we will continue to promote and improve our procurement procedures and will engage our suppliers to join in.

Supplier Code of Conduct

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

[27] Established in December 2023 and reported to the ESG Committee in February 2024
[28] UN Guiding Principles on Business and Human Rights
[29] ILO Declaration on Fundamental Principles and Rights at Work
[30] UN Universal Declaration of Human Rights

The Code is based on the "Responsible Business Alliance (RBA) Code of Conduct" and also references the "UN Guiding Principles on Business and Human Rights[28]", "ILO Declaration on Fundamental Principles and Rights at Work[29]", and the "UN Universal Declaration of Human Rights[30]". There are 5 sections to the Code : labor, health and safety, environment, ethical guidelines, and management system.

Integrity Commitment

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

Declaration of Conflict-Free Mineral

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

D-Link requires suppliers to commit to the following :

• Do not purchase conflict minerals from conflict areas.

• Refuse to use conflict minerals from conflict areas and sign the commitment to no conflict minerals.

• Manage the supplier's upstream and downstream suppliers and comply with the requirement of no conflict minerals.

• Suppliers are required to commit to becoming long-term partners of D-Link and disclose their partner smelting plants and mines in detail, in order to comply with the RBA Code of Conduct and fulfill the Company's social responsibilities together. If the information provided is found to be untrue after verification, the supplier shall assume all legal responsibilities and compensation within the attributable scope.

To ensure that suppliers continue to comply with the commitment and management requirements of D-Link for conflict-free minerals, the Company not only requires suppliers to sign the "Declaration of Minerals Conflict-Free" every year, but also regularly conducts surveys on the implementation of conflict mineral due diligence. The survey of all existing suppliers was completed in 2024. Moreover, starting from 2024, D-Link has further required suppliers to update and provide the CMRT[31] reports commonly recognized in the industry to strengthen the traceability of mineral sources and supply chain transparency, ensuring that all raw material sources do not involve armed conflicts, human rights violations, or illegal mining activities, as the joint promotion of the sustainable commitment to the responsible supply chain.

Supplier ESG Implementation Survey

To grasp the actual implementation of suppliers in terms of sustainable development issues, D-Link regularly distributes the ESG self-assessment questionnaire every year to conduct surveys on the three

[31] Conflict Minerals Reporting Template: A standardized reporting tool developed by the Responsible Minerals Initiative (RMI)

major aspects, namely environmental management, social responsibility, and corporate governance. The issues contents cover carbon reduction measures, laborers' human rights, supply chain management, ethical management, and sustainable information disclosure. By the end of 2024, the distribution of questionnaires and surveys to a total of 38 existing suppliers will be completed. Of these, 37 replied, with a response rate of 97.4%. The survey results will serve as the basis for risk identification and subsequent counseling and planning for the suppliers to continuously strengthen the maturity of supply chain sustainability management.

D-Link ESG Newsletter

In order to enhance the sustainability resilience and ESG knowledge of the entire industry chain, starting from 2024, the Company has regularly published the e-newsletter to share D-Link's sustainable vision, governance structure, and implementation status with suppliers, and has detailed the principles, spirit, and specific implementation measures of the promotion measures, seeking to drive the value chain to jointly cultivate sustainable development and regard it as the most valuable corporate investment. Please refer to the "D-Link ESG Newsletter" section on the Company's official website.

3.5.3 Supplier Classification Management System

D-Link offers a diverse line of products. In 2024, 38 suppliers have been registered in the Company's qualified suppliers list. The number of suppliers and the scale of cooperation often increase or decrease due to business growth and decline. In addition to conducting sustainable development issue surveys for new suppliers, D-Link also conducts a risk assessment and classification. Different audit strategies are regularly formulated for the different levels of risk to eliminate systematic risk.

	2022	2023	2024
Number of New Supplier	0	0	5
Number of Suppliers Evaluated* through On-site Audits	0	0	3
Number of Suppliers Passed On-site Audit Evaluation	0	0	3
New Supplier Audit Rate	-	-	60%

*In addition to basic audit criteria, it also includes indicators related to ESG aspects

New Suppliers

D-Link has clear qualification requirements and review mechanisms for new suppliers in place. Through document review and on-site audit, the suppliers are verified that their quality and sustainable management systems have reached a certain level before being officially included in the Company's supply chain system, to ensure the stability and sustainability of the entire supply chain.

▼ D-link's Qualification Requirements for New Suppliers

Mandatory Compliance	・ ISO 9001 Quality Management System (Certification required) ・ Environmental Management Material Specifications (Contract content established in accordance with various relevant international standards)
Encouraged Compliance	・ ISO 14001 Environmental Management System (Certification required)
Required to Provide	・ "Integrity Commitment Letter" ・ "Conflict-Free Minerals Statement" ・ "Supplier Compliance Statement to the D-Link Corporation Supplier Code of Conduct"
Pass On-site Audit	・ Fundamental aspects : Procurement, quality, technology, hazardous substance management ・ ESG aspects : Environmental, occupational health and safety, labor practices, supply chain management, and social ethics, etc.

▼ New Suppliers Management Process
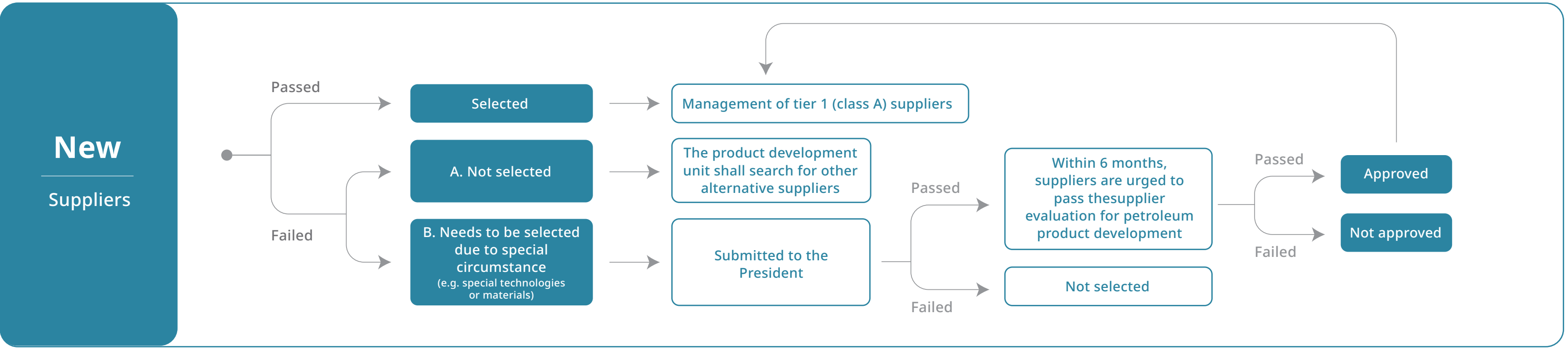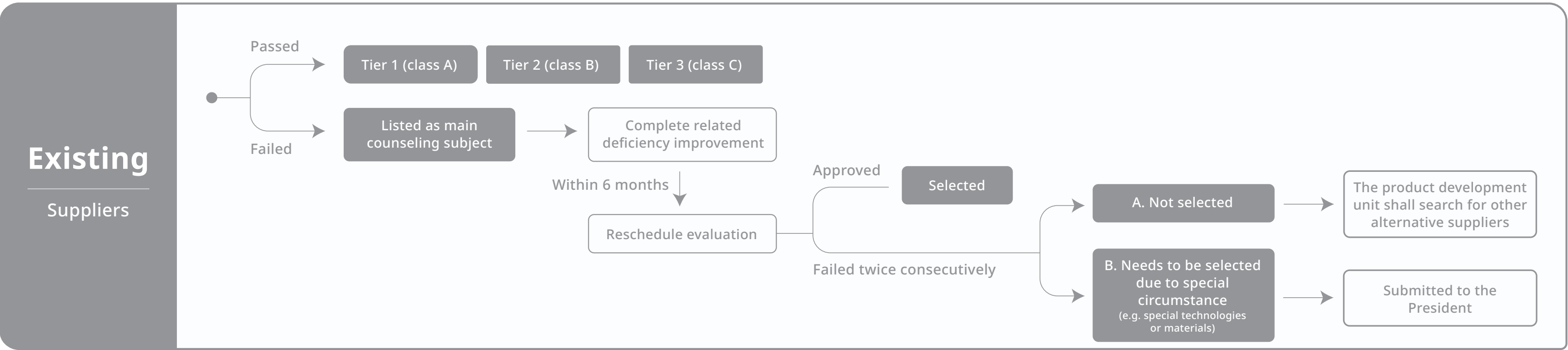
Existing Suppliers

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

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

Classification of Suppliers	Criteria for Classification	Management Approaches
Class A	• The previous year's total shipment volume or annual procurement amount accounts for over 85%. • Significant (wholesale) abnormalities occur in shipment quality. • Newly added suppliers are all included.	Conducting on-site inspections annually.
Class B	For the previous fiscal year, if the total shipment volume or annual procurement amount accumulates to 90%, excluding Grade A suppliers, all others are classified as Grade B.	Monitoring the quality of each batch of shipped goods.
Class C	The total annual shipment volume or annual procurement amount is less than 1%.	Adopting supplier self-management; however, if a supplier violates regulations or ESG-related terms, they will not be selected.

▼ Existing Suppliers Management Process

Existing Suppliers

- Passed → Tier 1 (class A) · Tier 2 (class B) · Tier 3 (class C)
- Failed → Listed as main counseling subject → Complete related deficiency improvement
- Within 6 months → Reschedule evaluation
- Approved → Selected
- Failed twice consecutively → A. Not selected → The product development unit shall search for other alternative suppliers
- B. Needs to be selected due to special circumstance (e.g. special technologies or materials) → Submitted to the President

3.5.4 Supplier Audit Status GRI 407-1, 408-1, 409-1

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

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

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

2024
Proportion of major suppliers screened by environmental / social standards : 100%
Number of high-risk suppliers : maintained at 0%

▼ Supply Chain Management Structure

	Evaluation	Qualification evaluation for new suppliers, major supplier selection, and management system risk evaluation (quality, environment, social ethics, etc.)
	Counseling	Regular supplier evaluations, tracking of deficiency improvements, promotion of policies and projects
	Communication	Regular / irregular quality meetings, quarterly operational meetings
	Collaboration	Continue to promote projects, enhance sustainable operation competency of suppliers

▼ Implementation Status of Supplier Sustainability Management Audits in the Past 3 Years

	2022	2023	2024
Number of All Suppliers	32	34	38
Number of Major Suppliers[1]	9	7	7
Number of Major Suppliers Conducting Sustainability Management Audits	9	7	7
Proportion of Major Suppliers Conducting Sustainabilitya Management Audits	100%	100%	100%

*Suppliers accounting for 85% or more of the total procurement amount in the previous year are considered major suppliers

D-Link requires suppliers to compile internal improvement opinions as soon as possible after receiving the on-site audit report and respond with specific, feasible improvement plans according to the actual conditions of their plants. If a serious quality abnormality occurs during shipping, the supplier must hold a meeting to confirm the cause of the problem and develop a solution, including how to dispose of finished products. Subsequently, the Company's dedicated personnel will review the supplier's audit improvement report and continue to track the improvement progress to ensure that the measures are implemented and the expected results are achieved.

In the key supplier evaluation in 2024, a total of 84 quality system deficiencies were found, mainly concentrated on negligence of the management system and process operation; five ESG deficiencies were found in health and safety, environment, labor, supply chain, and social ethics, mainly involving the management system and excessive working hours. Upon the follow-up review, some improvement plans have not yet met the Company's defined qualifying standards and are still being improved during the reporting period, making the annual deficiency improvement rate 88.76%.

D-Link will continue to review and optimize the quality management process, environmental quality and personnel training mechanism with suppliers to improve product quality, reduce the occurrence of deficiency, while strengthening improvement effectiveness. Regarding the vendors performing poorly in terms of improvement, the purchase volume will be reduced gradually, to ensure that the supply chain operations meet the requirements of sustainable development.

▼ **Audit Nonconformities and Improvement Rates in the Past 3 Years**

	2022	2023	2024
Sustainability Management	13	12	5
Quality Management	147	125	84
Defect Improvement Rate	81.88%	81.02%	88.76%

2024
Improvement rate of addressing deficiencies for suppliers : 88.76%
Number of suppliers listed as unqualified suppliers for violating social responsibility standards : 0
Reports on bribery of suppliers : 0