

DrayTek

6216 居易科技

2024 ESG 永續報告書

DrayTek

Environmental, Social and Governance Sustainability Report 2024

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Report Guide and Preparation Notes

Report Guide and Preparation Notes

I. Report Boundaries and Reporting Period

(GRI 2-2)

DrayTek Corporation (hereafter “DrayTek” or “the Company”) will begin publishing the “DrayTek ESG Sustainability Report” annually from 2025 onwards. This report is DrayTek’s first ESG report, disclosing the Company’s sustainability goals and achievements. It covers DrayTek’s business activities in 2024. For any matters or data not included in this report, and for further information related to its contents, readers are welcome to visit the DrayTek website or contact the designated liaison.

The information and data in this report encompass the aforementioned operations and cover economic, environmental, and social performance from January 1, 2024 to December 31, 2024. If certain information pertains to a different cycle, the relevant sections in the report will specifically note the reference period.

This report is published in August 2025.

II. Regulations, Standards, and Principles Followed

This report has been prepared in accordance with the Taiwan Stock Exchange’s “Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies,” and it incorporates the relevant GRI 2021 standards, adopting the Integrated Reporting (IR) framework as the basis for information disclosure and materiality consideration. It also utilizes the Task Force on Climate-related Financial Disclosures (TCFD) framework and the Sustainability Accounting Standards Board (SASB) standards to disclose relevant topics.

III. Data Calculation Basis and External Assurance

(GRI 2-5)

- All financial information is drawn from the financial statements audited by PwC Taiwan and is presented in New Taiwan Dollars (NT\$).
- The Company’s ISO 14001 certification was issued by American Systems Registrar (ASR Asia) and is currently valid.
- Other disclosed data are partly derived from DrayTek’s own internal statistics and surveys. Internationally accepted indicators are used for presentation; where estimates are involved, they are noted in the relevant sections.
- This Sustainability Report has not undergone third-party assurance.

IV. Contact Information

(GRI 2-13)

For any questions regarding the content of this report, please contact the following:

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Report Guide and Preparation Notes

V. Reporting Cycle

(GRI 2-3)

DrayTek will publish an ESG report on a regular annual basis. Data in this report use 2024 as the baseline for comparison, and 2024 is the base year for greenhouse gas inventory.

VI. Restatements of Information

(GRI 2-4)

Starting in 2025, this report is prepared in accordance with GRI 2021 standards. There were no restatements or corrections of information for 2024 or earlier, as no prior sustainability reports exist for comparison.

Chapter 1.

About DrayTek Corporation



Chapter 1. About DrayTek Corporation

1.1 Our Sustainability Commitment

1.1.1 Message from the Chairman: Our Belief in Sustainability

(GRI 2-11、2-12、2-13、2-14、2-22、2-23、2-24)

Dear Stakeholders,

The name “DrayTek” originates from the classic *Doctrine of the Mean* – “The gentleman **stays poised (居易) awaiting his destiny; the lesser man takes perilous chances hoping for luck.**” This signifies grasping the pulse of the times and using innovative branding to meet customer needs and create value.

With global emphasis on environmental protection and social responsibility, we deeply recognize that a company’s success is not solely measured by revenue growth, but also by its long-term perspective on environmental, social, and governance (ESG) impacts. We firmly believe that driving corporate sustainability not only enhances our competitiveness, but also allows us to positively influence all employees, partners, and the broader society. We are honored to share with you DrayTek’s achievements and commitments in promoting sustainable development and fulfilling corporate social responsibility.

- **Environmental Responsibility**

We are consistently dedicated to reducing the environmental impact of our operations and continuously seek innovative ways to maximize resource efficiency and reduce carbon emissions. DrayTek actively responds to government policies on plastic reduction by incorporating eco-friendly elements into product design – not only meeting customer needs but also advancing sustainable packaging solutions. Going forward, we will continue investing in green technologies and rallying our global supply chain to adopt environmentally friendly policies, contributing DrayTek’s part to the planet.

- **Social Responsibility**

DrayTek regards our employees as the most valuable asset of the company. Whether it’s improving employee well-being, maintaining a safe work environment, or fostering professional growth and career development, we place these at the core of our sustainable development strategy. As employee identification with our corporate culture and cohesion increase, we believe this will further promote the company’s long-term stable growth. At the same time, we understand that a company’s social responsibility extends beyond internal management to giving back to society. Therefore, DrayTek will

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gradually increase investments in education, charitable activities, and promoting social innovation, working with all sectors to address global social challenges.

- Governance Structure

Upholding principles of transparency, fairness, and integrity, we honor our commitments to all stakeholders. DrayTek has established robust risk management and internal control mechanisms, ensuring regulatory compliance while continuously improving corporate governance standards and fostering a corporate culture that aspires to the highest ethical standards. In our future development, we will persist with our core business philosophy of innovation, responsibility, and excellence. We will continuously optimize our governance framework, enhance risk management capabilities, and promote sustainable business growth. DrayTek will continue to publicly report our achievements across environmental, social, and governance domains.

Finally, as the leader of DrayTek, I extend my sincerest gratitude to all our employees and partners for their efforts and contributions. It is through the collective endeavor of every member that DrayTek

has been able to continuously overcome challenges and achieve long-term sustainable development. In the future, we will continue to stand shoulder to shoulder, contributing to a more prosperous, green, and harmonious world.

DrayTek Corporation

Chairman



Chapter 1. About DrayTek Corporation

1.1.2 Management Team's Sustainability Perspective

(GRI 2-22)

In today's rapidly changing world, companies must not only pursue business growth but also possess the resilience and foresight to face ESG challenges. As the General Manager of DrayTek, I firmly believe that only by embedding "sustainability" into our core strategy can we ensure the company navigates change steadily and creates long-term value for customers, employees, shareholders, and society.

In recent years, global supply chains have been highly volatile due to geopolitical factors. Companies must quickly adapt to the new normal. For example, the **Suez Canal Crisis** (the "Red Sea crisis") caused shipping costs to surge, impacting our logistics planning and customer deliveries. We mitigated this by **enhancing supply chain resilience**, implementing diversified logistics solutions and adjusting regional warehousing to reduce reliance on any single route, thereby ensuring stable product supply. At the same time, the **EU's plastic reduction policies** spurred us to further optimize product packaging. In addition to using eco-friendly materials, we introduced

automated packaging technology to improve efficiency and reduce environmental impact.

Regarding ESG, DrayTek focuses on developing more energy-efficient, low-carbon networking equipment and implementing full product life cycle management. We comply with environmental regulations such as RoHS and WEEE, actively reducing carbon emissions and energy consumption in manufacturing. Beyond compliance, DrayTek strives to be a **benchmark enterprise in the green networking industry**.

We value talent development by providing training and encouraging technological innovation to enhance employees' professional capabilities, and we encourage cross-department collaboration to cultivate future leaders. DrayTek also continues to deepen our corporate culture, creating a safe, equitable, and friendly work environment where employees can leverage their strengths and realize their value.

We recognize that in the digital era, corporate responsibility extends beyond financial performance to include information security and data privacy protection – especially critical in the network equipment industry. For both our products and our

Chapter 1. About DrayTek Corporation

internal operations, DrayTek continually strengthens information security management.

ESG is not just a corporate responsibility, but also a driver for growth. We will persist with the core values of **Innovation, Sustainability, and Resilience**, promoting green product development, deepening supply chain management, enhancing employee well-being, and strengthening corporate governance mechanisms. In the future, we look forward to collaborating with all stakeholders to jointly create a more sustainable industry ecosystem – one where technological development and social responsibility complement each other, realizing the vision of co-prosperity between business and society.

DrayTek Corporation

General Manager

A handwritten signature in black ink, reading "Arthur Cheng". The signature is written in a cursive, flowing style.

Chapter 1. About DrayTek Corporation

1.2 Corporate Profile

1.2.1 Basic Information

(GRI 2-1)

Founded in 1997, DrayTek Corporation is a Taiwan-based manufacturer of network equipment and management systems. Our product lines span ISDN, broadband, VDSL to LTE series. DrayTek continuously innovates through R&D, committed to providing small and medium businesses and large enterprises with the most reliable, swift, and secure enterprise networks. Delivering high-quality, highly integrated networking solutions on an affordable budget has always been the Company's foremost mission.

Name	DrayTek Corp.
Stock Code	6216
Establishment Date	October 14, 1997
Capital	NTD 955,834 thousand
Number of Employees	208
Main Business Activities	Manufacturing and sales of wired and wireless communication machinery and equipment, telecommunication equipment, and information software services.
Industry	Communication Network Industry



Chapter 1. About DrayTek Corporation

1.2.2 Company History and Milestones

1997	DrayTek Corp. is established with a capital of NTD 11,400,000.
1998	The ISDN Vigor128 is officially released, becoming the world's first USB ISDN terminal adapter compatible with Windows 98 and MacOS. Due to its high compatibility with the iMac, it was highly recommended by Apple Inc. and authorized to use the same Bondi blue exterior design.
1999	The miniVigor128 is officially released.
2000	The ISDN ROUTER series is launched. The ISDN ROUTER Vigor 2000 wins first place in evaluations by <i>PC Direct</i> and <i>MacWelt</i> .
2001	The first broadband VPN router, the Vigor2200 series, is released. DrayTek becomes the first company to integrate VPN functionality into routers for home/SOHO use, a feature previously seen only in high-end enterprise products.
2002	At the Warsaw Computer Expo in Poland, facing strong competition from Cisco and 3COM, the Vigor 2200W is awarded the Grand Prix for its secure encryption, convenient VPN/IPSec functions, and

	wireless LAN capabilities for SMEs.
2003	DoS and QoS functionalities are introduced to the Vigor series routers. The first VoIP router, the Vigor2600V series, is released. The Vigor 2600 ADSL Router receives the top test award from Germany's <i>PC Magazine</i> .
2004	The first multi-WAN load-balancing VPN router, the Vigor3300 series, is released. DrayOS receives certification from the IPv6 Ready Logo Program. The company's stock is publicly listed on the Taiwan Stock Exchange.
2006	The first ADSL2/ADSL2+ router for SMEs, the Vigor2800V Series, and the Vigor2700 series for home use are released.
2007	The UTM product, VigorPro5500, is released. The Vigor2910 series router is launched, supporting 3.5G USB backup.
2009	The first IP-PBX router, the VigorIPPBX 2820, is released. It is a multi-functional ADSL router with an integrated IP-PBX, offering a low-cost telephony solution for SMEs.
2011	The VigorAP 800 is released, adding wireless access

Chapter 1. About DrayTek Corporation

points to the product line. The central management system, VigorACS SI, is launched, incorporating the TR-069 protocol and centralized management for DrayTek products.

2012 The first VDSL2 router for SMEs, the Vigor2860 series, and the Vigor2760 series for home use are released.

2015 High Availability (HA) functionality is introduced to DrayOS. Routers with built-in LTE, the Vigor2925 LTE series, and the Vigor2860 LTE series with an embedded VDSL2 WAN are released.

2017 DrayTek celebrates its 20th anniversary and completes its headquarters expansion. The DrayDDNS service is launched. R&D resources are expanded to Layer 2 networking, leading to the release of the first managed network switch based on DrayTek's proprietary software, the VigorSwitch P1280/G1280.

2018 The first outdoor wireless access point, the VigorAP 920R series, is released.

2020 The first tri-band wireless access point, the VigorAP 1000C, is released.

2021 VigorACS 3 is released, an integrated central

management software for the Vigor series products.

2022 The first WiFi 6 wireless access point, the VigorAP 906, is released.

2024 The first DrayOS 5 VPN router, the Vigor2136 series, is released.

1.2.3 Industry Association Memberships

(GRI 2-28)

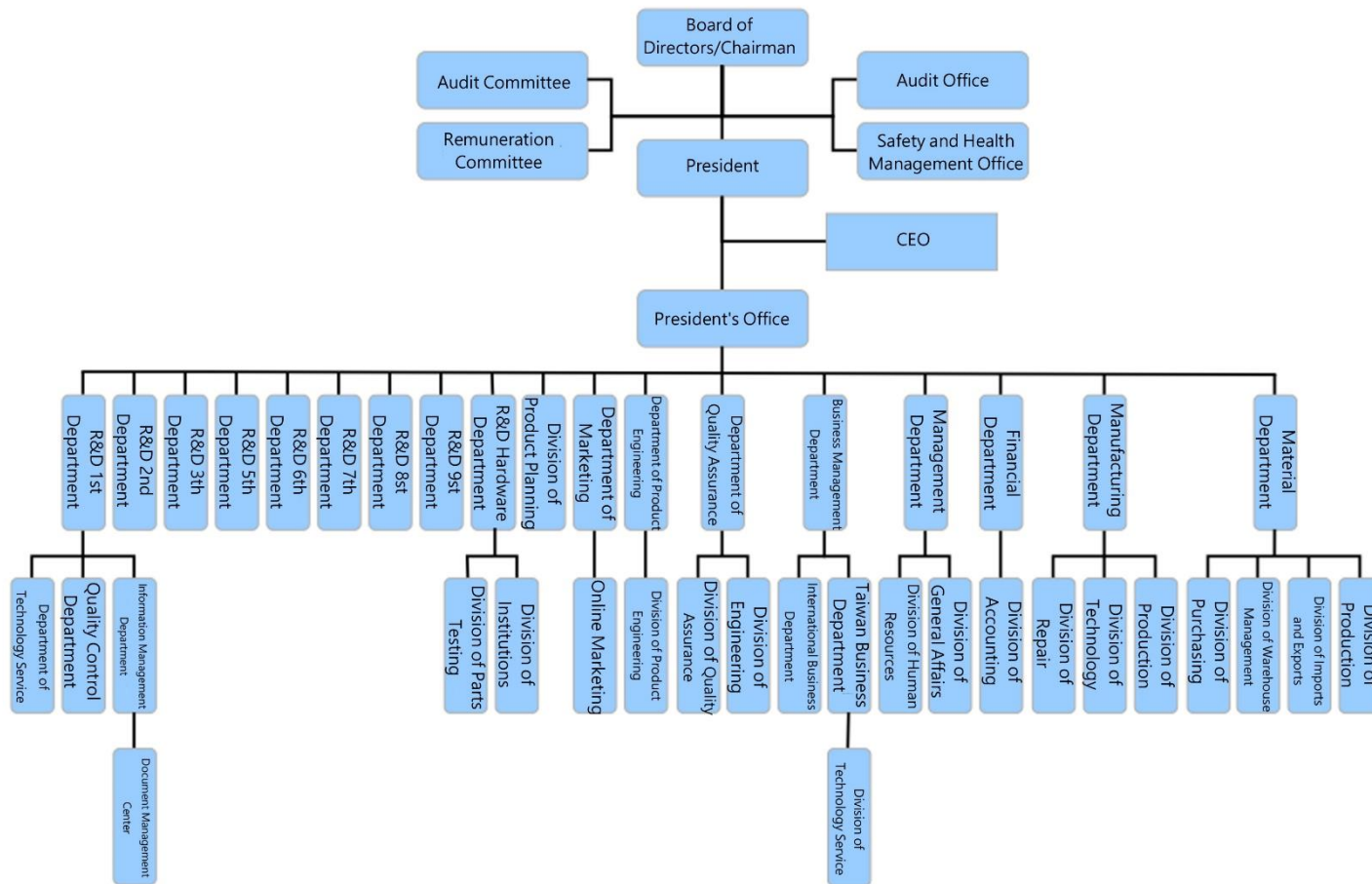
DrayTek is a member of the Taiwan Electrical and Electronic Manufacturers' Association (TEEMA), contributing to the development of Taiwan's industry.

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1.2.4 Organizational Structure

(GRI 2)

DrayTek Organization Structure



Chapter 1. About DrayTek Corporation

1.2.5 Operations

(GRI 2-6、SII-70)

The name “居易” (Ju Yi, part of our Chinese name) originates from the concept of being adaptive yet grounded, reflecting DrayTek’s solid and earnest spirit and our aspiration to create a better future by staying attuned to the times.

1.2.5.1 Products and Operations

DrayTek focuses on developing and manufacturing products under our own “Vigor” brand. The Vigor series is extensive, covering broadband routers, LTE routers, VPN routers, fiber routers, wireless access points, managed switches, and more, to meet the diverse networking needs of SMEs. During the reporting period, DrayTek’s product sales volume reached **303,847 units**, of which **network communication products were 280,453 units (92%)** and **other products 23,394 units (8%)**. Key features of the Vigor product line include:

- **Feature-Rich:** Vigor routers offer functions such as VPN, firewall, content filtering, load balancing, triple-play support, VoIP, and

bandwidth management, delivering a high **cost-performance integrated networking solution.**

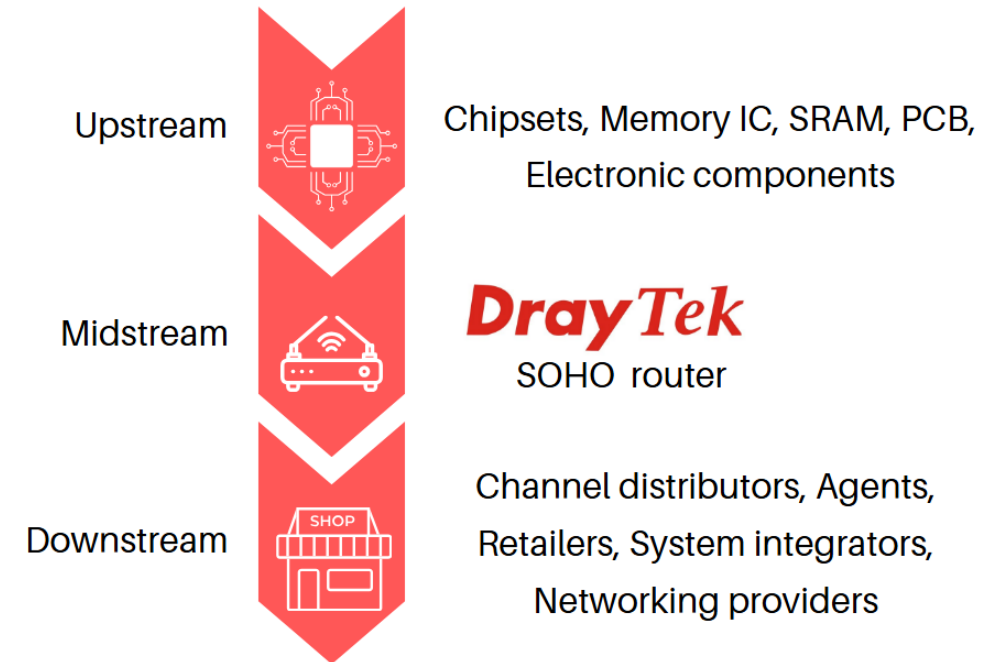
- **Security Assurance:** Vigor routers run **DrayOS**, a proprietary closed operating system developed by DrayTek, providing the necessary layered security mechanisms for enterprise networks.
- **Robust and Durable:** All Vigor routers are manufactured at DrayTek’s Taiwan headquarters. We control every component and adhere to quality management standards to achieve high MTBF, ensuring long product lifespans.
- **Customization Flexibility:** Over half of DrayTek’s employees are development engineers. We can focus on customized software features, enabling Vigor routers to better meet diverse networking requirements.
- **ISP Certified:** DrayTek has collaborated with many ISPs worldwide. We not only supply hardware but also ensure software compatibility. All products ship ready to perform optimally in local network environments, maximizing user benefit.
- **Award-Winning:** With over 20 years of experience in router R&D and manufacturing, DrayTek has earned numerous accolades. **21 products have won the Taiwan Excellence Award**, and DrayTek has been

Chapter 1. About DrayTek Corporation

honored 9 times as the Best Router Brand of the Year by the UK's *PC Pro* magazine.



1.2.5.2 Upstream/Downstream Relationships



Chapter 1. About DrayTek Corporation

1.2.5.3 Annual Operational Objectives and Results

Operational Objectives	Results
Brand & Marketing	We upheld a dual focus on brand and marketing, insisting on a brand-driven approach. We enhanced digital marketing, content marketing, and social media engagement to reach target customers, effectively conveying our brand story and core values. In major markets like Europe and the U.S., we executed channel projects with flexible product planning and marketing strategies to successfully penetrate niche market channels. These efforts improved international competitiveness and deepened our brand presence, ensuring long-term stable growth.
Innovative Product Development	Centered on three main product lines (Router/AP/Switch), we addressed strong emerging demand and opportunities with a more comprehensive network management system and software solutions. Key development themes included Remote Working Solutions and Cyber Security for

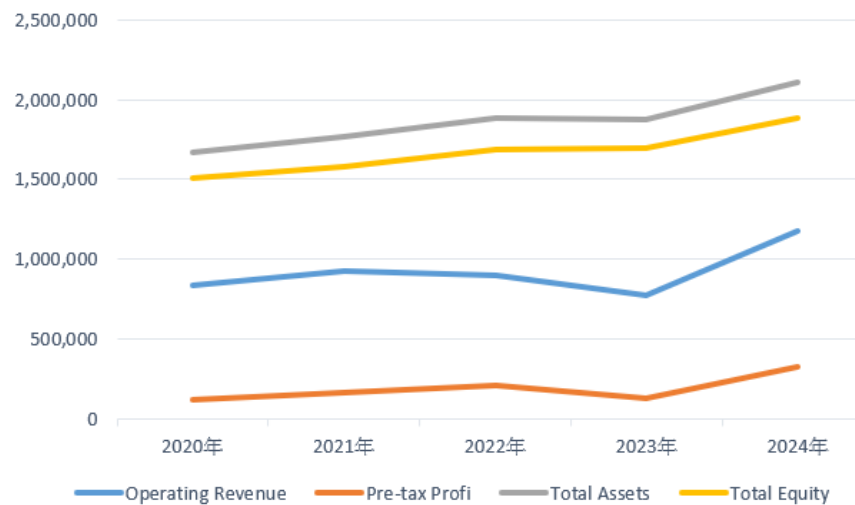
	network safety.
Global Sales Network Expansion	We optimized sales networks in primary markets, strengthening partnerships, improving supply chain efficiency, and ensuring stable product supply to boost customer satisfaction and loyalty. Meanwhile, in secondary and new markets, we adjusted channel partners and utilized localized product planning and marketing strategies to meet diverse consumer needs, increase brand competitiveness, and establish a firm foothold.

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1.3 Financial Overview

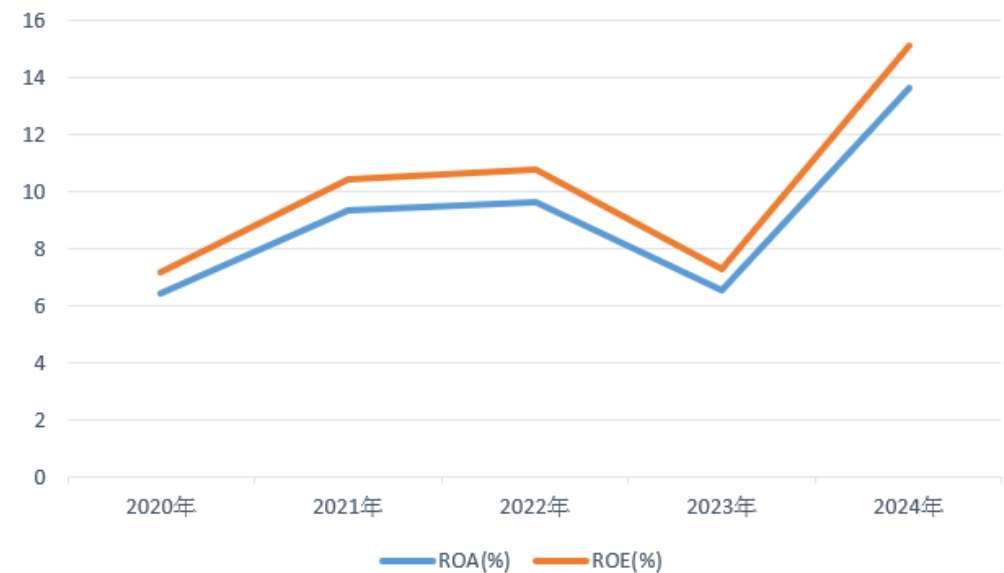
1.3.1 Revenue, Pre-Tax Profit, Total Assets, and Equity:

unit: NT\$ thousands					
	2020	2021	2022	2023	2024
Operating Revenue	840,441	931,014	899,288	775,285	1,178,472
Pre-tax Profit	125,580	171,005	215,214	133,837	324,928
Total Assets	1,669,131	1,771,046	1,881,296	1,871,985	2,108,717
Total Equity	1,505,916	1,582,371	1,684,223	1,699,829	1,887,285



1.3.2 Return on Assets and Equity

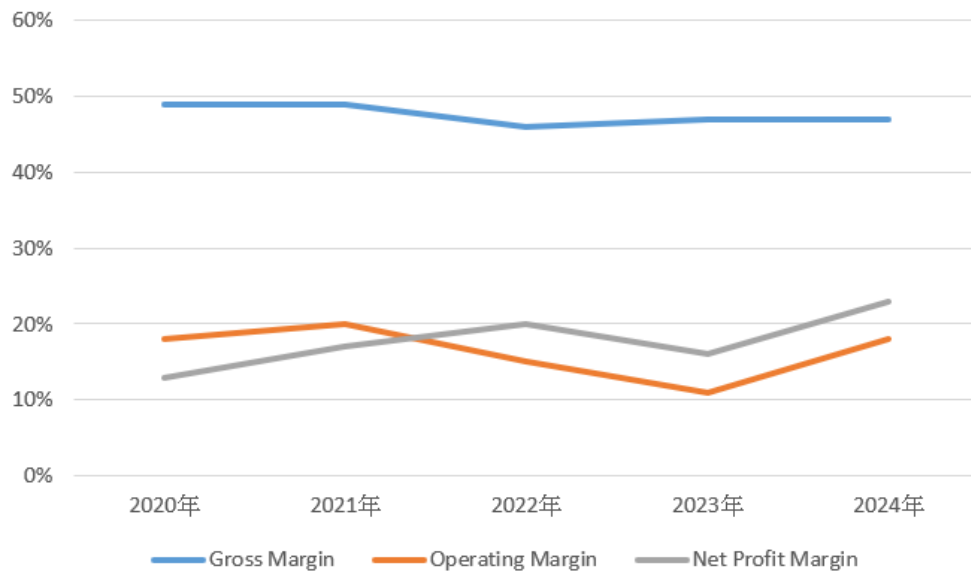
	2020	2021	2022	2023	2024
Return on Assets (ROA)	6.43	9.35	9.62	6.55	13.64
Return on Equity (ROE)	7.18	10.42	10.76	7.26	15.14



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1.3.3 Profit Margins

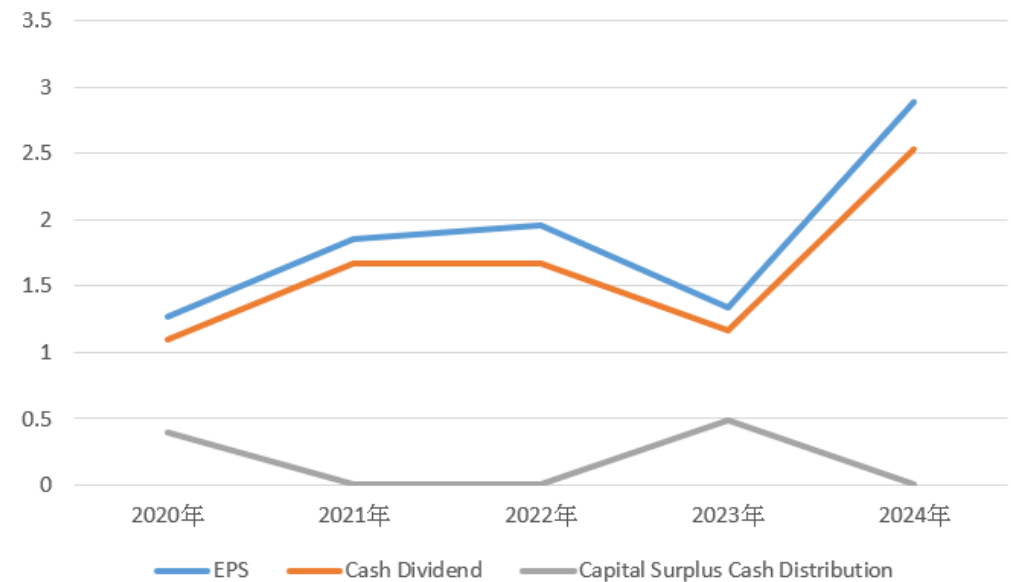
	2020	2021	2022	2023	2024
Gross Margin	49%	49%	46%	47%	47%
Operating Margin	18%	20%	15%	11%	18%
Net Profit Margin	13%	17%	20%	16%	23%



1.3.4 Earnings Per Share and Dividend Distribution

(NT\$ per share)

	2020	2021	2022	2023	2024
EPS	1.27	1.85	1.96	1.34	2.88
Cash Dividend	1.09054554	1.66682189	1.66702648	1.16529932	2.53049692
Capital Surplus Cash Distribution	0.39533094	0	0	0.48881777	0



Chapter 1. About DrayTek Corporation

1.4 Materiality Analysis

(GRI 2-29、3-1、3-2、3-3)

1.4.1 Approach and Process

DrayTek follows the **GRI Standards 2021 Sustainability Reporting Guidelines** and the **AA1000 Stakeholder Engagement Standard (SES)** to construct a materiality analysis model and process. We identify the most critical material topics to the Company and stakeholders, establishing the scope and content of report disclosure, and explain related management policies and performance. This ensures the report covers the internal and external sustainable development challenges that DrayTek faces, and it provides a foundation for setting sustainability management goals.



1.4.2 Identifying Stakeholders

Based on the AA1000 Stakeholder Engagement Standard's principles, we define stakeholders as internal or external groups or individuals that affect or are affected by the Company. Using this definition, we have identified our key stakeholders to include **shareholders, government agencies, employees, community/society, suppliers, customers, and distributors.**

1.4.3 Collecting Sustainability Issues

Through consideration of global sustainability reporting frameworks (like GRI) relevant to our industry, peer industry concerns domestically and abroad, and global sustainability trends, we focused on sustainability issues related to our business. We ultimately identified **20 sustainability issues** for evaluation.

1.4.4 Conducting the Survey

Using the preliminary list of 20 sustainability issues for the 2024 ESG report, and adjusting based on global sustainability trends and industry benchmarks, we conducted an anonymous survey (internal and external) and received **353 valid questionnaires**. This process determined the materiality matrix for 2024.

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1.4.5 Review and Communication of Material Topics

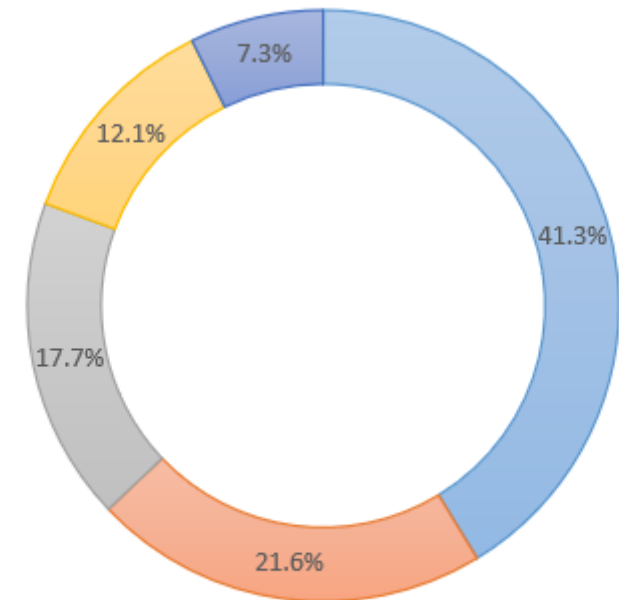
We incorporated the identified material topics into stakeholder communication, responded to their concerns, and reviewed whether the report comprehensively presents the management approaches and impacts related to these issues. The outcomes are disclosed in this report.

1.4.6 Survey Results

1.4.6.1 Survey Respondent Profile

From October 1, 2024 to November 30, 2024, we carried out the stakeholder survey and obtained 353 responses. The breakdown of respondents by stakeholder group is as follows:

Role	Percentage
Employees	41.3%
Suppliers	21.6%
Investors	17.7%
Customers	12.1%
Others	7.3%

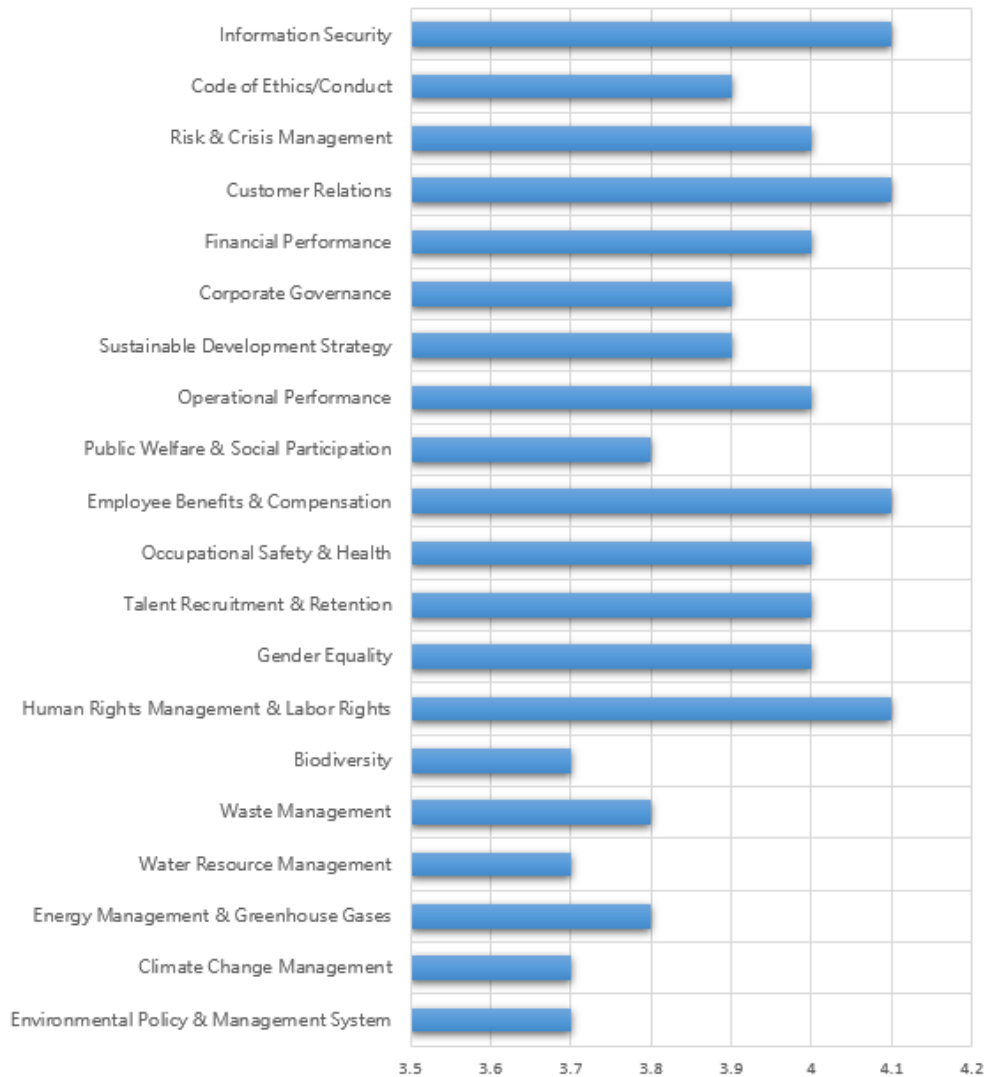


■ Employees ■ Suppliers ■ Investors ■ Customers ■ Others

1.4.6.2 Stakeholders' Issue Priorities

We calculated the average importance score for each sustainability issue.

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Using the median score of 3.95 as a threshold, issues scoring above the median were identified as highly important to stakeholders. These included topics such as following:

issues	average scores	issues	average scores
Human Rights Management & Labor Rights	4.1	Operational Performance	4
Gender Equality	4	Financial Performance	4
Talent Recruitment & Retention	4	Customer Relations	4.1
Occupational Health & Safety	4	Risk & Crisis Management	4
Employee Welfare & Compensation	4.1	Information Security	4.1

1.4.6.3 Operational Impact Analysis

Beyond stakeholder concern, we also analyzed the degree of impact these issues have on our operations. We categorized the impact of issues on operations into five levels

Definition	levels
Minimal impact (isolated to individual departments,	1

Chapter 1. About DrayTek Corporation

easily corrected)	
Low impact (requires minor resources, limited effect on operations/finance)	2
Moderate impact (requires cross-department coordination and extra budget, causes some disruption to current operations/financials)	3
High impact (may involve significant regulatory compliance or require high-level decisions and substantial resources to resolve)	4
Very high impact (severely affects core business, potentially causing long-term financial or reputational loss). We assessed each issue's operational impact accordingly	5

The following table shows the assessed operational impact level for each issue:

Issue	Risk Level	Issue	Risk Level
Environmental Policy & Management System	3	Employee Benefits & Compensation	3
Climate Change Management	4	Public Welfare & Social Participation	2
Energy Management	4	Operational	5

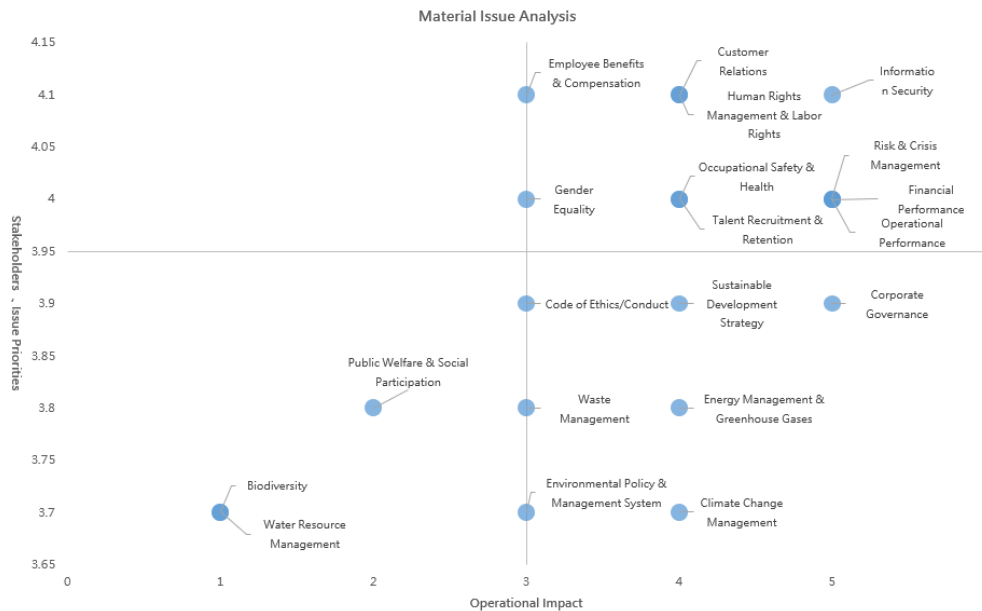
& Greenhouse Gases		Performance	
Water Resource Management	1	Sustainable Development Strategy	4
Waste Management	3	Corporate Governance	5
Biodiversity	1	Financial Performance	5
Human Rights Management & Labor Rights	4	Customer Relations	4
Gender Equality	3	Risk & Crisis Management	5
Talent Recruitment & Retention	4	Code of Ethics/Conduct	3
Occupational Safety & Health	4	Information Security	5

1.4.6.4 Material Issue Analysis Results

Combining stakeholder concern and operational impact, we conducted a **materiality analysis** by plotting issues on a matrix. We identified as “**material topics**” those issues with stakeholder concern above the median **and** operational impact level above 3. The resulting **material topics** and where they are

Chapter 1. About DrayTek Corporation

addressed in this report are listed below



The final list of material issues and their corresponding sections in this report are as follows:

Material Issue	Corresponding Section(s) in this Report
Information Security	3.6
Risk & Crisis Management	2.2 、 4.5
Financial Performance	1.3
Operational Performance	1.2, 1.3, 3.4
Customer Relations	3.4
Human Rights and Labor Rights	3.1

Occupational Health & Safety	3.2
Talent Recruitment & Retention	3.1
Employee Welfare & Compensation	3.1
Gender Equality	3.1

1.4.6.5 Listening to Stakeholders

DrayTek maintains multiple communication channels with stakeholders in day-to-day operations and via our official website (which includes dedicated contact points and an ESG email inbox at ir@draytek.com). These channels cover product information, business inquiries, product warranties, investor services, job opportunities, and corporate social responsibility issues. Each inquiry is managed by designated personnel and forwarded to the responsible unit for handling. We value two-way communication with key stakeholders — including shareholders, regulators, employees, communities, suppliers, customers, and partners — to understand and respond to their feedback, and to gradually incorporate stakeholder expectations into our sustainability management strategy

Chapter 2. Our Environmental Actions

Chapter 2. Our Environmental Actions

In today's world, where climate change and sustainable transition have become global imperatives, environmental responsibility for businesses is no longer optional but a fundamental guiding principle. As a member of the networking and communications industry, DrayTek is acutely aware that our product manufacturing, supply chain management, and energy use all impact the environment. We firmly believe that corporate growth should not come at the expense of the environment; instead, we strive to balance technological innovation with green operations to create more possibilities for the future.

We approach every environmental issue with caution. From carbon reduction, energy conservation, and plastic reduction to waste management, we continuously optimize product energy efficiency and packaging design, and diligently implement efficient internal resource use. Our focus is not only on regulatory compliance, but on demonstrating respect and responsibility for the environment in everyday operations.

Accordingly, under the framework of ISO 14001, we have developed an "Environmental Management Manual", along with various environmental management policies and procedures within that framework.

This chapter, following GRI standards, discloses our actions and performance on environmental topics such as energy use, carbon emissions, water resources, and waste management. Through transparent disclosure, we hope to move forward hand-in-hand with stakeholders to face environmental challenges and continuously advance sustainability.



Chapter 2. Our Environmental Actions

2.1 Greenhouse Gas Management

2.1.1 Greenhouse Gas Inventory

(GRI 305-1、305-2、305-3、SII-1、SII-2)

DrayTek has established an ISO 14001 Environmental Management System and obtained certification (latest certificate valid from 2023/09/08 to 2026/09/07) to facilitate the collection of environmental statistics. The Company has also formulated the Greenhouse Gas Inventory Management Procedure, the Identification Guide for Major Indirect GHG Emission Sources, and the Internal Audit Management Procedure to drive GHG inventory work.

Under the ISO 14064-1:2018 framework, DrayTek inventories Scope 1 and Scope 2 GHG emissions, and in 2024 completed full-year statistics for Scope 1 through Scope 3. The results are as follows:

Unit: tons CO2e			
Scope / Category		2023	2024
Scope 1	Category I	59.1896	60.0210
Scope 2	Category II	460.998	473.3903
Scope 3	Category III	-	255.6488

Scope 3	Category IV	-	732.1927
Scope 3	Category V	-	-
Scope 3	Category VI	-	-
Total		520.1876	1,521.2528

註：Categories involving product processing, use, and end-of-life treatment are not included within the disclosure boundary of this inventory because DrayTek does not have relevant control over those stages. GHG emissions data have not undergone third-party verification.

● GHG Emissions by Gas Type

(GRI 305-6、GRI 305-7)

GHG	CO2e (metric tons)	Percentage
CO ₂	1,462.6408	96%
CH ₄	18.7907	1%
N ₂ O	0.0273	0%
NF ₃	-	-
HFCs	39.7940	3%
PFCs	-	-
SF ₆	-	-
Total	1,521.2528	100%

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2.1.2 GHG Emission Intensity

(GRI 305-4、SII-3)

Intensity	2024
GHG emission intensity (tons CO ₂ e per product unit)	0.0050
GHG emission intensity (tons CO ₂ e per NT\$ million in revenue)	1.2909

2.1.3 Carbon Management and Reduction Strategies

(305-5、302-4、302-5、301-2、SII-5、SII-16)

Project	內容	目標
Lighting Replacement Plan	Replace all factory lighting with LED fixtures within three years.	Achieve 1% electricity savings
Eco-Design Adoption (EuP Directive)	Design products in accordance with EU Ecodesign regulations to minimize resource use and increase product recyclability.	Use at least 10% recyclable materials in products.

Air Conditioning Upgrade

Upgrade two 200RT cooling towers and convert fans to variable-frequency control to improve energy efficiency. This involves (1) dynamically adjusting airflow to reduce energy use, and (2) lowering chilled water output temperature to increase chiller efficiency and reduce compressor load.

Replacing the two 200RT cooling towers is expected to save approximately 13,000 kWh (a 1.3 ten-thousand kWh) of electricity annually.

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2.2 Strategies for Climate Risk

2.2.1 Leadership and Climate Risk

(SII-6、SII-9)

2.2.1.1 Role of the Board in Climate-related Risks

DrayTek's Board of Directors plays a guiding and supervisory role on climate issues. The Board actively engages in climate-related topics and oversees the Company's strategies and actions in response to climate change risks and opportunities. Specific actions include:

- Establishing a climate risk governance framework: The Board formulates the Company's climate change risk governance framework to ensure effective identification of climate-related risks and opportunities and appropriate responses.
- Oversight of climate strategy: The Board regularly reviews the Company's climate strategies to ensure alignment with long-term corporate development goals.
- Assessing long-term impacts: The Board reviews the long-term impacts of climate-related decisions on the Company's business, including potential effects from physical risks

(e.g., extreme weather) and transition risks (e.g., regulatory changes, technological innovation), and adjusts strategies accordingly.

2.2.1.2 Decision-making on Climate Issues

Following the TCFD Recommendations (June 2017), DrayTek identifies material climate topics and conducts scenario-based assessments. The process is as follows:

- Stakeholder engagement and issue discussions
- Identification of opportunities and risks
- Risk assessment: Analyze risk items by dimensions such as degree of financial impact, risk type, risk factors, and impact time horizon.
- Distinguish major from non-major risks based on the magnitude of financial impact.
- Formulate solutions and set targets.
- Allocate execution resources.
- Monitor implementation and track effectiveness.

2.2.1.3 Implementation and Oversight

The Company has not yet established a formal sustainability governance structure or a

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dedicated sustainability unit. DrayTek will implement this in due course based on actual needs or regulatory requirements. At present, environmental and social planning and execution are led by the Administration Department, and corporate governance planning and execution are led by the Finance Department. A cross-functional working group composed of the Office of the General Manager, R&D Division I (Information Management Department), Hardware R&D Division, Business Development Division, Marketing & Planning Department, Administration Department, Finance Department, Quality Assurance Department, Materials Department, Manufacturing Department, and the Audit Office is responsible for implementing work plans, tracking progress, and reviewing effectiveness to advance sustainability initiatives.

- Regular reviews: The Board conducts periodic climate risk assessments—on a quarterly basis—identifying key operational areas that may be affected, such as supply chain management, energy efficiency, and physical risks to assets (e.g., facility impacts from extreme weather). The Board evaluates

Company strategies based on information provided by the working group.

- Performance evaluation: Climate risk management is integrated into the performance appraisal system to ensure the working group effectively executes climate response strategies (e.g., carbon reduction, energy savings). The Board also sets incentive and disciplinary measures tied to these indicators.

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2.2.2 Risks and Opportunities

(SII-7、SII-8、GRI 201-2)

2.2.2.1 Risks and Opportunities

No.	Type	Item	Impact	Time Horizon
1	Regulatory Risk	FSC regulations for GHG inventory for listed companies.	Annual manpower and financial costs for GHG inventory, increasing operational costs.	Short-term
2		Introduction of carbon tax-related regulations.	Payment of carbon tax, increasing operational costs.	Medium-term
3	Technology Risk	Rapid changes in network technology.	Failure to develop energy-efficient products or low-carbon technologies could lead to a loss of market share. Significant investment in product upgrades may reduce short-term profits.	Long-term
4	Market Risk	Transition demand.	Increasing emphasis on ESG from upstream and downstream partners. Failure to transition in a timely manner could result in business loss.	Medium-term
5	Reputation Risk	Corporate social responsibility.	Electronic devices are often perceived as high-energy and polluting. Failure to transition could damage the company's brand reputation.	Long-term
6	Physical Risk	Climate change and extreme weather.	Natural disasters from climate change could affect employee commutes, supply chains, and logistics, impacting operations.	Long-term
7	Opportunity	Technology	Technological evolution and market shifts present both risks and opportunities. DrayTek can leverage its R&D capabilities to develop products with new technologies, especially green products that meet ESG requirements.	Long-term
		Market		
		Brand	Launching new green products with an emphasis on energy saving and carbon reduction can win awards and strengthen the brand's ESG value.	Long-term

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2.2.2.2 Financial Implications of Transition Actions

In 2024, DrayTek invested approximately **NT\$85,000** (NT\$0.085 million) in climate-related initiatives, including GHG inventory and energy-saving equipment upgrades.

- *Short-term impact*

This capital expenditure in 2024 was relatively small, so the short-term financial impact was minimal.

- *Long-term impact*

We plan to invest up to **NT\$9.6 million over three years** to improve factory air conditioning systems. Such capital investments may affect annual net profit in the short term. However, as energy-saving measures take effect, operational costs should gradually decrease (e.g., through electricity savings and reduced carbon fees). Moreover, green transformation will benefit the Company's competitiveness, helping attract additional investors and customers.

2.2.2.3 Financial Implications of Extreme Weather

- *Short-term*

Currently, none of DrayTek's facilities have suffered physical damage from extreme weather. Several typhoons in 2024 had no direct impact on our operations beyond minor economic losses due to mandatory temporary shutdowns (following government directives to suspend work and classes).

- *Medium/Long-term*

Although we have not yet experienced severe economic impacts from extreme weather, we have proactively conducted risk impact assessments. (Detailed scenario analysis is provided below.)

2.2.3 Scenario Analysis

(SII-10)

To systematically assess potential financial impacts of climate change, DrayTek referenced the TCFD framework's Strategy guidance and

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performed scenario simulations. We considered two representative scenarios from both transition and physical risk perspectives:

- **Low-Carbon Transition Scenario (Well-below 2°C)**

Based on the Science Based Targets initiative (SBTi) requirements for a “well-below 2°C” pathway, if the Company needs to reduce annual carbon emissions by 2.5% and achieve net-zero by 2050, it may require additional investments in equipment upgrades, material substitutions, and carbon accounting efforts. Preliminary estimates indicate that without such a transition, long-term compliance costs and carbon tax expenditures could raise overall operating costs by ~1.5–2%.

- **RCP Physical Risk Scenario**

Using models from Taiwan’s TCCIP (Climate Change Projection Information and Adaptation Knowledge Platform), we evaluated impacts on operations under RCP 4.5 and RCP 8.5 climate scenarios. In a high-emission scenario like RCP 8.5, the average annual temperature could rise by ~1.6°C, and extreme rainfall events may become more frequent, potentially increasing cooling energy demand at facilities and raising local flood risks. Initial

estimates suggest that higher temperatures and abnormal precipitation in a worst-case scenario might increase total power costs by up to about 1%. While this financial impact is currently manageable, we must closely monitor climate variability trends and related physical risks going forward.

2.2.3.1 Local Physical Risk Analysis

We utilized the National Science and Technology Center for Disaster Reduction’s climate change risk assessment platform to evaluate climate risks at our headquarters in Hukou Township, Hsinchu County. The platform provides flood and hillside disaster risk maps under the IPCC AR6 warming scenarios. Key risk indicators include:

- (1) Risk Level: Population risk level under extreme rainfall in a changing climate.
- (2) Hazard Level: Severity of natural hazards under extreme rainfall.
- (3) Vulnerability: Degree of susceptibility based on environmental factors.
- (4) Exposure: Population exposure in the area.

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Risk levels are rated 1 (lowest) to 5 (highest). We analyzed integrated map data for three warming scenarios:

- (1) **T1.5** (+1.5°C, likely occurrence 2021–2040; global net-zero by mid-century keeps warming within 1.5–2°C),
- (2) **T2** (+2°C, likely occurrence 2041–2060 under moderate or higher emissions), and
- (3) **T4** (+4°C, failure of climate policies, potential warming by 2081–2100).

The risk results for different scenarios are as follows:

Flood Risk							
Scen ario	Risk Level (Curr ent)	Risk Level (Projec ted)	Hazar d (Curr ent)	Hazard (Projec ted)	Vulnera bility (Current)	Expos ure (Curr ent)	Exposu re (Projec ted)
T1.5	1	2	1	5	1	3	4
T2	1	2	1	5	1	4	5
T4	1	3	1	5	1	4	5

Slope Failure Risk							
Scen ario	Risk Level (Curr ent)	Risk Level (Projec ted)	Hazar d (Curr ent)	Hazard (Projec ted)	Vulnera bility (Current)	Expos ure (Curr ent)	Exposu re (Projec ted)
T1.5	2	2	2	2	2	5	5
T2	2	2	2	2	2	5	5
T4	2	2	2	2	2	5	5

Analysis indicates relatively low risk of hillside (landslide) disasters at our location, but higher hazard levels for flooding. Thus, we must strengthen flood prevention measures.

2.2.4 Risk Response Strategies and Targets

(SII-11、SII-13)

2.2.4.1 Risk Countermeasures

No.	Item	Response Strategy	Expected Budget
1	FSC GHG inventory regulations.	Establish a GHG Inventory Committee to conduct annual inventories according to ISO 14064-1.	-

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2	Carbon tax regulations.	Establish an internal carbon price to proactively incorporate carbon costs into operational considerations.	-
3	Rapid changes in network technology.	Maintain R&D investment, support employee training on the latest technologies.	-
4	Transition demand (Supply Chain).	Implement Ecodesign (EuP Directive) for new product development; establish "Green Product Management Procedures."	-
5	Transition demand (Operations).	Implement a three-year plan to upgrade the factory's air conditioning system.	NTD 9.6 million over 3 years
6	Corporate social responsibility.	Develop more green products that meet ESG requirements to enhance the brand's environmental value.	-
7	Climate impact on supply chain.	Strengthen supply chain risk assessment; maintain the ISO 14001 environmental management system.	-
8	Physical impact of climate change on facilities.	Enhance drainage and waterproofing measures at the factory; establish disaster response procedures; procure advanced flood prevention equipment.	-

2.2.4.2 Risk Response Strategies and Targets

We have established carbon reduction key performance indicators (KPIs) to monitor progress of climate risk management measures and set specific targets to evaluate transition performance.

Metric	Target	Progress
Carbon Emissions (Scope 1-3)	Reduce by 1%	2024 is the baseline year; reduction measures have not yet been implemented.

2.2.5 Internal Carbon Pricing

(SII-12)

To address regulatory and market risks from climate change, DrayTek will introduce an internal carbon pricing mechanism, internalizing the cost of carbon emissions in daily decision-making. This encourages departments to implement carbon reduction measures and prepares us for future carbon tax regimes.

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2.2.5.1 Pricing Principles:

We will base our internal carbon price on:

- **Market Trends & Policies**

We will reference carbon trading prices, carbon fees, and carbon taxes worldwide, analyzing an appropriate carbon price level. We will consider future policy changes in our key markets. (For instance, Taiwan finalized a carbon fee in October 2024 at NT\$300/ton, to be reviewed biennially and expected to rise to NT\$1,200–1,800 by 2030, with carbon fee collection starting in 2025. A carbon tax may also be introduced in the future.)

- **Cost-Benefit & Feasibility**

We will consider the costs and effectiveness of various carbon reduction measures. The internal carbon fee should ideally fund these reduction initiatives. We must also assess the impact of the internal carbon fee on operations to ensure it is set at a viable level.

- **Pricing & Implementation**

DrayTek will synthesize the above principles to set an internal carbon price and incorporate it into routine operations evaluations. We will regularly review and adjust this internal carbon price to aid informed decision-making during our low-carbon transition.

2.2.5.2 shadow carbon price

We plan to implement a *shadow carbon pricing* program, meaning we will apply the internal carbon price in daily operations without actual financial transactions initially. This allows us to evaluate the impact of an internal carbon price on operations and refine the carbon fee. Expected impacts of the shadow carbon pricing include:

- **Investment Decisions**

Incorporating the internal carbon cost into capital expenditure models to assess the carbon cost of different investment options.

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- **Product Pricing**

Since the internal carbon fee can increase operating costs, product and service design will account for carbon footprint and carbon costs. This will encourage eliminating high-carbon-footprint features during design to maintain price competitiveness.

- **Supply Chain Selection & Management**

Internal carbon pricing will reflect the carbon footprint of supplied products as a financial cost, enabling evaluation of suppliers' carbon performance. This incentivizes choosing lower-carbon suppliers.

- **Operational Costs:**

Internal carbon fees clarify carbon costs in operations and will be reflected in operating costs. This promotes company-wide carbon reduction measures to lower emissions and thus operating costs.

2.3 Energy Management

2.3.1 Total Energy Consumption

(SII-17、SII-18、SII-19、GRI 302-1、302-2、302-3)

DrayTek's electricity is primarily sourced from the Taiwan Power Company. We do not currently use renewable energy, self-generate power, or purchase external electricity. In 2024, total electricity consumption was **998,713.8 kWh**.

Energy Source	kWh	Percentage
Renewable Energy	-	-
Self-Generated	-	-
Purchased Electricity (non-grid)	-	-
Taiwan Power Company	998,713.8	100%
Total Electricity Consumption	998,713.8	100%
Energy Intensity	847.4650 kWh / million NTD revenue	

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2.4 Water Resource Management

2.4.1 Water Use Status

(SII-21、SII-22、SII-23、SII-24、SII-25、GRI 303-1、303-2、303-3、303-4、303-5)

DrayTek's water resources are primarily supplied by the municipal water utility; the Company does not conduct self-withdrawal. Total water consumption in 2024 was 4,797.1 tonnes.

Unit: tonnes		
Water Source	2024	Percentage
Municipal Water Supply	4,797.1	100%
Self-Withdrawn Water	-	-
Total Water Withdrawal	4,797.1	100%

Note: Water volume figures have not been verified by a third party.

Other water-related items are as follows:

Item	2024	Description
Water Intensity	4.0706 tonnes / million NTD revenue	
Total Water Consumption	4,797.1 tonnes	As there is no process water use, total consumption is equal to

		total withdrawal.
Wastewater	-	No legally regulated wastewater discharge.
Domestic Sewage	3,837.68 tonnes	Domestic sewage disclosed in accordance with the Water Pollution Control Act.

2.5 Waste Management

(SII-26、SII-27、SII-28、SII-29、SII-30、SII-31、SII-32、GRI 306-5、306-1、306-2、306-3、306-4、301-3)

2.5.1 Waste Management Policies and Principles

The Company has established and is certified to the ISO 14001 Environmental Management System (latest certificate valid from 2023/09/08 to 2026/09/07). DrayTek has also formulated the Waste Control Procedure and the Green Product Operation Management Guidelines to promote green product design and resource recycling, thereby reducing waste generation.

Waste generated at our facilities is handled in accordance with Taiwan's Waste Disposal Act, and we engage licensed contractors for disposal. Most

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waste produced onsite is general domestic waste; no hazardous waste is involved.

2.5.2 Waste Overview

Unit: metric tons		
Item	2024	Percentage
Hazardous waste	—	0%
Non-hazardous waste (general industrial waste)	25.81	100%
Total waste	25.81	100%
Hazardous waste from production processes recycled	—	0%
Waste intensity	0.0219 metric tons / NT\$ million in revenue	

Note: Total waste weight has not been verified by a third party.

2.6 Fuel Management

(SII-33、SII-34、SII-35、SII-36)

DrayTek's fuel use is limited to gasoline for company vehicles and diesel for backup generators.

Unit: liters		
Fuel	2024	Percentage
Gasoline	470.56	78%
Diesel	132.00	22%
Coal	-	-
Natural Gas	-	-
Renewable Fuel	-	-
Total	602.56	100%

2.7 Product Life Cycle

(SII-37、SII-38、GRI 301-3)

2.7.1 Definition of Scrap Products

DrayTek's main products are network devices (electronic equipment). The primary categories of scrap or end-of-life products include

- (1) Defective units generated during production
- (2) Products failing quality inspections
- (3) Returned products that cannot be repaired
- (4) Faulty or defective components
- (5) Unusable packaging remnants or offcuts

2.7.2 Total Product Scrap and Treatment

The above scrap items are handled as follows:

Item	Disposal Method	Quantity/Weight	Percentage
PCBA	Recycled	64 kg	7%
Metal Parts	Recycled	226 kg	25%
Paper	Recycled	517 kg	56%
Electronic Components	Recycled	113 kg	12%
Total		920 kg	100%

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For DrayTek, “sustainability” is not only about being environmentally friendly and efficient in governance, but also encompasses respect and commitment to people and society. We know that the growth of our company comes from the efforts of each employee and from mutual trust and support with the society around us. Therefore, while pursuing business performance, we are equally devoted to creating a safe, respectful, diverse, and growth-oriented work environment, and we continually fulfill our corporate responsibility to society.

We care about every employee’s health and development, offering fair working conditions and learning resources, encouraging cross-department collaboration and innovation, and ensuring labor rights and workplace safety throughout our operations. Additionally, we remain attentive to external social issues — through education, technology, and community giving, we forge deeper connections with local communities, extending our influence beyond our core business to give back to society.

This chapter, following GRI standards, discloses our specific practices and results in areas such as labor-management relations, occupational health and safety, training and education, diversity and inclusion, and social participation. Through these efforts, we aim to foster a people-centric, enduring corporate culture, and to work together with stakeholders in building a more inclusive and resilient future.



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3.1 Talent Recruitment, Development, and Career Progression

3.1.1 Employee Structure and Employment Profile

(GRI 2-7、2-8、202-2、401-1、405-1、SII-43)

In 2024, DrayTek's workforce composition is as follows (averaged from monthly data due to some turnover during the year)

	Male	Female	Other	Total	Percentage
Full-time Employees	138	70	0	208	95%
Part-time Employees	2	9	0	11	5%
Total	140	79	0	219	100%
Percentage	64%	36%	0	100%	-

Among the 219 employees in 2024, the breakdown by specific categories is as follows:

Category	Male	Female	Other	Total
Supervisory/Management Roles	44	15	0	59
Indigenous Peoples	1	1	0	2

Foreign Nationals	0	0	0	0
Local Residents (Hsinchu County)	62	61	0	123
On Parental/Unpaid Leave	1	1	0	2
New Hires	9	5	0	14
Voluntary Resignations	11	3	0	14
Layoffs	1	1	0	2

Of these, the average number of female supervisors was 15, representing 7% of the total workforce and 25% of all management personnel.

3.1.2 Labor Organization and Communication

(2-30、407-1)

To date, DrayTek has not established a labor union nor implemented collective bargaining agreements; all employment terms are set via individual labor contracts. The Company respects and supports employees' freedom of association. Regardless of position or role, employees are free to join an industrial union or professional union of their choice, ensuring they have avenues to participate in

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and understand matters related to collective agreements.

We are committed to creating an inclusive and respectful workplace and fully uphold employees' freedom of association and their right to engage in collective bargaining. Although there is no in-house union, management understands and acknowledges employees' right to unionize externally.

Meanwhile, the Company has formed an Employee Welfare Committee (a staff-elected body) to hear employee opinions and needs, and to incorporate this feedback into management decisions.

Employees thus participate in shaping welfare policies, ensuring that working conditions meet their expectations. If employees were to initiate forming an internal labor union in accordance with the law, the Company would fulfill all legal obligations and assist in its establishment.

Additionally, DrayTek encourages employees to form internal clubs (interest groups or learning circles) to strengthen interpersonal bonds, enhance teamwork, and build a cohesive company culture. These clubs provide a platform for employees to interact and contribute to a positive corporate atmosphere. Currently, several employee clubs are active, such as a Golf Club, Fishing Club, Yoga Club,

Billiards Club, Softball Club, Jogging Club, and Table Tennis Club.

3.1.3 Fostering an Inclusive and Secure Workplace

(GRI 406-1、408-1、409-1、410-1、411-1、412-1、412-2、412-3)

3.1.3.1 Gender Equality and Diversity & Inclusion

The Company is committed to upholding the highest standards of human rights protection, and we embed respect and protection of human rights in all our policies. We regularly review and update internal policies to ensure our recruitment and daily management meet human rights standards and prevent any infringement on fundamental employee rights. The HR department conducts an annual internal review to ensure no latent human rights risks exist in our business processes. DrayTek strives to create an equal and fair working environment, treating all employees the same regardless of personal attributes, and we take proactive measures to prevent any form of

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discrimination. We strictly adhere to non-discrimination principles in hiring, promotions, compensation, and other HR policies. All employees—regardless of gender, age, race, religion, sexual orientation, or disability—are respected and enjoy equal opportunity at the workplace. **During the reporting period, there were no incidents of discrimination, breaches of equality principles, or violations of indigenous rights,** as we continuously maintain a diverse and inclusive workplace culture.

3.1.3.2 Human Rights Protection

To date, the Company has had no human rights incidents, nor have we faced any external regulatory actions or lawsuits related to human rights issues. Therefore, our operations were not impacted by any human rights incidents during the reporting period.

3.1.3.3 Labor Conditions and Rights Protection

DrayTek is committed to providing a work environment that respects human rights

and strictly prohibits any form of forced or compulsory labor. All terms of employment are established through voluntary agreement by both parties, and our recruitment process adheres to the principle of free choice, ensuring every employee's right to freely choose employment. Our HR department oversees compliance to ensure no forced labor occurs. **During the reporting period, there were no instances of forced or compulsory labor at DrayTek.**

Additionally, the Company strictly forbids any form of child labor. We ensure all recruitment processes and HR policies comply with legal age requirements, and we do not employ anyone under the legal working age. Regular audits of HR processes confirm there have been no cases involving child labor. All DrayTek employees are above the legal minimum age, and **no incidents involving child labor occurred during the reporting period.**

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3.1.3.4 Security Personnel

During the reporting period, DrayTek employed 3 security personnel through a contracted security company, comprising roughly 1% of our total workforce. The training of these security guards is managed by the security service provider.

3.1.4 Comprehensive Welfare System and Employee Care

(SII-39、201-3、401-2、401-3、403-3、403-6)

DrayTek's commitment to employee welfare is strong. In October 2000 (89th year of the ROC), with approval from the Hsinchu City Government, we established an **Employee Welfare Committee** run by employee elections, which manages various welfare programs to promote harmonious labor relations. During the reporting period, the Company's expenditures on employee welfare totaled **NT\$317,387 thousand** (NT\$317,387,000). Key employee welfare initiatives include:

- Enrolling all employees in the national labor insurance and health insurance programs.
- Providing free group insurance for employees.
- Annual health examinations for all staff, including comprehensive checks (with additional advanced items such as liver, kidney function, cardiovascular risk screening, etc.).
- Education and training programs, including orientation for new hires and job-related professional training.
- Monetary subsidies for childbirth, marriage, funeral events, and book purchases for personal development.
- Subsidies for annual domestic or overseas employee travel tours.
- Quarterly department gathering allowances for team-building activities.
- Onsite recreational facilities such as a gym, badminton court, tennis court, and table tennis room for employees' health and wellness.

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Unit: NTD Thousands		
Employee Benefit	2024	2023
Expenses		
Salary Expenses	264,351	232,041
Employee Stock	12,423	9,164
Options		
Labor and Health	20,175	19,332
Insurance Expenses		
Pension Expenses	10,479	10,192
Other Personnel	9,959	7,967
Expenses		
Total	317,387	278,696

3.1.5 Fair Compensation Policy

(GRI 2-19 、 2-20 、 2-21 、 202-1 、 405-2)

3.1.5.1 Compensation Policy

DrayTek is dedicated to offering market-competitive and fair compensation to attract and retain talented individuals. For entry-level positions, our standard starting salaries are set **significantly above the local legal**

minimum wage to ensure a good quality of life and job satisfaction for employees. We follow the principle of equality in our compensation policies: all employees' base pay and raises are determined by job role, performance, and skills, without regard to gender, religion, or ethnicity. According to our internal salary data, the **average base salary for female employees is on par with that of male employees** in equivalent positions. This reflects our commitment to gender equality.

The remuneration policy for the highest governance unit and senior management can be found on pages 9-14 of our annual report. Currently, the evaluation indicators of our remuneration policy are primarily based on economic targets and do not yet incorporate sustainability goals. To incentivize managers to prioritize long-term comprehensive performance and achieve sustainable corporate operations, ESG sustainability strategies and goals will be integrated into manager compensation in the future. ESG sustainability topics include sustainable governance, green R&D, sustainable supply

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chains, environmental sustainability, information security, business marketing, sustainable workforce, and social inclusion.

3.1.5.2 Salary Overview

(SII-40、SII-41、SII-42)

Item (Unit: NTD Thousands)	2024	2023
Annual Salary Expenditure (Mean)	1,318	1,155
Employee Benefit Expenditure (Mean)	1,509	1,331
Mean Salary of Non-Managerial Full-time Employees	1,059	1,078
Median Salary of Non-Managerial Full-time Employees	882	952

Item	2024
Annual total compensation ratio	4.40
Change in the annual total compensation ratio	2.51

Note:

Annual total compensation ratio = Annual total compensation for the organization's highest paid-individual / Median annual total compensation for all of the organization's employees excluding the highest-paid individual

Change in the annual total compensation ratio = Percentage increase in annual total compensation for the organization's highest-paid individual / Median percentage increase in annual total compensation for all of the organization's employees excluding the highest-paid individual

3.1.6 Employee Training and Skill Development

(GRI 205-2、403-7、404-1、404-2、404-3)

DrayTek has established procedures for training and development, such as the "Education and Training Management Procedure" and the "Book Purchase Subsidy Guidelines." We conduct regular and ad-hoc training programs to enhance employees' professional skills and capabilities. Our approach includes in-house managerial training courses, sending staff to external professional competency programs, on-the-job practical learning, and providing an internal network with online learning resources for employees.

3.1.6.1 New Employee Training

All new hires undergo required training, including occupational safety (e.g., fire safety) and job-specific professional training, to ensure they are well-prepared for their roles.

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3.1.6.2 Continuous Learning Encouragement

We offer a book purchase subsidy program to encourage employees to self-study and improve. By subsidizing the cost of books, we promote a culture of reading and continuous learning, enhancing both humanistic and professional competencies.

3.1.6.3 Career Development

The Company has built a career development training system, providing a diverse learning environment and well-planned training courses to help employees rapidly enhance professional skills and support their long-term career planning.

3.1.6.4 Training Summary

In the reporting year, DrayTek invested **NT\$86,000** in employee education and training, totaling **170 hours of training**.

Course Name	Type
Organic Solvent Operations Refresher Training	External
First Aid Personnel Refresher Training	External
Fire Safety Manager Refresher Training	External

Forklift Operator Refresher Training	External
2024 H1 Fire Safety Education Training	Internal
2024 H2 Fire Safety Education Training	Internal
New Employee Occupational Safety and Health Training	Internal
ISO 14001 Environmental Course	Internal
iPAS Intermediate Information Security Personnel Training	External
Cybersecurity (Artificial Intelligence)	External
LLM Large Language Model Practical Camp	External
Issuer, Securities Firm, and Stock Exchange Accounting Supervisor Continuing Education	External
Enhancing the "Three Lines of Defense" in Internal Control	External
Legal Liability and Internal Control for "Employee Fraud"	External
Audit and Compliance for "Corporate Governance Officer"	External
Application of Digital Forensics in Trade Secret Protection	External
Production Department Skills Training	Internal
New Product Hardware Circuit Briefing	Internal
Hazardous Chemical Labeling and Communication Training	Internal
Mid-to-Senior Management Training	Internal

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3.1.7 Severance Management Mechanism

During the reporting period, there were no mass layoffs at DrayTek. However, in 2024 two employees were dismissed due to not meeting job requirements. These dismissals strictly followed Article 11, Item 5 of the Labor Standards Act. We provided the legally required advance notice and severance pay, and offered necessary job transition assistance to the affected individuals.

3.1.7.1 Minimum Notice for Operational Changes

(GRI 402-1)

No major operational changes occurred during the reporting period that required special notice to employees. Should such changes occur, DrayTek will abide by Article 16 of the Labor Standards Act, which stipulates advance notice of 10 to 30 days depending on years of service. We are committed to providing the legally required minimum notice (and more if possible) to employees in the event of significant operational changes.

3.2 Safe Workplace and Health Protection

(GRI 403-1、403-2、403-3、403-4、403-5、403-6、403-7、403-8、403-9、403-10、SII-44、SII-45、SII-46、SII-47、SII-48、SII-49、SII-50)

In accordance with the Occupational Safety and Health Management Regulations, the Company has established a dedicated Occupational Safety and Health (OHS) unit responsible for promoting and improving various safety and health measures. Our OHS management has not yet undergone third-party certification.

3.2.1 Management Methods

We have formulated the Environmental Manual, the Labor Safety and Health Work Rules, and the Employee Injury Reporting and Handling Procedure to ensure employee safety.

3.2.2 Education and Training:

We have established the Emergency Preparedness and Response Management Procedure and provide training in accordance with regulations to enhance employees' safety awareness and emergency response capabilities.

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3.2.3 Health Management:

To promote employee health, the Company provides health examinations and wellness benefits for all employees. In addition to basic items, we offer advanced screenings such as liver function, kidney function, and cardiovascular risk assessments, and we incorporate workplace health management into our employee benefits to help reduce the risk of occupational injuries and diseases.

3.2.4 Occupational Incidents:

During the reporting period, there were no work-related injuries, occupational incidents, or occupational diseases. We continue to maintain a safe work environment and prioritize employee health, taking preventive measures to mitigate potential risks..

3.2.5 Fire Safety:

During the reporting period, there were no fire incidents. We will continue to maintain workplace fire safety equipment to ensure compliance with relevant regulations.

On September 12, 2023, the Company experienced a fire incident caused by a short circuit in

an extension cord. Fortunately, there were no casualties and no significant property damage. In response, DrayTek strengthened its fire prevention and emergency response measures, including:

1. To enhance employees' fire safety awareness and emergency response capabilities, expanded semiannual fire safety seminars were conducted on December 27, 2023.
2. Company-wide replacement of extension cords, switching to extension cords that comply with the latest safety standards.
3. Installation of dedicated power circuits for testing racks within the plant.

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3.3 Building a Responsible Supply Chain

3.3.1 Supplier Inventory and Assessment

(308-1、308-2、414-1、414-2)

DrayTek has established a "Supplier Quality Management Guideline" and a "Supplier Control Procedure" to evaluate and manage our suppliers. We conduct regular audits of key suppliers to ensure the products and materials they provide meet our quality requirements and standards.

Currently, DrayTek's key suppliers are as follows (identified by code to protect business confidentiality):

Supplier Name (or Code)	Product or Service	Conforms to International Standards	Local Supplier
DT000U	PCBA Outsourcing	Yes	Yes
DT000T	PCBA Outsourcing	Yes	Yes
01397	Finished Goods Manufacturer	Yes	No
01492	Finished Goods Manufacturer	Yes	No

3.3.2 Supplier Audits

3.3.2.1 Audit Results

(SII-64、SII-65、SII-67)

The results of audits conducted during the reporting period are as follows:

	Quantity	Percentage
Total Number of Suppliers	132	100%
Number of Suppliers with International Certification	4	3%
Number of Suppliers Audited	4	3%
Suppliers Passing Audit	4	100%

3.3.2.2 Audit Content

1. Supplier DT000U

This supplier provides PCBA (printed circuit board assembly) manufacturing. Audit scope covered processes including PCB assembly, testing, and quality control. We audited a total of 286 items, and the supplier achieved a 97.2% compliance (pass) rate.

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2. Supplier DT000T

This supplier also provides PCBA manufacturing. Audit scope included warehousing, SMT (surface mount technology), DIP (dual in-line package insertion), testing, repair, and quality assurance among 40 items. (The audit results indicated satisfactory performance, with any minor findings communicated for improvement.)

3. Suppliers 01397 & 01492:

These suppliers provide finished PCBA products. Audit scope spanned solder paste printing, SMT, DIP, testing, repair, engineering control, warehousing, quality assurance, and environmental regulatory compliance.

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3.3.3 Use of Raw Materials

(GRI 204-1)

As a professional manufacturer of networking and communications equipment, our upstream suppliers are producers of electronic components, including chipsets, memory ICs (including SRAM), printed circuit boards, and plastic housings. Taiwan's information electronics industry has a well-developed supply chain locally; thus, all important components needed for production can be procured from domestic suppliers, ensuring a secure supply of raw materials. In 2024, **92% of our procurement spending was domestic** and **8% was from abroad**. Our supply chain materials include ICs, electronic components, PCBs, connectors, network cards, cables, plastic casings, metal parts, packaging materials, etc., and all our suppliers comply with international standards (such as RoHS for hazardous substances and others as required).

3.4 Product Quality and Customer Assurance

3.4.1 Product Output and Compliance

(SII-68、417-1)

In 2024, DrayTek's production volume and compliance status were as follows:

Item	Production Volume	Percentage	Compliance with International Standards
Network Communication Products	255,352	96%	ISO 9001:2015, ISO 14001:2015, EU RoHS Directive, EU REACH Regulation
Other	10,254	4%	
Total	265,606	100%	

3.4.2 Production Sites

(SII-69)

DrayTek currently operates **one manufacturing site**, which is the factory at our company's address in Hsinchu Industrial Park, Taiwan. We do not have other production plants, allowing centralized quality control.

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3.4.3 Quality Management and Safety

DrayTek is certified for the ISO 9001 Quality Management System and the ISO 14001 Environmental Management System. Our Quality Assurance Department includes a Quality Management section and a Quality Engineering section to strictly control product quality and safety.

Internally, the company has established a "Quality Plan Management Procedure," "REACH Restricted Substances Management Procedure," and "Product Restricted Substances Management Procedure," which outline relevant regulations and supplier cooperation requirements. We conduct regular supplier audits to ensure material quality and require all raw material suppliers to sign a "Restricted Substances Commitment Guarantee" to jointly promote compliance with environmental laws, protect the global environment, and mitigate impacts on ecosystems.

Externally, the company has formulated a "Service Management Procedure," "Product and Service Improvement Survey Procedure," and "Customer Complaint Handling Management Procedure" to maintain strong customer relationships and gather feedback for continuous product improvement.

3.5 Community Relations

(SII-71、SII-72、SII-73、GRI 413-1、413-2、414-1、414-2、308-1、308-2)

DrayTek is located in the Hsinchu Industrial Park in Hukou Township, Hsinchu County, and there are no residential communities in the immediate vicinity. Furthermore, our factory primarily performs assembly and does not involve pollution-intensive processes. Therefore, DrayTek's operations do not have any significant or potential negative impact on the local community.

Even so, DrayTek remains mindful of any impact on communities. Going forward, we will include community impact response measures in our supplier audits, particularly for suppliers whose operations could be polluting. This is to ensure that our supply chain also manages and mitigates any potential community or environmental impacts.

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3.6 Information Security Management in the Digital Era

(SII-74 · SII-75 · SII-76 · GRI 418-1)

Given that DrayTek's primary products are networking devices, the Company places great emphasis on information security. We remain abreast of international cybersecurity regulations (for example, the EU's NIS2 directive) and are committed to developing cybersecurity solutions suitable for small and medium-sized enterprises (SMEs). Our product development is incorporating Network Detection and Response (NDR) and Endpoint Detection and Response (EDR) technologies to offer comprehensive Extended Detection and Response (XDR) solutions for our customers.

3.6.1 Information Security Policy

DrayTek is equally focused on protecting our internal information security. The company has a dedicated Information Security Officer and personnel within the Information Management Department, responsible for establishing internal security policies and driving related initiatives. We have implemented a suite of management procedures, including "Network and Communication Equipment Major Incident

Recovery," "Data Backup," "Computer Software Management," "Network Resource Application," "Network Communication Management," and "Computer Data Control" procedures to guide our information security work.

Specific protective measures include regular scanning and monitoring of internet activity and the use of an integrated Unified Threat Management (UTM) system that provides network security protection, anti-virus/anti-malware functions, and anti-spam technology.

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Security Measure	Description
Network Security Control	Network segmentation, vulnerability scanning and remediation, email filtering, automated network threat detection, etc.
Access Control	Principle of least privilege, separation of duties, role-based access control, dynamic access control.
Computer Operations Security	Antivirus for office computers, server security controls, endpoint deployment, two-factor authentication, patch management, and vulnerability updates.
Personnel Security & Training	Regular internal information security drills and training to enhance employee security awareness and vigilance.
Asset Management & Data Protection	Separation of personal and company devices, regular audit logging and maintenance, and regular system disaster recovery drills to ensure data integrity and availability.

3.6.2 During the reporting period, no information leakage incidents were identified or confirmed.

During the reporting period, no information leakage incidents were identified or confirmed.

Security Incidents / Year	2022	2023	2024
Confirmed Data Leakage Incidents	-	-	-
Violations of Security or Cybersecurity Policies	-	-	-
Security Incidents Involving Customer Data	-	-	-

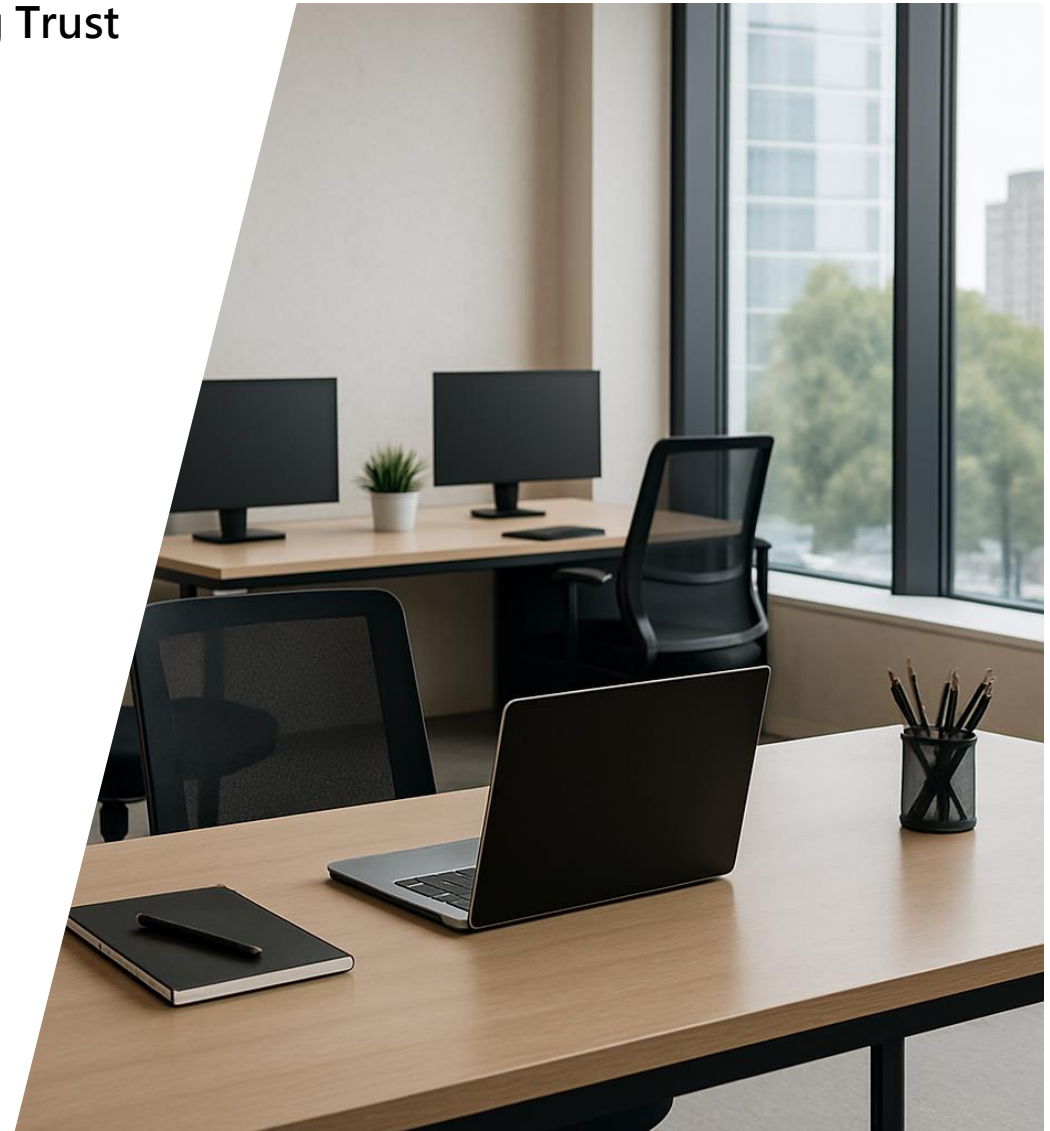
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Chapter 4. Strengthening Governance, Building Trust

Sound corporate governance is the cornerstone of stable corporate development and long-term value creation. DrayTek has always upheld principles of integrity in operations, responsible management, and transparency of information, building a robust governance framework to respond to a rapidly changing industry environment and meet stakeholder expectations. We firmly believe that only by strengthening our governance mechanisms can we improve operational efficiency and ensure the Company progresses steadily on the path of sustainability.

To ensure effective governance, we continuously optimize the Board's functions, strengthen oversight mechanisms and risk identification capabilities, and maintain compliance and transparency through internal audit and regulatory compliance management. In addition, recognizing the information security challenges of the digital age, we place high importance on cybersecurity management, proactively implementing relevant policies and protective measures to secure the data assets of our customers, partners, and the Company.

This chapter, following GRI standards, discloses DrayTek's management strategies and practices in corporate governance structure, Board operations, risk and compliance management, ethical standards, and information protection. We strive through continual improvement of governance systems to deepen the foundation of trust in our enterprise, creating stable and sustainable development value for the Company and all stakeholders.



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4.1 Board Organization and Operations

4.1.1 Board Composition

(SII-81、SII-82、SII-85、SII-86、GRI2-10、2-11、2-12、2-13、2-15)

The Board of Directors is the company's highest governance body. The Chairman of the Board is Mr. Ma Hong-Fang. During the reporting period, the Board consisted of 9 members, including 3 female directors (33% of the Board). There are 3 independent directors, accounting for 33% of the Board. The Board of Directors is also responsible for reviewing and approving this report.

Title	Name	Nationality	Gender	Professional Qualifications & Experience	Independence Status	Concurrent Independent Directorships at Other Public Companies
Chairman	Ma Hong-Fang	R.O.C.	Male	Expertise and experience in the communication network industry; no disqualifications under Article 30 of the Company Act.	N/A	0
Director	Lin Dong-Liang	R.O.C.	Male			0
Director	Cheng Ming-Te	R.O.C.	Male			0
Director	Wen Chang-Chung	R.O.C.	Male			0
Director	Ouyang Chieh-Ping	R.O.C.	Female	Expertise and experience in foreign languages; no disqualifications under Article 30 of the Company Act.		0

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Director	Chien Wei-Ting	R.O.C.	Female	Expertise and experience in marketing; no disqualifications under Article 30 of the Company Act.		0
Independent Director	Huang Chen-Sung	R.O.C.	Male	Expertise and experience in accounting and finance; no disqualifications under Article 30 of the Company Act.	The independent director, their spouse, and relatives within the second degree of kinship have not held any of the following positions in the two years prior to appointment or during their tenure: 1. Director of the Company or its affiliates. 2. Director of a company with a specific relationship to the Company (as defined in Articles 5-8 of Paragraph 1, Article 3 of the Regulations Governing the Appointment and Exercise of Powers by Independent Directors of Public Companies). 3. Received remuneration for providing commercial, legal, financial, or accounting services to the Company or its affiliates.	0
Independent Director	Chen Sheng-Chih	R.O.C.	Male	Expertise in the communication network industry; no disqualifications under Article 30 of the Company Act.		0
Independent Director	Chuang Ya-Hui	R.O.C.	Female	Expertise in accounting and finance; no disqualifications under Article 30 of the Company Act.		0

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4.1.2 Board Meeting Attendance

(SII-83)

In fiscal year 2024, the Board of Directors convened 10 meetings. The total number of required attendances for all directors was 90, with a total of 74 actual attendances, resulting in an attendance rate of 82.22%.

Title	Name	Actual Attendances	Attendance by Proxy	Attendance Rate (%)	Notes
Chairman	Chien Chun-Hsien	2	1	67	Former
Chairman	Ma Hong-Fang	8	2	80	Re-elected
Director	Lin Dong-Liang	10	0	100	Re-elected
Director	Cheng Ming-Te	9	1	90	Re-elected
Director	Wen Chang-Chung	10	0	100	Re-elected
Director	Ouyang Chieh-Ping	1	9	10	Re-elected
Director	Chien Wei-Ting	7	0	100	Newly elected
Independent Director	Huang Chen-Sung	8	2	80	Re-elected
Independent Director	Chai Chang-Wei	3	0	100	Former
Independent Director	Chen Sheng-Chih	9	1	90	Re-elected
Independent Director	Chuang Ya-Hui	7	0	100	Newly elected

Note: Board re-election took place on June 26, 2024.

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4.1.3 Directors' Key Experience and Education

Title	Name	Key Experience / Education
Chairman	Ma Hong-Fang	M.S., Electrical Engineering, National Taiwan University; EMBA, National Chiao Tung University; Radar Signal Processing Engineer, Chung-Shan Institute of Science and Technology; R&D Manager, Zyxel Communications; Director, JMicon Technology Corp.
Director	Lin Dong-Liang	Electronics, National Chin-Yi University of Technology; R&D Project Manager, Zyxel Communications.
Director	Cheng Ming-Te	M.S., Electrical Engineering, National Cheng Kung University; R&D Project Manager, Zyxel Communications.
Director	Wen Chang-Chung	M.S., Electrical Engineering, National Central University.
Director	Ouyang Chieh-Ping	B.A., Foreign Languages and Literatures, National Taiwan University.
Director	Chien Wei-Ting	B.A., Business Administration, Yuan Ze University; M.S., Marketing, University of Manchester; Territory Product Manager, European Business Unit, ASUSTeK Computer Inc.; Founder, San Jing Jiu Huang Enterprise Co., Ltd.
Independent Director	Huang Chen-Sung	M.A., International Business and Trade, Soochow University; Senior Specialist, Customer Service Department, Small and Medium Enterprise Credit Guarantee Fund of Taiwan.
Independent Director	Chen Sheng-Chih	M.S., Telecommunication Engineering, National Chiao Tung University; Lecturer, Department of Electronics, Ta Hwa University of Science and Technology; R&D Manager, Zyxel Communications; Communications Engineer, Chung-Shan Institute of Science and

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Technology.

Independent Director	Chuang Ya-Hui	Ph.D., Business Administration, National Central University; Adjunct Assistant Professor, Department of Accounting, Soochow University; Chief Sustainability Consultant, BCT Inc.; Deputy Director, Cloud and Mobile Services Committee, Hsinchu City Enterprise Managers Association.
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4.1.4 Directors' Continuing Education

(SII-84 · GRI 2-17)

Director Name	Course Title	Training Hours
Ma Hong-Fang	Audit Control Practices for "Information Security" for Internal Auditors	6
Lin Dong-Liang	How to Analyze Key Corporate Financial Information to Strengthen Crisis Warning Capabilities	6
Cheng Ming-Te	Audit Control Practices for "Information Security" for Internal Auditors	6
Wen Chang-Chung	Analysis of Latest Regulations and Internal Control Practices for "Annual Report/Sustainability Information/Financial Report Preparation"	6
Ouyang Chieh-Ping	Audit Control Practices for "Information Security" for Internal Auditors	6
Chien Wei-Ting	2024 Insider Trading Prevention Seminar	3
	Effective Internal Control for Sustainability Reporting	3
Huang Chen-Sung	2024 Insider Trading Prevention Seminar	3
	Latest Revisions to "Regulations Governing the Establishment of Internal Control Systems" and Practical Compliance for Financial Reporting	6
Chen Sheng-Chih	2024 Insider Trading Prevention Seminar	3

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	Practical Tax Planning and Case Analysis for International Diversified Operations	3
Chuang Ya-Hui	Key Factors for Sustainable Finance and ESG Performance Enhancement	3
	2024 Insider Trading Prevention Seminar	3
	Analysis of Latest ESG Sustainability Policies and Impact of Net-Zero Carbon on Financial Reporting for "Annual Report Preparation"	6

4.1.5 Spokesperson System

(GRI 2-16)

For effective communication with external stakeholders and to ensure shareholders' rights, DrayTek designates official spokespersons to handle shareholder suggestions, inquiries, and disputes. We also engage a professional shareholder services agent (Taishin Securities Co., Stock Affairs Agency) to assist with shareholder services.

Spokesperson: Mr. Wen, Chang-Chung (Chief Executive Officer).

Contact Tel: +886-3-597-2727; Email: ir@draytek.com

Deputy Spokesperson: Ms. Tseng, Shu-Fen (Finance Manager).

Contact Tel: +886-3-597-2727; Email: ir@draytek.com

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4.2 Functional Committees: Roles and Oversight

4.2.1 Remuneration Committee

(SII-87、SII-88、SII-89)

The Remuneration Committee currently consists of 3 members, all of whom are independent directors, making the committee 100% independent.²⁰ The members are:

Title Name		Professional Qualifications & Experience	Independence Status	Concurrent Remuneration Committee Memberships at Other Public Companies
Independent Director (Convener)	Huang Chen-Sung	Expertise in accounting and finance; no disqualifications under Article 30 of the Company Act.	Meets all independence criteria as defined by regulations.	0
Independent Director	Chen Sheng-Chih	Expertise in the communication network industry; no disqualifications under Article 30 of the Company Act.		0
Independent Director	Chuang Ya- Hui	Expertise in accounting and finance; no disqualifications under Article 30 of the Company Act.		0

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In fiscal year 2024, the Remuneration Committee convened 5 meetings. The total number of required attendances was 15, with 14 actual attendances, for an attendance rate of 93.33%.

Title	Name	Actual Attendances	Attendance by Proxy	Attendance Rate (%)	Notes
Convener	Huang Chen-Sung	4	1	80	Re-elected
Member	Chai Chang-Wei	2	0	100	Former
Member	Chen Sheng-Chih	5	0	100	Re-elected
Member	Chuang Ya-Hui	3	0	100	Newly elected

Note: Re-election took place on June 26, 2024.

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4.2.2 Audit Committee

(SII-90、SII-91、GRI 2-18)

The Audit Committee currently consists of 3 members, all of whom are independent directors, making the committee 100% independent.²² During the reporting period, the Audit Committee convened 7 meetings. The total number of required attendances was 21, with 18 actual attendances, for an attendance rate of 85.71%.

Title	Name	Actual Attendances (B)	Attendance Rate (%) (B/A)	Notes
Independent Director / Convener	Huang Chen-Sung	5	71	Re- elected
Independent Director	Chai Chang-Wei	6	100	Former
Independent Director	Chen Sheng-Chih	6	86	Re- elected
Independent Director	Chuang Ya-Hui	4	100	New

Note: Re-election took place on June 26, 2024.

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Performance Evaluation of the Board and Functional Committees

Evaluation Scope	Evaluation Method	Evaluation Period	Evaluation Content	Evaluation Result
Entire Board of Directors	Board Internal Self-Assessment	Jan 1, 2024 - Dec 31, 2024	Degree of participation in company operations; Quality of decision-making; Board composition and structure; Director selection and continuing education; Internal control.	The overall average score was 96.79, rated as "Excellent." The item with a lower score was "Director attendance at shareholder meetings." It is recommended to coordinate the shareholder meeting date with directors to improve attendance.
Individual Board Members	Director Self-Assessment	Jan 1, 2024 - Dec 31, 2024	Grasp of company goals and mission; Understanding of director responsibilities; Participation in operations; Internal relations and communication; Professionalism and continuing education; Internal control.	The overall average score was 98.00, rated as "Excellent." The company's directors gave positive evaluations on the efficiency and effectiveness of all assessed items.
Audit Committee	Peer Evaluation	Jan 1, 2024 - Dec 31, 2024	Participation in operations; Understanding of committee responsibilities; Quality of decision-making; Committee composition and member selection; Internal control.	The Audit Committee's overall average score was 99.68, rated as "Excellent." The committee members gave positive evaluations on the efficiency and effectiveness of all assessed items.
Remuneration Committee	Peer Evaluation	Jan 1, 2024 - Dec 31, 2024	Participation in operations; Understanding of committee responsibilities; Quality of decision-making; Committee composition and member selection; Internal control.	The Remuneration Committee's overall average score was 99.63, rated as "Excellent." The committee members gave positive evaluations on the efficiency and effectiveness of all assessed items.

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4.3 Shareholding and Control

4.3.1 Top 10 Shareholders

(SII-92)

As of August 30, 2024

Major Shareholder Name	Shares Held	Shareholding Ratio (%)
Ma Hong-Fang	5,705,645	6.01
Ouyang Chieh-Ping	5,657,344	5.96
Chen Hsueh-Yuan	3,044,608	3.21
Ling Hsing-Hui	2,619,897	2.76
Lin Dong-Liang	2,545,280	2.68
Cheng Ming-Te	2,473,796	2.60
Ouyang Hui	2,390,000	2.52
Lin Hsiu-Li	1,239,697	1.31
Wen Chang-Chung	1,095,508	1.15
Chien Chun-Hsien	1,050,214	1.11

4.4 Investor Relations and Information Transparency

4.4.1 Investor Conferences

(SII-93)

DrayTek held one investor conference in fiscal year 2024, on November 8, 2024.

4.4.2 Official Website

(SII-94)

The company's website features dedicated sections for investors, financial information, and corporate governance. The URL is:

<https://www.draytek.com/zh/about/stakeholder.html>

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4.5 Enterprise Risk Identification and Response Strategy

(SII-95)

DrayTek recognizes that in a rapidly changing global environment, risk management is not the function of a single department but a critical capability for stable business operations. The Board of Directors has constructed an integrated risk identification and response mechanism covering strategic, operational, financial, environmental, and information aspects, incorporating core ESG principles to enhance corporate resilience.

The main risks and corresponding management strategies across the Environmental (E), Social (S), and Governance (G) dimensions are as follows:

Dimension	Risk	Countermeasure
Environmental	Raw Material Price Volatility	- Establish diverse supply sources to reduce dependence on single regions or suppliers. - Plan for futures purchasing and safety stock systems to stabilize the supply of key materials. - Enhance cost analysis and product design collaboration to introduce cost-effective materials.
Social	Human Resource	- Strengthen internal talent

	Shortages	development systems, providing subsidies for further education, job rotation, and technical certification courses. - Actively participate in campus collaboration programs and industry-academia partnerships to build a talent pipeline. - Explore cross-regional talent cooperation or the introduction of automation technology to mitigate labor risks.
	Occupational Safety and Employee Well-being	- Establish regular occupational safety inspections and employee care mechanisms, and strengthen safety education. - Implement flexible working hours and employee health promotion programs to improve job satisfaction and retention.
Governance	International Logistics Disruptions (e.g., Red Sea Crisis)	Logistics Diversification Management: - Work closely with existing logistics partners to stay ahead of shipping conditions and adjust to optimal logistics solutions. - Increase supply

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		chain flexibility by partnering with multiple freight companies to reduce the risk of single-route dependency. Inventory and Supply Chain Adjustment: - Procure in advance and increase inventory of key components and finished products to mitigate the impact of shipping delays on customer delivery times. - Strengthen regional warehouse management by establishing or expanding regional warehouses in European and Asian markets to reduce reliance on long-haul transportation.
	Increased Information Security Risks	- Establish an information security policy and incident reporting process, and conduct regular security drills. - Introduce an information security audit system and continuously improve it based on international standards like ISO 27001. - Train employees on security

		awareness to strengthen the first line of defense.
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4.5.1 Use of Key Materials – Risk Management

(SII-96)

One primary risk in our industry is **supply disruption of critical materials and components**. DrayTek' s mitigation strategies include:

- **Multiple Sourcing**
Each critical material must have at least two suppliers. If one supplier cannot deliver, an alternative supplier can ensure continuity of supply.
- **Safety Stock**
Based on our production volume, we maintain safety inventory levels for each key material. This buffer allows us to sustain production in case of supply interruptions, avoiding situations where we run out of essential components.

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4.5.2 EU Plastic Reduction Policy – Response and Opportunity

Europe is DrayTek's major market. The EU's Circular Economy strategy on plastics (enacted January 2018) requires that by 2030, all plastic packaging must be reusable or recyclable. This policy has prompted European customers to demand that suppliers reduce plastic in packaging. In response, DrayTek launched a Packaging Material Optimization Project.

We redesigned internal packaging to gradually replace traditional plastic bags with paper bags. Simultaneously, we invested in design and testing to strengthen the durability of paper packaging to prevent damage that could affect product quality or logistics efficiency.

Through these measures, DrayTek reduced potential regulatory non-compliance risk and the risk of losing customers sensitive to sustainability, thereby solidifying our supply chain stability and brand trust in Europe.

We view adapting to such environmental regulations as an important governance challenge and opportunity. Moving forward, we will continue to monitor environmental policy trends in all

markets and proactively adjust our supply chain and product design in advance, thereby enhancing our ability to rapidly meet external sustainability requirements.

4.6 Legal Compliance and Internal Control System

4.6.1 Legal Compliance

(SII-97、GRI 2-27、206-1、307-1、419-1、416-2、417-2、417-3)

DrayTek's directors, managers, and employees comply with local laws and regulations in all operations. Significant instances of non-compliance are defined in accordance with the Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities: a single incident carries a cumulative fine of NT\$1 million or more.

During the reporting period, DrayTek did not infringe any government laws or major regulations. Going forward, DrayTek will continue to ensure compliance with regulations in its operations.

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4.6.2 Business Ethics Policies and Performance

(GRI2-25 · 2-26)

DrayTek has established a "Code of Ethical Conduct for Directors and Employees." The key points are as follows:

DrayTek Corp.

Code of Ethical Conduct for Directors and Employees

- **Article 1 (Purpose and Basis):** To guide the conduct of directors and employees to meet ethical standards and to help stakeholders better understand the company's ethical standards, this Code is established in accordance with the "Sample Code of Ethical Conduct for TWSE/TPEX Listed Companies."
- **Article 2 (Scope of Application):** This Code applies to all directors and employees of the Company.
- **Article 3 (Principle of Good Faith):** Directors and employees shall perform their duties with a proactive, responsible attitude, teamwork, and adherence to the principle of good faith.
- **Article 4 (Prevention of Conflicts of Interest):** Directors and employees shall handle official business objectively and efficiently and shall not use their position to obtain improper benefits for themselves, their spouses, or relatives within the second degree of kinship. They must proactively disclose any

potential conflicts of interest.

- **Article 5 (Prohibition of Personal Gain):** Directors and employees are prohibited from (1) seeking or obtaining personal gain through the use of company property, information, or their position; and (2) competing with the company.
- **Article 6 (Confidentiality):** Directors and employees have a duty to maintain the confidentiality of information related to the company or its customers, except where authorized or required by law to disclose it.
- **Article 7 (Fair Dealing):** Directors and employees shall deal fairly with the company's customers, suppliers, competitors, and fellow employees. They shall not obtain improper benefits through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or other unfair dealing practices.
- **Article 8 (Protection and Proper Use of Company Assets):** All directors and employees are responsible for protecting company assets and ensuring they are used efficiently and legally for business purposes.
- **Article 9 (Compliance with Laws):** Directors and employees shall comply with all applicable laws, regulations, and policies governing the company's activities, including the Company Act and the Securities and Exchange Act.
- **Article 10 (Encouraging Reporting of Unlawful or Unethical Behavior):** The company encourages employees to report any

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suspected violations of laws, regulations, or this Code to managers, the internal audit head, or other appropriate personnel. The company allows for anonymous reporting and will handle all cases confidentially, protecting whistleblowers from retaliation.

- **Article 11 (Disciplinary Action and Remedies):** Violations of this Code will be handled according to relevant company regulations, and information about the violation will be disclosed on the Market Observation Post System (MOPS).
- **Article 12 (Waiver Procedure):** Any waiver of this Code for a director or employee must be approved by a resolution of the Board of Directors and disclosed on the MOPS.
- **Article 13 (Disclosure):** This Code of Ethical Conduct shall be disclosed on the company's website, in its annual report, public prospectuses, and on the MOPS.
- **Article 14 (Implementation):** This Code is effective upon approval by the Board of Directors. Amendments follow the same procedure.
- **Article 15 (Revision History):** Established on Nov 10, 2014. First revision on Mar 26, 2015. Second revision on Aug 11, 2021.

4.7 Ethical Business Conduct and Anti-Corruption Measures

4.7.1 Anti-Corruption Policy

(GRI 205-1 · 205-2)

DrayTek upholds a culture of integrity in all business relationships and adopts a zero-tolerance stance toward bribery and corruption. To establish clear rules on anti-bribery and anti-corruption, the Company has enacted the Anti-Bribery and Anti-Corruption Management Procedure. Any employee or stakeholder who becomes aware of potential bribery or corruption may submit a report in writing or via email, either with their name or anonymously. Reports are received by the Administration Department, which will notify relevant parties, and a dedicated whistleblowing email box (hr@draytek.com) has been set up to facilitate use by employees and related parties.

4.7.2 Handling Mechanism

The Anti-Bribery and Anti-Corruption Management Procedure defines principles for accepting reports, investigation processes, post-investigation actions, and confidentiality mechanisms.

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Upon receiving a report, the Administration Department will review whether sufficient information is provided and confirm within three working days whether the case will be accepted. If the report is vague or lacks concrete evidence, the handling procedure may be postponed or not accepted pursuant to this Procedure (e.g., if no specific facts, time, or place are provided).

Accepted cases are investigated by an investigation team formed by the Administration Department together with relevant personnel. The team shall notify the parties concerned in writing within 10 working days after its formation to present the facts and may conduct further investigation as needed. The reported person and relevant parties must cooperate with the investigation.

In principle, the investigation team shall complete the investigation within 45 working days from the date of acceptance and issue a written investigation report. Where necessary, the period may be extended, but for no more than 30 additional working days. Upon completion, the report will be submitted to the General Manager for approval.

If the reported person is confirmed to have violated applicable laws or this Procedure, the responsible departments shall immediately require

the individual to cease the relevant conduct and impose disciplinary actions in accordance with the Company's disciplinary rules, up to and including termination of employment. Where necessary, the Company will pursue legal action or seek damages to protect its reputation and rights. All personnel handling or participating in the investigation must keep case details strictly confidential. Any breach of confidentiality will be handled under Company disciplinary rules.

The Procedure also provides measures to protect whistleblowers from improper treatment due to reporting. Anyone who, because of reporting, participating in, or assisting an investigation, is at risk of retaliation, threats, or harassment should immediately inform the Administration Department; related personnel will be disciplined pursuant to Company rules. Good-faith reporters who disclose suspected violations of this Procedure, suspected illegal acts, or other misconduct will not be subject to any form of retaliation or threat. The Company shall not transfer, dismiss, or otherwise disadvantage employees for whistleblowing. Supervisors at all levels may not discriminate against, coerce, reassign, or otherwise disadvantage whistleblowers, case handlers, or personnel involved in investigations, and

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may not adversely affect their employment rights as a result.

4.7.3 Corruption Incidents

(GRI 205-3)

During the reporting period, the Company had no confirmed incidents of corruption. DrayTek will continue to conduct business in accordance with the principles of honesty and integrity.

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5.1 GRI 2021 Standards Index

GRI Standard & Category	No.	GRI Guideline	Corresponding Section	Page
GRI 2 General Disclosures (2021)	2-1	The organization and its reporting practices	1.2	9
	2-2	Entities included in the sustainability reporting	Introduction	2
	2-3	Reporting period, frequency and contact point	Introduction	2
	2-4	Restatements of information	Introduction	2
	2-5	External assurance	Introduction	2
	2-6	Activities, value chain and other business relationships	1.2	9
	2-7	Employees	3.1	39
	2-8	Workers who are not employees	3.1	39
	2-9	Governance structure and composition	1.2	11
	2-10	Nomination and selection of the highest governance body	4.1	55
	2-11	Chair of the highest governance body	4.1	55
	2-12	Role of the highest governance body in overseeing the management of impacts	4.1	55
	2-13	Delegation of responsibility for managing impacts	4.1	55
	2-14	Role of the highest governance body in	4.1	5555

		sustainability reporting		
	2-15	Conflicts of interest	4.1	55
	2-16	Communication of critical concerns	4.4	55
	2-17	Collective knowledge of the highest governance body	4.1	58
	2-18	Evaluation of the performance of the highest governance body	4.2	61
	2-19	Remuneration policies	3.1	55
	2-20	Process to determine remuneration	3.1	55
	2-21	Annual total compensation ratio	3.1	55
	2-22	Statement on sustainable development strategy	1.1	5
	2-23	Policy commitments	1.1	5
	2-24	Embedding policy commitments	1.1	5
	2-25	Processes to remediate negative impacts	4.6	68
	2-26	Mechanisms for seeking advice and raising concerns	4.6	68
	2-27	Compliance with laws and regulations	4.6	68
	2-28	Membership associations	1.1	5
	2-29	Approach to stakeholder engagement	1.4	17
	2-30	Collective bargaining agreements	3.1	39
	3-1	Process to determine material topics	1.4	18
	3-2	List of material topics	1.4	18
	3-3	Management of material	1.4	18

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		topics		
GRI 201 Economic Performance	201-1	Direct economic value generated and distributed	1.3	16
	201-2	Financial implications and other risks and opportunities due to climate change	2.2	26
	201-3	Defined benefit plan obligations and other retirement plans	3.1	39
	201-4	Financial assistance received from government	1.3	16
GRI 202 Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	3.1	39
	202-2	Proportion of senior management hired from the local community	3.1	39
GRI 204 Procurement Practices	204-1	Proportion of spending on local suppliers	3.3	49
GRI 205 Anti-corruption	205-1	Operations assessed for risks related to corruption	4.7	70
	205-2	Communication and training about anti-corruption policies and procedures	4.7	70
	205-3	Confirmed incidents of corruption and actions taken	4.7	70
GRI206 Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4.7	70

GRI 301 Materials	301-1	Weight or volume of materials used	3.3	49
	301-2	Use of recycled and reused materials	3.3	49
	301-3	Reclaimed products and their packaging materials	3.3	49
GRI302 Energy	302-1	Energy consumption within the organization	2.3	34
	302-2	Energy consumption outside of the organization	2.3	34
	302-3	Energy intensity	2.3	34
	302-4	Reduction of energy consumption	2.3	34
	302-5	Reductions in energy requirements of products and services	2.3	34
GRI303 Water and Effluents	303-1	Interactions with water as a shared resource	2.4	34
	303-2	Management of water discharge-related impacts	2.4	34
	303-3	Water withdrawal	2.4	34
	303-4	Water discharge	2.4	34
	303-5	Water consumption	2.4	34
GRI305 Emissions	305-1	Direct (Scope 1) GHG emissions	2.1	24
	305-2	Indirect (Scope 2) GHG emissions	2.1	24
	305-3	Other indirect (Scope 3) GHG emissions	2.1	24
	305-4	GHG emissions intensity	2.1	24
	305-5	Reduction of GHG emissions	2.1	24
	305-6	Emissions of ozone-depleting substances	2.1	24

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		(ODS)		
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2.1	24
GRI306 Waste	306-1	Waste generation and waste-related significant impacts	2.5	35
	306-2	Management of waste-related significant impacts	2.5	35
	306-3	Waste generated	2.5	35
	306-4	Waste diverted from disposal	2.5	35
	306-5	Waste directed to disposal	2.5	35
GRI307 Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	4.7	70
GRI308 Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	3.3	48
	308-2	Negative environmental impacts in the supply chain and actions taken	3.3	48
GRI401 Employment	401-1	New employee hires and employee turnover	3.1	39
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.1	39

GRI402 Labor/Management Relations	401-3	Parental leave	3.1	39
	402-1	Minimum notice periods regarding operational changes	3.1	39
GRI403 Occupational Health and Safety	403-1	Occupational health and safety management system	3.2	46
	403-2	Hazard identification, risk assessment, and incident investigation	3.2	46
	403-3	Occupational health services	3.2	46
	403-4	Worker participation, consultation, and communication on OHS	3.2	46
	403-5	Worker training on OHS	3.2	46
	403-6	Promotion of worker health	3.2	46
	403-7	Prevention and mitigation of OHS impacts directly linked by business relationships	3.2	46
	403-8	Workers covered by an OHS management system	3.2	46
	403-9	Work-related injuries	3.2	46
	403-10	Work-related ill health	3.2	46
GRI404 Training and Education	404-1	Average hours of training per year per employee	3.1	39
	404-2	Programs for upgrading employee skills and transition assistance programs	3.1	39
	404-3	Percentage of employees receiving regular performance and career development reviews	3.1	39

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GRI405 Diversity and Equal	405-1	Diversity of governance bodies and employees	3.1	39
	405-2	Ratio of basic salary and remuneration of women to men	3.1	39
GRI406 Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	3.1	39
GRI 407 Freedom of Association & Collective Bargaining	407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	3.1	39
GRI 408 Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	3.1	39
GRI 409 Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.1	39
GRI 410 Security Practices	410-1	Security personnel trained in human rights policies or procedures	3.1	39
GRI 411 Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	3.1	39
GRI 412 Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	3.1	39
	412-2	Employee training on human rights policies or procedures	3.1	39
	412-3	Significant investment agreements and contracts that include human rights	3.1	39

		clauses or that have undergone human rights screening		
GRI 413 Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	3.5	51
	413-2	Operations with significant actual and potential negative impacts on local communities	3.5	51
GRI414 Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	3.3	48
	414-2	Negative social impacts in the supply chain and actions taken	3.3	48
GRI 416 Customer Health and Safety	416-1	Assessment of the impact of product and service categories on health and safety	3.4	50
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.7	70
GRI 417 Marketing and Labeling	417-1	Requirements for product and service information and labeling	3.4	50
	417-2	Incidents of non-compliance concerning product and service information and labeling	4.7	70
	417-3	Incidents of non-compliance concerning	4.7	70

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		marketing communications		
GRI 418 Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.6	51
GRI 419 Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	4.7	

5.2 SASB Sustainability Disclosure Topics and Accounting (2018) Index

Category	SASB Code	Indicator	Corresponding Section	Page
Product Safety	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	3.4	51
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of employees by (1) gender and (2) race/ethnicity for (a) management, (b) technical, and (c) all other employees	3.1	39
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	2.7	37
	TC-HW-410a.2	Percentage of eligible products by revenue that meet EPEAT or equivalent standard	2.7	37
	TC-HW-410a.3	Percentage of eligible products by revenue with energy efficiency certifications	2.7	37
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled	2.7	37
	TC-HW-410a.1	Percentage of products containing IEC 62474 declarable substances, by revenue	2.7	37

Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited to the RBA Validated Audit Process (VAP) or equivalent, for (a) all and (b) high-risk facilities	3.3	47
	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with RBA VAP or equivalent, and (2) corrective action rate for (a) priority and (b) other non-conformances	3.3	47
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	4.5	66

5.3 TCFD Climate-Related Financial Disclosures Index

Category	Indicator	Corresponding Section	Page
Governance	Describe the board' s oversight of climate-related risks and opportunities.	2.2	26
	Describe management' s role in assessing and managing climate-related risks and opportunities.	2.2	26
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2.2	26
	Describe the impact of climate-related risks and opportunities on the organization' s businesses, strategy, and financial planning.	2.2	26
	Describe the resilience of the organization' s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2.2	26
Risk Management	Describe the organization' s processes for identifying and assessing climate-related risks.	2.2	26
	Describe the organization' s processes for managing climate-related risks.	2.2	26
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated	2.2	26

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	into the organization' s overall risk management.		
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2.2	26
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2.2	23
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2.2	26

5.4 ESG Digital Platform Designated Indicators Index

Category	No.	Indicator	Corresponding Section	Page
GHG Emissions	SII-1	Direct GHG emissions (Scope 1)	2.1	24
	SII-2	Energy indirect GHG emissions (Scope 2)	2.1	24
	SII-3	Other indirect GHG emissions (Scope 3)	2.1	24
	SII-4	GHG emissions intensity	2.1	24
	SII-5	Strategy, methods, and targets for GHG management	2.1	24
	SII-6	Board and management oversight of climate-related risks and opportunities	2.2	26
Climate-Related Issues	SII-7	Impact of identified climate risks and opportunities on business, strategy, and financials	2.2	26
	SII-8	Financial impact of extreme weather events and transition actions	2.2	26
	SII-9	Integration of climate risk identification, assessment, and management into overall risk	2.2	26

		management		
	SII-10	Use of scenario analysis to assess climate resilience, including scenarios, parameters, assumptions, and financial impacts	2.2	26
	SII-11	Transition plan for managing climate risks, and metrics/targets for physical and transition risks	2.2	26
	SII-12	Use of internal carbon pricing as a planning tool and its pricing basis	2.2	26
	SII-13	Information on climate-related targets, including activities covered, GHG scopes, timeframe, and annual progress	2.2	26
Energy Management	SII-14	Renewable energy usage rate	2.3	34
	SII-15	Improving energy efficiency	2.3	34
	SII-16	Policy on using recycled materials	2.3	34
	SII-17	Total energy consumption	2.3	34
	SII-18	Percentage of purchased electricity	2.3	34
Water Management	SII-19	Total self-generated energy	2.3	34
	SII-20	Water consumption	2.4	34
	SII-21	Water intensity	2.4	34
	SII-22	Total water withdrawal	2.4	34
	SII-23	Total water consumption	2.4	34
	SII-24	Disclosed wastewater discharge volume (statutory or voluntary)	2.4	34
Waste Management	SII-25	Water intensity	2.4	34
	SII-26	Hazardous waste	2.5	35
	SII-27	Non-hazardous waste	2.5	35
	SII-28	Total weight of waste	2.5	35
	SII-29	Waste intensity	2.5	35

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	SII-30	Waste management policy or reduction targets	2.5	35
	SII-31	Percentage of hazardous waste from production recycled	2.5	35
	SII-32	Percentage of waste that is hazardous	2.5	35
Fuel Management	SII-33	Total fuel consumption	2.6	36
	SII-34	Percentage of coal	2.6	36
	SII-35	Percentage of natural gas	2.6	36
	SII-36	Percentage of renewable fuel	2.6	36
Product Lifecycle	SII-37	Weight of end-of-life products and e-waste	2.7	37
	SII-38	Percentage of recycled content in end-of-life products and e-waste	2.7	37
Human Capital	SII-39	Average employee benefits	3.1	39
	SII-40	Average employee salary	3.1	39
	SII-41	Average salary of non-managerial full-time employees	3.1	39
	SII-42	Median salary of non-managerial full-time employees	3.1	39
	SII-43	Percentage of women in management positions	3.1	39
	SII-44	Number of occupational injuries	3.2	46
	SII-45	Occupational injury rate	3.2	46
	SII-46	Type of occupational injuries	3.2	46
	SII-47	Number of fire incidents	3.2	46
	SII-48	Number of fire-related casualties	3.2	46
	SII-49	Fire-related casualty rate	3.2	46
	SII-50	Improvement measures in response to fire incidents	3.2	46
Food Safety	SII-51	Evaluation and improvement of food hygiene, safety, and quality concerning employees, workplaces,	Not applicable	

		facility hygiene management, and quality assurance systems, and the main product and service categories affected.		
	SII-52	Percentage of evaluation and improvement of food hygiene, safety, and quality concerning employees, workplaces, facility hygiene management, and quality assurance systems, and the main product and service categories affected.	Not applicable	
	SII-53	Identification and number of incidents of non-compliance with regulations on the health and safety of products and services, and with regulations on product and service information and labeling.	Not applicable	
	SII-54	Number of product recalls due to non-compliance with regulations on the health and safety of products and services, and with regulations on product and service information and labeling.	Not applicable	
	SII-55	Total weight of products recalled due to non-compliance with regulations on the health and safety of products and services, and with regulations on product and service information and labeling.	Not applicable	
	SII-56	Percentage of products produced in plants with a food safety management system that has been independently verified to comply with international certification standards.	Not applicable	
	SII-57	Status of legally required or voluntary product traceability and tracking	Not applicable	

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		management.		
	SII-58	Percentage of relevant products subject to legally required or voluntary product traceability and tracking management out of all products.	Not applicable	
	SII-59	Status of legally required or voluntary establishment of a food safety laboratory.	Not applicable	
	SII-60	Test items of the legally required or voluntary food safety laboratory.	Not applicable	
	SII-61	Test results of the legally required or voluntary food safety laboratory.	Not applicable	
	SII-62	Relevant expenses for the legally required or voluntary food safety laboratory	Not applicable	
	SII-63	Percentage of relevant expenses for the legally required or voluntary food safety laboratory out of net operating income.	Not applicable	
Supply Chain	SII-64	Percentage of procurement from suppliers meeting internationally recognized responsibility standards	3.3	47
	SII-65	Number and percentage of suppliers audited	3.3	47
	SII-66	Number of suppliers audited and audit results	3.3	47
	SII-67	Percentage of procurement from suppliers meeting internationally recognized responsibility standards	3.3	47
Product Quality & Safety	SII-68	Weight of products sold	1.2	9
	SII-69	Number of production facilities	3.4	50
	SII-70	Product output by category	3.4	50
Community Relations	SII-71	Operations with significant actual or potential negative impacts on local	3.5	51

		communities		
	SII-72	Mechanisms and actions by the company and its suppliers to reduce negative environmental or social impacts	3.5	51
	SII-73	Operations with significant actual or potential negative impacts on local communities	3.5	51
Information Security	SII-74	Number of data breach incidents	3.6	51
	SII-75	Percentage of data breaches involving personal data	3.6	51
	SII-76	Number of customers affected by data breaches	3.6	51
Inclusive Finance	SII-77	Number of loans for promoting the development of small enterprises and communities.	Not applicable	
	SII-78	Outstanding balance of loans for promoting the development of small enterprises and communities.	Not applicable	
	SII-79	Number of participants in financial education for underserved groups lacking banking services.	Not applicable	
	SII-80	Products and services designed by various business operations to create environmental or social benefits.	Not applicable	
Board of Directors	SII-81	Board seats	4.1	55
	SII-82	Number of board seats	4.1	55
	SII-83	Number of independent director seats	4.1	55
	SII-84	Board attendance rate	4.1	55
	SII-85	Percentage of directors meeting continuing education requirements	4.1	55
	SII-86	Number of female directors	4.1	55
Functional	SII-87	Number of remuneration committee	4.2	61

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Committees		seats		
	SII-88	Number of independent directors on remuneration committee	4.2	61
	SII-89	Remuneration committee attendance rate	4.2	61
	SII-90	Number of audit committee seats	4.2	61
	SII-91	Audit committee attendance rate	4.2	61
Shareholding & Control	SII-92	Shareholding of top 10 shareholders	4.3	65
	SII-93	Number of annual investor conferences	4.4	65
	SII-94	Link to stakeholder or corporate governance section	4.4	65
Risk Management	SII-95	Risk management policy for significant events	4.5	65
	SII-96	Description of risk management for use of critical materials	4.5	65
Legal proceedings for anti-competitive behavior	SII-97	Total monetary losses from legal actions related to anti-competitive behavior	4.6	68