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Responding to Sustainability Issues

- Business Performance
- Risk Management
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Major Stakeholders

- Customers/Clients
- Suppliers/Business Partners
- Employees
- Investors/Shareholders
- Media
- Government/Regulatory Authorities

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

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2.1.1 Management Approaches for Material Topics

Material Topics	Significance for D-Link	Impacts on Value Chain*			Response Policies and Measures	Management Actions
		Suppliers/ Business Partners	D-Link/ Subsidiary	Customers/ Clients		
Business Performance	Pursuing business and financial performance and achieving profitability is the foundation of the Company's sound operation. The economic value generated from the Company's activities will directly impact shareholders' rights, investment scale, growth rate, and social contributions.	○	●	-	- Continue to collaborate with group ODMs, appropriately introduce supply chains from other regions to reduce costs, create product and service features, and build diversified product sources. - Reduce the total inventory through the risk mitigation measures, and in the future, the Company will formulate separate action plans for inventory with longer inventory ages.	- Regularly hold business review meetings, track business performance, fully grasp the operating status and monitor the progress. - The Board of Directors Meetings are held every quarter to ensure the forward-looking and feasibility of business strategies.
Risk Management	Risk management is not only the cornerstone of corporate sustainability, but also the core resilience driving steady growth. In response to emerging risks such as environmental, social, and geopolitical factors, D-Link is committed to establishing a proactive identification mechanism. By deploying response strategies early, we not only effectively mitigate impacts, but also demonstrate exceptional operational stability amidst changing environments, thereby reinforcing brand reputation and investor trust.	○	●	○	Establish an independent and comprehensive risk identification and management mechanism, integrating the management process of sustainability-related risks and opportunities into the company's overall management framework. This expands the management's decision-making perspective, enhances risk management quality, and ensures the sustainable and sound operation of the enterprise.	- Highest Leadership and Oversight: Established a "Risk Management Task Force" chaired by the General Manager to coordinate the company-wide risk control policy. - Routine Management: Held quarterly Risk Management Task Force meetings to plan, execute, and dynamically monitor Key Risk Indicators (KRIs). - Governance-Level Reporting: Fulfilled the oversight responsibilities of the Board of Directors by reporting risk management execution and optimization outcomes to the Audit Committee and the Board of Directors at least once a year, ensuring the governance level remains apprised of key risk dynamics.
Ethical Management	A good ethical management is the foundation of sustainable business operation. Relevant risk events may affect operational stability and corporate reputation and may result in financial losses.	○	●	○	A culture of ethical management and legal compliance is built to ensure the long-term interests of all stakeholders.	We have established the “Code of Conduct,” “Ethical Corporate Management Best-Practice Principles,” and “Implementation Measures for the Whistleblowing System” among other internal regulations and systems, to uphold and continue to promote a high-standard business ethics culture.

※ ●Direct impact; ○Indirect impact

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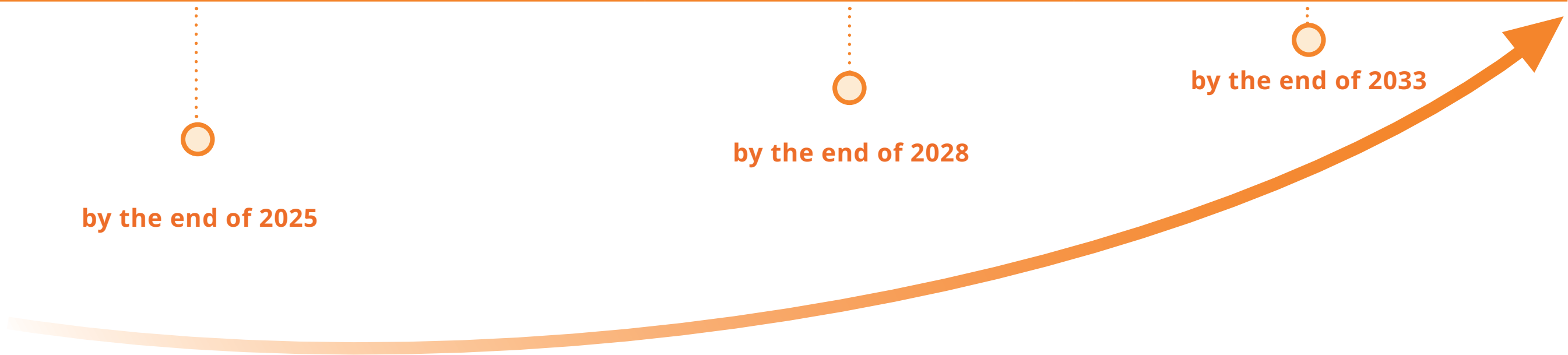
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2.1.2 Short / Medium / Long-term Goals

Material Topics	Short-term	Medium-term	Long-term
Business Performance	- Continue to cooperate with high-quality ODMs within the conglomerate group and flexibly leverage the advantages of Mainland China's supply chain to diversify production and procurement layouts in response to geopolitical and macroeconomic changes, to establish a controllable supply chain system with close relationships to reduce manufacturing and procurement costs, ensure supply stability, and enhance product competitiveness and operational flexibility. - Systematically reshape D-Link's brand image and enhance brand value from three aspects: specifications and prices, functional performance, and corporate identity, while continually optimizing brand positioning and communication strategies to boost market recognition and added value based on our long-term brand foundation and market trust. - Deepen solution-oriented product layout: In addition to continued investment in industrial M2M solutions and 4G/5G connectivity solutions, while further integrating peripheral products to develop integrated AI solutions, strengthening product line completeness and application depth to expand the target market and meet market demand for total solutions.	Achieve by the end of 2033: - Promote AI and cloud-oriented product and service upgrades: Continuously achieve management and provisioning minification of networking products with AI and cloud computing as the main pillar, improving usage efficiency and user experience to help customers reduce deployment and operational costs. - Continuously utilize the synergy of resources such as R&D, manufacturing, and supply chain within the Group to accelerate collaborative development and create the one-stop product and solution services covering design, manufacturing, and support for customers. - Deepen carrier partnerships and expand localized market footprint: Continuously strengthen partnerships with Tier 2 and Tier 3 carriers to win long-term contracts with localized services and flexible solution designs, steadily expanding operational scale and growth momentum across regional markets.	
Risk Management	- Link risks with strategies, and identify, analyze, and measure D-Link's potential risk events regarding sustainability-related risks and opportunities. - Formulate and regularly review risk management policies and procedures to ensure the effectiveness of risk response measures; hold risk management training sessions for the Chairman, CEO, and responsible risk managers to keep abreast of the latest regulations and emerging risk trends. - Hold quarterly risk management meetings to track changes in Key Risk Indicators (KRIs) and improvement progress; report operational status to the Board of Directors at least once a year to fulfill the Board's oversight responsibilities.	Implement specific improvement plans for identified material risks through dynamic risk matrix analysis, effectively reducing residual risks to an acceptable level; enhance detection capabilities for potential risk events to ensure emergency response procedures are initiated immediately upon occurrence, minimizing operational losses.	A comprehensive and well-rounded risk management framework embeds risk management throughout D-Link's strategy, operations, and management, shaping D-Link's risk management culture to steadily advance toward sustainable operations.
Ethical Management	No ethical management violations, and the status is maintained constantly.	The comprehensive education and training of the "Ethical Corporate Management Best-Practice Principles" is provided for all employees. The overall training completion rate is above 95% and continues to improve.	Internalize the concept of integrity management into the DNA of all employees and the company, so that the "Ethical Corporate Management Best-Practice Principles" has been highly recognized by the stakeholders and become the highest standard. The introduction of the ISO 37001 certification for ethical management/anti-bribery-related management systems is assessed.



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2.1.3 Achievement Status of Management Goals for 2025

Material Topics	Goals in 2025	Management Performance	Achievement Status
Business Performance	- Optimize supply chain layout and cost structure: Continue to cooperate with high-quality ODMs within the conglomerate group and flexibly leverage the advantages of Mainland China's supply chain to diversify production and procurement layouts in response to geopolitical and macroeconomic changes, establishing a controllable supply chain system with close relationships to reduce manufacturing and procurement costs, ensure supply stability, manage risks, and further enhance product competitiveness and operational flexibility. - Systematically reshape brand value and market positioning: Constantly reshape D-Link's brand image and enhance brand value from three aspects: specifications and price strategies, functional performance differentiation, and corporate identity and brand communication. Relying on our long-term brand foundation and market trust, we continually optimize brand positioning and communication strategies to extend brand value, boosting market recognition and overall added value. - Deepen solution-oriented product layout: Invest in the development of M2M solutions for industrial use and 4G/5G solutions to expand the target market, while further integrating peripheral products to develop integrated AI solutions, strengthening product line completeness and application depth to meet market demand for total solutions.	- In 2025, the global consolidated revenue was NT\$13.4 billion, with a gross margin of 25%, an increase of 1% from the previous year. - For the M2M industry application, devices that support multi-network connections were launched, adapting to the D-ECS cloud management, and widely used in transportation and urban facilities. - The industrial spec switch series provide multi-level options for management, and are suitable for a wide range of applications by integrating with 4G/5G devices.	
Risk Management	- Link risks with strategy: Identify, analyze, and evaluate potential risk events at D-Link by integrating sustainability-related risks and opportunities into corporate strategy. - Formulate and regularly review risk management policies and procedures to ensure the effectiveness of risk response measures. - Conduct risk management training sessions for the Chairman, CEO, and responsible risk managers to keep abreast of the latest regulations and emerging risk trends. - Hold quarterly risk management meetings to track changes in Key Risk Indicators (KRIs) and improvement progress; report operational status to the Board of Directors at least once a year to fulfill the Board's oversight responsibilities.	- Meetings were held on March 17, June 30, September 22, and October 27, 2025, to plan, execute, and oversee quarterly risk management operations. - Reported the execution status of the 2025 Risk Management Action Plans to the Board of Directors on November 12, 2025, managing risk items through Key Risk Indicators (KRIs); and reported the results of the 2026 Corporate Key Risk Assessment to the Board of Directors on March 10, 2026.	
Ethical Management	Established a complete whistleblowing system for any cases violating ethical management.	- Present the fully established whistleblowing system in detail on the relevant pages of the Company's website. - Whistleblower reports: 0 cases - Insider trading and similar matters: 0 - Employee corruption and illegal behavior: 0 - Internal complaints: 0 - Penalties for violating regulations related to information and labeling of products/services: 0 - Penalties for violating regulations related to the health and safety of products/services: 0 - Penalties for violating regulations related to marketing and publicity activities: 0 - Penalties for violating regulations related to environmental protection: 0 - Penalties for violating regulations related to social aspects, such as human and labor rights: 0 - Penalties for violating regulations related to economic aspects, such as fair trading, anti-competition practices, and significant cyber security: 0	

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2.1.4 Responsible Unit

- Corporate Auditor's Office
- Supply Chain Management Center
- Corporate Finance & Administrative Occupational Safety Center

2.1.5 Management Mechanism

- 1. Ethical Corporate Management Best Practice Principles
- 2. Implementation Measures for the Whistleblowing System
- 3. Group Tax Policy and Management Regulation
- 4. Related Party Transaction Regulations

2.1.6 Communication Channel

Relevant Appeal	• https://company.dlink.com/en/contact-us/ • Online message: https://www.dlink.com/en/contact-d-link
Investor Relations	• Dedicated Line: 886-2-6600-0123 Ext. 6438 • Dedicated E-mail: ir@dlinkcorp.com
Anti-Corruption Reporting	• Whistleblowing E-mail: SRC@dlinkcorp.com • Whistleblowing Box: No. 289, Xinhua 3rd Rd., Neihu Dist., Taipei City 114 (To Audit Committee)
Suppliers	• Dedicated E-mail: supplychain@dlinkcorp.com



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2.2 Sustainable Governance

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

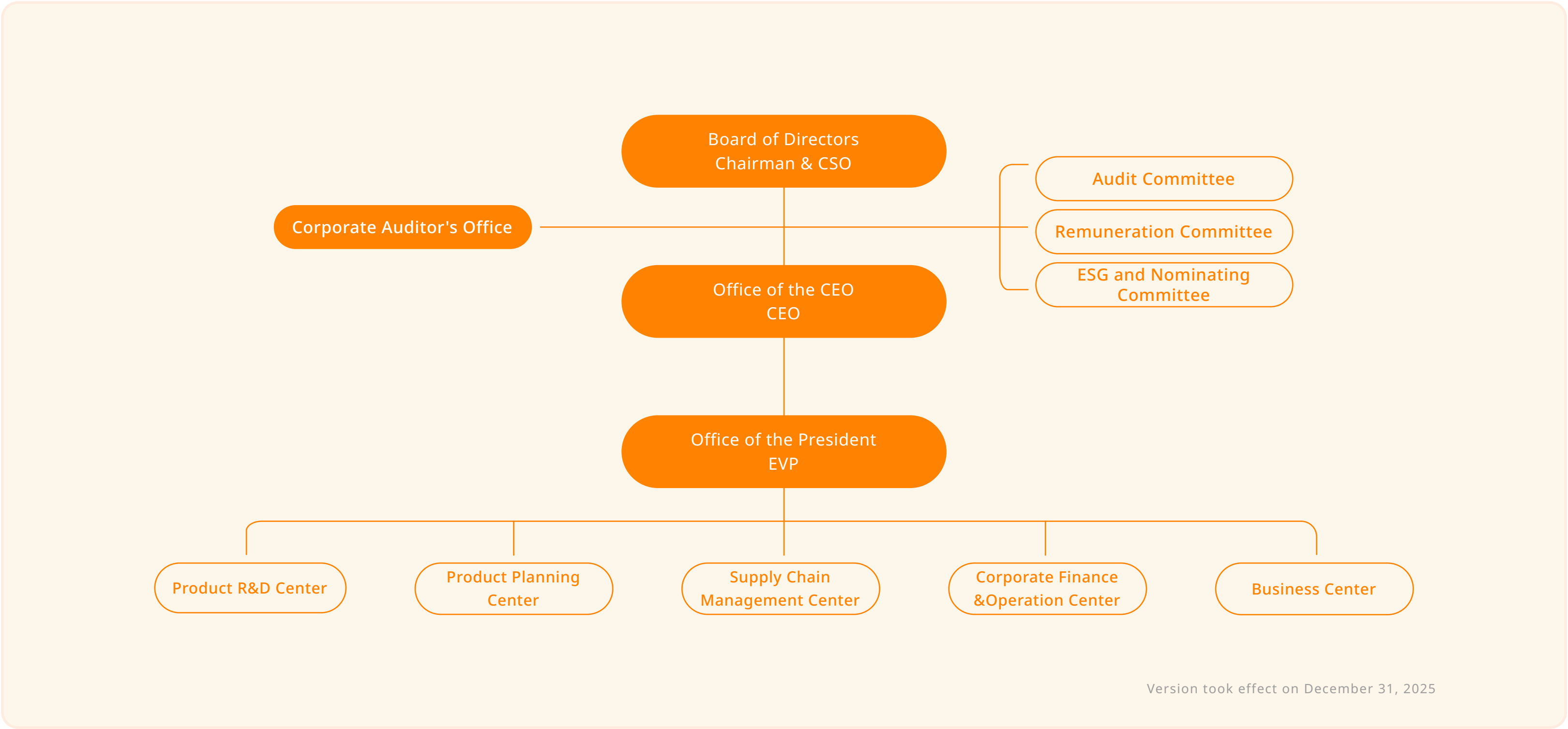
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2.2.1 Organization Structure

In order to maintain its leading brand position in the networking equipment industry, D-Link has set up 5 centers to comprehensively manage the Company's operations, and an ESG Office, which is responsible for affairs related to the Company's sustainable development. At the same time, through close communication between organizations, D-Link has built cross-cultural and cross-regional consensus with global operating bases.

● D-Link Organization Structure



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2.2.2 Board of Directors

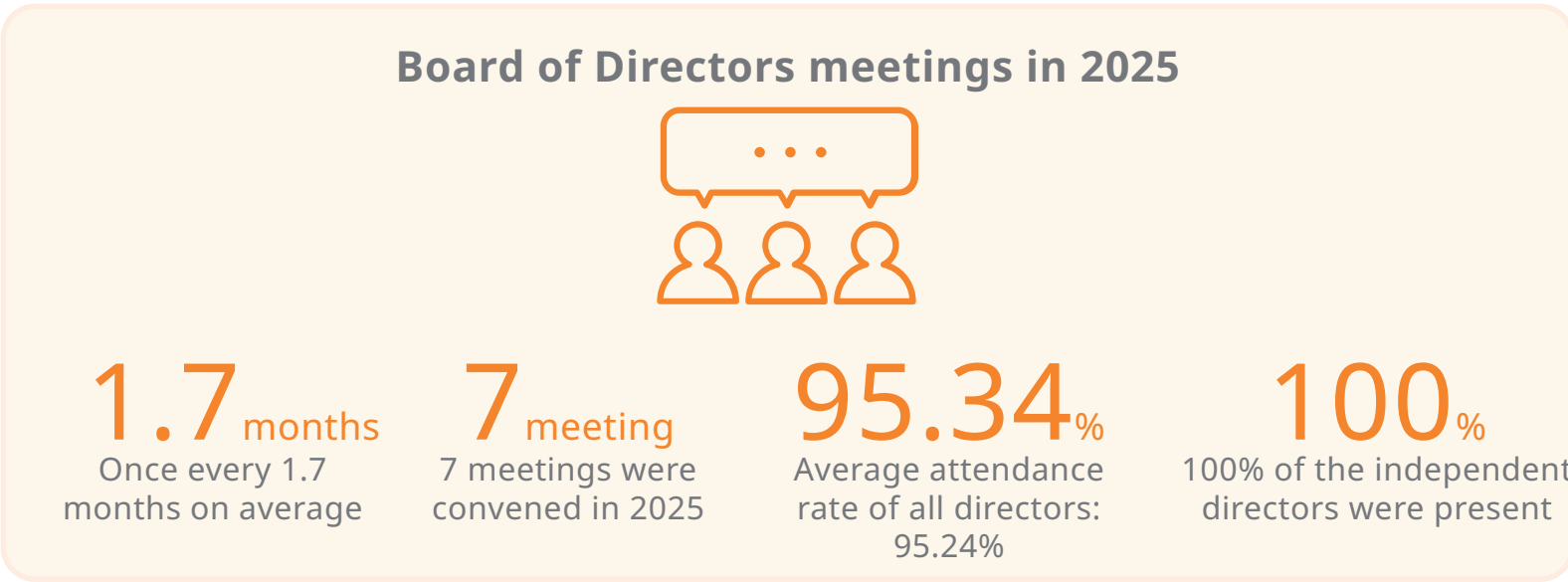
GRI 2-9, 2-10, 2-11, 2-16, 405-1

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

Operation of Board of Directors

The Board of Directors shall convene at least one meeting for each quarter to review the Company's operational performance, and discuss important ESG strategic issues and key events²⁰, including economic, environmental, and social impacts, risks, and opportunities. The responsible units for subsequent handling are determined at the meetings, and the handling situation is tracked and reported in the next meeting.

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



²⁰ Complaint or whistleblowing case substantiated for violations
²¹ For independent directors' professional qualifications and experience, please refer to P.11 of the Company's 2025 Annual Report.

Composition of the Board of Directors

According to Article 17 of the Articles of Incorporation, D-Link has stipulated that the Board of Directors shall be composed of 7 to 9 directors, who shall serve for 3 years per term. The directors shall be nominated and elected, and the Shareholders' Meeting shall appoint competent persons as directors. (Please refer to P.16 of the Company's 2025 Annual Report). The 13th Board of Directors consists of 9 directors (including 3 independent directors), with Mr. Victor Kuo as the Chairman, and the term of office is from May 31, 2023 to May 30, 2026. The Board of Directors shall be convened once every quarter. In 2025, 7 Board of Directors meetings were held, and the average attendance rate of directors was 95.24%.

In addition, in accordance with Article 20 of the " Corporate Governance Best Practice Principles ", the diversity policy of board members is stipulated. D-Link currently has 9 directors, among whom 11.1% are directors with employee status, and 33.3% are independent directors²¹, achieving the specific management objective of not more than 1/3 of the board seats for directors concurrently serving as managers of the Company. All directors of the Company have rich experience in operation management and leadership decision-making, as well as industry expertise, and have professional backgrounds and expertise in accounting, financial analysis, and law, and can give professional advice to the Company from different perspectives.

Since the beginning of 2022, Mr. Victor Kuo, the Chairman, has concurrently served as the Chief Strategy Officer. The consideration for this arrangement is that the Board of Directors exercises rights and interests on behalf of shareholders in accordance with the law, oversees the formulation of the Company's strategy, and is composed of internal and external directors; the Chief Strategy Officer is responsible for the strategic layout of strategic planning products, technologies, or investments, which are closely related to the Company's medium to long-term development direction. Therefore, the Chairman's concurrently holding the position of Chief Strategy Officer will be convenient to share important information as an internal director, effectively communicate with the Board of Directors, and accept supervision. There are no conflicts of interest.

Governance Structure

D-Link values the diversity of the Board of Directors, so it has set a specific goal for board diversity: after the director's terms expired in 2023, the Board was re-elected and already includes one female Director.

The Composition of the Board of Directors

2025		Age/Gender of Board Members				Percentage
		Under 30 years old	30 - 50	Over 50 years old	Subtotal	
Gender	Female	0	0	1	1	11.1%
	Male	0	2	6	8	88.9%
Subtotal		0	2	7	9	100%
Percentage		0%	22.2%	77.8%	100%	

Note: For the list of the members of the 13th Board of Directors, please refer to P.16 of the Company's 2025 Annual Report.

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2.2.3 Functional Committees

GRI 2-9, 2-20

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

	Committees	Convener	Committee member	Content	Meeting
	Audit Committee	Richard Chen, Independent Director	Richard Lee, Independent Director Chun-Hsiung Chu, Independent Director	Composed of all independent directors, and is responsible for assisting the Board of Directors in supervising the Company's implementation of accounting, financial reporting processes, audit quality and integrity, and operating mechanisms related to risk management, so as to improve the effectiveness of corporate governance, and communicating with CPA and auditors on major issues related to the Company's financial and business conditions, so as to ensure the compliance of the Company's operations with relevant government laws and practices.	7 meetings were convened in 2025 with 100% attendance.
	Remuneration Committee	Richard Lee, Independent Director	Richard Chen, Independent Director Chun-Hsiung Chu, Independent Director	Composed of all independent directors. Responsible for stipulating and regularly reviewing the remuneration policies, systems, standards and structures, and performance of directors and managers.	6 meetings were convened in 2025 with 100% attendance.
	ESG and Nominating Committee	Chun-Hsiung Chu, Independent Director	Richard Lee, Independent Director Richard Chen, Independent Director Victor Kuo, Chairman	Composed of 3 independent directors and the Chairman. It is responsible for evaluating director candidates, supervising and directing the performance evaluation results of the Board of Directors and functional committees, and assisting the Board of Directors to continue promoting corporate social responsibilities and improve corporate governance, in order to implement sustainable management.	3 meetings were convened in 2025 with 100% attendance.

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

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2.2.4 Performance Evaluation and Remuneration for the Governance Body

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

Directors’ Remuneration System

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

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

The Remuneration Committee and the Board of Directors shall review the performance evaluation and rationality of remuneration, and also review the remuneration at times based on the operation of the Company and relevant laws and regulations. No retirement benefit is provided to directors, and there is no mechanism for claiming back remuneration²². However, the Company may devise a remuneration deferral mechanism, depending on the situation, after being reviewed by the Remuneration Committee and resolved by the Board of Directors in response to future risks.

Performance Evaluation for Board of Directors

To implement corporate governance and enhance the functions of the Board of Directors, D-Link revised the " Rules for Performance Evaluation of Board of Directors " on August 13, 2025, stipulating that the Board of Directors should conduct internal performance evaluations at least once a year for the Board of Directors, its members, and functional committees, and external evaluations should be conducted at least once every 3 years by an independent external institution or a team of external experts and scholars. The results should be disclosed on the Company's website and the Annual Report.

I. External Performance Evaluation for Board of Directors

In June 2025, DALEE Finance Consulting Co., Ltd.²³ was appointed to conduct an external evaluation for the performance of the Board of Directors. The consulting firm issued an evaluation report on August 15, 2025, and the overall evaluation results were submitted to the Board of Directors meeting for review and improvement on November 12, 2025. It is expected to conduct an external evaluation of the Board of Directors' performance again in 2028.

²² There is neither a relevant mechanism for senior management.

²³ An independent professional firm providing services for evaluating Taiwan's professional corporate governance system and the performance evaluation of the Board of Directors.

II. Internal Performance Evaluation for Board of Directors

The performance evaluation method for the Board of Directors is internal self-evaluation of the Board of Directors and self-evaluation of board members. The evaluation process is conducted through internal questionnaires. The 2025 performance evaluation for the Board of Directors is reported on the Board of Directors meeting on March 10, 2026, and improvement measures are proposed, and the results are used as reference for Directors' remuneration and renewal. On a 5-point scale, the overall average score of the performance assessment of the Board of Directors is 4.89 points, and the overall average score of the performance evaluation of individual board members is 4.86 points, showing that the board is functioning well. In addition to regulatory requirements, D-Link proactively conducted the performance assessments of the Audit Committee, the Remuneration Committee and the ESG and Nominating Committee have been conducted, and the evaluation results all reached above 4.75 points, indicating that the functions and operational efficiency of the Company's functional committees are good.

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

Note: For more information, please refer to the "Board Performance Evaluation" section on our official website.

Continuing Education for Directors

In order to enhance the competences of board members, in accordance with D-Link's “Corporate Governance Best Practice Principles,” diverse external courses are arranged every year to help to enhance their professional capabilities. In 2025, D-Link Directors had 66 hours of continuing education, including engaging corporate governance and information security experts to the Company on April 15, 2025 to hold the continuing education sessions of “Group Governance and Performance Management Practice: A Financial Perspective” and “Future-Thinking Oriented Strategic Planning” to help directors understand the Company's corporate governance regulations and information security risks that cannot be avoided in business operations, and the countermeasures thereof. For detailed training information, please refer to the Company's “2025 Annual Report” P.48.

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2.2.5 High-level Compensation Linked to Sustainable Business Performance

GRI 2-19

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

● Composition of managerial officers’ remunerations

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

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

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

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

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

● Chief Strategy Officer’s Performance Objectives in 2025

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

● Chief Executive Officer’s Performance Objectives in 2025

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

● Senior Executives ESG Performance Indicators in 2025

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

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2.2.6 Corporate Governance Performance

D-Link is committed to continuously improving its corporate governance mechanisms to ensure the sound development. In the latest 11th Corporate Governance Evaluation, D-Link achieved a score of 106.13 points (published in April 2026), maintaining its position in the top 5% among mid-cap listed companies.

Furthermore, D-Link actively engages in domestic and international ESG-related assessments and ratings, such as the Corporate Governance Evaluation, TIP Taiwan Sustainability Index, EcoVadis, and S&P Global. These assessments provide in-depth analysis of the criteria and indicators, serving as a reference to enhance sustainability strategic goals. In the latest results, D-Link achieved 106.13 points in the Corporate Governance Evaluation, an AAA rating in the TIP Taiwan Sustainability Index, and a Bronze Medal from EcoVadis. Additionally, D-Link ranked in the top 5% percentile in the S&P Global CSA, with its "Tax Strategy" criterion and core indicators related to "Climate Governance and TCFD Disclosure" achieving full marks for two consecutive years, showcasing the Company's commitment to sustainable practices.

● Domestic and International Evaluation Results



Top 5% among mid-cap listed companies.



Awarded the highest AAA rating, highlighting sustainability operational results and governance capabilities



Newly awarded Bronze rating, strengthening global brand competitiveness



Continuously selected for the Sustainability Yearbook, demonstrating international-level sustainability governance standards

Note: The performance figures in this report are based on FY2025 in principle; certain ratings (e.g., April 2026 Corporate Governance Evaluation: 106.13 points, March 2026 EcoVadis Bronze Medal) reflect the latest published results prior to publication.

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2.3 Transparency in Information Disclosure

GRI 2-15, 2-23

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

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

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2.3.1 Safeguarding Shareholders' Equity

The primary principle of improving the corporate governance mechanism is to protect the rights and interests of shareholders and treat all shareholders fairly. In addition to maintaining close contact with major shareholders, D-Link still spares no effort in safeguarding the rights and interests of other shareholders. Please refer to the Company's 2025 Annual Report for the list of Top 10 shareholders (P.102).

Improving Transparency

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

- **Setting up an independent (IR) Investor Relations website:** Enhance the user experience and convenience of investors.
- **Improving English information disclosure:** The material information is announced simultaneously in Chinese and English on the MOPS and IR website, and through the MOPS and IR website, the Chinese and English versions of financial reports, quarterly reports, and annual reports are announced, and the Chinese and English versions of the sustainability reports are published on the official website, allowing stakeholders to obtain information in real time.
- **Improving the disclosure quality of non-financial information:** The Company regularly publishes the sustainability report to disclose non-financial information every year, and ensures the quality of disclosure through third-party verification and ISO audits. The Company also provides more immediate information on the Company's official website.
- **Regularly holding Investor Conference:** The Company was invited to attend two investor conferences in 2025.
- **Convening shareholders' meeting:** The Company held a general shareholders' meeting on May 27, 2025.

Enhancing ESG Information Disclosure

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

2.3.2 Internal Control System

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

In compliance with the legal requirements, the Company has incorporated the management of sustainability information into its internal control system and included sustainability information management as an audit item in the 2025 annual audit plan.

2.3.3 Preventing Insider Trading

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

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



2025 Insider trading and other matters: 0

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2.4 Ethical Management

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

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

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2.4.1 Ethical Management and Anti-Corruption

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

In order to ensure the implementation of ethical management and compliance with laws and regulations, D-Link regularly promotes the core value of ethical management, and has established internal rules and regulations such as the "Code of Conduct", "Ethical Corporate Management Best Practice Principles" and "Implementation Measures for the Whistleblowing System", and "Notes for Political Contributions". These clearly demonstrate D-Link's commitment to an ethical management policy. The Company requires that all activities of the Company and its subsidiaries comply with relevant laws and regulations and adhere to high standards of professional ethics. D-Link is committed to avoiding unfair competitive practices, opposing any form of bribery, and establishing appropriate management systems. Training courses such as intellectual property rights management and trade secret infringement prevention were conducted to enhance employees' awareness of integrity on business operations, and thereby strengthen corporate governance. D-Link reports to the Board of Directors its execution of ethical management once a year. The latest annual report was presented to the Board of Directors on November 12, 2025.

The training related to D-Link's ethical management is divided into the following 3 categories, and a total of over 290 training hours were implemented in 2025:

- **New Employee Orientation**
In the orientation, it promotes that each new employee must comply with the Company's principles of ethics and ethical code of conduct; the orientation is held every two months to ensure that every new employee understands that they must comply with the Company's "Ethical Corporate Management Best Practice Principles," "Ethical Code of Conduct" and related ethical management policies. Each of the 40 new employees in 2025 completed 0.5 hours of ethical education training, totaling 20 training hours.
- **External Training**
In 2025, 25 internal employees applied for external education and training on accounting systems and internal control systems, totaling 86.5 training hours.
- **Internal Training**
In October 2025, the Company conducted the "Ethical Corporate Management" promotional session to raise the employees' awareness. The course included the promotion of concepts such as ethical management, money laundering prevention, anti-corruption and insider trading prevention. 375 people participated in the course, with 187.5 training man-hours. The course attendance rate was 99.5%, and the average test score reached 99.5 points (the full score was 100 points).
In addition, in 2025, the Company used videos to promote ethical management, anti-corruption, prevention of insider trading and other issues to employees in the public area of the headquarters. 36 videos with different themes were screened, and the videos were played for more than 14,000 times and more than 560 hours.
All courses have been made online internally and become a part of the D-Link training system since 2022. Through orientations and external/internal education, trainings and campaigns, D-Link's policies and directions for the ethical management can be conveyed to the employees. D-Link continues to promote a high-standard business ethics culture and adhere to all relevant laws and regulations.

Anti-corruption risk assessment

D-Link continues to strengthen its anti-corruption risk management system and gradually include overseas locations in the systematic management to implement ethical management. For overseas subsidiaries, the Company assesses whether they have introduced anti-corruption policies and guidelines, the communication of the relevant contents and management commitment by the supervisors, and identifies potential risks based on the location of the operating site and the local integrity index²⁴. The results of the 2025 corruption risk assessment show that all operating locations are in mid to low-risk areas.

Operational Site Analysis for Corruption Risk Assessment

Corruption Related Risk Assessment	
Overseas subsidiaries with substantive sales activities	21
Those having signed the Group's anti-corruption management system	21
Percentage	100%

Note: The subsidiaries not signing, if due to the reduced operation scale, and terminated or to-be terminated businesses, have been included to these subject to the Group's continuous attention and management

In addition, the Company has communicated and distributed anti-corruption policies and norms through the directors' statement, employee education and training, and supplier procurement contracts. Upon the assessment, there was no significant risk of corruption in 2025.



2025
Incidents of employee corruption: 0
Internal grievances: 0

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

Year	Trainee	Number of People/ Branches	Communication / Awareness Conducted		Training Conducted	
			Number of People/ Branches	Percentage	Number of People/ Branches	Percentage
2023	Governance organization	9	9	100%	9	100%
	Employees	518	518	100%	517	99%
	Suppliers	34	34	100%	34	100%
2024	Governance organization	9	9	100%	9	100%
	Employees	460	460	100%	453	98%
	Suppliers	38	38	100%	38	100%
2025	Governance organization	9	9	100%	9	100%
	Employees	380	380	100%	375	98%
	Suppliers	35	35	100%	35	100%

Note: "Governance organization" means Board of Directors

²⁴ Corruption Perceptions Index, CPI

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2.4.2 Internal Audit

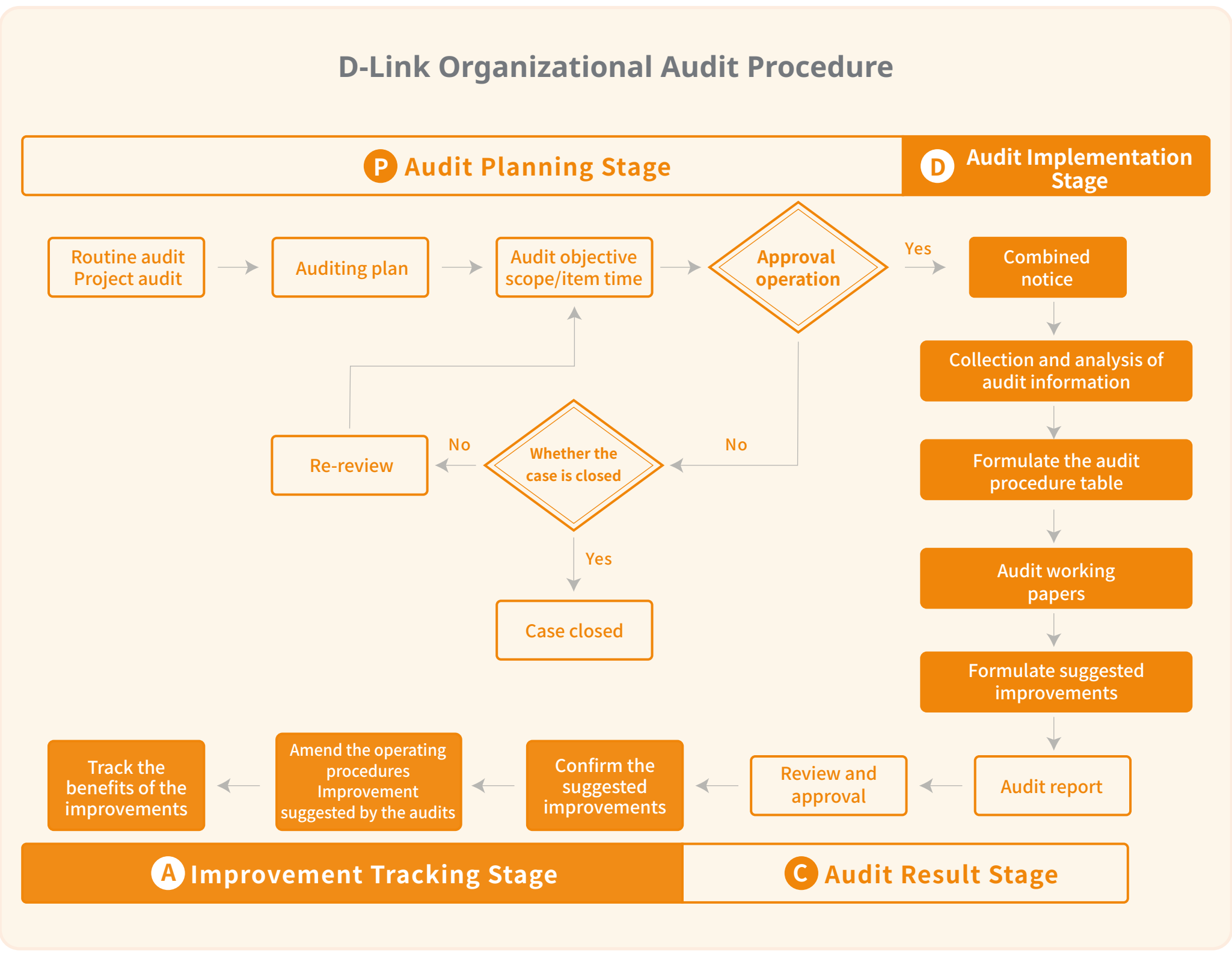
In order to strengthen the operations and management of the Company, D-Link has established an independent audit office under the Board of Directors. The appointment of the audit supervisor must be approved by the Board of Directors and one dedicated audit personnel has been additionally established.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

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

In 2025, in addition to implementing the annual audit plan as scheduled, to comply with regulatory requirements, the audit items included sustainable information management operations and intellectual property management operations, will be incorporated into the internal control system and annual audit plan, and the Audit Office continued to assist in supervising the management of information security risks.

Appointment and Dismissal of Internal Audit Personnel

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



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2.4.3 Whistleblowing System GRI 2-16, 2-26

D-Link established a whistleblowing mechanism in accordance with its Implementation Measures for the Whistleblowing System, and accepts and investigates reporting cases in accordance with standard operating procedures, in order to improve corporate governance and sustainable business operations. D-Link implements a confidentiality policy for whistleblowing, keeps the identity of the whistleblowers and the content of their reports confidential, and commits to protecting whistleblowers from any undue consequences resulting from their reports. The Company treats the reported cases substantiated via investigation as material cases and reports to the Board of Directors in accordance with the procedures. There were no material reported cases in 2025, so it was not necessary to report to the Board of Directors.

Scope of the Reporting Cases

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

Reporting Methods and Channels

- Reporting methods: Written or via email.
- Reporting channels: the Audit Committee.
 - Address: No. 289, Xinhua 3rd Rd., Neihu Dist., Taipei City 114
 - Email: SRC@dlinkcorp.com

Handling of the Reporting Cases

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

Protections for Whistleblower's Identity and Report Content

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

Protection of Whistleblower's Rights

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

Reward for the Whistleblower

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



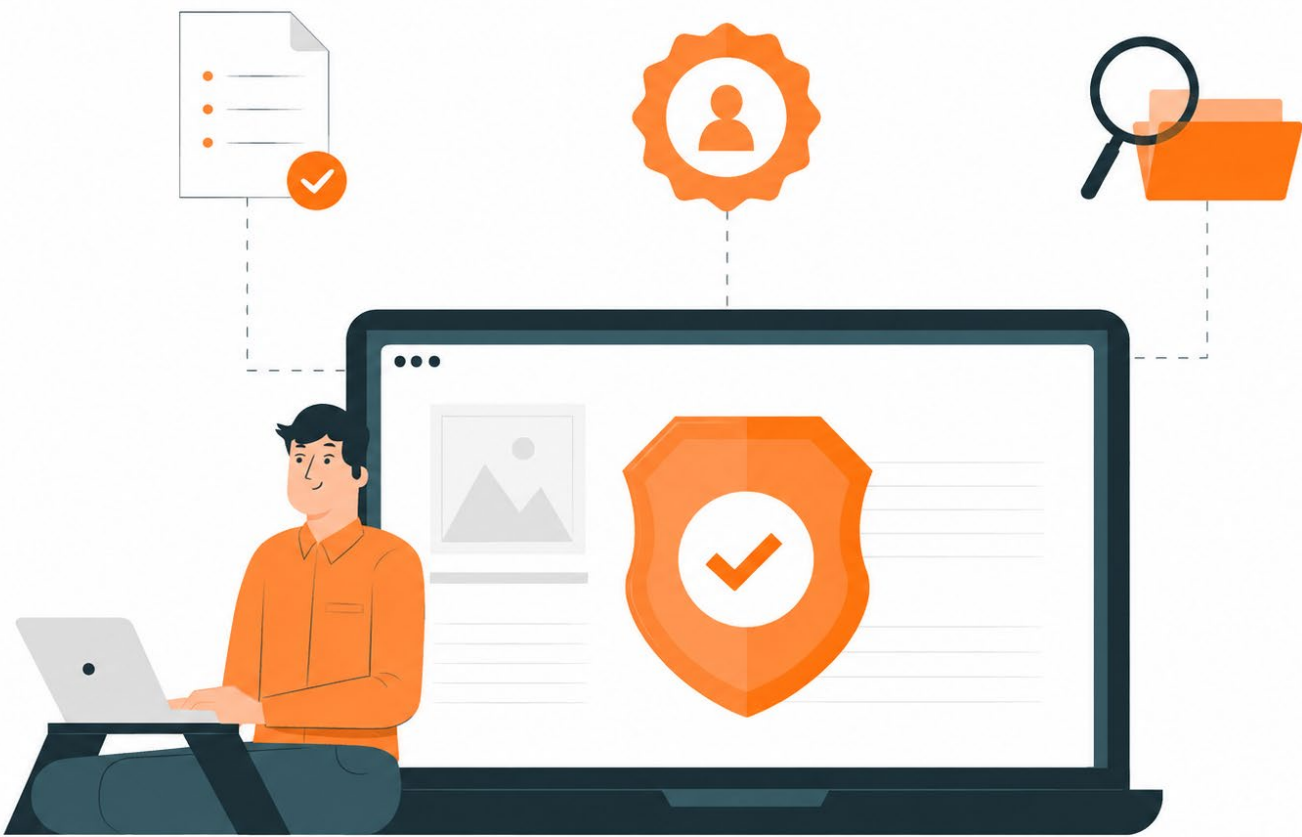
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2.4.4 Compliance with Law and Regulations

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

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

With operating and sales locations worldwide, the Company consistently adheres to various countries' telecommunications regulations, competition laws, anti-bribery laws, economic sanctions laws, and personal data protection regulations. It conducts regular tracking, identification, and implementation of all regulations and adjusts operational policies accordingly. Training on regulatory compliance is provided to unit supervisors and employees. In 2025, D-Link conducted regulatory compliance training courses, with a total of 1,436 participants, totaling 2,668.8 training hours.



2025 Compliance Education and Training Statistics

	Number of Participants	Training Hours
Personal Data Protection Act	350	1,038.0
Occupational Safety and Health Act	291	873.0
Sexual Harassment Prevention Act	369	490.8
Securities and Exchange Act	13	60.5
Money Laundering Control Act & Whistleblower Protection Act	413	206.5
Total	1,436	2,668.8

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

Regulatory Compliance Status in the Past 3 Years

	Material Non-compliance Incidents ²⁵		
	2023	2024	2025
Product / service information and labeling	None	None	None
Product / service health and safety	None	None	None
Marketing and publicity activities	None	None	None
Environmental protection	None	None	None
Social aspects, such as human rights and labor	None	None	None
Economic aspects, such as fair trading, anti-competitive practices, major cybersecurity ²⁶ , etc.	1	1	None

²⁵ Definition of Material Non-Compliance Incidents: Regarding material non-compliance incidents of ESG laws and regulations, the Company refers to the following items specified in Article 4 of the "Procedures for Verification and Disclosure of Material Information of Listed Companies" by the Taiwan Stock Exchange Corporation (TWSE):
(1) Cases ordered by relevant authorities to suspend work, suspend business, close down, or have pollution-related permits revoked or canceled.
(2) Cases where the cumulative administrative fine for a single incident reaches NT\$1,000,000 or above.

²⁶ Definition of Material Cybersecurity Incidents: Refers to cybersecurity incidents where the Company's core information systems, official website, or key information assets (such as confidential documents or data) suffer from intrusion, damage, tampering, deletion, encryption, theft, or Distributed Denial of Service (DDoS) attacks, resulting in actual unauthorized access, control, or data leakage, or causing system functional anomalies, service disruptions, or significant impacts on company operations. This excludes unsuccessful attack attempts, routine scanning activities, or events that do not cause a material impact on systems, data, or operations.

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2.5 Financial Performance and Tax Governance

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

2.5.1 Financial Performance

2.5.2 Tax Governance



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2.5.1 Financial Performance

GRI 201-1, 201-4

Looking back on 2025, the global political, economic, and technological environments experienced high volatility. Geopolitical conflicts continued to escalate, with the Russo-Ukrainian War ongoing, and the tariff policy adjustments under the new U.S. administration further disrupted global supply chains and market confidence, filling the overall economic environment and end-user demand with uncertainties. On the other hand, the rapid growth in demand for AI data center construction drove structural adjustments in the key electronic component and memory markets. The rising prices of related materials also presented challenges to the cost structure and supply stability of general home and commercial networking products.

Facing an operating environment intertwined with multiple external variables, the Company continued to respond to market changes with prudent and pragmatic strategies, maintaining operational resilience and core competitiveness through supply chain management and operational adjustments. Regarding performance across regional markets, the Pan-Asia Pacific region maintained a certain level of overall operations, supported by years of deep brand cultivation and customer base. The European market, in response to changes in the operating environment, underwent organizational and operational structure adjustments, with the results expected to manifest gradually in 2026. The Americas market continuously and actively sought product mix optimization and market breakthrough opportunities under the premise of maintaining profitability.

Looking ahead, the Company will continue to strengthen its operational core and regional strategic adjustments, prudently respond to global economic and industrial cycle changes, and adhere to sound management as the core to create long-term and sustainable value for shareholders.

Reviewing the financial performance for 2025, the global consolidated revenue was NTD 13.4 billion, a decline of 7% compared to 2024; the gross margin was 25%, a decrease of 1% compared to 26% in 2024. The operating loss in 2025 was NTD 338 million, the net loss attributable to the parent company was NTD 540 million, and the loss per share after tax was NTD 0.9.

In 2025, D-Link headquarters and its global subsidiaries received a total of approximately NTD 520,000 in government subsidies²⁷, including corporate employee childcare subsidies, occupational safety incentives, and employment-related subsidies.

● Distribution of economic value in 2025

		Amount
Direct economic value generated	Operating revenue	13,367
	Financial and other income	330
Economic value distributed	Operating costs	10,079
	Operating and other expenses	1,204
	Community investments (donations, etc.)	10
	Salaries and benefits of employees	2,527
	Interest paid	26
	Cash dividends paid	173
	Income tax paid (Taiwan)	14
	Income tax paid (Asia)	150
	Income tax paid (Europe)	41
Residual economic value		-

- Note:
1. The currency for this table is NT\$ million
 2. Residual economic value = direct economic value generated - economic value distributed; due to losses this year, there is no residual value.
 3. Operating and other expenses exclude employee salaries and benefits, interest expenses, and community investments, as these three items are disclosed separately.
 4. Community investments include voluntary donations and support to society.

● Financial Performance in the Past 3 Years

Items	2023	2024	2025
Operating Revenue	15,941	14,395	13,367
Gross Profit	3,844	3,704	3,288
Operating Expenses	3,718	3,904	3,626
Operating Profit (Loss)	126	(200)	(338)
Non-operating Income and Expenditure	735	562	147
Net Profit Before Tax	861	362	(191)
Net Profit after Tax	698	132	(406)
Net Profit of Parent Company	568	35	(540)
Gross Profit (GP%)	24.1%	25.7%	24.6%
Operating Expenses (OPEX%)	23.3%	27.1%	27.1%
Operating Profit (OPM%)	0.8%	(1.4%)	(2.5%)
Net Profit after Tax (NI%)	4.4%	0.9%	(3.0%)

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

²⁷ 2025 subsidized locations include headquarters and subsidiaries across the Americas and Asia.

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2.5.2 Tax Governance

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

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

D-Link has operating bases all over the world, and each operating base follows the tax laws and regulations of the country where it locates. Since unfavorable factors of regulatory changes will have an adverse impact on business performance, the Company regularly analyzes tax changes of the locations where its operating base are located, continuously evaluates local tax law regulations and recent supervision focuses of local tax authorities, to identify the tax risks arising from operations. The Corporate Finance, Administration & Occupational Safety Center Accounting Department regularly reports on the Group's tax risk environment, risk assessment and responding measures to executives. Starting from 2023, the tax risk management has been included in enterprise risk management and the tax management status is reported to the Board of Directors every year.

● Tax Governance and Transfer Pricing Policy



Compliance with Global Transfer Pricing

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

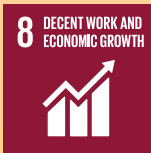
D-Link Group's companies registered in the Cayman Islands and the British Virgin Islands act as holding companies, which are for the purpose of holding shares. If there is any surplus distribution of the reinvestment company held by the holding company, the holding company will ultimately remit such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

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

	2023	2024	2025
Net Profit Before Tax	861	362	(191)
Income Tax Expense	163	230	215
Add (Less): Temporary Differences	44	(19)	(50)
Adjusted Income Tax Expense	207	211	165
Effective Tax Rate ²⁸	19%	64%	(113%)
Adjusted Effective Tax Rate ²⁹	24%	58%	(86%)
Income Tax Paid	248	207	205
Effective Tax Rate of Income Tax Paid ³⁰	29%	57%	(107%)

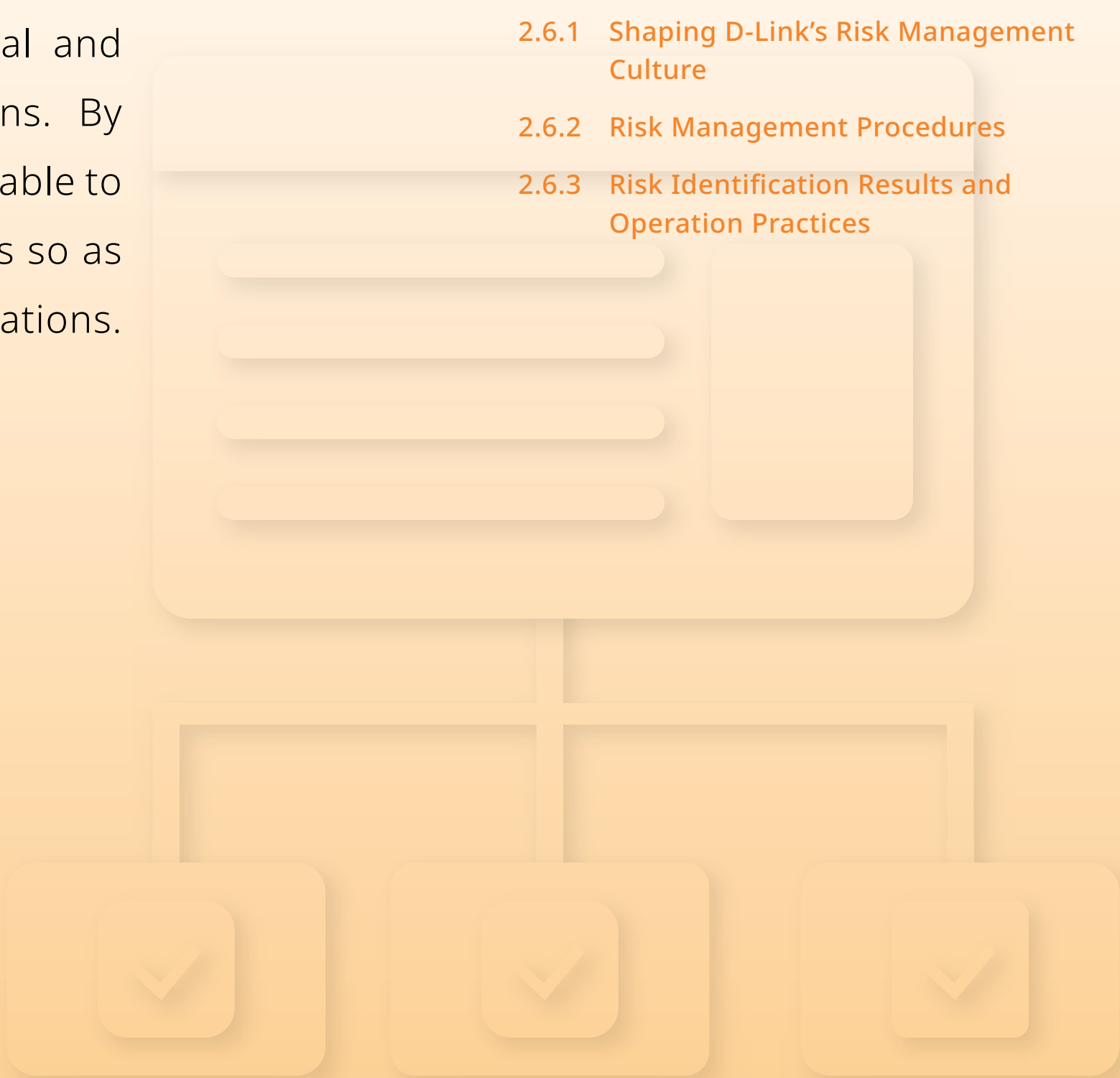
²⁸ Effective tax rate = Income tax expense/net profit before tax.
²⁹ Adjusted effective tax rate = adjusted income tax expense/net profit before tax.
³⁰ Effective tax rate of income tax paid = Income tax paid/net profit before tax.

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2.6 Risk Management SDG 8

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

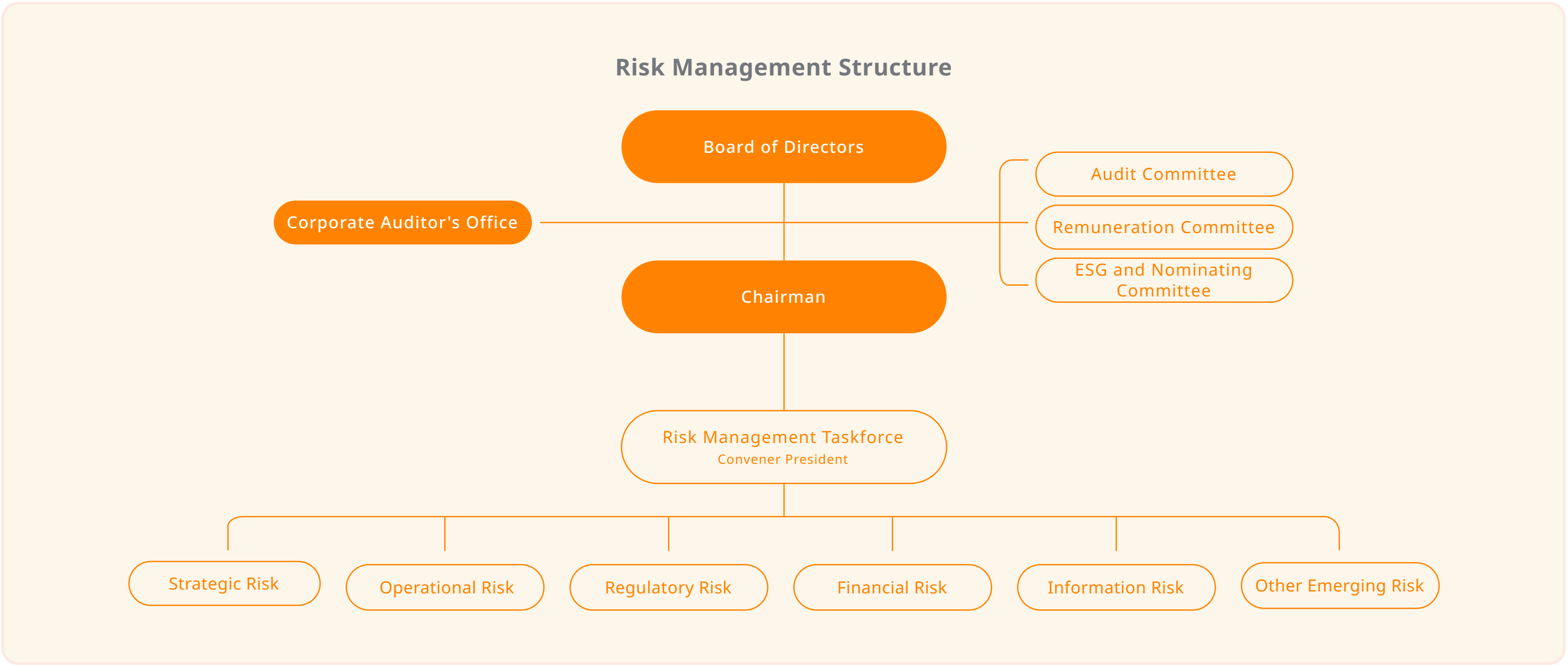


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2.6.1 Shaping D-Link’s Risk Management Culture

GRI 2-12

D-Link adopts the existing administrative structure and internal control mechanism to manage risks associated with business operations. According to the risk management policies and procedures, the Board of Directors is the highest governance body of risk management, and the Audit Committee is responsible for supervising the implementation of the group's risk management policies. The President serves as the convener of the Risk Management Task Force, and jointly plans, executes and supervises the risk-related management affairs with senior executives of the operating units to establish a good protection mechanism in the daily maintenance. The Company develops risk measurement indicators for key risk categories to review risk management mechanisms regularly, and strategies, control objectives, internal control systems, and procedures are established to prevent and manage various risk-related company operations effectively.



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- 2.4 Ethical Management
- 2.5 Financial Performance and Tax Governance
- **2.6 Risk Management**
- 2.7 Intellectual Property Management

2.6.2 Risk Management Procedures



Risk Identification

Each operating unit identifies risks in its short, medium, and long-term objectives and business management according to the Company's strategic objectives and risk management policies and procedures approved by the Board of Directors.



Risk Analysis

The top management unit analyzes the occurrence probability and impact degree of the identified risk events by considering the integrity of the existing relevant control measures, past experience, and peer cases to calculate key risks.



Risk Assessment

Each operating unit plans and implements subsequent risk response plans according to the risk level based on the risk analysis results and the risk appetite approved by the Audit Committee.



Risk Response

Action plans are developed for risk response to ensure that relevant personnel fully understand and implement the action plans, and the implementation of the action plans will be monitored continuously.



Supervision and Review Mechanism

Risk management is integrated with key organizational processes to effectively supervise and enhance the implementation efficiency of risk management.



Report and Disclosure

Relevant policies and procedures are disclosed on the Company's website or the Market Observation Post System (MOPS).

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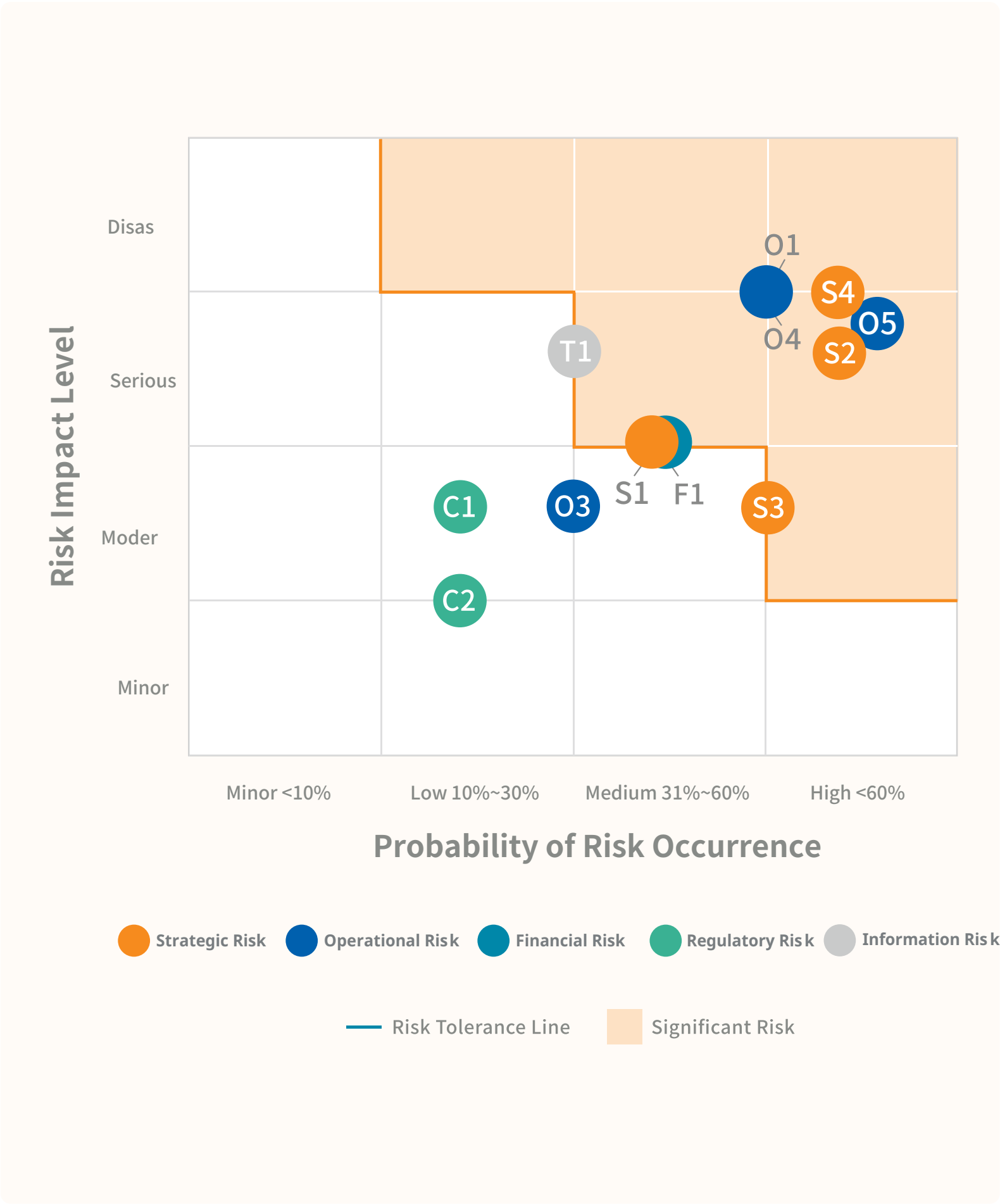
2.6.3 Risk Identification Results and Operation Practices

- In order to comply with the requirements of the “Corporate Governance 3.0 - Sustainable Development Blueprint” and the “Risk Management Best Practice Principles for TWSE/TPEX Listed Companies” issued by the Financial Supervisory Commission, and to align with the Company's current practical risk management mechanisms, the Company amended the “Risk Management Policy and Procedures”, which was approved by the Board of Directors on May 10, 2023, and subsequently implemented.
- In accordance with the “Risk Management Policy and Procedures,” the Company convenes quarterly risk management meetings. In 2025, meetings were held on March 17, June 30, September 22, and October 27 to plan, execute, and supervise quarterly risk management operations, ensuring that all risks are effectively controlled.
- As a part of the annual review of the risk management system, the Board of Directors and the Audit Committee conducted reviews of key risks and control measures on February 26, 2025 and November 12, 2025.
- Regarding the identification of key risks, the Person in Charge (PIC) first listed potential risk indicators for the Company, totaling 15 risk indicators in 2025. Subsequently, the Chairman and CEO scored these 15 indicators based on "likelihood of occurrence" and "degree of impact." The assessment resulted in 7 risk indicators (excluding 2 emerging risks) scoring above the risk tolerance line, which were designated as key risks.
- For the key risks identified in early 2025, the Company reported the implementation status of the 2025 risk management action plans to the Board of Directors on November 12, 2025. Key Risk Indicators (KRIs) were utilized to control risk items and mitigate the degree of risk impact. Furthermore, the newly identified key risks for 2026 are scheduled to be reported to the Board of Directors on March 10, 2026.

Identified Key Risks in Early 2025

Risk Categories		Risk Details
Strategic Risk	S2	Failure to innovate or meet customer demands
	S4	The time to launch/development progress of new product inconsistent to market demand
Operational Risk	O1	Customer management
	O2	Product quality
	O4	Product Applications
	O5	Subsidiary Organizational Functions and Operating Model
	O6	Costs affect the price competitiveness
Emerging Risk	N1	Climate Change
	N2	Tax Governance

Risk Matrix of 2025





About the Report

About D-Link

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CH2 Corporate Governance

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CH3 Value Creation

CH4 Environmental Sustainability

CH5 People and Society

Appendix

● Important/ Emerging Risks and Countermeasures

Risk Items	Countermeasures	Material Topics Corresponded
The time to launch/ development progress of new product inconsistent to market demand	Synchronize product development rhythm with market demand through cross-departmental collaboration and forward-looking market management.	Innovation and R&D
Subsidiary Organizational Functions and Operating Model	Strengthen the management oversight of subsidiaries, promote organizational efficiency improvement plans for each subsidiary, and track execution progress.	Business Performance
Failure to innovate or meet customer demands	Propose sales targets for marketable products through precise product management and transparent decision-making mechanisms, implementing the group's sales strategy to increase market penetration. Regularly update product catalogs and solutions to ensure product information responds to market and customer needs in real time, combined with the group's overall sales strategy to enhance market penetration.	Innovation and R&D
Customer management	Enhance customer insight capabilities, optimize delivery schedules, and improve customer satisfaction. Regularly review the cooperation status and shipment performance of major customers, optimize management mechanisms, ensure delivery progress, and enhance customer satisfaction.	Customer Relationship Management
Product Applications	Establish efficient market feedback and product improvement mechanisms to enhance the competitiveness of the product portfolio.	Innovation and R&D
Costs affect the price competitiveness	Leverage the global supply chain to strengthen the price competitiveness of the Company's products in the market.	Business Performance
Product quality	Implement total quality management (TQM) to enhance process stability and reduce defect rates, ensuring products meet high-quality standards.	Product Quality
Tax Governance	Construct a robust global tax governance architecture and regularly report the Group's tax risk profile and management status to the governance body, ensuring compliance with international regulations and mitigating tax risks.	Ethical Management
Climate Change	Accelerate the implementation of net-zero strategies and sustainable governance to enhance the enterprise's capability to respond to climate risks.	Climate Change Mitigation and Adaptation Actions

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2.7 Intellectual Property Management

Innovation has been the cornerstone of D-Link's operation and management since its establishment. To properly protect the research and development outcomes and enhance D-Link's competitiveness in the global market, D-Link has formulated an intellectual property management plan aligned with operational goals. This plan serves as guidelines for decision-making and execution in managing intellectual property and related matters. In 2022, D-Link adopted the Taiwan Intellectual Property Management System (TIPS) and obtained A-level certification. The Company successfully renewed its A-level certification in 2025. The certification is valid until December 31, 2027.

2.7.1 Intellectual Property Management Plan

2.7.2 Status of Intellectual Property Management Implementation

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2.7.1 Intellectual Property Management Plan

Patents

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

Trademark

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

Trade Secrets

In order to prevent misappropriation or improper disclosure of trade secrets, D-Link has formulated regulations and systems including, but not limited to, those related to information security, personal data protection, and confidential document management, which may serve to observe conduct, objects, workplace areas, confidentiality levels, and relevant education and training to employees. Internal auditing mechanisms are in place for regular reviews, complemented by periodic inventories of key documents and technologies to protect core technical capabilities. Furthermore, through continuous cybersecurity monitoring and audits, D-Link ensures the effectiveness of company-wide information security protection measures and control schemes.

Copyright

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

Trade Secrets Protection Measures

Employees	• Upon arrival, employees are required to sign employment contracts containing confidentiality clauses. • Employees must sign a confidentiality agreement upon resignation.
Vendors	• Before actual cooperation takes place, a confidentiality agreement must be signed.
Access Control	• Access control is implemented at the main entrance. Visitors must obtain visitor passes prior to entry.
System Control	• All systems or public slots involving the storage of trade secrets or confidential information have permission-based access control measures in place

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



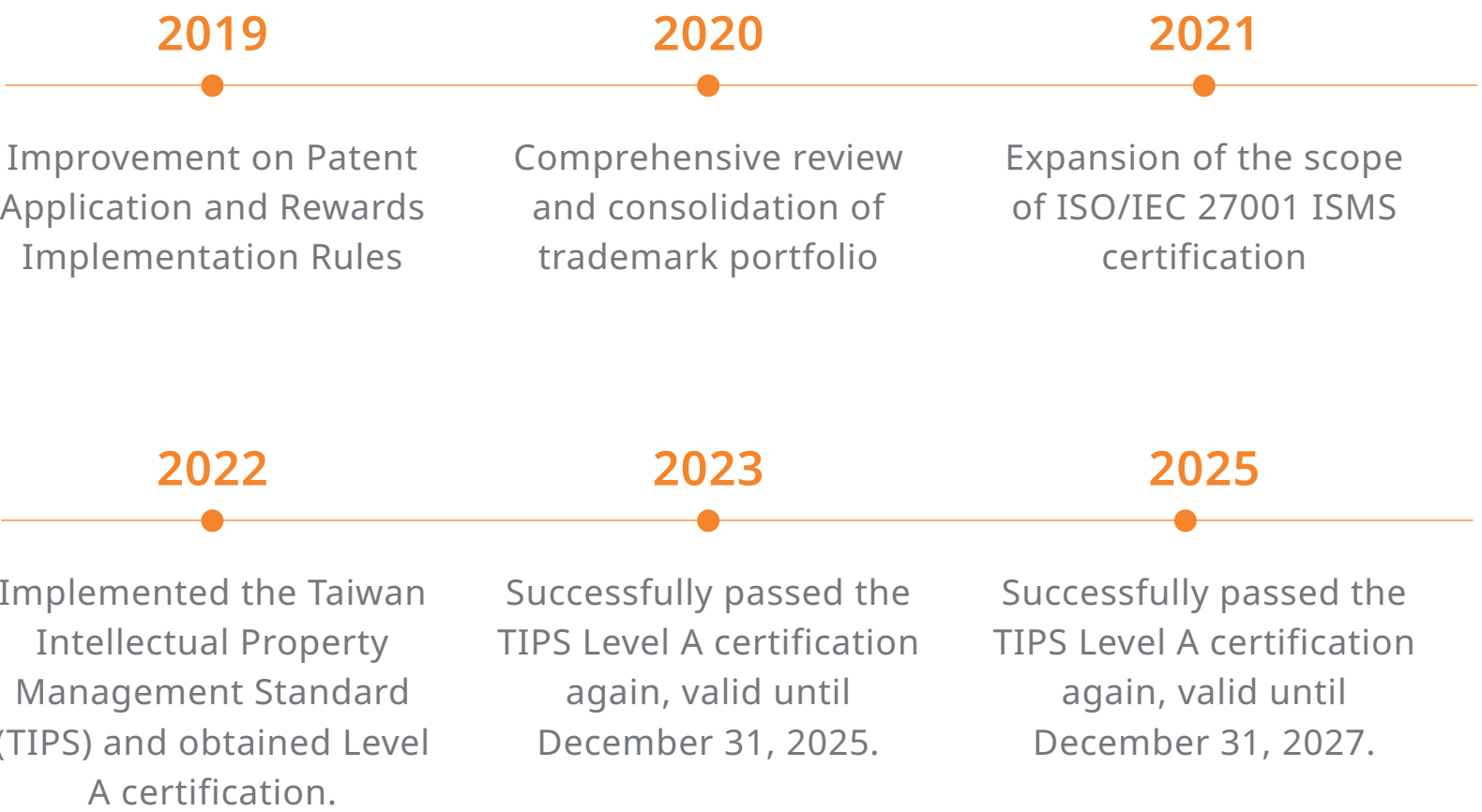
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2.7.2 Status of Intellectual Property Management Implementation

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D-Link attaches great importance to intellectual property management. In addition to establishing a professional legal and intellectual property team to support the R&D team, it has also monitored related domestic and foreign trends and regulatory requirements for a long time and regularly reported intellectual property-related matters to the Board of Directors every year. The 2025 report was completed in the board meeting on November 12. D-Link also continues to launch various training programs to enhance the knowledge and understanding of the personnel on the fundamental and advanced knowledge of intellectual property rights.

● Intellectual Property Management of D-Link in Recent Years



● Patents and trademarks management

Patents	• A total of 771 patent applications have been filed worldwide, with 601 patents granted, with a passage rate of about 77.9% • 11 patents were approved in 2025
Trademark	• The Company's primary brand, "D-Link", has been registered as a trademark and maintained in over 116 countries/regions worldwide. In 2025, a total of 3 applications for expanding trademark specification items were filed.

● Education and Training Related to Intellectual Property in 2025

