

D-Link



2020

D-LINK ESG INSIGHT



Environmental

Scope of environmental categories is confined to the operational headquarters in Taipei.

D-Link Green

D-Link Green program was created to reduce our carbon footprint and gradually switching to more eco-friendly materials to create safer products and production processes.

D-Link Green consists of three key solutions: Green Technologies to reduce energy consumption, Compliance with Green regulations by using non-toxic raw materials, as well as a Green Packaging initiative to reduce the volume of packaging materials. In some countries, we have even developed a more conscientious approach to effectively recycle electronic waste.

- In 2020, D-Link Green Product of Managed Switch, Smart Switch, Wireless Router, etc. revenue accounts for 55% of our total revenue.
- D-Link is fully compliant with EU's Energy-Related Product Directive(ErP) for all products entering the EU market.
- D-Link Green Product revenue will accounts for at least 80% of our total revenue in 2026.
- D-Link is committed to recycling, embracing the EU's Waste Electrical and Electronic Equipment (WEEE) initiatives.
- D-Link power adapters now comply with strict energy-efficiency guidelines.

D-Link Green in Action

DXS-1210 Series



With the addition of 28-port models DXS-1210-28T and DXS-1210-28S that also utilize D-Link Green energy-saving technology; detecting the operating status of the connected devices for power adjustment to achieve power saving.

DGS-1520 Series



By combining D-Link's latest backup power supply DPS-520, it can provide sustainable power services and significantly reduce power redundancy costs.

In 2020, the company was not fined or issued with any orders for improvement by the local environmental protection authorities.

Environmental Goals

GHG	Initiative	Unit	2021 Target	3-year Target (2023)
Scope 2	Taipei Headquarters will fully replace energy-saving LED lights	%	Reduce by 2.5% (Base year 2016)	
		metric tons of CO ₂ e per year	1,637.4	
	Taipei Headquarters' building's air-conditioning Improvement plan	%		Reduce by 5% (Base year 2021)
Scope 3			Inventory, verification and set reduction target	

Environmental Metrics¹

	Unit	2018	2019	2020
Number of People	Persons	635	658	669
Floor Area of Building	m ²	21,106	21,106	21,106
Electricity				
Externally Purchased Electrical Power	kWh	3,058,821	3,099,452	3,110,263
Purchased Electricity Usage Per Person	kWh per person	4,817	4,710	4,649
Water Resources				
Water Resources	m ³	11,743	12,375	13,743
Water Usage Per Person	m ³ per person	18.49	18.81	20.54
GHG				
Scope 1 ²	ton CO ₂ e	196.25	203.18	200.97
Scope 2	ton CO ₂ e	1,630.35	1,577.62	1,583.12
GHG Intensity				
Scope 1	ton CO ₂ e per person	0.31	0.31	0.30
Scope 2	ton CO ₂ e per person	2.57	2.40	2.37
Scope 1	ton CO ₂ e per m ²	0.01	0.01	0.01
Scope 2	ton CO ₂ e per m ²	0.08	0.07	0.08
Effluents				
Domestic Effluents	m ³	10,569	11,138	12,369
Effluents Intensity	m ³ per m ²	16.64	16.93	18.49
Wastes				
General Waste	ton	12.27	13.85	13.19
General Waste Intensity	ton per m ²	0.02	0.02	0.02

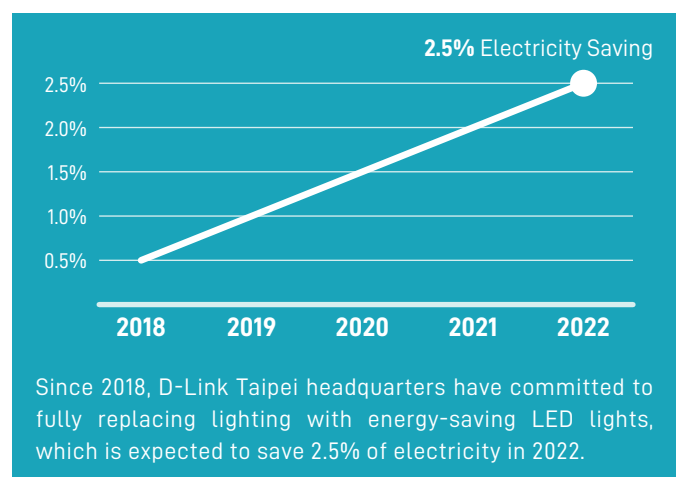
1. Scope of environmental metrics is D-Link operational headquarters in Taipei. The data has been verified by a third-party verification body.

2. Scope 1/ Direct Emissions refer to operational sites' emissions from diesel generators; vehicle gasoline; refrigeration and air-conditioning equipment HFC.

3. Scope 2/ Indirect Emissions refer to emissions released from electricity externally purchased by operating bases.

Mission as Citizens of the Earth

We have identified the risks derived from climate change, including increased energy costs and carbon tax. We have continued to manage energy, improve efficiency, and implement low-carbon procurement and transportation at main operating bases. Meanwhile, we have continually paid attention to the development of climate change, closely monitoring, and controlling the risks derived from climate change. In response to global environmental protection trends, we have strived to seek various measures to reduce energy consumption. We have started with reducing electricity consumption in the workplace to reduce our impact on the environment effectively.



Certifications

	Certification	Location	Verification Authority	Valid Till
ISO 14001	Environmental Management	Taiwan Headquarters	SGS Taiwan	Oct 2024
ISO 14064-1	Greenhouse Gas Inventory Standards	Taiwan Headquarters	SGS Taiwan	For year 2019
ISO 50001	Energy Management	Taiwan Headquarters		Planned for 2022

Environmental Management Policy

We are committed to comply with applicable laws, regulations and requirements, continue to reduce environmental impact, promote green products to conserve energy and resources, and prevent environmental pollution. In the spirit of sustainable development, we will uphold environmental protection quality, educate employees to ensure they follow our environmental policies, and quickly address both internal and public concerns regarding environmental protection.

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Eco-design

In response to the general environmental needs of the circular economy, environmentally friendly product design, from the use of raw materials, manufacturing, transportation and use processes, recycling, and other related issues.

Our carbon footprint drives our way of thinking. Based on the perspective of the product life cycle as specified in the ISO 14067 standard, we continue to improve our methods for greenhouse gas life cycle analysis. When our study shows that particular material, process, or system has a significant negative impact, we will re-examine the product, strategy, or facility design method. In 2022, we expect to introduce ISO 50001 energy management system certification.

Every Generation of Products Designed by D-Link Is as Energy Efficient as Possible.

Waste Management

We produce more outstanding products using cleaner methods, and are committed to sustainable, eco-friendly operations. For example, D-Link India has built electronic waste collection centers in numerous locations across India. The goal of these centers is to establish an effective system to manage the generation, collection, storage, transportation, import, export and disposal of e-waste.

Conflict Minerals

D-Link bans the use of conflict minerals by implementing a supply chain conflict-free minerals procurement policy. Suppliers seeking partnership with D-Link must pass three audit evaluations for system quality, process quality, and hazardous materials management, and fill out the "Conflict-Free Minerals Questionnaire" and "Conflict-Free Minerals Statement". This requires suppliers to trace the source of materials and purchase legal smelters.

We have audited and analyzed the raw materials of tens of thousands of components and the recorded data to ensure non-toxic materials are used throughout all aspects of the production process. All products exclude the use of toxic ones such as lead, mercury or cadmium.

We have complied with and adopted various international standards and regulations as best practice guide for sourcing raw materials for our products, including EU's Restriction of Hazardous Substances Directive (RoHS) that took effect in 2006, and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH).

Social

Scope of social categories is confined to the operational headquarters in Taipei

D-Link voluntarily comply with The UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the ILO Declaration of Fundamental Principles and Rights at Work.

- Freedom of employment – no forced work against employees' will through coercion, mortgages, unreasonable contracts, or non-voluntary physical restraint.
- Prohibition of Child Labor.
- No slavery or human trafficking in 2020.
- Ensure all employees are entitled to at least:
 - Lawful working hours - one day off each week, and the weekly working hours comply with the stipulations of local laws and regulations.
 - Reasonable salary and benefits.
 - Diversity and equal employment opportunities.
 - Freedom of Association.

Certifications

Certification	Location	Location	Verification Authority	Valid Till
ISO45001	Health and Safety Management System	Taiwan Headquarters	BSI Taiwan	Jan 2022
OHSAS18001	Occupational Safety & Health Management System		Succeeded by ISO 45001	
ISO9001	Quality Management System Taiwan Headquarters	Taiwan Headquarters	SGS Taiwan	Nov 2022
ISO27001	Information Security System	Taiwan Headquarters	TÜV AUSTRIA Germany	Oct 2023

Employees

In 2020, research staff accounted for 52.2% of our total employees. We insist on meritocracy and allocate jobs based on suitability and capabilities. As such, a good balance in gender ratio is maintained at the management level.

Structure				Gender Pay Equality (M:F)		
Year	Male	Female	Total	Senior Supervisor	Supervisor	General Employee
2018	388 (58.3%)	277 (41.7%)	665	0.83 : 1	1.07 : 1	1.14 : 1
2019	462 (61.5%)	289 (38.5%)	751	0.84 : 1	1.01 : 1	1.10 : 1
2020¹	444 (61.9%)	273 (38.1%)	717	1.28 : 1	1.18 : 1	1.12 : 1

Note 1: In 2020, 716 regular employees, 1 informal employee. 1 employee took childcare leave without pay and 100% reinstatement rate.

Note 2: Average salary = the average salary of all full-time employees at the end of the year.

Note 3: As men dominate the R&D workforce, the average salary of men is slightly higher than that of women.

Note 4: Due to organizational adjustments in 2020, it is necessary to recruit some high-level professional managers, which are in line with the academic experience of the Netcom technology industry. Most managers are male, so the proportion of female executives will decrease in 2020.

Note 5: The salary difference at each level is related to personal academic experience and seniority. If only the same rank and seniority salary is considered, there are no different standards due to gender.

Employee Turnover

Year	Annual Average Number of Employees	New Hires	Total Turnover	Turnover Rate
2018	645.8	147	102	15.79%
2019	714.3	195	119	16.66%
2020	733.6	109	159	21.67%

Parental Leave

D-Link Taiwan employees can apply for childcare leave without pay before their children reach the age of three following the "Gender Work Equality Act" and the "Implementation Measures for Infant Leave without Pay." The maximum length shall not exceed two years. After the expiration of the parental leave without pay, the company will arrange to return to the unit and position and provide relevant education and training courses to facilitate the employees to return to the workplace. In 2020, there is a total of 1 person applied for childcare leave without pay, and the reinstatement rate was 100%.

Employee Welfare

The Company offers various employee welfare programs. "Enjoy Your Work, Enjoy Your Life".

Taiwan Employees

- Labor insurance and National Health Insurance,
- Childbirth subsidies and parental leave,
- A leave system beyond the stipulations of the Labor Standards Act (full annual pay for the first 7 days of their medical or menstrual leave and 3 days of special leave in advance from the first day onboard).
- Labor pensions (through both the new and old systems) as stipulated by laws and regulations.
- Group insurance coverage (full-time, part-time and temporary employees), option to extend the group insurance coverage to their family dependents at employees' cost.

For our employees in other regions, their insurance programs apply to the local laws and regulations.

In 2020, NT\$940,000 in Subsidies for Club Activities.

Employee Diversity Plan

The company provides various training resources for the R&D department, including domestic and foreign seminars, training courses.

All departments are invited to formulate in-house professional training and guidance to guide new colleagues to understand the work as soon as possible, business procedures, and R&D processes to facilitate the completion of their work on schedule and quality.

We canceled most physical courses due to the epidemic situation last year, but they are still running the Chairman of the Board of Management Course (Have fun with Wi-Fi wireless network). Total 2 echelons and recorded as an online course for all colleagues to understand.

D-Link also attaches great importance to equal employment opportunities for minorities. The company's original residence nationalities can apply for aboriginal ritual leave.

Internship

D-Link has established a long-term cooperation model with various universities and colleges, continued to deepen the campus, shortened the gap between learning and use, and applied to the government for the "Youth Flagship Program." During the epidemic period, we still employed young people under 30; they continue to work. Industry-university cooperation, establishing an internship program, and hiring 3 technical test interns in 2020 will be learning and training at work and give them professional guidance. All of these interns will be transferred to full-time employees in 2021.

Employee Training Talent Cultivation

In 2020, a total of 626 employees participated in training programs. Our employees have equal access to education and training regardless of gender.

Training Average Hours	M	F	Subtotal
Managerial (hours per employee)	4.05	4.37	3.60
Non-Managerial (hours per employee)	2.77	2.61	3.54
Average per year	4.16	2.70	3.58
Training Received (hours)	1,571.7	669	2240.7
Total Employees	378	348	626

	2018	2019	2020
Average Hours of Training Received	3.17	6.03	3.58

We have introduced the concept of Management by Object since 1992. Through the evolution over the years and the organization's needs, we use systematic target performance management settings to integrate the company's vision, strategic goals, and employees' personal work goals.

Workplace Injury

Workplace injuries and days lost for 2020.

Item	Non-Traffic Accident		Traffic Accident	
	Male	Female	Male	Female
Number of people	2	2	5	2
Work hours lost	32	0	8	128
Working days lost	4	0	1	16
Absentee Rate(AR)	4.46	0	1.11	17.82

	2018	2019	2020
Integrated Absentee Rate (AR)	11.38	20.85	23.39
Disabling Injury Frequency Rate (FR)	3.16	7.96	7.65
Disabling Injury Severity Rate (SR)	7.11	13.03	14.61
Frequency-severity Indicator (FSI)	0.14	0.32	0.32

Supply Chain Management

Our cooperative suppliers consists of three major categories: raw material suppliers, transportation contractors, and final assembly suppliers.

We formulate "Supplier Management Measures" and "Supplier Management Process" to manage them for the promotion and deactivation of suppliers. For suppliers, the quality control and procurement departments perform supplier evaluation and assessment operations.

However, the suppliers' number and the cooperation scale continue to increase or decrease due to business growth and decline. In addition to surveying new suppliers on sustainable development issues, D-Link also conducts a risk assessment and grading and schedules regularly according to different levels. Different audit strategies to eliminate system risks.

In addition, to address trending topics of: GHG induced climate change, renewable energy, energy efficiency, and circular economy, among others; we will further require key suppliers' (top ten supplier, or supplier which accounts for over 80% of the Company's procurements) cooperation for GHG disclosure. Key suppliers are requested to participate in GHG accounting and disclose scope 1 and 2 GHG emissions according to the GHG protocol. Furthermore, suppliers are to implement reduction targets for scope 1 & 2 emissions; and reduce waste during the manufacturing, packaging and transportation phases.

New Supplier Qualification

- ☑ Sign the environmental-related substance assessment and conflict metals.
- ☑ The Responsible Business Alliance Code of Conduct (RBA).
- ☑ The Integrity Commitment.
- ☑ ISO 9000 series quality certification.
- ☑ Pass the D-Link field audit and evaluation.



Assessment items include Quality (Q), Cost (C), Delivery (D), Service (S) and various environmental protection regulations. Deadline for improvement is permitted for missing items before becoming a qualified supplier.

Year	2018	2019	2020
Number of New Suppliers Applications	11	17	1
Number of Qualified Suppliers	9	12	1
Newly Added Qualified Supplier Audit Ratio	82%	71%	100%

Supplier Evaluation

D-Link conducts regular evaluation plans for suppliers based on the supplier's operating scale, quality risk, annual product sales ratio, and special project requirements every year.

We divide supplier audits into levels A, B, and C. Level A is conducted quarterly, level B is conducted half a year, and level C is not conducted. Regularly check the supplier's incoming material inspection and the inspection data on the production process, and provide guidance.

Supplier audits will include factory environment settings, safety protection, and personnel qualifications (training) into the audit scope. The supplier will first go through the in-plant quality control mechanism to confirm the product quality before shipment. Before D-Link sold the products, the quality control personnel will guarantee the product quality again.

2020 regular evaluation plan

- **40 product system manufacturers and suppliers;**
- **19 suppliers identified as suppliers that require frequent audits and evaluations;**
- **Top 10 covers more than 90% of D-Link's annual turnover;**
- **Audit completion rate 100%;**
- **Environmental management of suppliers:**
 - Comply with EU Hazardous Substance Free (HSF) directive.
 - Sign EU Restriction of Hazardous Substances (RoHS) directive.
 - Commit to EU Waste Electrical and Electronic Equipment (WEEE) directive.
 - Provide Material Safety Data Sheet (records chemical substances used in processing).
 - Notary third party inspection reports.
 - Sign and commit to EU Registration, Evaluation and Authorization of Chemicals (REACH) regulation.

2020 Audit Evaluation Score	Number of Suppliers
60 or less	0
60-70	4
71-80	11
81-90	4
91-100	0



Audit Category and Achievement Rate	Supplier	2018	2019	2020
QCDC Quality Review	Top 5	60%	60%	60%
ISO 9001: Quality Management System	All	100%	100%	100%
ISO 14001: Environmental Management System	Top 10	70%	64%	90%
ISO 14064-1: GHG Inventory Standard	Top 10	30%	11%	20%
Conflict Materials	All	100%	100%	100%

Audit mechanism to improve the supplier's QCDS capabilities. We also recognize and sign various environmental initiatives developed by external parties and simultaneously require suppliers to commit to these regulations.

Therefore, we boast a solid foundation for green manufacturing to provide training to local suppliers and guide them in meeting international environmental protection requirements in terms of products and processes.

After the two stages of quality confirmation procedures are completed, there is no abnormality released for shipment. The D-Link quality control unit conducts an on-site inspection process, finds related missing items, continues to communicate with the suppliers, and continues to track the supplier's improvement progress and effectiveness.

Human Rights

D-Link extended fundamental human rights issues to suppliers year after year and asked them to abide by our human rights policy. The cooperative relationship with suppliers will be terminated if suppliers are found to seriously endanger the human rights set by the UN.

Suppliers are audited for work overtime and not complying with local regulations or if the overall audit evaluation score is less than 70 points, D-Link will allow for two follow-up improvements periods, each period for 6 months. If supplier still does not meet the standard, the supplier management committee will deactivate.

Integrity and Honesty

D-Link places great importance on integrity and honesty, and has established internal rules and regulations such as "Code of Conduct" and "Ethical Corporate Management Best Practice Principles", which clearly demonstrated our ethical management policy, requiring D-Link itself and its subsidiaries to follow relevant laws and regulations for the overall operating activities, abide by the high standard of professional ethics, avoid engaging in any act of unfair competition, oppose to any form of bribery, and set up appropriate management systems. We uphold a zero-tolerance attitude against corruption and shall also continue to actively promote a high-standard business ethical culture. In addition to the establishment of our whistleblowing system, the pledge by our employees, our related education and training, and our demand for supplier compliance are all exemplifications of our commitment to this cause.

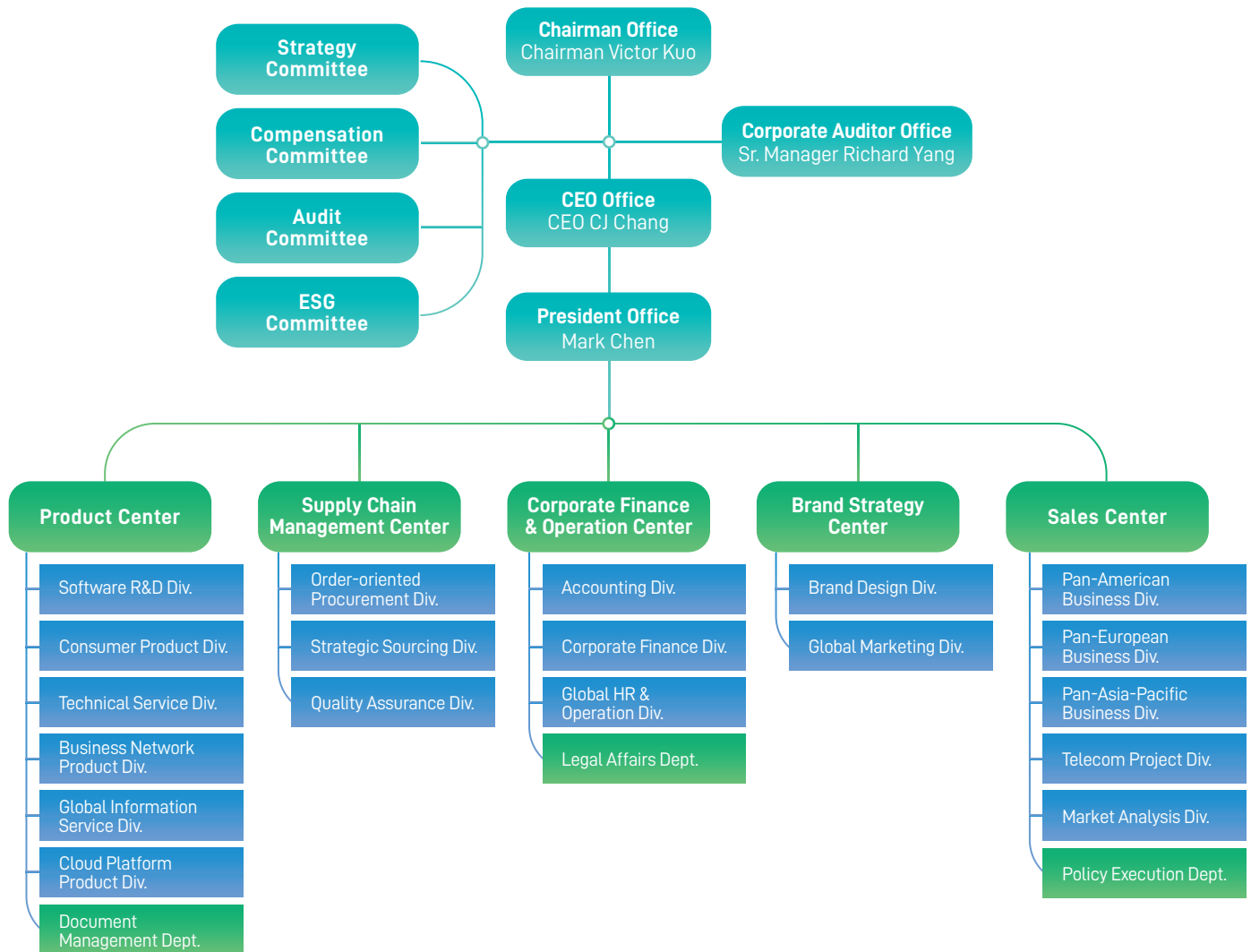
No suppliers involved in any illegal dealings in 2020.

Hazardous materials

Our traceable supplier management process developed over many years ensures hazardous materials do not enter the production process at any stage, and allows for reducing and eliminating toxic substances.

Governance

In 2020, D-Link strengthened its business direction, with "transparency, openness, efficiency, and compliance with national laws and regulations" as the guiding principle of corporate governance. Specific actions include organizational adjustment, strengthening the management of overseas branches, and improving the processes of R&D, procurement, manufacturing, and quality management, stabilizing corporate growth, and practicing innovation and breakthroughs.



Board of Directors

Board of directors' diversity policy in Article 20 of the "Corporate Governance Best Practice Principle." We have 9 directors, the percentage of the Company's directors who are an employee is 22%, and the rate of independent directors is 33%. The Company completed the 12th re-election of Directors at the Annual General Meeting of Shareholders on 2020.06.15.

Date: 2021/03/31

Current (12th) Board of Directors

Title	Director	Representative	Gender	Age	Executive position in Company	Time on Board (Years)	2020 Attendance in person(%)
Chairman	John Lee ¹		M	>60yrs	CEO		
Director	Young Syun Investment Co., Ltd.	Victor Kuo ²	M	51-60			
Director	Young Syun Investment Co., Ltd.	Joseph Wang	M	51-60			
Director	Pu Ju Investment Co., Ltd.	David Tai	M	51-60			
Director	Pu Ju Investment Co., Ltd.	Alan Yu	M	>60yrs			
Director	Howard Kao		M	<51yrs	PAP Business Div. Sr. Director		
Independent Director	Richard Lee		M	51-60		< 3 yrs	
Independent Director	Richard Chen		M	51-60		< 3 yrs	

1. John Lee resigned as Chairman and CEO and was promoted to Group President on 2021.08.06.
2. Victor Kuo was elected as Chairman of the Board on 2021.08.06 and CJ Chang was appointed as CEO on 2021.08.31, which achieved the goal of separation of the roles of chairman and CEO.
3. Independent Director Chun-Hsiung Chu was elected by AGM on 2021.07.05 as replacement for Siang-Fong Chung who resigned on 2021.03.19.



Board Attendance - 11th Term¹

Title	Director	Representative	Attendance in person	Attendance Rate (%)
Chairman	Chien Chin Investment Co., Ltd.	Gary Chien Lori Hu ²	2/2 2/2	100% 100%
Director	John Lee		2/4	50%
Director	Gao Ju Investment Co., Ltd.	Lori Hu Ku, Chi-Tung ³	2/2 2/2	100% 100%
Director	Alpha Networks Inc.	Lin, Yu-Chin Lin, Wen-Peng ⁴ Sung, Cheng-Yi ⁵	1/1 1/1 2/2	100% 100% 100%
Director	Yun-Wei Investment Co., Ltd.	Howard Kao	4/4	100%
Independent Director	Siang-Fong Chung		2/4	50%
Independent Director	Fred Fong		2/4	50%
Independent Director	Freda Chen		4/4	100%
1. Total of 4 meetings by the 11 th Board of Directors.		4. Reassigned 2020.04.07		
2. Reassigned 2020.05.05		5. Reassigned 2020.04.30		
3. Reassigned 2020.05.05				

Board Attendance - 12th Term⁶

Title	Director	Representative	Attendance in person	Attendance Rate (%)
Chairman	John Lee		8/8	100%
Director	Young Syun Investment Co., Ltd.	Steve Lin Victor Kuo ⁷	5/5 2/3	100% 67%
Director	Young Syun Investment Co., Ltd.	Fred Fong Joseph Wang ⁸	4/4 4/4	100% 100%
Director	Pu Ju Investment Co., Ltd.	David Tai	6/8	75%
Director	Pu Ju Investment Co., Ltd.	Lori Hu Alan Yu ⁹	0/1 7/7	0% 100%
Director	Howard Kao		8/8	100%
Independent Director	Richard Chen		2/4	50%
Independent Director	Richard Lee		4/4	100%
Independent Director	Siang-Fong Chung		7/7 NA	100% NA
6. Total of 8 meetings by the 12 th Board of Directors.		9. Reassigned 2020.06.19		
7. Reassigned 2021.02.02		10. Independent Director Chun-Hsiung Chu was elected by AGM on 2021.07.05		
8. Reassigned 2020.10.26		as replacement for Siang-Fong Chung who resigned on 2021.03.19.		



Audit Committee

Audit Committee held a total of 6 meetings in 2020 and 2 meetings in 2021, the average attendance rate of all members was 100%.

Committee Title	Name	Board Title	Attendance in person	Attendance Rate (%)
Convener	Richard Chen	Independent Director	6/6	100%
Member	Richard Lee	Independent Director	6/6	100%
Former Convener	Siang-Fong Chung*	Independent Director	8/8	100%
Former Member	Freda Chen	Independent Director	2/2	100%
Former Member	Fred Fong	Independent Director	2/2	100%

Note: Independent Director Chun-Hsiung Chu was elected by AGM on 2021.07.05 as replacement for Siang-Fong Chung who resigned on 2021.03.19.

Remuneration Committee

The Company's Remuneration Committee held a total of 5 meetings in 2020, and the average attendance rate of all members was 90%.

Committee Title	Name	Board Title	Attendance in person	Attendance Rate (%)
Convener	Richard Lee	Independent Director	5/5	100%
Member	Richard Chen	Independent Director	5/5	100%
Member	Chyan Yang	Professor	4/5	75%
Member	Sue-Fung Wang	Professor	4/5	75%
Former Member	Siang-Fong Chung*	Independent Director	5/5	100%

Note: Independent Director Chun-Hsiung Chu was elected by AGM on 2021.07.05 as replacement for Siang-Fong Chung who resigned on 2021.03.19.

ESG Committee

Since 2021, the Board of Directors has approved the establishment of the ESG Committee, which is responsible for the proposal and implementation of corporate social responsibility policies, systems, or related management guidelines and specific promotion plans. Composed of at least three members recommended by the chairman. More than half shall be independent directors and shall select a convener and chairman of the meeting.

Committee Title	Name	Board Title
Convener	Richard Chen	Independent Director
Member	Richard Lee	Independent Director

Note: Independent Director Chun-Hsiung Chu was elected by AGM on 2021.07.05 as replacement for Siang-Fong Chung who resigned on 2021.03.19.

The ESG committee reports to the Board at least once per year. The tenet of sustainable development includes the six aspects of green earth, employee and social care, sustainable product development, value supply chain management, corporate governance, information and communication, which the senior executives of D-Link execute promoted by functional organizations. The operation method is handled in accordance with the company's "ESG Committee Organization Constitution", and the main functions and powers are:

1. Formulate corporate social responsibility, sustainable development direction and goals, and formulate relevant management policies and specific promotion plans.
2. Promote and implement relevant work related to the Company's integrity management and risk management.
3. Track, review and revise the implementation and effectiveness of sustainable development of the enterprise, and report to the board of directors on a regular basis.
4. Pay attention to issues of concern to all stakeholders, including shareholders, customers, suppliers, employees, governments, non-profit organizations, communities, and media, and supervise and communicate plans.
5. Other matters to be handled by the committee through resolutions of the board of directors.

Discussions and Resolutions

(1st meeting of the 1th term - 2021.09.28)

Proposal to amend the Company's "ESG Committee Articles of Association" discussion proposal.

Approved by all members present

Drafting a discussion proposal on the "Measures for the Implementation of the Whistleblower System".

Approved by all members present

Proposal to discuss the election of the first convener of the ESG committee.

Approved by all members present

Disciplinary Committee

The chairperson of the Disciplinary Committee is appointed by the Chairman of the Board of Directors, and the committee shall comprise no fewer than seven members, elected from the human resources, legal, audit, business, research and development, and administration departments. The Disciplinary Committee is not a permanent unit. When a complaint or violation occurs, it will select the members of the meeting according to the reason on ad hoc basis.

No cases of integrity violations in 2020, so no meeting was held.

Data Security

D-Link is the first consumer networking company in Taiwan has certified with the IEC 62443-4-1: Security for industrial automation and control systems - Part 4-1: Secure product development life cycle requirements in 2020.

In response to the growing number of cyber security hacking incidents, we view product security, consumers' private information, and privacy protection as our important missions. To enhance information security management, D-Link has certified with the IEC 62443-4-1 industry security requirement in 2020, which was certified by internationally recognized certification organization TÜV NORD, defines a secure development life cycle for developing and maintaining secure products. From design and development to testing and implementation, D-Link develops all products with specifies process requirements for the secure development of products used in industrial automation and control systems, including the development environment, supply chain, and delivery process. The life-cycle includes the security requirements definition, design, implementation, verification and validation, management, and product end-of-life.

D-Link also implemented and received the third-party audit report with each activity fulfilled for the Building Security Maturity Model (BSIMM) in 2017; and certified ISO 27001, BS 10012 in 2018, which along with IEC 62443-4-1.

With the implementation of the European Union (EU)'s most stringent personal data protection law, the General Data Protection Regulation (GDPR), D-Link is duty-bound to protect customer privacy.

D-Link's systematic management framework for product information security

PRODUCT INFORMATION SECURITY MANAGEMENT PLATFORM

- | | |
|--|--|
| 01 Product vulnerability management | 05 External vulnerability and media news database |
| 02 Security Issue management | 06 Product secure development documentation |
| 03 Product version database | 07 Source code security scan |
| 04 Vulnerability scan and penetration test | 08 Free and open source software security management |

Expected information security goals



Strengthen the inspection of vulnerability and penetration scanning and test quality. In addition to manual inspection, automated inspection tools are used to increase efficiency and expand the scope and scale of inspection.



Combine historical data and information security incidents in all product information security inspection reports.



Automate comparison between product software suite data and the latest externally generated information security incidents, and actively provide notification for tracking and processing when matches are found.



Regularly generate statistical reports on the information security vulnerabilities of various product lines, which enables checking of product information security status, adjust information security arrangements at any time, and assist in searching for information security function during product planning. Product-related functions can also be enhanced.



Conduct internal self-inspection of the product information security development process every year, arrange for third-party information security companies to perform audit every two years, and conduct information security audit with partnering vendors.



Enhance the information security-related professional skills of internal product inspectors/developers and conduct regular training for them to obtain the relevant licenses and qualifications, in order to help fight for system procurement.

Anti-Bribery

D-Link endeavors to comply with any and all applicable anti-bribery laws. All employees are made aware that any form of bribery is in violation of laws and are prohibited from engaging in any illegal or inappropriate behavior involving bribery, kickbacks, improper rebates, or provision of gifts of cash or valuables in order to obtain or secure business favors related to D-Link's products or services. For such purpose, our "Code of Conduct" has been established as the guidance for all employees. Additionally, all suppliers are made aware of our anti-bribery policy, and the procurement contract we sign with each of our suppliers expressly prohibits any act or intention of bribery or similar wrongdoing involving our employees.

Whistleblowing and Misconduct Reporting

D-Link has established and publicly announced an independent reporting mailbox and a service hotline on its website, allowing any whistleblower to report any discovery of misconduct such as crime, corruption or violation of regulations to us. D-Link accepts both anonymous and non-anonymous reporting, and shall ensure the confidentiality of the reporting content and identity of any whistleblower.

Reporting Channels

Address: No. 289, Xinhua 3rd Rd., Neihu Dist., Taipei City 114

Telephone: +886-2-6600-0123 #1890 SRC Team

Email: SRC@dlinkcorp.com

Protective Measures for Reporting Parties

1. Any employee who discovers or reasonably believes the occurrence of any misconduct within the company may file a report according to our "Implementation Measures for the Whistleblowing System", and shall be protected from any adverse consequences for coming forward. Any individual handling the report with any conflict of interests shall be required to immediately excuse himself or herself from the case.
2. Our "Implementation Measures for the Whistleblowing System" stipulate detailed protective measures for whistleblowers along with the types of acceptable reporting cases, scope of application, processing time schedule, case filing principle and investigation principle. Detailed protective measures include a full list of adverse personnel measures, the prohibition of such against whistleblowers for any reporting, and in the event of any adverse personnel measures, the right any whistleblower may have to file for relief.
3. For any case that has been substantiated due to the reporting by the whistleblower, appropriate rewards shall be provided in accordance with our internal rewarding measures.