



Independent Assurance Statement

Scope and Approach

Zyxel Group Corporation (“Zyxel” or “the Company”) commissioned **DNV Business Assurance Co., Ltd.** (“DNV” or “we”) to undertake independent assurance over the 2022 Sustainability Report for the year ended 31 December 2022 (“the Report”).

We performed our work using DNV’s assurance methodology VeriSustain™¹, which is based on our professional experience and international assurance best practices, including International Standard on Assurance Engagements 3000 (ISAE 3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

The Report also incorporated disclosures with reference to relevant sustainability reporting guidelines, such as the Sustainability Accounting Standards Board’s (SASB) Sustainability Accounting Standard for the Electronic Manufacturing Services & Original Design Manufacturing and Hardware industry (version 2018-10), with respective consideration of the different value chains that the Company’s subsidiaries relate to.

We understand that the reported financial data and information are based on the data from the Company’s Annual Report and Accounts, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report and Accounts and greenhouse gas emission data verified by other assurance engagements are not within the scope of the current engagement.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing the evaluation of reporting principles with a Type 1, Moderate level of assurance, according to the DNV VeriSustain™ Protocol and AA1000 Assurance Standard v3.

Responsibilities of the Directors of Zyxel Group Corporation and of the Assurance Providers

The Directors of Zyxel have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of Zyxel; however, our statement represents our independent opinion and is intended to inform all of Zyxel’s stakeholders.

DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. We have no other contractual relationship with Zyxel that constitutes a conflict of interest against the current assurance engagement.

DNV’s assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of Our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at the Company and site level. We undertook the following activities:

- Review of the current sustainability issues that could affect Zyxel and are of interest to stakeholders.
- Review of Zyxel’s stakeholder engagement approach and recent outputs.
- Review of information provided to us by Zyxel on its reporting and management processes relating to the Principles.
- Interviews with selected managers responsible for the management of sustainability issues and review of selected evidence to support the issues discussed.
- Site visits to Zyxel’s Headquarters in Hsinchu and data checks covering the three major subsidiaries and the two major production sites in Hsinchu, Taiwan and in Wuxi, China to assess processes and systems for preparing subsidiary- and site-level data and implementing sustainability strategies.
- Review of supporting evidence for key claims and 2022 data in the Report, as reported information beyond 2022 is not within the scope of the current engagement. Our checking processes were prioritised according to materiality, and we based our prioritisation on the materiality of issues at the consolidated corporate level.
- Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation. Where data on financial performance and greenhouse gas emissions had been checked by other assurance providers or engagements, we tested the transcription from these sources to the Report.
- An independent assessment of Zyxel’s reporting according to the Global Reporting Initiative (GRI) Sustainability Reporting Standards.
- The verification was conducted based only on the Chinese version Report.

¹ The VeriSustain™ Protocol is available on [dnv.com](https://www.dnv.com)

Opinion

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Zyxel's adherence to the Principles.

In terms of reliability of the performance data, in accordance with Moderate level assurance requirements, nothing came to our attention to suggest that these data have not been properly collated from the information reported at the operational level nor that the assumptions used were inappropriate.

Observations

Without affecting our assurance opinion, we also provide the following observations.

- As the concept of impact has been reaffirmed, we encourage the Company to continue to develop due diligence mechanisms supported by coordinated annual targets and indicators to elucidate longer-term strategies.
- Considering the multinational operation of the Company, we encourage continued efforts to advance impact management to enhance the level of entirety and consideration of the different local contexts in which every subsidiary or site operates.
- While recommending further integration of existing policy commitments, we also encourage the Company to continue developing policies across its material sustainability topics and multinational operation.

Stakeholder Inclusiveness

The Company has identified the expectations of stakeholders through internal mechanisms in dialogue with different groups of stakeholders. The stakeholder concerns are well identified and documented, and the significant sustainability issues identified through this process are reflected in the Report.

Sustainability Context

The Report provides an accurate and fair representation of the level of implementation of related corporate sustainability policies and meets the content requirements of the GRI Standards.

Materiality

The process developed internally has not missed out any significant, known material issues, and these issues are fairly covered in the Report. A methodology has been developed to evaluate the priority of these issues.

Completeness

The Report covers performance data against the GRI Standards disclosures that are identified as material within the Company's reporting boundary. The information in the Report includes the Company's most significant initiatives or events that occurred in the reporting period.

Accuracy and Reliability

The Company has developed the data flow for capturing and reporting its sustainability performance. In accordance with Moderate level assurance requirements, we conclude that no systematic errors were detected which causes us to believe that the specified sustainability data and information presented in the Report are not reliable.

Impact

The Company presents the impacts related to its identified material topics by measuring and monitoring impacts through appropriate performance metrics demonstrating outcomes and outputs of its value creation processes. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Impact.

For and on behalf of DNV Taiwan

Date: 24 July, 2023



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