

D-Link Corporation

ESG Strategic Goals and 2025 Status

At the end of 2023, our company established 26 ESG strategic objectives across four key areas: environment, society, governance, and sustainable products, with short-, mid-, and long-term targets. Additionally, in response to the Group's ESG strategy, we plan to introduce a new short-term environmental target in 2025: obtaining ISO 46001 Water Efficiency Management System certification. The table below provides a detailed review of our 2025 implementation results and subsequent plans.

Table. Implementation and Review of D-Link ESG Short-, Medium -, and Long-Term Strategic Goals (2024-2033)

Aspects	Terms	Goals and Plans	2025 Implementation Status	Annual Review and Future Planning
Environmental	Short-term (by the end of 2025)	Continue to Implement Energy-Saving Projects <ol style="list-style-type: none"> LED lamps on the second floor are expected to be replaced in 2024. LED lamps on the first floor are expected to be replaced in 2025. 	This project has been completed.	The 2026 energy-saving project will implement the replacement of the air-conditioning system on the fifth-floor LAB.
		Upgrade CDP Evaluation Grade to C-Grade Review the differences between the CDP evaluation items and the implementation progress, and refine the differences to meet the CDP requirements.	<ul style="list-style-type: none"> The 2024 assessment result was rated Grade B, representing an improvement of one level compared to the previous year. In 2025, as CDP adopted a mandatory fee-based participation model, and after internal evaluation confirmed that there was no clear necessity to participate, the Company decided not to pay the related fees and therefore did not participate in the assessment. 	—

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		Obtain ISO 46001 Water Efficiency Management System Certification Expected to obtain ISO 46001 Water Efficiency Management System certification in 2025.	The external audit was completed in the third quarter of 2025, with no major or minor non-conformities identified. The ISO certification was subsequently obtained in the fourth quarter.	—
	Medium-term (By the end of 2028)	Gradual Upgrade of Air Conditioners 1. LAB's air conditioners are expected to be upgraded by 2026. 2. Two air conditioners in the building are expected to be replaced by 2028. °	A budget has been planned and allocated for the replacement of the fifth-floor LAB air-conditioning system in 2026.	—
		Complete the Carbon Inventory and Verification of Consolidated Subsidiaries 1. Execute the Scope 1 and Scope 2 inventories of subsidiaries, and complete the disclosure of information in the annual report. 2. Conduct external verification of both parent company and subsidiaries and obtain the external verification statement.	<ul style="list-style-type: none"> ● In 2025, the first greenhouse gas (GHG) inventory for the 2024 reporting year was completed, covering 34 subsidiary sites and 2 sites in Taiwan. The three major emission sites were Taiwan UfiSpace, India, and the Middle East. ● The Company plans to disclose the 2025 carbon emission data of its subsidiaries in the 2026 annual report. In response to IFRS S2 requirements, Scope 1 and Scope 2 emissions of affiliated companies will be included in the inventory, with external assurance expected to be obtained in 2028. 	We will continue to monitor the detailed requirements of regulatory authorities, stay informed of best practices from leading companies, and ensure timely compliance as required.
		Assessment of the Introduction of ISO 14067 Product Carbon Footprint Standard 1. In 2023- 2024, we will seek 3 consulting firms for quotation and understand their relevant schedule. 2. In 2025, products will be selected for a carbon footprint inventory.	<ul style="list-style-type: none"> ● Quotations have been obtained from three vendors for reference. ● This project has not yet been initiated and will proceed only after reaching a consensus on cooperation with suppliers. 	At this stage, product lifecycle, customer requirements, and industry adoption have been considered as factors in selecting quoted products. The specific

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				implementation timeline will be planned based on quotation results, budget allocation, and customer requirements.
		Promote Reduction of Carbon Emissions to the Supply Chain <ol style="list-style-type: none"> Promote to the major suppliers that account for 85% of the procurement amount from the previous year to obtain ISO 14064-1:2018 certification. Promote to the major suppliers that account for 85% of the procurement amount from the previous year to set greenhouse gas reduction plans and goals. 	<ul style="list-style-type: none"> In 2025, the Company continued to promote external GHG verification for nine major suppliers accounting for 85% of the 2024 procurement value. Among them, two outsourced product suppliers confirmed that they would not implement verification at this stage. 	Establish specific standards for setting emission reduction targets for suppliers and gradually implement them, including the emission scopes covered by the targets and their alignment with D-Link's reduction pathways.
	Long-term (By the end of 2033)	Installation of Solar Photovoltaic Equipment Solar panels are expected to be installed on the roof of HQ Building in 2030.	The associated initiatives will proceed on time.	—
		2030 Green Power Procurement Target of 17.5% <ol style="list-style-type: none"> The procurement is expected to be 2.5% or about 64,000 KWH in 2024. The procurement is expected to be 5% or about 128,000 KWH in 2025. The procurement is expected to be 7.5% or about 192,000 KWH in 2026. The procurement is expected to be 10% or about 256,000 KWH in 2027. The procurement is expected to be 12.5% or about 320,000 KWH in 2028. 	<ul style="list-style-type: none"> In 2025, the Company continued to promote external GHG verification for nine major suppliers accounting for 85% of the 2024 procurement value. Among them, two outsourced product suppliers confirmed that they would not implement verification at this stage. 	Maintain flexibility for ongoing adjustments based on changes in the national energy structure and market supply conditions.

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		6. The procurement is expected to be 15% or about 384,000 KWH in 2029. 7. The procurement is expected to be 17.5% or about 448,000 KWH in 2030.		
		Obtain ISO 50001 Energy Management System Certification ISO 50001 Energy Management System certification is expected to be obtained in 2030.	It is under evaluation whether the assessment and certification process can be advanced to commence in 2026.	—
Social	Short-term (by the end of 2025)	Formulate a Plan for the Reserve Cadre Personnel for Key Positions 1. In 2024, a complete talent pool and the criteria for reserve cadres of each center will be developed. 2. Plan and execute reserve cadre training in 2025.	<ul style="list-style-type: none"> Promotion processes for managerial-level and above personnel for fiscal year 114 were completed in the second quarter of 2025. Management training programs for 2025 were conducted in the fourth quarter. 	—
	Medium-term (By the end of 2028)	Optimize Remuneration Competitiveness 1. Implement a long-term reward plan (new plan for 2026). 2. Establish a short-term bonus system (non-dividend, 2027). 3. Establish a long-term reward system (2028).	<ul style="list-style-type: none"> Annual salary adjustments and promotions were completed in the second quarter of 2025, along with the distribution of employee compensation for the 2024 fiscal year. In the third quarter of 2025, the second-year vesting conditions for restricted stock awards and the first-year vesting conditions for retention bonuses were fulfilled. Discussions on subsequent long-term incentive mechanisms were initiated in the fourth quarter of 2025. 	—
	Long-term (By the end of	Continue to Promote Sustainable Human Rights Risk Assessment	The related plans will be implemented as scheduled.	Considering the emphasis placed by international

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	2033)	<ol style="list-style-type: none"> 1. In 2026, conduct human rights due diligence (HQ employees and key suppliers) once every 3 years. 2. Expand the scope of human rights due diligence by 2032. (Including employees of subsidiaries) 		evaluation institutions on human rights issues, the feasibility of fully disclosing human rights investigation-related operations and reports will be evaluated in the future.
Governance	Short-term (by the end of 2025)	Maintenance of Taiwan Intellectual Property Management System Continue to maintain TIPS A-level certification within the scope of the existing introduction organization.	<ul style="list-style-type: none"> ● To maintain the validity of the Taiwan Intellectual Property Management System (TIPS) Grade A certification, relevant requirements continued to be implemented in 2025. ● Reapplication for TIPS (A) certification was completed in the third quarter of 2025 and approved in the fourth quarter, with the new certificate expected to be issued between February and March 2026. 	Going forward, the validity of the Grade A TIPS certification will be continuously maintained. In response to changes in the Company's operational policies and TIPS certification applications, the feasibility of adjusting the certification scope or the range of implementation will be assessed.
		Build Sustainability and Resilience of the Supply Chain <ol style="list-style-type: none"> 1. In 2024, suppliers accounting for 87% of the total procurement amount were the main targets for assessment; the audit ratio is expected to reach 100% in 2024. 2. Implement the supplier code of conduct: This will be used to govern the conduct of suppliers; suppliers will be required to sign the Declaration of Compliance. 	<ul style="list-style-type: none"> ● Audits of seven major suppliers* have been completed. ● Existing suppliers have been required to sign declarations of compliance with the Supplier Code of Conduct. ● ESG self-assessment questionnaires were conducted to evaluate suppliers' ESG performance. ● ESG newsletters were issued and distributed to suppliers in July and 	<ul style="list-style-type: none"> ● To align with the current status of the supplier integration policy, the audit subjects have been adjusted to those suppliers whose procurement amount accounted for over 85% in the previous

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	2028)	The “2022 corporate governance rating” has been moved up to 6%-20% (ahead of schedule). In 2024, we will aim to maintain the 2023 corporate governance rating at 6%-20% and move up to the top 5% of the corporate governance rating by 2028.	Evaluation, maintaining its position among the top 5% of all listed companies.	<p>adjustments, the objectives for points one and two are described as follows:</p> <p>(1) Ensure that the proportion of directors of a single gender reaches one-third of the total board seats;</p> <p>(2) Establish an independent and comprehensive risk identification and management mechanism, integrating the management processes of sustainability-related risks and opportunities into the Company’s overall management processes, thereby broadening management decision-making perspectives, enhancing risk management quality, and ensuring the sustainable and sound operation of the business;</p> <p>(3) Continue to disclose the Company’s annual tax governance status on the</p>

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	Long-term (By the end of 2033)			corporate website.
		Implement Remuneration Transparency for Senior Managers Voluntary disclosure of individual remuneration to the President and Vice Presidents.	The related plans will proceed as scheduled.	—
		Evaluate and Introduce External Verification of Ethical Corporate Management/Anti-bribery Related Management Systems Evaluate and introduce ISO 37001 certification.	● ISO 37001 certification renewal was originally planned for 2025; however, based on external consultant recommendations, implementation has been deferred, with preliminary preparation expected to commence in early 2026.	—
		Incorporate ESG Performance as a Criterion for Business Selection 1. Plan to progressively incorporate suppliers' ESG performance as a criterion for supplier selection beginning in 2026. 2. Comprehensive implementation is expected to be completed by 2033.	The related plans will proceed as scheduled.	—
		Evaluate and Implement the ISO 20400 Sustainable Procurement Guidelines 1. Providing sustainable procurement training resources for purchasing staff. 2. Evaluate the introduction of ISO 20400 and obtain third-party verification.	The related plans will proceed as scheduled.	Although this item is established as a long-term goal, the development of procurement colleagues' competencies will be prioritized for implementation.
Sustainable Products	Short-term (by the end of 2025)	Promote and Optimize Sustainable Product Development and Design Planning 1. Printing area of brown boxes to be	1. Group manufacturing partners have completed the adoption of low-ink printing for brown box packaging.	We will continuously confirm the latest application trends of

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		<p>reduced by 50%.</p> <p>2. Packaging materials are switched from plastic-restricted to plastic-free.</p> <p>3. Introduce FSC-certified (Forest Stewardship Council) materials.</p> <p>4. Continue to introduce PCR (post-consumer recycled) plastics to new consumer products.</p>	<p>2. Eight product models have adopted plastic-free packaging by eliminating plastic bags : AE65U 、 M36 、 R36 、 DAP-X3060OU 、 DES-1005C 、 DES-1008C 、 CF-03 、 PM-01M-US.</p> <p>3. Supplier Cameo has progressively introduced FSC-certified paper materials for new product color boxes, brown boxes, and cartons. Such FSC-certified materials have been applied to the brown box packaging of a total of seven product models, including DGS-1210-10TS, DGS-1210-10XS/ME, DMS-1250-10S, DGS-1210-28, DGS-1210-52, DMS-1016, and DMS-1024.</p> <p>4. Due to the high annual fees associated with FSC certification, the packaging policy was adjusted to replace coated paper with eco-friendly woodfree paper containing 20% environmentally friendly content. Starting from June 17, 2025, all newly placed QIG orders have simultaneously adopted the use of eco-friendly woodfree paper, while cases that have already adopted FSC-certified materials remain unchanged.</p> <p>5. The AQUILA PRO AI product series continues to incorporate 30% post-consumer recycled (PCR) plastic.</p>	<p>sustainable and recycled materials through various channels, such as customer surveys and external evaluation criteria, while carefully assessing the feasibility and benefits of incorporating relevant materials.</p>
		Shaping D-Link's Sustainable Product Features	<ul style="list-style-type: none"> More than four product press releases issued between Q2 and Q4 of 2025 	In 2026, we plan to continue focusing on

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		Collaborate with the product center to thoroughly understand the ESG implications of the products and translate them into marketing materials.	<ul style="list-style-type: none"> highlighted D-Link's sustainable design initiatives. The M95 product received the Taiwan Excellence Award in 2025. 	promoting green design and sustainable materials in our products.
	Medium-term (By the end of 2028)	<p>Sustainable Performance is Enhanced in Product Design</p> <ol style="list-style-type: none"> The "Smart Fan" function is designed to optimize product power consumption and reduce noise compared to conventional fans. Discuss providing a radio scheduling function for wireless products, allowing users to choose to turn off the radio at a specific time (midnight) to reduce energy consumption. 	<ul style="list-style-type: none"> The "Smart Fan" function has been implemented in at least ten product models : DGS-1018P, DGS-1026P, DMS-1024, DMS-1250-12, DMS-1250-18, DMS-1250-18P, DMS-1250-28, DMS-1250-28P, DXS-1250-28YP, DXS-3130-28. AI-powered energy-saving functions have been introduced starting with Wi-Fi 7 routers, with four models completed : M95 、 R95 、 M36 、 R36. 	—
		<p>Discuss a Product Recycling Plan</p> <p>Disclose information on regional product recycling channels on the official website.</p>	<ul style="list-style-type: none"> Following internal assessment, it was determined that the primary factors affecting product recycling rates were a lack of incentives and potential implementation barriers, rather than issues that could be resolved solely by providing recycling information. Accordingly, the planned measures were adjusted to focus on trade-in promotional campaigns. The Company planned to enhance the recycling rate of end-of-life products through marketing campaigns, in conjunction with existing partner recyclers to ensure proper classification and disposal, thereby advancing its 	<ul style="list-style-type: none"> Based on the current planning and actual implementation measures, the goal description will be adjusted to "Provide appropriate channels, measures, or marketing activities to enhance the recycling rate of discarded products." Following the trial results, we will further assess the feasibility of

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			<p>circular economy objectives. The related trade-in promotional campaign was first piloted in the Taiwan market starting in October 2024. By the end of the campaign period in late November, a total of 16 old units were collected, and 6 new units were sold, with the remaining cases attributed to customers who exceeded the promotional period without completing a replacement purchase.</p> <ul style="list-style-type: none"> ● A trade-in promotional campaign is scheduled to be conducted from December 13 to December 31, 2025. 	expanding to other markets and develop a concrete implementation plan.
		<p>Strive for International Awards for Sustainable Products</p> <p>Focus on AQUILA PRO AI series products and strive for awards such as Green Good Design, SEAL Awards, Green Product Award, A'Design Award: New Sustainable Product Award, and other awards.</p>	Due to budget and resource adjustments in 2025, this initiative will not be implemented at this stage.	—
	Long-term (By the end of 2033)	<p>Continue to Strengthen the Influence of D-Link Sustainable Products</p> <p>Systematically introduce the international award retention process to expand the promotion of D-Link's sustainable products and corporate philosophy.</p>	Promotion will continue through press releases and owned media channels.	—