Environmental Sustainability

Responding to Material Topics

- Climate Change Response Actions
- Green Products

Major Stakeholders

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

chapter 04

4.1 Sustainability Strategies and Goals - Environmental Aspect

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

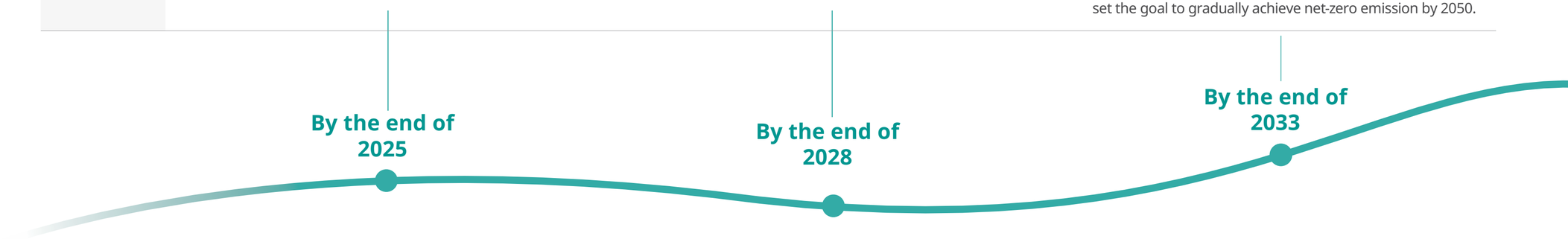
Management Approaches for Material Topics

Material Topics	Significance for D-Link	Impacts on Value Chain*			Response Policies and Measures	Management Actions
		Suppliers / Business Partners	D-Link / Subsidiaries	Customers / Clients		
Green Products	In response to the rising awareness of green consumption, D-Link leverages industry capabilities to develop products that are highly efficient, energy-saving, disaster-preventive, and packaging-reduced, enabling Customers / Client to support environmental protection with each purchase and use. By launching environmentally friendly products that align with current trends, D-Link maintains its competitiveness in the international market.	●	●	○	Develop a project plan and increase the proportion of green products year by year, and reduce the impact on the environment by continuously developing green design and reducing resource consumption.	Launched the "D-Link Green" program to realize the concept of environmental protection from product design, function, material and packaging.
Climate Change Response Actions	Climate change and carbon management are among the most urgent and significant environmental issues of our time. Global transnational organizations and governments are intensifying regulations to address these challenges. As an international brand, D-Link recognizes the necessity of leveraging our market resources and influence to actively promote the low-carbon transition of the value chain.	●	●	○	Committing to the 2050 net-zero emissions goal, with a mid-term target set for 2030. We are formulating corresponding strategic goals, tracking performance indicators, and actively leveraging the influence of the D-Link brand in the industrial value chain to enhance the effectiveness of relevant actions.	Introduce the TCFD framework, regularly disclose climate change response performance, and establish relevant indicator targets for continuous tracking and management.

* ● Direct impact; ○ Indirect impact

Short / Medium / Long-Term Goals

Material Topics	Short-Term	Medium-Term	Long-Term
Green Products*	• Plastic-free packaging for product packaging : remove product packaging bags or replace them with non-plastic packaging materials. • Continued introduction of recycled plastics into products with plastic casing. • Introduction of recycled metal into products with metal cases. • To improve sustainability, replace coated paper in the product documentation with uncoated, wood-free paper made from recycled pulp.	• Sustainable performance is enhanced in product design. • Discuss a product recycling plan. • Strive for international awards for sustainable products. • Assessment of the introduction of ISO 14067 product carbon footprint standard.	• Continue to strengthen the influence of D-Link sustainable products.
Climate Change Response Actions	• Upgrade CDP evaluation grade to C-grade. • Continue to implement energy saving projects. • Obtained ISO 46001 Water Efficiency Management System certification.	• Complete the carbon inventory and verification of consolidated subsidiaries. • Set the goal to reduce power consumption by 4.5% and water consumption by 2.5% by 2026 using 2021 as the baseline year. • Promote active reduction of carbon emissions to the supply chain.	• Pass ISO 50001 energy management system certification. • Installation of solar photovoltaic equipment. • 2030 green power procurement target of 17.5%. • Set the goal to reduce power consumption by 30% by 2030 using 2021 as the baseline year. • Set the mid-term goal of reducing greenhouse gas emissions by 30% by 2030 with 2021 as the base year. And set the goal to gradually achieve net-zero emission by 2050.



*Only new products are subject to the disclosure of this table

Achievement Status of Management Goals for 2024

Material Topics	Goals in 2024	Management Performance	Achievement Status
Green Products	• Promote and optimize sustainable product development and design planning. • Shaping D-Link's sustainable product features.	• Green products accounted for 44% of the total product revenue. • The buffer material for switches is changed from EPE[1] to paper tubes that is easy to be recycled, and the FSC-certified paper is introduced to product packaging boxes. • 30% PCR[2] plastic is continuously introduced to the casing of the AQUILA PRO AI series products. • 50% PCR plastic is adopted for the packaging bag of router products. • Reduced ink printing on brown boxes. • Every quarter, the D-Link ESG concept is advertised on major social media platforms as the promotion, and a sustainable product image is established by participating in international awards.	✓
Climate Change Response Actions	• Continue to implement energy saving projects. • Upgrade CDP evaluation grade to C-grade.	• D-Link committed to the 2050 net-zero emissions goal in 2022, and is actively planning and executing various carbon reduction projects, including replacing energy-saving equipment, purchasing green power, and installing solar photovoltaics. • The Company began using green power in July 2023. The cumulative green power supplied in 2023 was 6,000 kWh, increasing to 80,500 kWh in 2024, with a total of 80 certificates obtained. • The energy saving project has achieved cumulative power savings of 4.6% in the past 3 years, exceeding the annual target of 1.5%. • In 2024, the CDP rating jumped three levels, from B- to B.	✓

1. Expandable Polyethylene
2. Post-Consumer Recycled

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

Communication Channel

Type	Channel
Appeal Mechanism	• https://company.dlink.com/en/contact-us/ • Online message : https://www.dlink.com/en/contact-d-link

Management Mechanism

Environmental Policy and Commitments

- Comply with applicable laws and other requirements.
- Continuously reduce the impact on the environment.
- Promote green products.
- Conserving energy and cherishing resources.
- Preventing environmental pollution.

ISO 14001:2015 Environmental Management System

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

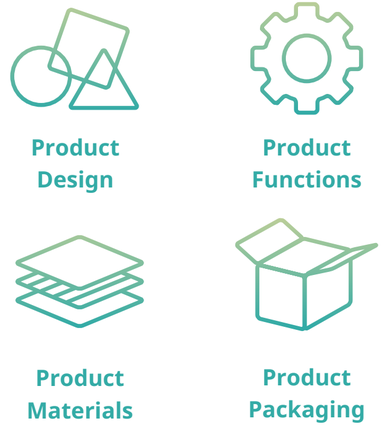
Waste Management Policies

- Source reduction : save the use of natural resources and reduce waste generation.
- Material resource utilization : The waste is classified and recycled to reduce the environmental load.
- Diversified processing : Recycle resources through recycling, reuse, etc.

Greenhouse Gas Inventory and Management Policies

- We are dedicated to disclosing corporate carbon emissions to fully understand the carbon emissions within the Company.
- We work with our business partners to expand the scope of carbon reduction together.
- We provide more diverse low-carbon products and services for our consumers and users.
- We have increased information transparency and reduced emissions for the carbon footprints of our products.

Aspects Covered by D-Link Green



4.2 Environmental Management Policy

In response to sustainable trends and to fulfill corporate social responsibility, D-Link has implemented the ISO 14001 Environmental Management System since 2006, committing to and implementing 5 major environmental policy declarations.

4.2.1 Environmental Policy and Commitments

GRI 305-6, 305-7

D-Link's environmental policy statement regards compliance with environmental protection regulations as the most basic requirement. Daily operations are committed to minimizing the impact on the local ecological environment and ensuring no significant adverse impact or impact on biodiversity.

In addition, in the spirit of sustainable operation, D-Link continues to improve the development and design of green concept products, follows the international standard ISO 14064-1 to disclose greenhouse gas emissions, and sets goals to reduce carbon emissions. We also actively plan and implement energy saving, water saving and waste reduction projects[32] , and regularly provide employees with environmental education resources to encourage every employee to participate and implement environmental action.

▼ D-Link Environmental Policy Statement

- **Comply with applicable laws and other requirements.**
- **Continuously reduce the impact on the environment.**
- **Promote green products.**
- **Conserving energy and cherishing resources.**
- **Preventing environmental pollution.**

[32] The Company's operation scope does not include production and manufacturing, so there is no gas emission of ozone depleting substances, nitrogen oxides, or sulfur oxides, etc.

4.2.2 ISO 14001 Environmental Management System

D-Link has passed the environmental management system ISO 14001:2015 verification and complies with its requirements. It regularly assesses environmental management risks, and then sets improvement goals and improvement measures based on the assessment results. It also conducts the internal and external audits every year. The specific suggestions for deficiencies and omissions in system implementation are provided to ensure improvements. The results of internal and external audits in 2024 showed that there are no major deficiencies; there have been no material environmental violations or related administrative penalties in the past 3 years.

4.3 Climate Governance and Actions

Climate change poses an urgent challenge for all nations. Since 2021, D-Link has implemented the TCFD framework to assess climate-related risks and opportunities, analyze the financial implications of climate change, and develop governance and management strategies. We are committed to achieving Net-zero emissions and have developed diverse programs to mitigate climate change, preserve natural capital. Going forward, we will continue to follow the TCFD framework and regularly disclose the Company's climate-related information,and foster a sustainable future globally.

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

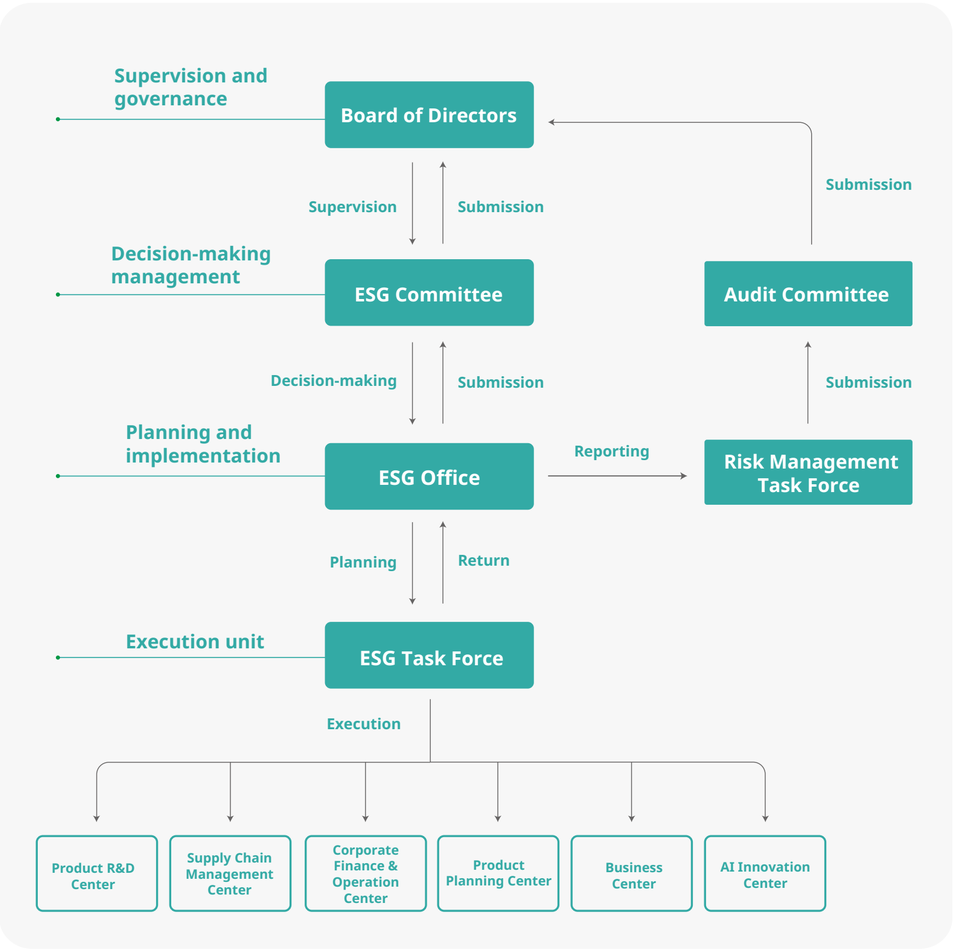
GRI 2-12, 201-2

Governance

- **Board of Directors :** As the highest supervisory unit for climate change response management, it is responsible for reviewing relevant risk and opportunity management reports, response strategies, measures, and target implementation progress and results, ensuring the effectiveness of related management actions.
- **ESG Committee :** It is the decision-making and management unit for climate change response plans and target implementation progress.
- **ESG Office[33] :** It falls under the ESG Committee and is responsible for further planning and promoting climate change response plans based on the climate risks and opportunities jointly assessed and identified with the ESG Task Force.
- **The ESG Taskforce[34] :** Responsible for the related execution operations.

The ESG Office holds monthly ESG Task Force meetings to monitor the implementation status of the climate change response plans. It reports the implementation results, target progress, and follow-up plans to the ESG Committee and the Board of Directors on an annual basis, ensuring that the Board adequately supervises D-Link's climate management actions and mitigates risk impact. Additionally, the ESG Office reports identified material climate risks to the Risk Management Task Force for evaluation of their incorporation into the Company's overall risk management system.

▼ D-Link Climate Governance Structure



[33] It is D-Link's internal dedicated ESG unit, responsible for formulating the Company's sustainable development strategy and promoting ESG-related projects.

[34] The ESG Task Force is composed of heads of responsible departments and is responsible for executing ESG-related projects approved by the Board of Directors and the ESG Committee.

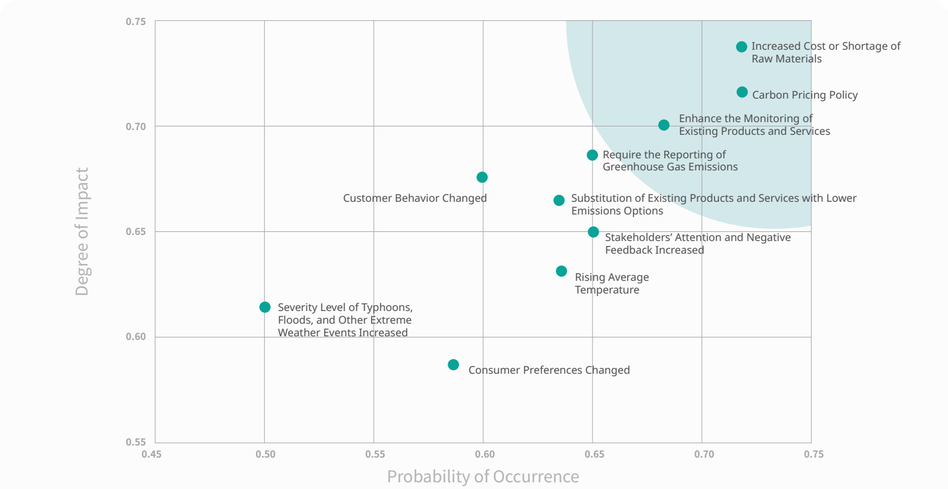
Strategies

D-Link uses scenario analysis to examine the impact and estimated timing of future climate risks and opportunities on the Company's operations, products and services, value chain, and R&D investments. This method allows the Company to estimate the financial impact, explore business opportunities, and discuss countermeasures and response actions.

In terms of scenario setting, for transition risks, the Company evaluates the scenario of net-zero by 2050 (SSP1-1.9), and for physical risks, it is estimated based on the high emission scenario (RCP 8.5) assuming business as usual (BAU). For the estimated time of occurrence, the Company defines short-term as within 3 years, medium-term as 4 to 10 years, and long-term as more than 10 years.

In addition, to develop climate change response strategies and action plans that align with policies and market developments, D-Link regularly collects climate-related issues and trends through monthly ESG Task Force meetings and continuously assesses their potential impacts.

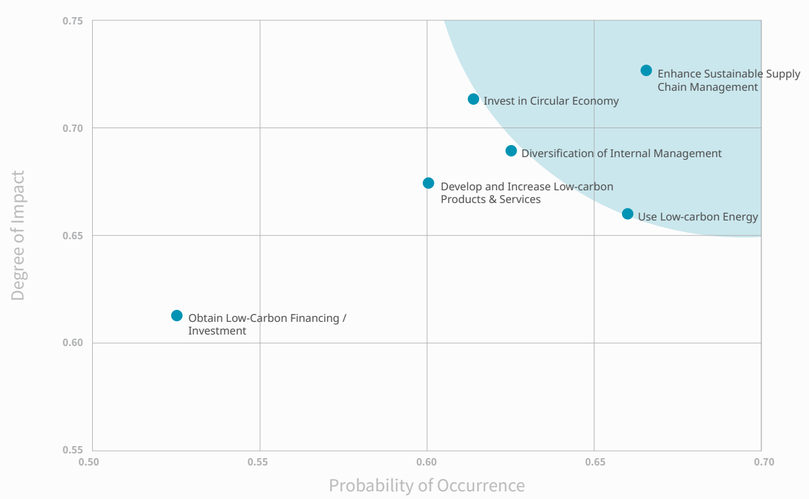
▼ Climate-Related Risk Matrix



Included in this reporting cycle's Risk topics

Additionally, D-Link conducts comprehensive identification operations, including assessment, evaluation, and sorting of various climate change risks and opportunities every 3 years. The most recent identification was carried out at the end of 2024, and the top three significant risks identified are : "Increased Cost or Shortage of Raw Materials", "Carbon Pricing Policy" , and "Enhance the Monitoring of Existing Products and Services". The "Carbon Pricing Policy" is the additional significant risk in the year, and fully reflects our mastery and positioning of domestic and foreign carbon tax / tariff policies; in addition, the significant climate-related opportunities include"Enhance Sustainable Supply Chain Management", "Investing in Circular Economy", and "Use Low-carbon Energy". Except that "Investing in Circular Economy" is the significant opportunity continued from earlier, others are the new significant opportunities identified this year, and they highly conform to the ESG strategic goals set by the Company. Over the next 3 years, the resource investments in these significant risks and opportunities will be prioritized, with tracking management; we also commit to publicly disclose related information regularly and continue communications with stakeholders.

▼ Climate-Related Opportunity Matrix



Included in this reporting cycle's Opportunity topics

▼Climate-Related Risks and Response Actions

Type of Risk	Climate-Related Risks	Estimated Occurrence Time	Risk Description	Response Actions and Possible Financial Impact
Policy and Legal	Require the Reporting of Greenhouse Gas Emissions	Short-Term	The Financial Supervisory Commission released the "Sustainable Development Roadmap for TWSE / TPEx Listed Companies" in early 2022, mandating listed companies to annually inventory and verify carbon emissions data for their parent companies and consolidated entities based on their capital size, obtaining third-party assurance. D-Link has conducted annual inventory and verification of carbon emissions for its parent company since 2016 and will now begin planning for data collection from overseas subsidiaries to comply with regulatory requirements.	D-Link has a specified timetable requiring disclosure of carbon emissions for consolidated entities by 2026 and completion of third-party assurance by 2028. Consequently, the Company is actively planning to introduce consulting services, with initial estimates suggesting an annual implementation cost of approximately NT$1.5 million.
	Carbon Pricing Policy[1]	Medium-Term	Currently, Taiwan has not implemented a comprehensive total carbon emissions control system but instead has a policy to levy carbon fees. The initial regulatory targets apply only to large carbon emitters categorized under Scope 1 and Scope 2 emissions. D-Link is not currently included in this group. However, it is important to consider the potential for cost pass-through by upstream suppliers subject to these regulations. There is also a risk of increased operating costs in the future due to the gradual expansion of these regulations to include more suppliers.	Due to the nature of its operations and product sales, D-Link's carbon emissions primarily fall under Scope 3, exempting it from immediate regulation. However, the Company must monitor upstream suppliers subject to regulation and their carbon management practices to prevent potential cost pass-through. Therefore, D-Link's response strategy focuses heavily on supplier management. It has developed a comprehensive management framework to actively assess suppliers' carbon management profiles and their sensitivity to carbon pricing policies. This allows D-Link to evaluate and strategize its procurement approaches accordingly. The annual expenditure cost for supplier on-site audit operations is estimated to be approximately NT$300,000, contingent upon the number of suppliers audited.
	Enhance the Monitoring of Existing Products and Services[1]	Medium-term	As awareness of climate change grows, governments are increasingly focusing not only on corporate carbon emissions but also on emissions associated with products and services, particularly in regions with total emission caps such as the European Union. To mitigate the risk of carbon leakage, the Carbon Border Adjustment Mechanism (CBAM) has been established as a preventive measure. Under this mechanism, pricing is based on the carbon emissions per unit of imported products and their import volumes. According to regulations, if the carbon emission data of the product is not faithfully declared, or the declaration data do not meet the requirements, or the improvement is not made before the deadline, a fine of EUR 10 to 50 per metric ton will be imposed. Although D-Link products are currently not subject to the levy under the system, it is essential to continuously monitor relevant policy trends and make early preparations to respond. In addition, the EU officially effected the "Ecodesign for Sustainable Products Regulation[2]" in July 2024 to replace the previous ErP Directive[3], emphasizing that enterprises must introduce the product life cycle assessments, including source design, durability, repairability, and recyclability requirements, to reduce environmental impacts. The enforcement of the regulations will bring more challenges to enterprises.	Although D-Link products are currently not within the scope of CBAM, the potential future trend suggests that all products may eventually fall under CBAM. Recognizing that the EU CBAM has spurred countries to develop carbon tariff systems, prioritizing product carbon emission information will aid in collecting and extracting relevant declaration data. Additionally, given the rising market demand for low-carbon products, D-Link has decided to introduce the carbon footprint standard ISO 14067. This proactive step aims to facilitate future responses and align with market expectations. The introduction of the ISO 14067 standard and third-party verification expenses for a desktop switch product, for example, are estimated to cost approximately NT$1.2 million. Actual expenses may vary depending on the type and scale of products involved in the implementation. In the face of increasingly strict regulations, D-Link will continue to monitor the progress of regulations and implementation rules, to strive to create lower-carbon and more sustainable products to meet regulatory standards and market expectations.

1. Main climate-related risks.
2. Regulation (EU) 2024 / 1781（ESPR）
3. Energy-related Products Directive（2009 / 125 / EC）

Type of Risk	Climate-Related Risks	Estimated Occurrence Time	Risk Description	Response Actions and Possible Financial Impact
Low-Carbon Technology	Substitution of Existing Products and Services with Lower Emissions Options	Short-Term	Regarding the low-carbon transition direction of Network products itself, in addition to improving their energy efficiency and optimizing their volume, another common approach is to use recycled materials. However, when materials are recycled and remanufactured, their material properties will change or be limited to a certain degree, such as color selection, color difference, brittleness and hardness, among other things, will be affected. In addition, the factor of industry relocation also affects the supply flexibility of the PCR[4] industry chain.	Even though the use of recycled plastics poses many challenges to product production and quality, in order to promote the development of a circular economy, D-Link actively communicates with suppliers, including testing, adjustment and verification of formulas and injection conditions, and ensuring the related preparations for the smooth supply. According to the current market price, the cost of recycled materials is 10~15% higher than that of virgin materials. However, D-Link will continue to uphold the principles of product life cycle assessment[5], and introduces PCR plastics into new consumer products in the future to actively reduce the carbon footprint of products.
Market Trend	Customer Behavior Changed	Medium-Term	Due to the increasing awareness of global climate change and the impact of national policies, customers are relatively concerned about the low-carbon transformation progress of their suppliers, including energy management tracking, regular disclosure of annual carbon emissions data, and carbon reduction goals and strategies. Although for the current stage, the direct impact on orders is still quite limited, there is still a very small number of customers who require that the carbon reduction path planning must comply with the Company's carbon reduction commitments. We cannot rule out the possibility that it will become a condition for vendor selection in the short term; if failing to respond such in a timely manner, it may affect the business development.	Currently, D-Link has regularly checked the carbon emissions of the head office and branches in Taiwan every year, and has been verified by a third party. In addition, in accordance with the requirements of the "Sustainable Development Roadmap of TWSE / TPEx Listed Companies" and the "Sustainable Development Action Plan of TWSE / TPEx Listed Companies", By the end of 2024, the Company has initiated the carbon inventory of its overseas subsidiaries. Once the data is obtained, the carbon reduction targets and corresponding implementation measures within this scope will be re-evaluated. Meanwhile, we are also promoting the plan to introduce carbon footprint to grasp the hotspots of product emission and further develop specific and feasible high-efficiency emission reduction measures.
	Increased Cost or Shortage of Raw Materials[1]	Medium-Term	Due to the demand for low-carbon transition of products, the use of recycled materials or materials with specific environmental labeling means an increase in invested costs, which may lead to a decreased price competitiveness	The cost of PCR plastics is 10-15% higher than that of virgin plastics, which will lead to an increase in product costs. However, because the products to be introduced to appeal the special antenna designs and sustainable development concepts, D-Link AQUILA PRO AI Series Products will continue to do so in the future. In addition, the principle of using recycled materials as much as possible also includes product packaging. For packaging plastics that cannot be completely reduced in the short term, PCR plastics are also used. The cost is about 50% higher than that of virgin plastics. However, due to its low unit price, the impact on the total cost is quite limited.
Reputation	Stakeholders' Attention and Negative Feedback Increased	Short-Term	Although D-Link's operations do not directly involve manufacturing, heightened awareness has increased external scrutiny. Supplier due diligence and supply chain ESG management are closely monitored by corporate customers, external evaluation agencies, and other stakeholders. These factors can directly or indirectly influence brand competitiveness.	D-Link's ESG Committee has established the ESG Office, tasked with responding to external ESG-related inquiries and participating in various ESG assessments. Among its responsibilities, the office assists each department in formulating goals, strategies, and implementation plans by analyzing information and trends, actively meeting stakeholder expectations. The annual investment for these efforts is approximately NT$2.5 to 3 million.
	Consumer Preferences Changed	Medium-Term	The corporate customers' concerns about D-Link's carbon management are not limited to the organizational level, but also include the products themselves. Therefore, the disclosure requirements of carbon footprint data, product energy efficiency, usage of recycled materials, are all concerns that the market is increasingly paying attention to. It is necessary to plan and implement as early as possible to maintain the competitiveness of D-Link products.	In view of the EU CBAM driving countries to actively develop carbon tariff systems, product carbon emission data may become a basic requirement for future exports. In addition to actively planning the adoption of the carbon footprint standard (ISO 14067), D-Link also emphasizes local production from a product life cycle assessment perspective, aiming to reduce carbon emissions and costs associated with raw material transportation. The Company has also obtained the "MIT Smile Logo" Product Certification to enhance product recognition and make it easier for consumers to choose products aligned with sustainability principles.

1. Main climate-related risks
4. Post-Consumer Recycled（PCR）
5. Life Cycle Assessment（LCA）

Type of Risk	Climate-Related Risks	Estimated Occurrence Time	Risk Description	Response Actions and Possible Financial Impact
Physical Risks (Acute)	**Severity Level of Typhoons, Floods, and Other Extreme Weather Events Increased**	**Long-Term**	According to current climate conditions and model estimates, as the warming trend intensifies, the difference between the dry and wet seasons in Taiwan will become increasingly obvious in the future. That is, the rainfall intensity in the wet season (May to October) will gradually increase, but the days without rainfall in the dry season (November to April) will prolong. Thus, the risk of floods / droughts significantly increases. Failure to adapt such smoothly will directly lead to losses in the Company's operations or supply disruptions.	**For the Company Itself** In addition to its Neihu headquarters, D-Link's operating bases in Taiwan also include offices in Taichung, and Kaohsiung. According to the "Database of TCCIP", in the RCP 8.5 mid-century scenario (comparing the maximum 24-hour cumulative rainfall movement rate), the rainfall trends in Taichung do not change significantly comparing to the base period (1979-2008), but there will be a slight increase in Taipei, and the average increase rate in Kaohsiung is about 15% ; and based on the "3D Disaster Potential Map of NCDR", the flooding potential is confirmed that only the Kaohsiung base will be at risk of flooding. In regard to weather events in 2024, no damage was caused to the Company's operating sites., we will carefully evaluate the necessity of office relocation in the future, and adopt a complete remote working regulation to flexibly respond to the risk of extreme rainfall. **For the Value Chain** For the upstream, D-Link has developed a complete and flexible procurement strategy. Each product has candidate suppliers located in multiple regions for deployment, effectively reducing delivery delays and operational losses caused by regional climate. • For the downstream, since climate disasters are natural disasters, contracts with customers have corresponding clauses and notes, and the goods have appropriate insurance to transfer risks, sufficient to cope with delayed delivery caused by weather factors. • In addition, regarding the water shortage issue and water consumption policy arising from the increasing concentration of days without rainfall in recent years, since the production and manufacturing of D-Link products is not a high water consumption process, the first-tier suppliers have not yet provided feedback on any cost passage due to the water consumption policy. We will continue to track the scope of impact of relevant policies through supplier questionnaires in the future.
Physical Risks (Chronic)	**Rising Average Temperature**	**Long-Term**	If the trend of climate warming cannot be effectively slowed down, persistent high temperatures in summer will lead to a surge in demand for air conditioners, and the cost of electricity and corresponding carbon emissions will also rise. Under policies such as the active transition of the energy structure in various countries and the implementation of carbon pricing control measures, related costs may be indirectly passed on to upstream products, raising product costs and directly affecting profits.	**For the Company Itself** In addition to immediately starting to formulate and implement a complete carbon reduction path for the value chain, to reduce the possibility of this risk occurring, risks that were foreseeable in previous periods or have been affected in the short term should also be considered, including the risk of increasing electricity for air conditioning due to high temperatures in summer year by year ; therefore, prioritizing the replacement of high-efficiency air conditioner main units to achieve the benefits of energy saving and emission reduction is also one of the measures that can be implemented at this stage. At present, the power consumption of air conditioners in the D-Link building is about 30%, or as much as 30.4% in the past 3 years if considering the increased of electricity tariff. In the future, as the country is at the verge of active energy structure transformation, it is believed that the replacement of the air conditioner units is an appropriate first priority upon the assessment, so it is expected to complete the replacement of the air-conditioning main units by 2028, with an estimated expenditure of approximately NT$15 million. **For the Value Chain** Taking into account the trend of rising electricity tariff by local governments due to energy transition, supply and demand regulation, and carbon pricing policies, the risk of passing on costs due to the adaption to the climate warming year by year is also a priority project for enterprises to consider. To this end, D-Link will assess the risk exposure of each supplier via the annual supplier questionnaire, and plan to include it as one of the future supplier selection indicators.

▼ Climate-Related Opportunities and Response Measures

Type	Climate-related Opportunities	Estimated Occurrence Time	Scenario Analysis and Financial Impact Assessment	Responding Actions and Possible Financial Impact
Resource Efficiency	Invest in Circular Economy[1]	Medium-Term	In addition to urging companies to focus on carbon emission management, extreme climate issues also require companies to pay more attention to the life cycle of the products and services they provide because of the trend of disclosure requirements in Scope 3, which will directly affect Scope 3 statistics. Therefore, at this stage, we are actively moving towards optimizing material usage, increasing the proportion of recycled materials, and exploring the expansion of multiple recycling channels to increase the end recycling rate. From a long-term perspective and the economies of scale related to future development, it is helpful for reducing the costs of procuring raw materials and establish a corporate image, among other positive benefits.	The Company will continue to implement the “D-Link Green” plan and strive to reduce the negative impact that products may have on the environment at each stage of the life cycle from the four aspects, namely product design, functionality, materials, and packaging, in order to implement the corporate social responsibility. After D-Link announced the M30 AX3000 Wi-Fi 6 Dual-Frequency Wireless Routers, the first product remade from PCR plastic in June 2023, immediate attention and expectations in the European market were gained. The five new products of the series launched subsequently are also made from PCR plastic. In the future, in addition to continuing this measure, we will also evaluate the feasibility of introducing recycled metals.
	Diversification of Internal Management	Short-Term / Medium-Term	In order to achieve effective carbon management and the net-zero emissions goal, D-Link conducts progress reports and reviews on ESG strategic goals every quarter, and regularly revise its short, medium and long-term strategic goal planning every 2 years; in terms of environmental goals, through the basic carbon inventory and third-party verification (including organization and product aspects), implementation of various energy-saving and carbon-reduction measures, procurement and construction of green power, introduction of corresponding management systems (such as ISO 50001), and promotion of supply chains, have significantly improved the resource utilization efficiency, thereby reducing related expenditure and costs in the future.	With subsequent short- and medium-term energy-saving and carbon-reducing measures, such as replacing LED lights and updating air-conditioning main units, it is roughly estimated that an initial investment of NT$15.40 million will be needed to replace high-performance equipment. In the future, approximately 22.5% of power consumption will be saved each year (based on the current electricity tariff, approximately NT$2.2 million may be saved per year).
Energy Source	Use Low-Carbon Energy[1]	Medium-Term	Driven by factors such as government policies and market attentions, energy transition has become an inevitable trend. Although D-Link is not a large consumer of electricity and is not subject to the government's renewable energy obligations, it still actively purchases green power, and plans to expand its use of green power year by year. The increasing proportion of purchases of green power year by year, and the construction of solar photovoltaic equipment will help to achieve carbon reduction and the Net-zero emissions goal, while mitigating the impact of fossil fuel price fluctuations by reducing demand and dependence on fossil fuels.	D-Link has included green power procurement as one of its strategic goals for ongoing implementation. In 2024, green power accounted for 3.7% of the Company’s annual electricity consumption (2.91% of the baseline year consumption), with a target to increase this proportion to 17.5% by 2030. For an upcoming solar photovoltaic construction project, the total budgeted expenditure is approximately NT$13.7 million. If the self-generated solar power is sold via wholesale, the estimated annual revenue from electricity sales would be around NT$1.22 million. At that time, the Company will reassess the benefits of wholesale versus self-consumption and adopt the more favorable approach.

1. Main climate-related opportunities
2. Planned to be completed by the end of 2033

Type	Climate-related Opportunities	Estimated Occurrence Time	Scenario Analysis and Financial Impact Assessment	Responding Actions and Possible Financial Impact
Products and Services	Develop and Increase Low-Carbon Products & Services[1]	Short-Term	Responding to the international carbon reduction trend, companies continue to invest in and expand the low-carbon product or service market, while confirming the market response. This action will enable the pioneer companies to more accurately grasp the pulse of the low-carbon market, create business opportunities, position for the market share, and indirectly increase the revenue and corporate image, to drive a positive cycle.	In order to more actively invest in the low-carbon market, D-Link launched the green packaging project, "D-Link Green Pack" , in early 2022, which focuses on four major aspects : environmental friendly materials, plastic-free packaging, volume optimization, and digitized product documents, as the pillars of design ; for example : • The unmanged switches adopts clay coated board[3] with high percentage of recycled pulp, which can reduce costs by approximately 2–3%. • The plastic packaging bags are removed from Dongle series products. • Switch products adopts 50% PCR plastic bags for packaging, increasing costs by approximately 50%. • 30% PCR recycled materials are introduced to the plastic casings of the AQUILA PRO AI series products, MS30, MS60, M60, M95 and R95, and the costs are 10–15% higher than the virgin materials. • Brown boxes of DGS-1210-10MP and carton adopt FSC[4]certified paper materials. • The metal casing of the DMS-1250 series products is expected to have recycled metal introduced.
	Obtain Low-Carbon Financing/ Investment[1]	Medium-Term	Governments around the world are actively directing funds to ESG and low-carbon products, such as bonds of sustainable development special funds or sustainability-linked bonds. In particular, the latter has no restrictions on the use of funds, only the sustainable development indicators are required to be set, and the goals to be linked to the design of bond principal and interest payment conditions and other mechanisms for acquisition, which can effectively reduce capital costs, improve sustainable performance, increase exposure, and attract the attention of more investment institutions.	Currently, D-Link has sufficient funds of its own and has no urgent and continuing financing needs. However, it will maintain its focus on green financing or low-carbon financing, maintain close contact with financial institutions that actively promote sustainable and low-carbon financing, improve the quality of its own ESG disclosure information, and maintain its qualifications in line with the green financing review standards. In order to quickly obtain the support of banks and evaluation agencies when operations require, we can undertake borrowings or issue bonds linked to sustainable development, so as to minimize the Company's capital costs while demonstrating the Company's long-term commitment to climate change and environmental sustainability.
Operation Resilience	Enhance Sustainable Supply Chain Management[1]	Short-Term	D-Link is a brand company, and its actual operations do not include manufacturing, the supply chain management has become a very critical part of product quality control operations. In recent years, due to sustainability policies and trends, all the society is expecting enterprises to exert benefits such as the large companies leading the small companies and driving the value chain. Therefore, they have deepened the communication and resource exchange with suppliers, and understood suppliers from a more complete perspective, to grasp operational risks from all aspects for appropriate allocation and dispatch.	D-Link has always placed great importance on the verification of its quality management system. In recent years, in response to the growing focus on sustainability, the Company has also developed its own set of ESG audit standards, referencing the Validated Assessment Program (VAP)[6] under the Responsible Business Alliance (RBA)[5] Code of Conduct, to conduct on-site audits of major suppliers. The estimated annual cost for this operation is approximately NT$300,000, depending on the number of suppliers audited. In order to further improve D-Link's ESG management practices for the supply chain, the Company has formulated the "Sustainable Procurement Policy", build the "Supplier Code of Conduct" , and the "Supplier ESG Self-Assessment Questionnaire" in 2023, and then link to the aforementioned on-site audit operations, to build a contextual sustainable supply chain management system.

1. Main climate-related opportunities
3. Contains more than 85% recycled pulp.
4. Forest Stewardship Council
5. Responsible Business Alliance
6. Validated Assessment Program (VAP)

Risk Management

D-Link manages climate-related risks and opportunities through 4 key processes : collecting relevant issues and trends via monthly ESG Task Force meetings, regularly assessing the impact and materiality of each risk and opportunity, formulating corresponding strategies and indicators, and applying PDCA principles for annual tracking and review. This structured approach aims to achieve overall control and ensure timely responses. For the material climate risks identified, the ESG Office not only reports them upwards but also submits them to the Risk Management Task Force for evaluation regarding their potential inclusion in the Company's overall risk management system.

Metrics and Targets

In order to achieve the 2050 net-zero emissions goal, D-Link not only sets corresponding short / medium / long-term goals for energy saving, carbon reduction, water saving and waste reduction, but also actively launches various project plans, promotes relevant measures, and implements management and effectiveness evaluation accordingly, and at the same time, the performance results are confirmed through the external verification to achieve the goal of environmental sustainability.

▼ Climate-Related Risk / Opportunity Identification Process

Collect Issues	Identify Impacts	Formulate Strategies	Monitoring and Management
List climate-related risks / opportunities	Assess the materiality of risks / opportunities	Develop strategies for material risks / opportunities	Monitor material risks / opportunities in compliance with PDCA principles
Through the platform of monthly ESG Task Force meetings, we consistently gather external development trends and internal climate-related issues.	Assess the materiality of relevant issues based on their likelihood of occurrence and the actual financial impact on D-Link. Screen and prioritize risks that require immediate management attention or opportunities for proactive expansion.	Formulate feasible response strategies and specific measures for various material risks and opportunities. Set corresponding indicators and goals to facilitate subsequent monitoring and operations.	Adopt the PDCA principles to continuously monitor and manage material climate-related risks and opportunities. Conduct regular reviews and improvements to ensure the relevance of strategies and the effectiveness of implementation measures.

▼ The Relevant Implementation Performance and Short / Medium / Long-Term Goals Responding to Climate Change

Type	Achievements in 2024	Short-Term Goals (2025)	Medium-Term Goals (2028)	Long-Term Goals (2033)
Net-zero Emissions/ GHG Management	• Emissions in Scopes 1 and 2 decreased by 9.55% annually, and significantly decreased by 25.33% compared to the base year. • The CDP score for 2024 was a B grade.	• Reduce carbon emissions of scope 1 & 2 by 2%.	• Reduce carbon emissions of scope 1 & 2 by 30% by 2030. • Continuously reduce carbon emissions to achieving net-zero emission by 2050	
Energy Management	• Completed the replacement of 218 LED lights, saving approximately 19,494 kWh of power throughout the year, accounting for 0.7% of the base year. • In 2024, a total of 80,500 kWh of green power was supplied, with an annual increase of 13.4 times, accounting for approximately 2.91% of the electricity consumption in the base year.	• Gradually replace the lighting fixtures on each floor of the headquarters building with LED flat panel lights with the goal of saving 0.6% of electricity. • The target for green power procurement is 128,000 kWh, which is 5% of the electricity consumption in the base year.	• Reduce power consumption by 4.5% by 2026.	• Introduce ISO 50001 energy management system. • Reduce power consumption by 30% by 2030. • The 2030 green power procurement target is set at 17.5% of the baseline year's electricity consumption.
Water Management	• Adjusted the startup time of the air conditioning units to reduce the cooling water usage.	• Reduce water consumption by 2.5% by 2026.		-
Waste Management	• The paper consumption in the headquarters reduced from 18,058 sheets per month to 15,888 sheets per month, a year-on-year reduction of 12.0%. • The total volume of waste decreased by 14.72% compared to the base year.	• Reduce the waste by 2.5% by 2026.		-

* The baseline year is 2021.

4.3.2 From Inventory to Net-Zero

GRI 2-23, 305-1, 305-2, 305-3, 305-4

Responding to the global common goal of net-zero emissions by 2050, D-Link is gradually moving towards Net-zero based on an inventory of greenhouse gas emissions, through hotspot analysis and evaluation of improvement plans, as the basis for organizational emission reduction planning. In order to implement the carbon reduction policies, D-Link independently conducts greenhouse gas inventories and stipulated the goal of reducing carbon emissions by 10% by 2026 using 2021 as the base year. And continue to implement greenhouse gas inventory and reduction projects.

D-Link has passed the ISO 14064-1:2018 Greenhouse Gas Inventory certification and formulated the following policies according to the requirements of the ISO 14064-1:2018 Greenhouse Gas Inventory System :

- We are dedicated to disclosing corporate carbon emissions to fully understand the carbon emissions within the Company.
- We work with our business partners to expand the scope of carbon reduction together.
- We provide more diverse low-carbon products and services for our consumers and users.
- We have increased information transparency and reduced emissions for the carbon footprints of our products.

In 2024, the Company launched the greenhouse gas inventory guidance project for subsidiaries. Currently, the distribution inventory and environmental inventory of subsidiaries, and preliminary education and training promotion have been completed. It is expected to conduct data inventory collection in 2025.

▼ Greenhouse Gas Emissions in the Past 3 Years

	2022		2023		2024	
	GHG Emissions	Proportion	GHG Emissions	Proportion	GHG Emissions	Proportion
Category 1	119.87	0.02%	119.90	0.03%	126.16	0.06%
Category 2	1,255.52	0.24%	1,148.88	0.27%	1,021.51	0.45%
Category 4	18,424.61	3.51%	11,941.27	2.84%	10,458.43	4.64%
Category 5	504,734.39	96.23%	407,652.17	96.86%	213,771.61	94.85%
Total GHG Emissions	**524,534.39**	**100%**	**420,862.22**	**100%**	**225,377.71**	**100%**
Year-over-Year Change in Total GHG Emission	**-37.38%**	**-**	**-19.76%**	**-**	**-46.45%**	**-**
Change in Category 1+2 Emissions vs. Base Year (%)	**-10.51%**	**-**	**-17.45%**	**-**	**-25.33%**	**-**
Emission Intensity: Category 1+2	0.0805	-	0.0796	-	0.0797	-
Emission Intensity: Category 4+5	30.63	-	26.32	-	15.58	-

1. Emission unit: metric tons/CO2e; intensity unit: metric tons CO2e/revenue (NT$ million).
2. Category 1 and Category 2 are equivalent to Scope 1 and Scope 2 emissions, respectively. Category 4 and Category 5 fall under Scope 3. Specifically, Category 4.1 accounts for carbon emissions from purchased products, while Category 5.1 covers emissions during the use phase of products sold by the organization. After the assessment, Category 3 was identified as an insignificant source of emissions for the Company.
3. The emission factors for electricity used in Category 2 are based on the annual data published by the Energy Administration, Ministry of Economic Affairs. The factors adopted for 2022, 2023, and 2024 were 0.495, 0.494, and 0.474 kg CO_2e/kWh, respectively.
4. The data in this table has been verified by a third party. Please refer to the “Certifications” of the official website for the declaration.

4.3.3 Biodiversity Commitment GRI 2-23

D-Link doesn't have any operating locations located in important biodiversity locations. Nevertheless, to better understand the possible impact of the Company's operations on biodiversity, D-Link made a biodiversity commitment in 2023, communicated the importance of biodiversity to suppliers, and encouraged suppliers to conduct biodiversity risk assessments for their operating locations. And further regulated by the "D-Link Corporation Supplier Code of Conduct".

Biodiversity and Zero-Deforestation Commitment

D-Link's global operations are primarily located in technology parks or general office buildings, none of which are operating near key biodiversity areas (KBA). Nonetheless, recognizing that biodiversity conservation helps promote climate change mitigation and adaptation, and has significant implications for agricultural development, food security, public health, and economic sustainability, D-Link makes this Statement of Biodiversity and Zero-Deforestation Commitment in reference to the spirit of the United Nations Convention on Biological Diversity (CBD), with the hope of fulfilling UN Sustainable Development Goals (SDGs) 6, 12, 13, 14, 15 and 17, to protect biodiversity, sustainable use of diversity, and achieve fair and equitable sharing of the benefits arising from the use of genetic resources.

D-Link's Commitment

1. Ensure that D-Link's operational activities comply with international, national, and local laws related to biodiversity and zero deforestation.
2. Avoid activities that negatively impact threatened and protected species.
3. Respect legally designated protected biodiversity areas.
4. Choose appropriate tools to assess the biodiversity-related risks of all D-Link operating sites.
5. Informed purchasing decisions will not be made from suppliers contributing to the loss of biodiversity or illegal deforestation.
6. Encourage the Company's suppliers to assess the biodiversity-related risks of their operating sites.
7. Seek opportunities with partners to reduce biodiversity damage.
8. Support biodiversity convention activities or initiatives.

In 2024, D-Link continued to cultivate local environmental education. The ESG Office organized the Jannan Butterfly Garden ecological tour event, and invited butterfly conservation experts to lead colleagues and their families to visit the only outdoor butterfly conservation area in Taipei City. Participants learned about the importance of biodiversity and urban inclusion through the observation of the ecology of butterflies, knowledge of honey source plants and maintenance of habitats. The event not only deepens the employees' empathy and care for the natural environment, but also reflects the Company's sustainable commitment to local common wellness and natural capital protection.

▲ D-Link Eco-Tour with Employees and Their Families

4.4 Energy and Resources Management

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

4.4.1 Energy Management GRI 302-1, 302-3, 302-4, 305-5

The D-Link headquarters building mainly consumes externally purchased electricity. In accordance with the requirements of the ISO 14001 environmental management system, the Company prioritizes the reduction of electricity consumption in office buildings, and sets annual energy-saving targets. In 2024, through the energy-saving projects, the Company saved 0.70% of the electricity consumption of the baseline year (2021), and the cumulative electricity saved in the past three years has reached 4.60%. It is expected to replace all the lights on other floors of the head office building with energy-saving lights in 2025, and the estimated electricity saving rate is about 0.60%.

▼ Performance of Energy Saving Projects in the Past 3 Years

	2022	2023	2024
Main Energy Conservation Actions	Replaced 463 lighting units on the 4th floor of the headquarters building with energy-efficient models.	Replaced 427 lighting units on the 3rd floor of the headquarters building with energy-efficient models.	Replaced 218 lighting units on the 2nd floor of the headquarters building with energy-efficient models.
Estimated Power Savings (kWh)	55,351Z	46,975	19,494
Power Saving Ratio[1]	2.00%	1.90%	0.70%
Estimated Reduction in Energy Consumption (GJ)	199.26	169.11	70.18
Estimated Reduction in Carbon Emissions[2] (metric tons)	27.40	23.21	9.24

1. Compared to the baseline year (2021)
2. Emission factors for electricity are based on the annual data published by the Energy Administration, Ministry of Economic Affairs. The factors used for 2022, 2023, and 2024 were 0.495, 0.494, and 0.474 kg CO_2e/kWh, respectively.

▼ Recent Implementation Status and Planning[1] of Green Energy Procurement Projects[1]

	2023	2024	2025
Annual Green Power Procured / Planned Procurement (kWh)	6,000	80,500	128,000
Proportion of Annual Electricity Consumption	0.26%	3.60%	-
Estimated Reduction in Carbon Emissions[2] (metric tons)	2.96	38.16	60.67

1. The green energy procurement plan was launched in July 2023, planning the procurement target to reach 17.5% of the electricity consumption of the baseline year (2021) by 2030.
2. All carbon emission factors for electricity are based on the data published by the Energy Administration, Ministry of Economic Affairs for the current year. The factors adopted from 2023 to 2024 are 0.494 and 0.474 kg CO_2e/kWh, respectively. However, the estimated value for 2025 is based on the emission factor of 2024.

In addition to improving equipment energy consumption by replacing old devices with new ones, there were originally 350 mainframes each consuming 1,500W. After virtualization, system optimization, and reorganization in 2023, the operation was reduced to 300 mainframes, resulting in an annual energy saving of nearly 100,000 kWh. Furthermore, various channels have been used to promote the importance of energy conservation to employees. Compared to the baseline year, the cumulative energy savings over the past three years have reached 39.10%.

▼ Electricity Usage in the Past 3 Years

	2022	2023	2024
Total Purchased Power (kWh)	2,466,636	2,331,668	2,235,585
Non-Renewable Energy (kWh)	2,466,636	2,325,668	2,155,085
Renewable Energy (kWh)[1]	0	6,000	80,500
Total Purchased Power (Billion Joules)	8,879.89	8,394.00	8,048.10
Annual Increase / Decrease Rate of Purchased Power	-8.51%	-5.47%	-4.12%
Increase / Decrease Rate Comparing to the Base Year	-8.51%	-13.51%	-17.08%
The Annual Average Number of People in Operating Bases in Taiwan[2]	489	505	458
Power Consumption Per Capita (GJ)	18.16	16.62	17.57
Annual Increase / Decrease Rate of Power Consumption Per Capita	14.14%	-8.48%	5.72%

1. 6 green power certificates were obtained in 2023, and 80 certificates in 2024.
2. This is the average number of employees per month, plus 14 non-employee workers.

4.4.2 Water Resource Management

D-Link headquarters building and Taiwan branch are located in the metropolitan area of Taipei City. The water source is tap water from the Feitsui Reservoir, which is mainly consumed for domestic water. The domestic wastewater generated after use is discharged into the sewers set up by the government.

To ensure the effective use of water resources, all faucets in the restrooms in the headquarters building are equipped with water-saving switches. Although D-Link is not a company consuming a lot of water, it still supervises itself to spare no effort in every aspect of water saving to contribute to environmental sustainability at its best. The total water intake in 2024 increased by 3.26% year-on-year. Comparing to 2021, the base year, the reduction rate is 5.10%, In order to further strengthen the water resource management, the Company plans to introduce the ISO 46001 water management system in 2025 to improve water efficiency and related management structure.

▼ Water Resources Usage in the Past 3 Years

	2022	2023	2024
Total Water Withdrawal (Megaliters)	10.99	11.34	10.97
Total Water Discharge[1] (Megaliters)	9.89	10.21	9.87
Total Water Consumption[2] (Megaliters)	1.10	1.13	1.10
The Annual Increase / Decrease Rate of Total Water Withdrawal	-4.93%	3.18%	-3.26%
Annual Average Number of Personnel at Taiwan Operational Sites[3]	489	505	458
Per Capita Water Withdrawal[4] (Ten Thousand Liters)	2.25	2.25	2.40
The Annual Increase / Decrease Rate of Per Capita Water Withdrawal	18.42%	-	6.67%

1. The total water discharge is estimated based on 90% of the total water withdrawal.
2. Total water consumption = total water withdrawal - total water discharge.
3. This is the average number of employees per month, plus 14 non-employee workers.
4. Per capita water withdrawal = total water withdrawal/ annual average number of personnel at Taiwan operational sites.

4.4.3 Waste Resource Management

D-Link has formulated a waste disposal management strategy and continues to comply with it to achieve the goals of sustainable resource use and waste reduction, aiming for effective circular use of resources. In the workplace, employees are regularly encouraged and reminded to reduce and sort waste. D-Link has also adopted eco-friendly hand wipes, toilet paper, and office paper to reduce deforestation. In 2024, the total volume of waste decreased by 14.72% compared to the base year.

D-Link is a brand company, and its actual scope of operation does not cover the production and manufacturing process, so there is no hazardous waste generated during the operational process. The types of waste generated from daily operations are as follows :

▼ Waste Classification Management and Implementation

Type	Definitions	Handling Method
General Industrial Waste	Non-hazardous waste generated by daily operations	Each unit shall classify and store waste in accordance with relevant laws and regulations. ››› The cleaning unit will then collect and transfer the waste to the industrial waste temporary storage area. ››› Qualified contractors will be entrusted to clear and transport the waste for recycling and reuse.
Resource Waste	Recyclable waste from non-production activities	Employees shall place recyclable waste in the recycling area according to the classification methods announced by the Environmental Protection Administration. ››› The cleaning unit will collect and transfer it to the temporary recycling storage area. ››› Qualified recycling contractors will then be notified for clearance and reuse.
Domestic Waste	Non-recyclable waste from non-production activities in offices and staff lounges	The cleaning unit will clean and collect the general waste. ››› It will be placed in a fixed temporary storage area. ››› Qualified environmental companies will be entrusted through signed contracts to clear, transport, and incinerate the waste to ensure proper disposal.

Waste management strategy :

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

▼ Waste Disposal Status in the Past 3 Years

	2022		2023		2024	
	Weight	Percentage	Weight	Percentage	Weight	Percentage
Recyclable Waste (Recycling)	6.28	32.61%	4.73	26.68%	5.76	31.25%
General Waste (Incineration)	12.98	67.39%	13.00	73.32%	12.67	68.75%
Total	**19.26**	**100%**	**17.73**	**100%**	**18.43**	**100%**
Annual Increase / Decrease Rate	**-10.87%**	**-**	**-7.94%**	**-**	**3.95%**	**-**

1. Metric Tons
2. Kitchen waste treatment: After collected, the group meal provider will bring it back for integrated processing everyday
3. Due to the lease of office space and the execution of inventory cleaning operations, the total waste volume increased slightly from 2023

4.5 Green Products GRI 301-2

4.5.1 D-Link Green

D-Link has been focusing on environmental 3R (Recycle, Reuse and Reduce) and promoting "D-Link Green". Through measures such as prohibited / restricted substance management, development of energy-saving technology for products, the introduction of easy-to-disassemble and recycle design, and packaging reduction, D-Link strives to reduce the potential negative impact of products on the environment at all stages of the life cycle, and practices corporate social responsibility.

Aspects Covered by D-Link Green

Product Design | Product Functions | Product Materials | Product Packaging

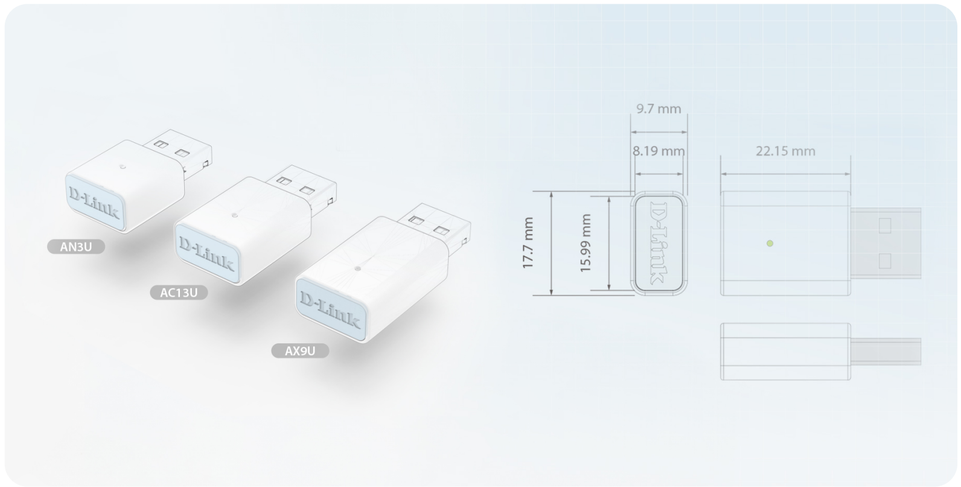
At the early stage of product development, D-Link not only considers the functions and user needs but also incorporates environmental impact into the core design concept, covering the use of raw materials, production and manufacturing, packaging and transportation, and the use process. Through the D-Link Green program, we refer to a product life cycle evaluation method to strengthen green product design and strictly control hazardous substances to reduce environmental impact and implement the concept of sustainable development.

Proportion of Green Products in 2024
In 2024, green products accounted for 44%* of the total product revenue. It is anticipated that by 2026, the total proportion of green products in all aspects of "D-Link Green" can reach 80% of the total product revenue.

* In 2024, green products are only counted for those that meet the design (certified by ErP) and functionality (energy-saving) aspects of "D-Link Green".

▼ Introduction of Eco-Friendly Processes to Enhance Resource Efficiency

Adopting low-emission manufacturing technologies in model production: utilizing 3D printing to replace CNC machining



Designing for shared mold usage

▼ D-Link Green : An Important Role at Each Stage of the Product Life Cycle

Raw Materials

- **Compliance with international standards :** The raw materials strictly comply with and adopt international standards and specifications, 100% compliance with the EU RoHS[1] regulations on restricted hazardous substances, POPs[2], and REACH[3], as well as the TSCA[4] and CP65[5] regulations in the US. the printing ink on packaging materials also complies with the French regulations on prohibited mineral oil.
- **Refusal of conflict minerals :** Ensure that the metals in the supply chain, such as gold (Au), tantalum (Ta), tungsten (W), Tin(Sn), 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.
- **Selection of environmentally friendly materials :**
  - The product AQUILA PRO AI Series casing is made from post-consumer recycled (PCR[6]) material, as the active promotion of the circular economy development.
  - For the entire product line, priority is given to the recyclable and environmentally friendly materials for the packaging contents, with reduced printing ink, to reduce the impact on the environment during the disposal stage.
  - The Group's suppliers use FSC[7] certified paper materials for packaging brown boxes of switch products, to ensure that paper materials come from legal and sustainable forests, and reduce environmental damage.

Manufacturing

- **Reducing process waste :** Reduce waste and resource consumption by optimizing the manufacturing process and improving product yield.
  - The coating process for metal casing is changed from liquid paint to powder paint, which greatly reduces the emission of volatile organic compounds (VOCs[8]) in the process. In addition, the utilization rate of powder coating can reach 90% or more through recycling equipment, which not only reduces waste generation, but also effectively reduces environmental pollution.
  - The product model is made of lower-carbon 3D printing to replace traditional processing techniques including cutting, etching, and drilling, reducing the generation of scrappers.
  - The core principle of product design is to use shared molds to reduce carbon emissions during the product development process as much as possible.

Transportation

- **Optimizing material volume :** Tailor the packaging size according to the actual size of each product to meet the optimal transportation volume to improve transportation efficiency and reduce carbon emissions.

Use

- **Optimizing product energy consumption :**
  - Dedicated to introducing the most advanced product design thinking and technologies and complying with EU energy-related product ecology design (ErP[9]) and other international energy regulations to minimize the energy consumption of products.
  - The external power supplies used in all series of products comply with the level VI energy efficiency standards of the US Department of Energy.

End of Life

- **Adopting designs facilitating easy disassembly :** Easy-to-disassemble design is adopted for products, which is conducive to recycling and improving material reuse rate.
- **In compliance with regulatory requirements :** Local regulations, i.e., EU WEEE[10], are followed when handling end-of-life products and electronic waste.
- **Establishing standardized processes :** Standardized operational procedures and records are established for the recycling and disposal of scrapped products. Starting in 2023, tracking the recycling of scrapped products in Taiwan has been prioritized. In 2024, we began to increase the product recovery rate through the marketing campaign of replacing old products with new ones. In the future, we will continue to develop relevant measures and strive to promote the circular economy.

1. Restriction of Hazardous Substances Directive
2. Persistent Organic Pollutants Regulation
3. Registration, Evaluation, Authorization and Restriction of Chemicals
4. Toxic Substances Control Act
5. Safe Drinking Water and Toxic Enforcement Act of 1986
6. Post-Consumer Recycled
7. Forest Stewardship Council
8. Volatile Organic Compounds
9. Energy-related Products Directive (2009 / 125 / EC)
10. Waste Electrical and Electronic Equipment Directive

4.5.2 D-Link Green Pack

▼ 2024 "D-Link Green Pack" Achievements

Environmentally Friendly Materials

- The product packaging bags are made of 50% PCR plastic bags to replace the use of native plastic bags.
- Introduce FSC-certified paper to packages of switches.
- The unmanaged switches adopts clay coated board with high percentage of recycled pulp.
- Vegetable ink is adopted for printing the colored box.
- The printing of brown boxes reduces the use of ink by 20%.

Plastic-Free Packaging

- The buffer material of the switch product is changed from EPE* to paper tube that is easy to recycle.
- The surface of the color box has been changed from plastic film glazing (polypropylene coating) to matt oil.
- All packaging bags were removed from dongle products.

Volume Optimization

- The design of the outer packaging of all new products adopts the minimal-size design, so that they can reach the optimal number for pallet loading.

Packaging Was Made More Efficient

- The packaging design is optimized to improve assembly efficiency.
- No packaging box is adopted for product accessories.

Note: Expanding polyethylene