DrayTek

6216 居易科技

2025
ESG永續報告書

Environmental, Social and Governance
Sustainability Report 2025

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1.1 Message from Management

1.1.1 Message from the Chairman

Dear Stakeholders,

In the face of rapid changes in the global industrial environment, rising geopolitical risks, and intensifying climate change, business operations can no longer focus solely on growth and profitability. Companies must also consider, from a long-term perspective, how to maintain competitiveness amid change and fulfill their responsibilities with respect to environmental, social, and governance issues.

As a member of the network communications equipment industry, DrayTek has always believed that only by combining sound governance, technological innovation, and sustainable development can a company continue to move forward in an uncertain external environment and create long-term value for shareholders, customers, employees, and society.

In 2025, DrayTek continued to build on its own brand and core technologies, deepening the research and development of networking products and management platforms as well as its market deployment. Building on existing Router, AP, and Switch product lines, the Company continued to strengthen capabilities in network management, cybersecurity integration, and user access control to respond to market demand for remote work, information security, and high-efficiency network infrastructure. We understand that technological progress should not focus only on performance improvements, but should also take into account energy efficiency, regulatory compliance, product responsibility, and customer trust. Therefore, while promoting product innovation, DrayTek has continued to incorporate sustainability thinking into R&D, quality, and supply chain management, gradually strengthening the Company's ability to respond to future market requirements.

DrayTek understands the importance of climate change and resource management to business operations and has established an appropriate environmental management system based on the characteristics of its industry. On the basis of the ISO 14001 management system, we continue to promote greenhouse gas inventories, energy management, waste management, and related improvement measures. Through concrete actions such as replacing energy-saving equipment, optimizing lighting, and improving energy efficiency, we are gradually implementing our carbon reduction targets. In 2025, the Company achieved the reduction target set in the previous year for greenhouse gas management, demonstrating that the relevant management and improvement measures have begun to produce tangible results. Looking ahead, we will continue to monitor climate risks, energy cost fluctuations, and international environmental regulatory trends, and strengthen the Company's adaptability and resilience during the transition process.

Talent is DrayTek's most important core asset. The Company will continue to build a safe, respectful, diverse, and growth-oriented workplace. Through talent development, career development, compensation and benefits, occupational safety and health, and employee communication mechanisms, we support steady professional and personal growth for our colleagues. Externally, we value the maintenance of relationships with supply chain partners and customers, and hope to expand the Company's positive influence through responsible business conduct and stable cooperation.

In terms of governance, DrayTek upholds the principles of integrity, transparency, and prudent management, and continues to strengthen the supervisory function of the Board of Directors, internal control systems, risk management, and regulatory compliance mechanisms. The Company is also gradually incorporating ESG issues into its overall business thinking and management framework. Although the Company has not yet established a dedicated sustainability unit, relevant responsible departments have divided the work among themselves, and a cross-departmental working group carries out sustainability-related matters to ensure that sustainability management is linked with the Company's business strategy. For us, sustainability is not the work of a single department, but a process that the Company continues to deepen in decision-making, operations, and culture.

Looking ahead, DrayTek will continue to focus on "sound governance, innovative R&D, and responsible operations," gradually deepen its sustainability management mechanisms, strengthen its ability to respond to climate risks and supply chain risks, enhance the management of information security and product responsibility, and continue to improve talent development and internal management systems. With integrity and pragmatism, we will also respond to stakeholder expectations through transparent disclosure and continuous improvement, laying a stronger foundation for the Company's sustainable development.

We thank all shareholders, customers, employees, suppliers, and partners from all sectors for their long-standing support and trust in DrayTek. In the future, we will continue to move forward hand in hand with all parties, pursuing business growth while jointly realizing a more resilient and trustworthy sustainable future.

DrayTek Corp. Chairman

1.1.2 Message from the General Manager

For DrayTek, the past year was one in which we faced challenges while continuing to move forward. The external environment changed rapidly, and changes in market demand, supply chain conditions, and requirements for information security and sustainability regulations all required business operations to become more flexible and more solid. To me, sustainability is never merely a matter of writing certain content into a report. It is about whether the Company can keep long-term development in mind each day when making decisions, advancing products, managing risks, and developing teams.

In 2025, DrayTek continued to develop around its three major product lines of Router, AP, and Switch, while also devoting greater effort to network management, cybersecurity integration, and user access management. We understand that customers today care not only whether a product works, but also whether it is more stable, more secure, and easier to manage. During the year, we continued to expand DrayOS 5-related products and also launched VigorSwitch Stacking, further improving management efficiency and network resilience. Behind these efforts is a simple point: as the market changes, we must understand customer needs more quickly and turn them into truly valuable products and services.

Beyond products, the uncertainty of supply chains and logistics in recent years has made it clear that stable supply is not a given; it is built through advance preparation and accumulated day-to-day management. Therefore, in 2025, we continued to strengthen supplier management, backup planning for key materials, safety stock planning, and cross-departmental coordination capabilities, with the aim of further reducing supply risks. For customers, the most direct concern is whether deliveries can remain stable and whether cooperation can be sustained over the long term. For the Company, this is also an important part of sustainable operations.

Although DrayTek is not a high-energy-consumption or high-pollution industry, a company should not overlook its environmental responsibilities simply because its own impact is relatively limited. We continue to follow the management approach under the ISO 14001 framework, conduct greenhouse gas inventories, energy management, and energy-saving improvements, and reduce carbon emissions through measures such as lighting replacement and adjustments to official vehicles.

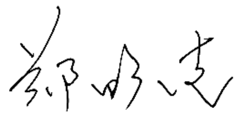
During the year, we also adjusted our training approach and placed greater emphasis on developing key talent and managerial capabilities, so that learning for new and existing employees is more closely aligned with actual work needs. For a company such as DrayTek, whose core lies in R&D and technology, talent stability and knowledge transfer are especially important.

As a member of the information and communications industry, DrayTek places particular emphasis on information security. We have also continued to strengthen internal awareness of information security and regulatory compliance, with the hope that every colleague will better understand how to integrate risk awareness and work quality in their own role.

For us, information security is not an add-on option, but a basic requirement. This concerns not only the security of the products themselves, but also the integrity of the Company's internal information and system management. As customers' information security requirements increase, and as international markets place growing emphasis on related standards, we continue to strengthen both the product side and the management side. We hope this will give customers greater confidence when using DrayTek products and better prepare the Company to face future market and regulatory changes.

Looking back on 2025, I believe DrayTek did not blindly pursue speed, but placed greater emphasis on building a stronger foundation. Continued product advancement, supply chain risk management, environmental management, talent development, information security, and regulatory compliance may appear to be separate matters, but they all point to the same core objective: making the Company more stable, more resilient, and more capable of facing the next stage of challenges.

In the future, we will continue to advance sustainability work in a pragmatic manner. For DrayTek, sustainability is not a short-term project, but a way of operating. As long as the direction is right, we will continue to accumulate progress, gradually turning each management action, each improvement, and each step in product and market deployment into a foundation for the Company's long-term development. This is also my most important expectation for DrayTek going forward.



DrayTek Corp. General Manager

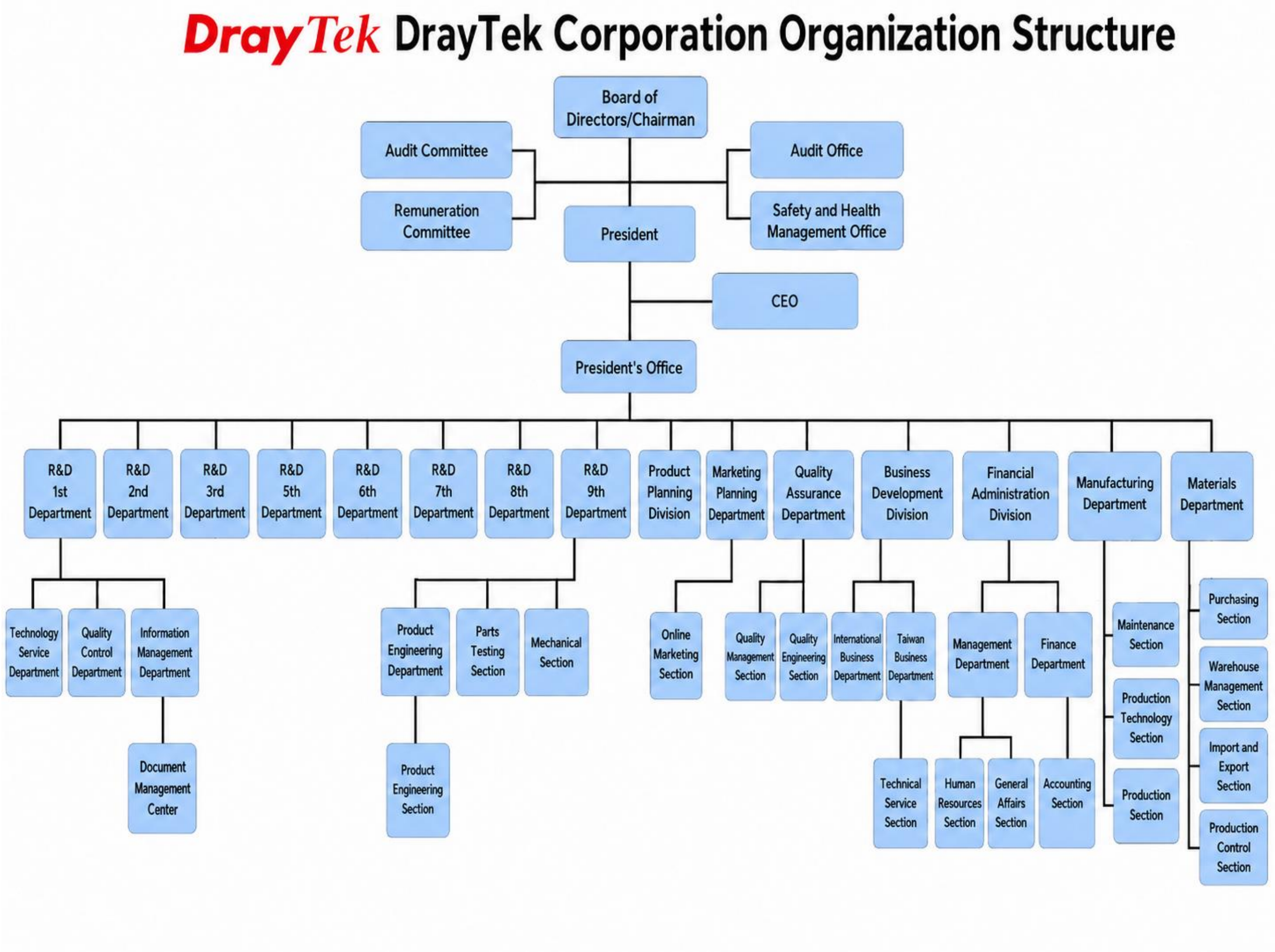
1.2 About the Company

1.2.1 Basic Corporate Information

Founded in 1997, DrayTek Corp. is a Taiwan-based manufacturer of network equipment and management systems. The Company has long invested in R&D and product integration related to enterprise network communications and security. Its main competitive strength is providing reliable, fast, and secure network solutions within an affordable budget. The Company's operations are centered on the R&D, production, and sales of its own-brand products. Through cooperation with customers and channel partners, it provides network products and related support services that meet the needs of enterprises of different sizes.

Organization Name	DrayTek Corp.
Stock Code	6216
Headquarters Location	No. 26, Fuxing Rd., Hsinchu Industrial Park, Hukou Township, Hsinchu County 303035, Taiwan
Date Established	October 14, 1997
Capital	NT$969,814 thousand
Number of Employees	218
Main Business Activities	Manufacturing and sales of wired and wireless communication machinery and equipment, telecommunications equipment, and information software services.
Industry	Communications and Networking Industry

1.2.2 Company Organization Chart



1.2.3 Company History and Milestones

1997	**DrayTek Corp. was established with capital of NT$11,400,000.**
1998	The ISDN Vigor128 was officially released. It was the world's first USB ISDN terminal adapter and could operate on Windows 98 and MacOS. Due to its high compatibility with the iMac, the ISDN Vigor128 was strongly recommended by Apple and authorized to use an exterior design identical to the Bondi blue iMac.
1999	The miniVigor128 was officially released.
2000	The ISDN ROUTER product series was launched. The ISDN ROUTER Vigor 2000 received first-place rankings from PC Direct and MacWelt.
2001	The first broadband VPN router, the Vigor2200 series, was released. DrayTek also became the first company to introduce VPN functionality into home and small office routers, at a time when VPN functions were generally found only in high-end products or commercial routers for medium and large enterprises.

2002	At a computer exhibition in Warsaw, Poland, facing strong competitors such as Cisco and 3COM, the Vigor 2200W was favored by the organizer for SME users because of its secure and convenient VPN/IPSec functions and wireless LAN applications, and received the Grand Prix award.
2003	DoS and QoS functions were introduced into the Vigor router series, and the first VoIP router, the Vigor2600V series, was released. The Vigor 2600 ADSL Router received the top test award from PC Magazine in Germany.
2004	The first multi-WAN load-balancing VPN router, the Vigor3300 series, was released. DrayOS received certification under the IPv6 Ready Logo Program, and the Company began public stock issuance on the Taiwan Stock Exchange.
2006	The first ADSL2/ADSL2+ router for SMEs, the Vigor2800V Series, and the Vigor2700 series for home users were released.
2007	The UTM product VigorPro5500 was released. The Vigor2910 series router was released with support for 3.5G USB backup.
2009	The first IP-PBX router, the VigorIPPBX 2820, was released. It is a multifunctional ADSL router integrating IP-PBX functions and provides a low-cost solution for telephone services for SMEs.
2011	The VigorAP 800 was released, adding wireless access points to the product line. The central management system VigorACS SI was launched, incorporating the TR-069 protocol and central management functions for DrayTek products.
2012	The first VDSL2 router for SMEs, the Vigor2860 series, and the Vigor2760 series for home users were released.
2015	High Availability functionality was introduced into DrayOS. Routers with built-in LTE, the Vigor2925 LTE series, and the Vigor2860 LTE series with embedded VDSL2 WAN were released.
2017	DrayTek entered its 20th anniversary and completed the headquarters expansion project. The DrayDDNS service was launched. R&D resources were expanded to

	Layer 2 networking, and the first managed network switches based on DrayTek's self-developed software, the VigorSwitch P1280/G1280, were released in the same year.
2018	The first outdoor wireless access point, the VigorAP 920R series, was released.
2020	The first tri-band wireless access point, the VigorAP 1000C, was released.
2021	VigorACS 3, central management software integrating the Vigor product series, was released.
2022	The first Wi-Fi 6 wireless access point, the VigorAP 906, was released.
2024	The first DrayOS 5 VPN router, the Vigor2136 series, was released.
2025	VigorSwitch Stacking was launched, enabling multiple switches to be integrated into a single system and providing centralized management and a high-availability network architecture.

1.2.4 Operating Activities and Value Chain

The name "DrayTek" draws from the Doctrine of the Mean: "The superior man dwells in ease to await the will of Heaven; the inferior man takes dangerous courses in the hope of good luck." The phrase reflects the ability to grasp the pulse of the times, create value by meeting customer needs through brand creativity, and embody DrayTek's sincere, practical corporate spirit and its ideal of building a better future through a pragmatic and earnest attitude.

1.2.4.1 Products and Operations

In 2025, DrayTek's operating activities did not undergo any material changes. The Company remained focused on the R&D and production of its own-brand "Vigor" series products. The Vigor product line covers broadband routers, LTE routers, VPN routers, fiber routers, wireless access points, managed switches, and other products, meeting the needs of enterprise customers with different requirements.

During the reporting period, DrayTek's product sales reached 212,945 units, including 190,978 network communications products, accounting for 90%, and 21,967 units of other products, accounting for 10%. The characteristics of the branded product line are as follows:

Main Features of the Vigor Series:

Feature-rich: Vigor routers provide VPN, firewall, content filtering, load balancing, triple-play, VoIP, bandwidth management, and other functions,

making them high value-for-money network integration solutions.

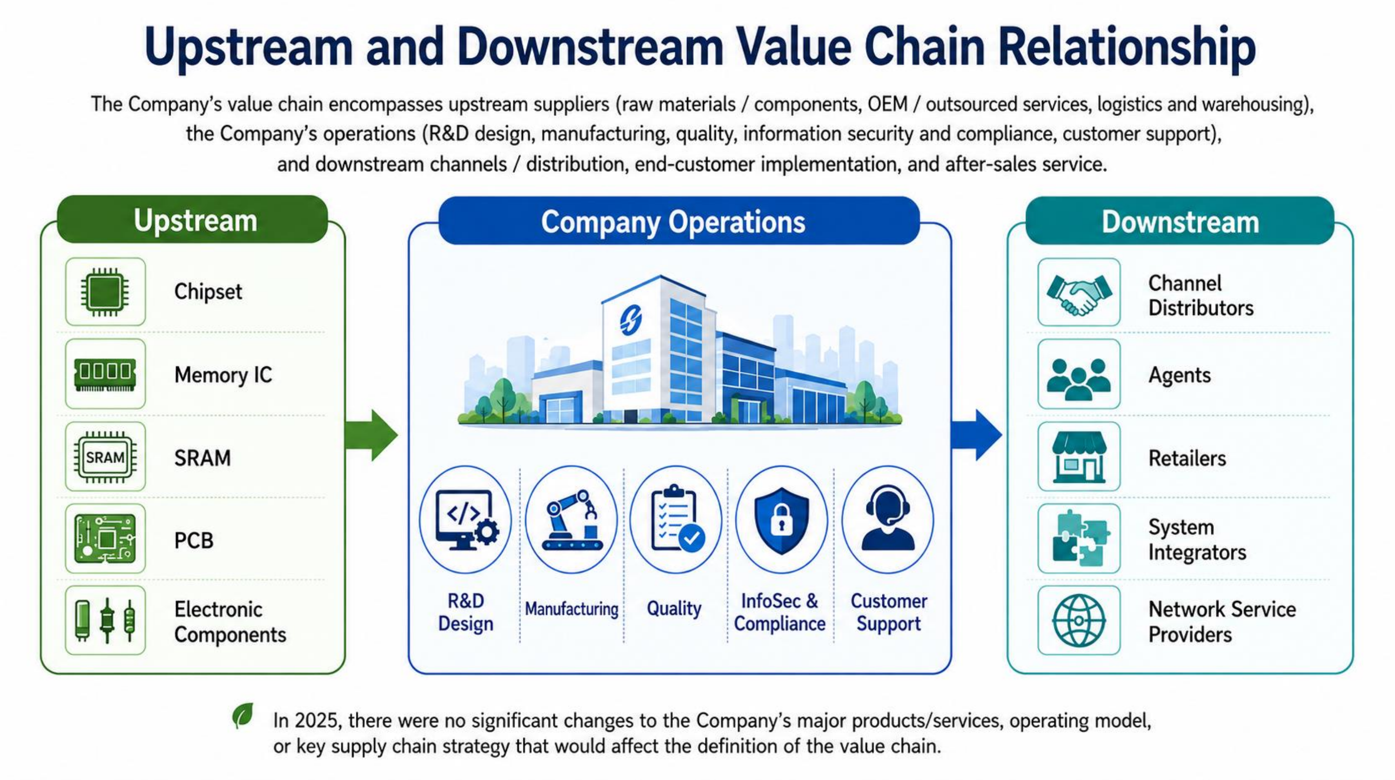
- Security assurance: Vigor routers use DrayTek's self-developed software operating system, DrayOS. This is a closed system that provides the security protection mechanisms required for enterprise networks.
- Durability: All Vigor routers are manufactured at the headquarters in Taiwan. DrayTek controls every component and follows quality management standards to achieve a higher MTBF and ensure product life.
- Customization flexibility: More than half of DrayTek's employees are development engineers. We are able to focus on customized software R&D functions, enabling Vigor routers to better meet different network usage needs.
- ISP certification: DrayTek has worked with numerous ISPs around the world. In addition to providing hardware, the Company ensures software compatibility, and shipped products are guaranteed to meet local network environments and deliver maximum benefits in users' network environments.
- Award recognition: DrayTek has more than 20 years of experience in the R&D and production of routers and has received numerous awards. A total of 21 products have received the Taiwan Excellence Award, and DrayTek has been recognized nine times by the UK magazine PC PRO as Best Router Brand of the Year.




1.2.4.2 Upstream and Downstream Relationships

The Company's value chain covers the upstream supply chain, including raw materials/components, contract manufacturing/outsourcing services, logistics and warehousing; the Company's own operations, including R&D

and design, manufacturing, quality, information security and regulatory compliance, and customer support; and downstream activities, including channels/distribution, end-customer implementation, and after-sales service. In 2025, there were no material adjustments to major products/services, operating models, or key supply chain strategies that affected the definition of the value chain.



1.2.4.3 Annual Operational Objectives and Results

Operational Policy	Results
Uphold the brand path with brand and marketing as the two main axes	Marketing strategies strengthened digital marketing, content marketing, and social media operations to reach target customer groups, support the communication of the brand story and core values, establish a distinctive market positioning, and attract more potential customers.
	In major markets such as Europe and the United States, the Company promoted channel projects. Through flexible product planning and coordinated execution of marketing strategies, it successfully targeted niche project channel markets in various regions, enhanced the brand's international competitiveness,

Operational Policy	Results
	achieved the goal of deepening brand presence, and ensured long-term stable development.
Develop new products with market potential	With the three major product lines of Router, AP, and Switch as the core, the Company integrated more comprehensive and diverse network management systems and software to drive demand for new equipment and market opportunities, focusing on Remote Working Solutions and Cyber Security. In 2025, the Company further launched Identity and Access Management (IAM) to strengthen user access control; expanded the DrayOS 5 model lineup, including the Vigor C410/C510 mobile router series, the Vigor2767 xDSL VPN router series, and the VigorAP 905 Wi-Fi 6 wall-mounted access point; and launched VigorSwitch Stacking to achieve centralized management, scalable performance, and improved network resilience.
Consolidate and expand the global sales network	The Company optimized sales networks in major markets, strengthened partner relationships, improved supply chain efficiency, ensured stable product supply, and enhanced customer satisfaction and loyalty. The brand's influence will gradually expand, improving market penetration and sales performance.
	For secondary and new market sales, the Company adjusted channel partners and used marketing strategies and localized product planning to meet different consumer needs in those markets, enhancing brand competitiveness and establishing a solid foothold.

1.3 Report Information

1.3.1 Basis of Preparation

The information disclosed in 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." The report incorporates the relevant GRI 2021 Standards and adopts the Integrated Reporting (IR) framework as a reference basis for information disclosure and material topic considerations.

The report also uses the Task Force on Climate-related Financial Disclosures (TCFD) framework and the SASB Standards (Sustainability Accounting Standards Board, SASB) to disclose related topics.

1.3.2 Reporting Period and Frequency

The information and data in this report cover performance in economic, environmental, and social aspects from January 1, 2025 to December 31, 2025. Where certain information follows a different cycle, the relevant reference sections are specially noted in the report. DrayTek issues its ESG report annually in August. The data use 2024 as the comparison baseline, and the baseline year for the greenhouse gas inventory is 2024. This report is issued in August 2026.

1.3.3 Reporting Boundary and Scope

This report covers DrayTek's relevant operating activities in 2025. For matters and data not included in this report, as well as related information regarding the contents of this report, readers are welcome to visit DrayTek's website or contact the contact window.

1.3.4 Restatements of Information

This report has been prepared in accordance with the GRI 2021 Standards since 2024. There were no updates or corrections to information for 2024 and earlier years. In 2025, there were no changes to the baseline year, reporting period, business nature, definitions, or other items.

1.3.5 External Assurance/Verification

- All financial information is quoted from financial reports audited and certified by PricewaterhouseCoopers Taiwan and is calculated in New Taiwan dollars.
- The Company's ISO 14001 certification was verified by American Systems Registrar (ASR ASIA).
- Other disclosed data are partly derived from DrayTek's own statistics and survey results and are presented using internationally accepted indicators. Where estimates are used, this is noted in the relevant sections.
- This Sustainability Report has not been assured by an independent third-party assurance provider.

1.3.6 Responsible Unit for the Sustainability Report

If you have any questions regarding the contents of this report, please contact the following contact window.

Contact Department: Finance and Administration Department

Address: No. 26, Fuxing Rd., Hsinchu Industrial Park, Hukou Township, Hsinchu County 303035, Taiwan

Telephone: +886-3-597-2727

Fax: +886-3-597-2121

E-mail: ir@draytek.com

2.1 Sustainable Development Strategy

Sound corporate governance is an important foundation for stable business operations and sustainable development. DrayTek upholds the principles of integrity, transparency, and prudent management; continues to strengthen the supervisory function of the Board of Directors, risk management mechanisms, and internal control systems; and incorporates environmental, social, and governance (ESG) issues into its overall operational management thinking in order to respond to regulatory requirements, industry trends, and stakeholder concerns.

2.2 Mechanisms for Promoting Sustainable Development

2.2.1 Sustainable Development Governance Structure and Operations

DrayTek promotes sustainable development in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and related laws and regulations. At present, the Company has not separately established its own sustainable development principles. Therefore, in actual operations, there are no material differences from the aforementioned principles.

To protect shareholders' rights and interests, the Company's external spokesperson and deputy spokesperson are responsible for handling shareholder suggestions, questions, and disputes. The Company has also appointed Taishin Securities as its stock affairs agent to assist with related matters. Contact information is as follows:

Spokesperson: Wen Chang-Chung Title: Chief Executive Officer Telephone: +886-3-597-2727 E-mail: ir@draytek.com	Deputy Spokesperson: Tseng Shu-Fen Title: Department Head Telephone: +886-3-597-2727 E-mail: ir@draytek.com mailto:ir@draytek.com

2.3 Board of Directors and Functional Committees

2.3.1 Role and Results of the Board of Directors in Sustainability Governance

2.3.1.1 Role and Supervision of Sustainability Governance

The Board of Directors is the Company's highest governance body. Its Chairman is Ma Hong-Fang, who does not concurrently serve as the Company's highest management officer. The nomination and selection of members of the Company's Board of Directors comply with the Articles of Incorporation and adopt a candidate nomination system. In addition to evaluating each candidate's academic and professional qualifications, the Company follows the "Procedures for Election of Directors" to ensure the diversity and independence of Board members.

Although DrayTek has not yet established an independent dedicated sustainability unit, relevant responsible departments promote sustainability work based on the nature of their operations. Environmental and social matters are handled by the Administration Department, corporate governance-related matters are handled by the Finance Department, and the Office of the General Manager and functional departments jointly form a cross-departmental working group responsible for implementing sustainability-related plans, tracking progress, and reviewing execution results.

The Board of Directors regularly reviews important issues and supervises the advancement of sustainable development work to ensure that sustainability management is consistent with the Company's overall business direction. This report was prepared and publicly released after relevant departments provided information according to their respective responsibilities and after internal consolidation and review. DrayTek's Board of Directors is primarily responsible for supervising the Company's overall governance structure, sustainable development direction, and material risk issues. The preparation and release of this report are currently handled in accordance with the Company's internal management procedures and allocation of responsibilities, and have not yet been formally reviewed or approved by the Board of Directors. This approach is based on the fact that current regulations do not expressly require the Company's Board of Directors to approve the Sustainability Report.

2.3.1.2 Performance Evaluation for Supervising Sustainability Management

DrayTek has established the "Regulations Governing Performance Evaluation of the Board of Directors" and regularly evaluates the performance of the Board. The evaluation results for 2025 are as follows:

Evaluation Scope	Evaluation Method	Evaluation Period	Evaluation Content	Evaluation Result
Entire Board of Directors	Board Internal Self-Assessment	From January 1, 2025 to December 31, 2025	Participation in Company operations; quality of Board decision-making; Board composition and structure; director selection and continuing education; internal control.	The overall average score was 97.58, rated as excellent. Lower-scoring items were "director attendance at shareholders' meetings" and "internal audit officer attendance at Board meetings." It is recommended that shareholders' meeting dates be coordinated with directors to improve director attendance, and that the internal audit officer increase attendance at Board meetings.
Individual Board Members	Director Self-Assessment	From January 1, 2025 to December 31, 2025	Understanding of Company goals and missions; awareness of director duties; participation in Company operations; internal relationship management and communication; directors' professionalism and continuing education; internal control.	The overall average score was 99.09, rated as excellent. The Company's directors gave positive evaluations of the efficiency and effectiveness of each evaluation item.
Audit Committee	Peer evaluation	From January 1, 2025 to December 31, 2025	Participation in Company operations; awareness of functional committee duties; quality of functional committee decision-making; functional committee composition and member selection; internal control.	The Audit Committee's overall average score was 100, rated as excellent. The Company's Audit Committee members gave positive evaluations of the efficiency and effectiveness of each evaluation item.
Remuneration Committee	Peer evaluation	From January 1, 2025 to December 31, 2025	Participation in Company operations; awareness of functional committee duties; quality of functional committee decision-making; functional committee composition and member selection; internal control.	The Remuneration Committee's overall average score was 99.68, rated as excellent. The Company's Remuneration Committee members gave positive evaluations of the efficiency and effectiveness of each evaluation item.

2.3.1.3 Continuing Education on Sustainable Development

In 2025, the ratio of training hours completed by directors and supervisors in accordance with the continuing education guidelines was 100%.

Director Name	Course Title	Training Hours
Ma Hong-Fang	Analysis of Internal Control and Internal Audit Priorities and Practical Cases for Management of Sustainability Information	6
	Advanced Practical Seminar for Directors, Supervisors (Including Independent Directors), and Corporate Governance Officers - Corporate Governance and Securities Regulations	3
Lin Dong-Liang	Introduction to the New International Professional Practices Framework for Internal Auditing (IPPF 2024)	6
Cheng Ming-Te	Analysis of Sustainability Report Preparation and Related Internal Controls	6
Wen Chang-Chung	15th Taipei Corporate Governance Forum	6
Ouyang Chieh-Ping	Analysis of Internal Control and Internal Audit Priorities and Practical Cases for Management of Sustainability Information	6
Chien Wei-Ting	Practical Analysis of Internal Control Management for Corporate Greenhouse Gas Inventories	6
	Practical Application Analysis of Sustainability Policies and Sustainability Disclosure Standards	6
Huang Chen-Sung	Analysis of Internal Control and Internal Audit Priorities and Practical Cases for Management of Sustainability Information	6
Chen Sheng-Chih	How to Apply Robotic Process Automation (RPA) to Improve Internal Control Effectiveness	6
Chuang Ya-Hui	How to Apply Robotic Process Automation (RPA) to Improve Internal Control Effectiveness	6

2.3.2 Board Structure and Operations

2.3.2.1 Members and Diversity

The Board of Directors is the Company's highest governance body. Its Chairman is Ma Hong-Fang, who does not concurrently serve as the Company's highest management officer. All directors are nationals of the Republic of China (Taiwan). The average age of directors is 60. There are three female directors, accounting for 33%, and four directors who also hold employee status, accounting for 44%.

<table>
<tr><th>Title</th><th>Name</th><th>Nationality</th><th>Gender</th><th>Professional Qualifications and Experience</th></tr>
<tr><td>Chairman</td><td>Ma Hong-Fang</td><td>R.O.C. (Taiwan)</td><td>Male</td><td rowspan="4">Expertise and experience in the communications and networking industry; no circumstances under Article 30 of the Company Act.</td></tr>
<tr><td>Director</td><td>Lin Dong-Liang</td><td>R.O.C. (Taiwan)</td><td>Male</td></tr>
<tr><td>Director</td><td>Cheng Ming-Te</td><td>R.O.C. (Taiwan)</td><td>Male</td></tr>
<tr><td>Director</td><td>Wen Chang-Chung</td><td>R.O.C. (Taiwan)</td><td>Male</td></tr>
<tr><td>Director</td><td>Ouyang Chieh-Ping</td><td>R.O.C. (Taiwan)</td><td>Female</td><td>Expertise and experience in foreign languages; no circumstances under Article 30 of the Company Act.</td></tr>
<tr><td>Director</td><td>Chien Wei-Ting</td><td>R.O.C. (Taiwan)</td><td>Female</td><td>Expertise and experience in marketing; no circumstances under Article 30 of the Company Act.</td></tr>
<tr><td>Independent Director</td><td>Huang Chen-Sung</td><td>R.O.C. (Taiwan)</td><td>Male</td><td>Expertise and experience in accounting and finance; no circumstances under Article 30 of the Company Act.</td></tr>
<tr><td>Independent Director</td><td>Chen Sheng-Chih</td><td>R.O.C. (Taiwan)</td><td>Male</td><td>Expertise in the communications and networking industry; no circumstances under Article 30 of the Company Act.</td></tr>
<tr><td>Independent Director</td><td>Chuang Ya-Hui</td><td>R.O.C. (Taiwan)</td><td>Female</td><td>Expertise in accounting and finance; no circumstances under Article 30 of the Company Act.</td></tr>
</table>

2.3.2.2 Operations

In 2025, the Board of Directors convened a total of 8 meetings. The total number of required attendances for all directors was 72, and the total number of actual attendances was 62, resulting in an attendance rate of 86.11%.

Title	Name	Actual Attendances	Attendance by Proxy	Actual Attendance Rate (%)	Notes
Chairman	Ma Hong-Fang	8	0	100	
Director	Lin Dong-Liang	8	0	100	
Director	Cheng Ming-Te	8	0	100	
Director	Wen Chang-Chung	8	0	100	
Director	Ouyang Chieh-Ping	0	8	0	
Director	Chien Wei-Ting	7	1	88	
Independent Director	Huang Chen-Sung	7	1	88	
Independent Director	Chen Sheng-Chih	8	0	100	
Independent Director	Chuang Ya-Hui	8	0	100	

Attendance of independent directors at each Board meeting in 2025: ◎ attended in person; ● attended by proxy; ▲ leave of absence

2025	Mar. 11	Apr. 9	May 7	Jun. 25	Aug. 11	Sep. 10	Sep. 24	Nov. 5
Huang Chen-	◎	◎	◎	◎	◎	◎	◎	●

Sung								
Chen Sheng-Chih	◎	◎	◎	◎	◎	◎	◎	◎
Chuang Ya-Hui	◎	◎	◎	◎	◎	◎	◎	◎

2.3.2.3 Nomination and Selection

The nomination and selection of members of the Company's Board of Directors comply with the Articles of Incorporation and adopt a candidate nomination system. In addition to evaluating each candidate's academic and professional qualifications, the Company follows the "Procedures for Election of Directors" to ensure the diversity and independence of Board members. Professional fields include communications, electronics, economics and trade, accounting, finance, management, marketing, and foreign languages. All directors possess the knowledge, skills, and education necessary to perform their duties.

2.3.2.4 Recusal for Conflicts of Interest

During the reporting period, the Company's Board of Directors consisted of 9 directors, including 3 independent directors, accounting for 33% of the Board seats. Chairman Ma Hong-Fang and Director Ouyang Chieh-Ping are spouses, which complies with Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

Title	Name	Independence Status	Concurrent Independent Directorships at Other Public Companies
Chairman	Ma Hong-Fang	Not applicable.	0
Director	Lin Dong-Liang		0
Director	Cheng Ming-Te		0
Director	Wen Chang-Chung		0
Director	Ouyang Chieh-		0

Title	Name	Independence Status	Concurrent Independent Directorships at Other Public Companies
	Ping		
Director	Chien Wei-Ting		0
Independent Director	Huang Chen-Sung	The independent director, spouse, and relatives within the second degree of kinship had none of the following circumstances during the two years before election or during the term of office: 1. Serving as a director of the Company or its affiliates. 2. Serving as a director of a company having a specific relationship with the Company (see Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 3. Receiving remuneration for providing business, legal, financial, accounting, or other services to the Company or its affiliates.	0
Independent Director	Chen Sheng-Chih		0
Independent Director	Chuang Ya-Hui		1

2.3.2.5 Remuneration Policy

In 2025, the core principles, remuneration decision-making mechanism, and fairness requirements of the Company's remuneration policy generally continued the practices of the previous year, with no material changes. To maintain annual comparability, this section follows the existing disclosure structure and supplements key practices that the Company continued to improve during the year.

In 2025, the Company continued to improve the implementation of remuneration management:

- **Strengthening consistency in remuneration based on responsibilities and capabilities: The Company continued to review job content and skill requirements to improve consistency in the logic for remuneration decisions and avoid unnecessary gaps caused by departmental differences.**
- **Improving internal review of remuneration fairness: Continuing the existing principles of fair remuneration, the Company continued to monitor factors that may affect fairness to ensure that system operations are consistent with the Company's commitment to equality and non-discrimination.**
- **Deepening planning to link sustainability issues with management mechanisms: While maintaining the current remuneration governance framework, the Company continued to evaluate the direction of integrating sustainability goals into management and incentive mechanisms, gradually strengthening its long-term value orientation.**

The Company is committed to providing a market-competitive and fair remuneration system to attract and retain outstanding talent and support the Company's long-term stable operations. For entry-level personnel, the Company's standard salary is set above the local statutory minimum wage to protect employees' basic quality of life and enhance job satisfaction.

In remuneration management, the Company follows the principle of equality. Decisions regarding employees' base salary, salary adjustments, and rewards are made based on a comprehensive consideration of job responsibilities, performance, skills, and competency assessments, and do not differ due to gender, religion, ethnicity, or other factors. To maintain the fairness of the system, the Company continues to monitor remuneration structure and gender equality issues through internal review mechanisms, ensuring that remuneration policies and management practices comply with the principles of fairness, transparency, and understandability.

The remuneration policies for the highest governance body and senior management are explained in the annual report in accordance with the Company's existing governance and disclosure mechanisms. At this stage, the evaluation indicators for remuneration policy remain primarily based on economic goals. To further strengthen the long-term comprehensive performance orientation and support sustainable operations, the Company continues to advance planning for incorporating ESG sustainable development strategies and goals into management mechanisms, and gradually evaluates feasible approaches for linking them with managerial remuneration. ESG topics include sustainability governance, green R&D, sustainable supply chain, environmental sustainability, information security, business marketing, sustainable human capital, and social inclusion.

2.3.2.6 Remuneration of the Board of Directors and Senior Executives

Remuneration of General Directors and Independent Directors

2025 Unit: NT$ thousand; thousand shares

Title	Name	Directors' Remuneration								Total of A, B, C, and D and Ratio to Net Income After Tax		Related Remuneration Received as Concurrent Employees								Total of A to G and Ratio to Net Income After Tax	
		Remuneration (A)		Retirement Pension (B)		Directors' Remuneration (C)		Business Execution Expenses (D)				Salary, Bonus, and Special Allowances (E)		Retirement Pension (F)		Employee Remuneration (G)					
		the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	the Company		All Companies Included in the Financial Statements		the Company	All companies included in the financial statements
																Cash Amount	Share Amount	Cash Amount	Share Amount		
Chairman	Ma Hong-	0	0	0	0	75	75	36	36	111	0.19%	1,493	1,493	0	0	0	0	0	0	1,6052.79%	1,6052.79%

	Fang																			
Director	Lin Dong-Liang	0	0	0	0	75	75	36	36	111	0.19%	2,071	2,071	108	108	83	0	83	0	2,2903.98%	2,2903.98%
Director	Cheng Ming-Te	0	0	0	0	75	75	36	36	111	0.19%	4,281	4,281	108	108	134	0	134	0	4,5017.81%	4,5017.81%
Director	Wen Chang-Chung	0	0	0	0	75	75	36	36	111	0.19%	4,730	4,730	108	108	131	0	131	0	4,9498.59%	4,9498.59%
Director	Ouyang Chieh-Ping	0	0	0	0	75	75	0	0	75	0.13%	0	0	0	0	0	0	0	0	750.13%	750.13%
Director	Chien Wei-Ting	0	0	0	0	75	75	36	36	111	0.19%	0	0	0	0	0	0	0	0	1110.19%	1110.19%
Independent Director	Huang Chen-Sung	180	180	0	0	0	0	27	27	207	0.36%	0	0	0	0	0	0	0	0	2070.36%	2070.36%

Independent Director	Chen Sheng-Chih	180	180	0	0	0	0	36	36	216	0.37%	0	0	0	0	0	0	0	0	2160.37%	2160.37%
Independent Director	Chuang Ya-Hui	180	180	0	0	0	0	36	36	216	0.37%	0	0	0	0	0	0	0	0	2160.37%	2160.37%

Note: Employee and director remuneration for 2025 has not yet been distributed. The distribution of directors' remuneration and employee remuneration for directors is estimated based on the 2024 distribution ratio applied in 2025.

None of the directors received remuneration from investee companies other than subsidiaries or from the parent company.

- Remuneration of Senior Executives

2025 Unit: NT$ thousand; thousand shares														
Title	Name	Salary (A)		Retirement Pension (B)		Bonus and Special Allowances (C)		Employee Remuneration Amount (D)				Total of A, B, C, and D and Ratio to Net Income After Tax (%)		Remuneration from Investee Companies Other Than Subsidiaries or from Parent Company
		the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	the Company		All Companies Included in the Financial Statements		the Company	All companies included in the financial statements	
								Cash Amount	Share Amount	Cash Amount	Share Amount			
Chairman	Ma Hong-Fang	740	740	0	0	753	753	0	0	0	0	1,4932.59%	1,4932.59%	None
General	Cheng Ming-	3,165	3,165	108	108	1,116	1,116	134	0	134	0	4,5237.85%	4,5237.85%	None

Manager	Te													
Chief Executive Officer	Wen Chang-Chung	3,120	3,120	108	108	1,609	1,609	131	0	131	0	4,9698.62%	4,9698.62%	None
Consultant	Lin Dong-Liang	1,236	1,236	108	108	834	834	83	0	83	0	2,2613.93%	2,2613.93%	None

Note: Employee remuneration for 2025 has not yet been distributed. The distribution of employee remuneration for senior executives is estimated based on the 2024 distribution ratio applied in 2025.

2.3.2.7 Salary Overview

	2023	2024	2025
Annual Salary Expense (Mean)	NT$1,155 thousand	NT$1,318 thousand	NT$1,149 thousand
Employee Benefit Expense (Mean)	NT$1,331 thousand	NT$1,509 thousand	NT$1,350 thousand
Mean Salary of Non-Managerial Full-Time Employees	NT$1,078 thousand	NT$1,059 thousand	NT$1,025 thousand
Median Salary of Non-Managerial Full-Time Employees	NT$952 thousand	NT$882 thousand	NT$868 thousand
Annual Total Compensation Ratio		4.40	5.55
Annual Total Salary and Remuneration Change Ratio		2.51	1.73

Notes:

Annual total compensation ratio = annual total compensation of the highest-paid individual in the organization / median annual total compensation of all employees excluding the highest-paid individual.

Annual total salary and remuneration change ratio = percentage increase in annual total compensation of the highest-paid individual in the organization / percentage increase in median annual total compensation of all employees excluding the highest-paid individual.

	Male	Female
2025		
2025 Statutory Minimum Monthly Wage	28,590	28,590
Ratio of Company Base Salary to Statutory Wage	1.07	1.07
2024		
2024 Statutory Minimum Monthly Wage	27,470	27,470
Ratio of Company Base Salary to Statutory Wage	1.07	1.05

	Male	Female
2023		
2023 Statutory Minimum Monthly Wage	26,400	26,400
Ratio of Company Base Salary to Statutory Wage	1.03	1.03

2.3.3 Structure and Operations of Functional Committees

2.3.3.1 Remuneration Committee

The Remuneration Committee currently has three members, all of whom are independent directors. Therefore, independent directors account for 100% of the committee seats. The list of Remuneration Committee members is as follows:

Status/Name		Professional Qualifications and Experience	Independence Status	Concurrent Remuneration Committee Memberships at Other Public Companies
Independent Director (Convener)	Huang Chen-Sung	Expertise and experience in accounting and finance; no circumstances under Article 30 of the Company Act.	The independent director, spouse, and relatives within the second degree of kinship had none of the following circumstances during the two years before election or during the term of office: 1. Serving as a director of the Company or its affiliates. 2. Serving as a director of a company having a specific relationship with the Company (see Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 3.	0
Independent Director	Chen Sheng-Chih	Expertise in the communications and networking industry; no circumstances under Article 30 of the Company Act.		0
Independent Director	Chuang Ya-Hui	Expertise in accounting and finance; no circumstances under Article 30 of the Company Act.		0

			Receiving remuneration for providing business, legal, financial, accounting, or other services to the Company or its affiliates.	

In 2025, the Remuneration Committee convened a total of 3 meetings. The total number of required attendances for all members was 9, and the total number of actual attendances was 9, resulting in an attendance rate of 100%.

Title	Name	Actual Attendances	Attendance by Proxy	Actual Attendance Rate (%)	Notes
Member/Convener	Huang Chen-Sung	3	0	100	
Member	Chen Sheng-Chih	3	0	100	
Member	Chuang Ya-Hui	3	0	100	

2.3.3.2 Audit Committee

The Audit Committee currently has three members, all of whom are independent directors. Therefore, independent directors account for 100% of the committee seats. During the reporting period, the Audit Committee convened 6 meetings. The total number of required attendances for all members was 18, and the total number of actual attendances was 17, resulting in an attendance rate of 94.44%.

Title	Name	Actual Attendances	Actual Attendance Rate (%)	Notes
Independent Director/Convener	Huang Chen-Sung	5	83	
Independent Director	Chen Sheng-Chih	6	100	
Independent Director	Chuang Ya-Hui	6	100	

3.1 Stakeholder Engagement

In accordance with the requirements of GRI 3: Material Topics, the Company adopts an impact materiality perspective to identify the actual or potential positive and negative impacts that the Company causes or may cause on the economy, the environment, and people, including their human rights. The Company ranks these impacts by significance as the basis for sustainability governance, strategic planning, resource allocation, and information disclosure.

The 2025 materiality analysis focused on actual and potential impacts while also incorporating input on issues of concern to stakeholders. In view of internal resource allocation and the pace of data collection during the year, the Company did not conduct a large-scale questionnaire survey. Instead, it integrated existing and traceable stakeholder communication records, targeted interviews/workshops, and internal risk management and management system data to form the material topic ranking results. This approach ensures traceability and reasonableness in topic identification, and allows the Company to gradually expand the depth of engagement and quantitative coverage in future years.

The Company defines stakeholders as groups whose decisions, actions, or interests may be affected by the Company's operating activities, products, and services, or whose opinions may affect the Company's operations, strategy, or sustainable development. The stakeholder categories and major interaction channels in 2025 were as follows:

Stakeholder Category	Main Interaction/Engagement Channels	Frequency	Major Sources of Topic Input in 2025 (Examples)	Responsible Unit for Input Consolidation
Employees	Labor-management meetings/communication meetings, training feedback, grievance/reporting channels, occupational safety and health meetings	Once a year	Talent development, occupational safety and health, working hours and well-being, workplace equality, information security education	Human Resources Section; Safety and Health Management
Customers	Customer audits/evaluations, quality and delivery meetings, customer complaint analysis, customer sustainability requirements (contracts/questionnaires)	Once a year	Quality, information security, responsible supply chain, product compliance, carbon/reduction requirements	Business Development Division
Suppliers/Contractors	Supplier evaluations, audits and CAPA, procurement communication, contractor management	Once a year	Supply chain compliance, human rights and labor, environmental requirements, delivery and resilience	Procurement Section
Investors/Shareholders	Investor conferences, annual reports/material information, investor Q&A	Once a year	Governance transparency, risk management, climate risk, operational resilience	Finance and Administration Department
Competent Authorities/Exchange	Regulatory compliance, filings and inspections, guidance meetings	Once a year	Legal compliance, information disclosure, occupational safety	Finance and Administration Department

Stakeholder Category	Main Interaction/Engagement Channels	Frequency	Major Sources of Topic Input in 2025 (Examples)	Responsible Unit for Input Consolidation
			and environmental protection requirements	
Community/Partners	Visits and exchanges, public welfare cooperation, industry-academia cooperation	Once a year	Community relations, environmental impacts, education and public welfare	Administration Department

3.2 Process for Determining Material Topics

3.2.1 Topic Definition

The sources of the 2025 long list of topics included:

1. Review of the previous year's material topics and reasons for changes.
2. GRI topic standards and topics that may be involved based on the Company's operating characteristics.
3. Risk lists and incident records from the Company's internal risk management and management systems, such as occupational safety and health, environmental, information security, and quality systems.
4. New customer, market, and regulatory requirements regarding responsible supply chains, product compliance, information security, carbon, and climate.
5. Risk hotspots revealed by supplier evaluations and audit results.

After consolidation, a list of 19 topics was formed, followed by impact identification and ranking.

3.2.2 Impact Identification and Evaluation Method

3.2.2.1 Impact Identification

For each topic, the Company identified the following possible impacts:

- Impact nature: positive/negative
- Impact status: actual/potential
- Impact targets: employees, suppliers, customers, communities, the environment, and others
- Location of impact occurrence: own operations, upstream supply chain, downstream use/services, and others

The Company also formed written topic-impact descriptions to ensure the traceability of materiality rankings and subsequent management measures.

The impact identification table is as follows:

Topic	Positive/ Negative	Actual/ Potential	Impact Targets	Value Chain Position (Own Operations/Upstream/Downstream)	Impact Description
1. Environmental Management and Policy (Including Management Systems)	Positive	Actual	customers, investors, employees, the environment	Own operations	Through environmental management systems and management system operations, the Company improves compliance and management consistency, reduces environmental incident risks, and enhances customer trust.
1. Environmental Management and Policy (Including Management Systems)	Negative	Potential	the environment, communities, the Company	Own operations/upstream	If implementation of the system is insufficient or supply chain controls are weak, environmental violations or pollution incidents may occur, resulting in fines, shutdowns, and reputational damage.
2. Climate Change and Greenhouse Gas Management	Positive	Potential	customers, investors, the Company	Own operations/upstream	Establishing inventory and carbon reduction management helps improve tendering and audit compliance, reduce carbon cost exposure, and strengthen long-term operational resilience.
2. Climate Change and Greenhouse Gas Management	Negative	Potential	the Company, customers	Own operations/upstream	If carbon data boundaries are inconsistent or disclosure is insufficient, customers may raise concerns and transaction friction may increase; rising carbon

Topic	Positive/ Negative	Actual/ Potential	Impact Targets	Value Chain Position (Own Operations/Upstream/Downstream)	Impact Description
					costs may also push up operating costs.
3. Energy Management	Positive	Actual	the Company, customers, the environment	Own operations	Improving energy efficiency can reduce electricity costs and risks from energy price fluctuations, while also reducing emissions and environmental impacts.
3. Energy Management	Negative	Potential	the Company	Own operations	Energy price fluctuations and insufficient efficiency may increase operating costs and affect profitability and competitiveness.
4. Water Resources Management	Positive	Potential	the Company, communities, the environment	Own operations	Water management and compliance measures can reduce the risk of operational disruption under water shortage or restriction scenarios and reduce pressure on the surrounding environment.
4. Water Resources Management	Negative	Potential	communities, the environment, the Company	Own operations	If water resource risk assessment is insufficient or drainage management is improper, compliance risks or community concerns may arise, affecting operational stability.
5. Waste Management	Positive	Actual	the environment, the Company, customers	Own operations/upstream	Comprehensive waste and packaging material management can reduce treatment costs and compliance risks, while responding to EU requirements for plastic reduction and

Topic	Positive/ Negative	Actual/ Potential	Impact Targets	Value Chain Position (Own Operations/Upstream/Downstream)	Impact Description
					circularity.
5. Waste Management	Negative	Potential	the environment, the Company, customers	Own operations/upstream	If outsourced treatment or sorting management is insufficient, compliance deficiencies or audit non-conformities may occur, affecting shipments and customer trust.
6. Biodiversity	Positive	Potential	the environment, investors, customers	Upstream/own operations	Clarifying and managing the potential impacts of own operations and the supply chain on nature and ecosystems helps respond to market concerns about nature-related risks and reduce future disclosure pressure.
6. Biodiversity	Negative	Potential	the environment, the Company	Upstream	If the upstream supply chain involves ecologically sensitive areas or pollution incidents, associated reputational risks and customer review pressure may arise.
7. Human Rights and Labor Rights	Positive	Actual	employees, supplier personnel, customers	Own operations/upstream	Comprehensive human rights and labor rights management can reduce labor-management disputes and improve customer trust in, and willingness to cooperate with, a responsible supply chain.
7. Human Rights and Labor Rights	Negative	Potential	employees, supplier personnel, the Company, customers	Own operations/upstream	Discrimination, excessive working hours, forced labor, or supply chain human rights incidents may

Topic	Positive/ Negative	Actual/ Potential	Impact Targets	Value Chain Position (Own Operations/Upstream/Downstream)	Impact Description
					lead customers to terminate cooperation, create legal risks, and damage reputation.
8. Diversity, Equity, and Inclusion (DEI)	Positive	Potential	employees, the Company	Own operations	Promoting diversity and fairness can improve talent attraction, organizational innovation, and collaboration efficiency, strengthening the employer brand.
8. Diversity, Equity, and Inclusion (DEI)	Negative	Potential	employees, the Company	Own operations	Discrimination or harassment incidents would harm employees' sense of safety and trust, causing turnover and litigation or reputational risks.
9. Talent Recruitment and Retention	Positive	Actual	employees, the Company, customers	Own operations	Stable talent recruitment and development can support R&D, firmware, and information security capabilities, improving product competitiveness and customer support quality.
9. Talent Recruitment and Retention	Negative	Potential	the Company, customers	Own operations	Loss of key talent may affect product iteration and maintenance quality, reduce delivery and service capabilities, and thereby affect revenue and trust.
10. Occupational Safety and Health	Positive	Actual	employees, contractor personnel, the Company	Own operations	Occupational safety and health management can reduce accident, absenteeism, and operational interruption risks, and improve safety

Topic	Positive/ Negative	Actual/ Potential	Impact Targets	Value Chain Position (Own Operations/Upstream/Downstream)	Impact Description
					in production and office environments.
10. Occupational Safety and Health	Negative	Potential	employees, contractor personnel, the Company	Own operations	Occupational injuries or contractor accidents may cause shutdowns, penalties, and reputational impacts, and may affect delivery stability.
11. Employee Benefits and Compensation	Positive	Actual	employees, the Company	Own operations	A reasonable and fair compensation and benefits system can improve retention and morale, reduce recruitment costs, and maintain organizational stability.
11. Employee Benefits and Compensation	Negative	Potential	employees, the Company	Own operations	If compensation competitiveness or fairness is insufficient, dissatisfaction and turnover may arise, affecting operational efficiency and talent supply.
12. Social Participation and Public Welfare	Positive	Potential	communities, schools/organizations, the Company	Own operations/community	Investing corporate expertise in social participation can enhance local connections and brand trust, and expand positive social impact.
12. Social Participation and Public Welfare	Negative	Potential	communities, the Company	Own operations/community	If activities are disconnected from core capabilities or communication is improper, external doubts may arise, causing reputational risks and resource efficiency issues.
13. Corporate	Positive	Actual	investors,	Own operations	Sound governance

Topic	Positive/ Negative	Actual/ Potential	Impact Targets	Value Chain Position (Own Operations/Upstream/Downstream)	Impact Description
Governance			customers, the Company		improves decision-making quality and supervisory effectiveness, enhances trust from market customers and partners, and reduces major risk events.
13. Corporate Governance	Negative	Potential	investors, the Company, customers	Own operations	Governance failures or internal control deficiencies may cause major incidents to expand, including compliance, information security, or financial events, resulting in legal liability and loss of trust.
14. Sustainability Strategy and Management	Positive	Potential	customers, investors, the Company	Own operations/upstream/downstream	Incorporating sustainability into strategy can improve market compliance and customer requirement alignment, while reducing future disclosure and compliance costs.
14. Sustainability Strategy and Management	Negative	Potential	customers, investors, the Company	Own operations	If strategy lacks implementation or disclosures are inconsistent, the Company may be questioned for greenwashing, reducing external trust and increasing transaction friction.
15. Operational and Financial Performance	Positive	Actual	investors, employees, customers, the Company	Own operations	Sound financial performance supports investment in R&D, quality, information security, and resilience, benefiting long-term

Topic	Positive/ Negative	Actual/ Potential	Impact Targets	Value Chain Position (Own Operations/Upstream/Downstream)	Impact Description
					competitiveness and operational continuity.
15. Operational and Financial Performance	Negative	Potential	investors, the Company, customers	Own operations	Economic conditions, exchange rates, and rising supply chain or energy costs may erode profitability; if necessary investments are reduced, quality and information security risks will intensify.
16. Customer Relations and Service	Positive	Actual	customers, the Company	Downstream	Stable quality and technical support improve customer satisfaction and repeat purchases, helping maintain cooperation with channels and enterprise customers.
16. Customer Relations and Service	Negative	Potential	customers, the Company	Downstream	Poor handling of customer complaints or delayed delivery may cause returns, compensation, and deterioration of cooperative relationships, leading to market loss.
17. Risk and Crisis Management	Positive	Potential	customers, investors, the Company	Own operations/upstream/downstream	Effective risk and crisis management can reduce the impact of supply chain disruptions, extreme climate events, and information security incidents on operations and delivery, improving resilience.
17. Risk and Crisis Management	Negative	Potential	customers, the Company	Own operations/upstream/downstream	If identification is insufficient or response is immature, losses may expand when incidents

Topic	Positive/ Negative	Actual/ Potential	Impact Targets	Value Chain Position (Own Operations/Upstream/Downstream)	Impact Description
					occur, such as shutdowns, material shortages, or leaks, causing trust and financial impacts.
18. Ethical Corporate Management and Business Ethics	Positive	Actual	customers, investors, the Company	Own operations/upstream/downstream	Integrity and ethics systems can reduce fraud and conflicts of interest, improving customer trust in compliance and cooperation.
18. Ethical Corporate Management and Business Ethics	Negative	Potential	customers, investors, the Company	Own operations/upstream/downstream	Corruption or improper transaction conduct may result in legal liability, termination of customer cooperation, and significant reputational damage.
19. Information Security	Positive	Actual	customers, the Company, employees	Own operations/downstream	Strengthening internal and external information security governance and product security can improve product credibility, reduce information security incident risks, and meet market requirements.
19. Information Security	Negative	Potential	customers, the Company	Own operations/downstream	Product vulnerabilities or data leaks may cause customer losses, recall or remediation costs, and regulatory liability, and may seriously damage brand trust.

3.2.2.2 Impact Evaluation Method

The Company evaluated impacts based on impact severity and likelihood, using a score of 1 to 5. The scoring criteria are as follows:

- Severity

Score/Severity	Description
5 points / Very High	May cause material financial losses, shutdowns, major regulatory penalties, major information security or human rights incidents, or extensive and difficult-to-remedy harm to multiple stakeholders; may affect the Company's core operations or key market qualifications, such as international customers/channels.
4 points / High	May cause significant operational disruptions, customer loss, compliance risks, or substantial cost increases; requires cross-departmental input and a longer recovery period.
3 points / Medium	May cause considerable cost/efficiency losses or localized process interruptions; impacts are limited and can be restored within a reasonable period through existing management mechanisms.
2 points / Low	Impacts are mostly localized, short-term, or easily improved; mainly involve management efficiency or minor costs.
1 point / Very Low	Impacts are minimal, with almost no perceptible effect on operations or stakeholders.

- Likelihood:

Score/Severity	Description
5 points / Very Likely	Already occurring or faced almost every year; strong external drivers and high exposure, such as electricity price fluctuations and normalized customer audits.
4 points / Likely	Very likely to occur in the short to medium term; or common in the industry and the Company has medium-high exposure.
3 points / Moderate	May occur but not regularly; significantly affected by external conditions.
2 points / Unlikely	Occurs occasionally and requires multiple conditions; the Company's exposure is lower or mature protection is already in place.
1 point / Very Unlikely	Rarely occurs and is generally subject to strong controls or low exposure.

3.2.2.3 Impact Evaluation Results

Topic	Severity (1-5)	Likelihood (1-5)	Rationale
1. Environmental Management and Policy (Including Management Systems)	3	3	Supported by management systems but compliance and audits must still be maintained; impact is generally controllable.
2. Climate Change and Greenhouse Gas Management	4	4	Stricter market standards and increased disclosure pressure may affect cooperation qualifications.
3. Energy Management	4	5	Energy price fluctuations are frequent events that directly affect the cost structure.
4. Water Resources Management	2	2	Operations do not involve process water or wastewater, so the degree of impact is low.
5. Waste Management	2	3	Operations do not involve hazardous waste and mainly involve general domestic waste. Regulatory audits are common, but issues can generally be managed through process improvements.
6. Biodiversity	1	2	Direct impact is low, mainly involving associated risks in the supply chain.
7. Human Rights and Labor Rights	4	3	The EU Corporate Sustainability Due Diligence Directive (CSDDD) has a certain degree of impact on operations. The likelihood is manageable but prevention is still needed.
8. Diversity, Equity, and Inclusion (DEI)	3	3	Impacts are mainly internal and reputational, and are generally manageable but still require prevention.
9. Talent Recruitment and Retention	4	4	R&D talent is the Company's core capability, and market competition makes the risk relatively high.
10. Occupational Safety and Health	3	4	The risks of the business activities are relatively low, but accidents may still have impacts and may be subject to government regulation.
11. Employee Benefits and Compensation	3	4	Affects retention and morale, with relatively high likelihood under talent competition.

Topic	Severity (1-5)	Likelihood (1-5)	Rationale
12. Social Participation and Public Welfare	2	2	Mostly voluntary investment, with relatively low risk to core operations.
13. Corporate Governance	4	3	Failure would have a major impact; it is generally not frequent but requires continuous oversight.
14. Sustainability Strategy and Management	4	3	Affects trust to a certain degree; depends on management maturity and is also subject to government requirements.
15. Operational and Financial Performance	5	3	Economic conditions, exchange rates, and costs may cause material impacts; likelihood is medium but impact is high.
16. Customer Relations and Service	4	4	Channel and customer requirements are high, and service or delivery problems may easily lead to customer loss.
17. Risk and Crisis Management	4	4	Supply chain, information security, and extreme event frequencies are rising, increasing resilience requirements.
18. Ethical Corporate Management and Business Ethics	4	2	Once an incident occurs, the impact is significant; however, if systems are mature, likelihood is lower.
19. Information Security	5	4	A core topic for the information and communications industry; incidents would have huge impacts and the external threat landscape is high.

3.2.3 Decision-Making Governance and Internal Calibration Mechanism

In accordance with GRI 3 Material Topics, the Company conducts material topic identification and ranking with impact materiality as the core. The materiality analysis is jointly conducted by a cross-departmental working group, whose members include the Office of the General Manager, Finance and Administration Division (Finance Department and Administration Department), Materials Department, Manufacturing Department, and Quality Assurance Department. The working group is responsible for consolidating the topic list, collecting and inventorying existing management data and stakeholder interaction information, and completing the preliminary assessment using a consistent methodology.

The evaluation method uses impact severity and likelihood for graded assessment, adopting a 1-5 point scale. The score definitions and evaluation basis are explained separately in this report. Existing traceable data are used as the primary basis for judgment, such as internal management systems and operating procedures, operational and quality management records, supplier management and audit results, risk and incident records, and customer/market/regulatory requirements. Based on the scoring results, the working group formed the list of material topics and explained differences from the previous year, including additions, consolidations, upgrades/downgrades, and reasons, in order to maintain annual comparability.

After completion, the materiality analysis results are reviewed by the cross-departmental working group and serve as the basis for the Company's sustainability strategy planning, resource allocation, and information disclosure. The management approaches, practices, and annual progress priorities for each material topic are disclosed in the relevant sections of this report.

3.3 2025 Material Topic Identification Results

In accordance with GRI 3 Material Topics, the Company uses impact materiality as the core and adopts impact severity (Severity, S) and likelihood (Likelihood, L) as the main basis for materiality assessment. To ensure consistency and traceability in the assessment, the Company uses clear thresholds to form the candidate list of material topics, and completes the final determination through cross-departmental calibration.

The screening principles for material topic candidates are as follows:

1. **Severity threshold (S >= 4): If the impact severity of a topic reaches 4 points or above, it means the topic may have a relatively high level of impact on the Company or stakeholders and is listed as a priority candidate for a material topic.**
2. **Combined threshold (S x L >= 16): If the product of severity and likelihood reaches 16 or above, it means the topic has both a relatively high impact level and likelihood of occurrence, and is listed as a candidate material topic.**

The above candidate topics were calibrated and consolidated by the cross-departmental working group (Office of the General Manager, Administration Department, Materials Department, Finance Department, Manufacturing Department, and Quality Assurance Department) based on existing traceable data, such as internal management systems and operating procedures, operational and quality management records, supplier management and audit results, risk and incident records, and customer/market/regulatory requirements. The material topics for the year were determined as follows:

Material Topic	Corresponding Section	Material Topic	Corresponding Section
Information Security	4.5	Human Rights and Labor Rights	5.1
Risk and Crisis Management	0	Talent Recruitment and Retention	5.1
Operational and Financial Performance	4.1	Climate Change and Greenhouse Gas Management	6.1
Customer Relations and Service	4.5	Energy Management	6.3

3.4 Management of Material Topics

3.4.1　Differences from the Previous Year

To improve information comparability, the Company compared the 2025 material topic results with the previous year and explained the reasons for additions, upgrades/downgrades, or consolidations, such as updated regulatory requirements, increased customer sustainability requirements, internal incidents/audit findings, organizational and operational changes, and changes in the risk landscape.

2024 Material Topics	2025 Material Topics	Type of Change
Information Security	Information Security	Unchanged
Risk and Crisis Management	Risk and Crisis Management	Unchanged
Financial Performance	Operational and Financial Performance	Merged with Operational Performance
Operational Performance	Operational and Financial Performance	Unchanged

2024 Material Topics	2025 Material Topics	Type of Change
Customer Relations	Customer Relations and Service	Renamed
Human Rights Management and Labor Rights	Human Rights and Labor Rights	Renamed
Occupational Safety and Health	-	Removed
Talent Recruitment and Retention	Talent Recruitment and Retention	Unchanged
Employee Benefits and Salary	-	Removed
Gender Equality	-	Removed
-	Climate Change and Greenhouse Gas Management	Added
-	Energy Management	Added
-	Corporate Governance	Added

3.4.2 Method Limitations and Continuous Improvement Plan

The materiality analysis for the year did not use a large-scale questionnaire survey. Instead, the Company collected stakeholder perspectives through existing communication records and targeted interviews. The advantages of this approach are high traceability and the ability to focus on key topics and impacts; the limitation is that quantitative sample coverage may not be as broad as a questionnaire survey. To enhance the breadth and depth of topic engagement in future years, the Company plans to:

1. Gradually expand the sample size and representativeness of external stakeholder interviews depending on resources and schedule.
2. Strengthen management of the topic evidence database, including customer requirements, audit results, incidents, and improvement measures, to improve annual comparability.
3. Introduce quantitative surveys or mixed methods in appropriate years and establish a long-term trend tracking mechanism.

Sound corporate governance is an important foundation for stable operations and sustainable development. DrayTek upholds the principles of integrity, transparency, and prudent management, continuously strengthens the supervisory function of the Board of Directors, risk management mechanisms, and internal control systems, and incorporates environmental, social, and governance (ESG) topics into its overall operational management thinking in response to regulatory requirements, industry trends, and stakeholder concerns.

In promoting sustainability governance, DrayTek has not yet established a separate dedicated sustainability unit. Instead, relevant responsible departments promote sustainability matters according to the nature of their functions. Environmental and social matters are handled by the Administration Department, corporate governance matters are handled by the Finance Department, and the General Manager's Office and functional departments jointly form a cross-departmental working group responsible for implementing sustainability-related plans, tracking progress, and reviewing implementation effectiveness.

The Board of Directors regularly reviews important topics and supervises the progress of sustainable development work to ensure that sustainability management is consistent with the Company's overall business direction. This Report was prepared and externally published after each relevant department provided information according to its responsibilities, followed by internal consolidation and review. DrayTek's Board of Directors is primarily responsible for supervising the Company's overall governance structure, sustainable development direction, and major risk topics. Under the current practice, the preparation and publication of this Report are handled according to the Company's internal management procedures and division of responsibilities, and have not yet been formally reviewed or approved by the Board of Directors. This practice is based on the fact that current regulations do not expressly require the Company's Board of Directors to approve the Sustainability Report.

In addition, DrayTek promotes sustainable development in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and relevant laws and regulations. The Company has not separately established its own sustainable development principles; therefore, there is no material difference between its actual operations and the foregoing principles. This chapter explains DrayTek's systems and actions in areas such as Board operations, professional committee supervision, risk management, regulatory compliance, ethical corporate management, and information security, showing how the Company continuously improves operational resilience and stakeholder trust through a sound governance structure and lays a foundation for long-term sustainable development.

4.1 Economic Performance

4.1.1 Key Financial Information

	2023	2024	2025
Return on Assets (%)	6.55	13.64	2.90
Return on Equity (%)	7.26	15.14	3.17
Gross Profit Margin (%)	47	47	45
Operating Profit Margin (%)	11	18	7
Net Profit Margin (%)	16	23	8
Total Assets (NT$ thousand)	1,871,985	2,108,717	1,864,132
Total Equity (NT$ thousand)	1,699,829	1,887,285	1,747,275

4.1.2 Economic Indicators

Unit: NT$ thousand

Item	2023	2024	2025
Direct Economic Value Generated			
Revenue	775,285	1,178,472	757,198
Economic Value Distributed			
Operating Costs	361,996	535,443	412,768
Employee Wages and Benefits	278,696	317,387	290,223
Payments to Providers of Capital	110,671	244,464	51,851
Payments to Government	11,545	53,985	-3,535
Community Investments	80	30	130
Economic Value Retained	12,297	27,163	5,761
Defined Benefit Plan Obligations and Other Retirement Plans			
Defined Benefit (Old Labor Pension System)	-	-	-
Defined Contribution (New Labor Pension System)	10,192	10,479	11,304
Government Financial Assistance			
Government Grants/Subsidies	36	25	10
Government Tax Incentives	12,324	9,740	-

4.2 Ethical Corporate Management

4.2.1 Anti-corruption Policy

The Company adheres to a culture of ethical corporate management in all business activities, adopts a zero-tolerance position toward bribery and corruption, and has established the Anti-Bribery and Anti-Corruption Management Procedure as the management basis for anti-bribery and anti-corruption matters. If Company personnel or stakeholders become aware of any matter that may involve bribery or corruption, they may file a report in writing or by email, either with their name or anonymously. Reports are accepted and announced by the Administration Department, and a dedicated reporting and complaint email address, hr@draytek.com, has been established for use by employees and relevant personnel.

4.2.1.1 Handling Mechanism

The Anti-Bribery and Anti-Corruption Management Procedure specifies the principles for accepting reports, investigation procedures, follow-up measures after investigation reports, and confidentiality mechanisms to ensure consistency and traceability in case handling. After receiving a report, the Administration Department first reviews the completeness of the information and confirms within three working days whether the case will be accepted. If the report is overly vague or lacks specific evidence, handling may be deferred or the case may not be accepted under the procedure, for example where no specific facts, time, or place of occurrence are stated.

For accepted cases, the Administration Department forms an investigation team together with relevant personnel. Within 10 working days after establishment, the investigation team notifies the parties in writing to appear and provide statements, and may conduct verification as required by the facts. The reported person and relevant parties are obligated to cooperate with the investigation. In principle, the investigation team completes the investigation and prepares an investigation report within 45 working days from the acceptance date. If necessary, the period may be extended, up to a maximum of 30 working days. After completion, the investigation report is submitted to the General Manager for approval.

If verification confirms that the reported person has violated relevant laws or procedural requirements, the Company will require the person to cease the relevant conduct and will impose measures in accordance with internal reward and disciplinary rules. In serious cases, such measures may include termination of the employment contract. Where necessary, the Company will also pursue legal procedures or claim damages to protect its reputation and rights. Personnel who handle reports or participate in investigations have a duty to keep case contents confidential and must handle such matters in accordance with the Company's rules.

In addition, the Company has established whistleblower protection measures to ensure that no person suffers improper treatment because of reporting, participating in, or assisting with an investigation. If there is any concern about retaliation, threats, or harassment, the person may immediately report it to the Administration Department. The Company will take necessary measures in accordance with its rules and prohibits managers at all levels from discriminating against, coercing, transferring, or otherwise imposing unfavorable treatment on whistleblowers, case handlers, or investigation participants, in order to protect their employment rights and interests.

4.2.1.2 Corruption Incidents

During the reporting period, the Company did not experience any corruption incidents. DrayTek will continue to conduct business activities based on the principle of ethical corporate management.

4.2.2 Regulatory Compliance

When carrying out operational activities, the Company's directors, managers, and employees all comply with local laws and relevant regulations, and the Company regards regulatory compliance as the foundation of corporate governance and operational management. For the determination of material violations, the Company follows the standards set forth in the procedures governing verification and public disclosure of material information by listed companies. A single event with accumulated fines of NT$1 million or more is treated as a material violation.

During the reporting period, DrayTek did not experience any violation of government laws or regulations or any material violation. In the future, DrayTek will continue to ensure that its operational activities comply with applicable laws and regulations.

4.2.3 Business Ethics Policy and Performance

The Company has established the Code of Ethical Conduct for Directors and Employees, which clearly specifies the ethical requirements and behavioral standards that directors, managers, and all employees must follow in performing their duties and engaging in business dealings. The Code is centered on ethical corporate management, avoidance of conflicts of interest, and protection of the Company's reputation. The Company also promotes employees' understanding and implementation of business ethics requirements through internal management systems and communication channels.

DrayTek Corp. Code of Ethical Conduct for Directors and Employees
Article 1 (Purpose and Basis): To guide the conduct of the Company's directors and employees so that it conforms to ethical standards, and to enable the Company's stakeholders to better understand the Company's ethical standards, this Code has been established in accordance with the Reference Examples for Codes of Ethical Conduct for TWSE/TPEx Listed Companies announced by the Taiwan Stock Exchange Corporation.
Article 2 (Scope of Application): This Code applies to the Company's directors and employees.
Article 3 (Principle of Honesty and Good Faith): In performing their duties, the Company's directors and employees shall maintain a proactive, diligent, and responsible attitude, avoid departmental self-interest, emphasize teamwork, and comply with the principle of honesty and good faith.
Article 4 (Prevention of Conflicts of Interest): The Company's directors and employees shall handle official business objectively and efficiently, and shall not use their positions in the Company to obtain improper benefits for themselves, their spouses, or relatives within the second degree of kinship. If an affiliated enterprise of any such person has any lending of funds with the Company, provides guarantees for the Company, engages in material asset transactions with the Company, or has purchase or sales dealings with the Company, the relevant director or employee shall proactively explain to the Company whether there is any potential conflict of interest.
Article 5 (No Pursuit of Personal Gain): The Company's directors and employees shall not seek or obtain personal gain through the use of Company property, information, or convenience of position, nor compete with the Company. When the Company has a profit opportunity, the Company's directors and employees have a duty to increase the legitimate and lawful benefits that the Company can obtain.
Article 6 (Confidentiality): The Company's directors and employees have a duty to keep confidential information relating to the Company itself or its purchase or sales customers, except where disclosure is authorized or required by law. Confidential information includes all non-public information that may be used by competitors or, if disclosed, may harm the Company or customers.
Article 7 (Fair Dealing): The Company's directors and employees shall treat the Company's purchase and sales customers, competitors, and employees fairly, and shall not obtain improper benefits through manipulation, concealment, misuse of information learned through their duties, misrepresentation of important matters, or other unfair dealing methods. In performing their duties, the Company's directors and employees shall not, for the benefit of themselves, the Company, or any third party, request, promise, deliver, or accept any gift, entertainment, rebate, bribe, or other improper benefit in any form; however, this restriction does not apply to gifts or entertainment permitted by social etiquette, customs, or Company rules.
Article 8 (Proper Protection and Use of Company Assets): The Company's directors and employees are responsible for protecting Company assets and ensuring that they are effectively and lawfully used for official business, preventing theft, negligence, or waste from directly affecting the Company's profitability.
Article 9 (Regulatory Compliance): The Company's directors and employees shall comply with the Company Act, the Securities and Exchange Act, and all other laws, regulations, and policies governing Company activities.
Article 10 (Encouraging Reporting of Illegal Acts or Violations of the Code of Ethical Conduct): The Company shall strengthen internal promotion of ethical concepts and encourage employees, when they suspect or discover conduct that violates laws, regulations, or the Code of Ethical Conduct, to report such conduct to managers, the chief internal auditor, or other appropriate personnel and provide sufficient information so that the Company can properly handle follow-up matters. The Company permits anonymous reporting, handles reports confidentially, and informs employees that the Company will make every effort to

protect the safety of good-faith whistleblowers and prevent retaliation.
Article 11 (Disciplinary Action and Remedies): If any director or employee of the Company violates the Code of Ethical Conduct, the Company shall handle the matter in accordance with relevant rules and promptly disclose on the Market Observation Post System information such as the date of violation, reason for violation, violated provisions, and handling status. A person disciplined for violating this Code may file an appeal in accordance with relevant rules.
Article 12 (Procedures for Waiver): If any director or employee of the Company needs to be exempted from compliance with this Code, the exemption shall be approved by resolution of the Board of Directors, and the Company shall promptly disclose on the Market Observation Post System the date of Board approval, any opposing or reserved opinions of independent directors, the period, the reasons for application, and the provisions applied. This enables shareholders to evaluate whether the Board's resolution is appropriate, avoids arbitrary or questionable waivers, and ensures that any waiver is subject to appropriate control mechanisms to protect the Company.
Article 13 (Disclosure Method): The Company shall disclose its Code of Ethical Conduct on the Company website, in the annual report, in the prospectus, and on the Market Observation Post System, and the same applies to amendments.
Article 14 (Implementation): This Code of Ethical Conduct shall take effect after approval by the Board of Directors, and the same applies to amendments.
Article 15 (Establishment and Amendment Dates): This Code was established on November 10, 2014. The first amendment was made on March 26, 2015. The second amendment was made on August 11, 2021.

4.3 Investor Relations and Information Transparency

4.3.1 Investor Conference

In 2025, DrayTek held one investor conference, which took place on November 10, 2025.

4.3.2 Official Website

The Company's website includes dedicated sections for investors, finance, corporate governance, and other information. The URLs are as follows:

Stakeholder URL:

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

Investor Relations URL:

https://www.draytek.com/zh/investors/corporate-governance/

4.4 Risk Management

4.4.1 Description of Risk Management Related to the Use of Critical Materials

For critical materials and components, the Company's primary concern is the risk of supply disruption, which may affect production scheduling and delivery stability. To reduce the risk of supply disruption, the Company has adopted the following core practices:

- Supply Backup

  For critical materials, the Company in principle establishes a multi-source supply arrangement to ensure that each critical material has two or more sources of supply. This reduces the impact of abnormalities at a single supplier on supply, and improves supply chain flexibility and stability.

- Supply Chain Resilience

  Based on product demand and production planning, the Company maintains safety stock levels for critical materials in order to sustain necessary production continuity during unexpected supply abnormalities and avoid production stoppages and delivery risks caused by material shortages.

4.4.2 EU Plastic Reduction Policy

Europe is one of the Company's important markets. As the EU promotes policy directions such as a circular economy for plastics and reduction of packaging plastics, market-side requirements for suppliers' packaging materials have become increasingly stringent, potentially creating dual pressure from regulatory compliance and customer requirements. To reduce related risks and maintain market competitiveness, the Company continues to advance packaging material optimization, adjust internal product packaging structures, and gradually replace existing plastic packaging materials with paper-based solutions. Design and testing verification are also incorporated to ensure that packaging strength and durability meet logistics and quality requirements and to reduce the impact of packaging damage on product quality and transportation efficiency.

Through the foregoing practices, the Company can reduce regulatory risks and customer loss risks, and enhance supply chain stability and brand trust in major markets. In the future, the Company will continue to monitor environmental policy trends in each market, plan supply chain adjustments and product design responses in advance, and improve its ability to respond quickly to external sustainability requirements.

4.5 Information Security and Customer Privacy Protection

In 2025, the Company's information security governance structure, internal information security policies, and management practices continued the overall direction planned in the previous year, with no material changes. This section follows the existing disclosure structure and supplements the management priorities that continued to be refined during the year.

The Company's main products are network communication equipment. Information security is not only a core topic in the Company's operational management, but is also directly related to the stability of customers' systems and their trust. The Company continues to monitor international cybersecurity regulations and industry trends, such as the EU NIS2 Directive, and promotes the integration and strengthening of cybersecurity technologies and product capabilities with the goal of providing cybersecurity solutions suitable for small and medium-sized enterprises (SMEs). From the product perspective, the Company continues to advance the development and integration of detect-and-respond capabilities, including network detection and response (NDR) and endpoint detection and response (EDR), gradually forming a more comprehensive extended detection and response (XDR) protection mindset to respond to an increasingly complex threat landscape.

4.5.1 Information Security Policy

In addition to product-related matters, the Company also values internal information security management and has appointed a dedicated information security officer and dedicated information security personnel under the Information Management Department, responsible for formulating, promoting, and managing information security policies. The Company has established and follows internal information security systems and operating rules covering major incident recovery, data backup, software asset management, and other areas, such as the Network and Communication Equipment Major Incident Recovery Management Regulations, Data Backup Management Regulations, and Computer Software Management Regulations, to improve business continuity and data protection capabilities.

In terms of technical and management measures, the Company adopts a multi-layered protection strategy, including regular scanning and monitoring of internet activities, introduction of integrated network threat management mechanisms, and use of technologies such as network security protection, anti-virus and anti-hacking measures, and anti-spam measures to reduce information security risks and strengthen overall protection resilience.

Information Security Measures	Description of Measures
Network Security Controls	Network segmentation, vulnerability scanning and remediation, email filtering, automatic detection of network threats, etc.
Access Control	Principle of least privilege, segregation of duties, role-based access control, and dynamic access control
Computer Operations and Maintenance Security	Anti-virus protection for office computers, server security controls, endpoint deployment, two-factor authentication, patch management, and vulnerability updates
Personnel Information Security Management and Training	Regular internal information security drills and training to strengthen personnel's information security awareness and vigilance
Asset Management and Data Protection	Separation of public and private devices, regular audit record review and maintenance, and regular system disaster recovery drills to ensure data integrity and effectiveness

4.5.2 Information Leakage Incidents

During the reporting period, no information leakage incidents occurred.

Information Security Incident / Year	2023	2024	2025
Information security leakage incidents	-	-	-
Information security or cybersecurity violations	-	-	-
Information security incidents involving customer data	-	-	-

4.6 Membership in Associations

DrayTek is a member of the Taiwan Electrical and Electronic Manufacturers' Association, allowing the Company to stay informed of industry trends and promote industry exchange. In 2025, the Company's participation in associations was consistent with the previous year, and it did not newly join or withdraw from any association.

4.7 Product and Quality Management

4.7.1 Production Volume

DrayTek's production volume and compliance status in 2025 were as follows:

Item	Sales Volume	Percentage	Compliance with International Standards
Network Communication Products	190,978	89.6%	ISO 9001:2015 ISO 14001:2015 EU RoHS Directive EU REACH Regulation
Other	21,967	10.4%	
Total	212,945	100%	

4.7.2 Production Sites

No new production site was established in 2025. DrayTek currently has only one production site, which is the factory located at the Company's address.

4.7.3 Quality Management and Safety

In 2025, the Company's management structure, system documents, and operating procedures for quality management and product safety generally continued the practices of the previous year, with no material changes. This section follows the existing disclosure structure and supplements the annual management priorities and operating mechanisms. The Company has passed ISO 9001 quality management system and ISO 14001 environmental management system certifications, and has established dedicated quality management and quality engineering functions under the quality assurance department. Through clear division of responsibilities and standardized processes, the Company implements product quality and safety controls to ensure that products comply with internal specifications, customer requirements, and relevant regulatory standards.

Internally, the Company has established and continues to follow multiple quality and compliance-related procedure documents, including but not limited to the Quality Plan Management Procedure, REACH Restricted Substances Management Procedure, and Product Restricted Substances Management Procedure. These procedures incorporate key requirements into product development, procurement, and mass production management processes, while also clearly specifying matters with which suppliers must cooperate. Under the management procedures, the Company conducts supplier audits and necessary follow-up improvements to ensure that incoming materials and components meet quality and specification requirements. The Company also requires raw material suppliers to sign a Restricted Substances Commitment and Warranty to jointly fulfill responsibilities for environmental regulatory compliance, protection of the Earth's environment, and reduction of impacts on ecosystems.

Externally, to maintain long-term cooperative relationships with customers and continuously improve product and service quality, the Company has established and follows operating rules such as the Service Management Procedure, Product and Service Improvement Survey Procedure, and Customer Complaint Handling Management Procedure. Through institutionalized feedback collection and handling mechanisms, the Company understands customer usage scenarios and changing needs, and incorporates feedback into issue analysis, improvement measures, and product optimization processes, forming a closed-loop management approach for continuous improvement.

4.8 Supply Chain Management

In 2025, the Company continued its existing supplier management structure and conducted supplier evaluation and management in accordance with the Supplier Quality Management Regulations and Supplier Control Procedure, incorporating supplier quality, delivery, and compliance requirements into routine controls. To ensure that products and services provided by suppliers meet the Company's quality standards and operational needs, the Company adopts regular audits and necessary follow-up improvement mechanisms, requiring suppliers to propose improvement measures for identified findings and conduct closed-loop management, thereby continuously improving supply chain stability and quality consistency.

Currently, the Company defines local suppliers as Taiwan-based suppliers, and local suppliers accounted for 83% of DrayTek's procurement amount.

4.8.1 Supplier Data

Item	Quantity	Percentage
Total number of suppliers	142	100%
Number of suppliers with international certifications	5	3.5%
Number of audited suppliers	5	3.5%
Suppliers that passed audits	5	3.5%
Suppliers with RBA certification	None	-
High-risk suppliers with RBA certification	None	-
Ratio of suppliers without RBA certification	None	-
Corrective action rate for non-compliant suppliers	None	-

4.8.2 Raw Material Use

In 2025, the Company's major raw material items, supply source structure, and raw material procurement management principles generally continued the practices of the previous year, with no material changes. To maintain year-to-year comparability, this section follows the existing disclosure structure and supplements key points of raw material management.

The Company is a professional manufacturer of network communication equipment. Its upstream supply chain mainly consists of suppliers of electronic components and related materials, including key items such as chipsets, memory ICs, SRAM, printed circuit boards (PCBs), plastic housings, and other components. Because Taiwan's information and communications technology industry has a mature upstream, midstream, and downstream supply system, most of the Company's important components can be obtained from domestic suppliers, helping improve supply stability and reduce the risk of raw material supply disruption.

In 2025, procurement amount continued to be mainly from domestic suppliers, supplemented by overseas suppliers, with domestic suppliers accounting for 83% and overseas suppliers accounting for 17%. Major raw materials included ICs, electronic components, printed circuit boards, connectors, network cards, cables, plastic housings, metal components, and packaging materials. To ensure product quality and compliance requirements, the Company evaluates and controls suppliers in accordance with its supplier management system, and requires raw materials provided by suppliers to comply with applicable international standards and relevant requirements, thereby maintaining supply chain quality consistency and operational reliability.

Chapter 5 Social

We care about the health and development of every employee, provide fair working conditions and learning resources, encourage cross-departmental cooperation and innovation, and ensure the protection of labor rights and workplace safety during operations. In addition, we continue to pay attention to external social topics, and build deeper connections with local communities through education, technology, and resource contributions, so that the Company's influence can extend beyond its core business and give back to society.

We hope to create a people-oriented and sustainable corporate culture, and to work with stakeholders to create a more inclusive and resilient future.

In 2025, while maintaining consistency in the existing system structure, the Company continued to strengthen talent development and organizational support measures, with the following key points:

1. **Training resources more closely aligned with practical needs: Based on departmental functions and work scenarios, the Company strengthened the practical orientation of new-employee and on-the-job training to improve employees' onboarding efficiency and cross-departmental collaboration capabilities.**
2. **Management positions and key talent development: Continuing the existing talent inventory and training mechanisms, the Company strengthened training arrangements related to management capabilities and team leadership for newly appointed supervisors and key functional roles.**
3. **Strengthening information security and compliance awareness in line with business characteristics: In combination with the Company's products and operational characteristics, the Company continued to promote information security and regulatory compliance education and awareness, enabling employees to better implement risk identification and compliance requirements in daily operations.**
4. **Continuous improvement of employee communication: Through existing communication channels and exchange mechanisms, the Company strengthened the feedback and system optimization loop, enhancing employees' sense of participation and organizational trust.**

5.1 Human Capital Development

5.1.1 Workforce Composition

The Company regards talent as a core asset for sustainable operations, and follows the employment principles of placing the right person in the right position, professional growth, diversity, and inclusion. Through stable recruitment, appointment, and development mechanisms, the Company supports operational needs in R&D, manufacturing, quality, sales, and customer support, and continues to optimize the career development environment for employees.

To improve information comparability and stability, the Company presents employee structure statistics using the annual average approach, consistent with the previous year, to reflect employee movement and organizational operations during the year. The classification principles, such as gender, age, job category, and employment type, also remain consistent to help stakeholders compare and understand information across years.

	Male	Female	Other	Total	Percentage
Full-time Employees	137	79	0	216	99%
Part-time Employees	0	2	0	2	1%
Total	137	81	0	218	100%
Percentage	63%	37%	0	100%	-

In 2025, among 218 employees, the number of employees by specific category was as follows:

	Male	Female	Other	Total
Supervisory/Management Positions (Note)	45	15	-	60
Indigenous Peoples	1	-	-	1
Foreign Nationals	-	-	-	-
Persons with Disabilities	1	1	-	2
Local Residents	62	57	-	119
Employees Applying for Parental Leave / Leave Without Pay	-	3	-	3
New Employees	16	6	-	22
Resigned Employees	14	2	-	16
Severance / Layoff	2	0	-	2
Non-employee Workers (Person-times)	-	-	-	-

Among them, there were 15 female managers, accounting for 7% of all employees and 25% of management personnel.

5.1.2 Employee Diversity

5.1.2.1 Gender Equality

The Company is committed to building a respectful, inclusive, and safe working environment, and incorporates the principles of equality and non-discrimination into human resources processes such as recruitment and appointment, performance management, promotion selection, compensation, and training. This helps avoid unfair treatment due to differences in gender, age, race, religious belief, sexual orientation, physical or mental condition, or other factors. Through system review and management procedures, the Company also reduces the risk of workplace discrimination and improper treatment, maintaining organizational fairness and employees' trust.

5.1.2.2 Human Rights Protection

The Company is committed to respecting and supporting fundamental human rights, and implements human rights protection requirements in operational management and employment systems. The Company has established appropriate channels for opinions and complaints, and handles acceptance, investigation, and disposition in accordance with procedures. When necessary, improvement measures are taken to protect employees' rights and interests and reduce human rights risks. The responsible units regularly review the operation of relevant mechanisms to ensure accessibility and effectiveness. During the reporting period, DrayTek did not experience any human rights-related disputes.

5.1.2.3 Labor Conditions and Protection of Rights and Interests

The Company is committed to providing a working environment that respects human rights and does not tolerate any form of forced or compulsory labor. All labor conditions are established based on voluntary agreement between both parties. The Company follows the principle of free choice during recruitment to ensure that every employee has the right to work freely. Through supervision by the human resources department, the Company ensures that no forced labor occurs. During the reporting period, the Company did not experience any forced or compulsory labor incidents.

The Company strictly prohibits any form of forced or compulsory labor. All labor conditions are based on voluntary agreement between both parties and contracts signed in accordance with law. The Company also strictly prohibits the employment of child labor, and implements identity and age verification mechanisms in the recruitment and appointment process to ensure compliance with the legal working age and relevant laws and regulations. Through institutional controls and awareness measures, the Company prevents compliance risks and maintains lawful employment practices.

5.1.2.4 Security Personnel

To maintain site safety and operational order, the Company uses outsourced services, such as security, at certain sites. The scope of work, access management, and on-site rules for outsourced personnel are handled in accordance with contracts and management rules. The Company maintains necessary communication and supervision according to operational needs and risk scenarios to ensure that service quality and site order meet requirements. The Company also values the compliance and management capabilities of outsourced vendors, and imposes necessary management and requirements through procurement and contractor management mechanisms.

During the reporting period, DrayTek engaged three security personnel, with services provided by a security company. Security personnel accounted for approximately 1.3% of all plant personnel. Training for security personnel is the responsibility of the security company.

5.1.3 Employee Rights, Interests, and Benefits

Through institutionalized benefit operation mechanisms, the Company promotes employee care and workplace support measures, including statutory insurance, health promotion, education and training resources, and diverse employee care programs. The benefit system is designed to balance employee needs and the Company's sustainable operations, and is adjusted as appropriate according to operating conditions and employee feedback to improve employee well-being and organizational cohesion.

In October 2000, DrayTek was approved by Hsinchu City Government to establish an Employee Welfare Committee. The committee operates through employee elections, handles various welfare matters, and promotes harmonious labor-management relations. During the reporting period, the Company's employee welfare expenses amounted to NT$290,223 thousand. The benefit items included:

- Provision of National Labor Insurance and National Health Insurance.
- Free group insurance for employees.
- Annual health examinations for employees.
- Education and training, including new employee training and job-related professional training.
- Subsidies for childbirth, weddings, funerals, and book purchases.
- Annual domestic and overseas employee travel subsidies.
- Quarterly departmental meal gatherings.
- Fitness room, badminton court, tennis court, and table tennis room.

Unit: NT$ thousand			
Item	2023	2024	2025
Total Employee Welfare Expenses	278,696	317,387	290,223
Salary Expenses	240,186	274,081	245,901
Labor and Health Insurance Expenses	19,332	20,175	22,780
Pension Expenses	10,192	10,479	11,304
Directors' Remuneration	1,827	3,553	1,272
Other Employee Welfare Expenses	7,159	9,099	8,966

Year	2025		
Gender / Total	Male	Female	Total
Number Entitled to Parental Leave	0	0	0
Number Applying for Paternity/Maternity Leave	0	1	1
Number Applying for Parental Leave	0	2	2
Number of Employees Due to Return from Parental Leave (A)	0	2	2
Number Actually Reinstated After Parental Leave (B) (including early return)	0	2	2
Reinstatement Rate (B/A)			100%
Number of Employees Whose Parental Leave Ended in the Previous Year and Who Remained Employed 12 Months After Reinstatement (C)	0	2	2
Retention Rate (C/Previous-year B)	-	100%	100%

5.1.4 Collective Bargaining Agreement

The Company values employee participation and internal communication, and respects the rights to freedom of association and collective bargaining. At present, the Company has not established an enterprise union and therefore has no collective bargaining agreement. Labor conditions are handled in accordance with individual employment contracts and relevant laws and regulations. The Company supports employees in joining industrial unions or occupational unions in accordance with law, and collects employee opinions, responds to practical issues, and continuously improves the working environment and systems through existing communication and representative mechanisms.

The Company also encourages employees to conduct cross-departmental exchanges through clubs, learning communities, and similar methods to enhance organizational cohesion and a positive culture. Management and relevant responsible units assist in keeping communication channels open so that employee opinions can be effectively fed back and incorporated into improvements.

5.1.5 Talent Cultivation and Development

The Company conducts workforce planning based on operational development and functional needs, and establishes standardized recruitment and appointment processes centered on job competencies, professional experience, and cultural fit. The recruitment process follows the principles of equality and non-discrimination. Through interviews and necessary background and qualification checks, the Company ensures fairness and suitability in hiring decisions. After new employees report for duty, orientation and basic training are arranged according to job characteristics to help them understand Company systems, work rules, and cross-departmental collaboration methods, improving onboarding adaptation and workplace safety.

The Company plans its training system based on competencies and career development, covering new employee training, on-the-job professional training, and management competency development. Employees are encouraged to continuously improve professional capabilities according to job needs. Training planning focuses on practical application and combines departmental needs with work scenarios, helping employees improve problem-solving and cross-departmental collaboration capabilities, and strengthening their understanding of quality, information security, regulatory compliance, and internal processes to support operational stability and customer trust.

Through an institutionalized performance management mechanism, the Company supports employee goal setting, work feedback, and capability growth, and uses fairness and transparency as principles and important references for talent development, training arrangements, and job experience. The Company also provides corresponding development opportunities according to different functions and career paths, encouraging employees to gradually accumulate core capabilities and job influence through professional deepening, cross-functional cooperation, and project participation.

In 2025, the Company continued to improve talent cultivation and organizational support measures, with the following key points:

1. **Training planning more closely aligned with job scenarios: The Company strengthened the practical orientation of new employee and on-the-job training, improved employees' onboarding efficiency and cross-departmental collaboration quality, and incorporated key operating processes and common requirements into training content in a more systematic manner.**
2. **More focused development of key talent and supervisors: Continuing the talent inventory and training mechanisms, the Company strengthened development arrangements for newly appointed supervisors and key functional roles in management capabilities, communication and collaboration, and team leadership, improving organizational stability and talent succession.**
3. **Deepening information security and compliance awareness: In combination with the Company's product and operational characteristics, the Company further incorporated information security and regulatory compliance concepts into daily operations, training, and awareness activities, strengthening consistency in process execution and risk identification among employees.**
4. **Smoother communication and feedback mechanisms: Through refinement of existing communication channels and exchange mechanisms, the Company improved the efficiency of the feedback and system optimization loop, enhancing employees' sense of participation and organizational trust.**

5.1.5.1 Training Overview

During the reporting year, the Company spent NT$224 thousand on education and training, with total training hours of 199 hours.

Gender	Headcount	General Employee Training Hours	Middle Management Training Hours	Senior Management Training Hours	Total Hours	Percentage	Average Training Hours
Female	24	150	0	0	150	75%	6.25
Male	17	49	0	0	49	25%	2.88
Total Headcount / Hours	41	199	0	0	199	100%	4.85

5.1.6 Severance Management Mechanism

During the reporting period, no layoffs occurred. However, two employees were terminated with severance because they were not suitable for their positions. The severance process was conducted entirely in accordance with Article 11, Subparagraph 5 of the Labor Standards Act, with statutory notice periods and severance pay provided, as well as necessary job-search support.

5.1.6.1 Minimum Notice Period for Operational Changes

During the reporting period, the Company did not encounter any major operational changes. If such changes occur, the Company will provide advance notice in accordance with Article 16 of the Labor Standards Act, giving 10 to 30 days' notice based on employees' length of service.

5.2 Occupational Safety and Health

In 2025, the Company's occupational safety and health management structure, hazard identification and risk assessment practices, education and training, emergency response mechanisms, and other system designs generally continued the management approach of the previous year, with no material changes. This section follows the existing disclosure structure and supplements the annual implementation practices.

In 2025, the Company continued to improve the implementation and consistency of occupational safety and health management, with the following key points:

1. **More focused risk identification and awareness: The Company strengthened awareness and reminders for common work scenarios and risk**

hotspots to improve employees' day-to-day risk sensitivity.

2. **More institutionalized inspection and improvement tracking: The Company strengthened the rhythm of on-site inspections and deficiency improvement tracking, improving closed-loop improvement efficiency.**
3. **Emergency preparedness more closely aligned with scenarios: Based on site needs, the Company refined drill content and process checks to improve the feasibility and proficiency of emergency response.**

In accordance with the Occupational Safety and Health Management Regulations, the Company has established a dedicated safety and health management unit responsible for promoting and improving various safety and health measures. The Company's occupational safety and health management has not been verified by a third party.

5.2.1 Occupational Safety and Health Policy

The Company uses prevention first and continuous improvement as the core of occupational safety and health management. It establishes management mechanisms in accordance with relevant laws and internal rules, and has formulated the Environmental Manual, Labor Safety and Health Work Rules, and Employee Injury Reporting and Handling Regulations to ensure employee safety.

Through division of responsibilities and cross-departmental cooperation, the Company promotes workplace safety and health protection. The Company coordinates planning and promotion through the responsible occupational safety and health unit, and uses regular meetings and internal management procedures to review risks, track improvements, and strengthen awareness, thereby reducing accident risks and improving the quality of the working environment.

The Company conducts hazard identification and risk assessment based on operational characteristics. For possible occupational accident risks and health hazards, the Company adopts multi-layered measures such as engineering controls, administrative management, and personal protection, and combines daily inspections, operation management, and on-site management requirements to reduce risk exposure. For high-risk operations or special work scenarios, the Company strengthens controls through operating rules, education and training, and necessary control measures.

5.2.2 Occupational Accidents

During the reporting period, the Company did not experience any work-related injuries, occupational accidents, or occupational disease incidents. The Company continues to maintain a safe working environment and employee health, and adopts preventive measures to reduce potential risks.

Year	2024	2025
Total Number of Fatalities	0	0
Total Recordable Incident Rate (TRIR)	0	0
Process Safety Total Incident Rate (PSTIR)	0	0
Process Safety Incident Severity Rate (PSISR)	0	0

Statistical Year	2024	2025
Total Hours Worked	249919hr	372128hr
Fatalities Caused by Occupational Injuries	0	0
Serious Occupational Injuries	0	0
Recordable Occupational Injuries (including process incidents)	0	0
Occupational Disease	0	0
Recordable Occupational Diseases	0	0

5.2.3 Firefighting and Fire Incidents

During the reporting period, the Company did not experience any fire incidents. The Company will continue to maintain firefighting equipment in the working environment and ensure that it complies with relevant regulatory requirements.

5.3 Social Participation

In 2025, the overall conclusions regarding the location of the Company's operating sites, process characteristics, and assessment of potential impacts on surrounding communities continued the judgments of the previous year, with no material changes. This section follows the existing disclosure structure and supplements the management practices that continued to receive attention during the year.

The Company is located in Hsinchu Industrial Park in Hukou, Hsinchu County. The surrounding area is mainly industrial land, with relatively limited nearby residential communities. The Company's plant operations are mainly assembly-based and do not involve highly polluting processes. Based on the site's environmental conditions and operational characteristics, the Company's operational activities have a relatively limited degree of significant or potential impact on local communities.

Even so, based on the principles of prevention and prudent management, the Company continues to pay attention to community impact risks that may arise indirectly through the supply chain. In addition to existing supplier management mechanisms, the Company will gradually incorporate community impact and environmental risk response into supplier evaluation and audit focus areas. In particular, for suppliers that may involve pollution risks or relatively high environmental impacts, the Company will strengthen requirements and follow-up improvements to reduce potential impacts of the supply chain on the environment and communities.

Chapter 6 Environmental

As climate change, resource constraints, and the trend toward sustainable transformation become increasingly clear, corporate management of environmental topics has become an important issue that cannot be ignored in operational development. As a member of the networking industry, DrayTek understands that operational activities such as product design, raw material use, energy consumption, packaging and transportation, and waste treatment may all have direct or indirect environmental impacts. Therefore, we continue to incorporate environmental protection concepts into daily management and operational decisions, and strive to balance corporate growth, technological innovation, and environmental responsibility.

Considering the characteristics of the industry, DrayTek has established an appropriate environmental management system as the basis for promoting various environmental management tasks. Using the management spirit of ISO 14001 as the framework, we have established the Environmental Management Manual and related management regulations and operating procedures under that framework. These cover regulatory compliance, energy use management, waste management, resource use, product environmental considerations, and supply chain environmental requirements. Through a systematic approach, the Company identifies environmental impacts, implements management measures, and continuously reviews implementation effectiveness. Through institutionalized management, DrayTek has gradually strengthened the implementation of environmental topics in internal operational management, responding to regulatory requirements and stakeholder expectations regarding corporate environmental responsibility.

In practical implementation, we address environmental topics prudently and continue to focus on key areas such as energy conservation and carbon reduction, greenhouse gas management, green design, reduced-plastic packaging, water resource use, and waste treatment. We not only focus on reducing the environmental burden of operational activities, but also actively consider how product design optimization and management process improvements can enhance overall resource use efficiency and reduce environmental impacts.

This chapter discloses DrayTek's management actions and performance results in areas such as environmental management systems, energy use, greenhouse gas emissions, water resource management, and waste management in accordance with the GRI Standards. Through continuously improving environmental management mechanisms and transparent disclosure, we hope to work with stakeholders to respond to environmental challenges and steadily promote corporate sustainable development.

6.1 Climate Change Policy

6.1.1 Management and Climate Risks

In 2025, the Company followed the disclosure framework of the four TCFD pillars, namely governance, strategy, risk management, and metrics and targets. Overall, it continued the methods and content of the previous year to maintain consistency in disclosure scope and annual comparability. Based on the stable operation of existing mechanisms, the Company further focused this year on identifying and responding to two key operational risks, supply chain disruption and energy price fluctuation, and strengthened their connection with the Company's existing risk management process.

6.1.1.1 Role of the Board of Directors in Climate-related Risks

The Company's Board of Directors plays a review role in climate topics and is responsible for reviewing the Company's strategies and actions in response to climate change risks and opportunities. The Board's focus includes establishing a climate risk governance framework, regularly reviewing response strategies and their consistency with the Company's long-term development goals, and evaluating the long-term impacts of climate-related decisions on the Company's business, including physical risks and transition risks.

6.1.1.2 Climate Topic Decision-making and Implementation Supervision

The Company identifies important climate topics in accordance with the TCFD recommended framework, and manages them through steps including stakeholder communication and topic discussion, identification of risks and opportunities, risk assessment covering financial impact level, risk type, risk factors, and impact timing, distinction between material and non-material risks, formulation of solutions and targets, resource allocation, and performance tracking.

In implementation, based on the existing division of responsibilities, the Administration Department coordinates environmental and social matters, the Finance Department coordinates corporate governance matters, and a cross-departmental working group, covering the General Manager's Office, R&D, Information Management, Sales, Marketing Planning, Quality Assurance, Materials, Manufacturing, Audit, and other functions, executes work plans, tracks progress, and reviews implementation effectiveness.

6.1.2 Risks and Opportunities

The climate-related risks and opportunities identified by the Company cover regulatory/policy, technology, market, reputation, and physical risk aspects. The Company also regards technological evolution and market changes as both risks and opportunities, and continues to invest R&D capacity to respond to market demand related to energy conservation and low carbon.

6.1.2.1 Risks and Opportunities

No.	Type	Item	Impact	Time of Occurrence
1	Regulatory Risk	FSC greenhouse gas inventory requirements for TWSE/TPEx listed companies.	Human resources and funding are required each year to conduct greenhouse gas inventories, increasing operating costs.	Short term
2	Regulatory Risk	Promotion of carbon tax-related regulations.	Payment of carbon taxes, increasing operating costs.	Medium term
3	Technology Risk	Rapid changes in network technology	Technology in the network equipment industry updates rapidly. If DrayTek cannot timely develop energy-saving products or low-carbon technologies, it may lose market share. To achieve energy efficiency or carbon emissions targets, substantial funding may be required for product upgrades or design improvements, which may reduce short-term profit.	Long term
4	Market Risk	Transition demand	Upstream and downstream suppliers are paying increasing attention to ESG topics. If the Company cannot transform in a timely manner, losses may result.	Medium term
5	Reputation Risk	Corporate Social Responsibility	Electronic equipment has long been associated with high energy consumption and pollution. If the Company cannot transform in a timely manner, its brand reputation may be affected.	Long term
6	Physical Risk	Climate change and extreme weather	Natural disasters under climate change and extreme weather may affect employees' commuting, the supply chain, and inbound and outbound logistics, thereby	Long term

No.	Type	Item	Impact	Time of Occurrence
			affecting the Company's operations.	
7	Market Risk	Supply Chain Disruption (key components/logistics)	Extreme weather, abnormal supplier capacity, or logistics disruption may cause shortages of key components, delivery delays, or higher transportation costs, affecting production schedules and delivery stability and increasing inventory and alternative material verification costs.	Medium to long term
8	Market Risk	Energy price fluctuations	Rising or more volatile energy prices may push up the Company's operating electricity costs and create pressure on its cost structure. If market competition is intense and there is limited room to pass on costs, profitability may be affected.	Short to medium term
9	Opportunity	Technology	Technological evolution and market changes are both risks and opportunities. DrayTek can use its own R&D capacity to develop products with new technologies, especially green products that meet ESG requirements, such as energy-saving design, improved manageability, and integrated security functions, to enhance product differentiation and competitiveness.	Long term
10	Opportunity	Market	In response to increased customer and channel requirements for energy conservation, low carbon, and compliance, earlier introduction of relevant design and management capabilities can improve tendering/procurement compliance and customer stickiness, expanding market opportunities for green products and solutions.	Medium to long term
11	Opportunity	Brand	Launching new green products with an energy conservation and carbon reduction appeal, seeking related awards or certifications,	Long term

No.	Type	Item	Impact	Time of Occurrence
			strengthening the brand's ESG value and market recognition, and improving corporate image and trust.	

6.1.2.2 Financial Impact of Transition Actions

The Company's capital investment in transition actions will be allocated according to annual planning and project progress. In 2025, capital investment related to climate topics was approximately NT$705,000.

6.1.2.3 Financial Impact of Extreme Climate

- Short-term Impact

  At present, DrayTek's plants have not been physically affected by extreme climate. Several typhoons in 2025 did not affect DrayTek, except for minor economic losses caused by temporary suspension of operations in response to government announcements of work and school closures.

- Medium- and Long-term Impact

  Although DrayTek has not yet encountered economic impacts from extreme climate, it has still conducted impact assessments. Details are provided in the scenario analysis below.

6.1.3 Scenario Analysis

To more systematically assess the possible financial impacts of climate change, the Company continued the method of the previous year, setting representative scenarios from the perspectives of transition risks and physical risks and conducting analysis as a reference for risk management and strategic planning.

- Low-carbon Transition Scenario (Well-below 2C)

  The Company referred to SBTi's carbon reduction requirements for a Well-below 2C pathway, and assessed that if an average annual carbon emissions reduction of 2.5% is required and net zero is to be achieved by 2050, additional investments may arise from equipment upgrades, material replacement, and carbon inventory operations. If the Company does not cooperate with the transition, long-term related compliance costs and carbon tax expenses may increase overall operating costs by approximately 1.5% to

2%.

- RCP Physical Risk Scenarios (RCP 4.5 / RCP 8.5)

The Company referred to the RCP 4.5 and RCP 8.5 models provided by TCCIP to simulate and assess the impact of extreme climate on operations. Under the RCP 8.5 high-emissions scenario, the annual average temperature is expected to rise by approximately 1.6 degrees C, and the frequency of extreme rainfall is expected to increase, which may increase plant cooling energy consumption and regional flooding risk. A preliminary estimate indicates that increased energy demand may increase overall electricity costs by less than approximately 1%. The financial impact remains controllable but requires ongoing attention.

6.1.3.1 Physical Risk Analysis of Site Location

The Company continued the previous year's physical climate risk identification method, using the Climate Change Disaster Risk Adaptation Platform provided by the National Science and Technology Center for Disaster Reduction to assess flood and landslide disaster risks at the Company's location in Hukou Township, Hsinchu County under extreme rainfall scenarios. The analysis is based on the platform's integrated map data for AR6 greenhouse gas emissions scenarios.

The platform presents risk indicators on a scale of 1 to 5, where level 1 is the lowest and level 5 is the highest, and includes indicators such as risk level, hazard, vulnerability, and exposure. The Company continues the interpretation approach of the previous year, using the three warming scenarios set in the integrated map data, T1.5, T2, and T4, for review and comparison.

After the annual routine review, the Company's site continued to have relatively low landslide risk, but the hazard level for flooding remained relatively high. No significant change was observed compared with the previous year's analysis conclusion. Therefore, the Company will continue to strengthen flood disaster prevention and preparedness measures to reduce the potential impact of extreme rainfall events on operations.

The platform's flood and landslide disaster risk maps under AR6 greenhouse gas emissions scenarios indicate the following risk indicators:

(1) Risk level: Population risk level for exposure to extreme rainfall under climate change.
(2) Hazard: Degree of natural hazard from exposure to extreme rainfall under climate change.
(3) Vulnerability: Hazard level divided according to potential values.
(4) Exposure: Population level in the area.

These indicators are shown on a scale of 1 to 5, where level 1 indicates the lowest risk and level 5 indicates the highest risk.

This Report uses the integrated map data provided by the platform for analysis. The map data includes three scenario settings as follows:

(1) T1.5: Global warming of +1.5 degrees C, most likely to occur around 2021 to 2040. Achieving net-zero emissions by mid-century or before the end of the century can keep warming within 1.5 degrees C or 2 degrees C and achieve the goals of the Paris Agreement.

(2) T2: Under most emissions scenarios over the next 20 to 40 years, namely moderate emissions or above, warming will reach 2 degrees C. Global warming of +2 degrees C may occur during 2041 to 2060.

(3) T4: If national climate policies and greenhouse gas reductions fail, carbon reduction failure will lead global warming to rise to 4 degrees C, which may occur during 2081 to 2100.

The risk results under different scenario settings are as follows:

Flood Risk							
Scenario setting	Risk Level (Current)	Risk Level (Projected)	Hazard Level (Current)	Hazard Level (Projected)	Vulnerability (Current)	Exposure (Current)	Exposure (Projected)
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

Landslide Risk							
Scenario setting	Risk Level (Current)	Risk Level (Projected)	Hazard Level (Current)	Hazard Level (Projected)	Vulnerability (Current)	Exposure (Current)	Exposure (Projected)
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

6.1.4 Risk Response Strategies and Targets

6.1.4.1 Risk Identification and Assessment

The Company identifies and assesses climate risks according to existing processes. The assessment covers financial impact level, risk type, risk factors, and impact timing. The Company distinguishes material and non-material risk items according to the size of financial impact, using this as the basis for resource allocation and prioritization of response strategies.

6.1.4.2 Risk Countermeasures

No.	Risk Item	Response Measures
1	FSC greenhouse gas inventory requirements for TWSE/TPEx listed companies	Continue existing inventory planning and internal collaboration division of responsibilities; establish fixed data consolidation standards and review processes to reduce duplicated work; use annual schedule control to reduce temporary investment and cost fluctuations.
2	Promotion of carbon tax/carbon fee-related regulations	Continue tracking policy directions and rate mechanisms; incorporate carbon costs into scenario analysis and planning assessment; prioritize feasible energy-saving improvements and energy efficiency enhancement to reduce future carbon cost exposure.
3	Rapid changes in network technology	Continue R&D investment and the product iteration rhythm; incorporate energy-saving, manageability, and compliance requirements into product planning; use design verification and quality management mechanisms to reduce upgrade introduction risks and shorten time to market.
4	Transition demand	Continue supplier management and compliance requirements; gradually incorporate environmental/compliance points into supplier evaluation and audits; externally respond to customer/channel needs through the existing disclosure structure to improve cooperation stickiness.
5	Corporate Social Responsibility	Use institutionalized disclosure and continuous improvement as the main approach; strengthen external

No.	Risk Item	Response Measures
		explanation of quality, compliance, supply chain management, and energy-saving practices; support brand trust with specific improvement cases, such as packaging reduction and material compliance.
6	Climate change and extreme weather	Strengthen business continuity and response preparedness, such as important system backup, contact mechanisms, and alternative logistics plans, and reduce the impact of supply chain disruption through multi-source supply and safety stock.
7	Supply Chain Disruption (key components/logistics)	Introduce multi-source strategies for key materials, with at least dual sourcing for critical materials, and set safety stock levels; conduct regular supplier audits and improvement tracking to improve supply stability; activate alternative material assessment and second-supplier introduction procedures when necessary.
8	Energy price fluctuations	Reduce cost sensitivity through energy management and energy-saving improvements; incorporate energy cost fluctuations into annual budgets and scenario assessments; prioritize low-cost energy-saving measures with clear payback periods to improve operational resilience.

6.1.5 Carbon Price

For policy and market risks brought by climate change, the Company recognizes that internal carbon pricing can serve as a planning tool. In decision-making scenarios such as investment assessment, energy management, and selection of carbon reduction plans, carbon costs can be incorporated into sensitivity analysis and plan comparison to improve the quality of resource allocation and strengthen forward-looking preparedness for changes in external systems, such as carbon fees/carbon taxes and customer low-carbon requirements.

6.1.5.1 System

The internal pricing tool currently planned by the Company is a Shadow Carbon Price. This is a management tool and does not involve actual monetary transactions. It is mainly used to support comparisons of energy-saving and carbon-reduction plans, capital expenditure, and equipment replacement assessments, helping the Company respond more systematically to external system trends such as carbon fees/carbon taxes and customer low-carbon requirements.

At this stage, the Company is still assessing feasible implementation approaches for the system, and is gradually establishing system design and implementation conditions based on the principles of not increasing departmental workload, maintainability, and traceability.

6.1.5.2 Pricing Principles

The pricing basis combines external policy/market signals with Company scenario assumptions. It refers to the development direction of domestic and international carbon pricing systems and carbon price/equivalent carbon cost signals in major markets, and remains consistent with the Company's TCFD scenario analysis assumptions to establish a consistent and traceable reference value. After the implementation plan is confirmed, the internal carbon pricing reference value, applicable emissions boundary, and update frequency will be incorporated into the Company's existing management processes for rolling review and adjustment. Assumptions and adjustment records will be retained to support continuous improvement.

6.2 Greenhouse Gas Management

6.2.1 Strategy, methods, and targets for GHG management

6.2.1.1 Annual Performance

In 2024, DrayTek established a carbon reduction indicator, setting a target to reduce Scope 1 to Scope 3 greenhouse gas emissions by 1%. This target was achieved in 2025.

Indicator	2024 Target	Progress
Carbon Emissions Target (Scopes 1-3)	Reduce by 1%	Total emissions in 2024 were 1,521.2528 metric tons. Total emissions in 2025 were 1,365.3762 metric tons, a decrease of 155.877 metric tons, or 10.25%, achieving the target set in 2024.

6.2.1.2 Annual Plans and Targets

Implementation Actions	Implementation Progress	Baseline
Replace 100% of office lighting throughout the plant with LED energy-saving lighting	A total of 320 lights (T-bar) replaced; completed in early 2026	2024
Replace 1050W traditional mercury lamps in the old plant with LED 100W high-bay lights	A total of 6 lights replaced; completed in early 2026	2024
Replace official vehicles with light fuel-efficient models	Replace original 3000cc vehicles with 1500cc vehicles	Original fuel efficiency: 6-7 km/L; new vehicle fuel efficiency: 12.5-12.8 km/L

6.2.2 Greenhouse Gas Emissions

DrayTek has established an ISO 14001 environmental management system to facilitate the collection of environmental statistics. The Company has also established the Greenhouse Gas Inventory Management Procedure, Work Instructions for Identification of Significant Indirect Greenhouse Gas Emission Sources, and Internal Audit Management Procedure to promote greenhouse gas inventory work.

DrayTek conducts inventories of Scope 1 to Scope 3 greenhouse gas emissions under the ISO 14064-1:2018 framework. The statistical results are as follows:

				Unit: metric tons CO2e
Item		2023	2024	2025
Scope 1	Category 1	59.1896	60.0210	83.1923
Scope 2	Category 2	460.998	473.3903	440.8797
Scope 3	Category 3	-	255.6488	151.9215
Scope 3	Category 4	-	732.1927	689.3827
Scope 3	Category 5	-	-	-
Scope 3	Category 6	-	-	-
Total		520.1876	1,521.2528	1365.3762

Note: Categories such as product processing, use, and end-of-life treatment are not included in the inventory disclosure scope because DrayTek has no relevant control over them. Greenhouse gas emissions have not been verified by a third party.

6.3 Energy Management

At present, DrayTek's electricity mainly comes from Taiwan Power Company. The Company does not use renewable energy, self-generated electricity, or externally purchased electricity. Total electricity consumption in 2025 was 930,126 kWh. Fuel use consisted only of gasoline for company vehicles and diesel for generators; no other fuels were used.

Item	2024	2025
Electricity Consumption (Taipower)	998,713.8	930,126
Self-generated and Self-consumed Green Electricity	-	-
Purchased Green Electricity	-	-
Total Electricity Consumption	998,713.8	930,126
Electricity Sold	-	-
Total Electricity Energy (GJ)	3595.37	3348.454

Item	2024	2025
Gasoline (liters)	470.56	420.60
Gasoline (GJ)	14.945	13.359
Diesel (liters)	132.00	132.00
Diesel (GJ)	4.773	4.773
Coal	-	-
Natural Gas	-	-
Renewable Fuels	-	-

Item	2024	2025
Total Energy (GJ)	3615.088	3366.585
Energy Intensity (GJ/NT$ million revenue)	3.0676	4.4461

Note: Total energy consumption for 2025 has not been assured by a third party.

1 kWh of electricity = 0.0036 GJ

1 liter of gasoline = 7,586 kcal

1 liter of diesel = 8,636 kcal

1 kcal = 0.0000041868 GJ

6.4 Water Resources Management

DrayTek's water resources mainly come from tap water; the Company does not withdraw water on its own. Total water use in 2025 was 4,793.27 metric tons, all for domestic purposes, with no other wastewater discharge.

		Metric tons
Item	2024	2025
Water Withdrawal (A)	4,797.1	4,793.27
Water Discharge (B)	-	-
Water Consumption (A-B)	4,797.1	4,793.27
Water Intensity (t/NT$mn revenue)	4.0706	6.3303

Note: Water withdrawal has not been verified by a third party.

6.5 Waste Management

6.5.1 Waste Management Policy and Principles

DrayTek has established regulations such as the Waste Control Procedure and Green Product Operation Management Regulations, and promotes green product design, resource recycling, and other methods to reduce waste generation. DrayTek currently handles waste in accordance with Taiwan's Waste Disposal Act and entrusts qualified contractors to clear and dispose of waste. The Company's waste is mainly general domestic waste and general industrial waste, and does not involve hazardous waste.

6.5.2 Waste Generation

Unit: metric tons			
Item	2024	2025	Percentage
Hazardous Waste	-	-	
Non-hazardous Waste (General Industrial Waste)	25.81	23.42	100%
Total Waste	25.81	23.42	100%
Percentage of hazardous waste from product manufacturing that is recycled	-	-	
Waste Intensity	0.0219	0.0309	

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

6.6 Product Life Cycle

6.6.1 Definition of Scrapped Products

DrayTek's main products are network equipment, which are electronic devices. Therefore, the main scrapped products are as follows. DrayTek disposes of these scrapped products according to their condition or entrusts professional contractors to handle them.

1. Defective products generated during production
2. Products that fail quality management inspection
3. Returned faulty products that cannot be repaired
4. Faulty or defective components
5. Packaging material scraps that cannot be reused

6.6.2 Total Scrapped Products and Treatment Methods

During the reporting period, the foregoing scrapped products were treated as follows:

Item	Treatment	Quantity or Weight	Percentage
PCBA	Recycling	114	7%
Iron Parts	Recycling	567	35%
Paper	Recycling	650	40%

Item	Treatment	Quantity or Weight	Percent age
Electronic Components	Recycling	295	18%
Total		1626	100%

Note: Recycling in this table refers to collection by environmental protection contractors.

Chapter 7

7.1GRI 2021 Standards Index

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	2-19	Remuneration Policy	0	24

GRI Standard and Category	Code	GRI Disclosure	Section	Page
	2-20	Process to determine remuneration	0	24
	2-21	Annual Total Compensation Ratio	2.3.2.7	31
	2-22	Statement on sustainable development strategy	1.1	3
	2-23	Policy commitments	1.1	3
	2-24	Embedding policy commitments	1.1	3
	2-25	Processes to remediate negative impacts	4.2	54
	2-26	Mechanisms for seeking advice and raising concerns	4.2	54
	2-27	Compliance with laws and regulations	4.2.2	55
	2-28	Membership associations	4.6	61
	2-29	Approach to stakeholder engagement	4.3	57
	2-30	Collective Bargaining Agreement	5.1.4	71
GRI 3 Material Topics	3-1	Process for Determining Material Topics	3.2	37
	3-2	List of material topics	3.3	49
	3-3	Management of material topics	3.4	50
GRI 201 Economic Performance	201-1	Direct economic value generated and distributed	4.1	53
	201-2	Financial implications and other risks and opportunities due to climate change	4.1	53
	201-3	Defined benefit plan obligations and other retirement plans	4.1	53
	201-4	Financial assistance received from government	4.1	53
GRI 202 Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	2.3.2.7	31
	202-2	Proportion of senior management hired from the local community	5.1.1	65
GRI 203 Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Not disclosed at this time	Not disclosed at this time
	203-2	Significant indirect economic impacts	Not disclosed at this time	Not disclosed at this time

GRI Standard and Category	Code	GRI Disclosure	Section	Page
GRI 204 Procurement Practices	204-1	Proportion of spending on local suppliers	0	62
GRI 205 Anti-corruption	205-1	Operations assessed for risks related to corruption	4.2	54
	205-2	Communication and training about anti-corruption policies and procedures	Not disclosed at this time	Not disclosed at this time
	205-3	Confirmed incidents of corruption and actions taken	Not disclosed at this time	Not disclosed at this time
GRI 206 Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4.2.2	55
GRI 207 Tax	207-1	Approach to tax	Not disclosed at this time	Not disclosed at this time
	207-2	Tax governance, control, and risk management	Not disclosed at this time	Not disclosed at this time
	207-3	Stakeholder engagement and management of concerns related to tax	Not disclosed at this time	Not disclosed at this time
	207-4	Country-by-country reporting	Not disclosed at this time	Not disclosed at this time
GRI 301 Materials	301-1	Materials used by weight or volume	4.4	57
	301-2	Recycled input materials used	4.4	57
	301-3	Reclaimed products and their packaging materials	4.4	57
GRI 302 Energy	302-1	Energy consumption within the organization	6.3	88
	302-2	Energy consumption outside of the organization	6.3	88
	302-3	Energy intensity	6.3	88
	302-4	Reduction of energy consumption	6.3	88
	302-5	Reductions in energy requirements of products and services	6.3	88
GRI 303 Water and Effluents	303-1	Interactions with water as a shared resource	6.4	89
	303-2	Management of water discharge-related impacts	6.4	89
	303-3	Water withdrawal	6.4	89
	303-4	Water discharge	6.4	89
	303-5	Water consumption	6.4	89

GRI Standard and Category	Code	GRI Disclosure	Section	Page
GRI 304 Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not disclosed at this time	Not disclosed at this time
	304-2	Significant impacts of activities, products, and services on biodiversity	Not disclosed at this time	Not disclosed at this time
	304-3	Habitats protected or restored	Not disclosed at this time	Not disclosed at this time
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not disclosed at this time	Not disclosed at this time
GRI 305 Emissions	305-1	Direct (Scope 1) GHG emissions	6.2	86
	305-2	Energy indirect (Scope 2) GHG emissions	6.2	86
	305-3	Other indirect (Scope 3) GHG emissions	6.2	86
	305-4	Greenhouse Gas Emissions Intensity	6.2	86
	305-5	Reduction of GHG emissions	6.2	86
	305-6	Emissions of ozone-depleting substances	6.2	86
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	6.2	86
GRI 306 Waste	306-1	Waste generation and significant waste-related impacts	6.5	89
	306-2	Management of significant waste-related impacts	6.5	89
	306-3	Waste generated	6.5	89
	306-4	Waste diverted from disposal	6.5	89
	306-5	Waste directed to disposal	6.5	89
GRI 307 Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	4.2.2	55
GRI 308 Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	0	62
	308-2	Negative environmental	0	62

GRI Standard and Category	Code	GRI Disclosure	Section	Page
		impacts in the supply chain and actions taken		
GRI 401 Employment	401-1	New employee hires and employee turnover	5.1.1	65
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1.3	69
	401-3	Parental leave	5.1.3	69
GRI 402 Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	5.1.6	73
GRI 403 Occupational Health and Safety	403-1	Occupational health and safety management system	5.2	73
	403-2	Hazard identification, risk assessment, and incident investigation	5.2	73
	403-3	Occupational health services	5.2	73
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.2	73
	403-5	Worker training on occupational health and safety	5.2	73
	403-6	Promotion of worker health	5.2	73
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.2	73
	403-8	Workers covered by an occupational health and safety management system	5.2	73
	403-9	Work-related injuries	5.2	73
	403-10	Occupational Disease	5.2	73
GRI 404 Training and Education	404-1	Average hours of training per year per employee	5.1.5.1	73
	404-2	Programs for upgrading employee skills and transition assistance programs	5.1.5.1	73
	404-3	Percentage of employees receiving regular performance and career	5.1.5.1	73

GRI Standard and Category	Code	GRI Disclosure	Section	Page
		development reviews		
GRI 405 Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	5.1.2	67
	405-2	Ratio of basic salary and remuneration of women to men	5.1.2	67
GRI 406 Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	5.1.2	67
GRI 407 Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not disclosed at this time	Not disclosed at this time
GRI 408 Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	5.1.2.3	68
GRI 409 Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1.2.3	68
GRI 410 Security Practices	410-1	Security personnel trained in human rights policies or procedures	5.1.2.4	68
GRI 411 Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	5.1.2	67
GRI 412 Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	5.1.2.4	68
	412-2	Employee training on human rights policies or procedures	5.1.2.4	68
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	5.1.2.4	68
GRI 413 Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	5.3	76
	413-2	Operations with significant actual or potential negative impacts on local communities	5.3	76

GRI Standard and Category	Code	GRI Disclosure	Section	Page
GRI 414 Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	0	62
	414-2	Negative social impacts in the supply chain and actions taken	0	62
GRI 415 Public Policy	415-1	Political contributions	Not disclosed at this time	Not disclosed at this time
GRI 416 Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	4.5	59
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.5	59
GRI 417 Marketing and Labeling	417-1	Requirements for product and service information and labeling	Not disclosed at this time	Not disclosed at this time
	417-2	Incidents of non-compliance concerning product and service information and labeling	Not disclosed at this time	Not disclosed at this time
	417-3	Incidents of non-compliance concerning marketing communications	Not disclosed at this time	Not disclosed at this time
GRI 418 Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.5	59
GRI 419 Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	4.2.2	55

7.2 SASB Sustainability Disclosure Topics and Accounting Metrics (2018) Index

Category	SASB Code	Indicator	Corresponding Section	Page
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	4.5	59
Employee Diversity and Inclusion	TC-HW-330a.1	Percentage of gender and diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees, and (d) all other employees	5.1.2	67
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	6.6	90
	TC-HW-410a.2	Percentage of eligible products by revenue that meet EPEAT registration or equivalent standards	6.6	90
	TC-HW-410a.3	Percentage of eligible products by revenue that are certified for energy efficiency	6.6	90
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled	6.6	90
	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	6.6	90
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited under the RBA Validated Assessment Program (VAP) or equivalent standards, by (a) all facilities and (b) high-risk facilities	0	62
	TC-HW-430a.2	For Tier 1 suppliers, (1) non-conformance rate with the RBA Validated Assessment Program (VAP) or equivalent standards, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	0	62
Materials Sourcing	TC-HW-440a.1	Description of risk management for the use of critical materials	4.4.1	57

7.3 Climate-related Information Implementation Index

No.	Indicator	Corresponding Section	Page
1	Describe the Board's and management's oversight and governance of climate-related risks and opportunities.	6.1.1.1 6.1.1.2	79 79
2	Describe how the identified climate risks and opportunities affect the enterprise's business, strategy, and financial position over the short, medium, and long term.	6.1.2.1	79
3	Describe the financial impacts of extreme climate events and transition actions.	6.1.2.3	81
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	6.1.4	84
5	If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and major financial impacts used.	6.1.3	81
6	If there is a transition plan for managing climate-related risks, describe the plan and the indicators and targets used to identify and manage physical risks and transition risks.	6.1.4.2	84
7	If internal carbon pricing is used as a planning tool, describe the pricing basis.	6.1.5	85
8	If climate-related targets have been set, describe the activities covered, greenhouse gas emissions scopes, planning schedule, annual progress, and other information. If carbon offsets or renewable energy certificates (RECs) are used to achieve related targets, describe the sources and quantities of offset carbon reductions or the number of RECs.	6.2.1	86
9	Greenhouse gas inventory and assurance status, reduction targets, strategies, and concrete action plans	Please refer to Tables 1-1 and 1-2 below.	-

1-1 Greenhouse Gas Inventory and Assurance Status of the Company for the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

State the greenhouse gas emissions for the most recent two years (metric tons CO2e), intensity (metric tons CO2e/NT$ million), and data coverage.

Item	2024	2025
Category 1	60.0210	83.1923
Category 2	473.3903	440.8797
Category 3	255.6488	151.9215
Category 4	732.1927	689.3827
Category 5	-	-

Item	2024	2025
Category 6	-	-
GHG Emissions Equivalent (metric tons CO_2e)	1,521.2528	1365.3762
GHG Emissions Intensity (metric tons CO_2e/NT$ million revenue)	1.2909	1.8032
The greenhouse gas emissions for 2024 and 2025 are Scope 1 to Scope 3 greenhouse gas emissions inventoried by the Company under the ISO 14064-1:2018 framework. The greenhouse gas emissions have not been verified by a third party.		
Note 1: Direct emissions (Scope 1, emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, indirect greenhouse gas emissions from purchased electricity, heat, or steam), and other indirect emissions (Scope 3, emissions generated by Company activities that are not energy indirect emissions and arise from sources owned or controlled by other companies). Note 2: The data coverage for direct emissions and energy indirect emissions shall follow the schedule prescribed by the order under Article 10, Paragraph 2 of these Rules. Other indirect emissions information may be disclosed voluntarily. Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO). Note 4: Greenhouse gas emissions intensity may be calculated per unit of product/service or revenue, but data calculated based on revenue (NT$ million) shall at least be stated.		

1-1-2 Greenhouse Gas Assurance Information

State the assurance status for the most recent two years, including assurance scope, assurance provider, assurance standards, and assurance opinion.

State the assurance status for the most recent two years as of the annual report publication date, including assurance scope, assurance provider, assurance standards, and assurance opinion.		
Item	2024	2025
Third-party Assurance	None	None
According to the Sustainable Development Roadmap for TWSE/TPEx Listed Companies issued by the Financial Supervisory Commission in March 2022, the Company is a company with paid-in capital of less than NT$5 billion. The individual company (the parent company) shall be subject to greenhouse gas inventory requirements in the third stage, namely completion of inventory in 2026 and verification in 2028. The Company will continue to manage the greenhouse gas inventory and verification schedule in accordance with the reference guidelines and relevant regulations issued by the competent authority.		
Note 1: The schedule prescribed by the order under Article 10, Paragraph 2 of these Rules shall be followed. If the company has not obtained the complete greenhouse gas assurance opinion by the annual report publication date, it shall state that complete assurance information will be disclosed in the Sustainability Report. If the company has not prepared a Sustainability Report, it shall state that complete assurance information will be disclosed on the Market Observation Post System, and shall disclose complete assurance information in the annual report of the following year. Note 2: The assurance provider shall comply with the relevant requirements for Sustainability Report assurance providers prescribed by the Taiwan Stock Exchange Corporation and Taipei Exchange. Note 3: Disclosure content may refer to the best practice reference examples on the Taiwan Stock Exchange Corporate Governance Center website.		

1-2 Greenhouse Gas Reduction Targets, Strategies, and Concrete Action Plans

State the greenhouse gas reduction base year and its data, reduction targets, strategies and concrete action plans, and achievement of reduction targets.

State the greenhouse gas reduction base year and its data, reduction targets, strategies and concrete action plans, and achievement of reduction targets.			
In 2024, DrayTek established a carbon reduction indicator and set a target to reduce total Scope 1 to Scope 3 greenhouse gas emissions by 1%. This target was achieved in 2025.			
Indicator	2024 Target	Progress	
Carbon Emissions Target (Scopes 1-3)	Reduce by 1%	Total emissions in 2024 were 1,521.2528 metric tons. Total emissions in 2025 were 1,365.3762 metric tons, a decrease of 155.877 metric tons, or 10.25%, achieving the target set in 2024.	
Specific Actions			
Implementation Actions		Implementation Progress	Baseline
Replace 100% of office lighting throughout the plant with LED energy-saving lighting		A total of 320 lights (T-bar) replaced; completed in early 2026	2024
Replace 1050W traditional mercury lamps in the old plant with LED 100W high-bay lights		A total of 6 lights replaced; completed in early 2026	2024
Replace official vehicles with light fuel-efficient models		Replace original 3000cc vehicles with 1500cc vehicles	2024
Note 1: The schedule prescribed by the order under Article 10, Paragraph 2 of these Rules shall be followed. Note 2: The base year shall be the year in which the inventory was completed based on the consolidated financial reporting boundary. For example, according to the order under Article 10, Paragraph 2 of these Rules, companies with capital of NT$10 billion or more shall complete the inventory of the 2024 consolidated financial report in 2025; therefore, the base year is 2024. If the company has completed the inventory of the consolidated financial report earlier, that earlier year may be used as the base year. The base year data may also be calculated based on a single year or a multi-year average. Note 3: Disclosure content may refer to the best practice reference examples on the Taiwan Stock Exchange Corporate Governance Center website.			

7.4 ESG Digital Platform Designated Indicator Index

Category	Code	Indicator	Corresponding Section	Page
Greenhouse Gas Emissions	SII-1	Direct greenhouse gas emissions (Scope 1)	6.2	86
	SII-2	Energy indirect (Scope 2)	6.2	86
	SII-3	Other indirect (Scope 3)	6.2	86
	SII-4	Greenhouse Gas Emissions Intensity	6.2	86
	SII-5	Strategy, methods, and targets for GHG management	6.2	86
Management of Climate-related Topics	SII-6	Board and management oversight and governance of climate-related risks and opportunities	6.1.1.1 6.1.1.2	79 79
	SII-7	How identified climate risks and opportunities affect the enterprise's business, strategy, and financial position	6.1.2.1	79
	SII-8	Financial impacts of extreme climate events and transition actions	6.1.2.3	81
	SII-9	How climate risk identification, assessment, and management processes are integrated into the overall risk management system	6.1.4	84
	SII-10	Scenarios, parameters, assumptions, analytical factors, and major financial impacts used in scenario analysis to assess resilience to climate change risks	6.1.3	81
	SII-11	Content of transition plans for managing climate-related risks, and indicators and targets used to identify and manage physical risks and transition risks	6.1.4.2	84
	SII-12	Pricing basis when internal carbon pricing is used as a planning tool	6.1.5	85
	SII-13	Activities covered by climate-related targets, greenhouse gas emissions scopes, planning schedule, annual progress, and other information	6.2.1	86
Energy Management	SII-14	Renewable energy use rate	6.3	88
	SII-15	Improvement of energy use efficiency	6.3	88
	SII-16	Policy on use of renewable materials	6.3	88
	SII-17	Total energy consumption	6.3	88
	SII-18	Percentage of purchased electricity	6.3	88
	SII-19	Total self-generated and self-consumed energy	6.3	88
Water Resources Management	SII-20	Water withdrawal	6.4	89
	SII-21	Water intensity	6.4	89
	SII-22	Water resource management or reduction targets	6.4	89

Category	Code	Indicator	Corresponding Section	Page
	SII-23	Total water withdrawal	6.4	89
	SII-24	Total water consumption	6.4	89
	SII-25	Wastewater discharge required by law or voluntarily disclosed	6.4	89
Waste Management	SII-26	Hazardous Waste	6.5	89
	SII-27	Non-hazardous waste	6.5	89
	SII-28	Total weight	6.5	89
	SII-29	Waste Intensity	6.5	89
	SII-30	Waste management policy or reduction targets	6.5	89
	SII-31	Percentage of hazardous waste from product manufacturing that is recycled	6.5	89
	SII-32	Percentage of hazardous waste	6.5	89
Fuel Management	SII-33	Total fuel consumption	6.3	88
	SII-34	Percentage of coal	6.3	88
	SII-35	Percentage of natural gas	6.3	88
	SII-36	Percentage of renewable fuels	6.3	88
Product Life Cycle	SII-37	Weight of scrapped products and e-waste	6.6.2	91
	SII-38	Percentage recycled, including scrapped products and e-waste	6.6.2	91
Human Capital Development	SII-39	Average employee benefits	2.3.2.7	31
	SII-40	Average employee salary	2.3.2.7	31
	SII-41	Average salary of full-time non-managerial employees	2.3.2.7	31
	SII-42	Median salary of full-time non-managerial employees	2.3.2.7	31
	SII-43	Percentage of female managers in management positions	5.1.1	65
	SII-44	Number of occupational accidents	5.2	73
	SII-45	Occupational accident rate	5.2	73
	SII-46	Types of occupational accidents	5.2	73
	SII-47	Number of fire incidents	5.2	73
	SII-48	Number of casualties from fire incidents	5.2	73
	SII-49	Ratio of casualties from fire incidents to total employees	5.2	73
	SII-50	Improvement measures in response to fire incidents	5.2	73
Food Safety	SII-51	Assessments and improvements to personnel, workplace, facility hygiene management, and quality assurance systems for improving food hygiene, safety, and quality, and the major product and service categories affected	Not applicable	Not applicable
	SII-52	Percentage affected by assessments and improvements to personnel, workplace, facility hygiene management, and quality assurance	Not applicable	Not applicable

Category	Code	Indicator	Corresponding Section	Page
		systems for improving food hygiene, safety, and quality		
	SII-53	Categories and number of incidents involving non-compliance with health and safety regulations for products and services and non-compliance with product and service information and labeling regulations	Not applicable	Not applicable
	SII-54	Number of product removals due to non-compliance with health and safety regulations for products and services and non-compliance with product and service information and labeling regulations	Not applicable	Not applicable
	SII-55	Total weight of removed products due to non-compliance with health and safety regulations for products and services and non-compliance with product and service information and labeling regulations	Not applicable	Not applicable
	SII-56	Percentage of products produced by plants whose food safety management systems are independently verified by a third party as conforming to international certification standards	Not applicable	Not applicable
	SII-57	Status of product traceability and tracking management conducted as required by law or voluntarily	Not applicable	Not applicable
	SII-58	Percentage of products subject to product traceability and tracking management as required by law or voluntarily among all products	Not applicable	Not applicable
	SII-59	Status of food safety laboratories established as required by law or voluntarily	Not applicable	Not applicable
	SII-60	Testing items of food safety laboratories established as required by law or voluntarily	Not applicable	Not applicable
	SII-61	Testing results of food safety laboratories established as required by law or voluntarily	Not applicable	Not applicable
	SII-62	Related expenditures for food safety laboratories established as required by law or voluntarily	Not applicable	Not applicable
	SII-63	Percentage of related expenditures for food safety laboratories established as required by law or voluntarily to net operating revenue	Not applicable	Not applicable
Supply Chain Management	SII-64	**Percentage of procurement meeting internationally recognized product responsibility standards in total procurement,**	0	62

Category	Code	Indicator	Corresponding Section	Page
		distinguished by standard		
	SII-65	Number and percentage of suppliers audited	0	62
	SII-66	Number of suppliers audited and audit items	0	62
	SII-67	Number of suppliers audited and audit results	0	62
Product Quality and Safety	SII-68	Weight of products sold	4.7	61
	SII-69	Number of production facilities	4.7	61
	SII-70	Production volume by product category	4.7	61
Community Relations	SII-71	Operations with significant actual or potential negative impacts on local communities	5.3	76
	SII-72	Specific and effective mechanisms and actions adopted by the enterprise and its suppliers to reduce negative environmental or social impacts	5.3	76
	SII-73	Number of refineries in densely populated areas	5.3	76
Information Security	SII-74	Number of information leakage incidents	4.5	59
	SII-75	Percentage of information leakage incidents related to personal data	4.5	59
	SII-76	Number of customers affected by information leakage incidents	4.5	59
Inclusive Finance	SII-77	Number of loans made to promote small enterprises and community development	Not applicable	Not applicable
	SII-78	Outstanding balance of loans made to promote small enterprises and community development	Not applicable	Not applicable
	SII-79	Number of participants in financial education provided to underserved vulnerable groups	Not applicable	Not applicable
	SII-80	Products and services designed by each business operation to create environmental or social benefits	Not applicable	Not applicable
Board of Directors	SII-81	Number of Board seats	2.3	17
	SII-82	Number of independent director seats	2.3	17
	SII-83	Director attendance rate at Board meetings	2.3	17
	SII-84	Ratio of directors and supervisors whose continuing education hours meet the continuing education requirements	2.3	17
	SII-85	Number of female director seats	2.3	17
	SII-86	Percentage of female directors	2.3	17
Functional Committees	SII-87	Number of Remuneration Committee seats	2.3.3	32
	SII-88	Number of independent director seats on the Remuneration Committee	2.3.3	32
	SII-89	Remuneration Committee attendance rate	2.3.3	32
	SII-90	Number of Audit Committee seats	2.3.3	32
	SII-91	Audit Committee attendance rate	2.3.3	32

Category	Code	Indicator	Corresponding Section	Page
Shareholding and Control	SII-92	Shareholding status of the top 10 shareholders	4.3	57
	SII-93	Number of investor conferences held by the Company during the year	4.3.1	57
	SII-94	Links to stakeholder or corporate governance sections	4.3.2	57
Risk Management Policy	SII-95	Risk management policy for major events	0	58
	SII-96	Description of risk management related to the use of critical materials	4.4.1	57
Legal Proceedings for Anti-competitive Behavior	SII-97	Total monetary losses resulting from legal proceedings related to anti-competitive behavior regulations	4.2.2	55

7.5 Sustainability Disclosure Items Corresponding to the Annual Report

Category	Item No.	Disclosure Item	Corresponding Section	Page
Governance	1	Whether a governance structure for promoting sustainable development has been established; whether a dedicated or part-time unit for promoting sustainable development has been established and authorized by the Board of Directors for senior management to handle related matters; and the status of Board supervision	2.3.1	17
Risk Management	2	Whether risk assessments of environmental, social, and corporate governance topics related to the Company's operations are conducted based on the materiality principle, and whether relevant risk management policies or strategies have been established	3.2	37
Environmental Topics	3-1	Whether an appropriate environmental management system has been established according to the characteristics of the industry	Chapter 6	77
Environmental Topics	3-2	Whether the Company is committed to improving energy use efficiency and using renewable materials with low environmental impact	6.2.1	86
Environmental Topics	3-3	Whether the Company evaluates the current and future potential risks and opportunities of climate change and adopts relevant response measures	6.1.2	79
Environmental Topics	3-4	Whether greenhouse gas emissions, water withdrawal, and total waste weight for the past two years have been calculated, and whether policies for greenhouse gas reduction, water reduction, or other waste management have been formulated	6.4	89
Social Topics	4-1	Whether relevant management policies and procedures have been formulated in accordance with relevant laws and international human rights conventions	5.1	65
Social Topics	4-2	Whether reasonable employee welfare measures, including compensation, leave, and other benefits, have been formulated and implemented, and whether operating performance or results are appropriately reflected in employee compensation	5.1.3	69
Social Topics	4-3	Whether a safe and healthy working environment is provided for employees, and whether regular safety and health education is conducted for employees	5.2	73

Category	Item No.	Disclosure Item	Corresponding Section	Page
Social Topics	4-4	Whether effective career capability development and training plans have been established for employees	5.1.5	71
Social Topics	4-5	For topics such as customer health and safety, customer privacy, marketing, and labeling of products and services, whether the Company complies with relevant laws and international standards and has formulated policies and complaint procedures to protect consumer or customer rights and interests	4.5	59
Social Topics	4-6	Whether supplier management policies have been established requiring suppliers to comply with relevant standards on topics such as environmental protection, occupational safety and health, or labor and human rights, and the implementation status thereof	4.8	63
Other Disclosures	5	Whether the Company refers to internationally recognized reporting standards or guidelines to prepare reports disclosing non-financial information, such as a Sustainability Report; and whether such reports have obtained assurance or guarantee opinions from a third-party verification unit	0	15
Other Disclosures	6	If the Company has established its own sustainable development principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, describe any differences between their operation and the established principles	Chapter 2	16
Other Disclosures	7	Other important information helpful for understanding the implementation of sustainable development	4.3.2	57