

Delta Electronics Joins RE100 —
100% Renewable Electricity and Carbon Neutrality Targets for Its Global Operations by 2030

RE100 | CLIMATE GROUP | CDP

2020 Delta Electronics ESG Report



www.deltaww.com



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About the ESG Report

Since it was established, Delta has combined business operations and sustainable development in line with the business mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow". For Delta, the pursuit of sustainability is the inevitable path to growth. This has shaped the Company's corporate culture and is a constant reminder to our diligent employees of the importance of sustainability. The year 2020 was a crucial year for Delta as we made preparations to celebrate our 50th anniversary. We have conscientiously achieved our SBT (science-based target) goals and gained experience from it. We are also actively moving towards the long-term goal of RE100 --100% renewable electricity by 2030, in line with international trends, and have clarified the blueprint of Delta's sustainable strategy. Based on our long-term belief in and insistence on sustainability, this report, prepared with the title "ESG Report" for the first time, records our efforts and achievements in corporate governance, environmental protection, energy savings, employee relations, and social participation throughout 2020.

In recent years, as climate change gradually impacted our society, economy, and daily lives, the United Nations introduced its Sustainable Development Goals (SDGs) in 2015 to guide the world to collectively strive towards sustainability. With the response and promotion of global stakeholders, including institutional investors, customers, governments, rating agencies, and the media, "sustainability" has also become a business performance indicator on the ground and even a national goal rather than an issue on the table. Since the beginning of 2020, COVID-19 has raged around the world, reshaping the global business landscape and corporate thinking, and accelerating enterprises' business organization and practices in all aspects of sustainability.

The United Nations Climate Change Conference in Paris (COP 21 Paris) at the end of 2015 was a turning point for Delta in keeping abreast of international sustainability initiatives. All of Delta's management team members actively responded to this grand event by participating in side events and holding exhibitions. Their experience sharing in energy conservation and carbon reduction with global enterprises was widely acclaimed. In 2020, Delta signed the "We Mean Business" initiative as a commitment to adopting

a science-based emissions reduction target, reporting climate change information in mainstream reports as a fiduciary duty, and conducting responsible corporate engagement in climate policy. We have also established science-based targets (SBTs) and adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework in the annual report to honor our international initiative commitments. In 2018, Delta joined the EV100 initiative and in 2021 we committed to reaching RE100 by 2030 to stay up-to-date with international trends. We have clearly set out Delta's blueprint for a future sustainable strategy. All of this has enabled the Company to adjust our global business organization in advance and to actively seize business opportunities.

When the SBT methodology was announced in 2017, Delta started research and analysis and decided to set a goal of reducing carbon intensity by 56.6% by 2025 with 2014 as the base year, and passed the SBTi compliance review by the end of the year. At the same time, Delta gradually moved towards the SBT targets by actively implementing the three main strategies of self-generation of solar energy, energy-saving projects, and purchase of renewable energy certificates, as well as others. In 2020, we reached a carbon intensity reduction of more than 55%, far exceeding the annual target. The renewable energy contribution in our operations has also reached about 45% of the electricity consumption of global bases, establishing Delta's confidence to further meet the challenges of RE100.

On Delta's 50th anniversary in 2021, Delta announced that it will join the global renewable energy initiative RE100, promising that all operations around the world will achieve the overall goal of 100% use of renewable electricity and carbon neutrality by 2030. Delta is the first high-tech company in Taiwan to target achieving the RE100 goal by 2030. Delta will develop plans to overcome the challenges of different countries' development of renewable energy supporting regulations, focusing on our own energy conservation, the use of self-generated solar energy as well as self-contained power plants. At the same time, we will evaluate the transaction maturity of the local green power markets, and consider Power Purchase Agreements (PPA) and Renewable Energy Certificates (REC) to achieve our RE100 target.

Delta's efforts to keep up with international trends have also advanced the company's global business organization and enhanced its ability to actively seize business

opportunities. Our valued customers' participation in the ratings of international rating agencies or international initiatives in recent years has not only allowed them to set their own ESG goals but has also enabled us to regulate collaboration in the supply chains. The active participation of our customers shows that few companies can disregard sustainability trends.

Delta also continues to participate in international ratings to examine our performance in sustainability. We review what we have done well in a positive manner and make improvements when necessary. Delta has been named Industry Leader in the overall DJSI ratings for 3 consecutive years. The scores give recognition to Delta in the aspects of climate change, social participation, and employee development. We have also identified several weaknesses and emerging issues based on the rating results, such as chemicals management and conflict minerals management. As the management team attaches great importance to these issues, the ESG Committee has established 10 major ESG projects to target weaknesses. Different departments are designated to manage the projects and to formulate improvement measures accordingly. We hope to continue implementing the concept of ESG in our global business operations through a sound management mechanism and our employees' collective efforts.

Our corporate mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow" set by Bruce C. H. Cheng, has become part of Delta's daily operations and has shaped each employee's DNA for the past 50 years. His foresight has continued to guide Delta in updating our business organization early. In the face of various unknown challenges from the climate crisis, Delta is always ready to work with our partners from all sectors to support each other, assume responsibility to our stakeholders, and do our part for sustainability!



Chief Sustainability Officer

ESG Report Scope and Reporting Period

Reporting Period

January 1, 2020 to December 31, 2020

Scope

Delta's global corporate operations, research and development centers, and major production sites (See Appendix): The disclosure of environmental data includes two sets of data, which at the time of disclosure were determined based on management targets.

Main Production Plants

Scope of the SBT pledge includes Taoyuan Plant 1, Taoyuan Plant 2, Dongguan, Wujiang, Wuhu, Chenzhou, Delta Thailand 1, Delta Thailand 5, Delta Thailand 6, Cytotec Hsinchu, and Cytotec Huafeng.

Overall Production Plants

Overall production plants include Delta's main plants and the US, Brazil and India production plants of Eltek acquired after 2015 (plants in the United States and India).

Other

The exchange rates for currencies of different countries are based on the posted rates of December 31, 2020.

This Report is Verified and Assured by a Third Party

Verification

The Company contracted SGS Taiwan to verify that this report conforms to the GRI Standards and AA1000 Type II core standards and a high level of scrutiny. Delta obtained SGS assurance based on SASB Standards for the first time and the Attestation Statement is attached in the Appendix.

Assurance

The Company contracted PwC Taiwan to conduct a limited assurance engagement to confirm that the specific key performance information is provided in accordance with ISAE 3000. The assurance report for this ESG report is attached in the Appendix.

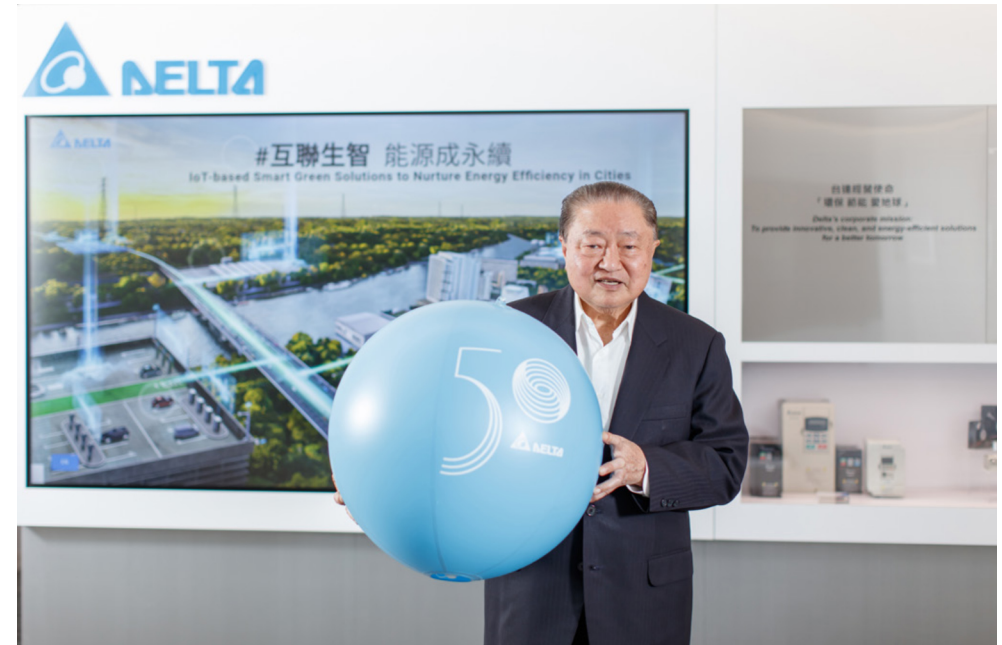
The Founder

After I founded Delta 50 years ago, I would often think about the value of a company's existence. Although a company needs profit to grow, it is more important that a company contribute to the country and society using its core competitiveness.

In 1971, I established Delta Electronics. We started out as a small company with 15 people supplying TV components, and then step-by-step we reached to where we are today. At that time, as Taiwan's economy was developing rapidly, and electricity consumption increased year by year, power would run short, and at times we even had rolling blackouts. I have always believed that energy conservation and improving energy efficiency are more important than the construction of power plants. In addition to pursuing growth and profit, enterprises should invest resources in the development of products that contribute to people's lives and society. At one point I considered switching to a more energy-efficient switching power supply, but it was the quick solution. Instead, I decided to invest in developing a lighter, thinner, shorter, and even more energy-efficient switching power supply, and then set our business mission as "To provide innovative, clean and energy-efficient solutions for a better tomorrow".

In 1983, Delta began to officially provide switching power supply products to customers. By 2000, the efficiency of all of our power supply products exceeded 90%. Delta's products occupy a high market share, so improving efficiency makes a big contribution to energy conservation and carbon reduction worldwide. Between 2010 and 2020, Delta's high efficiency products were estimated to have saved customers 33.5 billion kWh of electricity, which was equivalent to reducing 17.80 million metric tons of carbon emissions.

In recent years, the manufacturing industry has undergone many disruptive changes due to the rapid advancement of science and technology. In particular, it has had a tremendous impact on traditional manufacturing approaches and business concepts. Delta has also begun to develop towards offering total solutions and to diversify our product lines. In terms of transportation, the current trend for vehicles is to replace combustion engines with electric motors. Delta's motor technology began from industrial



Bruce Cheng, Founder and Honorary Chairman of Delta Group

automation products, and we have developed electric vehicle power systems for more than a decade. In the field of integrating critical components, such as motors, drives, and DC/DC converters in the limited space of the automobile body, Delta has fully leveraged our capabilities in core electronics technologies, and has successfully stepped into the electric vehicle power system supply chains of the European and U.S. first-tier automobile manufacturers. As precision medicine gains more attention, Delta has also developed a precise and fast automated nucleic acid analysis system, which can significantly reduce the traditional testing time from 4 hours to 1.5 hours and provide doctors with a test result and medication guidelines after an accurate diagnosis of the cause of disease. Since COVID-19 has cast its shadow over the world, this product is highly suitable for first-line outpatient or emergency testing. In particular, the Ct value in the test report can help determine the amount of virus. In line with global standard testing methods, it assists medical personnel in conducting anti-pandemic work onsite and provides a clearer basis for making sound medical decisions.

Industrial development today has resulted in resource depletion, natural environmental pollution, and ecological destruction, and has begun to endanger the survival of human beings and other creatures. We must take seriously the environmental impact of global warming. I recall the Taipei Weather Station registered a high temperature of 39.7 °C last summer—a record high in the 124 years since the station was established. The ecological impact of the climate crisis continues to be witnessed all over the world. There have been raging wildfires engulfing coniferous forests in Siberia, giant sequoias in California, and tropical rain forests in Brazil, burning areas unprecedented in history. All of the predictions made by scientists about climate warming in the past seem to be coming true one after another. We must take immediate action to prevent more climate disasters from happening.

On Delta's 50th anniversary, we adopted "Influencing 50, Embracing 50" as the Company's vision. Building on the solid foundation developed over 50 years, I hope that we continue to innovate with our products and services, and join hands with our partners in all sectors to stride towards the next 50 years together. For half a century, I have run the Company on the premise of giving back to society. I hope that our employees will contribute to the sustainable development of mankind while developing new products and solutions, since it is not just about fulfilling our social responsibility, but also about seizing business opportunities.

The Chairman and the CEO

Many countries and cities imposed lockdowns in 2020 as a result of the COVID-19 pandemic. The world faced severe challenges which also tested business operations. Despite such challenges, Delta has achieved high revenue and sustainability as well as excellent performance. Revenue in 2020 reached an all-time high and we won multiple awards and honors in international ratings for our sustainability performance.

Delta was selected for the 5th time as an "Industry Leader" in the Dow Jones Sustainability Indices for the Electronic Equipment, Instruments and Components Industry. Delta was rated by CDP at the "A" leadership level in both the "climate change" and "water security" categories, and at the leadership level in supply chain management. We were also included in the MSCI ACWI ESG Leaders Index, Taiwan ESG Leaders Index, and others.

In China, Delta was ranked among the top 3 in the electronics industry in the 2020 Best Corporate Social Responsibility Reputation in China, and was recognized as one of the top 10 foreign companies in the "Blue Book of Corporate Social Responsibility (2020)" published by the Chinese Academy of Social Sciences for the 6th consecutive year. In Thailand, Delta received the Best Sustainability Award from the Stock Exchange of Thailand.

Delta has merged its mission statement "To provide innovative, clean and energy-efficient solutions for a better tomorrow" with ESG and business development strategies. We implement our mission statement with long-term plans for the environment, society, and governance (ESG).

In terms of governance, Delta appointed an external professional and independent firm for a performance evaluation of our Board of Directors in 2020 to ensure operation efficiency. We also pay close attention to ESG ratings to continue to optimize the Company's governance framework. Delta amended the Ethical Corporate Management Best Practice Principles in 2020 and imposed penalties on violations of the Ethical Corporate Management Best Practice Principles for the first time.



Yancey Hai, Chairman of Delta Electronics

The Company implemented internal control self-assessments this year and requested business and functional units to fill out the risk assessment table (the completion rate was 100%) and implement management measures. Delta also updated self-assessment documents in accordance with related internal and external audit information.

In response to the risks of global warming and climate change, Delta continues to invest in product R&D and technological innovation. The Company has established R&D Centers across the world, and we invested a record-high 9.01% of total revenue for R&D and innovation in 2020.

Delta classifies suppliers with continuous transactions into different tiers to implement ESG management of the supply chain. We evaluate the ESG risk ratings and ESG capability ratings and distribute a survey form for conflict minerals to complete our due diligence investigation for conflict minerals in the supply chain. In the 2020 survey, we

provided the survey in traditional Chinese, simplified Chinese, and English, and we also provided a Thai version for the first time to reduce potential misunderstanding caused by language barriers. Delta also organized webinars to communicate directly with suppliers and help them understand Delta's expectations and the importance of ESG.

When the COVID-19 epidemic first broke out, Delta's management team quickly established the Global Disease Prevention Command Center at the end of January 2020 and immediately announced the "Delta COVID-19 Disease Prevention Plan" to all our manufacturing plants and operations across the globe. We also created regional disease prevention teams in Mainland China, Southeast Asia, Northeast Asia, Europe, and the Americas. The highest-ranking officers in the region served as the commanders of the teams.

Delta actively engaged external stakeholders in real-time and effective communication. In terms of communication with investors, Delta participated in 17 external institutional investors' conferences and more than 510 investor interview conferences in 2020 through video and telephone conferencing.

In terms of the environment, Delta has always paid close attention to climate change and actively participates in international initiatives. Delta signed the "We Mean Business" statement in 2015 and passed the Science Based Targets (SBTs) in 2017. We committed to reducing our carbon intensity in 2025 by 56.6% compared to 2014.

We used our solar energy infrastructure, active carbon reduction in plants, and purchase of renewable energy certificates to attain our SBT targets for the 3rd consecutive year in 2020. Delta has reduced carbon intensity by more than 55% and demonstrated our resolve. We have met aggressive management targets for reducing carbon emissions and limiting global temperature increase to 1.5°C ahead of schedule for 2 consecutive years.

Renewable electricity accounted for 55.1% of Delta's total electricity consumption of main production plants, and 45.7% of the electricity consumption in global operations. The use of solar energy that we produced decreased carbon emissions by 17,458 metric tons CO₂e and the purchase of renewable energy certificates reduced 227,240 metric tons CO₂e,

totaling 244,697 metric tons CO₂e in reduction.

In addition, Delta established a green energy team in 2020 and announced our membership in the RE100, a global renewable electricity initiative, in 2021. We have pledged to achieve the goal of 100% renewable electricity and carbon neutrality by 2030 for all of Delta's global locations. We are the first company in Taiwan's high-tech manufacturing industry to commit to achieving the RE100 target by 2030, ahead of schedule.

Delta has set its internal carbon pricing based on a careful review of the internal and external carbon cost of all global manufacturing plants and global carbon pricing trends to internalize the economic costs of carbon emissions from operating activities. We also planned the adoption of an internal carbon pricing system starting from 2021 and the funds from carbon payments will be used for energy conservation projects and the acquisition of renewable energy. It will also be used as a tool for supporting the Company's decarbonization strategy and a risk management tool as we progress toward zero carbon emissions.

Improving energy efficiency is one of the most effective methods for mitigating climate change. Delta embraces core competencies and implements energy saving and carbon emissions reduction through products, factory operations, and green buildings. In regards to conserving energy through our products, Delta continuously invests in innovative R&D, and has vigorously enhanced the energy conversion efficiency of all of our product lines over the years. Between 2011 and 2020, Delta's high efficiency products saved customers an estimated 33.5 billion kWh of electricity and reduced carbon emissions by 17.80 million tons CO₂e. These were Delta's contributions to reducing carbon emissions for the globe.

Manufacturing accounts for over 95% of Delta's electricity consumption and we are focused on energy saving in manufacturing operations. From 2011 to 2020, Delta has cumulatively undertaken 2,270 energy-saving projects and enhanced its focus on responding to global warming through full participation of employees and voluntary carbon reduction.

In terms of energy conservation for green buildings, since the construction of Delta's first green building at the Southern Taiwan Science Park in 2006, we have actively pledged that all future new Delta plants and offices shall implement green building concepts. By 2020, Delta has built and donated 28 green buildings for plants, offices, and academic use, and 2 green data centers around the world. In 2020, Delta's global certified plants and offices and donated green buildings collectively saved 18.48 million kWh of electricity and reduced carbon emissions by approximately 11,685 tons CO₂e.

In addition, Delta attained our target of reducing water usage intensity in plants and buildings by 30% in 2020. For the next stage, Delta will continue to reduce water consumption and recycle water for reuse. In terms of water conservation and waste reduction, Delta launched 111 waste reduction measures and 80 water conservation solutions in manufacturing plants in 2020 which reduced 7,774.9 metric tons of waste and 183.6 million liters of water consumption.

Delta actively recruits key talents from universities across the globe to strengthen talent competitiveness, expand the internal Delta Management System, empower diverse innovation, attract high-quality international talents, and work with renowned domestic and foreign institutions in the cultivation of future talents. We invested 3.02 MUSD in 2020 to create joint R&D centers and establish a global talent platform to integrate industrial, government, and academic resources for creating an internship hub and international courses for cultivating and attracting top talents.

In terms of talent development, Delta is committed to creating an employer brand and continues to invest in innovative talent development plans. We seek to create a high-quality work environment for employees and attain sustainable development targets. We integrate digital technologies to improve talent development and use the knowledge sharing community developed by the Company to integrate global digital training resources.

Delta pays close attention to corporate commitments and employee care. We provide a care and benefits system superior to regulations and encourage employees to take leave to relieve stress. Delta takes care of employees through comprehensive health



Ping Cheng, Chief Executive Officer of Delta Electronics

management measures to attain balance between work and life.

Delta is committed to abide by international human rights conventions and local regulations of its global operations. We established the Delta Human Rights and Employment Policy and used the digital learning platform to require employees to take human rights training courses. The global completion rate for human rights courses was 85% in 2020.

Delta's contributions to society include popularizing green building and transportation, promoting science, energy education and climate action, implementing active talent cultivation, and developing the DeltaMOOCx online learning platform centered on technical and vocational education. We used core corporate competencies and resources, and invested nearly 9 MUSD in social participation and engagement in 2020 for the purpose of

increasing the environmental protection awareness of the public while improving equality and quality of education.

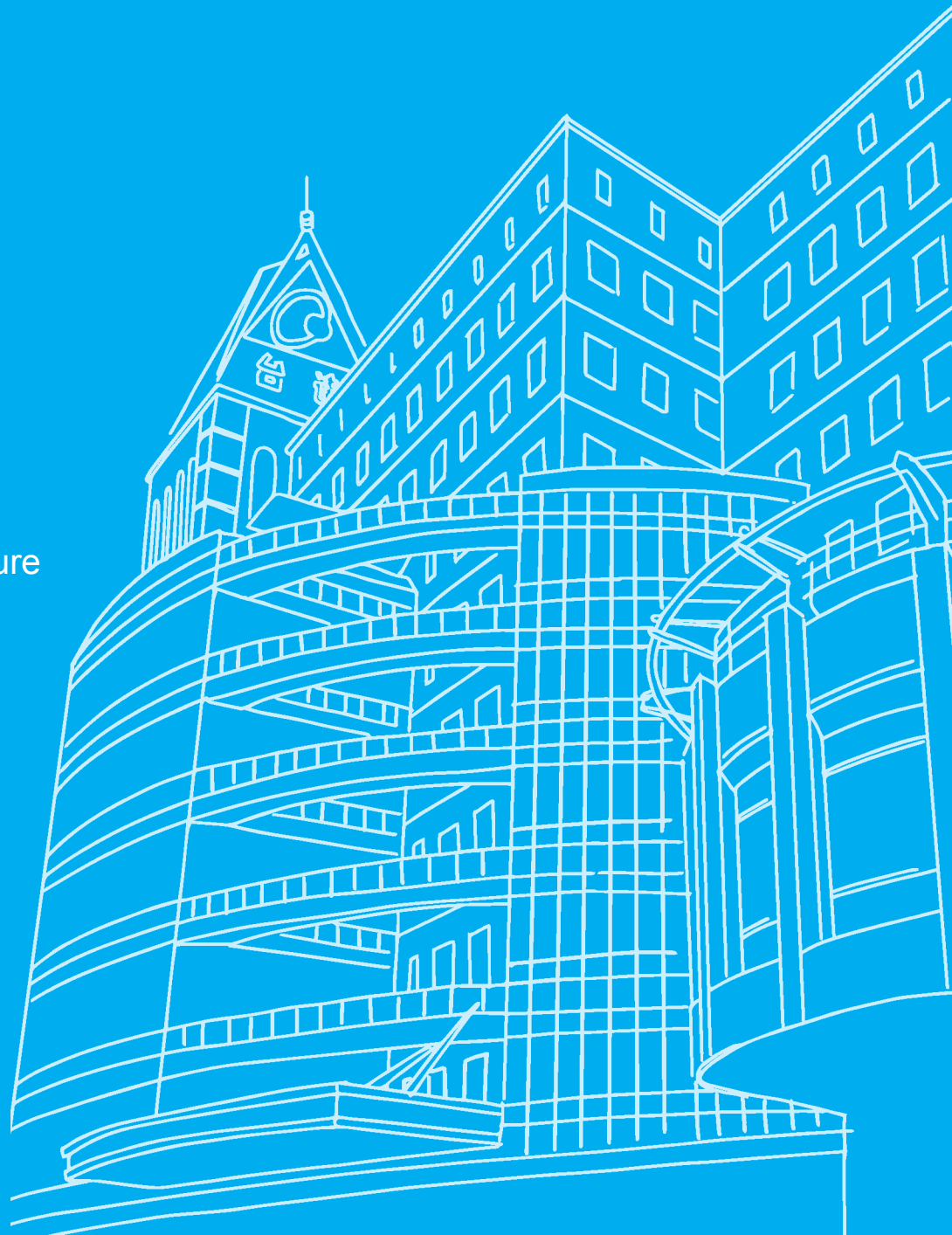
Delta continues to promote sustainability. The Delta Electronics Foundation launched the world's first 8K ultra-high-definition environmental protection documentary "Water with Life" and presented the documentary at charity events for tens of thousands of viewers. The program increases the public's awareness of water resource issues and how the marine ecology is affected by climate change.

Sustainable development is a long-term issue that benefits everyone. Delta remains dedicated to improving and using our core competencies in power and electronics to achieve the United Nations Sustainable Development Goals. We shall continue cross-border and cross-sector collaboration to expand our influence and create a sustainable future for Earth and the next generation.

1

Overview

- 1.1 Delta Electronics Organizational Structure
- 1.2 Sustainable Business Development
- 1.3 Enhancing Brand Value



Overview

Established: 1971

2020 Delta Electronics, Inc. (DEI) revenue ^{*1}: 9,625 MUSD

Delta is a leader in power supplies and thermal management solutions, as well as energy-saving and new energy solutions, with customers across the world. Delta has integrated its software and hardware system products in recent years and focused on strategic markets such as industrial automation, building automation, energy infrastructure, ICT infrastructure, and electric vehicles to provide smart and energy-efficient solutions for customers. Delta is headquartered in Taipei, Taiwan, and has main sales offices throughout the world, including nearly 40 countries in Europe, Asia, America, and Africa.

With our corporate mission: "To provide innovative, clean and energy-efficient solutions for a better tomorrow", Delta was the Climate Savers Computing Initiative's (CSCI) first member from Taiwan. Delta participates in activities of the following associations in Taiwan: Business Council for Sustainable Development of Taiwan (BCSD Taiwan), Center for Corporate Sustainability, Taiwan Corporate Sustainability Forum (TCSF), Taiwan Corporate Governance Association (TCGA), Chinese Business Ethics Education Association, Association of Taiwan Listed Companies, Taiwan Optoelectronic Semiconductor Industry Association (TOSIA), Taiwan Electrical and Electronic Manufacturers' Association (TEEMA), and Taipei Computer Association. In Mainland China, Delta is a member of associations such as the China Power Association, Chinese Association of Automation, China Communications Standards Association, and China Renewable Energy Society. In Thailand, Delta is a member of the Thai Autoparts Manufacturers Association and Thai IoT Association. In other overseas regions, Delta is a member of associations related to green building such as the International WELL Building Institute (IWBI) and U.S. Green Building Council (USGBC) We believe in fulfilling Delta's ESG goals through sound corporate governance, balancing stakeholder interests, and supporting social progress.

*1 Please refer to the 2020 Delta Electronics, Inc. (DEI) annual report revenue boundary.



Offices

171



Plants

45



R&D Centers

74



R&D Engineers

9,284



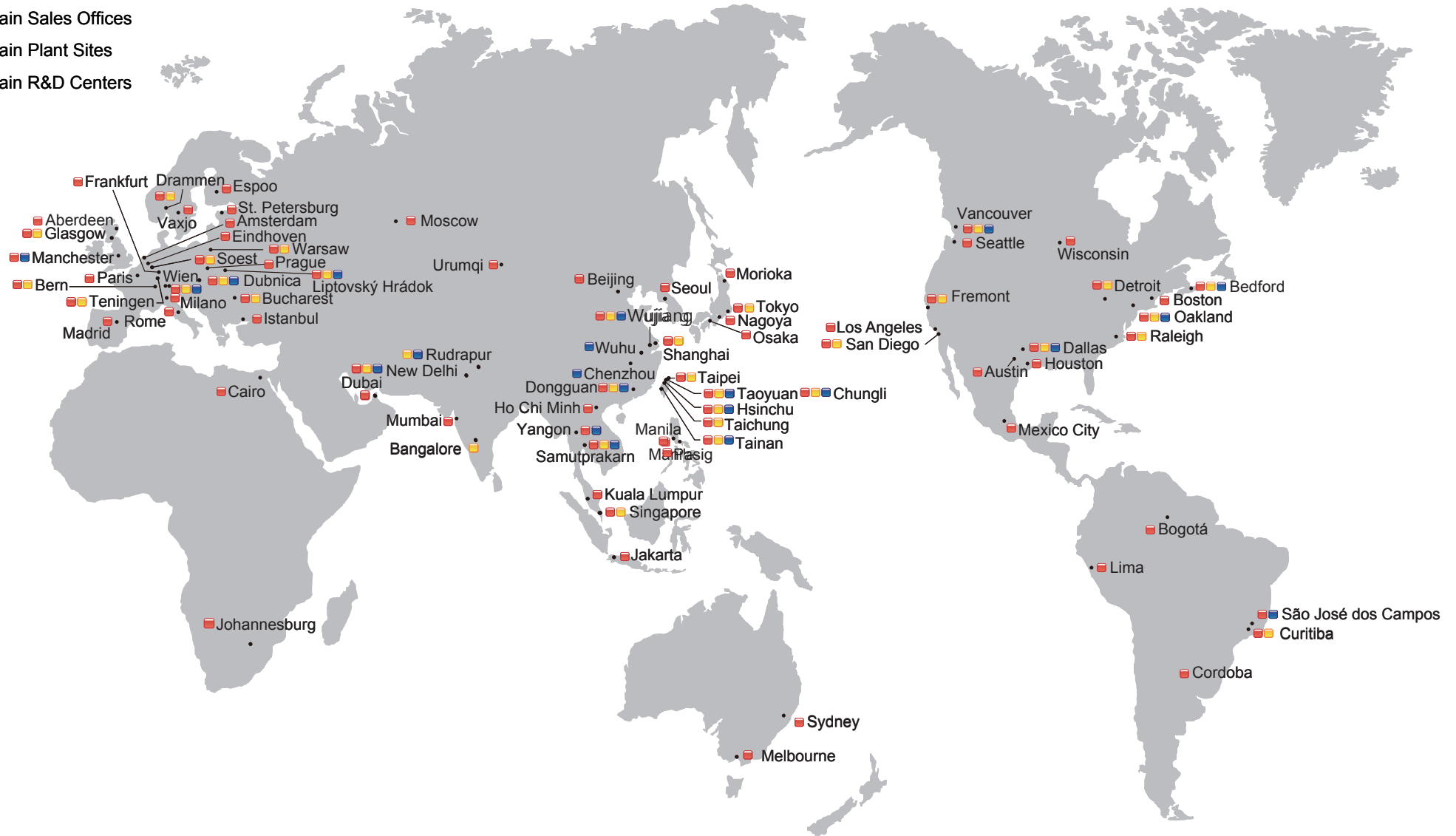
Total Number of
Employees Worldwide

83,804



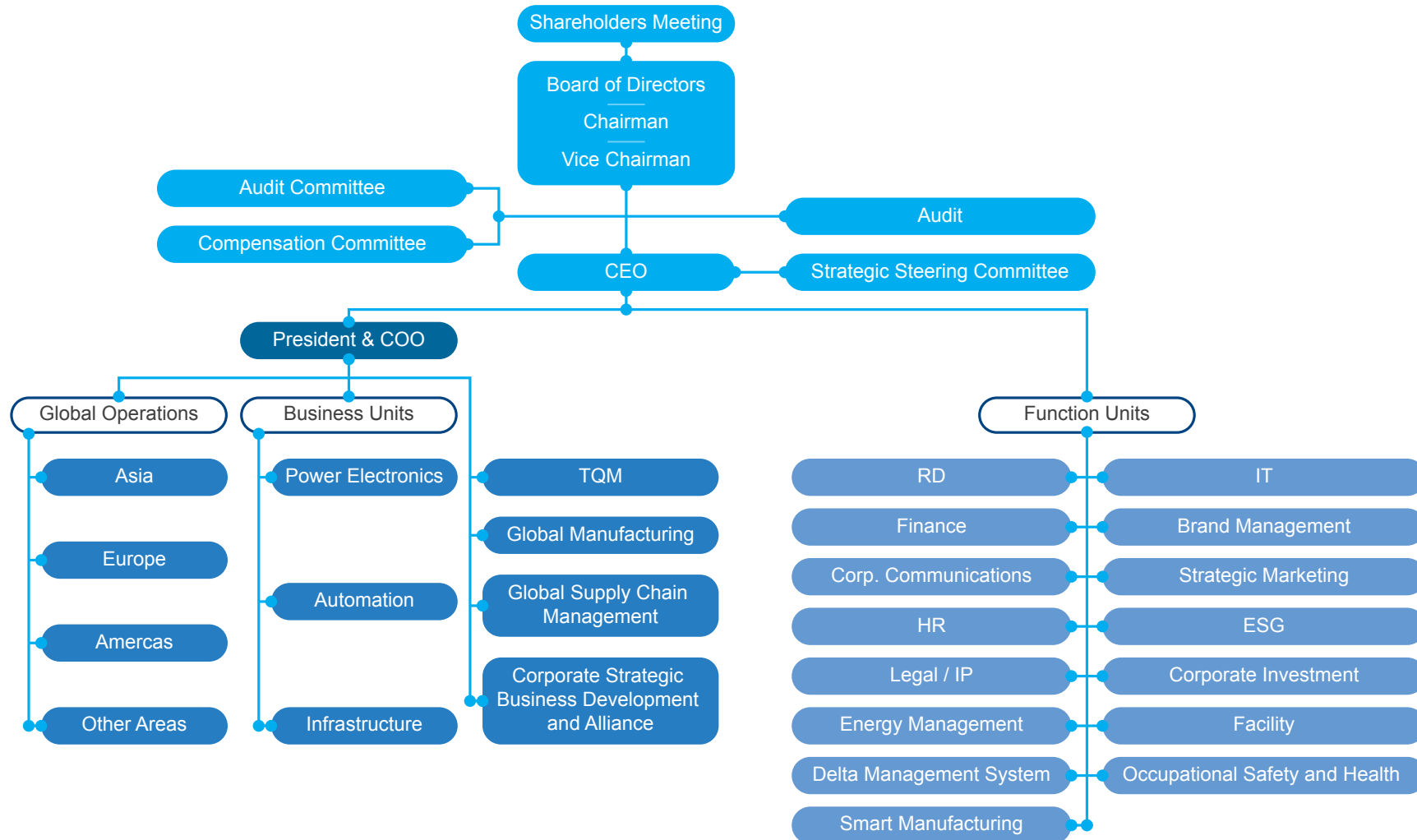
Delta's Global Operations

- Main Sales Offices
- Main Plant Sites
- Main R&D Centers



1.1 Delta Electronics Organizational Structure

Delta's corporate governance framework and highest governance unit is the Board of Directors. To strengthen corporate governance, independent directors are appointed by the Board of Directors. Delta has established functional committees such as the Compensation Committee and Audit Committee to improve the performance targets and compensation structure of directors and managers of the Company. We implement effective internal controls and risk management to respond to potential crises and risks for the Company.



1.2 Sustainable Business Development

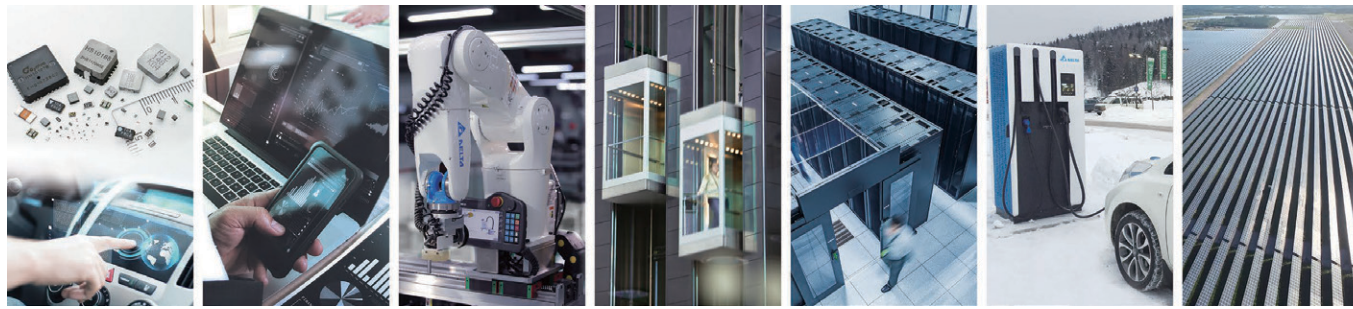
By leveraging our core competence in power electronics, Delta has developed innovative technologies in both hardware and software based on the needs of our clients. We provide innovative, clean and energy-efficient solutions and system integration services while striving to promote our brand and enhance our corporate image. According to statistics from 2012 to 2020, Delta has had 1,169 successfully completed cases all over the world. These projects have covered areas such as industrial automation and control systems, building automation, data center infrastructure, telecom power systems, intelligent monitoring & management systems, electric vehicle charging systems, and renewable energy. These projects have assisted clients in saving operations costs and improving their global competitiveness and have contributed to reducing global warming.

1.2.1 High-Performance Product Development

Delta has divided its operations into 3 business categories based on its business continuity strategy. These include “Power Electronics”, “Automation”, and “Infrastructure”, which account for 55%, 14%, and 31% of revenue respectively.

Delta maintains its leadership position in the ODM (Original Design Manufacturer) industry, and has launched Delta Smart Manufacturing (DSM) total solutions. By integrating our product advantages with hardware and software technology, we can work toward achieving a smart, automated production plant. By acquiring an in-depth knowledge of our customers' needs, we can create and provide customers with energy-saving total solutions designed for comfort, convenience, environmental protection, and high performance.

Business Scope of Delta's 3 Business Categories



Power Electronics

- Components
- Power and Systems
- Fans & Thermal Management
- Automotive Electronics

Innergie



Automation

- Industrial Automation
- Building Automation



Infrastructure

- ICT Infrastructure
- Energy Infrastructure & Industrial Solutions

vivitek

3 Major Business Categories

Power Electronics

"Power Electronics" includes: components, power and systems, fans and thermal management, and automotive electronics. Delta is a leading provider of power and thermal management solutions. We provide switching power supplies, DC fans, and passive components for renowned customers in the global ICT, consumer electronics, and industry sectors. Delta uses its core technologies for integrating electrical and electronic power systems to provide solutions and products for electric and power systems for electric vehicles and hybrid vehicles.

Automation

"Automation" includes industrial automation and building automation. Delta provides customers with industrial applications including food, textile, lifting, elevator, rubber and plastic, printing and packaging, machine tools, and electronics in the industrial automation sector. Delta also integrates its automation technologies and abundant knowledge in the industry to actively advance toward smart manufacturing. Using IoT technologies, Delta integrates equipment in buildings such as air-conditioning, lighting, energy, water supply and drainage, elevators, electricity, and security access systems to create flexible, scalable, and highly compatible building automation solutions.

Infrastructure

"Infrastructure" includes ICT infrastructure and energy infrastructure. In the ICT infrastructure sector, Delta is a main global supplier of ICT power systems, data center infrastructure, and networking systems and provides customers across the world with energy-efficient and reliable solutions. Delta provides energy infrastructure facilities for multiple sectors including renewable energy, electric vehicle charging, and energy storage systems to create sustainable cities with customers. Delta is also a professional manufacturer of video displays and projectors that are used in family theaters, surveillance centers, large-scale concert halls, outdoor displays, and exhibition halls. The scope of the infrastructure also includes industrial power supplies, medical power supplies, and medical and health equipment.

1.2.2 Global Success Stories in the Implementation of SDGs

Delta actively provides one-stop service solutions to customers around the world. As of 2020, we have successfully delivered 138 cases and have actively developed high-performance products and solutions with significant benefits for customers, such as reduced operating costs and enhanced global competitiveness.

Statistics of Delta's Success Stories with 7 Major Solutions

Delta's Solutions	2012-2020	2018	2019	2020
Data Centers	390	36	71	58
Display and Monitoring	157	24	23	6
Electric Vehicle Charging	45	11	5	14
Industrial Automation and Smart Manufacturing	244	25	85	27
Renewable Energy	79	10	14	11
Building Automation	141	29	47	18
Telecom Power	86	11	4	3
Others	25	6	7	1
Total	1,167	152	256	138

Case 1: Taipower Xia Xing Power Station



Delta provided the Xia Xing Branch Power Station of Taipower's Kinmen Tashan Power Plant with an energy storage solution that includes a 1MWh lithium-ion battery energy storage system, a 2MW power factor correction system, an energy management system, and an environmental management system. The total solution was designed, produced, and built by Delta, which specializes in one-stop integrated services to maximize efficiency and safety.

The system was Taipower's largest energy storage system when it was commissioned and can operate in dual modes. The "F-P (Frequency-Watt) mode" used during regular operations helps reduce the impact caused by the load increases and decreases of generators and fluctuations of renewable energy supplies on the grid. In the event of a generator emergency, the system automatically switches to the "RoCoF (Rate of Change of Frequency) mode" which can deliver 2MW of power within 200 milliseconds, and secure a 30-minute buffer time for the grid. The rapid response time is twice as fast as the 400ms required by Taipower. Kinmen is Taiwan's first island to demonstrate a smart grid power system. The successful experience of this system will guide the construction of smart grids on Taiwan's main island in the future.



Delta built Taipower's largest energy storage system at Xia Xing Branch Power Station of Kinmen Tashan Power Plant.

Case 2: Hanoi Telecom Subsidiary Data Center



Delta used a modularized data center solution (Point of Delivery; POD) to create Vietnam's first Uptime Tier III TCCF (Tier Certification of Constructed Facility) data center for Hanoi Telecom's subsidiary HTC-ITC. The data center supports local 5G networks and provides an important basis for economic development.

The data center is located in the Hoa Lac High-Tech Zone and occupies an area of 750 square meters. It is provided with a total power capacity of 750kW with an additional 750kW for redundant power protection. It received Tier III Certification from the U.S.-based Uptime Institute and meets the availability requirement of 99.982%. It also integrated an efficient and energy-saving uninterruptible power supply (UPS) system, precision cooling, racks, accessories, and the Data Center Infrastructure Monitoring (DCIM) to provide remote monitoring, variable air fan speed control, and hot and cold ducts to improve energy efficiency. The power usage effectiveness (PUE) of the data center is expected to reach 1.4 and meet the standards for high energy efficiency for data centers in the industry.



Delta created the first Uptime Tier III TCCF (Tier Certification of Constructed Facility) data center in Vietnam for Hanoi Telecom's subsidiary company HTC-ITC.

1.3 Enhancing Brand Value

Align Brand Value with Sustainable Development

Brand Positioning

Delta's brand emphasizes innovation and energy conservation and features a combination of business development and sustainability. As a provider of power and energy management solutions faced with global climate and environmental changes, Delta continues to invest in product R&D and technological innovation to provide more efficient and more reliable energy-efficient solutions and to create sustainable low-carbon cities. This is the commitment of the Delta brand and specific achievements of our corporate social responsibility.

Delta is committed to its mission: "To provide innovative, clean and energy-efficient solutions for a better tomorrow." This commitment is Delta's pledge and its commitment to investors, customers, and employees. We believe deeply in bringing together leading technology and customer cooperation to continuously create highly efficient and reliable power electronics products, industrial automation, energy management systems, and consumer products. Delta is dedicated to providing industry customers and consumers alike with a variety of products and services that support a smarter and more environmentally-friendly future.

Best Taiwan Global Brands

2020 marked the 10th year of a new era for Delta's brand. We have upheld our brand positioning and commitment for "Smarter. Greener. Together." and implemented them from core competencies to product development while fulfilling corporate social responsibilities. We are honored to have received recognition for our work. Our brand value has grown steadily in the past decade and we have successfully transformed from a component supplier to a system integration solution provider. Since 2011, Delta has been listed on Interbrand's brand valuation of the 20 Best Taiwan Global Brands for 10 consecutive

years. In 2020, Delta's brand value once again took a leap forward in its 8th year of continuous growth, rising 11% compared to that of 2019, and reaching 331 MUSD.

2020 was a year of upheaval for the entire world. COVID-19 has caused an unprecedented impact and numerous challenges. However, Delta has responded with agility by using different forms of online and offline communication, and using digital marketing and social media to enhance our brand image. The new lifestyle created by the pandemic has increased more demand for digital services, online communication, IT equipment, and data centers. In addition, a healthy and safe living and work environment has become crucial for everyone. Delta will continue to provide people with services necessary in the post-pandemic era through solutions for green data centers, 5G communication, smart and healthy buildings, and air quality to create a healthy and happy living environment.



Delta was honored as one of Taiwan's top 25 global brands in the prominent Best Taiwan Global Brands survey for the 10th consecutive year. Ms. Shan-Shan Guo, Delta's chief brand officer, accepted the award on behalf of the company.

International Corporate Citizen

Delta hopes to achieve both technological innovation and become a world-class corporate citizen by encouraging people to cherish environmental sustainability.

Delta is the first company in Taiwan to pass the SBTi carbon reduction target review and has reached carbon reduction targets for 3 consecutive years. The renewable energy consumption ratio of main production plants reached 55.1% in 2020. Delta addresses the significant levels of energy consumption in buildings by incorporating green buildings and introducing the latest building automation technologies in its own plants and offices, and buildings donated to campuses. We have created 27 green buildings across the globe, and our new building in Taipei, 5th phase development in Chungli, Taichung, and 2nd phase development in Tainan will adopt green building designs. The new building in Taipei will also be designed to meet the WELL Building Standard. Data centers have become known for their high energy consumption. Delta already has 2 data centers that obtained LEED V4 ID+C green data center certification. The data center of Delta Taipei Headquarters was the world's first green data center to receive LEED platinum certification.

Delta Electronics Foundation is committed to promoting environmental education. It launched the first 8K documentary of the marine environment titled “Songs of Whales.” in 2020 to tell the story of how whales protect the Earth's environment on behalf of humans. The film crew spent more than 3 months in the ocean surrounding the Kingdom of Tonga in the equatorial South Pacific. The crew used Delta's 8K project technologies to capture



Mr. Bruce Cheng (3rd from left), founder and honorary chairman of Delta, and Ms. Shan Shan Guo (3rd from right), vice chairman of Delta Electronics Foundation, posing with the winners of the competition of Songs of Whales dialogue and film adaption

high-resolution footage of humpback whales that had swam thousands of kilometers from the South Pole to give birth to their offspring. As digital media creation has become an important medium for expressing humor and communicating care in the cloud work and leisure environment created by the pandemic, Delta invited experts to jointly design the narration of the documentary for the first time. The participants offered innovative ideas for adding narration or editing the footage. Delta created the contents to attract more talented copywriters and multimedia talents to care about marine ecology and sustainability of the ecological environment.

Internal Brand Communication: Achieving a Sustainability Consensus among Employees

Since 2011, Delta has issued its Brand News bi-monthly to encourage the development of a brand consensus, as well as to share Delta's branding practices and operations in various regions of the world. We launched the digital version of our bi-monthly newsletter a few years ago and have enhanced our video and social media connections. These creative measures enrich our employees' reading experience and allow us to share the achievements of the Delta brand to more external partners.

Delta has organized the Delta Talk platform over the past few years and invited the CEO and COO to communicate Delta's direction and strategies for its organizational transformation. The CBO also shared her experience of Delta's brand development, brand positioning, and CSR for employees to understand that CSR is more than just a part of the corporate culture. We should instill it into our lives and let it become a part of who we are. Delta's Brand Management and Human Resource Divisions work together to organize regular brand training courses that help marketing and sales employees in all regions and businesses familiarize themselves with the external communication of the Delta brand so that everyone at Delta becomes a spokesperson for the Delta brand.



2 Sustainable Management

2.1 Sustainable Management

2.2 Policies and Promotions

2.3 Responding to Global Sustainable Development

2.1 Sustainable Management

2.1.1 Sustainable Key Performance

Economy



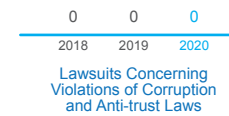
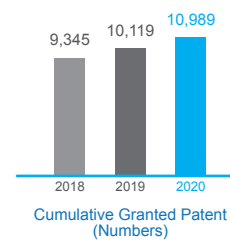
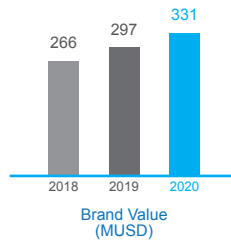
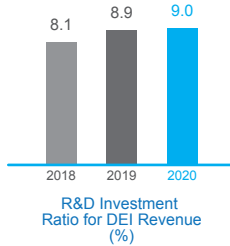
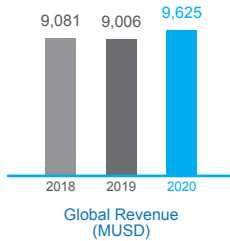
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Number of Board Members



4

Number of Independent Directors



Environment



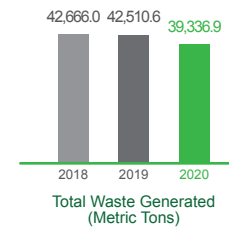
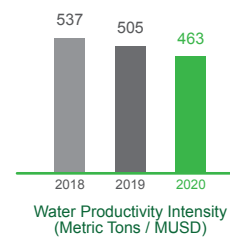
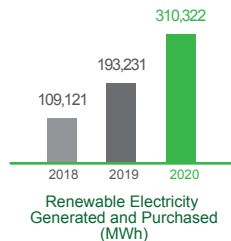
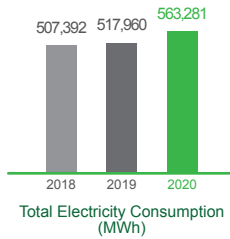
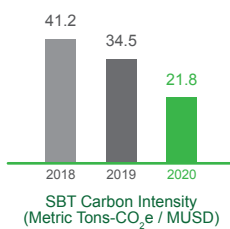
11,684

Metric Tons CO₂e
The carbon reduction equivalent of Delta's 15 certified green buildings and 5 green buildings sponsored by Delta in 2020



33.5

Billion kWh (2010-2020)
High efficient products that help global customers save electricity



Society



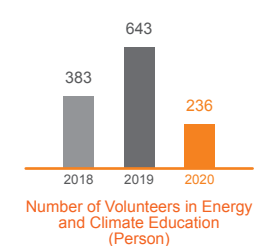
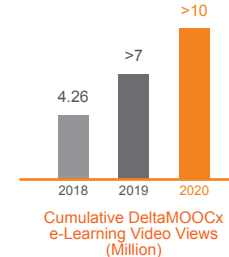
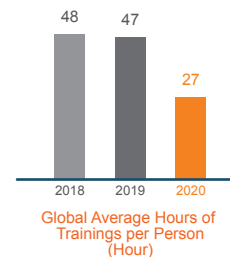
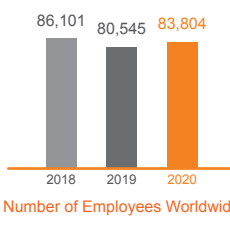
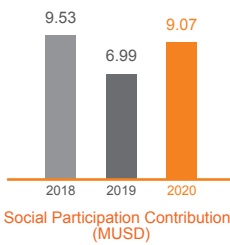
32.8

Female Manager Rate (%)



0.96

Incidence of Employee Occupational Injury on Record (%)



2.1.2 Awards and Recognition

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Dow Jones Sustainability Indices

- Listed on the Dow Jones Sustainability World Index for 10 consecutive years, and Dow Jones Sustainability Indices (DJSI) and Industry Leader in Electronic Equipment, Instruments & Components for 5 years
- Listed on the Dow Jones Sustainability Emerging Markets Index for 8 consecutive years

FTSE4Good Index Series



- Selected consecutively for the FTSE4Good Emerging Indexes
- Selected consecutively for the FTSE4Good TIP Taiwan ESG Index (compiled by Taiwan Index Plus Corporation and FTSE Russell)



SAM Sustainability Award

- Awarded the Gold Class rating in the Sustainability Yearbook published by RobecoSAM for the 7th time



Institutional Shareholder Services (ISS) Enterprise Performance Evaluation

- Received "Best" rating in the evaluation



CDP

- Awarded the CDP Climate Change Leadership for the 4th time
- Two "A" leadership level ratings for substantial contribution to climate change and water security issues, and Supplier Engagement Leader for continuous development of a sustainable value chain



ESG100

- Selected for the Thaipat Institute ESG100 for the 6th consecutive year



Morgan Stanley Indexes

- Selected consecutively for the MSCI ACWI ESG Leaders Index
- Selected consecutively for the MSCI Emerging Markets ESG Leaders Index and the MSCI Taiwan ESG Leaders Index



Best Taiwan Global Brands

- Recognized as a "Best Taiwan Global Brand" for the 10th consecutive year



Global Views Monthly" Honor Roll

- Received the Global Views Monthly Annual Corporate Social Responsibility Awards—Honor Roll for a 2nd time since 2008
- 15 first prizes, 2 honorary awards, and 3 model awards in the Global Views Monthly's Corporate Social Responsibility Awards since 2005



ENERGY STAR Sustained Excellence Award

- Received ENERGY STAR Sustained Excellence Award for the 3rd consecutive year
- Received the ENERGY STAR Partner of the Year for the 5th consecutive year



The Taiwan Corporate Sustainability Award

- Delta received 10 major awards in the Taiwan Corporate Sustainability Awards held by the Taiwan Institute for Sustainable Energy in 2020



Awards for Foreign Companies in China

- Recognized as one of the top 3 companies in the electronics industry in the "2020 China Corporate Social Responsibility Development Index"
- Ranked among the top ten foreign companies in the "Blue Book of Corporate Social Responsibility (2020)" published by the Chinese Academy of Social Sciences for the 6th consecutive year.



Best Sustainability Award from the Stock Exchange of Thailand

- Received the Thailand Sustainability Investment (THSI) Award from the Stock Exchange of Thailand (SET)

- Delta received the 2020 Sustainability Disclosure Award from the Securities and Exchange Commission (SEC) of Thailand and Thaipat Institute
- Received the 2020 Best Companies to Work for in Asia Award from HR Asia
- Received the 2020 "Excellence Award in Corporate Responsibility of the Year" and "Green Development Enterprise of the Year" from "Southern Weekly"
- Selected as a "GoldenBee Enterprise" in the "2020 GoldenBee CSR China Honor Roll" and selected for the "2020 GoldenBee Responsible Competitiveness Best Practices"
- Delta received the "Climate Change Management Excellence Award" in the SGS CSRAwards for the 2nd consecutive year

2.2 Policies and Promotions

2.2.1 ESG Policy and Mission

Delta has upheld the mission statement: "To provide innovative, clean and energy-efficient solutions for a better tomorrow" since its founding. We are committed to the brand promise of "Smarter. Greener. Together." Delta maintains its commitment to promoting economic, environmental and social sustainable development in its various aspects of operation. These include providing energy-saving products and green solutions, improving corporate governance, taking stakeholders' benefits into account, protecting the environment, focusing on energy conservation education, promoting environmental education, and more. Along with continuously addressing sustainability issues, we also focus on the relationship between Delta's value chain, the environment and society. We actively play our role as an international corporate citizen based on our core competencies.

As an international corporate citizen, Delta supports international principles and standards including the Responsible Business Alliance Code of Conduct (RBA Code of Conduct), Universal Declaration of Human Rights, International Labor Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

Delta's Board of Directors has clearly defined 4 major principles with the "Delta Corporate Social Responsibility Best Practice Principles" that state our ESG responsibilities: Implement corporate governance, develop a sustainable environment, safeguard public welfare, and enhance the disclosure of ESG information.

Our commitment is to:

Maintain good corporate governance and adhere to business ethics

Adhere to all laws and regulations

Create company value and improve shareholders' rights

Invest in innovative R&D, develop intellectual property rights, and do our best to improve technology for humanity's social and economic development, and sustainable development of the global environment

Develop environmental protection and energy saving products and implement environmental protection as a way to reduce our impact on the environment

Provide a safe and healthy work environment for employees, space for their full talents, and reasonable compensation and benefits

Actively participate in environmental protection and energy conservation education, and encourage employees to participate in social welfare activities

Promote the concept and practice of sustainability in Delta's supply chain and jointly pursue better performance

2.2.2 Organization Responsible for Promoting Sustainability

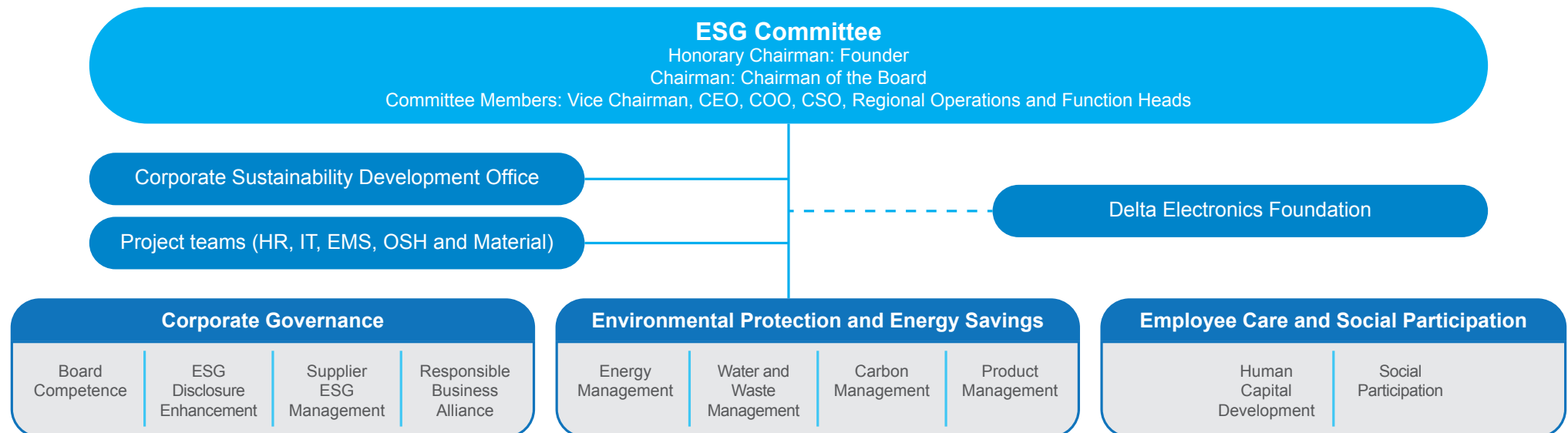
Delta's ESG Committee is its highest-ranking sustainable management organization. Since the Committee's founding in 2007, it has continuously transformed in line with sustainability development trends. Delta established the role of Chief Sustainability Officer (CSO) in 2019 to promote and intensify Delta's sustainable development.

Mr. Bruce Cheng, founder and honorary chairman of Delta, serves as honorary chairman of the Committee, while Chairman Yancey Hai acts as the chairman. The Committee is composed of the following members: vice chairman, CEO, COO, CSO, and top regional operations and functional executives. The ESG Committee oversees staff organizations and execution units including project teams and the Corporate Sustainability Development Office. The Delta Electronics Foundation is also invited to attend meetings of the ESG Committee. The "Corporate Sustainability Development Office" serves as the secretariat which is responsible for analyzing international trends in sustainable development and

understanding stakeholder expectations to identify material topics. It makes adjustments and mitigates the possible impact of material topics such as climate change on operations, and jointly plans application strategies and execution plans with various function subcommittees. It also drafts the ESG Report each year and submits it to the ESG Committee for issuance.

The Committee oversees 10 project teams that focus on 3 major aspects of ESG goals including corporate governance, environmental protection and energy conservation, and employee relations and social participation. The "Responsible Business Alliance" project team was added in 2020. The project teams are composed of business groups, region directors, and department directors. They are responsible for formulating Delta's project plans, development tools, and procedures and they organize regular meetings to plan annual sustainability strategies, review the operations of the Company and various functional committees, and supervise the effectiveness of the execution. The results of the execution are reported to the Board of Directors each quarter.

Delta ESG Committee Organization



2.3 Responding to Global Sustainable Development

2.3.1 UN Sustainable Development Goals (SDGs)

The United Nations passed the Sustainable Development Goals (SDGs) in 2015, which set up 17 targets that are related to global sustainable development. The SDGs help Delta evaluate whether product development is in line with global demands and encourage us to think about how to maximize the impact of our corporate mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow" and how to uncover

opportunities. Delta's Corporate Sustainability Office is based on the company's core professional capabilities, reference international benchmark case analysis, and successful customer cases. The ESG Committee decided to focus on 7 SDGs for the future direction of Delta's key development plans.

Delta Focuses on 7 SDGs

SUSTAINABLE DEVELOPMENT GOALS



Quality Education

High quality education for all. Shaping the development of talent and improving knowledge. Delta is promoting education and life-long learning from four aspects: Promoting basic subject education; promoting environmental education such as energy, water resources, and green buildings; assisting in improving educational opportunities in developing countries; and establishing talent cultivation mechanisms within the company to move towards lifelong learning.



Affordable and Clean Energy

Constructing a reliable and sustainable clean energy system is one of the global priorities. Delta is dedicated to developing solar power generation systems and renewable energy solutions, and discovering new related business models. Delta also provides affordable renewable energy solutions for low development areas to help more people obtain sustainable modern energy.



Industry/Innovation Infrastructure

Accelerating industrial innovation and assisting in the construction of resilient infrastructure are the best solutions for companies facing the dual pressures of climate change and sustainable development. Delta has implemented an internal incentive system to continuously accumulate innovative energy and provide diversified energy-saving solutions for global customers. Its applications include smart manufacturing and low-carbon transportation.



Sustainable Cities and Communities

As cities grow larger and population becomes more concentrated, sustainable cities have become key to balancing human welfare and sustainable environmental and social development. Delta actively promotes green buildings and our green building solutions include building automation and energy infrastructure. We seek to build sustainable cities with stakeholders.



Responsible Consumption and Production

Sustainable consumption and production are the basis for sustainable business operations. Delta upholds its mission of "To provide innovative, clean and energy-efficient solutions for a better tomorrow". It has implemented sustainable consumption and production into daily operations through promoting green production measures, and the promotion of green building factory management and the green operation concept.



Climate Change

Properly responding to climate change and its impact, and taking counter measures are a major challenge for the company's sustainable business strategy. Delta responds to climate-related risks by adaptation and mitigation, and continues to identify climate change opportunities. In addition, Delta uses "corporate self-motivated carbon reduction", "disclosure of climate change information", "participation in climate policy", "conversion to electric vehicles and expansion of charging facilities", and "promotion of 100% renewable energy" as strategies and carries out actions from inside out.



Partnerships for the Goals

As global citizens, companies participate in global partnerships to help activate sustainable development. Delta participates in international conferences on climate change, provides its views on sustainable development to the international community and increases the opportunities for industrial communication. Delta further promotes global partnerships by taking action responding to the "We Mean Business" commitments.

SDGs Risks and Opportunities for Sustainability

Delta identifies "improving positive influence" and "decreasing negative influence" by analyzing the level of impact in each stage and its corresponding SDGs via value chain analysis. Delta focuses on seven SDGs: 4. Quality Education, 7. Affordable and Clean Energy, 9. Industry Innovation and infrastructure, 11. Sustainable Cities and Communities, 12. Responsible Consumption and Production, 13. Climate Action, and 17. Global Partnerships, for business opportunities that serve as the direction for its future key development plans.

To facilitate sustainable development, we focus on 7 key SDGs to plan a sustainable development strategy and expand downward to various key aspects to formulate Delta's future strategy roadmap. We use international trend research and analysis and sustainable benchmark case studies in the industry to develop a framework for our sustainable development strategy. We also use core business analysis (group core value and business strategy plans) and sustainable trend analysis (international benchmarks

and international sustainability trends) to integrate internal core business operations and external sustainability trends and produce Delta's 2030 sustainable development strategy and key measures. We have started to implement the following steps:

1.Strategies

Each strategy shall correspond to SDGs

2. Indicators and Targets

Each strategy shall expand downward to multiple indicators and short, medium, and long-term goals

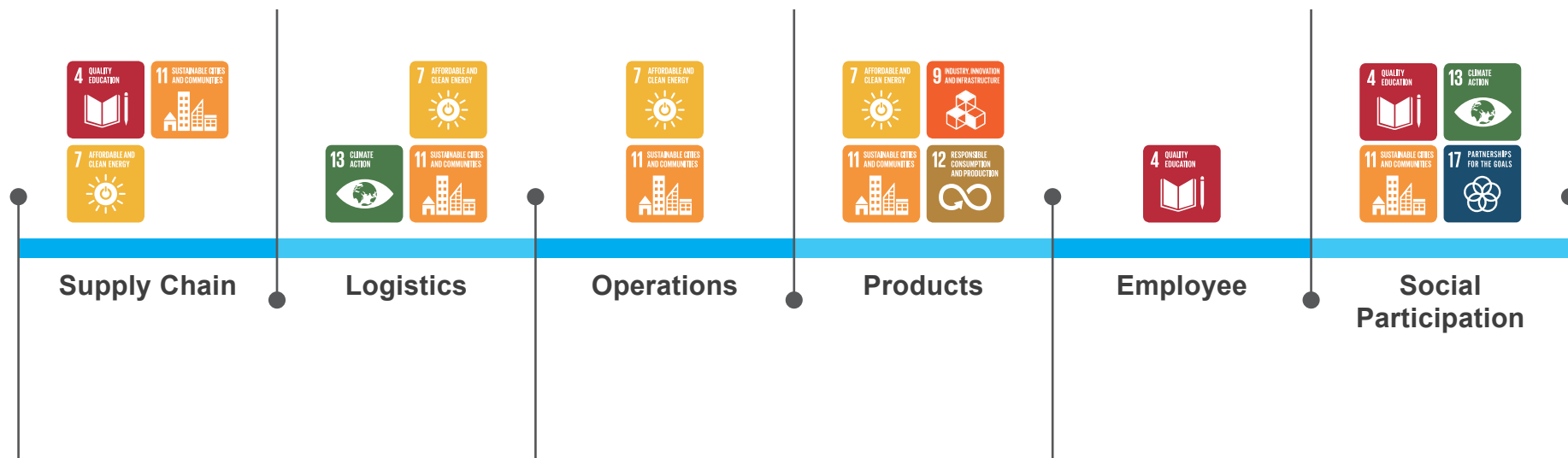
3. Action plans

Several action plans shall be established for each indicator/target

4. Assigning responsible departments

Each strategy shall be assigned to responsible departments which shall take charge of different action plans

SDG Risks and Opportunities for Sustainability



2.3.2 International Sustainability Initiatives

5 Major Commitments for "We Mean Business"

Companies play a crucial role in sustainable development. Delta has long focused on the development of various international sustainability initiatives and identified topics that match Delta's ideals to make an active response and maximize the effects of company strategy. Climate change is an issue that Delta has focused on for a long time. Dealing with climate change has become an extension of Delta and our corporate social responsibility commitments. Delta was a leader in publishing the Delta Climate Action Plan in 2015. We signed the "We Mean Business" initiative promoted by the CDP and World Business Council for Sustainable Development (WBCSD), and committed to adopting a science-based carbon emissions reduction target, reporting climate change information in mainstream reports as a fiduciary duty, engaging in a responsible corporate climate policy, and conversion to electric vehicles and expansion of charging facilities. We also pledged to join the RE100 initiative in 2021.

Progress of the 5 Major Commitments for "We Mean Business"

Commitments	Delta's Strategic Direction	Milestones	Actions in 2020
Commit to Adopt a Science-Based Emissions Reduction Target	Adopt a science-based target (SBT) for driving carbon emissions reduction ^{*1}	<ul style="list-style-type: none"> Became the first in Taiwan as well as the 87th company globally to pass the compliance evaluation of the Science Based Targets initiative (SBTi) in 2017 	<ul style="list-style-type: none"> Has attained SBTs for individual stages in 3 consecutive years starting from 2018 (detailed in Chapter 5).
Commit to Report Climate Change Information in Mainstream Reports as A Fiduciary Duty	Promote climate-related financial information disclosure	<ul style="list-style-type: none"> Became a signatory and supporter of the Task Force on Climate-related Financial Disclosures (TCFD) in 2018 Has disclosed information in accordance with the TCFD recommended disclosure framework since 2017 	<ul style="list-style-type: none"> Identified 4 material topics in climate risks based on our climate risk assessment in 2020 Tested related TCFD methodologies including monetization, corresponding factors in financial statements, and scenario analyses based on the characteristics of different products
Commit to Responsible Corporate Engagement in Climate Policy	Provide advice to the government on green technology policies and pay attention to international climate policies	<ul style="list-style-type: none"> Collaborated with the reputable think tank American Council for an Energy-Efficient Economy (ACEEE) and provided urban energy conservation recommendations in 2018 	<ul style="list-style-type: none"> Participated in the first International Green Building Symposium organized by the U.S. Green Building Council and Taiwan Green Collar Association and proposed case studies and regulatory recommendations
Conversion to Electric Vehicles and Expansion of Charging Facilities	Has set a goal for installing electric vehicle charging facilities in major operation sites and to switch to using electric vehicles for company vehicles before 2030. ^{*2}	<ul style="list-style-type: none"> Joined the international initiative EV100, a global initiative launched by the Climate Group, in 2018. Accelerate the transition to low-carbon transportation. 	<ul style="list-style-type: none"> Attained the targets for installing charging facilities in all main production plants in Taiwan The EV Charging Station in Yokohama of Delta Japan offers advantages in full microgrid applications and smart energy management. It was selected as a municipal emergency response site by the municipal government. The case study was included in the EV100 Annual Report.
Commit to 100% Renewable Electricity	Achieve the 100% renewable electricity target by 2030	<ul style="list-style-type: none"> Started planning in 2020 and filed an official application for membership in 2021 	<ul style="list-style-type: none"> Develop Delta's RE100 roadmap and targets

*1 Using 2014 as the base year and adopting the target of 56.6% carbon reduction by 2025

*2 Electric vehicles include pure electric vehicles, plug-in hybrid vehicles, and hydrogen vehicles.

Conversion to Electric Vehicles and Expansion of Charging Facilities

Delta joined the EV100 low-carbon transportation initiative in 2018 and became the first EV100 member that is a provider of energy infrastructure facilities for electric vehicles. Delta has worked with leading companies and organizations in sustainable development across the world to jointly support low-carbon transportation.

Delta is committed to providing charging facilities at Delta's sites of operation and converting company vehicles to plug-in hybrid vehicles, pure electric vehicles, and hydrogen vehicles before 2030. This will reduce carbon emissions from transportation and fulfill Delta's mission: "To provide innovative, clean and energy-efficient solutions for a better tomorrow."

As of 2020, Delta has installed charging facilities for electric vehicles at Delta's sites of operation in 22 cities across the world including Taipei, Taoyuan, Chungli, Hsinchu, Tainan, Shanghai, Wujiang, Daimon, Ako, Samutprakarn, Chachoengsao, Gurgaon, Hoofddorp, Eindhoven, Soest, Teningen, Bern, Dubnica nad Váhom, Warsaw, Fremont, Detroit, and Raleigh.

Delta's targets for the different stages of its transition to electric vehicles are as follows:

- Prioritize the purchase of electric vehicles for Delta's new company vehicles starting from 2020.
- All new vehicles purchased starting from 2025 must be electric vehicles.
- Replace all non-electric company vehicles with electric vehicles by 2028 and attain the EV100 commitment by 2030.



As of 2020, Delta has installed charging facilities for electric vehicles at Delta's sites of operation in 22 cities across the world.

2.3.3 Participation in Associations

Delta participates in associations and various organizations to promote business, expand sectors of concern, develop business, meet regulatory requirements, enhance networking, cultivate talents, or demonstrate its leading position in the industry. Delta mainly joins organizations as a regular member or serves as director or chairperson of certain associations. As associations have their own goals and intentions, Delta's participation as a member of such associations does not mean that Delta agrees with all opinions of the associations.

Delta has long focused on businesses and sectors including electronics and electrical machinery, automation, renewable energy, green building, healthy and smart buildings, electric vehicles, communication power supplies, leadership development, human resources, and corporate sustainability. Total expenditures in 2020 totaled approximately 150,000 USD and the list of associations is disclosed on the Company's official website.

3

Communication with Stakeholders

3.1 Stakeholder Communication and Response

3.2 Materiality Assessment



3.1 Stakeholder Communication and Response

Delta values communication with stakeholders. We deeply understand that we can only receive feedback and opinions from stakeholders by delivering and disclosing correct, objective, and updated information. As Delta pursues corporate sustainability, we seek to revise and adjust our practices whenever necessary, respond to the expectations of the public, and demonstrate our social impact. Delta's ESG Committee has, pursuant to the AA1000 Stakeholder Engagement Standard (AA1000 SES), defined 6 major stakeholders based on local and international trends in sustainable development as well as the needs of business operations. These include employees, customers, suppliers, investors and shareholders, media, and communities.

Delta adopts diverse channels to communicate with stakeholders. We identify key issues of concern to stakeholders through materiality analysis and take the necessary actions to enhance the content of our information disclosures. We target the 4 major goals of communication — to be received, to be understood, to be accepted, and to take action — to explain Delta's progress and response for sustainable management.

Stakeholder Communication and Response

Communication Target	To be Received	To be Understood	To be Accepted	To Get Action
	Communication Platform	Issues of Concern	Response	Actions
Employees	<ul style="list-style-type: none"> 23 labor-management meetings (quarterly) 23 meetings of the Employee Welfare Committee (quarterly) Employee engagement survey (every 2 years) Employee satisfaction survey (annually) Delta corporate website (intermittently) Employee feedback mailbox (intermittently) Communication and work meetings of units and departments (intermittently) 	<ul style="list-style-type: none"> Customer Relationship Management Innovation and R&D Corporate Governance Code of Conduct Human Rights 	<ul style="list-style-type: none"> 351 cases of internal opinions 46 labor-management meetings and meetings of the Employee Welfare Committee 	<ul style="list-style-type: none"> Maintain strict confidentiality of reported information and provide named and anonymous channels Communicate with employees through town hall meetings Use diverse communication channels to listen to employees' opinions Assign dedicated personnel to listen to employees' opinions and take related measures
Customers	<ul style="list-style-type: none"> Delta ESG website & ESG Report (annually) Regular customer review meetings (annually) Channel partner meetings and business platform (annually) Customer satisfaction surveys (every 2 years) Brand News (every 2 months) Customer audits (intermittently) Delta website (intermittently) 	<ul style="list-style-type: none"> Customer Relationship Management Corporate Governance Code of Conduct Innovation and R&D Brand Image 	<ul style="list-style-type: none"> Customer QBR audits: 27 customers Satisfaction score: 86 points 	<ul style="list-style-type: none"> Provide one-stop services and improve customer satisfaction Comply with Responsible Business Alliance (RBA) regulations and implement labor, ethical, health and safety, environment, and management reviews

	About the ESG Report	A Word from the Management	Overview	Sustainable Management	Communication with Stakeholders	Corporate Governance	Environmental Protection and Energy Savings	Employee Relations and Social Engagement	Appendix
Suppliers	<ul style="list-style-type: none"> Delta ESG website & ESG Report (annually) Supplier training program (annually) Supplier e-commerce system (monthly) Supplier EC - Environmental Hazardous Substances Management Standards (annually) 		<ul style="list-style-type: none"> Customer Relationship Management Code of Conduct Corporate Governance Risk Management Occupational Safety and Health 	<ul style="list-style-type: none"> Supplier training: 1 round 	<ul style="list-style-type: none"> Encourage suppliers to comply with the Sustainable Supply Chain Management Regulations and Policy Delta identifies high risks through regular supplier ESG surveys to reduce the risks to supply chain continuity. We use the results of the questionnaire to identify suppliers with potential for collaboration in ESG and prioritize them for assistance and collaboration. 				
Investors and Shareholders	<ul style="list-style-type: none"> Delta ESG website & ESG Report (annually) Delta website, financial report (annually) Investor forum (intermittently) Annual shareholder meeting (annually) Institutional investor visits (intermittently) Investor services mailbox (intermittently) Meetings with institutional investors (intermittently) Institutional investors' conference (quarterly) 		<ul style="list-style-type: none"> Business Outlook Long-term Strategies Corporate Governance Innovation and R&D Occupational Health and Safety Human Rights 	<ul style="list-style-type: none"> External institutional investors' conference: 17 rounds Investor interviews: More than 510 rounds 	<ul style="list-style-type: none"> Participation in institution investors' ESG activities to learn about the awareness and expectations of investors and shareholders for ESG Provide investors with public and transparent operation information and help investors understand the Company's long-term strategies and outlook 				
Media	<ul style="list-style-type: none"> Press releases (intermittently) Press conferences (intermittently) Media interviews (intermittently) Delta PR contact (intermittently) Major activity participation (intermittently) Social media (intermittently) 		<ul style="list-style-type: none"> Innovation and R&D Supplier Sustainability Management Brand Image Climate Change and Carbon Management Energy Management Green Products 	<ul style="list-style-type: none"> Press releases: 184 releases Media interviews: 141 rounds Social media: More than 63,000 fans on Facebook 	<ul style="list-style-type: none"> Use the COMPUTEX Forum online to promote healthy and smart buildings to communicate environmental protection ideals for health, energy conservation, and comfort. Communicate innovative energy storage technologies through technology seminars and help companies respond to the Renewable Energy Development Act and sustainability trends 				
Communities (research institutes, NPOs, communities, and others)	<ul style="list-style-type: none"> Delta ESG website & ESG Report (annually) Delta Electronics Foundation website (intermittently) Energy volunteers and climate salons (intermittently) Low Carbon Life Blog and IC Broadcasting (regularly) Facebook and Peppo social media (intermittently) Publication of the Build Green Buildings with Delta and Save 50% with Delta (intermittently) Green Collar Architects Training Workshops 		<ul style="list-style-type: none"> Energy Management Climate Change Water Resource Management Green Products Social Participation 	<ul style="list-style-type: none"> Number of collaborating charity organizations: 15 organizations Number of volunteer service beneficiaries: 73,200 people Views on social network media: 1.8 million views 	<ul style="list-style-type: none"> Added WELL and LEED ZERO courses Continue to train corporate volunteers, and communicate new knowledge on climate, science, green building, and marine ecological conservation Build high-quality climate social media and empower positive changes for public welfare Publish books on green buildings and energy conservation to help the public learn about energy conservation strategies for buildings and industries 				

3.2 Materiality Assessment

Change is continuously having an impact on our business. Delta explores challenges and opportunities for sustainability based on specific implementation of its business operations. Delta regularly confirms and adjusts the materiality issues and implements materiality assessment procedures. We comply with the comprehensiveness, materiality, and integrity principles of GRI Standards to establish 3 major analysis steps including identification, analysis, and confirmation to verify the commitment of external entities for sustainability issues and the effect on Delta's operations.

We set long-term targets for sustainability and adopt internal KPI verification, external international sustainability ratings, and comparison with competitors for a regular evaluation of our execution and effectiveness. We actively disclose the progress and effectiveness of Delta's 2025 long-term sustainability goals to the general public.

3.2.1 Methodology

Stage
01

Identification

In terms of the identification of sustainability issues, Delta starts with the factors that may affect the Company's sustainability including internal and external economic, environmental, and social risks and opportunities.

Delta adopted international sustainability regulations and standards (GRI Standards, ISO 26000 Guidance on Social Responsibility, RBA Code of Conduct, UN SDGs, and SASB Standards), and sustainability ratings (DJSI, CDP, and MSCI ESG Index), stakeholder expectations and communications, internal management objectives, and previously-disclosed sustainability information to compile and consolidate sustainability issues. This year, Delta invited 6 experts from industries, the government, and academia to jointly examine Delta's material topics and also invited 59 of Delta's domestic and foreign executives and sustainability partners to take part in sustainability consensus meetings and brainstorm on sustainability concerns and help identify and adjust sustainability issues.

Compared to the sustainability issues of the previous year, Delta added the "Circular Economy" to economic issues. In terms of environmental issues, we removed "Environmental Management" and added "Biodiversity". In terms of social issues, we made minor adjustments to "Career Development" and changed it to "Talent Development". Delta ultimately compiled a total of 23 sustainability issues related to operations.

6

Categories of Major Stakeholders

Communication Target

Employees, investors, media, customers, suppliers, communities (research institutes, NPOs, communities, and other related stakeholders) are the main targets of communication identified by Delta based on the AA1000 Stakeholder Engagement Standard for communicating Delta's sustainability actions.

23

Sustainability Issues

Sustainability Issues

To ensure the comprehensiveness of sustainability issues collected, we put together 23 sustainability issues based on ESG regulations / standards, sustainability initiatives, feedback from internal and external stakeholders, Delta's business strategy, sustainability experts, and consensus meetings.

Identification of Delta's Sustainability Issues

ESG Regulations / Standards

DJSI CDP MSCI

International Initiatives

GRI SDGs RBA SASB

Stakeholders' Feedback

Delta's 6 Major Stakeholders

Operation Strategy

Delta Operation Objective

10 Financial Issues

- Corporate Governance
- Code of Conduct
- Risk Management
- Customer Relationship Management
- Innovation and R&D
- Brand Image
- Supplier Sustainability Management
- Information Security Management
- Taxation
- Circular Economy

7 Environmental Issues

- Climate Change
- Carbon Management
- Energy Management
- Green Products
- Water Resource Management
- Waste Management
- Biodiversity

6 Social Issues

- Social Participation
- Occupational Health and Safety
- Talent Development
- Labor Relations
- Talent Attraction and Retention
- Human Rights

Stage 02

Analysis

Delta determines whether sustainability issues are material based on the 2 major principles of "level of concern to stakeholders" and "impact on operations". We conducted surveys on 23 sustainability issues. For the survey on the "level of concern to stakeholders", we targeted the 6 major types of stakeholders with the questionnaire survey for the purpose of collecting representative samples. For an assessment of the "impact on operations", Delta evaluated the level of impact of each issue on revenue growth, environmental sustainability, customer satisfaction, and best employer. The ESG team members jointly completed the analysis of the impact on operations.

According to the results of the aforementioned analysis, we used the results of discussions and confirmation of the ESG Committee, external experts, and senior executives and elevated the importance of "Innovation and R&D" and "Talent Development" issues mainly because product innovation and R&D forms the basis of the sustainable development of the Company and Talent Development creates the energy that drives and supports product innovation. We combined the issue "Climate Change and Carbon Management" and ultimately selected 13 key sustainability issues.

1,567

Valid Questionnaires

Survey the Level of Concern

Delta used an online survey to collect information on the level of stakeholder interest in sustainability issues and recovered a total of 1,567 valid questionnaires including 216 from customers, 465 from suppliers, 14 from investors, 753 from employees, 20 from the media, and 99 from the community.

59

Executives and ESG Team Members

Analyze Impact on Operations

We focused on 4 major factors including revenue growth, environmental sustainability, customer satisfaction, and best employer and evaluated the impact of sustainability issues on the operations of the Company. A total of 59 ESG team members and executives participated in the evaluation.

13

Material Sustainability Issues

Confirm Material Issues

Delta's internal ESG team members, external experts, and senior executives defined material issues based on the results of the survey on the level of concern and the analysis of the impact on operations before confirming 13 material sustainability issues and producing the materiality matrix. Compared to the previous year, we added "Occupational Health and Safety", "Human Rights", "Talent Development" and "Carbon Management" as material issues.

Stage 03

Confirmation

We selected 13 material sustainability issues and identified their impact in the Delta value chain. We also referenced the GRI Standards and disclosed Delta's material topics. We follow the reporting requirements for collecting internal information, data, and management policies. In addition, Delta clearly defines the important meanings, strategies, management approach, and long-term goals of each material sustainability issue. We follow up on the degree of completion of each target and the effectiveness of execution for flexible adjustments of the foundations of sustainable management. Delta also discloses the effectiveness of other potential sustainability issues of the current year in the ESG Report.

24

GRI Topics

Review Disclosed Contents

The 13 major sustainability issues that were identified will be matched with the 24 specific topics of the GRI Standards. The information disclosure boundary of Delta's value chain (supply chain management, operations, products, society) is then graphed based on these topics and used as the basis for reporting.

3

Major Axes of Long-Term Sustainability Goals

Formulate Long-Term Sustainability Goals

We formulated long-term goals for 3 major axes based on the material issues to help Delta respond to the expectations of stakeholders in the implementation of sustainability plans and use them as the basis for internal performance evaluations on achievement status.



2020 Sustainability Experts Meeting



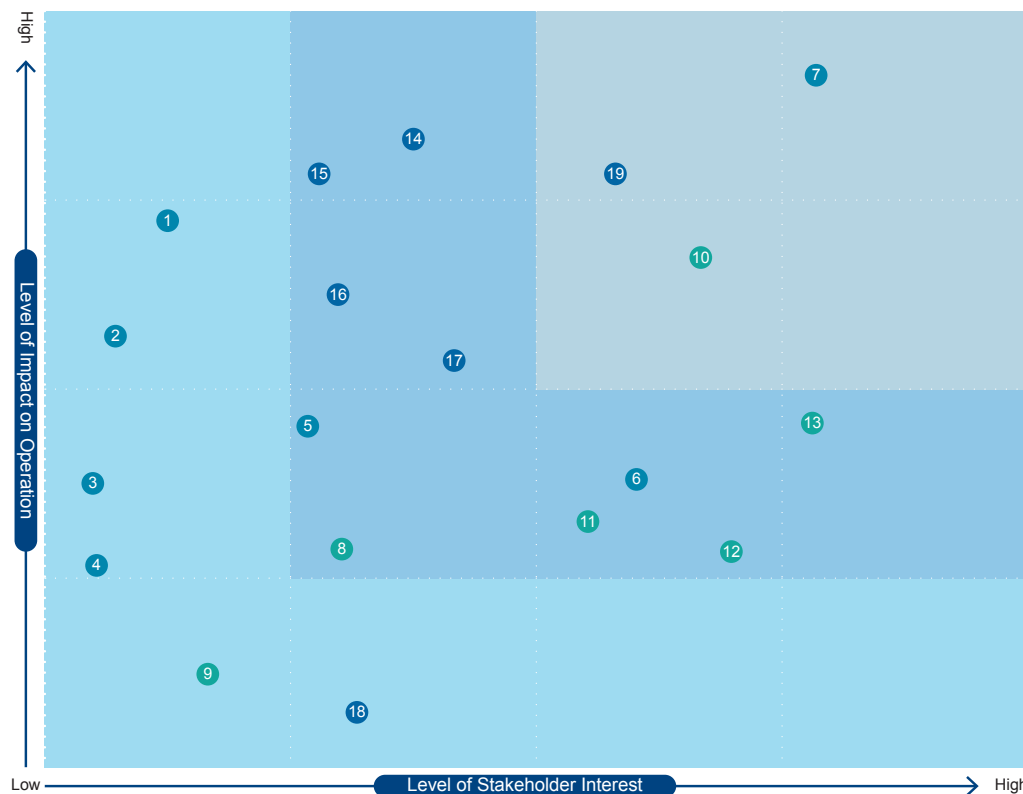
Internal Sustainability Consensus Meeting

3.2.2 Results of the Analysis and Corresponding Section of the Value Chain

Out of 23 sustainability issues, 13 material issues were identified in the stakeholder materiality assessment in 2020 including innovation and R&D, customer relationship management, supplier sustainability management, climate change, carbon management, green products, energy management, water resource management, waste management, talent attraction and retention, social participation, talent development, occupational safety and health, and human rights.

Compared to the previous year, we did not include general disclosures (corporate governance, risk management, and Code of Conduct) and results-oriented issues (compliance and financial performance) into the materiality matrix. However, the annual targets, implementation methodology, and results of material issues involving company operations are disclosed in the Company's annual report or ESG report. Non-material issues included information security, brand image, taxation, circular economy, biodiversity, and labor relations.

2020 Material Sustainability Issues Matrix



Governance	Environmental	Social
1 Brand Image	8 Water Resource Management	14 Occupational Health and Safety
2 Taxation	9 Biodiversity	15 Human Rights
3 Circular Economy	10 Energy Management	16 Social Participation
4 Information Security	11 Waste Management	17 Talent Attraction and Retention
5 Supplier Sustainability Management	12 Green Products	18 Labor Relations
6 Customer Relationship Management	13 Climate Change and Carbon Management	19 Talent Development
7 Innovation and R&D		

Delta's Materiality Issues and Value Chain

Aspect	Material Issues	Importance to Delta	"GRI Standard" Topic	Supply Chain	Operations	Products	Society	Corresponding Chapter
Economic	Innovation and R&D	Innovation and R&D helps convert trends and demand into products and solutions which help create success for the world and Delta.	Energy		✓			4.3 Innovation
	Customer Relationship Management	Strengthen product functionality and service to improve customer satisfaction to increase customers' trust in Delta.	Customer privacy		✓	⊗		4.4 Transcending Customer Expectations
	Supplier Sustainability Management	Create a stable and strong supply chain to communicate Delta's value and exert positive influence.	Procurement practices, supplier environmental assessment, supplier social assessment, materials	⊗	✓	⊗		4.5 Supplier Sustainability Management
Environmental	Climate Change and Carbon Management	Monitor the risks and opportunities of climate change and continue to support Delta's strategies for energy-saving products and market transformation and promote sustainable growth.	Emissions, economic performance		✓	⊗	★	5.2 Climate Change and Carbon Management
	Green Products	Provide green energy-saving products and innovative solutions to create the key foundations for the Company's competitiveness and long-term growth.	Energy		✓	⊗	★	5.6 Green Products
	Energy Management	Delta's core competencies can help support long-term environmental protection and energy conservation.	Energy	⊗	✓	⊗		5.3 Energy Management
	Water Resource Management	Increase water recycling volume and increase water consumption efficiency to increase production efficiency.	Water, effluents and waste		✓			5.4 Water Resource Management
	Waste Management	Continue to attain low pollution, ease of recycling, and other diversion rates to help Delta become a benchmark for low-carbon environmentally friendly companies.	Effluents and waste		✓			5.5 Waste Management

Aspect	Material Issues	Importance to Delta	"GRI Standard" Topic	Supply Chain	Operations	Products	Society	Corresponding Chapter
Social	Talent Attraction and Retention	Provide a high-quality work environment and competitive salary and benefits to attract and retain key talents, and improve employer branding for Delta.	Market presence, economic performance, employment, diversity and equal opportunities		☑		★	6.2 Talent Attraction
	Talent Development	Develop key talents through diverse talent development plans to strengthen the organization.	Training and education		☑			6.3 Talent Learning Development
	Social Participation	Use Delta's core competencies and resources to increase the environmental protection awareness of the public while improving equality and quality of education.	Indirect economic impacts, local communities		☑		★	6.6 Social Engagement
	Human Rights	Comply with international human rights conventions and provide employees with a fair workplace to promote talent development and reduce labor risks.	Non-discrimination, child labor, forced or compulsory labor, human rights assessment	⊙	☑			6.4 Human Rights Protection
	Occupational Health and Safety	Provide employees with a secure work environment and create a safe and healthy workplace to increase production quality and performance.	Occupational health and safety		☑			6.7 Occupational Safety and Health

☑ Direct impact ⊙ Indirect impact ★ Impact on business relations

4

Corporate Governance



4.1 Key Performance Indicators

4.2 Enhancing the Board of Directors' Functions

4.3 Innovation

4.4 Transcending Customer Expectations

4.5 Supplier Sustainability Management

4.6 Information System Safety and Management

4.7 Comprehensive Information Disclosure and
Shareholder Communication

4.8 Emerging Risks – Response to the COVID-19
Epidemic

4.1 Key Performance Indicators

<p>Market Value</p> <p>> 24,911</p> <p>MUSD</p>	<p>Delta Global Revenue</p> <p>10,058</p> <p>MUSD</p>	<p>Brand Value</p> <p>~ 331</p> <p>MUSD</p>
<p>Ratio of R&D Investment to Total Revenue</p> <p>~ 9.01%</p>	<p>Cumulative Granted Patents and Certificate</p> <p>~10,989</p>	<p>Tier1 Supplier ESG Survey Response Rate</p> <p>73%</p>

Main Endeavors

- International Corporate Citizen:** Delta was listed in the Dow Jones Sustainability Indices (DJSI) for 10 consecutive years and won the award for the Electronic Equipment, Instruments, and Components Industry for the 5th time in 2020
- Implemented Carbon Emissions Information Disclosure and Reduction:** Delta was included in the CDP climate change A List, water security A List, and supply chain engagement A List
- International Brand Image:** Delta was listed as one of the Top 20 Best Taiwan Global Brands for the 10th consecutive year and its brand value increased by 11% from 2019 to 331 MUSD.
- Active Commitment to R&D and Innovation:** Ratio of R&D investment to total revenue: 9.01%

Aligning with UN Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS



Affordable and Clean Energy

- Utilized Delta's own solutions for its Ako Energy Park in Japan and developed an emerging business model that promotes the use of renewable energy.



Decent Work and Economic Growth

- Committed to contributing R&D innovations to establish a variety of incentive systems to improve innovation capabilities.
- Set up new manufacturing centers in India and provided reasonable salaries and a high-quality work environment.



Industry, Innovation and Infrastructure

- Established the "Delta Innovation Award" and the Idea Bank to encourage individual and team innovation.



Reduced Inequalities

- Used supply chain ESG questionnaire for high-risk identification and auditing to eliminate work place discrimination and ensure disabled people's rights.



Responsible Consumption and Production

- Used training and successful case studies to help the supply chain create environmental data inventory capabilities and increase operation efficiency.
- Delta provides suppliers that exhibit weaknesses with professional training and assistance to develop ESG capabilities and improve the resilience of the supply chain sustainability in procurement.



Climate Action

- Delta encourages its supply chain to disclose carbon, water, and waste management information and set reduction goals to respond to climate change and reduce the risks of disrupted supply chains.



Peace, Justice and Strong Institutions

- Promoted supply chain conflict minerals due diligence investigation to help eliminate inequality.
- Supported international corporate operation initiatives by promoting integrity and anti-corruption measures in internal corporate operations and supply chains.

4.2 Enhancing the Board of Directors' Functions

The Board of Directors of Delta Electronics consists of 11 seats for Directors including 7 Directors and 4 Independent Directors with a term of 3 years. Delta has adopted the Candidate Nomination System for the appointment of Directors in accordance with Article 192-1 of the Company Act. The Shareholders Meeting selects nominees from a list of candidates for Directors. The number of Independent Directors account for approximately 36% of all Directors. Directors who serve as employees account* for approximately 45% of all Directors. The Chairman leads the Board of Directors of the Company with the aim of implementing a good Board governance system, improving supervisory functions, and enhancing management. The Board members' diversity and professionalism have been taken into consideration to implement a good Board governance system.

4.2.1 Board of Directors and Duties

Diversity among Members of the Board

The overall configuration of Delta's Board of Director's selection is based on Delta Electronics' "Director's Election Rules" and "Corporate Governance Practices Code". To fulfill the Board's role in strategic guidance, members of the Board come from diverse professional backgrounds, expertise, and genders. They should possess the knowledge, skills, and experience necessary for performing their duties. Members of the Company's Board of Directors have professional backgrounds and experience in control engineering, electrical engineering, materials engineering, industrial engineering, accounting, and management necessary for the Company's business operations. They provide strategic guidance in the Company's operations.

* Definitions provided by the Financial Supervisory Commission of Taiwan

Professionalism of the Board Members

Delta Electronics' Board of Directors possess abilities including operations and management, accounting and financial analysis, crisis management, industry knowledge, international market perspective, leadership, and decision-making. Delta conducts training for Board members each year to develop and improve the highest governing body's overall knowledge of economic, environmental, and social issues. The Company opened courses including "Delta's Development Strategy" and "Telecommunications Development: 5G Opportunities and Challenges" for Directors in 2020.

Composition and Structure of the Board of Directors



Board of Directors

- **Improve Board Meeting Frequency to Improve Supervisory Functions**

Board meetings are convened at least once a quarter to assess corporate business performance and discuss strategy topics. This includes impacts, risks, and opportunities in relation to economics, environment, and society. Six Board of Directors meetings were held in 2020, with an average attendance rate of 97.73%.

- **Enhance Board Operating Efficiency to Strengthen Management Mechanisms**

The Company's Board Performance Evaluation shall be conducted in accordance with the "Regulations for Evaluating the Performance of the Board of Directors" each year. In addition, an external independent professional institution or a panel of external experts and scholars shall be appointed to conduct the Board Performance Evaluation at least once every 3 years. The Company has appointed an external professional and independent institution for the 2019 performance evaluation of the Board of Directors in 2020. The 2020 self-evaluation of the Board of Directors was also completed before the end of the first quarter of 2021. The overall performance of the Board of Directors was deemed as effective.



Strategic Steering Committee

- Delta Electronics Board of Directors' members and operations team jointly formed an operations strategy management committee that regularly holds strategy meetings to analyze and discuss material issues of the Company.
- Every year, the Independent Directors and global regional managers participate in strategy meetings on the Company's institutions, regions, and technology. These meetings adjust strategic development and improve operational performance in response to market changes and rapid technological progress.



Compensation Committee

- Delta created the Remuneration Committee to facilitate the link between the compensation of Directors and managers and the corporate operations performance to decide the ratio of dividend distribution. The Committee gives compensation policy suggestions based on industry competition, corporate operations performance, and the market rate to construct a company-level compensation policy.
- Delta participates in industry and consulting company salary surveys and evaluates how Delta's compensation compares with the current market.
- Delta based its incentive system on specific compensation issues with the help of external HR consulting firms
- Annual employee dividends amounts are determined after the Board of Directors agrees with the suggestions of the Shareholders Meeting and are published in the Company's annual reports.



Audit Committee

- The Company set up an Audit Committee which is composed of all Independent Directors in accordance with regulations. Meetings are convened at least once each quarter and ad-hoc meetings are held whenever necessary. The Audit Committee performed key tasks in 2020 including supervising of the Company's financial statements, choosing accountants for their independence, effectively implementing internal controls, ensuring that the Company follows relevant laws and regulations, and assessing possible and potential risks to the Company. Meetings of the Audit Committee are convened at least once every quarter and 5 meetings were held in 2020, with an average attendance rate of 95%.
- Besides submitting the audit report to each Independent Director on a monthly basis, the Supervisor of the Internal Audit Department is also responsible for reporting any material internal control findings to the Audit Committee and meetings of the Board of Directors. The Independent Directors discuss the important findings in the Company's internal control and management with only the internal audit manager, and discuss the governance matters in the Company's audited or certified consolidated financial reports (annual reports and individual financial statements) with the CPA, at least once every quarter. Related communication status including the methods, items, and results of communication are disclosed on the Company's website under "Communication between Independent Directors, the Chief Internal Auditors and CPAs".

Corporate Governance Officer

- The Company's Board of Directors resolved on April 29, 2019 to create the post of the Corporate Governance Officer and assigned the Director of the Company's Finance Department to fill the role. The Corporate Governance Officer must have at least 3 years of experience as a manager of stock affairs and corporate governance in public companies.
- The Company's Corporate Governance Officer has implemented related operations for the duties of the office in 2020 (1. matters related to the meetings of the Board of Directors and shareholders' meetings; 2. preparation of the minutes of board meetings and shareholders' meetings; 3. assistance in the appointment and continuing education of Directors; 4. provision of the information necessary for Directors to conduct business; 5. assistance for Directors in legal compliance; and, 6. other matters stipulated in the Articles of Incorporation or the contract). The Corporate Governance Officer completed 30 hours of continuing education from the date of appointment to 2020.

Reports of Materials Issues to the Board of Directors

Risk Management Policy:

The Company's Board of Directors passed the "Delta Risk Management Policy" in 2020. The group has identified risks factors including strategic, operational, financial, hazardous events and compliance. Responsibility of departments for each risk factor is identified, and each department shall implement a sound risk management mechanism. The CEO or an individual designated by the CEO reports the Company's risk management operations to the Board of Directors once a year.

In response to the COVID-19 epidemic, Delta's management team established the Global Disease Prevention Command Center at the end of January 2020 and quickly announced the "Delta COVID-19 Disease Prevention Plan" to all manufacturing plants and operations across the globe. We also created regional disease prevention teams in Mainland China, Southeast Asia, Northeast Asia, Europe, and the Americas. The highest-ranking officers in the region served as the commanders of the teams. Delta's Global Disease Prevention Command Center actively monitored the development of the epidemic and helped all

regions across the world implement active disease prevention measures. The Commander in Chief reports the overall development of the COVID-19 epidemic across the world, number of employees tested positive, and disease prevention materials in each meeting of the Board.

Information Security Management:

Delta has created an information security management structure and adopted rigorous information security systems and comprehensive information security management procedures. The Chief Information Officer periodically reports the information security implementation results to the Board of Directors each year. The Chief Information Officer reported Delta's information security implementation status and future plans to the Board of Directors on July 29, 2020 and the report included 4 major topics: (1) common attacks and threats against companies, (2) Delta's information security strategy, (3) improvement of employees' information security awareness, and (4) enhancement of information security infrastructure.

Intellectual Property Management:

The Company is committed to the development of advanced technologies and improvement of product competitive advantages. We created a smart property management system to protect the R&D results and reduce operational risks, and provide guidance for decision making and execution for all Delta units when they process intellectual properties. In addition, we applied for trademark registration for the Company's brand and main business logos within the marketing scope to protect the Company's brand value and ensure comprehensive protection of the Company's brand. The Company reported intellectual property matters to the Board of Directors on October 28, 2020.

4.2.2 Ethical Corporate Management

Ethical corporate management is a core value of Delta and is part of its corporate DNA. It is deeply rooted in Delta's corporate culture and systems. In 2020, Delta amended the Corporate Governance Best Practice Principles and assigned the Human Resources Division to take charge of implementation. The Human Resources Division and the Legal Affairs and Intellectual Property Division are jointly responsible for the establishment

of the ethical corporate management policies and the Auditing Division is responsible for supervising its implementation. They ensure that the Company prevents unethical conduct, regularly review implementation results, and continue to make improvements for the implementation of ethical corporate management policies.

Establishment of the Ethical Corporate Management Policy System

Actions to Prevent:

1. Offering and acceptance of bribes
2. Making illegal political donations

Preventive Measures:

3. Improper charitable donations or sponsorship
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights
6. Engaging in unfair competitive practices
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services

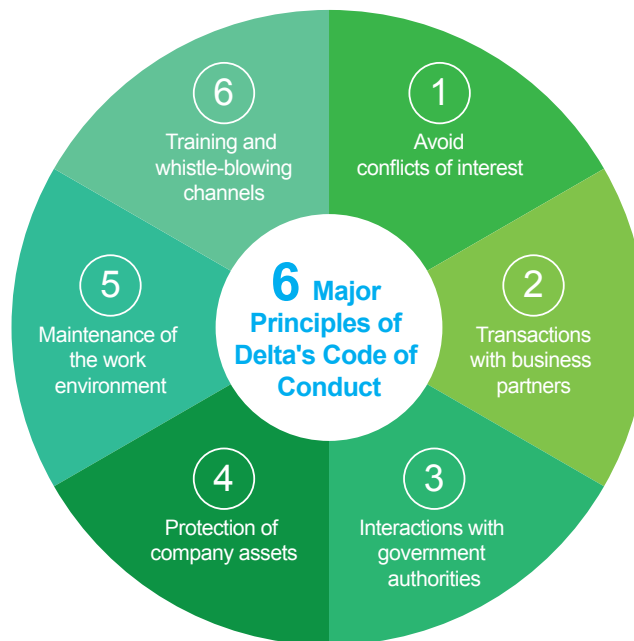
Regulations and Measures	Effectiveness
Delta Group of Conduct	Governs all Delta Members and establishes standard operating procedures and a code of conduct for ethical behavior.
Signature of the Fiduciary Duties and Integrity Clauses	New employees are required to sign the fiduciary duties and integrity clauses.
Reporting Conflicts of Interest	To implement the Code of Conduct and avoid conflicts of interest, all current employees are required to report conflicts of interest. 8,515 employees actively completed the report or provided records of kinship relations this year.
Fair Competition Principle	Comply with all laws and regulations of countries in which the Company operates and conducts business including the, competition laws, laws, and other laws established to promote fair competition and maintain trade order to maintain fair competition in the market.
Management Measures for the Job Rotation Regulation of Specific Positions	Delta established the job rotation mechanism for specific positions in Mainland China to reduce supplier management risks.
Management Measures for the Whistle-blowing System	The measures allow employees and other whistleblowers to report any illegal activities or violations of the Corporate Management Best Practice Principles. The Company maintains strict confidentiality of reported information to protect whistleblowers from retribution or inappropriate treatment
Management Measures for Reward and Discipline	Delta further regulated the disciplinary actions for the breaches of the Corporate Governance Best Practice Principles to clearly requested employees to comply with the principles.
Ethical Corporate Management Risk Assessment and Prevention Regulations	The Company implemented internal control self-assessments this year and requested business and functional units to fill out the risk assessment table totaling 33 items (the completion rate was 100%) and implement management measures. Delta also updated self-assessment documents in accordance with related internal and external audit information.
"Related Party Transaction Management Internal Control Operations"	These regulations provide suitable channels for Directors and executive managers to actively explain any potential conflict of interest with the Company.
"Insider Trading Prevention Management and Control Operations"	
"Procedures for Handling Material Inside Information"	

Ethical Corporate Management System

Ethical Corporate Management

- ✓ Training
- ✓ Supplier Management
- ✓ Audit and Whistleblowing
- ✓ Risk Assessment
- ✓ Code of Conduct
- ✓ Policies

Six Major Categories of Delta's Code of Conduct



In 2020, Delta did not have lawsuits and losses due to corruption, nor lawsuits and losses due to the violation of the competition law.

Implementing Ethical Corporate Management Training

- New employees take online courses on ethical corporate management on their first day in Delta to ensure they understand related requirements.
- Employees attend re-train courses each year and face-to-face ethical management courses held irregularly.
- Ethics and integrity are included in the evaluations of values and capabilities in employees' performance appraisal.

In the ethical corporate management courses this year, 58,705 participants completed training on Delta's Code of Conduct and the completion rate was 84.2%. 9,177 participants completed training Taiwan site and the completion rate was 95.7%. A total of 4,452 participants across the globe took part in face-to-face and online courses on ethical corporate management.



"Ethical Corporate Management Risk Assessment and Case Studies" course for Directors and senior executives in 2020

4.3 Innovation



Strategic Direction

- Innovative corporate culture
- Focus on enhancing the energy efficiency of core products
- Develop new technology and establish Delta Research Center

Commitments

Investment in innovation and R&D of > 8% of Delta's total revenue

KPI

Ratio of Innovation and R&D to Delta's Total Revenue

- **2020 Performance** Achieved
9.01%
- **2020 Target**
>8%
- **2021 Target**
>8%
- **2025 Target**
>8%



Key Initiatives for Alignment with SDGs

In response to the risks of global warming and climate change, Delta continues to invest in product R&D and technological innovation to contribute to humanity's sustainable survival and development. Delta's corporate culture emphasizes innovative R&D and the Company has established R&D Centers across the world. We invested 9.01% of total revenue to R&D and innovation in 2020.



Delta's internal innovation mechanisms



Delta Research Center



Intellectual property rights applications and latest technology strategy activities

4.3.1 Delta's Internal Innovation Mechanisms

Delta Innovation Awards

To reward outstanding accomplishments and to cultivate a culture of innovation, Delta established the Delta Innovation Awards in 2008, with the management team serving as members of the judging committee. The annual awards are designed to encourage employee innovation across the globe as well as to reward exceptional innovation. The 12th Innovation Awards in 2020 included four grand prizes for "Patents", "New Products," "Production," and "New Business Models and Processes." The "Patent" award included "Excellent Patent Planning," "Outstanding Contribution Award," and the "Elite Designer Award."

These awards are designed to recognize individual and team development and to establish patent planning for commercial value. Employees from across the globe filed 51 projects for the "Delta Innovation Awards" this year. The number of submissions was the highest in history and it demonstrated Delta's sustained commitment and capabilities for "innovation" across the world. In the final round, the judges decided to present the highest awards to 6 teams and 13 individuals. As of the end of 2020, 69 teams and 45 individual awards have been presented with over 2.2 MUSD in incentives.

Idea Bank

Beyond improvements in energy savings, our main plants also continue to implement green production measures in the processes of optimization, automation, process simplification, jig optimization, and logistics improvements. At the same time, 6 Sigma projects have been combined to actively advance R&D and process innovation. For example, the Idea Bank was set up at Delta's Wujiang Plant in China to encourage the proposal of innovation improvements, which in turn enhance overall productivity. A total of 2,110 innovative ideas were proposed in Wujiang and Wuhu plants in China in 2020 and rewards totaling 7,871 USD were distributed for savings amounting to 623,000 USD.

With regard to proposed improvements for main plants in China, 314 proposals were filed in 2020 and 312 cases were completed. The implementation rate was 99.4% and overall benefits amounted to 6.22 MUSD. The table below contains statistics for green production benefits* in main production plants in China.



Due to the impact of the COVID-19 epidemic, the 12th Delta Innovation Award ceremony was hosted online.

Statistics on Green Production Benefits in Plants in China

Project Type	Improvement Measure	2018	2019	2020
Automation control	Introduction of Delta Smart Manufacturing (DSM) equipment and Product Quality Management (PQM) system	18.3	13.2	6.17
Process optimization	Tool optimization and management system	16.4	1.2	0.04
Process simplification	Smart logistics	2.5	1.5	0
Tool optimization	Process simplification and refurbishment	0.9	0	0
Logistics improvements	Comprehensive Lean Six Sigma (LSS) improvements	0.9	1.8	0.01
Total savings and benefits (MUSD)		39.0	17.7	6.22

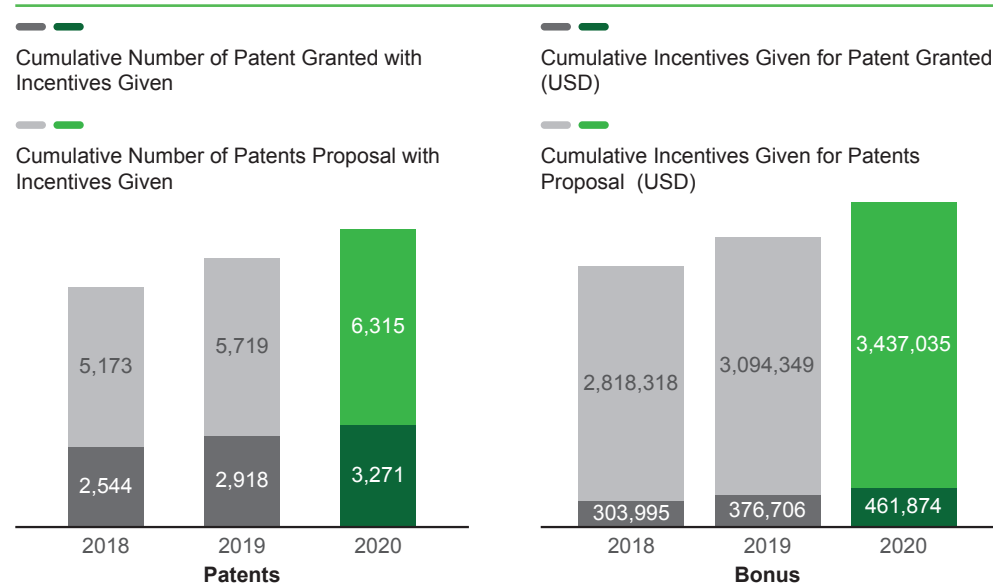
* The calculation of benefits takes into account manpower, wages, and cost savings before and after the implementation of improvements.

4.3.2 Intellectual Property Rights Applications and Latest Technology Strategy Activities

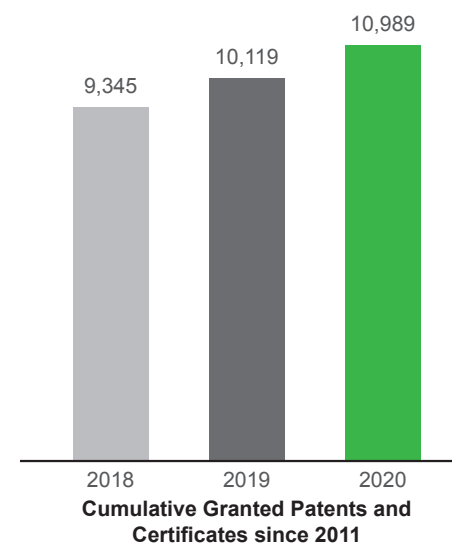
Patent Applications and Awards

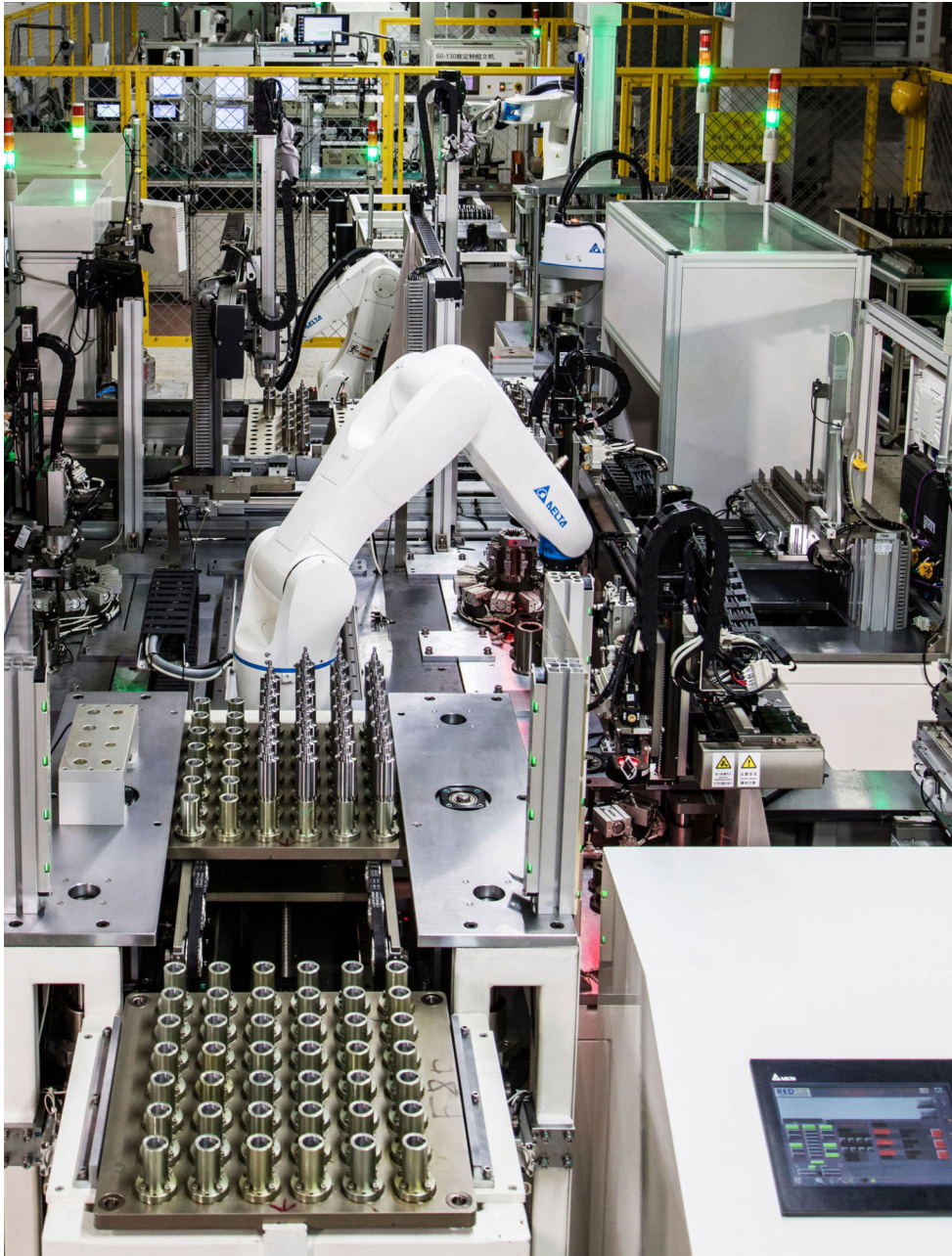
To encourage employees to focus on R&D and proactively apply for patents from patent offices in Taiwan and other countries of the WTO, Delta has established Intellectual Property (IP) Patent Incentive System Procedures and assisted its businesses in compiling a risk map for IP rights. As of 2020, a total of 10,989 patents have been approved.

Total Number of Patents



Total Number of Granted Patents and Certificates





4.3.3 Delta Research Center

Delta Research Center was established in 2013. Under the leadership of the Chief Technology Officer, the Center focuses on smart manufacturing, digital collaboration, and life sciences, and develops a wide range of integrated smart solutions for software and hardware that support the innovation and transformation of companies and partners in the ecosystem. Delta Research Center established R&D Centers, Integration Centers, and Test & Verification Centers in Beijing, Xi'an, Wuhan, Taipei, Tainan, and Singapore to be close to industrial centers. We use applications and feedback from the market to continue to optimize core technologies and create market value with technologies.

The Center works closely with industries, government, academia, and research institutions, and compiles information based on different viewpoints of each sector to support the future development of the industry. Delta actively participates in associations and industry organizations to support policies and establish standard regulations. In addition, we also work with renowned universities across the world such as National Taiwan University, Tsing Hua University, Peking University, Hubei University of Technology, Nanyang Technological University, and Singapore Polytechnic. We have implemented multiple industrial-academic research programs to pass down knowledge in the industry, train professional AI and smart manufacturing talents, and uncover a wide range of research targets. In response to rapid changes, Delta Research Center maintains an open attitude and continues to work with partners in the ecosystem for joint development of the industry.

Technology Strategy Meetings and Forums

Delta organizes regular technology strategy meetings and technology forums to learn the latest technologies and connect with the world. The most important new technology forums and technology strategy meetings are described below:

Statistics of Important New Technology Forums and Technology Strategy Meetings

Type	Event	Purpose	Number of Participants	Sessions
Technology Forum	Cloud Activation of Smart Future - Hsinchu Science Park Bureau Cross-Sector Innovative Technology Forum	Delta shared its cloud and edge computing solutions and success stories in the Cross-Sector Innovative Technology Forum organized by the Hsinchu Science Park Bureau.	150+	1 round
	Smart Manufacturing of the Future Forum - PCB and the Rebirth of Smart Manufacturing in the Electronics Industry	Delta was invited by the Taiwan IOT Technology and Industry Association (TwIoTA) to share case studies of Delta's incorporation of AI applications in the forum.	150+	1 round
	China Enterprise IT Award (CEIA) Summit	Participated in the China Enterprise IT Award (CEIA) Summit in Beijing to discuss smart manufacturing, digital transformation, and practical operations in the electronics industry in the post-pandemic world	300+	1 round
	2nd Medical Equipment Development Summit	Participated in the 2nd Medical Equipment Development Summit and online exhibition of key components to analyze technologies in related industries with experts	100+	1 round
	Alliance of Industrial Internet Conference and Alliance Renewal Conference in Beijing	Technical exchanges in the Industrial Internet Conference in Beijing to share smart manufacturing applications and visions	100+	1 round
	China Software Testing Center Annual Technology Conference	Exchanged ideas in the China Software Testing Center Annual Technology Conference and shared AI applications in smart manufacturing	150+	1 round
Technology Strategy Meeting	Technology Strategy Meeting	Communicated and discussed the latest DRC technologies and strategies with Delta's internal departments	150+	1 round over 2 days
	NTU Research Project Workshop / Meeting	Organized technology R&D discussions and published results of industrial-academic cooperation with NTU professors	100+	2 rounds over 2 days
	13 th , 14 th , and 15 th Working Group Meetings of the Alliance of Industrial Internet (All) in China and participation in the Industrial Internet Achievements Exhibition	Participation in meetings of the Alliance of Industrial Internet to discuss technologies with experts in attendance	800+	4 rounds over 4 days
	Fujian-Taiwan Joint Technology Training Program for Teachers of Science and Technology organized by Fujian Province	Participated in the Fujian-Taiwan Joint Technology Training Program for teachers of science and technology to discuss artificial intelligence and smart manufacturing	160+	4 rounds over 3 days

4.4 Transcending Customer Expectations



Strategic Direction

Strengthen product functionality and service based on gap analysis of client satisfaction to increase client's trust in Delta's products.

Commitments

By integrating its core competency in power and electronics and developing advanced energy conservation technology, Delta provides cleaner, more effective, and more reliable thermal power solutions to conserve more energy for its customers. The Company also focuses on reducing resource consumption and greenhouse gas emissions to create more value for customers.

Key Initiatives for Alignment with SDGs



Help brand customers develop products and participate in iconic exhibitions to promote Delta's solutions

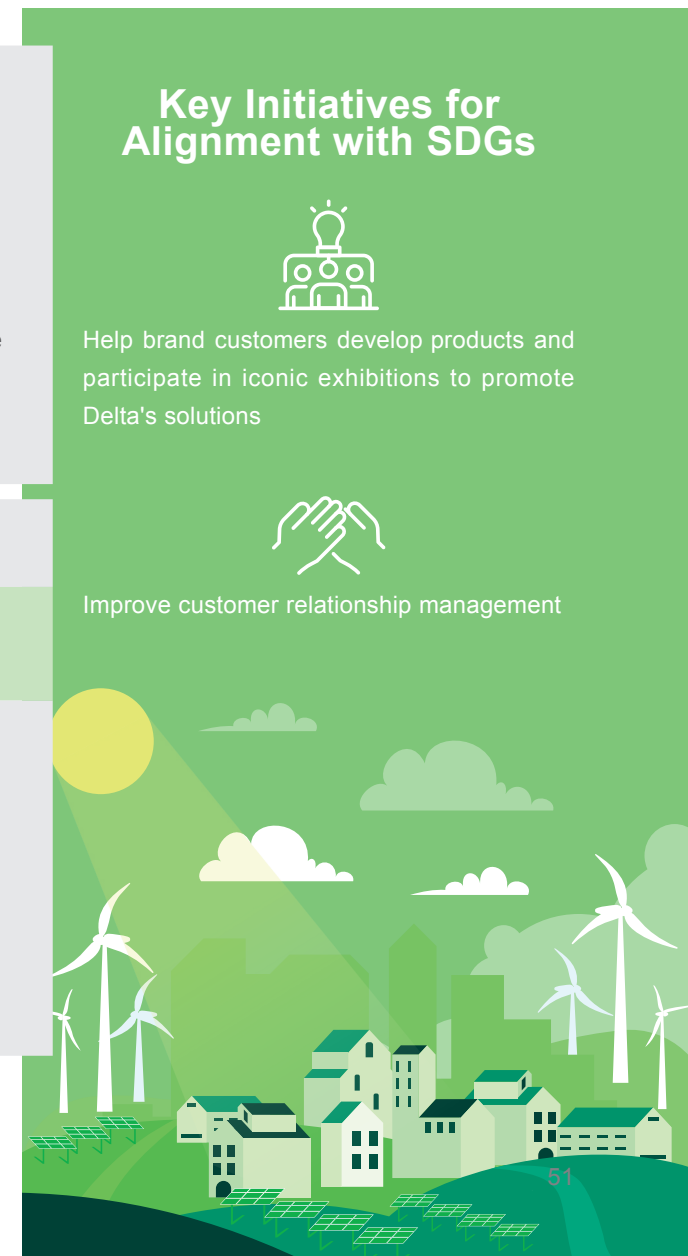


Improve customer relationship management

KPI

Customer Satisfaction Score ^{*1}	Ratio of Total Customers Using Online Services Solutions/Sales Platform ^{*1}	Ratio of Revenues Generated Online ^{*1}
<ul style="list-style-type: none"> 2020 Performance Achieved 87.3 2020 Target 87 2021 Target 88 2025 Target 90 	<ul style="list-style-type: none"> 2020 Performance Achieved 98.81 2020 Target 98 2021 Target 98 2025 Target 99 	<ul style="list-style-type: none"> 2020 Performance Achieved 99.84 2020 Target 99 2021 Target 99 2025 Target 99

* 1 Main targets of the survey consisted of customers who accounted for the top 80% of procurement from Delta in 2020



4.4.1 Collaborative Development and Participation in Iconic Exhibitions

Delta uses efficient power management solutions, cooling system solutions, and green data center solutions to attract customers for the brand and jointly develop next-generation energy-saving products. For instance, Delta assisted Dell in the development of the 80 Plus titanium-grade server power supply (with an average efficiency level of 96%). Delta participated in Facebook's "Open Compute Project" for research into a 227V power supply with 94.5% efficiency.

Delta also participated in several international exhibitions such as the Hannover Messe, China International Industry Fair (CIIF), Consumer Electronics Show (CES), and COMPUTEX. We interact closely with customers to promote Delta's latest energy-efficient products, solutions, and innovative technologies and help customers enhance their competitiveness in the industry. Delta also fully utilizes the advantages of our green energy and energy-saving products for full system integration. Our environmental exhibitions and green buildings attract customers to come for consultation regarding energy-saving and carbon reduction business opportunities.

Delta EV Charging Station Yokohama: Creation of a Brand-New Green Energy Business Model

Delta and Idemitsu Kosan, an energy company in Japan, created the "Delta EV Charging Station Yokohama" which made use of microgrid applications and smart energy management and was selected by the Climate Change Policy Headquarters, City of Yokohama as a partner site for municipal disaster response.

We used the DeltaGrid® energy IoT solution and integrated Delta's commercial energy storage system and EV charging and discharging functions to provide electricity use strategies and allocate energy based on different electricity demands. We also connected the EZQC App EV charging payment system and the first Delta subsidiary brand Innergie boutique coffee shop — Innergie CAFÉ — to provide business and retail IoT solutions and other commercial applications. We thus created a new business model for the charging station that meets green energy development trends.



Idemitsu Kosan Director Atsuhiko Hirano (right) and General Manager Chin-Hsing Ko of Delta Japan unveil the EV Charging Station Yokohama

New Taipei City Energy Conservation PFI Project: Long-Term Partner for Smart City Infrastructure

In 2014, Delta won the Private Finance Initiative (PFI) project for phase 1 energy-saving street light replacement and maintenance in 13 administrative regions in northern New Taipei City. This year, Delta won the 10-year phase 2 project for the same regions and will replace approximately 110,000 street lights in the area. The project is expected to reduce electricity expenditures by approximately NT\$150 million for New Taipei City over a period of 10 years.

A total of 8,500 street lights are located in areas where it is difficult to file maintenance reports. They are thus upgraded to smart street lights that connect to the Internet and the city government's real-time management system to improve their maintenance efficiency. The advanced smart shared pole design suitable for diverse applications can be used for future expansion of comprehensive smart city infrastructure.

Delta began developing the smart LED street light project in 2010 and won the largest PFI project at the time — New Taipei City energy-saving street light replacement and maintenance project in 2014, which has saved approximately 1.11 billion kWh for New Taipei City over 6 years.



Delta won the Phase 2 PFI Project for energy-saving street lights in northern New Taipei City to provide energy-saving street light replacement and maintenance services for the next 10 years

4.4.2 Improving Customer Relationship Management

Customer Satisfaction Survey

Delta has sought to achieve a deep understanding of customer requirements and issues through observation of user operating environments and usage habits. We seek constant improvement to find the most appropriate solutions, and make it a point to gather the responses of customers and end users through focus groups, individual interviews, and online questionnaires. The results are given an in-depth analysis of their needs and expectations, which is then used to improve the basis for technology research and development, system design, and program development.

Delta gladly accepts customers' quarterly business reviews (QBR), while taking the initiative to issue questionnaires on customer satisfaction. We then continue our improvements based on customer feedback. Delta engineers are encouraged to communicate directly with customers. This allows engineers to understand customer issues at the product design phase, while also gaining an accurate understanding of end-market demands and exceeding customer expectations through consultations and recruiting experts from a variety of industries.

To achieve an in-depth understanding of customer satisfaction with Delta's products and services, we organize annual customer satisfaction surveys and use the results of the evaluation and surveys as an important basis for improving customer relations. We analyze surveys for intensified interactions with customers to explore potential market opportunities and improve product design to meet customer demands and build win-win cooperation.

The main targets of the survey consisted of customers who accounted for the top 80% of procurement from Delta in 2020. We distributed customer satisfaction questionnaires and accepted customers' QBR. We sent 156 questionnaires and recovered 106 copies with a recovery rate of 67.9%, and then calculated that the average satisfaction rating for customers in 2020 was 87.3 points, which met the target of 87 points. Due to the impact of the COVID-19 epidemic, the coverage rate this year was lower than the coverage rate in 2019. Many new customers in new markets have appeared as Industry 4.0 progresses. There have been significant changes in customer industry types and Delta has noted the potential for Internet and telecommunication customers. To collect feedback from these potential customers, we will change the customer satisfaction questionnaire from letters to an online customer satisfaction survey starting from the 4th quarter of 2021. The customers that we have engaged in transactions in the current year will be included as targets of surveys. We seek to systematically expand the scope of the survey, explore the true causes of customer dissatisfaction, uncover potential demand, and identify more opportunities for providing services to customers. In China, for example, at the 17th Data Center Infrastructure Technology Summit and User Satisfaction Survey Announcement Conference in 2020, Delta

won awards such as: User Satisfaction Brands Award for ten consecutive years, Satisfaction Brand Award, and Technological Innovation Award.

Distributor and ASP Service ISO 9000 Quality Certification

Delta seeks to maximize customer satisfaction. To provide customers with consistent services, we ensure that both authorized service partners (ASPs) and authorized distributors have the same quality management capabilities as Delta. Delta started to communicate its quality management policy to existing distributors and ASPs in 2020 to ensure that the services and operations of ASPs and distributors are consistent with Delta standards for providing customers with good service quality.

As of 2020, Delta has implemented operation standard surveys based on ISO 9000 standards on existing distributors and ASPs. The results showed that 20.6% of the distributors had obtained ISO 9000 certification and we aim to increase the compliance rate of ISO 9000 operation standard each year. We will use incentives, audits, and evaluation systems for distributors to include ISO 9000 compliance into the criteria for new partnerships in 2021. We will also implement an ISO 9000 Quality System Audit (QSA) on existing ASPs and our aim is to reach 35% by 2021.



Customer Communication Channels and Customer Service Knowledge Platform

To maintain customer interest, Delta provides a variety of communication channels to customers. This includes our official website, service hotline, and email. Pursuant to customer feedback and quality websites, Delta's business units have stipulated administrative mechanisms to process the issues appropriately. For example, in Mainland China, the Delta subsidiary Delta Greentech has already constructed 48 subsidiary offices and service centers, which allow our technical personnel to respond to customer inquiries within 2 hours and provide required services within 48 hours.

To provide customer service personnel with even more comprehensive professional capabilities, we have established a customer knowledge platform that accumulates technical product information, project opinions, accident analyses, and professional repair experience information, and have provided employees

with reference exchanges. Realizing the strong market potential of Mainland China and India, Delta has established an ERP customer relationship management system. This system utilizes previous efficient, effective, and high-quality customer interactions to anticipate customer demands and exceed their expectations.

Our distribution partners across the world have become Delta's global market vanguard. With our industrial automation products, we have over 1,500 distributors across 5 continents that help provide customer business consulting services, product installation, technical support, product training, and other services, all of which effectively convey Delta's brand value and corporate mission. We regularly hold activities with our distributors, including those in India, North America, South America, Mainland China, and Europe. To maintain close relationships, we share with our distributors overall market trends, product planning, and after-sales service, and reward outstanding sales partners. No material client grievances or complaints occurred for Delta in 2020.

Client Confidential Information Protection

To ensure effective customer information management through a single system, we implement strict authorization management and control strategies and procedures for customer access. We deployed related data loss prevention (DLP) software across the world and executed related measures required by ISO 27001. We obtained ISO 27001 Information Security Information Certification in 2018.

4.5 Supplier Sustainability Management



Strategic Direction

- Establish short and medium-term objectives and formulate specific measures for effective promotion and implementation
- Regularly identify high-risk suppliers and request them to conduct audits and implement improvements within specified deadlines and lower risks to medium or low risk levels
- Comply with the Supply Chain ESG Policy and implement the corporate mission of "To provide innovative, clean and energy-efficient solutions for a better tomorrow"

Commitments

Delta views its suppliers as long-term partners. We believe that competitive quality, technology, delivery and cost are also requirements for a supplier. However, we will also place great value on aspects such as governance, the environment, and society, so that suppliers become partners in our promotion of the sustainable development of the value chain.

Key Initiatives for Alignment with SDGs



Localized management



Supplier certification and risk management



Supplier sustainability engagement

KPI

Tier1 Supplier ESG Survey Response Rate

- **2018 Performance** Achieved
60%
- **2019 Performance** Achieved
67%
- **2020 Performance** Achieved
73%
- **2020 Target**
70%
- **2021 Target**
80%
- **2025 Target**
95%

Supplier Improvement Rate

- **2018 Performance**
72%
- **2019 Performance**
83%
- **2020 Performance**
84%
- **2020 Target**
80%
- **2021 Target**
80%
- **2025 Target**
85%

Cumulative No. of Suppliers under the ESG Coaching Program

- **2018 Performance**
8
- **2019 Performance**
8
- **2020 Performance**
24
- **2020 Target**
24
- **2021 Target**
30
- **2025 Target**
80



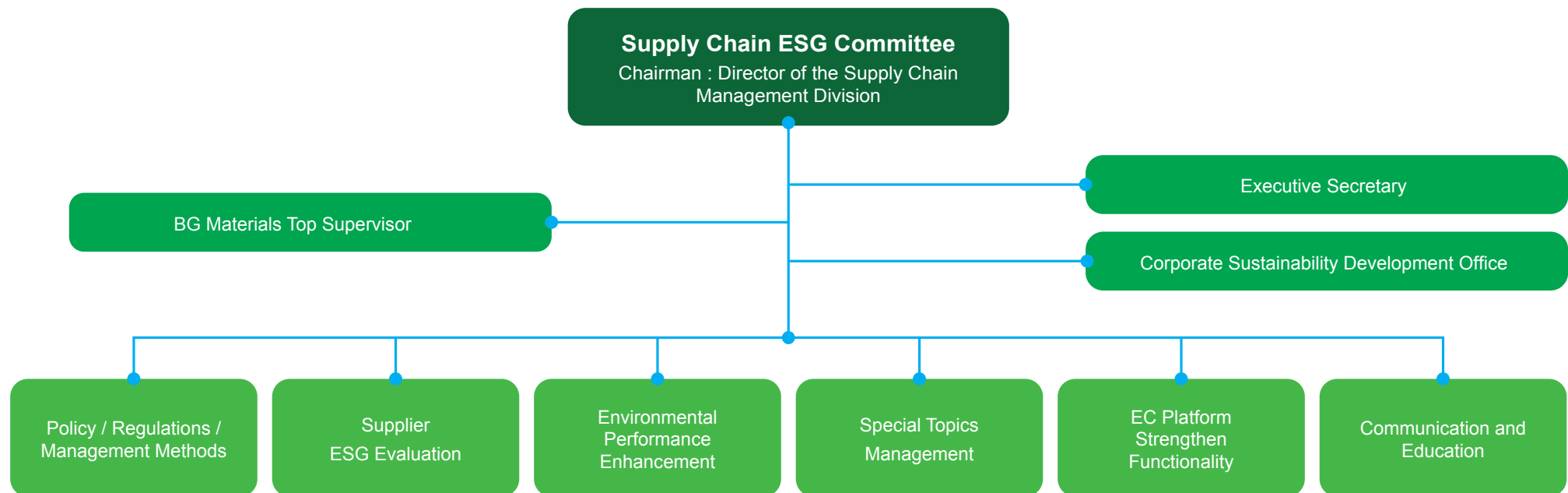
4.5.1 Overall Measures for Supplier Sustainability Management

Delta Supply Chain

Suppliers work with Delta as our most important strategic cooperation partners. In addition to providing customers with valuable products and services, we also focus on social and environmental values by actively fulfilling our corporate mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow" as we work toward creating a sustainable supply chain. Delta jointly bears social and environmental obligations with the supply chain on the basis of cooperation. Delta's suppliers include suppliers of materials/components, agents, and contractors. Manufacturing suppliers are located in the regions of Delta's main production sites including Mainland China, Taiwan, Thailand, and other countries.

Supply Chain ESG Committee

The Company established the Supply Chain ESG Committee to effectively implement sustainable management for the supply chain and integrate Delta's global procurement systems. The Committee is chaired by the Director of the Supply Chain Management Division and members are comprised of procurement managers of business groups. The Committee assigned an executive secretary to take charge of planning and implementing project activities and the Corporate Sustainability Development Office serves as the consulting team. The 6 major project categories include "amendment of rules/management regulations", "supplier evaluation", "procurement platform function enhancement", "waste reduction management", "communication and education", and "special issue management". We convene the Committee regularly to promote projects and review progress.



Supply Chain Management Procedures

Delta's supply chain management includes selection and recognition of new suppliers, continuous ESG risk management, and performance evaluation. The targets include suppliers of materials / components, agents, and contractors.

Stage 1

Selection and Recognition of New Suppliers

New material suppliers must have ISO 9001 certification and meet requirements for environmental management substances. We encourage suppliers to obtain ISO 14001 certification. Only suppliers that pass onsite audits for procurement, quality, technology, and hazardous substances can become official suppliers of Delta.

Delta's procurement contracts include product liability and confidentiality clauses as well as the Supplier Code of Conduct- Responsible Business Alliance (RBA) Code of Conduct on environmental protection, conflict minerals, fair competition, and anti-trust.

Stage 2

Continuous ESG Risk Management

Delta continues to implement tiered management of suppliers. We use survey forms and documents for the first round of document audit to investigate potential risks of the supplier in labor, health and safety, environment, ethical conduct, and management systems, and evaluate the ESG risk ratings and ESG capability ratings. We also distribute the survey form for conflict minerals to complete our due diligence investigation for conflict minerals in the supply chain.

We use the risk map to identify high-risk suppliers. Delta uses systematic tracking, on-site audits, and requests for improvement based on the categories of high-risk issues and the level of urgency. Delta will make use of its extensive ESG experience to create training materials to be shared with critical suppliers.

Stage 3

Performance Evaluation

To incorporate ESG sustainability performance as incentives, Delta implements the Quarterly Business Review (QBR) for technology, quality, service, lead time, and cost, and selects the Most Valuable Partner (MVP) and Most Improved Partner (MIP) based on the suppliers' ESG risk rating and capabilities. We seek to use the influence of the Delta brand to power the continuous improvement of our supply chain.

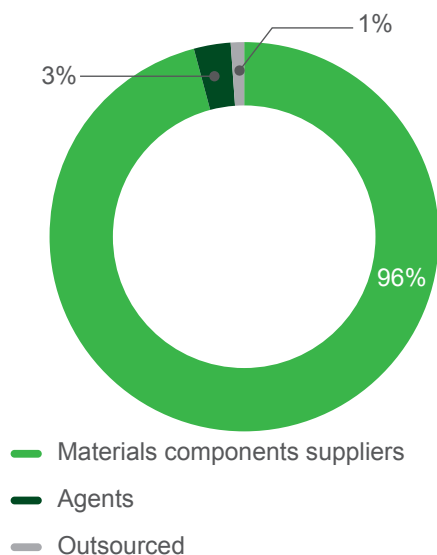
4.5.2 Ratio of Localized Procurement and Materials

Localized Management

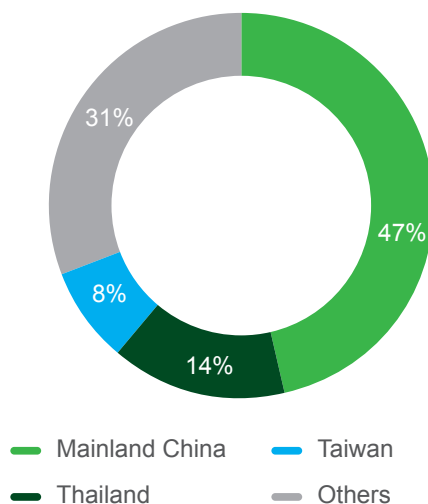
Delta's products and services cover 3 major areas including Power Electronics, Automation, and Infrastructure. Delta's suppliers are divided into 3 types: production-related direct materials, non-production-related indirect materials, and labor. For historical purchasing expenditures, direct materials constitute the major proportion, accounting for 96% in 2020. There are 3 types of direct material suppliers: raw material or component suppliers, agents, and outsourced suppliers. High-volume suppliers, critical component suppliers, non-substitutable suppliers, and suppliers who provide materials for cross business groups are defined as critical suppliers.

In recent years, Delta has focused on R&D and innovation of core technology and products, and the Company has rapidly expanded its role as a solution provider through M&A and by integrating its own professional competencies. The scale of Delta's supply chain continues to expand. The percentages of global and local procurement of direct materials for major production sites in Mainland China, Taiwan, and Thailand are shown in the table below.

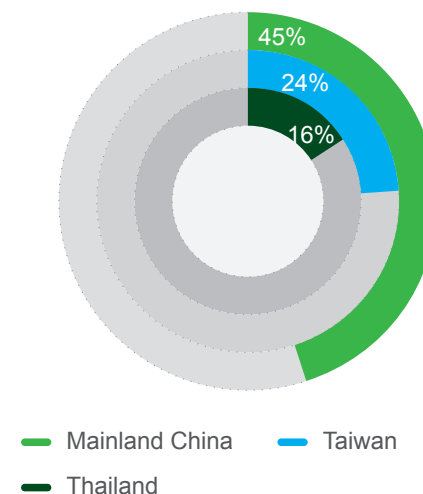
Types and Procurement Ratio of Direct Material Suppliers



Distribution of Global Procurement Rate



Localized Procurement Distribution Rate *



* Local procurement refers to the procurement of products made by suppliers' plants in the same country as the Delta plant that uses the products.

Materials Management

The main materials used by Delta include: metals, plastics, chemicals, packaging or buffer packaging materials, and other materials. Renewable materials accounted for 32% of the weight of wooden boxes, pallets and cartons in 2020. Recycled paper accounted for 96% of all paper packaging materials. Based on the weight of procured materials in 2020, metal materials accounted for approximately 63.6%, packaging materials accounted for approximately 20.7%, plastic materials accounted for approximately 14.1%, organic solvents accounted for approximately 1.1%, and other materials accounted for approximately 0.5%.

4.5.3 Supplier ESG Risk Assessment and Due Diligence Research on Conflict Minerals

Supply Chain ESG Risks

Delta has referred to the Responsible Business Alliance (RBA) Code of Conduct as our main framework and uses labor, occupational health and safety, environment, ethics, and management systems to promote the sustainable development of suppliers. We use the "Delta Supplier Code of Conduct" as an important guide to encourage compliance by suppliers.

Delta uses the "Delta Supplier Annual ESG Management Survey" for management and risk assessment to learn about the suppliers' RBA implementation and possibilities for promoting sustainable development, and identify possible opportunities. The distribution targets are tier 1 suppliers with whom we have continuous transactions including product manufacturers, branch companies of manufacturers, external processing manufacturers, agents, and service companies. Due to the high number of suppliers, Delta completes the survey for all targets over a period of 3 years.

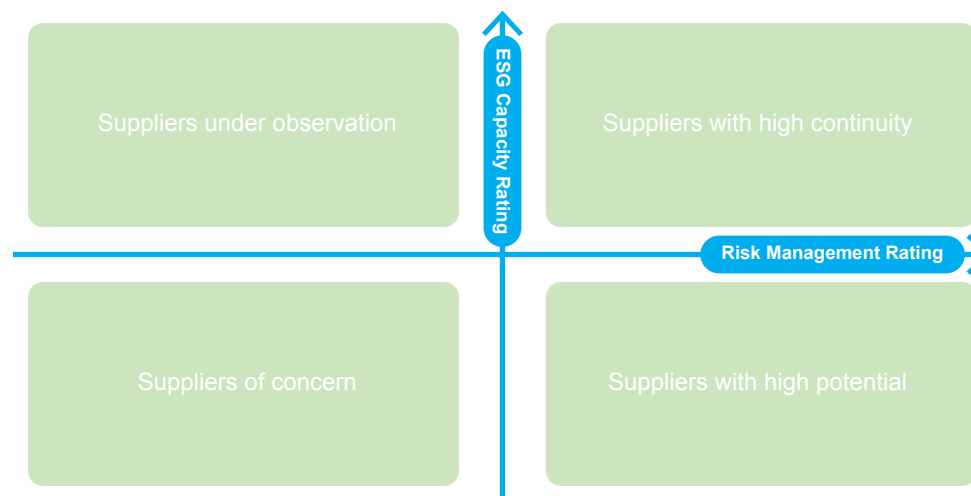
The "Delta 2020 Supplier ESG Management Survey" included labor, occupational health and safety, environment, ethics, and management systems. We designed the

questionnaires based on the nature of suppliers, RBA high-risk issues, and subsequent management goals. We also provide the survey in traditional Chinese, simplified Chinese, English, and Thai. Delta's Supply Chain ESG Committee also organized webinars to communicate directly with suppliers and help them understand Delta's expectations, the importance of ESG, and requirements of the questions.

Analysis and Results of the 2020 Questionnaire

The total response rate of the 2020 ESG Management Survey was 73%. According to the analysis results of the ESG levels, 46% of the suppliers are highly sustainable, which means that these suppliers' risk management and ESG capabilities are at a higher level, belonging to the category of suppliers that Delta can further collaborate in the sustainability field; 23% of the suppliers are suppliers of great concern, which means that these suppliers' risk management and ESG capabilities are at a lower level, and they require special attention while Delta needs to take countermeasures accordingly. In addition, 8% of the suppliers are highly potential ones, which means that these suppliers have great risk management capability, but their ESG capability still need to be improved, so they can prioritized to receive Delta's counseling and guidance in the future.

Supplier Rating Distribution Table



Based on the analysis of the performance of risk management in various aspects, and the average percentage of deficiencies in the labor aspect is relatively high, and the average percentage of deficiencies in ethics is low, indicating that high-risk issues are mainly in the labor aspect. In addition, 15% of the suppliers failed to score a point points in this aspect, which covered issues, including the absence of human rights protection-related policies and employees' overtime hours. The Company will conduct follow-up and audit and request suppliers involved to submit a correction plan subsequently. The proportion of the suppliers who have introduced Validated Assessment Program (VAP) of the Responsible Business Alliance (RBA) on their own accounted for about 5.4% of the valid copies of questionnaires.

Conflict Minerals - Percentage and Distribution of Qualified Refineries by Country -

The Responsible Minerals Initiative (RMI) research discovered that the rebel groups in the Democratic Republic of Congo and neighboring countries in Central Africa use forced labor, child labor, and other illegal means to mine tantalum, tin, tungsten, gold, and cobalt, and sell them in exchange for weapons, thereby causing regional instability. Minerals obtained through illegal means are referred to as conflict minerals. These 5 minerals, known as 3T1G metals and cobalt, are important materials for electronic products.

According to this survey, in 2020, Delta's supply chain involved a total of 298 smelters. Of them, 289 are on the latest list of qualified smelters; 8 have been removed from the list by the Responsible Minerals Initiative (RMI) due to their termination of business; the other smelter has no complete information to verify. The suppliers involved have been required to confirm the information and make improvement within a time limit, and to switch to a qualified smelter.

We have analyzed the distribution of qualified smelters in the supply chain, mainly in Asia, followed by Europe.

Distribution of Qualified Smelters in the Supply Chain

Continent	Tungsten	Tin	Tantalum	Gold	Cobalt	Total
Asia	21	40	30	60	29	180
Europe	6	3	6	38	5	58
North America	6	3	4	10	1	24
South America	4	10	1	4	0	19
Africa	0	0	0	2	4	6
Australia	0	0	0	1	1	2
Total	37	56	41	115	40	289

4.5.4 Supplier Audit Based on RBA Principles

To lower ESG risks in the supply chain and to improve competitiveness, Delta began providing RBA audits and mentoring in 2012. RBA audit and mentoring are provided for high-risk critical suppliers. Critical suppliers are selected based on the performance of materials in inventory, production process, and overall user-end quality. In January each year, we make such choices based on the performance in quality, transaction volume, and environmental safety and health, or labor ethical risks and designate suppliers for key audits and improvements in the current year. As of 2020, Delta completed audits for 121 critical suppliers. Among the 50 critical suppliers for which audits were completed in 2020, follow-up inspections were completed for 50 suppliers. The audit rate of critical suppliers was 100%.

During Delta's supplier audits, a total of 1,088 items were found in EHS requiring improvement. Most of them were in particular management systems and occupational health management. In terms of labor ethics, a total of 536 items requiring improvement were found, mostly for particular management systems and overtime work.

Delta asks suppliers to provide detailed improvement plans in response to identified issues, based on a plant's actual status, within two weeks after receiving an audit report that includes the case closure date and the person responsible for case closure. The suppliers were required to respond to Delta based on the follow-up format in Delta's Audit Improvement Report. Delta sets follow-up dates for verifying the suppliers' improvement conditions to ensure the continuous improvement of their ESG operations. In addition, Delta provides experience in introducing and promoting Delta's ESG Management System as reference for suppliers. The supplier improvement rate with mentoring provided by Delta was 84% in 2020.

4.5.5 Supply Chain Environmental Performance and Water Risk Identification

Supply Chain Environmental Performance

To fulfill our corporate mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow," Delta continuously cooperates with suppliers to reduce carbon emissions. This not only lowers operational costs for both Delta and the supplier, but also increases the competitiveness of the entire supply chain.

Supplier Waste Reduction Partnership

Partnership Item	Abstract	Quantitative / Qualitative Results
Packaging Materials Recycling	Delta cooperates with major processing factories to recycle packaging materials such as EPE, paper, and more.	Take Dongguan and Wujiang plants as an example, in 2020, the recycling of packaging materials saved a total of US\$1.876 million, of which vacuum forming materials accounted for around 38%, spools around 29.5%, plastics and plastic pallets 12.2%, paper 11.5%, and plastic boxes around 8.7%. By quantity, 1.473 million pieces of vacuum forming materials and 1.03 million pieces of paper were saved.
Repetitive Use of Carriers (Plastic Frames)	Delta cooperates with local mechanism suppliers to use reusable carriers (plastic frames) for transporting plastic casings and materials in place of cardboard boxes.	For instance, Dongguan Plant, Wujiang Plant, and plants in Taiwan saved 2.076 million cardboard boxes in 2020, saving up to approximately 1.182 MUSD in packaging costs.
Pallet Recycling and Reuse	Delta works with local suppliers to use recycled foundations and battens of wooden pallets.	In the case of Dongguan Plant, Wujiang Plant, and plants in Taiwan, wood strings and wooden panels in pallets are recycled, saving 589,599 USD in pallet costs. Incentives for recycling totaled 14,000 USD and we recycled approximately 85,308 pallets.

Supplier Water Risk Identification and Management

Delta strengthens continuous operation management and risk identification to achieve sustainable cooperation with partners in the value chain. The main goal is to conduct in-depth analyses of the risks of supply chain interruptions caused by risks of droughts derived from climate change. To assess water resource risks in the supply chain caused by climate change, Delta targeted the top 80% key suppliers based on annual procurement value as targets for drought risk evaluations against the backdrop of climate change.

The supplier evaluations are conducted mainly in accordance with the 3 following risk factors. The risk assessment conclusion shall be used as the basis for Delta's business decisions. Delta shares its water conservation experience in Delta's own plants and green buildings with suppliers in water stressed areas. Delta assists suppliers in setting up water resource management and short, medium, and long-term response strategies to strengthen the sustainability of the value chain and enhance Delta's corporate sustainability.

- **Hazards:** The hazards of droughts are evaluated based on current conditions and the impact of climate change on the Standard Precipitation Index (SPI)
- **Exposure:** Rating based on the amount of purchases made from suppliers
- **Vulnerability:** Determined by the industry characteristics (sensitivity to water usage) of the supply chain

4.6 Information Security Management

Delta established an information security organization and information security policies to ensure the information security of Delta's IT infrastructure, information application systems, and products, and the data security of customers. Delta passed the regular review of the ISO 27001 information security certification in 2020.

Our goal for 2021 is to continue to improve information security of infrastructure and application systems and implement information security and personal data protection mechanisms including enhancing information classification and access control, improving employees' information security awareness, information security evaluation of supplier information, and maintenance of the ISO 27001 information security certification.

4.6.1 Information Security Organization

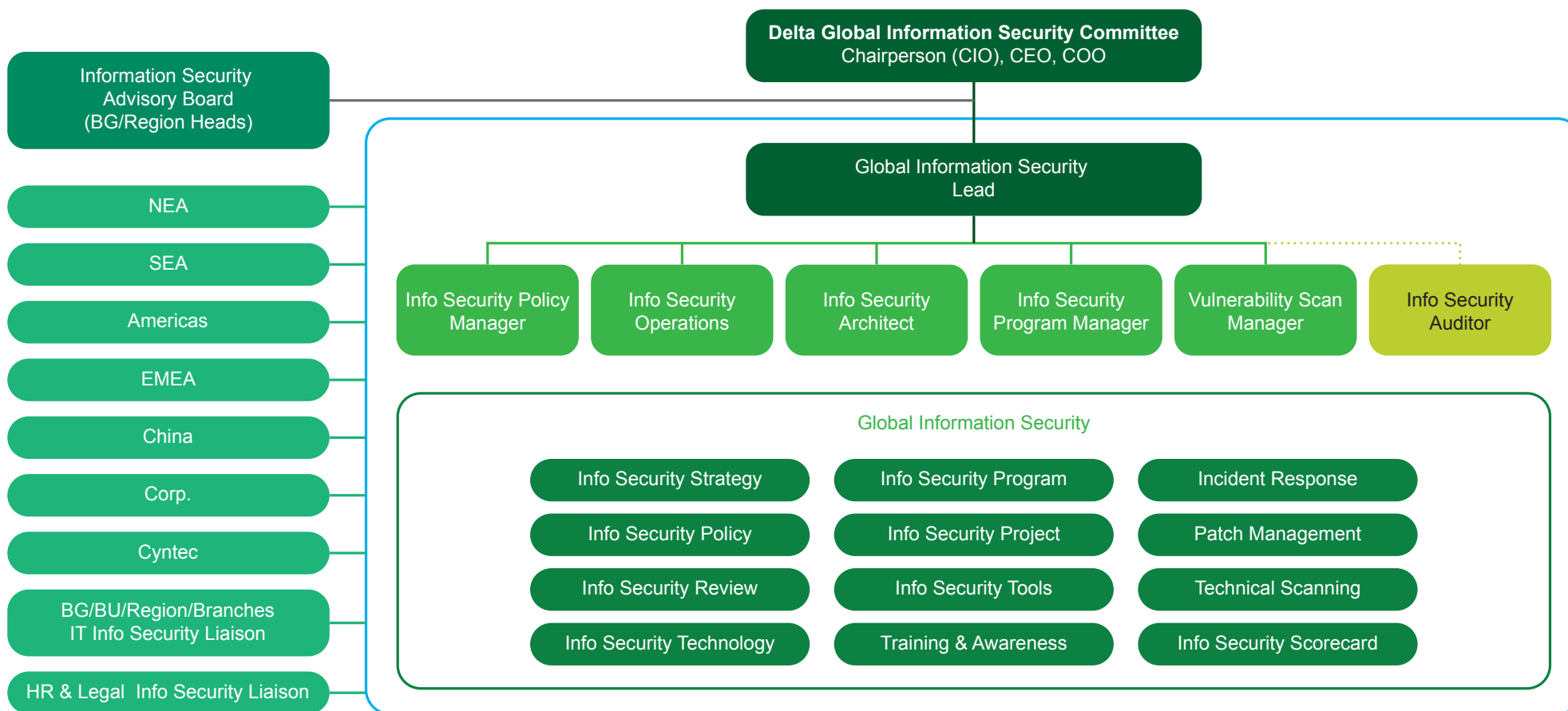
The Delta Information Security Team was established in November 2013 and the teams' current main tasks include information security policies, information security operations, information security architecture, information security projects, information vulnerability scanning, and information security audits.

Delta's information security organization is shown in the figure below. The top level is the Information Committee which includes board members such as the CEO and COO. They participate in the information security/network security strategy and evaluation process and provide guidance on IT security tasks for the Information Security Team members to fulfill objectives set forth in Delta's Information Security Policy.

4.6.2 Establishment of the Information Security Policy and Processing Procedures

The Information Security Team formulated Delta's Information Security Policy in November 2013. Delta began providing training on the Information Security Policy for global employees in 2014. The Policy mainly requires employees to pay attention to information security and avoid violations and included Internet Usage Policies, Company Email Usage Policies, Computer Usage Policies, Anti-Virus/DLP System Setup and Usage Policy, Handling and Security Procedures for Storage Media, Password Principles, Policies for Data Backup and Restoration, Incident Management Principles, Acceptable Use

Delta's Information Security Organization



of Mobile Devices, Encryption and Encryption Policies, Equipment Use and Handling Policies, Mobile Computing and Remote Working Policies, and Remote Access Policies. These IT security policies have been established in accordance with ISO 27001.

The Information Security Team will review the information security policy every year and closely monitor the evolution of information technology. Once the Information Security Policy is revised and approved by the Chief Information Officer, the Information Security Team will issue a notice to all employees to read and sign.

Delta also uses a diverse range of channels for regular IT security education and training to continuously enhance employees' information security awareness. The courses include information security training for new employees, annual information security online courses, and monthly information security electronic newsletters. They are used to help employees develop correct awareness and knowledge and attain information security. In addition, Delta provides employees with channels for reporting internal information security incidents including a button for reporting phishing emails and an IT feedback mailbox. The issues are assigned to personnel responsible for business operations for follow-up processing.

The IT security team completed the following tasks before the end of 2020:

- It issued monthly information security electronic newsletters with contents based on the latest information security case studies and trends to inform Delta employees of matters to pay attention to.
- 56,000* participants completed the annual online information security training courses with 70% coverage rate. The course contents included Delta's information security policy, information security risks, responsibilities of employees, mandatory IT regulations, course summaries, and consultation channels and contacts.

4.6.3 Establishment of Incident Response Management

Delta began the gradual introduction of the Information Security Management System (ISMS) in 2016. The scope encompasses ICTBG-DNI New Product Introduction (NPI), IT data centers, Internet, and enterprise resource planning (ERP). We also obtained ISO 27001:2013 international standard certification through inspections conducted by an independent verification institution in 2018. We led the industry in becoming the first company to adopt both NPI and IT certification. Delta shall continue to rigorously implement Plan-Do-Check-Act (PDCA) management ideals and continue to improve information security management and technologies to protect customers' data.

According to ISO 27001 certification requirements, the Company is required to conduct at least one internal information security audit each year and appoint an independent certification institution to conduct external audits on information security. No major deficiencies have been found in the internal and external information audit results in recent years. The ISO 27001 certification audit items include Business Continuity Management (BCM) regulations and the Information Recovery Plan for which an actual recovery exercise is conducted each year. The exercise provides an actual simulation of

standard operating procedures of system services after a natural disaster or an attack. It also verifies the appropriateness and effectiveness of the standard operating procedures to prevent interruption of information system services.

Delta established the Vulnerability Management System (VMS) in 2018 to ensure the security of networking products and services from the Company. Before Delta's networking products or networking services go online, the VMS helps ensure the security of sensitive information of both the Company and its clients, and helps ensure that the system is not vulnerable to hacker attacks or theft.

There have been no material information security incidents at Delta in the past 3 years as of the publication date of the Annual Report. Employees in violation of information security regulations are penalized based on the severity of the incident and the penalties are connected to the HR Employee Rewards and Penalties Regulations. However, under malicious or targeted cyberattacks, the networking products and services provided by Delta may cause the Company to lose clients or cause a failure of system services. The production lines in plants may also be suspended due to unresolved issues caused by attacks. Delta shall continue to review and assess the information security regulations and procedures despite limitations in the size of the Information Security Team and resources to ensure the appropriateness and effectiveness of information security regulations and procedures.

However, due to the rapid development of information technologies and rapid changes in information security threats, the Company cannot fully guarantee that it would remain unaffected by targeted attacks or malicious attackers. Hackers may also attempt to use cyberattacks to steal the Company's trade secrets such as confidential information of customers or the system, or employees' personal information.

Information security risks generally damage the Company's reputation and customer relations, which in turn affects the Company's revenue. We therefore have continued to

* The number was accumulated from July 1st, 2020 ~Feb. 28th, 2021. As of July 1st, 2020 ~Apr. 30th, 2021, 73,241 Delta worldwide employees (88%) completed Information Security Annual -Refresh Training Courses.

duplicate our success in obtaining ISO 27001 certification into other business groups and affiliate companies. We have conducted IT asset labeling and classification to effectively control operational risks and ensure information confidentiality, integrity, and availability.

We continue to improve customers' trust in outsourcing information, and implement information security management and continuous business operation ideals to provide secure and efficient services.

4.7 Comprehensive Information Disclosure and Shareholder Communication

Before the implementation of relevant legislation, Delta took the initiative and publicized our 6-month financial statements, which were certified by CPAs. At the same time, we immediately made public announcements on the Taiwan Stock Exchange, and included an Investors section on our website to provide documents such as the Chairperson's Report to the Shareholders, company annual reports, financial statements, corporate governance regulations, stock value and dividend information, legal briefing sessions, and the relevant rules and regulations regarding our committees. Delta publishes taxation information in recent years on the Company's official website to explain how Delta pursues optimal taxation across the globe and protects shareholder equity while complying with laws and corporate governance policies and paying reasonable taxes to give back to society.

Delta hosts an analyst meeting each quarter, in which quarterly financial performance and operating conditions are announced and the Company's long-term strategic planning and future development are explained to investors and the media. The Company also provides simultaneous Chinese and English online streaming broadcast services on Delta's website. This makes it more convenient for all domestic and foreign investors to understand the Company's latest information in a timely manner.

As Delta has a high ratio of foreign investors, we attach a great amount of importance to properly communicating with foreign investors. This is done through participation in various investor forums and conferences annually, and through direct visits to foreign shareholders in Asia, Europe, and the United States. In addition to describing operation conditions to foreign investors, we also factor in positive advice from various stakeholders related to corporate operations, financial affairs, and corporate governance. At the same time, we fully cooperate with domestic and international visits and welcome non-periodic

visits from investor representatives to see our global manufacturing bases and exhibitions.

Many cities and countries imposed lockdowns in 2020 as a result of the COVID-19 pandemic. As the pandemic devastates the global economy and investor confidence, Delta actively engages investors in real-time and effective communication. We participated in 17 external institutional investors' conferences and more than 510 investor interview conferences in 2020 through video and telephone conferencing.

Delta Electronics is the first in the industry to use voting by poll for all of the meeting items, which facilitated the participation of smaller stockholders in company decisions and their right to vote. The voting status and results are immediately disclosed to the public. We are also committed to providing feedback to the various suggestions provided by stockholders at the annual Shareholders Meeting to provide reference for future strategies.

Delta actively communicates with corporate shareholders to respond to international corporate investors' focus on ESG issues. We also participate in multiple international conferences to learn about the latest international development trends and requirements of corporate shareholders including the composition of the Board of Directors, the Company's carbon emissions reduction targets, employee benefits, and ESG management for a sustainable supply chain. For years, Delta has won praise from international investors for its performance in communicating with shareholders. We received the "Best in Sector" investor relations award from the international rating organization IR Magazine in 2020.

4.8 Emerging Risks – Response to the COVID-19 Epidemic

In response to the SARS-CoV-19 (hereinafter referred to as COVID-19) epidemic which erupted at the end of 2019, Delta has implemented disease prevention tasks in plants and operations across the globe. The Disease Prevention Command Center serves as the Secretariat for overseeing regional epidemic development, updates of laws and regulations, overall management of disease prevention materials, evaluation of the impact on Delta, and internal disease prevention announcements and reviews.

The highest-ranking officers in all regions across the globe regularly report disease prevention conditions, execute implementation plans, and report the development of the epidemic in all locations. The highest-ranking officers of business units regularly report the production capacity of their respective plants or production lines, possible issues, and communication with customers.

The HR, procurement, legal affairs, finance, IT, and corporate communications departments at the head office provide full logistical support including requirements for all operations to implement disease prevention measures in all plants and offices, close monitoring of the health conditions of global employees, unified external communication, procurement of disease prevention supplies, legal issues, and information security issues.

Aspect	Management Measures
Personnel Safety Management	<p>We set up temperature monitoring teams in plants across the globe to take charge of the temperature screening plans and implementation. We also assigned on-duty personnel to direct and supervise body temperature measurement tasks during their work hours and report issues to supervisors. Plant affairs / security personnel are responsible for enhanced access control and management during the epidemic. They are required to survey and register related information of visitors and implement body temperature measurement and hand sanitation tasks.</p> <p>Each region / plant created body temperature monitoring plans for onsite personnel based on the development of the epidemic in the area. They implemented temperature screening for all personnel who entered the plants to ensure that all personnel have completed body temperature measurements before entering plants or work areas. When an individual's body temperature exceeds the management threshold (e.g., 37.5°C in Taiwan and 37.3°C in Mainland China; definitions for other regions were adopted based on local definitions of fevers), he / she shall be prohibited from entering and shall be issued face masks. The regions / plants shall record related information and request the individual to seek medical attention.</p> <p>The plants set up health monitoring teams to take charge of planning the temperature measurement locations, movement of personnel, equipment, manpower, promotional materials, and follow-up measures for irregularities. The members of the team included the Human Resources Department, Health Management Center (doctors or nurses), access management unit (plant affairs / security), and the Occupational Health and Safety Department. If the plant does not have the aforementioned functional departments, the highest-ranking officer of the region or plant shall assign personnel to the team. Personnel responsible for measuring body temperature must have a medical background. The frequency of measurements shall be adjusted based on the requirements of the local competent authority or the development of the epidemic.</p>

Aspect	Management Measures
Personnel Safety Management	<p>Employees must measure their temperature at least once each day. If the epidemic is severe, they must measure their temperature at least twice each day. If irregular body temperature is found during the measurement period, the personnel information must be recorded and medical personnel shall follow up on the cases and record information in the infection risk management table.</p> <p>In addition, all main entries, restaurants, and elevators of each plant must be equipped with disinfection floor mats, automatic hand sanitation sprayers, and other disinfection products.</p>
Environment Disinfection Management	<p>We established environment cleaning and sanitation programs during the epidemic which included the frequency of disinfections of each area and equipment, the types (contents) of disinfectant used, configuration and usage, personnel responsible for disinfection, methods for protecting them, disinfection records, and disinfection methods in case of confirmed cases.</p> <p>We strengthened training for operating personnel and implemented the most effective cleaning and disinfection methods. All disinfection personnel must wear the necessary personal protective equipment (e.g., masks, gloves, waterproof aprons, or others). Areas in the plant including the gate, production areas, office areas, conference rooms, visitor areas, restrooms, dormitories, cafeterias, company vehicles, central air-conditioning systems, observation areas, and isolation areas are cleaned and disinfected with various physical or chemical methods to eliminate or reduce the presence of pathogens.</p> <p>If there is no special need, it is advisable to open windows in the confined spaces of each plant and reduce the use of central air-conditioning system to ensure ventilation. When using the central air-conditioning system, maintain the normal functions and increase the frequency and duration of ventilation. Plants must also regularly disinfect the air-conditioning system.</p> <p>In the event of a confirmed case, the plant must execute a comprehensive and thorough disinfection of areas and sites that may have been exposed to the patient in accordance with the regulations of local government authorities.</p>
Management of Disease Prevention Supplies	<p>The Disease Prevention Command Center at the head office collects information and monitors the management of disease prevention supplies in all regions. The regional disease prevention centers are responsible for the control, management, and allocation of supplies in the respective region. They also follow up on the procurement, inspections, and acceptance of disease prevention supplies.</p> <p>All units that require supplies can report the specifications and quantities of disease prevention supplies based on disease prevention requirements in each region. The procurement department purchases disease prevention supplies based on the specifications and quantity and follows up on the supply status of suppliers.</p> <p>The regions / plants inventoried the quantities of disease prevention supplies to meet safety stock requirements for each region / plant. They also closely monitored information on disease prevention supplies and supply channels so that they can order emergency supplies when necessary and ensure a continuous supply of disease prevention supplies during the epidemic.</p> <p>To ensure adequate distribution of disease prevention supplies, the regional disease prevention command centers are required to assign dedicated personnel to take charge of the procurement, allocation, and distribution of the supplies. They are also required to regularly report information on important disease prevention supplies, quantities, and demand to the Disease Prevention Command Center of the head office.</p>

Aspect	Management Measures
<p>Management of Disease Prevention Supplies</p>	<p>In terms of emergency contingency plans for confirmed cases, once an employee is confirmed to have contracted COVID-19 and has entered the office within the last 15 days, the plant / HR shall immediately report to the General Manager of the region and report to the Disease Prevention Command Center of the head office within two hours. The close contacts of employees who have been diagnosed with COVID-19 must be immediately placed in the emergency isolation area. If such employees are residents of the plant, all employees living on the same level shall be immediately recalled to the original dormitory for isolation.</p> <p>The floor where the employee with a confirmed diagnosis works must be wiped or sprayed with disinfectants containing 1000mg/L chlorine or 500mg/L chlorine dioxide disinfectant. After the indoor area is disinfected, the disinfectant shall be sprayed from the inside out, and the disinfection time must be no less than 30 seconds.</p>
<p>Uninterruptible Supply Chain Management</p>	<p>The production management, procurement, warehouse, and sales departments have convened emergency meetings to contact suppliers and obtain key information in response to production line interruptions of raw materials and a sudden rise in demand for materials as a result of the epidemic and the indirect impact of suppliers' adopting remote working. They reviewed the priorities of overall demand for materials, alternatives, and sequence of material preparation on work assignment forms to create an uninterruptible supply chain plan and formulate a recovery plan.</p>

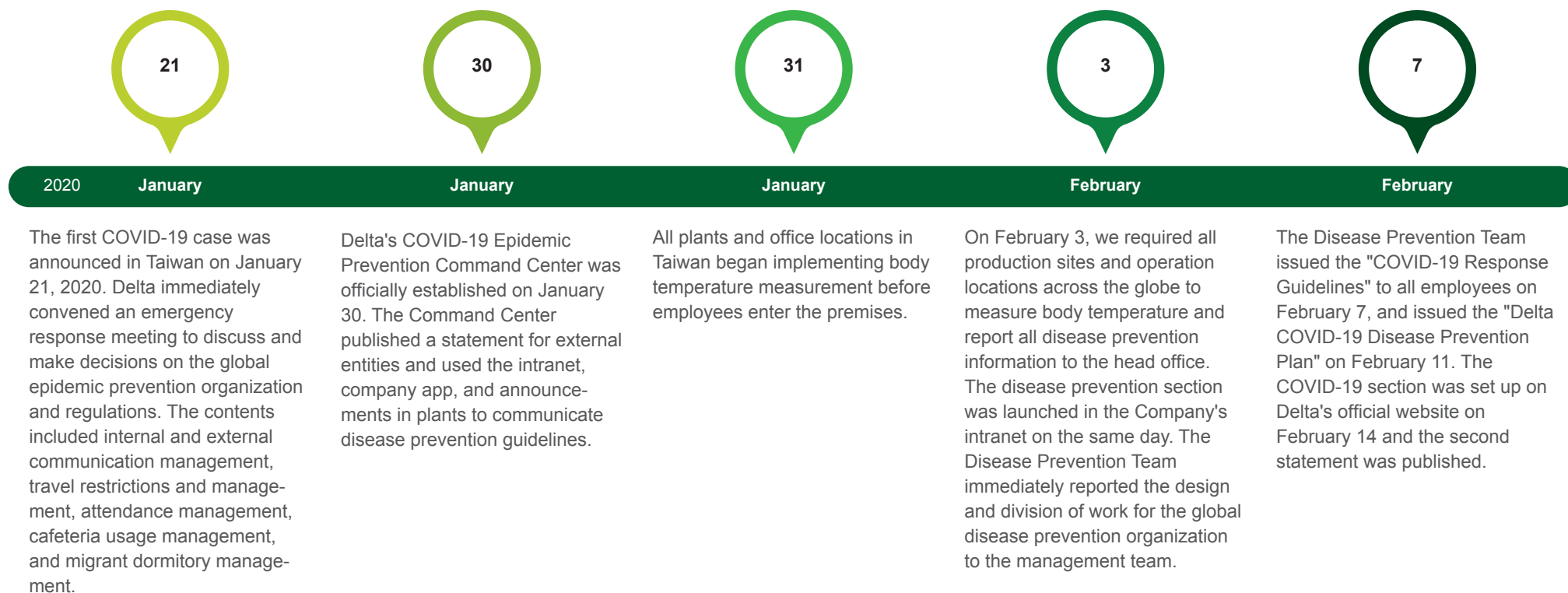


Body Temperature Measurement in Delta Plants



Environment Disinfection Management in Delta Buildings

Important Milestones:





5

Environmental Protection and Energy Savings

5.1 Key Performance Indicators

5.2 Climate Change and Carbon Management

5.3 Energy Management

5.4 Water Resource Management

5.5 Waste Management

5.6 Green Products

5.7 Environmental Management

5.1 Key Performance Indicators

<p>Energy Savings of High-efficiency Products for Worldwide Customers</p> <p>33.5 billion kWh 2010-2020</p>	<p>Energy-saving Practices at Global Green Buildings</p> <p>16.82 million kWh</p>	<p>Renewable Electricity Generated and Purchased</p> <p>310.3 million kWh</p>
<p>SBT Decrease in Plant Carbon Intensity (CI)</p> <p>55% Compared to 2014</p>	<p>Decrease in Building EUI</p> <p>20.5% Compared to 2014</p>	<p>Reduction in Electricity Consumption of Non-IT Equipment</p> <p>33% Compared to 2015</p>
<p>Decrease in Plant Water Productivity Intensity (WPI)</p> <p>30.9% Compared to 2015</p>	<p>Waste Diversion Rate</p> <p>92.2% (The waste to energy recovery exceeded 10%, calculated as 10%)</p>	<p>Environmental Protection Investment</p> <p>10.47 MUSD</p>

Main Endeavors

- **Accumulated and Deepened R&D Momentum:** Continued to develop green energy products, energy saving products and solutions.
- **Implemented Sustainable Production:** Set reduction goals, and reduced the impact of plants and products on the environment.
- **Promoted Renewable Energy Development:** Actively developed renewable energy solutions and increased the use ratio of renewable electricity.
- **Response to Climate Change:** Identified climate change risks, built competencies to adapt to climate risks and further mitigate possible climate risks.
- **Promoted Green Building Concepts:** Implemented green buildings by applying Delta's energy-saving solutions.
- **Aligned with International Sustainability Trends:** Actively responded to international initiatives.

Aligning with UN Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS



No Poverty

In 2017, worked and assisted with the United Nations Development Programme in developing countries by providing renewable energy solutions and enhancing energy accessibility.



Clean Water and Sanitation

Set water reduction goals and improved water resource usage efficiency. Developed green building and water-saving technology.



Affordable and Clean Energy

Developed solar power systems, increasing the popularization of renewable energy. Enhanced renewable electricity usage in our plants.



Industry Innovation and Infrastructure

Promoted a variety of integrated energy-saving solutions to accelerate industry innovation.



Sustainable Cities and Communities

Developed electric vehicle charging solutions and joined the EV100 initiative in 2018 to promote sustainable transportation. Developed green buildings to assist in sustainable urban development.



Responsible Consumption and Production

Implemented sustainable manufacturing to reduce plant impact on the community. Improved the efficiency of energy and raw materials usage. Implemented green design and green packaging.



Climate Action

Established and committed to a science-based target (SBT) of carbon reduction to exert a wider positive influence. Committed to the fight against climate change and seizing related business opportunities.



Life on Land

Promoted green buildings to increase land biodiversity and reduce corporate operations' ecological impact.



Partnerships for the Goals

Worked with the Taiwan Business Council for Sustainable Development in 2015 in compiling energy and climate policy white papers and called upon the local government to focus its attention on related policies. Responded to the 5 commitments behind We Mean Business by committing to adopt a science-based emissions reduction target.*

* Organizations such as the World Business Council for Sustainable Development (WBCSD), CDP, and The Climate Group proposed initiatives and invited enterprises across the world to join the We Mean Business Coalition and commit to taking actions to respond to climate change.

Link: <https://www.wemeanbusinesscoalition.org/companies/#region=Asia%20Pacific&country=Taiwan>

5.2 Climate Change and Carbon Management



Strategic Direction

Delta has incorporated climate change into its corporate sustainable management's major risk categories, while utilizing mitigation and adaptation in its management practices. In addition, Delta actively identified risks and developed adaption capabilities to further analyze climate opportunities and accumulate R&D momentum to develop green energy, product energy reduction, and solution changes, as well as strive to be a solution provider for green energy saving. Delta has also integrated its core competencies in the promotion of its energy saving strategy.

Commitments

Specific achievements on the "We Mean Business" commitments are:

- Committed to adopting a science-based emissions reduction target.
- Committed to reporting climate change information in mainstream reports as a fiduciary duty.
- Committed to responsible corporate engagement in climate policy.
- Converted to electric vehicles and expanded charging facilities.
- Promoted 100% renewable electricity

KPI

SBT Scope 1 and Scope 2 carbon intensity target (tons CO₂e / MUSD)

- **2020 Target**
32.9% reduction
- **2020 Performance** Achieved
55% reduction (market base)
- **Medium and Long-term Target**
Decrease of 56.6% by 2025

Baseline year / 2014

SBT Scope 3 average power efficiency of server power (%)

- **2020 Target**
Increased by 1.0%
- **2020 Performance**
Increased by 0.4%
- **Medium and Long-term Target**
Increase of 1.6% by 2022

Baseline year / 2016

Key Initiatives for Alignment with SDGs



Respond to global temperature increase within 1.5°C compared to pre-industrial temperatures, establish and accomplish science-based target of carbon reduction



Identify climate change risks, build competencies to adapt to climate risks and further mitigate possible climate risks

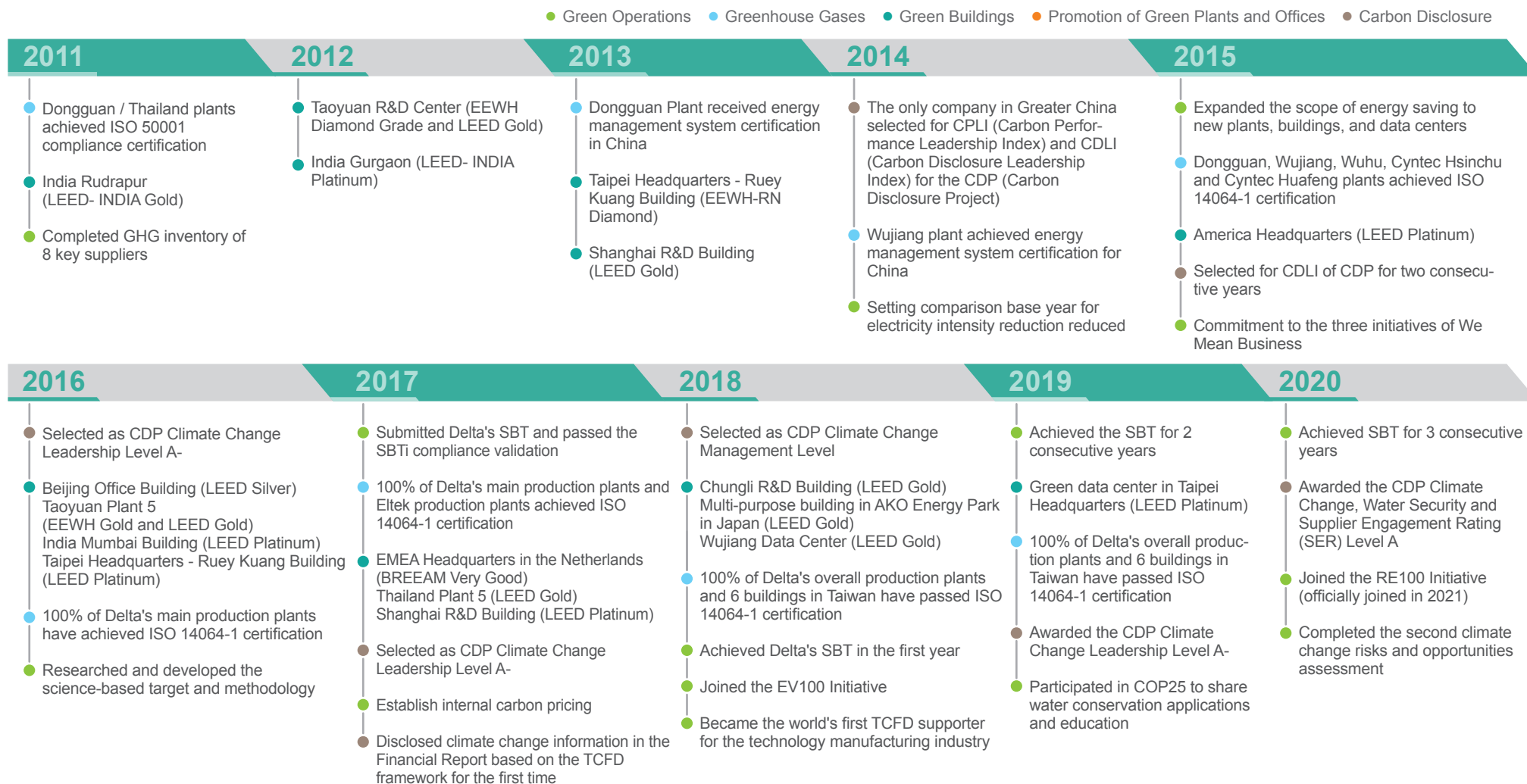


Participate in international initiatives to summarize and develop climate change opportunities



5.2.1 Response to Climate Change

As a company with a long-term focus on climate change and energy efficiency as its core business, climate change has been integrated into Delta's business strategy and sustainability goals. However, as global warming gradually impacts on the global economy and climate change becomes a global risk, we are not only concerned about the direct and indirect impacts of climate change, but also how to respond more proactively to the coming era of climate change.



Since the publication of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2017, Delta took the lead in disclosing information on climate governance, strategies, risk management, and key indicators according to the 4 elements of TCFD in its 2016 Financial Report that was published in 2017. The progress is disclosed annually in the Financial Report and ESG Report. In response to TCFD, Delta became a TCFD supporter in February 2018.

Governance

The Delta ESG Committee, under the jurisdiction of the Board of Directors, is Delta's highest-level internal climate risk and opportunity supervision body. The Committee comprises a number of board members, operational team members, Chief Sustainability Officer (CSO), regional operations directors, and functional directors. The CSO reports to the board on a quarterly basis on climate change trends and Delta's climate related management progress.

The majority of the board has a long-standing interest in climate change and has a full understanding of its importance and impact. The board takes climate change issues into account when considering major capital investment projects, including the construction of green buildings, solar energy facilities, and green energy investments.

The Corporate Sustainability Development Office under the ESG Committee is responsible for following international climate change trends, as well as promoting and coordinating projects related to climate change and renewable energy. The business groups are responsible for developing various energy-efficient products and solutions, and developing products and services that contribute to climate change mitigation and adaptation. The Energy Management Service Department is responsible for providing energy efficiency improvement services.

In addition, Delta Electronics Foundation participates in important international climate change conferences each year to gain insight on the development of climate change policies and scientific research.

Climate Risk Assessment and Strategies

To understand which of the many climate change risks Delta should prioritize and address, we conduct a major survey every 3 years and a review every year to identify key climate risk items. Delta's latest company climate risk survey was completed just before the end of 2020. For this survey, our optimization measures include:

- **Collecting relevant cases from around the world and adjusting the issues to keep up with the times** (as shown in the table below): The number of policy and regulatory risks has been reduced from 12 to 8 items, technology risks from 3 to 2 items, business reputation risks from 3 to 2 items, and market risks increased from 3 to 6 items, while physical risks remain at 4. For example, in recent years, investors are actively focusing on corporate performance on climate change, so we have included "lack of contribution from company on climate change, which affects investors' and banks' willingness to invest" as one of the inventory items.
- **Redesigned risk impact level:** Quantitative thresholds are used to design the financial impact levels (including revenue, costs, and assets), and the maximum impact level is set at 0.5% to 1% of Delta's consolidated revenue.
- **New quantitative difficulty indicator added:** The availability of quantitative information will be critical to achieving the desired monetization of impacts for TCFD in the future. We have established a judgment flowchart to assist departments in considering the data that may be used for each climate change risk.
- **Using international databases:** Supplemented by an online climate risk information platform, we assess immediate and long-term physical risks on a larger geographic scale for Taiwan, Mainland China, Thailand, San Francisco of California, USA, and India.
- **Organizing TCFD education training and workshops:** Held the training and workshops in Mandarin and English, and invited Thailand to participate for the first time.

With over 70 representatives from business groups and functional groups, as well as expert opinions and external literature adjustments, the four 4 risks identified were "increasing raw material costs", "renewable energy regulations", "increasing severity of extreme climate events", and "changing rainfall patterns and severe weather patterns". The increase in raw material cost is the second time that it has been determined to be a risk of highest concern after being identified as such in the previous survey. As for the other 3 risks of highest concern, they were elevated from the second highest concern risk level in the previous survey to the highest concern risk level, indicating that the impact of renewable energy, extreme weather, and changes in weather patterns are clearly felt by Delta and require adaptive actions.

Macroscopic physical risks are very difficult to manage through quantification. Risks such as "increasing severity of extreme climate events" and "changing rainfall patterns and severe weather patterns" are more difficult to quantify than "renewable energy regulations" and "increased raw material costs".

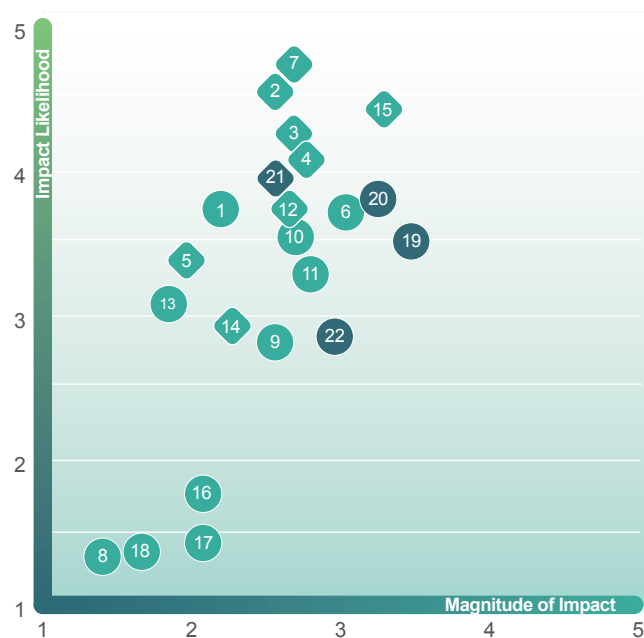
With further analysis, each business group is affected by climate change risks differently. Delta's industrial automation, fan and thermal management, and electric vehicle solutions business groups are the most sensitive to climate change risks. If we analyze the physical risk by operational location, the Yangtze River basin in China suffered more damage in 2020 due to local floods, reflecting the reason for the higher score in China, followed by Taiwan and then Thailand.



TCFD workshop



Delta Climate Risk Analysis Matrix



- Transition Risks (Degree of Difficulty in Quantifying Impact: High)
- ◆ Transition Risks (Degree of Difficulty in Quantifying Impact: Low)
- Physical Risks (Degree of Difficulty in Quantifying Impact: High)
- ◆ Physical Risks (Degree of Difficulty in Quantifying Impact: Low)

Delta Climate Risk List

Risk Type	Climate Risk Item	Risk Group		
Transition Risks	Policy and Regulatory Risks	1 International sector agreements	L	
		2 Voluntary agreements	M	
		3 Uncertainty surrounding regulation and policies.	M	
		4 Carbon tax and related regulation.	M	
		5 Requirement of decreasing greenhouse indirect emissions (water and waste reduction)	L	
		6 Mandates on and regulation of existing products and services	M	
		7 Renewable energy regulation	H	
		8 Exposure to litigation	L	
	Technology Risks	9 Substitution of existing products and services with lower emissions options	L	
		10 Costs to transition to lower emissions technology	L	
	Market Risks	11 Customers change supplier selection criteria.	L	
		12 Customers change product specification requirements.	M	
		13 Shifts in consumer preferences to low-carbon products	L	
		14 Emissions reduction requirements to suppliers	L	
		15 Increased cost of raw materials	H	
		16 Investors evaluate climate change efforts (e.g. ESG performance) in making investment decision.	L	
		Business Reputation Risks	17 Stigmatization of sector	L
			18 Corporate image affected by news about climate change.	L
	Physical Risks	Immediate Physical Risks	19 Increased severity of extreme weather events as cyclones and floods	H
		Long-Term Physical Risks	20 Changes in precipitation patterns and extreme variability in weather patterns	H
			21 Rising mean temperatures	L
			22 Rising sea levels	L

When faced with climate risks, Delta not only identifies high-concern risks, but also evaluates the channels of impact, the possible adaptive measures, and the opportunities for derivation, as described below.

Risk Item	Climate Risks and Impacts	Response and Derivative Opportunities
Policy and Regulatory Risks	<p>Policy and regulatory risks are easier to monitor than other risks. Out of all policies, we pay special attention to Nationally Determined Contributions (NDCs) and stay ahead of policies to prioritize compliance and avoid violations. Delta’s plants are currently not included within the scope of carbon taxes or mandatory carbon trading. Products are also not directly placed under management. However, once they are placed under management, it may increase operating costs, increase management expenses, and lead to the inability to implement prompt response measures or even penalties due to the inability of renewable electricity supply to meet demand or lack of transparency in policies.</p> <p>In 2020, more benchmark customers are asking about Delta’s carbon reduction targets and the proportion of renewable electricity. However, renewable electricity is a new challenge for humanity. With the lack of transparency in the global market and price of renewable electricity, how to obtain renewable electricity that meets the requirements of customers and international evaluation, as well as being environmentally-friendly, and how to take care of ecological needs with limited land resources are some of the derivative risks that we are concerned about.</p>	<ul style="list-style-type: none"> ■ Introduce internal carbon pricing and charge for greenhouse gas emissions ■ Joined RE100 and set renewable electricity targets. ■ Actively pay attention to the development of international systems such as carbon border tax, renewable electricity regulations, and renewable electricity certificate system, and participate in the Power Purchase Agreement (PPA).
Technology Risks	<p>Delta pays close attention to development in the power sector and actively pursues opportunities available to Delta in a low-carbon economy. Currently, Delta’s core technology is mainly energy saving, and some of its products can be used in renewable energy-related solutions. However, the technology has not yet crossed over to carbon capture and storage, and Delta may face more challenges in technology competition if the Deep Decarbonization Pathways Project (DDPP) is implemented.</p> <p>However, there may be errors in judging the technology needs brought about by climate change and inability to assess the feasibility of the technology based on past experience. In addition, technology deployment requires a certain amount of time and capital investment, which may lead to misjudgment of industry trends and long payback periods.</p> <p>The development of new technologies requires the entire supply chain to work together in order to make commercialized products. If our existing suppliers are unable to improve their knowledge of climate change, or if their specifications and technologies cannot be synchronized with the requirements of the new technology, or if the cost of materials is too high, then the quality of the product, the commercialization process, and the overall cost will definitely be affected.</p>	<ul style="list-style-type: none"> ■ Climate change is one of the factors Delta takes into consideration when laying out its technology. All the new technologies, new products, and new directions over the past few decades, such as IA, electric vehicles, batteries, building automation, green buildings, and ESG knowledge applications, are all opportunities. ■ Take low-carbon transport as an example, Delta invested in the electric vehicle field more than 10 years in advance and is now a supplier to first-tier vehicle manufacturers.

<p>Market Risks</p>	<p>If customer or consumer demand for low-carbon products is lower than expected or if the signal is not sufficiently strong, it may lead to a delay in the launch of low-carbon products, unacceptable prices, reduced profits, or early termination. Climate change may indirectly or directly cause interruptions in the supply chain and Delta may be forced to choose raw material manufacturers with higher unit costs or change transportation routes which may increase the cost. Product materials and specifications may also increase in terms of higher temperature tolerance, salt tolerance, or energy efficiency which would increase the cost of raw materials.</p> <p>Delta evaluates the development of energy storage solutions by combining the NDC scenario and Beyond 2°C scenario with the current policy direction in Taiwan, and the assessment shows that Beyond 2°C will bring much greater market opportunities than the NDC scenario.</p>	<ul style="list-style-type: none"> ■ Develop heat-resistant, low-temperature, and salt-resistant ventilation and cooling equipment. ■ Introduce ESG and other related measures in advance to meet regulatory and customer requirements.
<p>Business Reputation Risks</p>	<p>Business reputation risks are relatively low for Delta, mainly because Delta's product portfolio is diversified and does not include high carbon emission products or businesses, so the risk of negative news on climate change is low.</p>	<ul style="list-style-type: none"> ■ Continue to monitor international legislative changes and trends
<p>Physical Risks</p>	<p>Physical risks could lead to disruptions in the transportation of materials and goods, disruptions in employee transportation, reduced employee productivity due to high temperatures, increased cost of chillers and other air-conditioning equipment, increased cost of flood prevention measures, increased frequency and cost of building maintenance, and disruptions to production lines due to flooding and water outages. Since self-generated solar energy is one of Delta's renewable electricity strategies, changes in sunlight due to weather changes or forest fires due to extreme temperatures can affect the efficiency of solar panels in renewable electricity generation due to increasing air pollutants.</p> <p>Take climate change as an example, the model results show that RCP 2.6 will have a greater impact on Delta's Taoyuan plant in 2030 than RCP 8.5, including a higher severity of water shortage and a higher rate of supply reduction due to water shortage, but a lower probability of water shortage than 8.5. However, by 2050, RCP8.5 will have a greater impact than RCP2.6.</p>	<ul style="list-style-type: none"> ■ Since 2006, Delta's plants, offices, and data centers have implemented the Green Building Standard, obtained green building certificates, and calculated annual energy savings. Delta's policies and green building standards are applied to all newly-built plants with the goal of adapting to climate change. ■ Developed a Business Continuity Plan (BCP) for floods caused by heavy rainfall and fires caused by extreme high temperatures. ■ Delta has focused on severe water shortage events and taken measures to adapt to climate change, such as: replacing high water consumption facilities within 5 years, strengthening emergency back-up provisions and planning, as well as establishing a waste water reclamation system within 5 to 10 years to reduce demands for secondary use.

Progress in 2020 - Scenario Analysis

In response to climate change, renewable electricity is one of the options for mitigation and adaptation. However, as the proportion of renewable electricity increases, the impact on the power grid will be more pronounced, thereby creating the need for energy storage systems through operational demands.

Delta's energy storage solutions are a key climate opportunity for Delta because the solutions can help ensure a reliable and stable power supply and support energy management functions such as demand response, peak shaving, and renewable electricity smoothing. In 2020, Delta took energy storage systems as an example and applied 2 major climate scenarios, namely Taiwan's NDC scenario and Beyond 2°C scenario, to build a TCFD scenario analysis model. The TCFD model evaluates potential opportunities for energy storage products in the Taiwan market under these 2 scenarios.

In an effort to minimize the impact on climate, Delta is devoted to green operations, energy management, carbon disclosure, and green promotion. Developing capabilities to adapt to climate change and reduce extreme weather risks is a key issue that should be included in a corporate sustainability management strategy.



Delta's Energy Storage Solutions

Methodology

Background literature:

- Policies and regulations related to energy storage in various countries
- Reports on ancillary service capacity of regional renewable energy installation capacity
- Delta's technology development and market strategy

Scenario model and parameters:

- Taiwan Nationally Determined Contributions (NDCs) scenarios and Beyond 2°C scenarios (B2DS) are selected
- Total global greenhouse gas emissions and power generation under different scenarios
- Estimated share of renewable energy in 2025 and 2030, using the Taiwan market as an example
- Estimated amount of energy storage installations
- Delta's energy storage system specifications, prices, market and customer demand, and estimated installation capacity



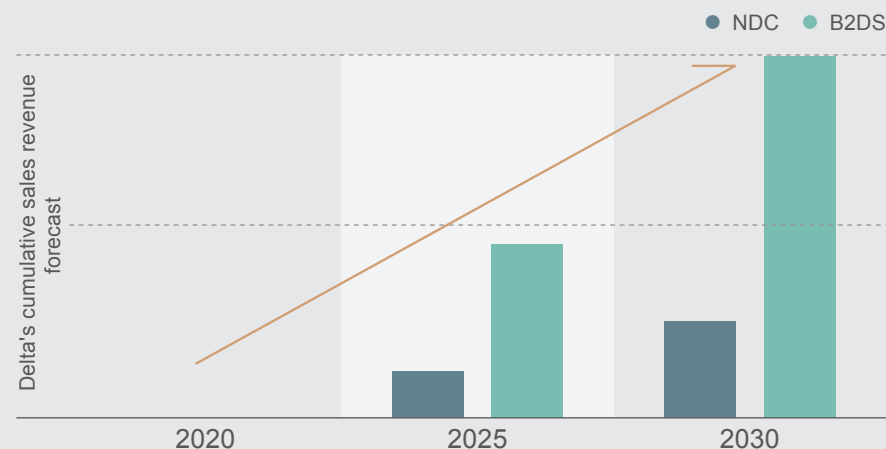
Result

Comparison of the 2 scenarios:

In the model settings, we compared the growth of the same scenario in different years. The overall energy storage market is expected to grow more than twice as much in 2030 compared to 2025 in the B2DS. In the NDC scenario, the overall energy storage market is expected to grow almost twice as much in 2030 as in 2025. If we compare the 2 scenarios in the same year, the estimated overall energy storage market in 2030 in the B2DS is 4.7 times larger than in the NDC scenario. This indicates that the B2DS significantly drives demand for energy storage solutions, therefore, it is better if B2DS is the policy for Taiwan.

Results of Delta's strategic comparison scenario analysis:

Before 2025, Delta's internal strategy for energy storage solutions is consistent with NDC. However, if the policy environment in the B2DS takes shape, we expect a doubling of net increase in revenue compared to the baseline value.



5.2.2 Greenhouse Gas Inventory and Management

Since 2007, Delta has participated in CDP to disclose the Company's greenhouse gas emissions. Delta's main production plants have also successively obtained ISO 14064-1 Greenhouse Gas (GHG) Verification. Since 2016, 100% of Delta's main production plants have achieved ISO 14064-1 GHG Verification. In 2017, Eltek, Delta's subsidiary, achieved ISO 14064-1 GHG Verification at its USA, Brazil, and India plants. In 2018, the scope of certification was extended to buildings in Taiwan, and 4 new buildings in Taiwan completed the ISO 14064-1 GHG Verification. In 2020, all Delta production plants have passed ISO 14064-1 Verification.

Delta has taken the lead in establishing science-based targets by proposing to lower our carbon intensity by 56.6% by 2025 using 2014 as the base year. Undergoing a compliance evaluation from Science Based Targets initiative (SBTi) in December 2017, Delta became the first in Taiwan as well as one of the first 87 companies globally to pass this evaluation. In addition to its own specific response to control the global temperature increase within 2°C, Delta actively encourages other companies to jointly respond to global carbon reduction and has been invited many times to CDP, SBTi and World Resources Institute (WRI) to share its science-based targets experience.

Greenhouse Gas Inventory

For years, electricity use has been the main scope of Delta's greenhouse gas emissions (accounting for more than 95%). Delta's greenhouse gas emissions reduction strategy is based primarily on plant energy management and adoption of green power. Direct and major indirect greenhouse gas emissions of overall plants in 2020 was 177,811 tons CO_{2e} (market-based), which was a 31.1% reduction compared to the previous year. It was mainly the result of additional green electricity in 2020 which accounted for 60%. We installed solar power generation equipment in the plants and purchased International Renewable Energy Certificates (I-RECs) in China. Delta's carbon intensity (CI) in 2020 in main production plants was 21.8 (tons CO_{2e} / production value in MUSD by market), which was a reduction of 55% from the baseline year 2014 and a reduction of 37% from the previous year. Absolute emissions decreased by 49% compared to the 2014 base year. We have achieved the Science-Based Target (SBT) for individual stages in 3 consecutive years, as well as proactively responded to the initiative to control global warming at 1.5°C. Achieving the active management results of exceeding the 1.5°C reduction measures for 2 consecutive years fully demonstrates Delta's resolve for fulfilling the SBT.

Strategy for Achieving Carbon Reduction Targets in 2020



Statistics of Greenhouse Gas Emissions in 2020 (Unit: metric ton-CO_{2e})

	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total
Main Production Plant ^{*1}	168,717.49	5,445.88	25.56	1,921.60	645.76	1.76	0.00	176,758.05
Overall Production Plants ^{*2}	169,770.59	5,445.88	25.56	1,921.60	645.76	1.76	0.00	177,811.15

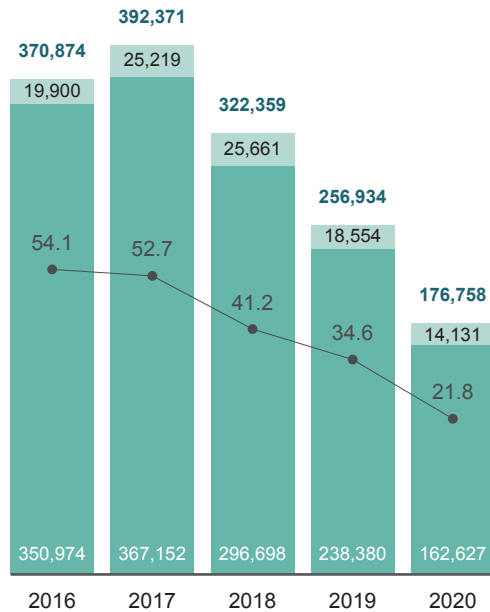
*1 Main production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China, DET plant 1, 5, and 6, and Taoyuan plant 1 and 2 in Taiwan, Cyntec Hsinchu and Huafeng plants are within the scope of the SBT commitment.

* 2 Overall production plants include Delta's main production plants and Eltek production plants acquired after 2015 (plants in the United States and India).

Direct and Indirect Greenhouse Gas Emissions

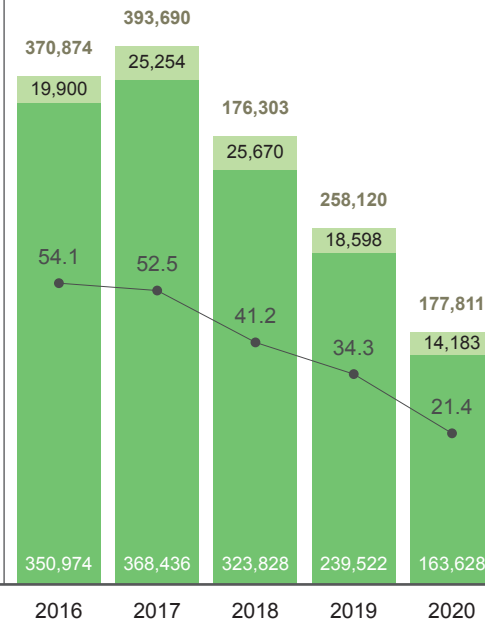
Main Production Plant * 1

Direct (tons CO₂e)
Major Indirect (tons CO₂e)
Carbon Intensity (tons CO₂e / Production Value in MUSD)



Overall Production Plant * 2

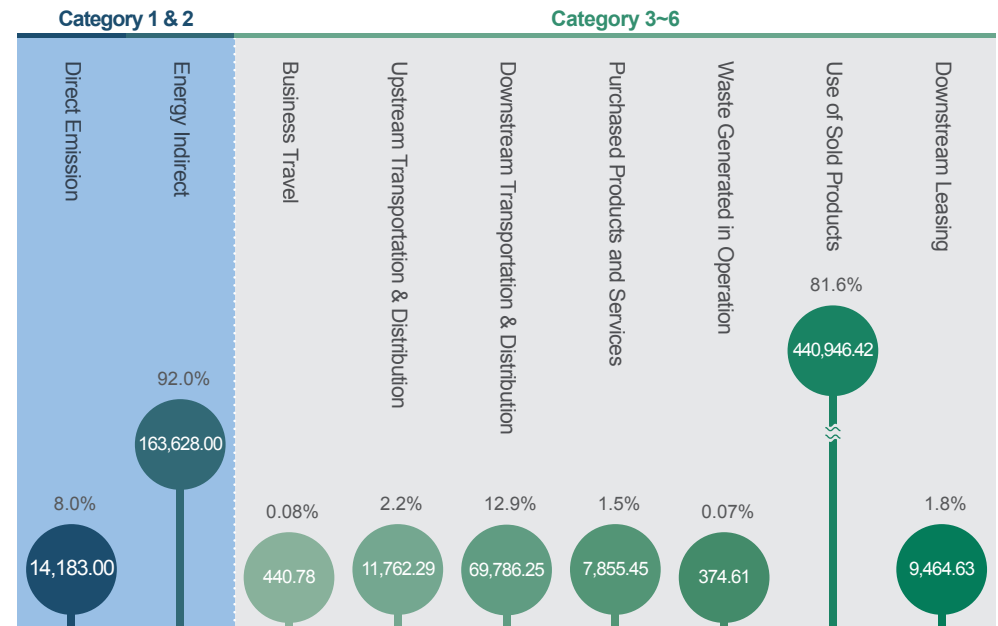
Direct (tons CO₂e)
Major Indirect (tons CO₂e)
Carbon Intensity (tons CO₂e / Production Value in MUSD)



Value Chain Emissions

Delta adopted the GHG Protocol Evaluator Tool to identify the primary source of its Scope 3 emissions in 2017. Results indicate that emissions from server power supplies exceeded 70% of all Scope 3 emissions. These results were verified by ISO 14064-1. To lower GHG emissions, Delta set up specific energy efficiency targets for server power supplies. We aim to lower Scope 3 emissions 20% by 2022 from the base year of 2016 through enhancing energy efficiency by 1.6%. In 2020, the average energy efficiency of server power supplies will improve by 0.4% compared to the 2016 base year through the efforts of continuous innovation in R&D.

Value Chain Greenhouse Gas (GHG) Emissions (Unit: metric ton-CO₂e)



* 1 Main production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China, DET plant 1, 5, and 6, and Taoyuan plant 1 and 2 in Taiwan, Cyntec Hsinchu and Huafeng plants are within the scope of the SBT commitment.

* 2 Overall production plants include Delta's main plants and Eltek production plants acquired after 2015 (plants in the United States and India).

Delta's Internal Carbon Pricing

Delta has long focused on the trend for internal carbon pricing. To strengthen internal carbon management, we voluntarily internalize the economic costs of carbon emissions from operating activities. Delta established its internal carbon pricing mechanism in 2017. We update internal carbon pricing annually as a strategic tool to help our internal decarbonization efforts, as well as to serve as a risk management tool. We updated our internal carbon price to 300 USD per metric ton in December 2020, taking into account global regulatory costs, international corporate benchmark cases, internal and external carbon costs of our global manufacturing plants, investment in renewable energy solutions and green electricity purchase costs. With the approval of the Board of Directors and the ESG Committee, the internal carbon fee based on this pricing will be used for energy saving projects and the acquisition of renewable energy, to implement carbon management decisions and risk management integration in the plants and business units.



Delta's energy conservation plans in main production sites help achieve carbon reduction targets.



5.3 Energy Management

Strategic Direction

Delta has long advocated and implemented environmental protection and energy conservation in practice. All new production plants need to implement green building designs, and multiple energy-saving plans are actively promoted within the production plants, offices, and data centers. We continue to complete our energy conservation objectives and meet new conservation milestones.

Commitments

From 2009 to 2014, Delta reduced the electricity intensity in its production process by 50%. Delta promised to widen the extent of electricity reduction beyond new production plants to include R&D centers, office buildings, and data centers. By using 2014 as a benchmark, Delta plans to lower its electricity intensity by an additional 30% by 2020.



KPI

Renewable Electricity Ratio^{*1}

- **2030 Target**
100% use of renewable electricity
- **2020 Performance**
Global sites:45.7%
Main Production Plants:55.1%

Main Production Plants^{*2}

Electricity Intensity (EI)

EI (Purchased electricity (kWh)/production value(MUSD))

- | | |
|---|--|
| ■ 2020 Target
30% reduction
Baseline year / 2014 | ■ 2020 Performance
12.84% increase |
|---|--|

Building^{*3}

Electricity Usage Intensity (EUI)

EUI (electricity consumption (kWh) / space area(m²))

- | | |
|---|--|
| ■ 2020 Target
30% reduction
Baseline year / 2014 | ■ 2020 Performance
20.5% reduction |
|---|--|

Data Centers^{*4}

Power Usage Effectiveness (PUE)

PUE((Total electricity consumption of a data center (IT equipment +Non-IT equipment) / IT equipment electricity Usage))

- | | |
|---|---|
| ■ 2020 Target
30% reduction
Baseline year / 2014 | ■ 2025 Target
37.5% reduction
Baseline year / 2020 |
| ■ 2020 Performance
33% reduction | Achieved |

Key Initiatives for Alignment with SDGs



Expand the scope of energy management and implement concrete targets



Develop products and solutions with high energy efficiency



Implement and promote green production plants and office buildings

*1 Delta's global business locations

*2 Main production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China, DET plant 1, 5, and 6, and Taoyuan plant 1 and 2 in Taiwan, Cytect Hsinchu, Huateng and Huafeng plants.

*3 13 Buildings including Ruey Kuang, Yang Guang, Taoyuan Plant 3, Chungli 1 & 2, Tainan 1 & 2, Dongguan R&D, Wujiang R&D, Shanghai R&D, Japan, , DAF, and Soest.

*4 Four data centers (Taipei Headquarters, Wujiang, DET, and American Headquarters).

5.3.1 Energy Consumption

Through the years, Delta's energy sources have been fossil fuels such as natural gas, diesel, petroleum, and liquid petroleum, as well as purchased electricity from major production sites in Taiwan, China and Thailand. Fossil fuels are mainly used to power emergency power generators, lawn mowers, forklifts, company vehicles, as well as ovens and stoves in dormitories and cafeterias. In recent years, Delta has significantly changed the ratio of its fossil fuel consumption. This is mostly because Delta has gradually adopted purer natural gas, and optimized the efficiency of boiler fuels to reduce usage. Diesel consumption in Delta's primary production plants in 2020 has been reduced by 9.4% from 2019. According to a GHG data analysis, purchased electricity was the main source of Delta's GHG emissions (about 95%).

Energy Consumption Statistics

Attribute	Classification	Item	2017 Main Production Plants ^{*1}	2018 Main Production Plants ^{*1}	2019 Main Production Plants ^{*1}	2020 Main Production Plants ^{*1}	2020 Overall Production Plants ^{*2}
Input	Energy	Purchased Electricity (MWh)	492,636	486,614	494,728	537,958	540,257
		Natural Gases (GJ)	85,445	97,527	88,816	88,945	89,522
		Diesel (GJ)	13,112	11,540	8,031	7,279	7,321
		Gasoline (GJ)	10,212	8,877	3,371	5,128	5,128
		Liquid Petroleum Gases (GJ)	177,603	174,427	154,092	154,944	154,944

*1 Main production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China, DET plant 1, 5, and 6, and Taoyuan plant 1 and 2 in Taiwan, Cyntec Hsinchu and Huafeng plants are within the scope of the SBT commitment.

*2 Overall production plants include Delta's main plants and Eltek production plants acquired after 2015 (plants in the United States and India).

*3 The fuel heating value of each plant adopts fixed data, including natural gas: 9,000 kcal/m³, diesel: 10,200 kcal/kg, gasoline: 10,300 kcal/kg, and 1 MWh is equivalent to 3.6 GJ for unit conversion.

Energy Conservation Performance of Delta's Energy Utilization

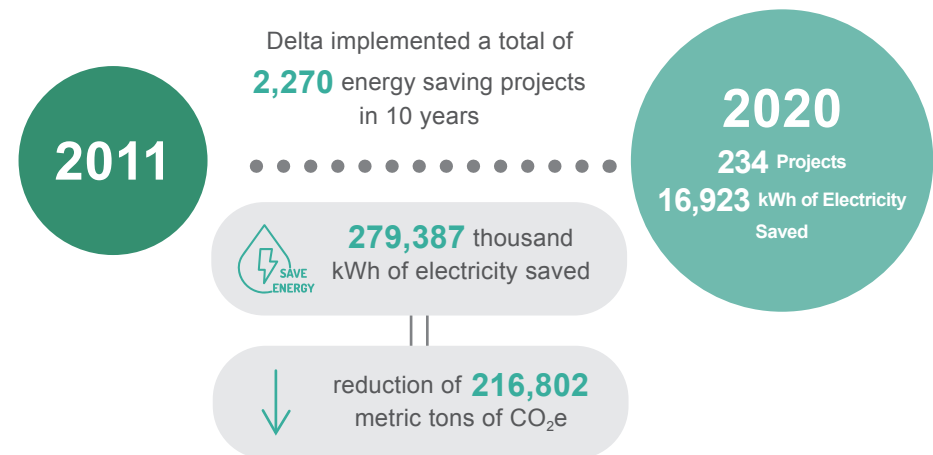
Main Production Plants	Buildings	Data Centers
2020 EI was 66,461 kWh/MUSD for Delta's main production plants, a decrease of 0.29% compared to 2019; an increase of 12.84% compared to 2014.	The EUI of 13 buildings in 2020 was 133 kWh / m ² ; a decrease of 3.8% compared to 2019; a decrease of 20.5% compared to 2014.	The PUE was 1.32 for Delta's 4 data centers in 2020, a decrease of 5.9% compared to 2019; a decrease of 33% compared to 2015.
<p>The main reasons are as follows:</p> <ul style="list-style-type: none"> • The electricity usage in 2020 grew 30.1% compared to 2014 • The production value in 2020 grew 15.3% compared to 2014 • International trade and policies influences led to re-planning of production layout • Increase in electricity usage for new plants, production, air conditioning and air compressors 	<p>The main reasons are as follows:</p> <ul style="list-style-type: none"> • Addition of HVDC in laboratories • Shortened the operating hours of chillers • Replacement with high efficiency water pumps, inverters, and chillers • Adjustment of chiller outlet temperature to 3°C 	<p>The main reasons are as follows:</p> <ul style="list-style-type: none"> • Chiller efficiency optimization in the data centers • Automatic energy consumption control of cooling water tower • Automatic energy saving control of chiller bypass valve • Chiller maintenance

5.3.2 Energy Conservation Projects

Establishment of Delta Energy Online and Continuous Promotion of Energy Conservation Projects

In 2011, Delta established a cross functional energy management committee, and an Energy-saving Technology Team was further organized within the Committee. Over the years, the team has implemented various energy conservation and improvement measures for public facilities such as the sintering furnace, reflow furnace, wave soldering furnace and burn-in production plant. By coordinating firsthand experience with energy conservation from internal and external consultants, the team is able to implement these practices at all primary production plants around the world.

From 2011 to 2020, each primary production plant has continued to implement energy conservation and carbon reduction measures (see table below). The company put 234 energy conservation projects into practice in 2020 and saved approximately 16,923 kWh of electricity, equivalent to approximately 9,328 tons CO₂e. Delta implemented a total of 2,270 energy saving projects from 2011 to 2020 with an estimated 279,387 thousand kWh of electricity saved, equivalent to a reduction of 216,802 tons CO₂e.



Energy Saving Practices for Main Production Plants from 2011 to 2020

No.	Energy Saving Subject	Statistical Item	2020	Cumulative 2011-2020 *
1	Air Conditioning Ventilation Systems	Cases	49	496
		Electricity Savings per Year (MWh)	3,199	50,736
		Carbon Reduction per Year (Metric Tons)	2,110	37,618
2	Air Compressors	Cases	13	203
		Electricity Savings per Year (MWh)	1,163	21,060
		Carbon Reduction per Year (Metric Tons)	886	15,663
3	Injection Molding Machines	Cases	2	28
		Electricity Savings per Year (MWh)	86	14,986
		Carbon Reduction per Year (Metric Tons)	65	12,983
4	Lighting Systems	Cases	18	164
		Electricity Savings per Year (MWh)	253	12,340
		Carbon Reduction per Year (Metric Tons)	201	13,580
5	Burn-in Recovery Systems	Cases	10	120
		Electricity Savings per Year (MWh)	1,500	50,680
		Carbon Reduction per Year (Metric Tons)	1,191	38,431
6	Process Improvements	Cases	99	779
		Electricity Savings per Year (MWh)	5,102	57,524
		Carbon Reduction per Year (Metric Tons)	3,879	44,565
7	Other (Management, etc.)	Cases	5	442
		Electricity Savings per Year (MWh)	1,295	67,736
		Carbon Reduction per Year (Metric Tons)	996	53,963
Total	Total	Cases	234	2,270
		Electricity Savings per Year (MWh)	16,923	279,387
		Carbon Reduction per Year (Metric Tons)	9,328	216,802

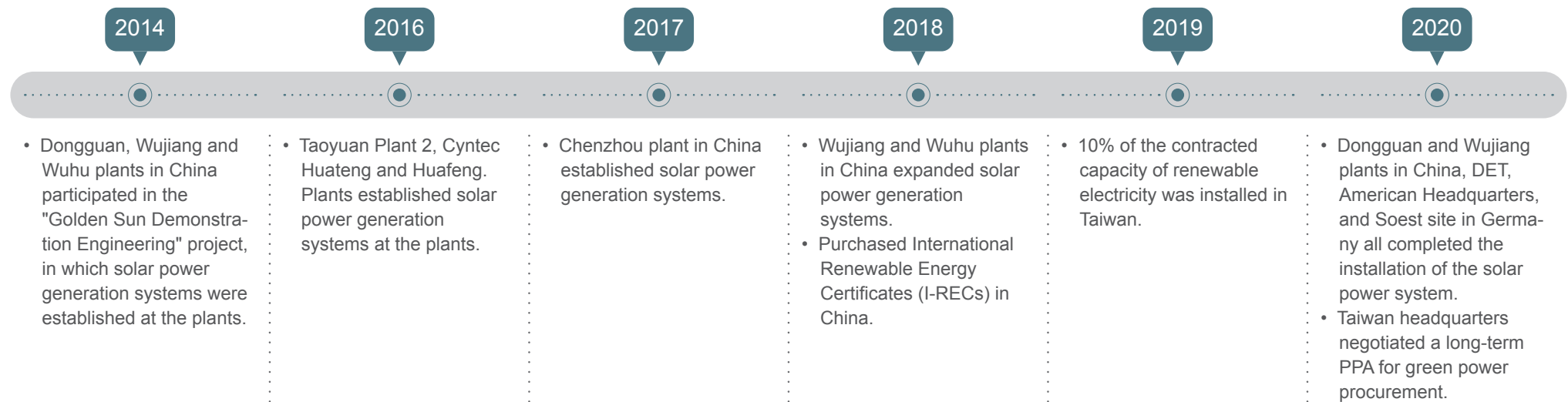
* Electricity emission coefficient in Taiwan was 0.509 kg CO₂e / kWh in 2019; the emission coefficients of China's regional power grid in 2019 were 0.7921 kg CO₂e / kWh in Eastern China, 0.8587 kg CO₂e / kWh in Central China, and 0.8042 kg CO₂e / kWh in Southern China; the electricity emission coefficient in Thailand in 2019 was 0.4999 kg CO₂e / kWh.

5.3.3 Increased Applications of Renewable Electricity

Joined the RE100 Initiative

Delta announced that it has joined the RE100, a global renewable electricity initiative, and has pledged to achieve the goal of 100% renewable electricity and carbon neutrality by 2030 for all of Delta's global locations. We are the first company in Taiwan's high-tech manufacturing industry to commit to achieving the RE100 target by 2030.

Delta's operations are located across 5 continents and we will focus on energy conservation, self-generated solar power, and investment in renewable electricity plants. At the same time, we will evaluate the maturity of the local green power market, and will use a Power Purchase Agreement (PPA) or Renewable Energy Certificates (RECs) to meet the commitment targets. By joining the RE100 Initiative, we will further drive the development of green energy in the supply chain, provide our customers with a core energy saving and carbon reduction technology experience, and prepare the industry to achieve 100% renewable electricity use and carbon neutrality.



Formal Establishment of Delta's Green Energy Team

Delta is committed to increasing the use of renewable electricity, and long-term PPAs are an important means of achieving RE100 in the liberalized electricity market. Delta formally established the Delta Green Energy Team in 2021 by integrating its interdepartmental units in plant affairs, finance, procurement, legal affairs, and the Corporate Sustainability Development Office. In Taiwan, we first negotiate with well-known domestic and foreign power sellers / generators, select sites with low environmental impact and sustainable power generation, conduct on-site surveys and evaluations, and sign long-term PPA contracts for the purchase of green power. In the future, we will successfully replicate this long-term PPA contract model for other regions to achieve Delta's goal of a global RE100 presence.



55.1%

In 2020, the solar PV systems at Delta's main plants generated 25.3 million kWh of solar power and Delta purchased renewable energy certificates for 285 million kWh of renewable electricity. Delta's electricity consumption from renewable electricity was 55.1%, which is approximately 45.7% of renewable electricity used at Delta's global sites.



60%

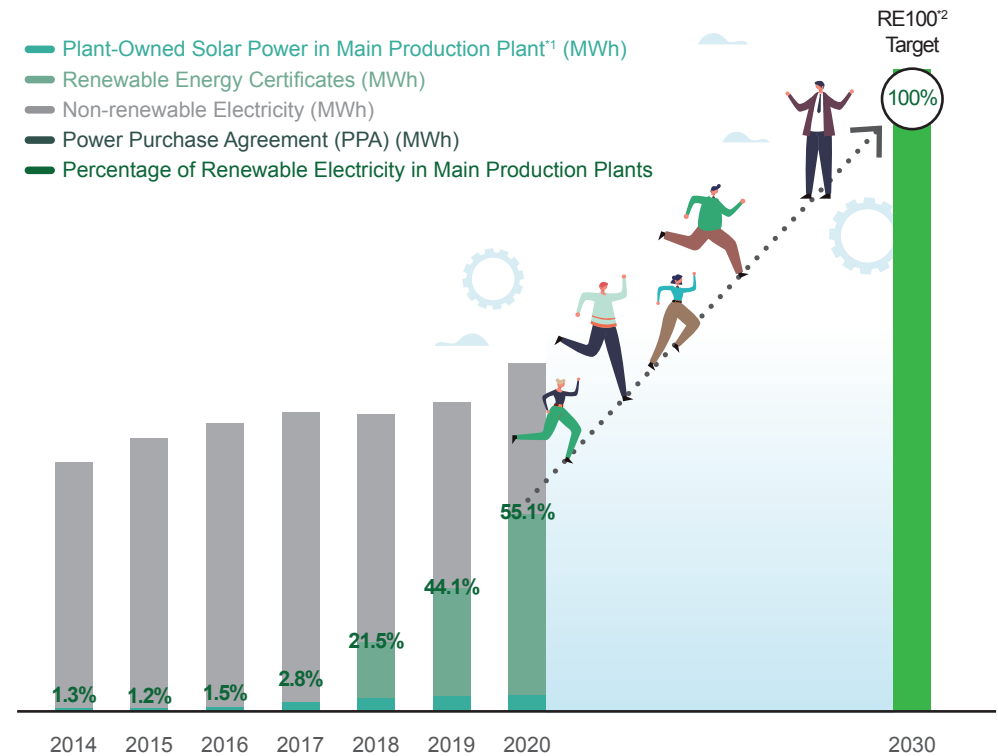
Compared to the previous year, the Delta's own use of self-produced solar energy increased by 9%. With the purchase of renewable energy certificates, Delta increased its use of green electricity by a total of 60%



↓ 244,697

Compared to before the use of PV systems, Delta's use of self-produced solar energy decreased carbon emissions by 17,458 metric tons CO₂e and the purchase of renewable energy certificates reduced 227,240 metric tons CO₂e, for a total of 244,697 metric tons CO₂e in reduction.

Delta's Renewable Electricity Utilization Trend



* 1 Scope of main production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China; DET plant 1, 5, and 6 in Thailand; Taoyuan plant 1 and 2, Cyntec Hsinchu and Huafeng plants in Taiwan are within the scope of the SBT commitment.

* 2 The Scope of RE100 commitment will expand to all Delta's global sites.

5.3.4 Promotion of Energy Conservation with Green Buildings

Since the construction of Delta's first green building at the Southern Taiwan Science Park in 2006, Delta actively promised all future new plants and shall implement green building concepts. By 2020, Delta has built and donated 28 green buildings and 2 green data centers around the world.

Delta continues to expand products and energy-efficient solutions in green buildings and has received certification from the US Green Building Council (USGBC), the UK Building Research Establishment (BRE), BREEAM, Ecology, Energy-Saving, Waste Reduction, and Health (EEWH) system in Taiwan, and the Green Building Evaluation Standards in China. With the inauguration of green buildings, Delta has incorporated diverse greening into plant areas, ecological ponds, and other environmentally-friendly designs with positive benefits for biodiversity. Delta also joined the narrative in the United Nations Climate Change Conference, sponsored green building design contests, organized green building exhibitions, published books such as "Build Green Buildings with Delta", and released microfilms to promote green buildings.

Delta has autonomously set standards to establish comparisons based on the EUI (kWh / m²) of local building standards^{*1} each year. We calculate energy savings of green buildings including 15 plants and buildings as well as 5 green buildings donated to academic institutions in reference to the ISAE 3000 Assurance standard. In 2020, Delta's global certified green plants and buildings collectively saved, in total, 16.82 million kWh of electricity and reduced carbon emissions by approximately 10,837 tons CO₂e. (Please refer to Chapter 6.6.1 for energy savings from the 5 donated green buildings)

In addition, Delta uses the power usage effectiveness (PUE) of data centers as the baseline to evaluate energy savings. In 2020, Delta's certified data centers collectively saved a total of 257,766 kWh of electricity, and reduced carbon emissions by approximately 203 tons CO₂e.



Delta has built and donated 28 green buildings and 2 green data centers around the world.

*1 Delta calculates EUI of each green building in line with the methodologies from the literatures cited on pages 92 and 93. Annual electricity usage refers to purchased electricity not including self-generated solar power. Accordingly, the following are excluded from EUI calculation: lab electricity (Shanghai R&D Center, Taipei Headquarters, Taoyuan Technology Center, Taoyuan Plant 5, Tainan Plant 1 and 2, Chungli R&D Center), data center electricity and area (Americas Headquarters and Taipei Headquarters), production electricity usage (Taoyuan Plant 5), unused area and indoor parking area (for applicable buildings).

Energy-saving Solutions Adopted by Delta Green Buildings and Their Benefits

EMEA Headquarters

(Inaugurated in 2017)

BREEAM Very Good

- 2020 EUI: 129 < EUI Baseline: 133.17^{*7}
- Highest energy saving rate to date: 65% (Compared to non-residential buildings)

India Rudrapur Plant

(Inaugurated in 2008)

LEED-India Gold

- 2020 EUI: 57 < EUI Baseline: 210^{*5}
- Highest energy saving rate to date: 76% (Compared to commercial buildings)

Shanghai R&D Building

(Inaugurated in 2011)

LEED Gold

LEED Platinum (Building Renovation)

- 2020 EUI: 45 < EUI Baseline: 88.2^{*3}
- Highest energy saving rate to date: 49% (Compared to office buildings)

India Gurgaon Plant

(Inaugurated in 2011)

LEED-INDIA Platinum

- 2020 EUI: 83 < EUI Baseline: 210^{*5}
- Highest energy saving rate to date: 60% (Compared to commercial buildings)

Beijing Office Building

(Inaugurated in 2012)

LEED Silver

- 2020 EUI: 41 < EUI Baseline: 124^{*4}
- Highest energy saving rate to date: 73% (Compared to office buildings)

India Mumbai Office Building

(Inaugurated in 2015)

LEED Platinum

- 2020 EUI: 71 < EUI Baseline: 210^{*5}
- Highest energy saving rate to date: 77% (Compared to commercial buildings)

Wujiang Data Center

(Inaugurated in 2015)

LEED V4 ID + C Gold

- 2020 PUE: 1.3
- Highest energy saving rate to date: 57% (compared to 2015)
- Electricity savings: 206,690 kWh

DET Plant 5

(Inaugurated in 1990)

LEED Gold

- 2020 EUI: 648 > EUI Baseline: 640^{*8}
- Highest energy saving rate to date: 23% (Compared to pre-renovation plant)

* 1 <Bureau of Energy, Ministry of Economic Affairs> 2019 Energy Audit Annual Report for Non-Productive Industries (P.24): 160.9KWh / m² (Office buildings, parking lots not included)

* 2 <Architecture and Building Research Institute, Ministry of the Interior> 2019 Green Building Evaluation Manual of the Architecture and Building Research Institute of Ministry of the Interior-Basic Version (P.180): 154 KWh / m² (Air-conditioned general factory operation area)

* 3 <Shanghai Municipal Commission of Housing, Urban-Rural Development and Measurement>2019 Shanghai Government Office Building and Large Public Building Energy Consumption Monitoring and Analysis Report (P.23): 88.2 KWh / m² (Office buildings, parking lots not included)

* 4 <The Energy Foundation> Study on Energy Conservation Potential and Promotion Mechanism for Civil Buildings in Beijing (P.25): 124 KWh / m² (Office buildings, parking lots not included)

Multi-purpose building in AKO Energy Park in Japan

(Inaugurated in 2017)

LEED Gold

- 2020 EUI: 82 < EUI Baseline: 165.57⁹
- Highest energy saving rate to date: 50% (Compared to green building application documents)

America Headquarters

(Inaugurated in 2015)

LEED Platinum

CBE Annual Livable Buildings Award

- 2020 EUI: 7 < EUI Baseline: 166.88⁶
- Highest energy saving rate to date: 96% (Compared to office buildings)

Taipei Headquarters - Ruey Kuang Building

(Inaugurated in 1999)

EEWH-RN Diamond

LEED Platinum (Building Renovation)

- 2020 EUI: 83 < EUI Baseline: 160.9¹
- Highest energy saving rate to date: 58% (Compared to office buildings)

Taoyuan R&D Center

(Inaugurated in 2011)

LEED Gold, EEWH Gold

- 2020 EUI: 87 < EUI Baseline: 160.9¹
- Highest energy saving rate to date: 53% (Compared to office buildings)

Taoyuan Plant 5

(Inaugurated in 2015)

LEED Gold, EEWH Gold

- 2020 EUI: 140 < EUI Baseline: 154²
- Highest energy saving rate to date: 19% (Compared to Air-conditioned general factory operation area)

Chungli R&D Center

(Inaugurated in 2017)

LEED Gold

- 2020 EUI: 98 < EUI Baseline: 160.9¹
- Highest energy saving rate to date: 45% (Compared to office buildings)

Delta Headquarters Data Center

(Inaugurated in 2014)

LEED V4 ID + C Platinum (first in the world)

- 2020 PUE: 1.32
- Highest energy saving rate to date: 10% (compared to 2015)
- Electricity savings: 51,076 kWh

Tainan Plant Phase I

(Inaugurated in 2006)

EEWH Diamond

- 2020 EUI: 106 < EUI Baseline: 160.9¹
- Highest energy saving rate to date: 38% (Compared to office buildings)

Tainan Plant Phase II

(Inaugurated in 2013)

EEWH Diamond

- 2020 EUI: 61 < EUI Baseline: 160.9¹
- Highest energy saving rate to date: 65% (Compared to office buildings)

* 5 <UN and Indian Bureau of Energy Efficiency> Energy Efficiency Improvements in Commercial Buildings (P.14): 210 kWh / m² (Commercial buildings, parking lots not included)

* 6 <ENERGY STAR> Technical Reference of the 2018 U.S. Energy Use Intensity by Property Type (P.4): 166.88 kWh / m² after conversion (Office buildings)

* 7 <European Commission> European Commission Buildings Database: 133.17 kWh / m² (2014 Netherland nonresidential buildings)

* 8 <LEED 2009 for Existing Buildings Operations and Maintenance Rating System> DET Plant 5 Green Building Application (According to the LEED 2009 for Existing Buildings Operations and Maintenance)- Baseline year 2010-2012 average EUI: 640 kWh / m².

* 9 AKO green building application documents (according to LEED v4 commercial interiors, retail, hospitality minimum energy performance simulation requirements) simulation baseline value: 165.57 kWh / m².



5.4 Water Resource Management

Strategic Direction

Enhance the effectiveness of water resource management measures, pursue optimized water consumption efficiency at production plants, opt for water-saving equipment, increase water recycling rate, lower ineffective use, and promote relevant advocacy training.

Commitments

In response to climate change, a stable water supply has become a global issue. To fulfill our social responsibility and to respond to the global water shortage issue, Delta will reduce its overall Water Productivity Indicator (WPI) by 30% before 2020, using 2015 as the base year.

Delta established water conservation targets for 2021 after internal re-examination in 2020. We shall continue to enhance the resilience of water management amid climate change and actively search for suitable solutions to increase Delta's capacity for flexible adjustments in face of severe pressure on water resources in the future.

KPI

Main Production Plants^{*1}

WPI (purchased water usage (metric ton)/ Production value (million USD))

- **2020 Target**
30% reduction

Baseline year : 2015
- **2020 Performance** Achieved

30.9% reduction

Baseline year : 2015
- **2025 Target**
10% reduction

Baseline year : 2020

Building^{*2}

WCI (purchased water usage (metric ton) / Capita)

- **2020 Target**
30% reduction

Baseline year : 2015
- **2020 Performance** Achieved

35.8% reduction

Baseline year : 2015
- **2025 Target**
10% reduction

Baseline year : 2020

Key Initiatives for Alignment with SDGs



Established an assessment model as the baseline for subsequent improvement of the Company's own risks



Established reduction targets and water consumption surveillance system



Promoted water source reduction and improved water recycling

*1 Main production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China, DET plant 1, 5, and 6, and Taoyuan plant 1 and 2 in Taiwan, Cyntec Hsinchu, Huateng and Huafeng plants. Add production plants of Taoyuan plant 5, and Pingjhen in Taiwan and DET plant 3 of 2025 target scope.

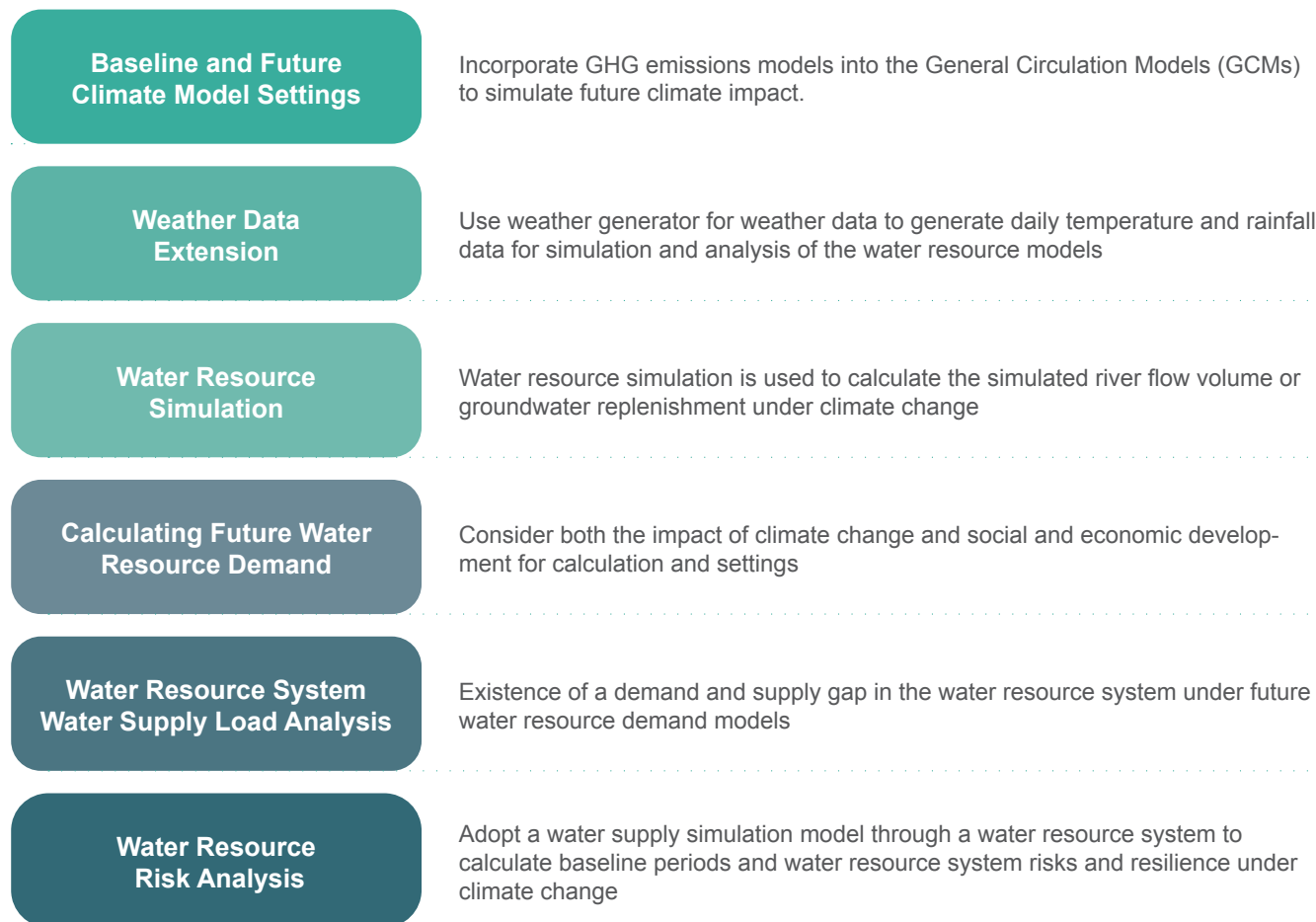
*2 8 buildings including Ruey Kuang, Yang Guang, Taoyuan Plant 3, Chungli 1 & 2, Tainan 1 & 2, and Shanghai R&D; excluding Dongguan R&D, Wujiang R&D, Japan, USA, and Germany.

5.4.1 Identification of Water Risks and Response Measures

Establish Risk Assessment Models

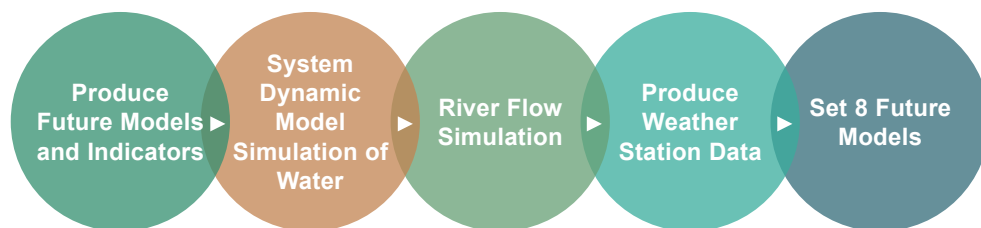
The Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI) has been widely adopted across the world. The baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies but the system lacks data from Taiwan for multiple indicators. Delta adopted the data compiled in the Hydrological Year Book for use as the baseline to replace WRI's analysis results for Taiwan to ensure that correct decisions can be made in the event of a water shortage caused by climate change and increase the number of days of sustained operations in the event of water shortages. The results calculated based on enhanced indicators make them more significant. After the weighted scoring based on the aforementioned analysis results and considering the impact on operations, water usage data, and occurrences of water shortages, Taoyuan Plant 2 and Cyntec Huafeng were ranked as the top 2 plants with highest risk levels out of all plants.

Risk Identification and Assessment Procedures



Risk Assessment

With regard to direct operations, Delta has established its own water conservation targets and selected Taoyuan, an area prone to droughts, for the establishment of a "Delta Water Risk Assessment System". In addition to providing a basis for risk assessment of water supply thresholds acceptable to Delta plants, the System also provides simulation and analysis for future development of the region and the Company. According to RCP 2.6 (2°C warming) and RCP 8.5 (Business as Usual, BAU) scenarios of IPCC AR4, Delta evaluated the current conditions and future water shortage risks to enhance regional water resource resilience and achieve sustainability in water consumption. The risk values derived from the analysis are used as the basis for follow-up financial impact estimates. Delta shall continue to use the assessment methodology for high-risk plants and plan suitable measures for adaptation.



Risk Adaptation and Response

Companies must take both adaptive and mitigation measures in response to climate change. Delta uses the TCFD framework for management and disclosure and establishes related response measures based on these risks. As water resources are crucial elements in Delta's production process, Delta has actively improved wastewater treatment and recycling and evaluated individual risks of the sources of water resources for formulating corresponding measures. This ensures adequate response capabilities and making the most resilient adjustments before risks arise to implement the sustainable management of water resources.

5.4.2 Consumption and Effectiveness of Water Resources

Implementation of Water Resources Management

Delta is keenly aware of the connections between water safety and the welfare of people and industries. The issues have extended from the environment to human rights and economic development. Among the 17 Sustainable Development Goals of the United Nations, SDG 6 "Clean Water and Sanitation" aims to ensure availability and sustainable management of water and sanitation for all.

Smart Monitoring

Delta completed the electronic water meter installation in production plants and buildings within the management area and combined them with the Delta Energy Online system to monitor water consumption.

Improving Efficiency

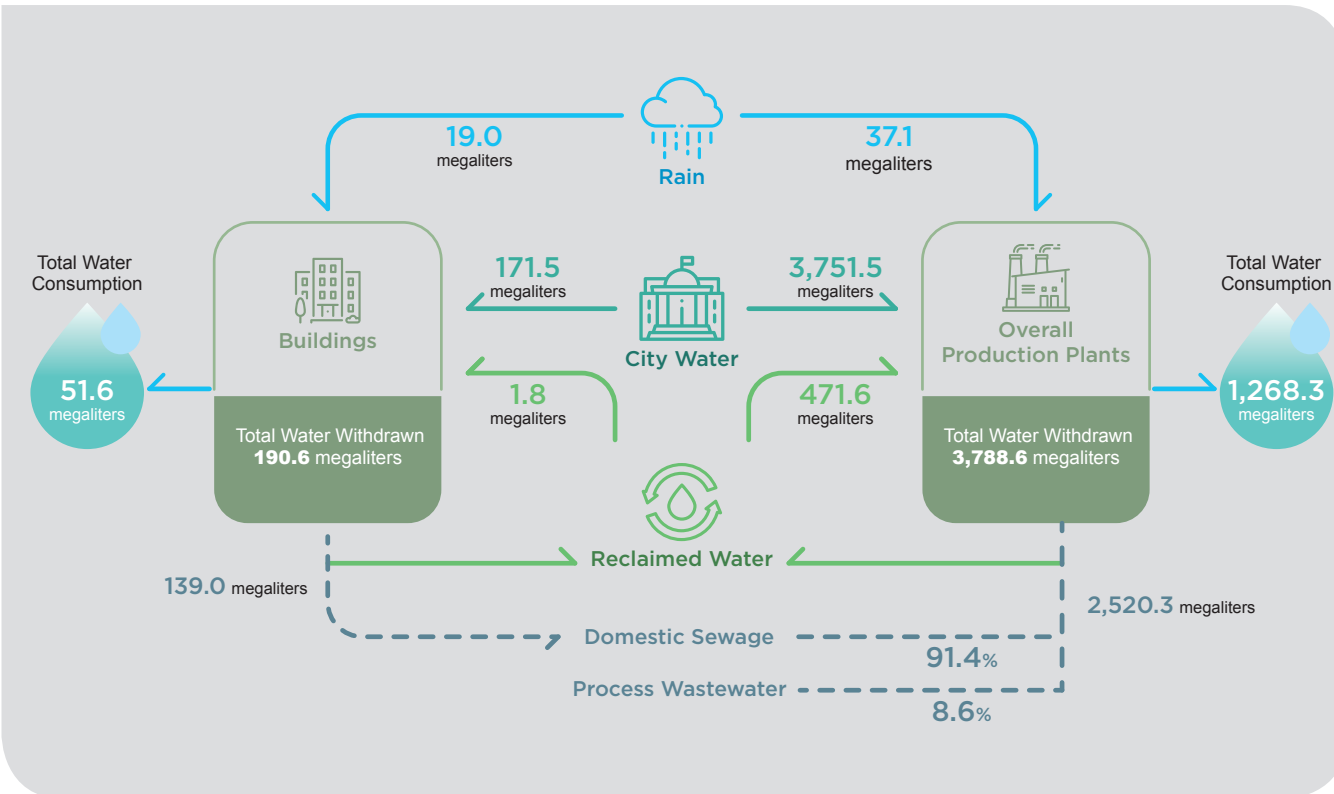
Delta actively increases water consumption efficiency at the process end and increases output under the same water consumption conditions to reduce the risks of water resources.

Pollution Reduction

Sewage treatment and wastewater treatment in plants effectively help reduce the negative impact on the environment.

Promotion of Water Conservation and Water Recycling

The sources of water of Delta's overall production plants^{*1} consist mostly of tap water (99.0%) which is mainly used in cooling towers, restaurants, and daily general sanitation for cleaning bathrooms. In 2020, Delta's total volume of water withdrawn for overall production plants was 3,788.6 megaliters (rainwater recycling 37.1 megaliters). Total water consumption was 1,268.3 megaliters and water discharge was 2,520.3 megaliters (91.4% domestic sewage and 8.6% process wastewater). Total volume of water recycled^{*2} was 508.7 megaliters and water recycling rate^{*3} was 11.9%. The total volume of water withdrawn for buildings^{*4} was 190.6 megaliters (rainwater recycling 19.0 megaliters). Total water consumption was 51.6 megaliters and water discharge was 139.0 megaliters. Total volume of water recycled was 22.1 megaliters and water recycling rate was 11.4%. A total of 80 new solutions for production sites and buildings were implemented in 2020, including: rainwater recycling, condensate recycling, outlet pressure control, and equipment adjustment and improvement, saving a total of 183.6 megaliters of water consumption.



Water Conservation Performance

Main Production Plants

2020 Water productivity intensity (WPI) was 463 metric ton/MUSD for Delta's main production plants. A decrease of 8.3% compared to 2019; and a 30.9% decrease compared to 2015.

The main reasons are as follows:

- Additional condensate recycling
- Increased wastewater recycling rate

Buildings

The WCI of 8 buildings in 2020 was 21.9 m³/capita-year, a decrease of 10.5% compared to 2019; and a 35.8% decrease compared to 2015.

The main reasons are as follows:

- Improvement of the water-cooling ice machine
- Cooling tower concentrated drainage reused for toilet flushing
- Irrigation and fish pond management measures

*1 Overall production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China; DET plant 1, 5, and 6 in Thailand; Taoyuan plant 1 and 2, Cyntec Hsinchu, Huateng and Huafeng plants in Taiwan; and the production plants of Eltek acquired after 2015 (plants in the United States and India)

*2 Total water recycled = (reclaimed water + rainwater)

*3 Water recycling rate = total water recycled / (total water withdrawn+ reclaimed water)

*4 8 buildings including Ruey Kuang, Yang Guang, Taoyuan Plant 3, Chungli 1 & 2, Tainan 1 & 2, and Shanghai R&D; excluding Dongguan R&D, Wujiang R&D, Japan, USA, and Germany.

Wastewater Management

All wastewater (sewage) from Delta's main production plants and buildings is either properly treated by suitable wastewater treatment facilities, or directly discharged to wastewater (sewage) plants designated by the local management center. For plants where no flow meter is installed, the sewage discharge is estimated to be 80% of the water withdrawn; while wastewater discharge of Cytotec Hsinchu and Cytotec Huafeng is calculated by actual monitoring and inspection of discharge volume. The quality of discharge across all plants is in compliance with current legal regulations, and we regularly test the waste (sewage) water quality to ensure that no material impact is posed to the surrounding environment from receiving water. No material leakage or overflow occurred at any production plant in 2020

Water Discharge by Quality and Destination

Region	Plant	Total Process Wastewater (Megaliter)	Concentration of Effluent (mg/L)			Processing Unit	Receiving Waterbody
			Total Suspended Solids	Biochemical Oxygen Demand	Chemical Oxygen Demand		
Taiwan	Cytotec Hsinchu	194.9	1.3	18.1	68.0	Hsinchu Science Park Wastewater Treatment Company	Keyaxi Rivery
Mainland China	Cytotec Huateng	21.8	17.0	-	16.0	Yundong Wastewater Processing Company	Wusongjiang River

5.5 Waste Management



Strategic Direction

Strengthen waste management measures, implement source reduction, increase resource reuse rate, and promote closed cycle of resources to maximize resource utilization.

Commitments

In pursuit of sustainable use of resources and avoiding the depletion of the earth's resources, Delta promised to reduce our overall waste intensity by 15% by 2020, using 2015 as a base year. In the future, we will continue to improve the diversion rate of waste through reduction, reuse, and recycling to reduce our environmental impact.

KPI

Main Production Plant Waste Reduction^{*1}

Waste Intensity (WI) of production plants;
 WI of production plants = total waste volume / production value in MUSD

- **2020 Target**
15% reduction
- **2020 Performance**
13.2% reduction

Baseline year / 2015

Building Waste Reduction^{*2}

Waste Generation Intensity (WGI) of buildings;
 WGI of buildings = total waste volume / capita-year

- **2020 Target**
15% reduction
- **2020 Performance** Achieved
26.4% reduction

Baseline year / 2015

Waste Diversion Rate^{*3}

- **2025 Target**
Main production plants^{*4} reached 100%

Key Initiatives for Alignment with SDGs



Achieve effective use of resources through input and output resource inventory



Reduce waste generation and environmental impact through prevention, reduction, recycling and reuse



*1 Main production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China, DET plant 1, 5, and 6, and Taoyuan plant 1 and 2 in Taiwan, Cyntec Hsinchu, Huateng and Huafeng plants.
 *2 8 buildings including Ruey Kuang, Yang Guang, Taoyuan Plant 3, Chungli 1 & 2, Tainan 1 & 2, and Shanghai R&D; excluding Dongguan R&D, Wujiang R&D, Japan, USA, and Germany.
 *3 Waste diversion rate = reuse + reduce + recycle + thermal technologies + anaerobic digestion + biofuel + composting / total mass discarded material; of which, the highest percentage of thermal technologies is less than 10%.
 *4 Delta's 15 main production plants (Dongguan, Wujiang, Wuhu, Chenzhou plants in China; DET plant 1, 3, 5, and 6; Taoyuan plant 1, 2, and 5, and Pingjhen in Taiwan; Cyntec Hsinchu, Huateng and Huafeng plants).

5.5.1 Enhance Circular Recycling and Reuse

Introduction of International Certification and Methodology

Since the introduction of UL 2799 zero waste to landfill certification at Delta's Dongguan plant in 2019, we have introduced the concept and methodology into plants across the world for waste monitoring and analysis for possible improvements. We will gradually increase the resource recycling rate, and move towards the goal of zero waste landfill. In 2020, Delta's Wujiang plant was implemented and will continue to expand horizontally to global plants.

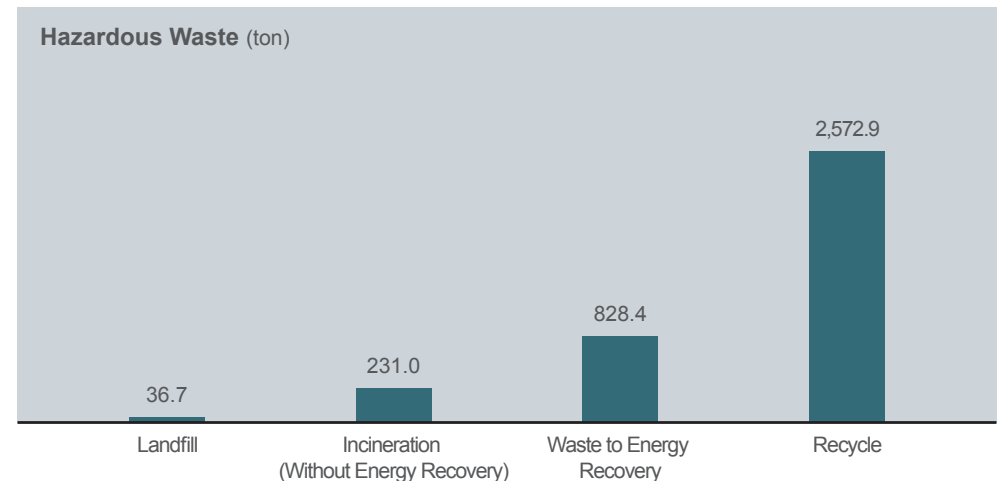
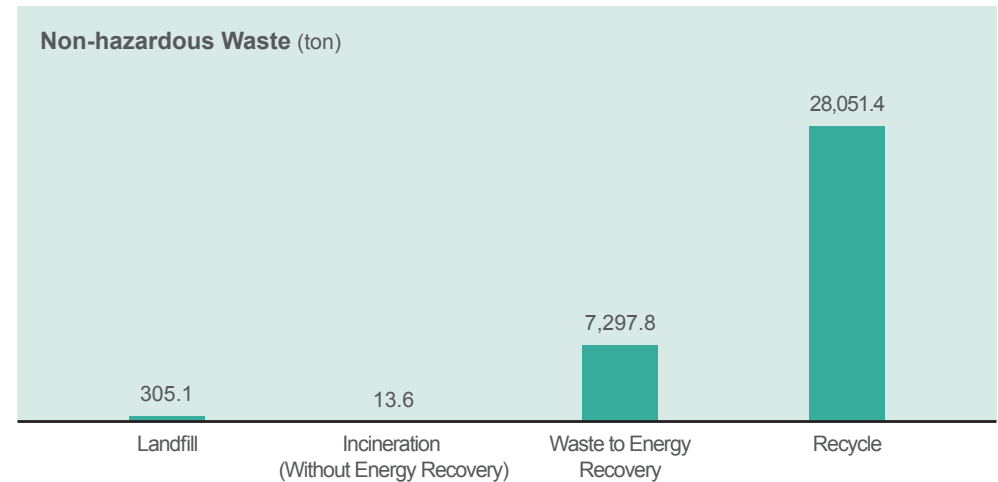
5.5.2 Waste Generation and Performance

Implementation of Waste Management

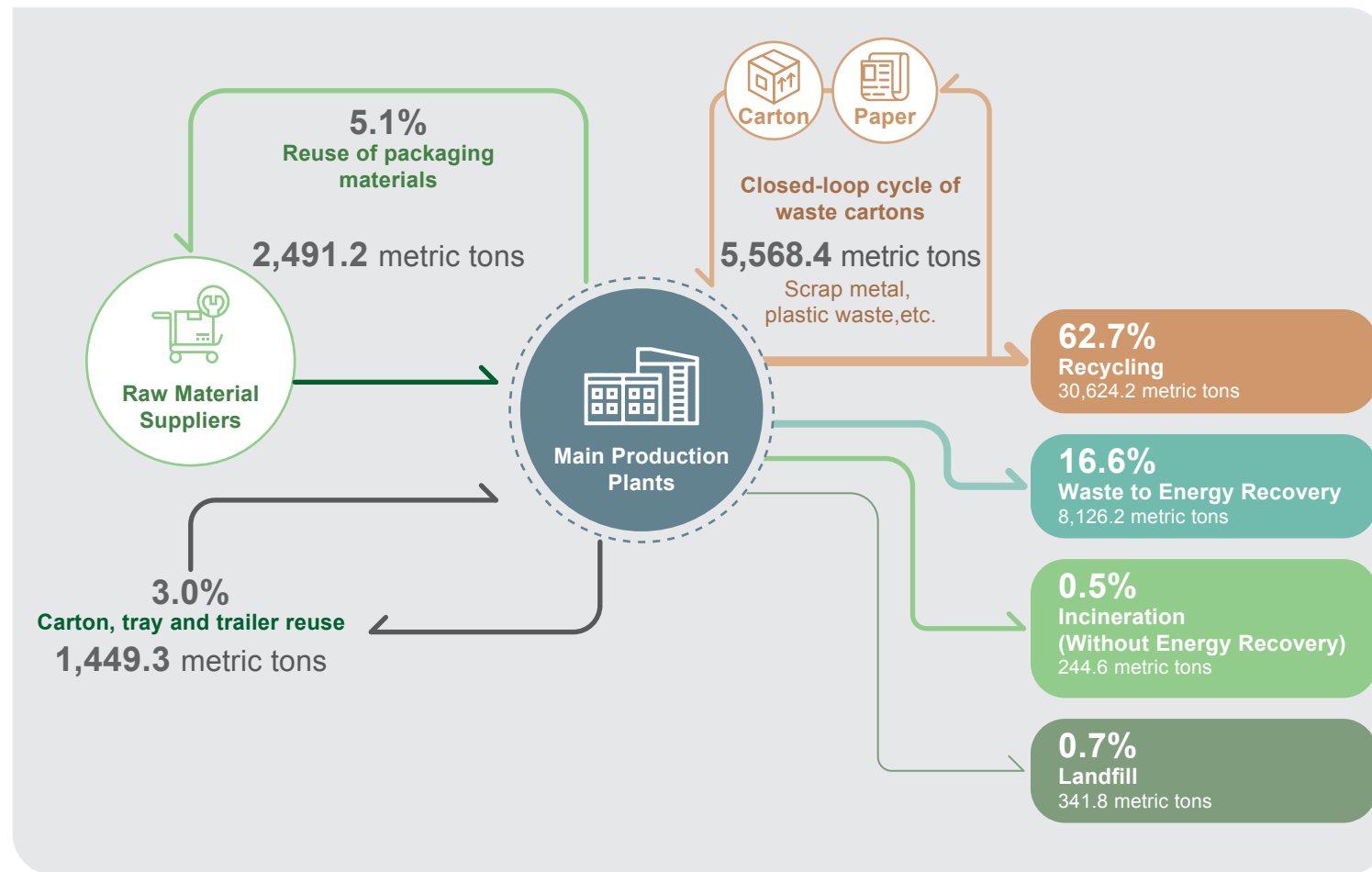
Delta established the "Water Conservation and Waste Reduction Management Committee" in 2016. In order to achieve sustainable use of resources and ensure proper handling of waste, the Committee analyzed the sources and types of waste output, and identified potential for reuse by combining respective internal and external resources. Delta continued to promote waste reduction measures, and a total of 111 waste reduction projects were implemented in the main production plants and buildings in 2020, including: recycling of packaging materials, design changes to reduce metal, and sludge moisture content reduction, which resulted in a total of 7,774 metric tons of waste production savings.

Statistically, in 2020, the weight of waste at overall production plants for outsourcing was 39,447.0 metric tons and the total weight of waste generated at the main production plants for outsourcing was 39,336.9 metric tons, of which, non-hazardous waste accounted for 35,667.9 metric tons (90.7%), and hazardous waste accounted for 3,669.0 metric tons (9.3%).

Delta has started its own waste reduction, but needs to collaborate throughout the value chain to use waste effectively and reduce waste generation. Through collaboration with its value chain, the comprehensive output performance of Delta's plants consists of the total mass of discarded material at 48,845.7 tons, and the total mass of diverted waste at 48,259.3 tons, with a diversion rate of 92.2%, of which the waste to energy recovery exceeds 10%, which is calculated as 10%.



Delta Plant Value Chain Waste Flow Chart



Waste Reduction Performance

Main Production Plants

2020 Waste intensity (WI) was 4.86 metric ton/MUSD for Delta's main production plants. A decrease of 15.1% compared to 2019; a decrease of 13.2% compared to 2015.

The main reasons are as follows:

- Carton recycling for packaging materials
- Injection molding jig improvement to reduce waste plastic material
- Improvements in raw material packaging to reduce usage

Buildings

The WGI of 8 buildings in 2020 was 110.71 kg / capita-year, a increase of 7.5% compared to 2019; and a decrease of 26.4% compared to 2015.

The main reasons are as follows:

- Internal recycling of waste materials
- In-house ban on disposable cups and cutlery

* Refer to 4.5.5 for relevant information. The weight information of relevant packaging materials is calculated based on the average weight per unit (blister material 0.0186 kg, paper 0.036 kg, carton 1.2 kg, pallet 16.2 kg)

5.6 Green Products



Strategic Direction

All Delta products comply with international safety standards or international environmental regulations (e.g., EU directives including RoHS, WEEE, REACH, and China RoHS).

We assist clients' green marketing needs to display environmental certification information such as Taiwan Green and Eco Label, US ENERGY STAR, and 80 PLUS on our products as required by our customers.

We provide high-efficiency energy-efficient products and cooperate with global customers to fulfill the vision of an energy-saving and low-carbon society.

Commitments

Based on our vision for energy conservation and environmental protection, Delta is committed to continuous enhancement of product energy efficiency and the active development of renewable energy solutions through technical innovations of products. We also mitigate environmental impact by introducing green designs in each phase of the product life cycle to facilitate product responsibility and green consumption.

KPI

Product energy savings pass by ISAE 3000 assurance

- **2020 Target**
Product energy savings pass by ISAE 3000 assurance
- **2020 Performance** Achieved
11 types of products have been assured by ISAE 3000
- **2021 Target**
Product energy savings continued to pass by ISAE 3000 assurance
- **Medium and Long-term Targets**
Set product energy saving goals

No breach of legal regulations or standards for product / service provision and related usage

- **2020 Target**
No breach of legal regulations or standards for product / service provision and related usage
- **2020 Performance** Achieved
No violations
- **2021 Target**
No breach of legal regulations or standards for product / service provision and related usage
- **Medium and Long-term Targets**
No breach of legal regulations or standards for product / service provision and related usage

Key Initiatives for Alignment with SDGs



Enhance product energy efficiency



Provide green innovations in products / services



Actively develop photovoltaic systems and renewable energy solutions



Continue to provide eco-friendly products

5.6.1 Green Design

Life Cycle Assessment

Life Cycle Assessment (LCA) is a systematic analysis method for the environmental impact caused in each phase: from acquisition of raw materials, manufacturing and assembly, sales and transportation, and use to final disposal. In order to reduce the impact of products on the environment, Delta conducted full-scale LCA and Screening LCA on respective products according to the international standard ISO 14040 / 44, and introduced green design in each phase.

Product carbon footprint is the best example of Streamlined LCA (SLCA) in action. Delta has a large variety of products, and for this reason, we calculate our carbon footprint in various stages. Delta established a product carbon footprint calculation mechanism as well as international carbon emission factor databases to create a platform of knowledge that will contribute to green product R&D, and the selection of low carbon emission materials. The knowledge and experience involved is then transferred abroad for use by Delta's other production plants.

Since 2010, Delta has selected several representative products to perform product carbon footprint research, and has completed the carbon footprint inventory and acquired PAS 2050 verification for products such as notebook external power supply units (adaptors), DC brushless fans (DC fans) and PV inverters, and has continued to carry out self-inventory of PocketCell mobile power pack products. Since 2016, ISO 14067-1 carbon footprint verification has been completed for products such as high-efficiency rectifier modules TPS, 3900W and 1200W switch mode power supply units and electric vehicle on-board chargers year by year, going further into green and low carbon design.

By summarizing the results of several products' LCA, it shows that the environmental impact from the "use phase" of Delta's core products is currently most significant during their actual life cycle, and "acquisition of raw materials" comes in second. Delta has always strived to continuously improve the energy efficiency of our products to reduce the environmental impact of the use phase. The ESG Committee resolved to continue

the integration of the existing international carbon emission factor database into our raw material BOM list, establish green design rules for low-carbon products, as well as make an ongoing commitment to continuously improving product energy efficiency to reduce users' carbon emissions.

Strategies for Lowering Environmental Impact of Products

We actively employ the following strategies to reduce the potential environmental impact during each stage of the product life cycle.





Raw Materials

Reduction Goals and Localized Management

Delta has built a green supply chain to respond to climate change. At its main production sites in China, Taiwan, and Thailand, Delta promotes the inventory and disclosure of supply chain carbon, water, and waste management to effectively respond to climate change, promote greenhouse gas reduction in the supply chain, and reduce the carbon footprint of raw materials.

approximately **16,923** kWh of electricity, equivalent to approximately **9,328** metric tons CO₂e emissions. Delta implemented a total of **2,270** energy saving projects from 2011 to 2020 with an estimated **279,387** thousand kWh of electricity saved, equivalent to a reduction of **216,802** metric tons of CO₂e emissions.



Downstream Transportation

Adoption of Green Packaging Materials

Delta employs green packaging materials for all of our products, using corrugated paper, cardboard, paper, and wooden boxes, all in line with our transportation process needs. Waste materials can be recycled, reused, or used repeatedly. For example, in 2020, the weight of recyclable materials accounted for approximately **32%** of the wooden boxes, pallets, and paper boxes used. The amount of recycled paper used accounted for **96%** of paper packaging.



Usage

Enhancing Energy Efficiency of Products

The continued improvement in energy efficiency in our products is a concrete expression of Delta's corporate mission: "To provide innovative, clean and energy-efficient solutions for a better tomorrow". As of now, Delta's power management products have achieved as much as **90%** energy efficiency, such as our telecom power supplies with up to **98%** efficiency, PV inverters with a peak conversion efficiency of

99.2%, and DC-DC converters for vehicles with **96%** efficiency. Delta once again received the Energy Star Sustained Excellence Award in 2020 and we received ENERGY STAR Partner of the Year's Outstanding Sustainability Award for 4 consecutive years due to our products' superior energy efficiency and contribution to the reduction of greenhouse gas emissions.



Terminal Processing

Design for Ease of Product Dismantling and Recycling

Delta designs its products for easy dismantling and recycling. We actively help B2B customers improve the reuse rate and recycling rate of waste electronics products to conform to the environmental regulations of the target region, such as for the EU's WEEE directive. For our own brand products, we are also working with local recycling organizations to ensure the proper recycling and ultimate disposal of waste products. For instance, our charger / mobile power brand Innergie has registered with local EU authorities and has joined Germany's electronic waste recycling system.



Manufacturing

Energy Conservation Plan for Carbon Reduction

Delta's plants promote various energy-saving measures to continuously reduce carbon in the manufacturing stage of products. The company put **234** energy conservation projects into practice in 2020 and saved



Delta's High-efficiency PV Inverters

5.6.2 Hazardous Substance Policy and Management

Since 2002, Delta has established the Delta Environmental Hazardous Substance Management Policy and Regulations. Delta's product design to manufacturing process, including the components, process chemicals, jigs, and packaging materials that make up Delta's products, are all included in the management system to achieve the most comprehensive management. It is Delta's responsibility and contribution as a global citizen to insist on producing excellent products that meet green regulations and enhance performance.



Monitoring Laws and Upcoming Regulations

In line with Delta's diverse product development, Delta continues to pay attention to various regulations related to hazardous substances, such as the "Restriction of Hazardous Substances in Electrical and Electronic Equipment Directive" (RoHS), which is the main regulation for electronic products in the European Union; the European Union's "Registration, Evaluation, Authorization and Restriction of Chemicals" (REACH); "Persistent Organic Pollutants Regulations" (POP); the automotive industry's mainstream "Global Automotive Declarable Substance List" (GADSL); the Safe Drinking Water and Toxic Enforcement Act of the United States, also known as the "California Proposition 65" (Prop65); the "Toxic Substances Control Act" (TSCA) list of the U.S. Environmental Protection Agency; to Japan's "Chemical Substances Control Law" (CSCL).

We pay advance attention to these regulations, and at least one year before the implementation of the regulation, we incorporate it into our management standard and implement the introduction.



Delta's Hazardous Substance Process Management System

Our main production plants are certified with the IECQ QC080000 Hazardous Substance Process Management System, ensuring that Delta's hazardous substance management standards are consistently enforced throughout the supply chain.

Delta has a complete internal Hazardous Substance Control Process, from material evaluation, material number application, to production material number management, all of which goes through Product Lifecycle Management (PLM) for the management of material number specifications, graphic documentation, and confirmation of classification (halogen-free, automotive, RoHS). We use the Delta EC Suppliers exchange platform as an interface to publish the latest hazardous substance management regulations. We subsequently obtain a declaration based on the material number and conduct new supplier evaluations based on the same management regulations.



Enforcement and Practices

When there are significant adjustments to external laws and regulations or Delta's policies, the Delta Environmental Hazardous Substance Management Policy and Regulations content will be discussed across business groups to reissue the regulations and confirm the schedule. The frequency of adjustment is about once a year.

Under the management regulations, each plant has established detailed control procedures, including material recognition, testing requirements, report specifications, and declaration requirements. Each plant has dedicated staff responsible for handling quality abnormalities and preparing environmental management material implementation plans. We have also incorporated supplier-end management and audit into the management scope by integrating VQA (Vendor Quality Assurance) supplier audits with incoming material inspection and sampling, parts engineering units, and materials units to establish a complete hazardous material management system.



Disclosure of Substances Used

The composition of electronic products is complex, and the most major concerns of customers are the Substances of Very High Concern (SVHC) under EU REACH and RoHS exclusion-related statements.

Take power supplies for example, there are 17 main hazardous substances in Delta's electronic products, including resin materials and additives, metal surfaces, electrical contact alloys, electrolyte additives, ceramic material additives, flame retardant, such as antimony trioxide, boric acid, and siloxanes.

In addition to disclosing hazardous substances in response to customer demand, Delta has also begun to compile data on all of Delta's hazardous substance management indicators in response to investor expectations. For example, in 2020, all products in the power supply business group can comply with the IEC 62474 Material Declaration for Products of and for the Electrotechnical Industry.

Delta's Phase-Out Program for Hazardous Substances

Starting 20 years ago, Delta has eliminated hazardous components that do not comply with regulations, and has been actively reviewing the materials used. In 2007, we established the Delta Halogen-Free Standard to ensure that Delta's products comply with market trends and regulatory requirements for the use of halogenated substances.

Delta also continues to carry out more control and evaluations of flame retardants and plasticizers for continuous optimization. For example, phosphorus-based flame retardants were used in the past to replace brominated flame retardants to achieve the halogen-free goal (chlorine and bromine). But several phosphorus-based flame retardants were later found to be more biotoxic, so they were phased out again, while a number of phosphorus-based flame retardants and plasticizers with higher biotoxicity have been banned. The phasing out is expected to be completed by 2023 will exceed the regulatory requirements.

Chlorinated organic solvents, which contain CMR Level 1 regulated ingredients in the cleaning agent, has been phased out from some Delta business groups and is expected to be fully phased out by 2023.

5.6.3 Eco-labels and Eco-declarations

Type I Eco-labels

Type I Eco-labels conform to the specification standards of organizations or governments, and have been verified by third parties. Trademarks are easily identified by clients and consumers.

Delta's Type I Eco-labels include the following:

	<p>Taiwan Green Mark</p> <p>44 projector products have obtained the Taiwan Green Mark</p>
	<p>Taiwan Energy Label</p> <p>75 products have obtained the Taiwan Energy Label (including indoor lightings, road lightings, bathroom exhaust fans)</p>
	<p>China Environmental Labelling</p> <p>71 products certified by China CEC</p>
	<p>ENERGY STAR Most Efficient Products</p> <p>88 energy saving ventilation fan products awarded the ENERGY STAR's Most Efficient Products</p>
	<p>80 PLUS Certification</p> <p>364 power supply products certified by 80 PLUS</p>

Type II Environmental Declarations

Data collected from Streamlined Life Cycle Assessments (SLCA) of several of our products shows that the environmental impact from the use phase of Delta's core products is most significant during their actual lifecycle. We therefore implement product environmental information disclosure while improving product energy efficiency, and integrate this with the ISO 14021 Self-Declared Environmental Claims and the ISO 14025 Environmental Product Declaration (EPD).

Delta launched the "EnergyE" program for telecom power supplies in 2010 and assigns different ratings based on product performance in energy efficiency. They include a green label for 95% to 96%, gold label for 96% to 97%, and purple label for efficiency higher than 97% to help customers distinguish between products.

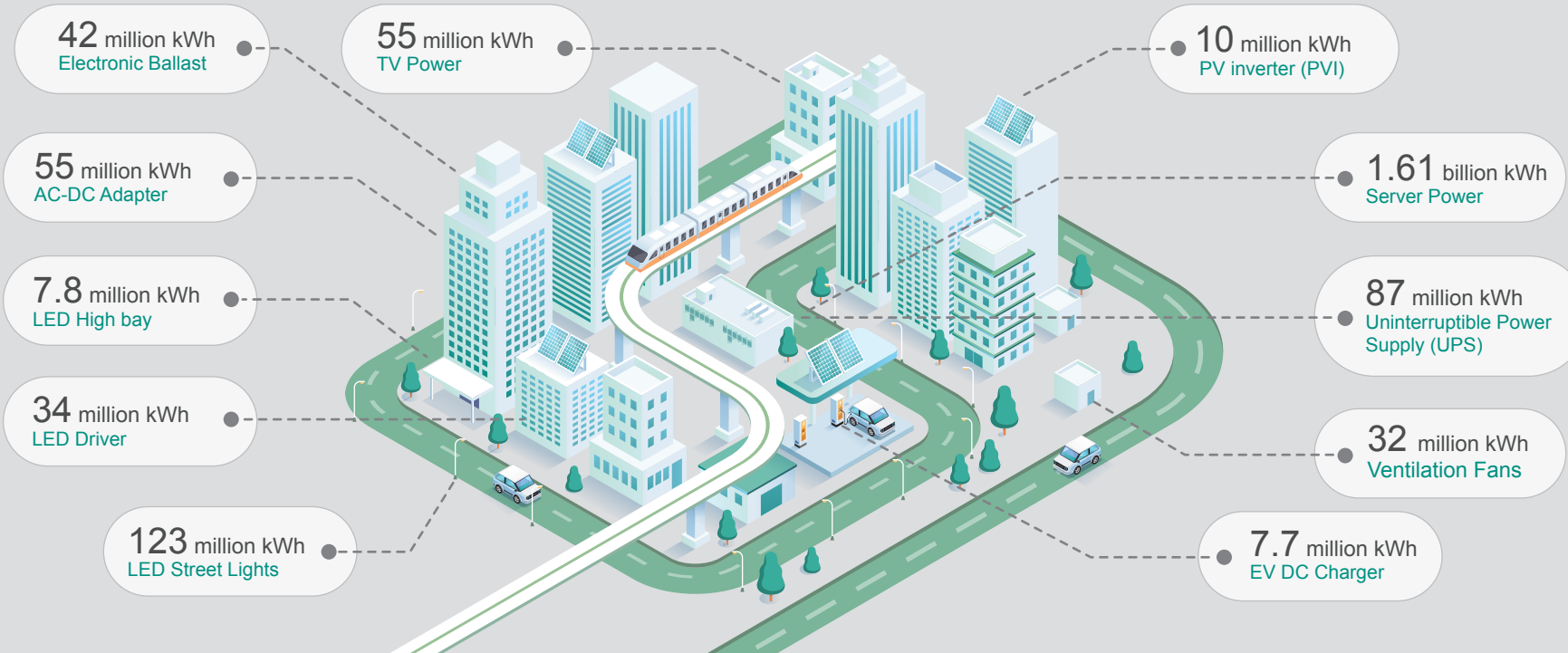
EnergyE Product Label Examples

-  ▶ Efficiency > 97%
-  ▶ Efficiency 96%~97%
-  ▶ Efficiency 95%~96%

5.6.4 Energy Saving Benefits of Products

Delta continues to enhance product energy efficiency and to develop integrated green energy products, energy-saving products, and solutions, which help clients conserve more energy and achieve even higher cost-effective performance. Based on the shipment of power supplies, direct-current fans, uninterruptible power supplies, variable-frequency drives, LED lamps, electrical ballasts, PV inverters, and direct-current EV chargers from China, Taiwan, and Thailand between 2010 and 2020, Delta's high efficiency products saved customers an estimated 33.5 billion kWh of electricity and reduced carbon emissions by 17.80 million tons CO₂e.

In 2020, Delta's products saved, in total, 2.07 billion kWh of electricity and reduced carbon emissions by approximately 1.06 million tons CO₂e. In 2015, Delta was the first in the industry to introduce product energy-saving calculations into ISAE 3000 assurance. Since then, product items have been added year by year, including energy-saving assurance of the uninterruptible power supply and TV power in 2018 and energy-saving assurance of LED drivers in 2019. Delta had accomplished assurance of ISAE 3000 product energy conservation for 11 products by 2020.



Eleven Types of Products Assured by ISAE 3000 in 2020

Product Name	Explanation for Calculation of Energy Savings	Assurance Start Year
LED Driver	By comparing the efficiency of Delta LED driver to that of EU eco-design requirements for light sources and separate control gears ^{*1} , for the shipments of the Delta OBM and 1 EU major customer in 2020, annual energy savings was 34 million kWh.	2019
Uninterruptible Power Supplies (UPS)	By comparing the efficiency of Delta uninterruptible power supply (UPS) to that of EU Code of Code on Energy Efficiency and Quality of AC Uninterruptible power supply systems (EU UPS CoC rev.2), for the shipments of the main UPS models ^{*2} in 2020, annual energy savings was 87 million kWh.	2018
TV Power	By comparing the efficiency of Delta Open frame TV power to that of the minimum energy efficiency required by customer's specifications, for shipments of the 20 main Open frame TV power models ^{*3} in 2020, annual energy savings was 55 million kWh.	2018
PV Inverter	By comparing the efficiency of Delta PV Inverter (PVI) to the minimum average efficiency 97.5% ^{*4} of the ENERGY STAR Market and Industry Scoping Report, for the shipments of main PVI models ^{*5} to North America and Europe ^{*6} in 2020, annual energy savings was 10 million kWh.	2017
EV DC Charger	By comparing the efficiency of Delta EV DC Charger to the minimum efficiency 90% regulated by CHAdeMo, for the shipments of EV DC Charger in 2020, annual energy savings was 7.7 million kWh.	2017
LED High Bay	Assuming that end-users installed Delta LED high bays to replace Metal Halide high bays, and by comparing the efficiency of Delta LED high bays to the minimum efficiency requirements for the procurement of Metal Halide high bays (Distribution: Direct, LER: Closed) issued by the United States Department of Energy, for the shipments of LED high bays in 2020, annual energy savings was 7.8 million kWh.	2017
LED Street Lights	Assuming that end-users installed Delta LED street lights to replace mercury street lights, for the shipments of LED street lights to Taiwan in 2020, annual energy savings was 123 million kWh.	2016
Server Power	By comparing the efficiency of Delta Server Power to that of 80 Plus Bronze requirements, for the shipments of 14 major customers in 2020, annual energy savings was 1.61 billion kWh	2016
Ventilation Fans	By comparing the efficiency of Delta ventilating fans to that of USA Energy Star or Taiwan Energy Label requirements, for shipments of products that have been certified by the USA Energy Star or Taiwan Energy Label in 2020, annual energy savings was 32 million kWh.	2016
AC-DC Adapter	By comparing the efficiency of Delta AC-DC adapters to that of EU eco-design requirements for External Power Supplies (EU 2019/1782), for shipments of the 46 main AC-DC Adapter models ^{*7} in 2020, annual energy savings was 55 million kWh.	2016
Electronic Ballast	Assuming that end-users replace existing Magnetic Ballasts with Electronic Ballasts, for shipments of Delta Electronic Ballast for Fluorescent Lamps to 8 major customers in 2020, annual energy savings for end-users was 42 million kWh.	2015

*1 Laying down eco-design requirements for light sources and separate control gears pursuant to Directive 2009/125/EC of the European Parliament and of the Council and repealing Commission Regulations (EC) No 244/2009, (EC) No 245/2009 and (EU) No 1194/2012

*2 Main product models and series are the single-phase UPS models which contains "RT" in the part number, and the 3-phase UPS models which contains "DH", "NH", "HP", "HH", "DS" and "DM" in the part number.

*3 Main product models are AP-P242AM A, AP-P242AM B, AP-P288AM B, AP-P321AM B, AP-P340AM A, AP-P341AM A, AP-P341AM B, AP-P348AM A, AP-P396AM A, AP-P397AM A, AP-P397AM-1 A, AP-P410BM A, AP-P410BM B, AP-P412AM-1 A, AP-P484AM A, AP-P484AM B, AP-P502AM A, AP-P125AM A, AP-P130AM A, AP-P180AM A. The minimum energy efficiency requirement of customer specifications for the first seventeen models mentioned above is 80%, and the minimum energy efficiency requirement for the last 3 model is 85%.

*4 ENERGY STAR Market and Industry Scoping Report

*5 Main product models and series are RPIM6A, RPIM8A, RPIM10A, RPIM15A, RPIM20A, RPIM30A120, RPIM50A 12s, RPIM70A, M88H121, M88H122, M125HV110, M125HV, M36U121, M42U121, M60U121, M60U122, M80U121, M80U122.

*6 Countries of shipments to Europe are Germany, France, Spain, Netherlands, Luxembourg, Romania; US states of shipments to North America are Maryland, Minnesota, Oregon, Arizona, California, Georgia, New Jersey, New York.

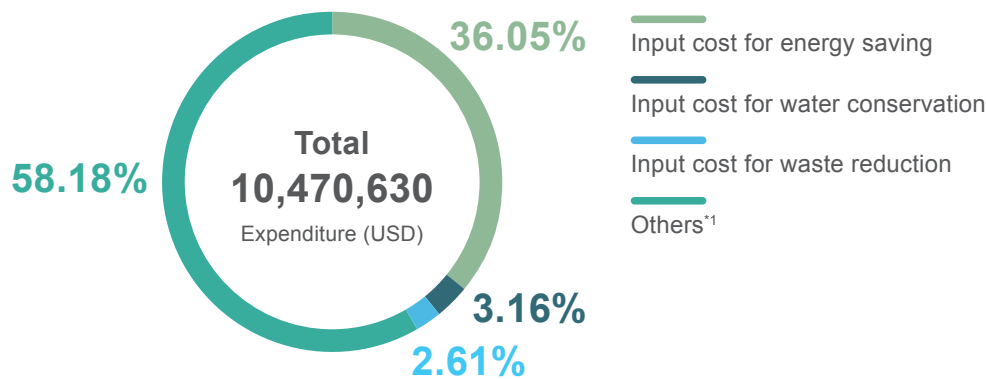
*7 Main product models are ADP-39CB BA, ADP-45AGBA, ADP-45BG BA, ADP-45BG BC, ADP-45EG AA, ADP-45FE BE, ADP-45FE FA, ADP-45FE FC, ADP-45HG BA, ADP-65AE BA, ADP-65DE BA, ADP-65HB HCB, ADP-65HB HCE, ADP-65KE BB, ADP-65MD AB, ADP-65ME BA, ADP-65XD AB, ADP-65YD BA, ADP-65YH BA, ADP-90DE BA, ADP-90DE BC, ADP-90FE DA, ADP-90LD DD, ADP-90LD FA, ADP-90LE BA, ADP-90WH KA, ADP-90WH KB, ADP-120CR AA, ADP-120MH TA, ADP-120MH TE, ADP-120TH BA, ADP-120VH BB, ADP-120WH BA, ADP-120WH BB, ADP-180MB DB, ADP-180MB DD, ADP-180MB KA, ADP-180MB KD, ADP-180TB BA, ADP-180TB HA, ADP-240AB DB, ADP-240CB BA, ADP-240CB BB, ADP-240EB BA, ADP-240EB BD, ADP-240GB BA.

5.7 Environmental Management

5.7.1 Compliance with Environmental Protection Regulations

Delta regards regulatory compliance as its most basic requirement. In 2020, no material environmental law was breached at Delta. The main plants of Delta are all located at industrial parks, or science parks, or local industrial development zones, and we take further actions to minimize the impact on the local ecosystem and environment of our daily operations. We also ensure that we cause no significant negative effects or impact on biodiversity.

5.7.2 Environmental Protection Expenditures



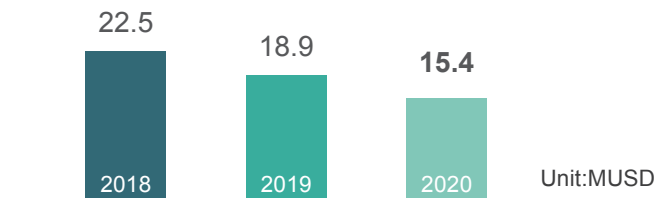
^{*1} Including waste, air pollution and waste (sewage) water treatment fees, environmental testing fees, and management system verification costs.

^{*2} In 2019, the air pollution concentration data calculated from the air pollution inspection report was incorporated into the statistical data, while the data was also adjusted.

5.7.3 Environmental Profit and Loss

Delta recognizes the importance of environmental capital and we have continued to conduct environmental profit and loss (EP&L) assessment to analyze and to further monetize the environmental impact of Delta's production activities. The Impact pathway was adopted for the impact value assessment of Delta's 4 main types of environmental capital, which are: greenhouse gases, air pollution, water consumption, and waste incineration.

Environmental Profit and Loss in the Past 3 Years^{*2}



5.7.4 Air Pollution Prevention and Management

All of Delta's plants have obtained emission permits in compliance with local environmental regulations and have used best available treatment technologies for each pollutant type to ensure that environmental loads around the plants are minimized. Moreover, gas monitoring is regularly scheduled at discharge outfalls of the plants. Currently, air pollutants generated by Delta include Volatile Organic Compounds (VOCs), Nitrogen Oxides (NO_x), Sulfur Oxides (SO_x), and particulate matter (PM).

The total VOCs in 2020 were calculated based on data from monitoring reports and operation time. The total emission amount declared of VOCs in main production plants was 135.9 metric tons. The VOCs mainly came from escaped asphalt (filled in electronic ballast) during the heating process, and volatile organic solvents (such as fluxes and isopropyl alcohol) and others. Nitrogen oxides and sulfur oxides came from testing or the emergency use of generators at plants, or from hot water furnaces in dormitories and kitchens, and both were in minute quantities.

6

Employee Relations and Social Participation

- 6.1 Key Performance Indicators
- 6.2 Talent Attraction
- 6.3 Talent Learning Development
- 6.4 Human Rights Protection
- 6.5 LOHAS Workplace
- 6.6 Social Engagement
- 6.7 Occupational Safety and Health



6.1 Key Performance Indicators

<p>Global Employees</p> <p>83,804</p> <p>People</p>	<p>Ratio of Female Managers</p> <p>32.8%</p>	<p>Global Turnover Rate</p> <p>27.6%</p>
<p>Global Average Training Hours per Person</p> <p>27.2</p> <p>Hours^{*1}</p>	<p>Social Engagement Expenditures</p> <p>9.07</p> <p>MUSD</p>	<p>Number of Volunteers</p> <p>236</p> <p>People</p>
<p>Cumulative DeltaMOOCx e-Learning Video Views^{*2}</p> <p>>1,000</p> <p>10,000 times</p>	<p>Recordable Occupational Injury and Disease Rate^{*3}</p> <p>0.96</p>	<p>Energy Saving Practices at Donated Green Buildings</p> <p>1.66</p> <p>million kWh</p>

Main Endeavors

- Global Talent Attraction:** Formulated different strategies for characteristics of different talents and their job-seeking intentions. In addition to promoting campus talent development plans for the talent market in Taiwan and setting up joint R&D centers with renowned domestic universities, Delta also integrated resources at home and abroad to nurture future talents.
- Talent Cultivation and Retention:** Offered diversified training courses for improving employee professional knowledge and skills required for the future. Launched employees' long-term incentive measures to enhance talent retention.
- Making a Social Impact:** Popularized green building and transportation, promoted science, energy education and climate action, implemented active talent cultivation, and developed the DeltaMOOCx online learning platform centered on technical and vocational education.

*1 Global average training hours per person of the year = Total learning hours of individuals employed by Delta globally in the year / total number of individuals employed by Delta globally in the year

*2 Cumulative from 2015.

*3 Recordable occupational hazard rate = (recordable number of occupational injuries + recordable number of occupational diseases) / total work hours * 1,000,000.

Aligning with UN Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS



No Poverty

- Participated in the Hope of Pearl Program to provide talented students in China with education opportunities.
- Supported the Northern Thailand Project, which offers underprivileged people learning opportunities to increase their incomes.



Good Health and Well-Being

- Implemented occupational safety & health management in practice to ensure the safety of the workplace
- Provided physical and mental consultation and promoted physical and mental well-being of employees



Quality Education

- Developed the DeltaMOOCx Platform to promote fundamental science education.
- Used the Low Carbon Life Blog, energy school, and energy volunteers to promote sustainable development and life-long learning
- Provided a high-quality work environment and competitive salary and benefits to improve employer branding and attract and retain key talents.



Gender Equality

- Promoted gender equality measures to prevent sexual violence.
- Participated in related women's programs of the International Labour Organization to help female employees acquire skills for responding to future work in Industry 4.0.



Affordable and Clean Energy

- Sponsored the Delta Cup International Solar Building Design Competition since 2006 to encourage young designers to incorporate renewable energy in their designs.



Decent Work and Economic Growth

- Established the ISO 45001 Management System for all major plants across the globe to implement preventive safety and health management



Climate Action

- Promoted energy and climate education to increase national climate awareness
- Made donations to build the Delta Sunshine General Lecture Hall for Dazhai High School. We fused modern education ideals with low-carbon building technologies to create a new form of campus space and use experience and education to spread low-carbon ideals.



Life Below Water

- Analyzed international climate and ocean reports and used the "Water with Life in Taiwan" environmental protection documentary to promote ecological education for water regions and protect biodiversity.



Peace, Justice and Strong Institutions

- Implemented human rights management practices to prohibit forced and child labor



Partnerships for the Goals

- Participated annually in the UN Framework Convention on Climate Change Conference of Parties (COP) to promote sustainability initiatives and influence government energy policies.

6.2 Talent Attraction



Strategic Direction

- Promote talent solutions for the post-pandemic era and integrate resources of the industry, government, and academia to create recruitment activities that integrate virtual and real channels to attract talents from across the world.
- Use the motto "Green Future. Endless Possibilities." as the axis for employer branding. Provide a high-quality work environment and competitive salary and benefits to attract and retain key talents.

Commitments

Create a high-quality work environment and enhance the employer brand.

KPI

Offer Letter Acceptance Rate *

- **2020 Target**
76%
- **2020 Performance** Achieved
81.2%
- **2021 Target**
77%
- **2022 Target**
78%

Key Initiatives for Alignment with SDGs



Use digital tools to facilitate industrial and academic collaboration in the post-pandemic era to help students connect to the workplace seamlessly.



Protect equal employment opportunities by launching diversified recruitment channels throughout the world and enhance talent retention by launching the long-term incentive measures.



* Offer letter acceptance rate = (number of people who accepted offers for Delta's global vacancies of management and professional technical positions) / (number of people of issued offers).

6.2.1 Diversity and Inclusiveness Hiring

In the post-pandemic era, Delta uses digital recruiting tools and adopt a flexible recruitment strategy to transform the physical recruiting activities into an integrated talent acquisition procedure conducted with both virtual and real channels. We provide a diverse, tolerant, inclusive and friendly workplace, offer competitive salaries, and learning programs designed for employee development. We also conduct the Employee Engagement Survey to increase our employee retention rate and develop closer employee relations. Delta hires local employees in global plants and operation sites and encourage minority groups to make contributions with their specialities.

As of year-end 2020, Delta has 83,804 employees worldwide, including 26,699 professional, technical and managerial personnel, 57,105 operators (including production line assistants), and 554 informal employees (i.e. dispatched manpower which is not included in the following manpower statistics). Due to the expansion of the production lines in the Thailand Plant, the number of employees in Southeast Asia increased by 2,860 persons or 20.7% compared to 2019. The increase was the highest in the Group, which

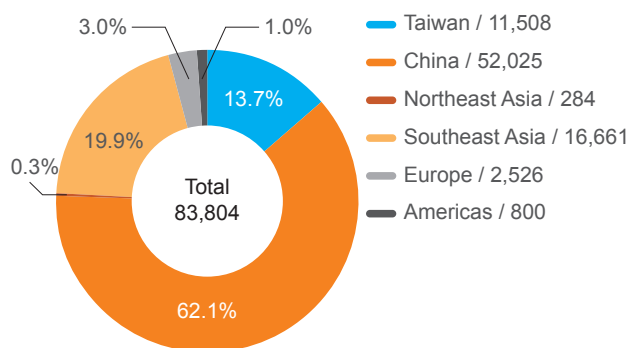
was followed by an increase in the number of employees in Taiwan of 782 persons or 7.3% compared to 2019.

Due to factors including the nature of the technology industry and the employment market, most of Delta's management level and technical personnel are males. Nevertheless, the male to female ratio is relatively balanced in our overall global operations. Under this goal, males account for 53.2% of all employees, and females 46.8%. The percentage of female employees increased by 1.9%. At the end of the year, a total of 946 employees with disabilities were employed, and a total of 2,403 employees from ethnic minority groups* were employed.

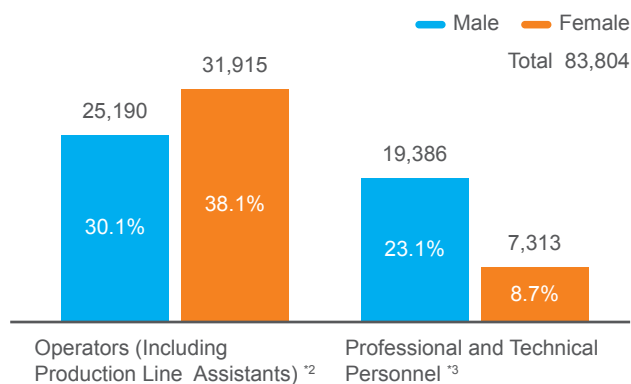
*Definition of ethnic minority groups:

1. Taiwan: Indigenous peoples of Taiwan is 92 peoples.
2. Mainland China: Non-Han ethnic Chinese is 1,935 peoples.
3. Americas: Native Hawaiian or other Pacific Islander (non-Latino), American Indian or Alaska Native (non-Latino), Asian (non-Latino), Latino, Black or African American (non-Latino) ethnicities, total are 376 peoples.

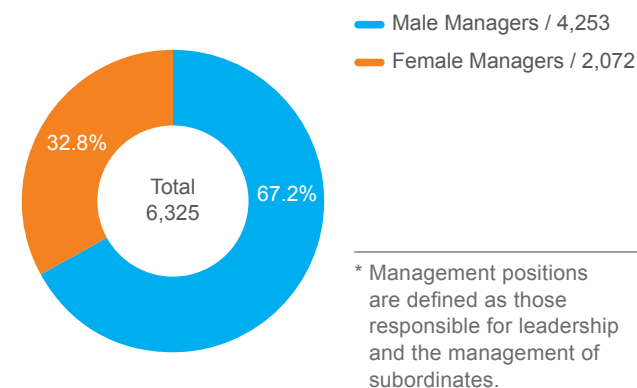
Number of Local Employees



Employees in Non-Management Roles by Gender



Management Positions by Gender *

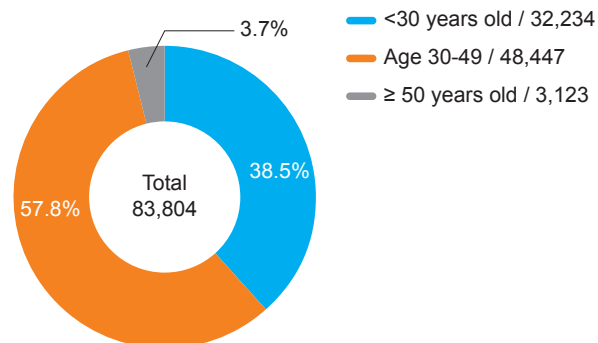


*1 The number of employees in Taiwan includes the formal employees of Delta (Taiwan) and subsidiary Cyntec (Taiwan).

*2 Operators (including production line assistants) are defined as: Employees directly related to production activities such as system assembly personnel, quality management personnel, warehouse management personnel, production technicians, and others.

*3 Definition of professional and technical personnel: Administrators or engineers indirectly related to production activities such as quality management, materials management, R&D engineers, sales, marketing, human resources specialists, and others.

Age Distribution



Distribution of Informal Employees

Region	Male	Female	Subtotal
Taiwan	57	35	92
Northeast Asia	0	3	3
Southeast Asia	406	30	436
Europe	9	1	10
Americas	12	1	13
Total	484	70	554

Number of New Hire and New Hire Rate: All Employees by Region, Gender, and Age Group ^{*1*2}

Region		Taiwan		China		Northeast Asia		Southeast Asia		Europe, Africa, and Middle East		Americas		Total	
Gender	Age Group	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate
Female	Below 30	471	4.3%	7,989	15.3%	5	1.7%	3,462	22.7%	24	0.9%	7	0.8%	11,958	14.6%
	30 (inclusive) to 49	531	4.8%	4,889	9.4%	3	1.0%	810	5.3%	18	0.7%	12	1.4%	6,263	7.6%
	Higher than 50 (inclusive)	14	0.1%	1	<0.05%	1	0.3%	1	<0.05%	1	<0.05%	0	0.0%	18	<0.05%
Male	Below 30	469	4.2%	18,377	35.3%	3	1.0%	260	1.7%	34	1.3%	20	2.4%	19,163	23.3%
	30 (inclusive) to 49	505	4.5%	7,041	13.5%	11	3.7%	142	0.9%	58	2.2%	9	1.1%	7,766	9.5%
	Higher than 50 (inclusive)	15	0.1%	4	<0.05%	3	1.0%	3	<0.05%	18	0.7%	3	0.4%	46	0.1%
Total		2,005	18.0%	38,301	73.5%	26	8.7%	4,678	30.7%	153	5.9%	51	6.2%	45,214	55.0%

Number of Resigned Employees and Turnover Rate: All Employees by Region, Gender, and Age Group ^{*3}

Region		Taiwan		China		Northeast Asia		Southeast Asia		Europe, Africa, and Middle East		Americas		Total	
Gender	Age Group	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate
Female	Below 30	148	1.3%	4,520	8.7%	0	0.0%	301	2.0%	5	0.2%	12	1.4%	4,986	6.1%
	30 (inclusive) to 49	271	2.4%	2,843	5.5%	6	2.0%	212	1.4%	10	0.4%	10	1.2%	3,352	4.1%
	Higher than 50 (inclusive)	17	0.2%	15	<0.05%	0	0.0%	9	0.1%	8	0.3%	0	0.0%	49	0.1%
Male	Below 30	221	2.0%	9,621	18.5%	0	0.0%	107	0.7%	9	0.3%	18	2.2%	9,976	12.1%
	30 (inclusive) to 49	412	3.7%	3,697	7.1%	6	2.0%	91	0.6%	21	0.8%	1	0.1%	4,228	5.1%
	Higher than 50 (inclusive)	22	0.2%	10	<0.05%	4	1.3%	5	<0.05%	19	0.7%	3	0.4%	63	0.1%
Total		1,091	9.8%	20,706	39.8%	16	5.3%	725	4.8%	72	2.7%	44	5.3%	22,654	27.6%

Number of Resigned Employees and Turnover Rate: Operators (including production line assistants) by Region, Gender, and Age Group ^{*3}

Region		Taiwan		China		Northeast Asia		Southeast Asia		Europe, Africa, and Middle East		Americas		Total	
Gender	Age Group	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate
Female	Below 30	117	4.3%	4,411	11.0%	0	0.0%	271	2.4%	2	0.3%	0	0.0%	4,801	8.7%
	30 (inclusive) to 49	160	5.9%	2,720	6.8%	0	0.0%	194	1.7%	4	0.6%	0	0.0%	3,078	5.6%
	Higher than 50 (inclusive)	8	0.3%	13	<0.05%	0	0.0%	4	<0.05%	5	0.8%	0	0.0%	30	0.1%
Male	Below 30	55	2.0%	9,163	22.8%	0	0.0%	44	0.4%	6	0.9%	0	0.0%	9,268	16.8%
	30 (inclusive) to 49	70	2.6%	3,331	8.3%	0	0.0%	16	0.1%	1	0.2%	1	1.2%	3,419	6.2%
	Higher than 50 (inclusive)	0	0.0%	7	<0.05%	0	0.0%	1	<0.05%	3	0.5%	2	2.4%	13	<0.05%
Total		410	15.1%	19,645	48.9%	0	0.0%	530	4.6%	21	3.3%	3	3.6%	20,609	37.4%

Number of Resigned Employees and Turnover Rate: Professional Technical Personnel and Management Personnel by Region, Gender, and Age Group ^{*3}

Region		Taiwan		China		Northeast Asia		Southeast Asia		Europe, Africa, and Middle East		Americas		Total	
Gender	Age Group	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate
Female	Below 30	31	0.4%	109	0.9%	0	0.0%	30	0.8%	3	0.2%	12	1.6%	185	0.7%
	30 (inclusive) to 49	111	1.3%	123	1.0%	6	2.0%	18	0.5%	6	0.3%	10	1.3%	274	1.0%
	Higher than 50 (inclusive)	9	0.1%	2	<0.05%	0	0.0%	5	0.1%	3	0.2%	0	0.0%	19	0.1%
Male	Below 30	166	2.0%	458	3.8%	0	0.0%	63	1.7%	3	0.2%	18	2.4%	708	2.6%
	30 (inclusive) to 49	342	4.1%	366	3.1%	6	2.0%	75	2.0%	20	1.0%	0	0.0%	809	3.0%
	Higher than 50 (inclusive)	22	0.3%	3	<0.05%	4	1.3%	4	0.1%	16	0.8%	1	0.1%	50	0.2%
Total		681	8.2%	1,061	8.8%	16	5.3%	195	5.2%	51	2.7%	41	5.4%	2,045	7.5%

*1 The calculations of global new hire and turnover do not include Involuntary turnover: employees leaving because of retirement, dismissal by law, termination of contract, or termination of internship, Operators (including production line assistants) who have not stayed with the Company for more than 3 months since their date of hire, or professional, technical and management personnel who have not stayed with the Company for more than 1 month since their date of hire.

*2 New Hire Rate = new hires / [(number of employees at the beginning of the period + number of employees at the end of the period) / 2].

*3 Turnover = resignations / [(number of employees at the beginning of the period + number of employees at the end of the period) / 2].

6.2.2 Global Synergy for Attracting International Talents

We have promoted talent solutions for the post-pandemic era and integrated resources of industry, government, and academia to create recruitment activities that bring together virtual and real channels and provide a high-quality work environment, competitive salary and benefits. This has increased the global offer letter acceptance rate by 5.6% compared to the previous year. *

Agile Recruiting Strategies That Integrated Virtual and Real Channels

- We have focused on using existing advantages to enhance employer branding, developed the global recruiting axis of "Green Future. Endless Possibilities.", promoted global online activities, and used social media to expand reach. As a result, the number of visitors on fan pages increased from the previous year (34% increase on LinkedIn; 27% increase on Facebook).



Axis of Delta's Global Recruiting Activities

- Plants in Taiwan and India have respectively established the Master of Industry Program and University Reserve Cadre Class that recruited 60 reserved employees to ensure the advance talent acquisition in our critical operation sites.

Online and Offline Simulated Workplace Experience

Delta continues to use digital technologies to simulate the workplace environment and enhance employer branding:

- Promotional videos for a diverse range of jobs:
We have created media materials based on job introductions and produced videos in different formats for key positions such as electronic, software, hardware, and mechanical engineers, etc. Examples such as "Join Delta ME to create a better me" and "Delta Big Brother" videos have accumulated more than 15,000 views. They have created more dialogue and connections to help students or candidates learn about Delta's related information more rapidly.
- Software and hardware design camp:
We adopt the concept of solution providing as a core design to help attendees of the camp understand the importance of interdisciplinary skills development and how to add value to their own specialities. We organized a software and hardware engineering camp in Taiwan for 40 students.
- Virtual and real dual-track internship program:
We expanded the "Academic Dream Come True" project of Ministry of Education and worked with Taiwan National Chiao Tung University and Education Division, Taipei Representative Office in the EU and Belgium to continue cooperation and promote overseas internships, resulting in a total of 133 global interns. In response to the

*Refer to the offer letter acceptance rate in previous years in 7.3 Appendix.

epidemic's impact, we use digital tools to create work platforms that integrate virtual and real channels so that interns can still experience their internship. Plants in Taiwan and Thailand continue to organize in-person internships and created the first "Internship Achievement Auction Contest" to help students demonstrate the professional knowledge and creative ideas they learned during the internship. The overall satisfaction rate of interns in Taiwan increased by 8.7% compared to the previous year. The interns' willingness to join Delta was rated 4.6 points (out of 5).

- Focus on brand activities:

We use Facebook, LinkedIn, WeChat, TikTok, and YouTube for external communication and also use electronic newsletters for internal marketing to create a shared internal and external experience. By using themes such as job transfers, graduations, bonuses, and work and life balance with internal recommendation mechanisms, we increased the acceptance rate of candidates of indirect employees hired in Taiwan site to 12.2%, which was approximately 3% higher compared to the previous year. The percentage of production line operators hired in China region rose from 35.1% in 2019 to 41.6%.

Integrating Industry, Government, and Academic Resources and Creating Joint R&D Centers with Top Universities

Delta commenced a 3-year industrial and academic collaboration program with top Taiwan universities and government institutions in 2020 to expand innovation and increase R&D capacity. We develop applications for electric vehicles, energy, and information and communication technologies and invited 22 professors and 50 graduate students to take part in 25 research programs. We invested at least 2,669,250 USD and used the subsidies of the Air Center Project of the Ministry of Science and Technology to create an environment similar to that of the industry on campus staffed by Delta personnel. The environment ensures that industrial and academic developments are on the same track and helps students grasp key competitiveness for the future.

We also provided R&D scholarships, overseas internship opportunities, and favorable salary offers for talents to attract students with high potential to join the R&D Center. We have created Master of Industry Programs with different schools to train students with industrial and academic projects of the R&D Center.

Overview of Joint R&D Centers Established with Top Universities:

Industry-academia Program	Partner Institution	Partner Department	Target Candidates	Resources Committed	Partnership Overview
Joint R&D Center	<ul style="list-style-type: none"> • National Taiwan University • National Tsing Hua University • National Cheng Kung University • National Taiwan University of Science and Technology • National Taipei University of Technology 	<ul style="list-style-type: none"> • Department of Electrical Engineering • Department of Computer Science and Information Engineering • Department of Mechanical Engineering 	<ul style="list-style-type: none"> • Undergraduate students • Graduate students • Students of Master of Industry Program 	<ul style="list-style-type: none"> • We invest 889,750 USD into R&D partnerships each year (2020-2023) • We have invested 10,677 USD for each of the 17 students of the Master of Industry Program 	<ul style="list-style-type: none"> • We conduct joint research on related R&D topics with professors and students. We also recruit students of the Master of Industry Program and provide them with R&D scholarships.

We received multiple awards across the world in 2020 for the results of our continuous investments in employer branding:

- Rated among the Top 50 "Most Attractive Employers - Engineering & IT" in Taiwan by the renowned international employer brand research organization "Universum".
- Received the Silver Award in the "Asia Recruitment Award—Best International Recruitment Strategy" presented by "Human Resources Online", the authoritative human resources institution in Asia.
- Received the "Best Companies to Work for in Asia Award" from renowned human resources magazine "HR Asia".
- Received the "Top Human Resources Management Award" and "Model Employer in China Award" presented by the Chinese human resources service provider "51 Job".
- Received the "HR Tech INNO Award" and "Candidate Experience Award - Gold Award" from the Chinese human resources technology and media platform "HRTechChina".
- Selected as a constituent of the "Taiwan Employment Creation 99 Index".
- Selected for the "Top 100 Most Desirable Companies Among the Young Generation" organized by "Cheers" Magazine for nine consecutive years and we maintained our 13th-place rank from 2019.
- Selected as one of the Top 10 "Most Desirable Companies Among Graduates" organized by the "Yes123 Job Bank".



Delta received the Best Companies to Work for in Asia Award from HR Asia.

Precision Recruitment 2.0 with Smart and Upgraded Processes

Delta developed its own smart recruitment system to rapidly screen large quantities of resumes and reduce the time required for recruitment. We increased resume screening precision this year and expanded it to other job categories and regions for use. The results of this stage are as follows:

- Increased recruiting efficiency: With process integration, form optimization, process streamlining, we have completed improvements for smart screening for main job categories, which increased the screening efficiency by 26.4% compared to the previous year. The average number of days required for completing recruiting procedures was reduced by 32% compared to the previous year.
- System expansion applications: The number of well-trained screening modules was expanded from 1 job category to 10 job categories and the application was expanded to plants in China.

6.2.3 Competitive Employee Compensation and Benefits

Overall Remuneration Superior to the Average in the Tech Industry

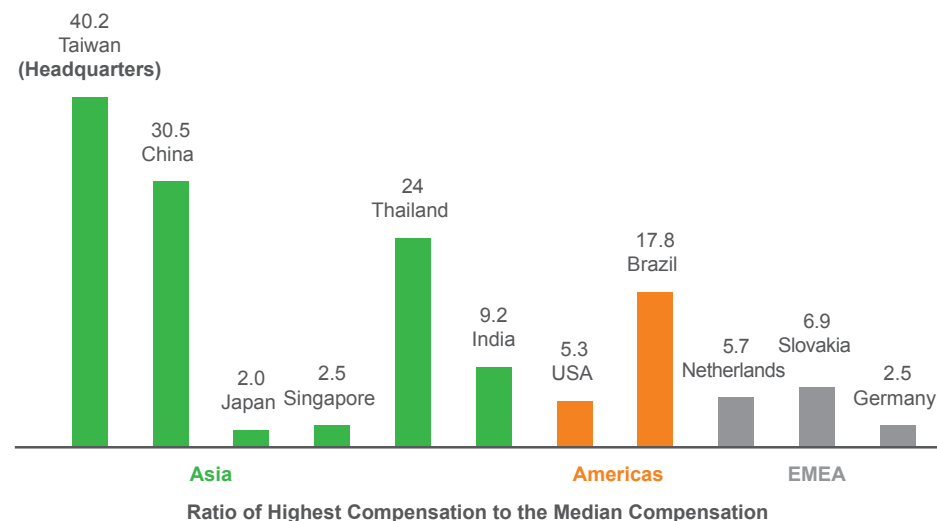
Delta offers competitive compensation structures to recruit and retain talents and motivate employees. We pay particular attention to designing the connection and reasonableness between the Company's operation performance and employee salaries. Besides fixed monthly wages / salaries, employees in Taiwan are eligible for 3 major bonuses including year-end bonuses, performance-based bonuses, and profit sharing. To provide more immediate incentives with the distribution of profit sharing, the Company has adjusted the method for distributing "cash remuneration" and "cash bonus" to employees in 2017. The "cash bonus" is distributed in April of the following year and the "cash remuneration" derived from the Company's net profit after tax is distributed in August.

The Company has continuously made investments into new industries and actively recruited R&D and engineering talents in recent years. However, the overall appropriation ratio remains no less than in previous years. The amount of the bonus is determined by the performance of each business unit and employee. Those with outstanding performance are eligible for higher bonuses.

Delta uses the annual salary survey to measure the salary rates and economic indicators across the world to implement suitable adjustments. Delta's global salary adjustment budget this year was 3-5%, which was the same as the previous year and slightly higher than market rates. In addition, Delta focused on R&D, engineering, high-performance, and key development talents whose salaries increased by up to 8-10%. We implemented strategic adjustments of the proportion of fixed-salary in the annual salary structure for the aforementioned recipients to strengthen our competitiveness in talent retention and recruitment.

Delta's Board of Directors established a Remuneration Committee and Charter in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange." It appointed the Independent Director Mr. Tai-Sheng Chao to serve as the convener and chair of the Committee. The Charter states that the duty of the Committee is to establish and regularly review the policies, systems, standards and structures of the performance evaluation and remuneration of directors and managers in order to periodically assess and determine their remuneration packages. The Committee must exercise the care of a prudent manager to fulfill the duties, and offer recommendations for discussion by the Board of Directors.

Ratio of Highest Compensation to the Median Compensation ^{*1-2}



Comparisons of Salaries of Operators (including those for production line collaboration) and Local Minimum Wages in Major Production Sites Across the World ^{*3}

Region	Operators (including production line assistants)	
	Male	Female
Taiwan	1.05	1.03
China ^{*4}	1.08	1.13
Thailand	1.14	1.36

¹ The ratio of highest compensation to the median compensation in each country (region) is the ratio of highest compensation to the median compensation in each country (region).

² The scope of the statistics does not include employees on reduced hours and Cyntec employees. Statistics for China include all plants.

³ Operators' salary (including those for production line collaboration) is defined as "the average fixed monthly salary of Delta's operators (including those for production line collaboration) in the region".

⁴ The basic salary in China varies according to the regulations of each city and province, so the average amounts of the basic salaries of the groups of male and female operators are used as the numbers for calculation.

Average Annual Salary (Male / Female Ratio) in Major Production Sites Across the World^{*1}

Region	Professional & Technical (Including Management) Personnel		Operators (Including Production Line Assistants)	
	Male	Female	Male	Female
Taiwan	1	0.93	1	1.27
China	1	0.95	1	0.94
Thailand	1	0.94	1	1.10

Total Payroll of Full-time Non-managerial Employees at the Plants in Taiwan

Item	2019	2020
Number of Full-time Non-managerial Employees ^{*2,3}	8,768 people	9,749 people

Item	2019	2020
Total Payroll of Full-time Non-managerial Employees	408,573,809 USD	497,109,152 USD
Average Payroll of Full-time Non-managerial Employees	46,600 USD	50,991 USD
Median of total Payroll of Full-time Non-managerial Employees	38,471 USD	43,233 USD

Regular Assessment of Senior Management Team Performance

The salary structure of executives is highly correlated to the Company's performance. The Company determines the executives' salary proposals in accordance with the Company's performance indicators and submits the proposals to the Remuneration Committee for review and to the Board of Directors for resolution.

Senior Management Performance Evaluation Considerations

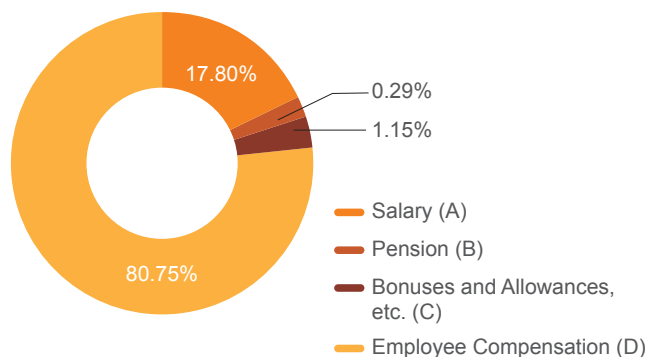
Evaluation Consideration Weight	Description
Company performance indicator (75%)	Annual ROE, annual net interest rate, and annual revenue achievement rate
Annual key strategic target (25%)	Original brand manufacturer (OBM) revenue ratio, key strategic business groups' operation target achievement rate, and increase in productivity per capita
Delta values and key competencies (feedback for certain parts are provided through 360-degree perspectives)	<ul style="list-style-type: none"> Integrity, innovation-driven, customer satisfaction, creation of synergy (including diversity and collaboration), and pursuit of quality Entrepreneurial spirit, blueprint planning, leadership reforms, and talent development Legal compliance and fulfillment of ESG

*1 The employees' annual salaries include the basic monthly salary, fixed cash remuneration, bonuses, and cash profit sharing.

*2 The disclosure is made in accordance with the Operating Procedures for the Preparation and Filing of Corporate Social Responsibility Reports by Listed Companies published by the Taiwan Stock Exchange, and the information has been audited by PwC Taiwan.

*3 Full-time non-managerial employees: All employees, excluding directors who serve as managers or employees concurrently, employees at overseas branches, and part-time employees.

Remuneration of President and Vice President



CEO's Individual Remuneration

Job Title/ Name	Salary (A)	Pension (B)	Bonus and Special Allowance (C)	Employee Compensation (D)	Total Remuneration A+B+C+D
CEO / Ping Cheng	303,245 USD	5,203 USD	1,549 USD	1,522,234 USD	1,832,231 USD

Benefit Plans Superior to Legal Requirements

Delta provides a diverse and flexible benefits system for employees to achieve balance between work and life, focus on their work, and stay on the job for long-term development. The measures implemented in each operation site that are superior to regulations are specified in the table below.

Measures Superior to Regulations

Region	Plant	Item	Practices Superior to Legal Requirements
Taiwan (Headquarters)	Taiwan	Travel Leave	Employees enjoy an additional 7 days of leave arranged by the Company. Parts of the 7 days of leave are paid holidays for which the Company provides travel subsidies.
		Paid Sick Leave / Personal Leave	Those above specified job grade holders enjoy 30 days of paid sick leave and 14 days of paid personal leave.
		Health Examinations	Employees aged 50 and older receive 1 general health examination once every year and other employees receive 1 health examination every 2 years paid by the Company. Those above specified job grade holders enjoy high-level health examinations.
		Group Insurance	Employees and their spouses and children are provided with comprehensive group insurance paid by the Company.
		Business Travel Insurance	Employees enjoy business travel insurance for business trips including travel insurance and travel inconvenience insurance.
		Other Benefits	The Company provides birthday gift money, marriage gift money, childbirth subsidies, and funeral subsidies.

Region	Plant	Item	Practices Superior to Legal Requirements
China	R&D and Sales Operations	Commercial Insurance	The Company provides comprehensive commercial insurance coverage.
		Reimbursement of Medical Expenses	Employees and their children may apply for reimbursement of certain medical expenses for items that are not reimbursed by medical insurance.
		Employee Health Examinations	Regular health examinations are paid for by the Company every 2 years.
		Other Benefits	The Company provides travel subsidies, marriage and childbirth gift money, funeral subsidies, and hospitalization subsidies.
	Manufacturing Plants	Overtime Pay	OPs on the production line receive more favorable overtime pay calculation than those specified in the Labor Standards Act.
		Family Reunion Leave	Employees assigned overseas have 10 days of paid family reunion leave each year.
		Paid Annual Leave	Employees who have worked at Delta for more than 1 year have 10 days of paid annual leave each year.
		Paid Sick Leave / Personal Leave	Those above specified job grade holders enjoy 14 days of paid sick leave and 14 days of paid personal leave.
		Male Employee Paternity Leave	Male employees receive childbirth subsidies under social insurance and salary for paternity leave.

Encouraging Long-term Retention through Long-term Incentive Measures — Delta encourages employees to stay with the Company

- The Company established long-term incentives to retain key talents, encourage employees, and increase employee morale. We also calculate the number of shares allocated to employees based on the Company's business performance, employee performance, and the stock prices of the current year. We then convert the bonus to cash based on the stock price in the year of distribution.
- We plan diverse long-term talent retention measures and create an environment for long-term development. We also identify and track young recruits with potential through our talent management mechanism and pay attention to their development potential within our businesses. Delta encourages employee participation through the annual Delta Innovation Awards to generate an innovative spirit within the Company.

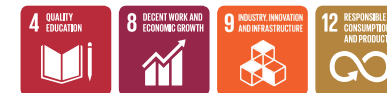
- In response to the continuous expansion of the organization across the globe, the Company implements the following global manpower development and talent assignment measures:
 1. We review the allowances and benefits for employees assigned overseas to ensure that they meet market rates. We provide overseas assignment subsidies and subsidies for transportation and accommodations as well as education subsidies for their children in certain regions and countries to increase employees' willingness to take overseas assignments, facilitate the movement of talents, and help employees assigned overseas work without worries.
 2. We provide employees and their family members with comprehensive group insurance and 24-hour international medical assistance services.
 3. We increased hardship allowances for areas with lower living standards. We also increased the allowances for assigning employees from plants in China to India, and increased the allowances for assigning mid-level managers from Taiwan to China. We also increased insurance coverage for employees assigned to plants in Thailand.
 4. As risks of the COVID-19 epidemic rose, we increased the allowances for employees assigned to plants in India to support employees' relocation across borders despite health risks.

Stable Pension Provision Plan

Plants in Taiwan process retirement applications and pension provision standards in accordance with the Labor Standard Act and Labor Pension Act. The Company appoints an actuary to submit an actuarial report on labor pension preparatory fund each year and appropriates pensions under the old system to the Trust Division of the Bank of Taiwan. After the launch of the new labor pension system, we allocate 6% of the employees' monthly salary to their personal pension account under the new system. Employees may apply for retirement once they meet legal retirement conditions. Pensions for overseas subsidiaries, branches, and affiliates use the defined benefit plan. Social security funds including pension and healthcare are filed each month in accordance with the regulations of local governments.



6.3 Talent Learning Development



Strategic Direction

- Continue to identify and develop key talents and use diverse talent development programs to facilitate talent development and strengthen the organization.
- Improve the development of online courses across the board and expand them to direct and indirect employees around the world so that all employees have opportunities for learning from anywhere at any time.

Commitments

Start with Taiwan by establishing a comprehensive system and setting benchmarks in the market. Work with global partners to improve the capabilities of talents.

KPI

Average Training Hours per Person

- **2020 Target**
29
- **2020 Performance**
27.2
- **2021 Target**
29
- **2022 Target**
29

Key Initiatives for Alignment with SDGs



Ensure the presence of a talent pool for succession and the Company's stable operations.



Provide necessary and diversified learning resources to ensure that employees have the capabilities and skills for completing their work.



Develop shared online resources for global operations.



Provide courses on the Code of Conduct of the Responsible Business Alliance (RBA) and Delta to improve all employees' knowledge of sustainable development.

Delta responded to global cooperation and system integration trends by updating the "Education and Training Management Regulations" to ensure consistent global operations while keeping practices suitable for local conditions. We use these measures to maximize the benefits of collaboration between global learning resources. The Company also established the "Lecturer Management Regulations" to help the organization pass down knowledge and develop professional talents in all sectors. We also use the course plans and requirements to develop, evaluate, and select lecturers for achieving learning objectives.

Delta designs the most suitable learning programs for specific groups and expands digital courses so that learning is not interrupted by time, geological, and epidemic issues. We continue to invest in key talent succession planning, transformation and training of key talents, and development of key courses to create talent mobility which may be the most important factor for an expanding enterprise. In-person courses worldwide were reduced due to the impact of COVID-19. When some in-person courses were replaced by online courses, the course hours were also reduced to ensure the effectiveness of online learning. Thus, the average training hours per person throughout the year decreased accordingly.

Average Global Training Hours, Total Hours, and Total Expenses in 2020

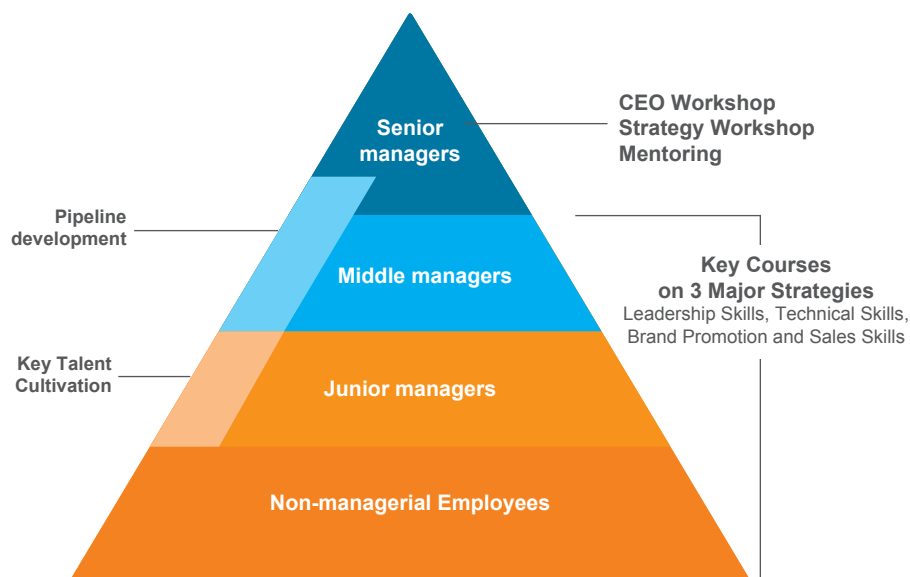
Training Hours by Employee Category							
Region		Taiwan	China	Northeast Asia	Southeast Asia	EMEA	Americas
Gender	Male	113,734	2,073,622	2,885	46,916	14,213	3,634
	Female	37,199	1,351,879	850	106,065	7,897	902
Employee Type	Direct Labors (Including production line assistants)	16,152	2,923,442	0 ^{*1}	94,525	966	266
	Indirect Labors (Professional technical and management personnel)	134,780	502,058	3,736	58,456	21,145	4,270
Manager	Senior	3,279	1,348	20	979	117	231
	Middle	19,789	56,750	200	10,323	927	849
	Junior	563	75,585	0	5,301	49	9
	Non-management	127,301	3,291,818	3,515	136,377	21,016	3,447
Age	≥ 50	8,897	9,394	562	7,030	3,347	593
	30~49	108,979	1,699,010	2,810	102,088	16,085	1,492
	<30	33,056	1,717,096	364	43,862	2,678	2,451
Total Training Hours		3,759,795 Hours					
Average Training Hours per Person		27.2 Hours^{*2}					
Total Training Expenses		1,359,379 USD^{*3}					

*1 Delta has no direct labors in Northeast Asia.

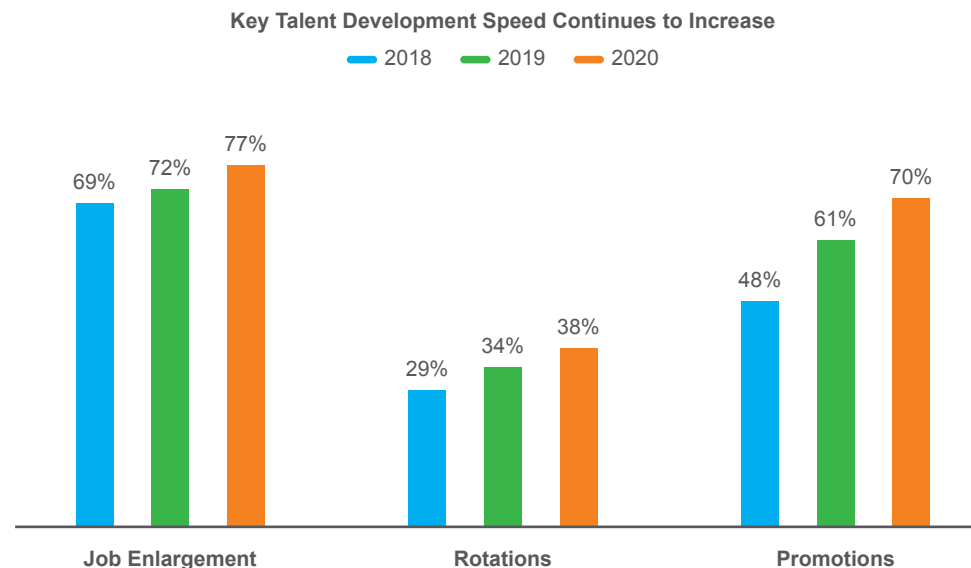
*2 Global average training hours per person in 2020 = Total training hours in 2020 (3,759,795 hours) / total number of individuals employed by Delta in 2020 (138,438 persons).

*3 The main components of the training fee are the teacher's hourly fees, education material fees, and lecturers and employees' travel fee for training. The fee does not include the cost of time for training across the globe. Total training expenses are calculated based on the foreign exchange rate of each currency against the USD on December 31, 2020.

Delta's Talent Development Structure



Key Talent Development Status in the Last 3 Years



6.3.1 Pipeline Readiness and Transformation Drivers

Continuous Review of the Pipeline Talents Readiness

Delta continues to pay close attention to the development of key talents. The management and senior executives formed the Leadership Development Committee (LDC) and convene meetings once every 6 months for talent development plans and echelon inventory from the business strategy and enterprise development perspectives to increase talent preparedness for key roles. In addition to the occupancy rate and succession preparedness for key roles, the LDC mechanisms also promote horizontal talent shifts for gaining additional experience. We regularly review employees' overseas assignments, expansion of duties, and rotations. The LDC model of the headquarters was successfully communicated to Business Groups and regions who formed their own Talent Development Committee (TDC) to review their internal talent preparedness.

Young Talents as Transformation Drivers

The brand power and solutions business are engines of growth for the Company. This business model focuses on understanding the needs of end customers and becoming the business consultants of the customers so that Delta stands out from the competition. To support the transformation strategy, we planned a 3-year development project and selected dozens of young talents across the globe in 2019. We focused on "interdisciplinary skills" and "sales skills" and provided related development activities for the solutions business. We launched the brand-new Shadowing / Coaching Program this year to help young talents step beyond their original disciplines and take part in solution business projects they had never known before. We also assigned senior experts to provide up-close and personal instructions so that we can provide training, experience, and endurance training to accelerate talent development and facilitate the Company's transformation. Approximately 26% of the talents underwent rotations to the solution business team as of the end of the year.

Delta uses diverse training channels to enhance key strategic capabilities



6.3.2 Key Training Programs and Diverse Learning Resources

Delta spares no effort for talent development and we have designed 3 key development targets in response to our transformation strategy including "leadership skills", "technical skills", and "sales skills". We flexibly adjust training plans each year.

Key Training Programs in 2020

Training Program	Related Actions and Outcomes
Leadership Skills	<ul style="list-style-type: none"> Provide mandatory courses for management competencies. Open at least 1 course for supervisor ranked manager and above each year.
Technical Skills	<ul style="list-style-type: none"> Specify the skills required for each position and hire internal experts or professors from reputable institutions to lecture. Improve the skills of R&D personnel for key technical courses. Dongguan Plant responded to the needs for digital transformation and automation development by adopting "organization integration", "competence transformation", and "digital twin" strategies to accelerate the transformation to a digital factory and help the Company attain strategic goals. This year, we trained 1,344 talents who specialize in production, mechanical engineering, quality control, and logistics. We also use integrated virtual and real channels to expand learning channels so that employees can learn about automation and advanced technologies in the industry and acquire new digital skills faster. Wujiang Plant was recognized by the Suzhou Municipal Human Resources and Social Security Bureau as a "Suzhou High-Skill Talents Public Training Base" and "Professional Skill Accreditation Pilot Program Enterprise". Trainee certificates for completing training in plants have equal validity as official certificates. We certified 1,573 employees in 2020 which reduced the cost of certification by external institutions of approximately 683,913 USD. We also established the "professional skill" accreditation system and trained at least 470 computer programmers (PLC) and industrial robot system maintenance personnel.
Sales Skills	<ul style="list-style-type: none"> The contents of the basic courses include the analysis of sales opportunities and sales persuasion skills. Advanced Courses focused on planning and sales solutions, customer and channel management, and negotiation skills. Due to the epidemic, we discarded the face-to-face training model in China and used online live broadcast platforms such as Zoom, Skype, and Tencent Meeting to provide 89 courses on products and technologies. We also rapidly launched the Delta "Cloud Academy" online learning platform to provide sales courses to employees as well as customers and channel partners. We have launched 435 e-courses for 2,402 registered visitors. The total number of visits was 132,742 and the total number of visitors was 18,682. The average number of visits by mobile phone users per month was 8,092 visits; The average number of visits by computer users per month was 18,457 visits

Delta won the "National Talent Development Award" for its comprehensive training system and received the following honors in 2020:

- The Taiwan Corporate Sustainability Award - Most Prestigious Sustainability Awards - Talent Development Award
- Received the HR Distinction Awards for Greater China from HRoot for 2020 Excellence in Learning and Development in Greater China
- Received the Model Employer in China Award from 51 Job
- Certified by the Suzhou Municipal Human Resources and Social Security Bureau as a Suzhou Excellent Professional Skill Accreditation Pilot Program Enterprise in 2020
- Rated by the People's Government of Jiangsu Province as one of the Top 10 Craftsmanship Academies in Wujiang District in 2020
- Upgraded to Suzhou Municipal Craftsman Workshop by the Suzhou Industrial Park Human Resources Management Service Center
- Upgraded to Suzhou Municipal Labor Craftsman Talent Innovation Workshop by the Labor Union of Wujiang District, Suzhou and Labor Model Association of Wujiang District, Suzhou

E-Learning System and Knowledge Sharing Platform

Delta continues to expand the digital learning model, and by creating the global e-learning platform, Delta Academy, it allows different regions to share online learning resources and help employees use mobile devices to learn at any time. Delta Academy helps employees learn effectively and continuously even in the pandemic time. The digital courses for all fields progressed quickly and the quantity increased rapidly. We provided approximately 1,500 courses across the globe without repetitions, which was a 302% increase from the previous year.

Growth of Digital Courses in the Global E_Learning Platform Delta Academy



Delta Management System (DMS) continues to integrate important resources in the Company such as Talents, Departments, Technology, and Products & Solutions. We use knowledge analysis and support and decision-making tools to help employees quickly obtain the necessary knowledge and effectively compile obvious and hidden knowledge used by individuals in the project or department work process to facilitate knowledge sharing and reuse. We also developed the App Center module to provide smart decision-making assistance for applications in smart manufacturing and other specific fields. For example: We provide plants with convergence and intelligent search functions for production lines to standardize, duplicate, and expand production lines. We support quality assurance employees in root cause analyses.

We have organized online seminars and knowledge management contests to enhance knowledge management. The average number of monthly users increased by 61% compared to 2019. The number of social groups increased to 1,696, an 84% increase from the previous year. We use knowledge management contests and compiled 40 department and project application case studies encompassing R&D, manufacturing, marketing, and logistics to share valuable experience on how to achieve knowledge management and help the Company's departments and projects that intend to promote or implement knowledge management.

6.3.3 Performance Feedback and Development

Our performance management is based on annual and quarterly evaluations of individual performance indicators (IPI) and values and competencies (CPI), which provide continuous feedback to ensure that targets are met. Employees can use the system to initiate or provide work evaluation at any time to request approval and recommendations from others through interactions. Supervisors can also implement comprehensive evaluation and management of talents to promote a positive performance-based culture.

All performance records serve as an important reference for employees' subsequent training and career development. The Company arranges career development based on the skills and preparedness of employees and strengthens capabilities for control of business operations which in turn improves overall performance of the organization. Delta uses comprehensive performance management to closely integrate the goals of the organization and individuals with talent development, and jointly pursue performance improvements for the Company.

Performance Management Procedures for Delta Employees

Year-end Assessment	Q1 Assessment	Q2 Assessment	Q3 Assessment
December of the previous year to January of the current year	April	July	October
Performance evaluation	Setting performance expectations	Performance follow-up	
Review the performance and jointly discuss future development and improvement plans	The supervisor helps the employee clarify main job responsibilities and establish performance standards	The employee implements self-management and the supervisor helps the employee resolve issues	

6.3.4 Employee Engagement Survey - Significant improvement in Survey Scores, and Won Best Company to Work For Award in Asia

As Delta expands its business operations each year, the Company has paid more attention to talent retention, attraction, and corporate culture, which ensures that the organization can meet development needs. We continue to make adjustments based on the results of the employee engagement survey to increase organizational efficiency and use face-to-face and online activities to communicate the Company's transformation strategy. We also plan employees' competency development to strengthen positive actions.

Delta aims to implement 1 employee engagement survey every 2 years. The scope of this survey included all professional technical personnel and management personnel in Taiwan, China, Americas, Europe, Northeast Asia, and Southeast Asia. 21,536 employees responded in 2020 and the response rate was 83%, which was a significant increase of 24% compared to 2018 which demonstrated the employees' support of the Company's actions taken in response to the survey, and their willingness to participate in the Survey.

The results of the employee engagement survey showed a 14% increase in the overall engagement score compared to the previous survey and the performance was significantly better than high-tech industries. The reasons for the improvement are as follows:

- 98% of Delta employees approve of the Company's core values, demonstrating that Delta's continuous mission "to provide innovative, clean and energy-efficient solutions for a better tomorrow" has garnered support in the Company to become an important driving force for continuous growth.
- Employees agree that the Company makes efficient and quick decisions, and that they have achieved balance in work and life. It showed the results of the Company's pursuit of transparent, instantaneous, and open information disclosure, and its creation of a healthy and happy workplace.
- Employees feel that the Company has a clear communications strategy and understand how they can contribute to achieving the Company's goals. Delta operations in many regions have begun organizing employee communication seminars in 2019 or used

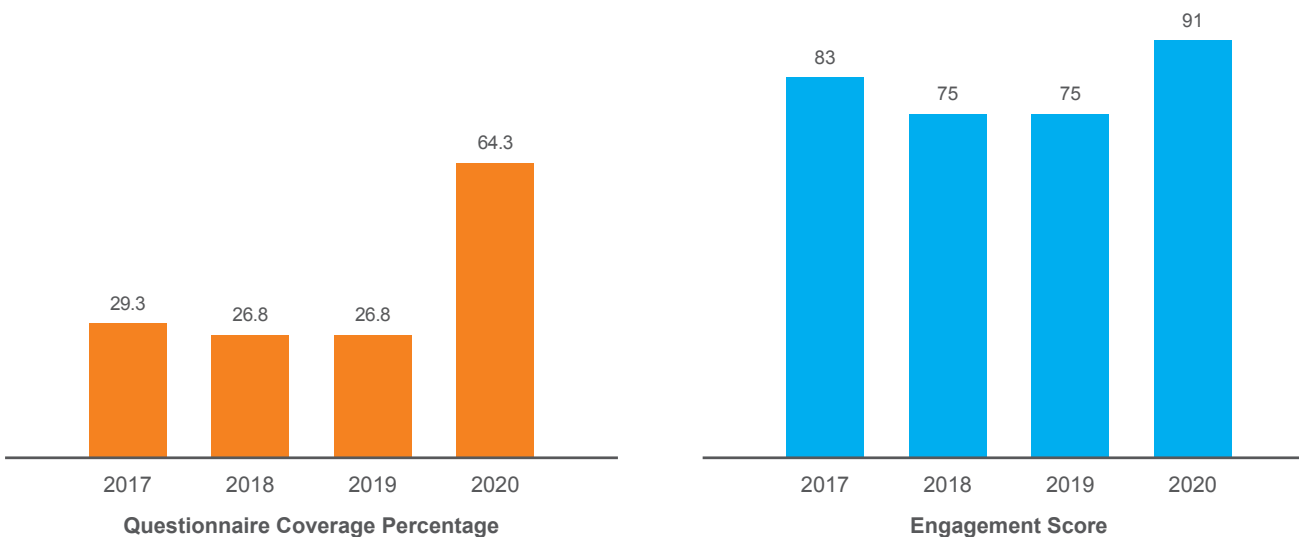
e-courses to invite senior officers to share their vision for the Company. The results were very effective.

- Delta has performed well in the retention of exceptional talents with a retention rate 23% higher than the average rate of tech companies. Compared to the results of the previous survey, the results increased by 24%. The results show that Delta has made significant progress in talent recruitment and employer branding, and we have attracted outstanding talents who can provide maximum support for the growth of the industry.

We will continue to implement annual improvement plans and design programs for related leadership competencies including innovation, inclusiveness, and cooperation. We seek to encourage the participation of global senior executives, help the Company's global management implement leadership transformation, and help regional operations implement related improvements.

In addition, Delta administered the employee engagement survey on direct labors in plants in China. A total of 27,777 employees participated in the survey and the response rate was 99%. More than 93% of employees provided positive feedback in employee engagement issues, which demonstrated the effectiveness of the Company's actions taken to improve work, leisure, life, and the living environment, and the "Happy Factory and Prosperous Enterprise" plan for a LOHAS Workplace.

Engagement Survey Scores Over the Years*



* The scores and coverage percentages for 2020 included operators at the plants in China. For the scores of individual groups, please refer to 7.3 Social Data "Engagement Survey Response".

6.4 Human Rights Protection



Strategic Direction

- Ensure that employees understand their rights and the Company's Human Rights Policy

Commitments

Abide by the following Human Rights Guidelines established in accordance with the Delta Human Rights and Employment Policy:

- Responsible Business Alliance Code of Conduct (RBA)
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the International Labour Organization (ILO)
- Guidelines for Multinational Enterprises (OECD)
- United Nations Universal Declaration of Human Rights and Global Compact

KPI

Global Completion Rate of Humans Rights Related Courses*

- **2020 Target** 85%
- **2020 Performance** 85% Achieved
- **2021 Target** 87%
- **2023 Target** 92%

Key Initiatives for Alignment with SDGs



Continue to use internal e-learning platforms to provide training courses for enhancing human rights standards.



* Global completion rate of humans rights related courses = "number of trainees in human rights courses (RBA / unlawful infringement in the workplace) in the current year" divided by the "total number of employees at the end of the year".

6.4.1 Human Rights Commitment and Policy

Delta is committed to abiding by international human rights conventions and local regulations for its global operations. We have established the Delta Human Rights and Employment Policy to communicate Delta's commitment to global human rights and included all employees, subsidiaries, business partners, suppliers, and contractors into the scope of the Policy.

The Policy is also adopted as basic standards for all employees in their work and business activities. We strictly abide by the regulations on whistleblowing and complaints and unlawful infringement in the workplace. Delta also signed the Delta Modern Slavery and Human Trafficking Statement according to Modern Slavery Act of the United Kingdom and we are committed to promoting labor-management communication and human rights management.

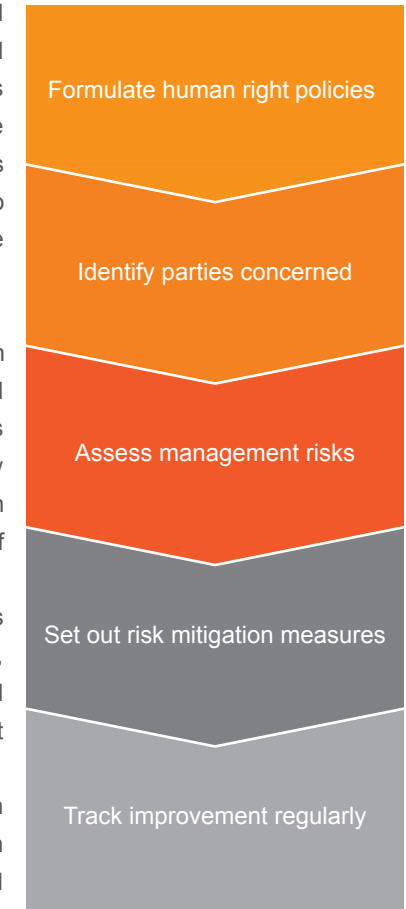
Specific achievements are as follows

- Delta employed 946 people with disabilities globally; among them, 73 were in Taiwan. Delta worked with the Eden Social Welfare Foundation to create work spaces for visually impaired employees and purchased relevant equipment for them.
- Participating in the "Video Screening and Inclusive Event to Promote Enterprises' Recognition of Disabled Employers" organized by the Taipei City Foreign and Disabled Labor Office, the Company held a seminar on "To Walk with Light in an Infinite Life" to promote workplace equality for people with disabilities, which screened a documentary. At the seminar, speakers as well as the Company's disabled employees and their supervisors were invited to share their experience. Employees at the seminar were deeply moved by the positive energy of the disabled, and recognized and identified with the Company's efforts to develop a "diversified" and "inclusive" workplace.

6.4.2 Human Right Risk Identification and Mitigation

In order to ensure that employees' rights and interests are protected and its corporate social responsibilities are fulfilled, the Company has established a risk assessment framework for due diligence, and regularly implements risk assessments to identify, prevent, and mitigate impacts related to human rights issues. The human rights due diligence procedures are as follows:

- Risk Assessment: Conduct self-inspection and audit of compliance at each plant and risk assessments for the human rights issues identified each year, and implement and review corresponding risk mitigation measures based on the assessment results to achieve the purpose of risk management.
- Evaluation Method: Align due diligence standards with local regulations, industry standards, international standards, RBA regulations, and customer requirements through self-assessment and third-party evaluation.
- Improvement Tracking: Review the implementation effectiveness of management and mitigation measures, formulate an improvement plan, and continue to track it.



The assessment mechanism for labor practice is as follows

- A total of 19 relevant internal self-assessments and 54 external audits were carried out at various sites around the world. The risk ratio^{*1} of global sites in the audits of human rights standards was approximately 2.7%, and various mitigation measures were taken based on the risk assessments, and improvements have been made to deficiencies identified in the internal or external audits.
- The internal self-assessments at plants in Taiwan and China was mainly divided into 3 parts: self-inspection of the plants, internal audits by the other site's HR department, and employee interviews.
- The Company continued to use the internal e-Learning platform to offer training courses to strengthen human rights standards, so that employees would have a clear

understanding of their own rights and the Company's human rights policies. The total number of trainees worldwide was 59,401^{*2}, and the training completion rate was 85.2%; of which there were a total of 9,322 at the plants in Taiwan with a training completion rate of 97.2%.

In terms of labor laws and regulations, the Company complies with various local labor laws and regulations and relevant regulations, and there have been no material violations of the law. One of the Company's affiliated companies in Taiwan was imposed with a penalty of 712 USD for violating the laws and regulations regarding working hours: An employee's overtime hours exceeded 46 hours in a month and another employee's overtime hours exceeded 12 hours in a day. The affiliated company's human resources unit has recruited additional personnel and increased its employees' awareness of the overtime procedures to avoid recurrence of excessive overtime hours.

Human Rights Due Diligence

Risk Issues	Mitigation Measures	Remedial Measures	Target
Workforce Diversity and Anti-discrimination	<ul style="list-style-type: none"> • Human rights and employment policies, code of conduct, and recruiting management policy all explicitly stipulate the policy on anti-discrimination. • Encourage each unit to recruit people from different ethnic groups. • Identify whether the target company has human rights risks, such as gender / racial / religious discrimination during execution of an M&A project. 	<ul style="list-style-type: none"> • Recruit additional indigenous school ambassadors • Provide indigenous employees with 3 days of leave for indigenous festivals, which is superior to what is stipulated in law • Establish workplace facilities for disabled employees • Educate hiring managers not to ask about personal information that has nothing to do with the job, and any issues that may be associated with discrimination through interview training courses 	<ul style="list-style-type: none"> • Equal job opportunities • Elimination of discrimination

*1 The calculation method of the risk ratio is based on the evaluation method adopted for the Dow Jones Sustainability Index.

*2 The trainees from Cytotec Co., Ltd. were not included in the total number of trainees at this time due to the process of integration of teaching materials.

Risk Issues	Mitigation Measures	Remedial Measures	Target
No Child or Forced Labor	<ul style="list-style-type: none"> Inspect the documents regarding the age of new employees. Care for the human rights of foreign migrant workers. Strengthen human rights management and allow free entry and exit. Respect freedom of religion and provide places or information on religious beliefs. 	<ul style="list-style-type: none"> Prohibition of child labor: An employee shall submit the original copy of his/her national ID card for on-site verification on the first day of work. The plants in China are linked with a public security system to verify the age. In the Company's personnel system, a warning will be issued and a file cannot be created for the data of personnel who are younger than 16 years old. Zero placement fee recruitment: The employment process and management of foreign migrant workers are optimized, and a zero placement fee recruitment policy for such works is implemented. 	<ul style="list-style-type: none"> No child labor. Zero placement fee recruitment process. No involuntary labor.
Equal Working Hours and Equal Pay for Equal Work	<ul style="list-style-type: none"> Manage overtime hours and days off and regularly inspect the remuneration, which shall not be lower than the local minimum wage; determine the remuneration by job responsibility. 	<ul style="list-style-type: none"> Implement a system warning mechanism and control of overtime hours and working days. Train employees to be capable of multiple tasks, balance overtime hours, and plan a production schedule with customers to avoid excessive overtime work. There is no differential treatment or discrimination in salary due to gender, age, race, and other factors. 	<ul style="list-style-type: none"> Reasonable working hours with employees' physical and mental health considered. Competitive remuneration.
Freedom of Association	<ul style="list-style-type: none"> Employees have the legal right to establish, participate in, or refuse to join associations or group agreements. 	<ul style="list-style-type: none"> In order to strengthen the "collective bargaining" mechanism, after the current term of the labor representatives at the labor-management conference expires, the reelection will be held through voting by all employees. The coverage percentage of the worldwide collective agreements and unions is 71.5%. 	<ul style="list-style-type: none"> Creation of an environment for free expression and communication

Risk Issues	Mitigation Measures	Remedial Measures	Target
Occupational Health and Safety	<ul style="list-style-type: none"> Establish maternal health protection regulations for employees and provide health education information during pregnancy and after childbirth. Provide friendly parking spaces, aisles in the staff cafeteria, and a warm "Mom Station". 	<ul style="list-style-type: none"> Set up a health management center to provide comprehensive health management solutions, such as health care, health promotion, and employee assistance. The plants in China have formulated 3-phase management measures for female employees. Employees shall take the initiative to file a report, and the relevant departments are engaged in joint management. 	<ul style="list-style-type: none"> Provision of a healthy and safe work environment
Prevention of Sexual Harassment and Illegal Infringements in the Workplace	<ul style="list-style-type: none"> Comply with laws and regulations to formulate management measures, and set up a hotline, mailbox, and assistance stations for sexual harassment complaints. Offer an online course on sexual harassment prevention to promote employees' training in this regard. 	<ul style="list-style-type: none"> Set up a global whistleblowing management mechanism. Organize education and training on the prevention of illegal infringement and sexual harassment in the workplace. Establish procedures for responding to and investigating incidents of illegal infringements during performance of duties. 	<ul style="list-style-type: none"> Create a friendly workplace

6.4.3 Gender Equality and Care

Delta is committed to setting up a friendly and equitable workplace environment and providing the following care and benefits superior to regulations:

- Google's responsible supply chain team chose Delta's plant in Thailand as a key sustainable supplier. At the time, female employees of the plant accounted for 75%^{*1} of all employees. With Delta's equitable workplace environment, women can participate in the design, production, and testing of products, provide power for the latest technologies of the world, and connect and enrich the world.
- The Thailand Plant worked with the International Labour Organization (ILO) and activated the "STEM Female Workforce and Career Development Training Program".
- Related training on unlawful infringement in the workplace in plants in Taiwan were provided for 1,196 participants.
- Delta provides comprehensive care project for mothers and infants, exclusive mother and infant gifts, exclusive parking spaces for pregnant employees, warm and comfortable breastfeeding environment, and loving mother's spaces.
- Where a child of an employee in a plant in Taiwan is under the age of 2 and the employee is required to personally feed (collect) milk, in addition to the prescribed rest time, another 1 hour of paid breastfeeding (milk collection) time is given each day.
- Employees in plants in China enjoy 1 hour of paid breastfeeding leave every day after childbirth before their child reaches 1 year old.
- We provided mother and infant care for 139 employees in plants in Taiwan in 2020, which was a 61.6% increase from the previous year. We also organized parenthood seminars for 227 participants.

Statistics for Unpaid Parental Leave in Taiwan

Item of Statistics	Male	Female	Subtotal
Number of employees eligible for unpaid parental leave in 2020 (A) ^{*2}	905	257	1,162
Number of employees applying for unpaid parental leave in 2020 (B)	11	52	63
Number of employees expected to return to work from unpaid parental leave in 2020 (C)	14	47	61
Number of employees returning to work from unpaid parental leave in 2020 (D)	8	43	51
Number of employees returning to work from unpaid parental leave in 2019 (E)	8	37	45
Number of employees returning to work from unpaid parental leave in 2019 and working for more than one year (F) ^{*3}	8	36	44
Reinstatement Rate (D/C)	57.1%	91.5%	83.6%
Retention Rate (F/E)	100.0%	97.3%	97.8%

*1 Google VR Film of Life at DET: The Powered By Me project was executed and filmed in June 2020 when female employees accounted for approximately 75% of all employees.

*2 Number of employees eligible for unpaid parental leave in 2020 (A): Employees who applied for maternal leave of more than 56 days and paternity leave for more than 1 day in the 3 years from January 1, 2018 to December 31, 2020 (TW)

*3 Number of employees returning to work from unpaid parental leave in 2019 and working for more than one year (F): Number of people who continued to work for more than one year after reinstatement from unpaid parental leave in 2019.

Care for Foreign Migrant Workers

Plants in Taiwan responded to global manufacturing developments and customer requirements and transferred production lines of certain overseas plants back to Taiwan. Taiwan plants employ foreign migrant workers in response to manpower needs, and all hiring process and management matters are in compliance with international human rights and Responsible Business Alliance (RBA) regulations.

Achievements in Care for Foreign Migrant Workers

Issue	Item	Results
Management Level	Foreign Migrant Worker Management Regulations	Optimization of migrant worker hiring procedures and management matters
	Implementation of the Zero Placement Fee policy	Migrant workers are not required to pay agency expenses or other hiring expenses
	Strengthen human rights management for dormitories	Free access to dormitories No confiscation or custody of passports or licenses
	Respect religious freedom	Provide religious venues or information
	Provide training in their native languages	Company policies and regulations, labor contracts, operating instructions for machines and equipment, hazard labels, training materials, activity information, and health examination consultations are all translated into their native languages
Benefits and Participation in Events	Events are designed to encourage participation and inclusion	We organize LOHAS Day events and ball games for all employees, provide native language translation, and design special puzzles and food trucks specifically for migrant workers
	Encourage participation in external activities	Outstanding migrant worker selection and talent contests
General Care	Regular seminars	Convene routine quarterly seminars, company complaint mailbox/telephone, employee feedback box, migrant worker services, agent company hotline, and groups on social media such as LINE and Facebook
	Health awareness campaigns	We provide information on health education (e.g., influenza and communicable diseases) and use Q&A activities with rewards to encourage participation; we also post information in migrant worker groups and the bulletin boards of dormitories
	Special meals	We provide special meals from migrant workers' home countries each month
Healthy and Safe Environment	Public facilities in the dormitory	We set up prayer rooms, libraries, common dining areas, and a fitness center
	Related disease prevention measures for responding to COVID-19	We provide masks, body temperature measurement in the morning and evening, health status surveys, contact history surveys, and regular disinfection of common areas of the dormitory

6.4.4 Employee Rights and Communication

Delta has always maintained open communication between labor and management and implements positive bilateral communication mechanisms. With a 71.5% global coverage rate of collective bargaining agreement and union, employees can voice their opinions through a diverse range of communication channels including regular labor management meetings, Employee Welfare Committee meetings, employee representative seminars, and the employee opinion mailbox. We use communication and interviews to listen to what employees care about and express care for their feelings.

We also maintain strict confidentiality of the complaint information and promptly take related improvement measures. A total of 372 cases of internal opinions and 12 whistleblowing and complaint cases in Taiwan, which have all been investigated and closed, and relevant improvement measures have been taken.

Statistical Data on Employee Feedback in Delta's Plants in Taiwan

Communication Channel	Number of Cases	Number of Processed Cases	Main Improvement Items
Labor-management Meeting	33	33	
Employee Welfare Committee Meetings	251	251	<ul style="list-style-type: none"> • Adoption of low-GI healthy food materials for employee meals • Adoption of a license plate recognition system for the parking lot • Cancellation of the prepayment and deduction system for employee meals and switched the system to direct card swiping for payment calculation and deduction
Other Channels	60	60	
Foreign Migrant Workers Forums	28	28	<ul style="list-style-type: none"> • Enhanced maintenance and repairs of dormitory equipment, strengthened human rights management for dormitories, and adopted registration for staying out instead of roll call • Provided Thai and Vietnamese versions of documents required for communication

6.5 LOHAS Workplace

Delta continued to pursue work and life balance in 2020 to create a safe, healthy, and friendly work environment. We obtained numerous awards in recognition of our achievements.

- "First Prize" in the "Global Views" CSR Outstanding Project Happy Enterprise Category (2020 / 4)
- "Happy Enterprise Award" in the Taoyuan City Government Excellent Enterprise Awards (2020 / 11)
- Sports Company Certification by the Sports Administration of the Ministry of Education (2020 / 11)
- Second prize in the "Buying Power – New Product and Service of Social Innovation Purchase Reward Program" from the Small and Medium Enterprise Administration, MOEA (2020 / 12)

6.5.1 Comprehensive Health Management and Promotion

Delta is committed to employee health and well-being and our core values for workplace health are based on the 4S (Say, Stay, Strive, and Social). The expenditures on health promotion activities in Taiwan increased by 19.1% compared to the previous year. We use the results of employee health examinations and feedback from past activities to continue to revise and adjust the key points of the projects each year.

2020 was designated as the cardiovascular health protection year and we added examinations of cardiovascular functions in general health examinations. We provide employees older than 50 with annual health examination and the examination rate is 94.5%*; The advanced health examination participation rate was 74.0%. 100% of employees involved in special operations such as ionizing radiation, n-hexane, lead, dust, manganese, nickel, and high noise received health examinations while 99.4% of

employees on night shifts were examined.

We implement tiered health management in accordance with regulations and the results showed that there were no irregularities related to work. The general health examination is divided into 5 tiers. The most common irregularities include body mass index, cholesterol levels, and blood pressure. Employees rated by the hospital responsible for the examinations as having level 2 to level 5 irregularities can use system announcements to actively register or arrange health consultation with the Health Management Center. A total of 799 employees obtained consulting services from the onsite doctor or nurse and received recommendations for medical services and health information.

We also organize health promotion activities of the Company based on the proportion of irregularities found in the results of health examinations. We provide medical equipment such as weight and body fat scales and blood pressure meters in accessible parts of all plants to help employees implement self-management of their health.

The percentage of Taiwanese employees aged 40 to 64 (inclusive), who are required to take a health examination every 3 years in accordance with the Occupational Safety and Health Act, was 95%. The Company has fulfilled its responsibility for reminding employees who had not taken the examination as required by law, and many of them were those who were unable to return to Taiwan for the health examination due to the pandemic this year.

We organized a diverse range of health promotion activities as follows:

- We hosted a total of 130 rounds of health promotion activities this year. They were attended by 20,359 people which was an increase of 26.2% from the previous year.
- 805 employees participated in a fat loss contest as the Company promoted a low-GI diet. The average fat reduction rate was 5.5% and employees lost a total of 1,003 kilograms, up 206.8% from the previous year.
-
- We received the Excellent Healthy Workplace certification from the Health Promotion Administration, Ministry of Health and Welfare. Taipei Headquarters applied for and received the "safe workplace certification" from the Department of Health for the first

time and completed 76.0% of the training for first floor equipped with AED. We also completed the certification and extension for Tainan Plant.

- Taoyuan Plant and Tainan Plant received the "Health Promotion Label – Accredited Healthy Workplace" Health Promotion Administration.
- Delta encouraged employees and the public to donate blood to support public welfare. 921 employees responded this year and Delta received the "Annual Best Public Welfare Enterprise Award".

We set up a smart healthy office in Taipei in 2020 to adopt energy conservation, intelligence, and health as core design concepts and create a more convenient, intuitive, and responsive office space to meet users' needs. We integrate building automation solutions and technologies and comply with the latest WELL building standards to infuse healthy and human-oriented concepts into Delta's green buildings. The solutions are divided into six major sectors including the digital management center, shared conference rooms (U-Office), smart conference rooms, open office (WELL-Office), employee lounge areas (breastfeeding room and massage room), and mobile conference rooms. We also set up fall detection equipment and enhanced user protection management.



Neihu Science Park encouraged major corporations to gather at the open space before Delta Headquarters and more than 1,000 people donated blood.

Delta's Healthy Workplace Implementation Cycle



6.5.2 Employee Care during the COVID-19 Epidemic

Protecting the health of employees became Delta's primary goal in response to the COVID-19 epidemic. The Health Management Center has activated disease prevention measures and serves as the safety net for disease prevention as well as protector of all employees for consultation, care, and companionship. The disease prevention measures are as follows:

Care for Delta's Global Employees during the Epidemic

Enhanced Communication	<ul style="list-style-type: none"> • We limited overseas travel and encouraged the use of video conferences. Where it is necessary for employees to go on business trips, we provide disease prevention kits. • We organized 15-minute online exercise courses and online health seminars for employees in Europe.
Mental Support	<ul style="list-style-type: none"> • We provide a disease prevention care hotline and provide employees with disease prevention knowledge, health education, and emergency medical assistance. • Health management personnel provide care and follow up on employees with needs to collect information on cases and provide instructions for quarantine.
Disease Prevention Assistance	<ul style="list-style-type: none"> • We provided disease prevention supplies, financial support, and insurance plans, and distributed face masks and disinfectants to all employees in certain areas. • We provided equipment or subsidies for work from home and increased the allowances for employees assigned to plants in India.
Flexible Work Hours	<ul style="list-style-type: none"> • We implemented separate attendance for employees in certain areas and implemented remote work or separation of work hours based on requirements. • We adjusted the format of activities in Taiwan and provided health and disease prevention education which resulted in 4,394 interactions with employees.
Health and Safety	<ul style="list-style-type: none"> • We promoted disease prevention safety and social distancing awareness, monitored employees' body temperature daily, and set up an online notification system. • We conducted health surveys and contact history surveys, and strengthened disinfection of the environment and contact control measures.

6.5.3 Childbirth Benefits and Care

Delta continues to improve care for mothers and infants, and we have established heartwarming and comfortable breastfeeding environments in all plants. We redecorated the breastfeeding room in the Taipei Plant this year to provide mothers with a friendly environment for breastfeeding. This enhances children's immune systems, reduces the cost of childcare, balances work and childcare, and thereby increases the retention rate. The number of employees who participated in mother and infant care programs in 2020 increased by 61.6% from the previous year, and 227 participants attended the workplace parenthood seminars.

6.5.4 Balancing Life and Work

Delta promotes the "LOHAS Workplace" and "Sports Company" targets and promotes work and life balance based on the motto of "Live Better, Work Smart." Delta promotes the Employee Assistance Program (EAP) and the EAP counseling service was used 130 times in 2020. 98.0% of the interviewees believed that the EAP helps improve their emotional state at work and their work performance.

Highlight Projects

- Family Day: We used the online virtual reality puzzle activity for the first time to build team cohesion. We also designed a multi-lingual interface for foreign employees and fully demonstrated our resolve for the integration of diverse ethnic groups. We invited the orchestras of the deaf and blind to perform and a record high number of 5,128 participants attended the event.
- Sports Projects: Promoted sports activities and the idea of using sports for team building. We invited the ultramarathon runner Tommy Chen to speak on how to make changes by changing the way we view things. We organized a running class of 134 runners to help them learn correct skills and mindset. A total of 346 employees and family members supported the Hualien Pacific Ocean & East Rift Valley Marathon in December 2020.
- Due to the epidemic, activities were changed to outdoor activities, scaled down, or organized online. We organized bicycle tours and led 118 employees on 3 separate routes to challenge themselves.
- We organized online ceremonies for commending senior and model employees to express our gratitude for employees who remained at their post.



Delta's senior executives took part in Delta Family Day events and had fun with employees.

6.5.5 Social Engagement

- Delta actively participates in energy education and charity activities including the workplace experience program organized with the Ministry of Labor and visit of students from Chongqing Junior High School in New Taipei City to visit Delta's headquarters. We provide energy education and introduction to the electronics industry to help them with future career development.
- We promote the idea of sustainable travel and in-depth cultural travel to learn about the essence of culture in Taiwan.
- We organized charity procurement to support disadvantaged groups in society, purchased slave free chocolate from the Netherlands, and worked with charity organizations to organize exclusive handicraft activities for Delta. The annual charity purchases in Taiwan totaled 35,590 USD and we won second prize in the "Buying Power – New Product and Service of Social Innovation Purchase Reward Program" from the Small and Medium Enterprise Administration, MOEA.

6.6 Social Engagement



Strategic Direction

Delta has adopted 3 key strategies in its execution including "energy conservation and climate education", "popularizing green buildings and low-carbon transportation", and "talent cultivation" to use the Company's core competencies and resources to increase the environmental protection awareness of the public while improving equality and quality of education.

Commitments

Delta monitors major issues and climate trends of the globe and continuously adjusts strategies to meet the requirements for knowledge and actions across the world. The Company also continues to invest resources in environmental protection, energy conservation, carbon emissions reduction, and education.

KPI

DeltaMOOCx

- **2020 Target**
Accumulate over 9 million views for DeltaMOOCx education videos
- **2020 Performance** Achieved
More than 10 million cumulative DeltaMOOCx views

Social Media

- **2020 Target**
Accumulated 8.25 million views on social network media
- **2020 Performance** Achieved
Accumulated 9.38 million views on social network media

Future Goals

KPI: Cumulative DeltaMOOCx views

- **2021:** 11 million views
- **2022:** 13 million views
- **2023:** 15 million views

KPI: Number of people reached via climate education (headcount)

- **2021 Target**
Accumulate 10 million views on social network media
- **2022 Target**
Accumulate 11 million views on social network media
- **2023 Target**
Accumulate 12 million views on social network media

Key Initiatives for Alignment with SDGs



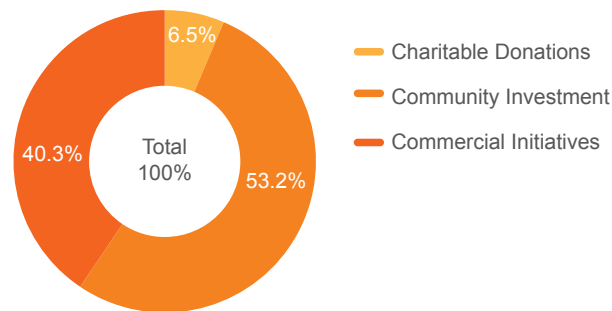
- We used real environmental and spatial conversion cases and high-quality online training courses to actively promote healthy and energy-saving buildings to help society combat the epidemic.
- We shared our experience in creating an online learning platform to help teachers improve their skills for producing online courses and using resources. Delta also provides incentives for talents to study abroad in disciplines related to the environment.



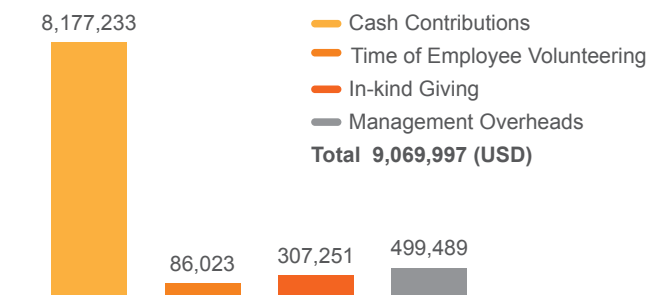
- Delta produced the world's first 8K ultra-high-definition environmental protection documentary "Water with Life" and played the documentary at charity events to increase the public awareness of water resources and changes in the marine ecology caused by climate change.
- We communicate the latest energy and climate information of the globe and improve the quality of public environmental knowledge. We also work with important think tanks in Taiwan and abroad to include green building cases into studies in prestigious journals.

In addition to providing quality products and services, Delta also actively participates in various activities that benefit society. We have achieved great results in popularizing green building and transportation, promoting science, energy education and climate action, and active talent cultivation. Delta invested approximately 9.07 MUSD in social engagement in 2020 and talent cultivation accounted for the largest share with 64%. It is followed by expenditures for popularizing green building and transportation with 17%, charitable donations with 8%, and expenditures for promoting science, energy education and climate action with 7%, popularizing green buildings with 3%, and others with 1%.

Type of Philanthropic Activities



Philanthropic Contributions



6.6.1 Popularizing Green Buildings and Low-Carbon Transportation

Helping the Injured Create a Healthy, Energy-efficient, and Comfortable Environment for Long-term Disease Prevention and Rehabilitation

To help burn victims with disease prevention, Delta Electronics Foundation (the Foundation) donated high-performance fresh air ventilation system and UNO air quality monitoring solutions to Sunshine Social Welfare Foundation to help the injured recover in a healthy and energy-efficient space.

The Foundation also works with Green Comfort Health Architecture to set up double-layer glass for insulation, and extract heat from computer rooms to reduce air-conditioning energy consumption. With the fresh air ventilation system and improved insulation, we expect to save approximately 30% of the electricity consumption for air-conditioning and reduce CO2 and PM2.5 concentration by 80% to 90%. The Foundation also purchased the Taiwan Century Temperature Rise mask sleeve from the Sunshine Knitting Team for use by Delta's volunteers in their work to extend the useful life of face masks while helping the disadvantaged with their career development.



Delta Electronics Foundation and Sunshine Social Welfare Foundation held a press conference to disclose the cooperation to create a healthy and energy-efficient rehabilitation environment



Burn patients of Sunshine Social Welfare Foundation sewed the mask covers featuring temperature record of Taiwan for the past century for the Delta Electronics Foundation

Added WELL and LEED ZERO Courses to Promote Both Energy Conservation of Buildings and Health

Delta Electronics Foundation has organized the "Green Collar Architects Training Workshop" for many years. Due to the epidemic in 2020, it has become increasingly important to adopt indoor ventilation technologies to reduce the risk of infections. The Foundation and the Architecture & Building Center organized the first WELL healthy building standards and concept course to introduce the concepts and designs of healthy buildings.

In addition, Delta organized the first "LEED Zero-Carbon Building Course" with the U.S. Green Building Council and Taiwan Green Collar Association and introduced the latest international "net zero" building guidelines. The two online courses and physical courses were attended by more than 1,000 attendees.

Building a Microclimate Database Ensures the Effective Management of Energy-consuming Building Equipment

Delta Electronics Foundation, the Central Weather Bureau, the Taiwan Architecture & Building Center, and the International Climate Development Institute established the "Green BIM Building Microclimate Database" which incorporated data from 26 monitoring stations in Taiwan in 2020. Building Information Modeling (BIM) was also used to help architects implement energy conservation designs based on microclimate conditions near the base, and provide operations, maintenance, and management of energy-consuming equipment in existing buildings. The database continues to provide customized services for weather data and uses the data applications in public buildings in Taiwanese cities to emphasize the effectiveness of energy conservation and influence government policies.

Promoting Green Buildings

To actively promote reusable energy including solar power and green building technology, Delta has sponsored the "Delta Cup International Solar Building Design Competition" since 2006. This competition has had over 90 participating countries, with 8,700 teams,

and has received 1,724 submissions. The 5 items (sets) of submissions that have been completed are great examples for demonstrating and promoting green buildings with low energy consumption.

The theme of the 2020 Delta Cup was "Sunshine—a Childhood Dream" and we collected designs centered around the theme of "kindergarten" from across the globe. The "A Kindergarten Built by Tetris" submitted by the Huaqiao University team and the "Step Into the Sunshine" submitted by the Kunming University of Science and Technology team stood out from over 235 submissions and gained the favor of our international judging panel, winning First Place in Nanping, Fujian province, and Bayingol Mongolian Autonomous Prefecture, Xinjiang province, respectively. The designers of "A Kindergarten Built by Tetris" adopted pre-fabricated modules for construction to significantly increase the feasibility and cost effectiveness of the project and enrich the use of space. It incorporated active and passive solar energy strategies and integrated intricate and practical technical applications. "Step Into the Sunshine" offered ventilation areas and heating applications for the building to meet regional characteristics. The technical innovation also created new ideas in the design language and achieved a high-quality integration of passive technologies and architectural design.

Delta Cup is characterized by the motto "Making Dreams Come True" and we have already completed construction projects for 5 winning works. We have confirmed the construction of the "A Kindergarten Built by Tetris" which won First Place in Nanping in the 2020 contest. It will be used for the construction of a green and low-carbon kindergarten in Nanping.



"A Kindergarten Built by Tetris" is now a project for Jinglong Kindergarten in Jianyang District, Nanping, Fujian province

Case Study: Green Hope of the Mountain Sun

Qiaojia County near Ludian was devastated by the Ludian earthquake in Yunnan 2014. Dazhai High School had insufficient space for teaching and learning activities and its equipment was old. The earthquake had rendered buildings dangerous and reconstruction was required. Delta donated 76.6 MUSD for the construction of the Delta Sunshine General Lecture Hall for Dazhai High School in Qiaojia County, Yunnan which was inaugurated on June 28, 2020.

Zeng Yan, Deputy Chief Architect of China National Engineering Research Center for Human Settlements, stated that the "Delta Building" had incorporated the design concept of a "sunshine campus" during design. It fused modern education ideals with low-carbon building technologies to create a new form of campus space and use experience and education to spread low-carbon ideals.



Group Photo at a Delta Sunshine Campus Activity

Calculating Energy Savings from Donated Certified Green Buildings

Since 2009 Delta has donated 5 certified green buildings, including the Delta Building and Yun-Suan Sun Green Building Research Center at National Cheng Kung University (NCKU), the Delta Building at National Tsing Hua University (NTHU), the Kuo-Ting Optoelectronics Building at National Central University (NCU), and the Namasia Minquan Elementary School. In 2020, Delta Group's five donated green buildings reduced, in total, 1.66 million kWh of electricity and 848 tons of CO₂e emissions. The EUI of the Delta Building at National Tsing Hua University was higher because although Delta's energy management and monitoring system was incorporated into the laboratory, the air-conditioning system must operate around the clock during experiments, resulting in increased electricity consumption and reduced energy conservation effects.

Delta's Donated Green Buildings

Donated Green Buildings	Green Building Certification	Energy Saving Performance ^{*1}
The Delta Building at National Cheng Kung University (NCKU) (Inaugurated in 2009)	EEWH (School Category)	<ul style="list-style-type: none"> 2020 EUI: 86.21 Highest energy saving rate to date: 56%^{*2}
Yun-Suan Sun Green Building Research Center at National Cheng Kung University (NCKU) (Inaugurated in 2011)	LEED Platinum Grade, EEWH Diamond	<ul style="list-style-type: none"> 2020 EUI: 24.23 Highest energy saving rate to date: 85%^{*2}
Delta Building at National Tsing Hua University (NTHU) (Inaugurated in 2011)	EEWH Bronze	<ul style="list-style-type: none"> 2020 EUI: 82.85 Highest energy saving rate to date: -3%^{*3}
The Kuo-Ting Optoelectronics Building at National Central University (NCU) (Inaugurated in 2011)	EEWH Bronze	<ul style="list-style-type: none"> 2020 EUI: 24.43 Highest energy saving rate to date: 70%^{*3}
The Delta Building at the Namasia Minquan Elementary School (Inaugurated in 2012)	EEWH Diamond	<ul style="list-style-type: none"> 2020 EUI: 1.05 Highest energy saving rate to date: 93%^{*4}

*1 Delta calculates EUI of each green building in line with the methodologies from the literatures cited on page p.148. EUI = Electricity Consumption (kWh) / Area per year (kWh/m²/year). Annual electricity usage refers to purchased electricity not including self-generated solar power. The following are excluded from EUI calculation: lab electricity (The Delta Building at NTHU and The Kuo-Ting Optoelectronics Building at NCU) and indoor parking area (for applicable buildings)..

*2 <Bureau of Energy, Ministry of Economic Affairs> 2019 Energy Audit Annual Report for Non-Productive Industries (P.24): 160.9 kWh/m² (Office buildings, parking lots not included).

*3 <Bureau of Energy, Ministry of Economic Affairs> 2019 Energy Audit Annual Report for Non-Productive Industries (P.24): 80.3 kWh/m² (general university EUI, indoor parking lots not included)

*4 <Ministry of Economic Affairs and Ministry of Education> Energy Conservation Action Plan for Government Agencies and Schools (page 19) approved by the Executive Yuan (December 8, 2017) elementary school group 2 EUI: 15 (kWh/m²).

6.6.2 Promote Energy and Climate Education

Continue to Enhance Climate Education on Campus and Expand to Marine Ecological Conservation Actions

The Delta Electronics Foundation has a longstanding commitment to training volunteers. In 2020, the Foundation noted the severe coral bleaching caused by rising sea temperatures and worked with the Museum of Marine Science and Technology for adapting to warm seawater. We trained Delta volunteers on the importance of the coral reef to the protection of the ecosystem and climate and led the restoration of coral reefs to support marine ecology and biodiversity.

The global COVID-19 epidemic prevented the effective implementation of Delta energy education, science education, green building activities, and other (coral) volunteer activities in China, Taiwan, and Thailand. The number of Delta volunteers, service hours, and beneficiary students slumped in 2020. The volunteer service data for 2019-2020 are as follows:

Volunteer Item	Energy Education		Science Education		Green Buildings		Biodiversity		Total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Number of Volunteers	568	47	75	80	0	80	0	29	643	236
Number of Volunteer Hours	10,855	544	2,240	2,000	0	1,600	0	112	13,095	4,256
Number of Service Recipients	54,205	3,157	32,000	46,080	0	24,000	0	1070	86,205	74,307
Serviced Schools and Classes (if any)	63	34	0	100	0	50	0	0	63	184



Delta volunteers are devoted to coral restoration.

Sung-Mu Pai, Delta volunteer

The volunteer activities provided me with opportunities for taking the children out of classrooms and participating in coral protection work on the beach. We not only gained knowledge of popular science on the marine ecosystem and coral, but also tied coral reef with our own hands. I truly felt that I did my part to protect the environment for children. My son also said that he looked forward to returning in the future to see the coral he had planted. He also made a pledge to be more environmentally friendly.

Academic Assistance - Hope for Pearl

Delta has sponsored the "Hope for Pearl " of the Xinhua Compassion Education Foundation since 2008 and made donations to sponsor 19 "Delta Pearl Classes" for 720 high school students with good performance in ethical conduct and academic records from financially challenged families. The company donated a total of 0.827 MUSD. It sponsored 130 students at Hunan Rucheng First High School, Suzhou No. 2 High School of Anhui, and Ningde Nationality Middle School, Fujian in 2020.

Like their predecessors, all 23 Delta-sponsored students in Hefei 168 Middle School and 40 Delta-sponsored students in No.1 Middle School Yiyang City, Hunan were accepted into prestigious universities in the National College Entrance Examination this year. All 23 Delta-sponsored students in Hefei 168 Middle School were accepted into prestigious universities as they used real action to express their gratitude for the care and resources provided to them by society and school.

High-quality Climate Social Media Empower Positive Changes for Public Welfare

The Delta Electronics Foundation has operated the "Low Carbon Life Blog" and the radio show "Climate Battle in Taiwan" on IC Broadcasting. It also established the "Delta Energy and Climate Special Award" of the Tseng Hsu-Pai Journalism Award to help the community follow up on social changes including global sustainability and recovery policies, the energy and transportation revolutions during the epidemic, and the impact of extreme weather.

As of the end of 2020, more than 1,600 articles have been published on the blog and more than 15,000 listeners have tuned in to the broadcast. The blog has reached an audience of 9.38 million views on social media and received awards for 30 environmental news productions.

8K "Water with Life" Wins International Acclaim and Delta Continues to Promote Videos on Marine Ecology

The Delta Electronics Foundation and the NHK Enterprises team produced an 8K environmental protection documentary titled "Water with Life" which won the Gold Award in the short documentary category in the 53rd WorldFest-Houston International Film Festival in 2020 and was selected for the 11th Asian Pop-Up Cinema in Chicago. Delta and the Delta Electronics Foundation also jointly organized the contest for the 8K documentary "Songs of Whales" and invited image processing specialists to use creative ways to spread marine ecology concepts. We attracted 293 contestants in the period and received 160 submissions. The works were incorporated into education materials for Delta volunteers to strengthen education on marine ecology in schools.

In China, we jointly launched the dialogue design and short video editing contest for the 8K documentary "Songs of Whales" in collaboration with Business Ecology in 2020. We



"Water with Life" wins a Gold Remi Award at the WorldFest - Houston International Film Festival.

attracted 973 contestants in the period and received 309 submissions. We organized 5 online workshops and invited VIPs from multiple NGOs to share their experience on biodiversity, marine environment, and 8K technologies. We accumulated 57,000 online engagements and views and we hope to encourage the public to make contributions to the protection of the marine ecology and sustainable development of the environment.

Continuing International Cooperation to Promote Taiwan's Green Buildings on the Global Stage

During the epidemic, the Delta Electronics Foundation continues to follow online seminars and reports of the United Nations and important international think tanks to summarize and translate information on key issues such as architecture, industry, transportation, and the ocean. The Foundation also published the "Advances toward a Net-Zero Global Building Sector" paper with the Vice Chair of Working Group III, Intergovernmental Panel on Climate Change (IPCC). The paper included the Magic School of Green Technologies at National Cheng Kung University and the Namasia Minquan Elementary School as model cases for low-energy consumption buildings for the world, and was published in the prestigious journal, Annual Review of Environment and Resources.

Promoting Energy Conservation through Delta's Experience

The Foundation published a revised edition of Build Green Buildings with Delta in 2020 which included comprehensive

information on the designs and achievements of Delta's 27 plants, office buildings, schools, and other green buildings, as well as two data centers that obtained LEED certification from the U.S. Green Building Council. The Foundation also published the 50% Energy Saving with Delta to share information on Delta achievements in reducing the unit production energy intensity by half within 5 years as well as energy management applications with the aim of achieving energy conservation with the industry.

Organizing Climate Salon Activities to Help the Public Learn about Energy Conservation Strategies for Buildings and Industries

The Foundation organized the Architecture and Industry Energy Conservation and Climate Salon seminar in 2020 to share its experience in energy conservation, building a healthy office environment, and cost-effective energy conservation solutions for companies. To expand the reach of the event, the Foundation organized the Salon in Central and Southern Taiwan for the first time to let participants visit the actual sites refurbished for energy conservation. We also used live broadcasts on social media to help people participate in online discussions. The overall information communication and diffusion were more effective than before and we attracted more than 6,000 viewers in the 2 live broadcasts.



The Publication of "Building Green with Delta 1&2" and "50% Energy Saving with Delta"



Three experts shared their experiences to create healthy and energy-saving office environments at the Delta Climate Salon.

6.6.3 Talent Cultivation

DeltaMOOCx Online Learning Platform Continued Operations During the Epidemic

DeltaMOOCx is a free online learning course platform designed by the Delta Electronics Foundation for regular high schools, engineering high schools, as well as automation programs in universities with the aim of reducing the gap between academic studies and industrial applications. In 2020, the platform added basic science courses for senior and vocational high schools and they were viewed more than 10 million times. The integrity of the courses on automation was also ahead of online education in the Chinese-speaking world. The Foundation published the book "New World of Online Learning — Universities: DeltaMOOCx Cultivates Automation Talents" to share its experience in the creation of the platform in hopes of attracting more teachers to provide online education.



The publication of DeltaMOOCx introduces the experience of establishing an online teaching platform.

Che-Yu Liu, Vice President, Shun Yang Plastic Co., Ltd.

I began studying industrial automation due to work requirements. DeltaMOOCx is great because it summarizes the key points in thick textbooks and incorporates the equipment or technologies used in the industry to make concepts more comprehensive and easier to understand. Designing a robot requires knowledge of motor control, machinery, and digital machine vision. DeltaMOOCx provides comprehensive courses for me to set up my own laboratory at home.

Training Professional Talents and Giving back to Society

Delta Electronics Foundation sponsors long-term scholarship to cultivate outstanding talents for society. The "Chinese Education in Northern Thailand" project has benefited more than 125 students in Northern Thailand. We use the "Delta Environmental Scholarship" and "Delta Corporate Environmental Ethics Grant" to encourage young leaders and scholars to study environmental issues abroad. We have helped train hundreds of graduate students and scholars in the energy, environmental, and urban design sectors. In addition, the Foundation also provides civil servants with scholarships for overseas studies and we have helped train more than 50 outstanding civil servants.

6.7 Occupational Safety and Health



Strategic Direction

Establish the ISO 45001 Management System for all major plants across the globe and implement preventive safety and health management

Commitments

Pay attention to the safety and health of the work environment of workers and commit to creating a safe and healthy workplace

KPI

Rate of Recordable Work-related Cases of Employees *

- 2020 Target 0.98
- 2020 Performance 0.96
- 2021 Target 0.95

Key Initiatives for Alignment with SDGs



Promote prevention-oriented safety and health management systems to ensure worker safety



Regularly inspect workplace safety



* Rate of recordable work-related cases of employees = (Number of recordable work-related injuries of employees + The number if cases of recordable work-related ill health.) / Number of hours worked * 1,000,000

Occupational Safety and Health Management System

Providing employees with a safe and healthy workplace is one of Delta's most fundamental obligations as a corporate citizen. The Company's main production plants in Taiwan and China and its Thailand Plant comply with the P-D-C-A strategy for the Occupational Safety and Health Management System to systematically promote occupational safety and health management tasks. Regions and plants with ISO 45001 certification include: Taiwan: Taoyuan Plant 1, 2, 3, and 5, Chungli Plant 1, 2, and R&D Plant, Tainan Plant 1, and Cytotec in Hsinchu. China: Dongguan Plant, Wujiang Plant, Chenzhou Plant, Wuhu Plant, and Huafeng Plant. Thailand: DET Plant 1, 2, 5, and 6. Delta's Taoyuan Plant 1, 2, 3, and 5 and Tainan Plant 1 also passed CNS 45001 certification and obtained the TOSHMS certification.

We set up safety and health management units in all plants and appointed professional safety and health personnel to take charge of safety and health management planning, implementation, supervision, and audits. Delta has established occupational safety departments in production-oriented plants in China and Thailand which report directly to the highest-ranking local supervisor. In R&D and administration-oriented units in Taiwan, an occupational safety and health management department reports directly to the Chief Executive Officer. All plants follow requirements of local regulations for labor and management to jointly form the Occupational Safety and Health Committee which convenes regular meetings to review, coordinate, and propose recommendations for safety and health management.

Key Discussions of Delta's Regional Occupational Safety and Health Management Committees

Regions	Taiwan (Delta & Cytotec)	China	Thailand
Key Discussion Topics	<ul style="list-style-type: none"> COVID-19 disease prevention Implementation of the occupational health and safety management system Review of proposals for improving occupational health and safety 	<ul style="list-style-type: none"> High-risk operation management and control Machine guarding implementation. Added Delta smart manufacturing system (DSM) equipment safety management 	N/A
Percentage of Total Employees	49%	No applicable requirements	47%
Supplementary Description	<ul style="list-style-type: none"> Number of employee representatives: 99 Number of committee members: 203 	<ul style="list-style-type: none"> Number of committee members: 210 	<ul style="list-style-type: none"> Number of employee representatives: 35 Number of committee members: 74

Risk Assessment and Management

To effectively prevent the occurrence of occupational injuries, the Company has established hazard identification, opportunities, and risk assessment procedures to identify potential hazardous factors of the work environment, process, activities, products, and services. We identify potential hazards, assess their risks, specify unacceptable risk levels, and prioritize engineering control measures for unacceptable risks. We also identify and assess risks of contractor personnel and discuss operational risks and control measures in construction meetings or toolbox meetings.

In terms of the procurement of new equipment and process upgrades, we manage changes, implement pre-purchase safety evaluations, and increase safety measures for mechanical equipment. We also select low-hazard chemicals to replace high-hazard chemicals and adopt source control measures to ensure personnel and plant safety and health. We implement regular hazard identification and risk assessment for work procedures and control unacceptable risks. The responsible units must file applications for operations with higher risks and levels of hazards, and the operations can only be carried out with the approval of related units. To ensure safe operations of power equipment and facilities, our manufacturing plants regularly use an infrared thermal imaging camera to undertake non-blackout inspections for early detection of any abnormalities and rapid response with effective improvement measures.

Occupational Health and Safety Checking

The plants shall conduct automatic inspections and self-inspections in accordance with government regulations and the Company's operation standards to ensure the safety of employees and plants. Safety and health management department personnel shall carry out routine occupational safety assessments and inspections. They must also perform sampling inspections on contractors' operational safety.

Plants in each region shall promote inter-industry health and safety inspection activities. Inspectors include safety and health management department employees, factory work environment safety personnel, and departmental work environment safety promotion

employees. Through the observational learning of cross-industry inter-inspector activities, factory personnel safety and health management exchanges and interaction were improved as were manufacturing plant audits. Certain main production plants shall include inspection results in the safety and health evaluation activity. The units with the most improvement shall receive commendations and bonuses as well as rewards for the implementation personnel to encourage improvements in how employees practice safety and health management in their work.

Management of Hazardous Chemical Substances and Workplace Monitoring

To prevent the use of hazardous substances from affecting employee health, plants must prioritize the use of low-hazard chemicals and set up regional ventilation equipment to effectively remove hazardous gases. If the plants need to purchase new chemicals or replace chemicals used in the manufacturing process, they must follow the management procedures of the plant for implementing changes. They must conduct risk assessment for hazard ratings for the use of such chemicals and obtain approval from related units before they can be used in the plant.

We use personal respiratory protection equipment that meets the requirements of local laws and regulations based on the conditions of the use of chemicals. For processes with a higher risk of respiratory protection hazards, we implement corresponding mask fit tests to ensure their effectiveness. If a plant has employees of other nationalities, the plant translates information on the hazardous chemicals into the language used by the employee to ensure that all workers understand related hazards. Our respective plants, pursuant to practical operational hazardous situations and regulatory requirements, regularly appoint monitoring institutions to implement workplace monitoring to control hazardous factors in the workplace. Delta uses the results of these tests to carry out onsite improvements, thereby lowering the occurrence of workplace illnesses.

The main chemical hazards in Delta's plants are organic solvents. We focus our monitoring on tin oxide, isopropanol, lead, carbon dioxide, and others. Our physical monitoring focuses on noise, light, high temperature, and more. A few personnel in certain

plant areas carry out radioactive operations. We work to prevent employee workplace exposure to hazardous elements and their causes according to local statutory regulations. As such, operators that handle hazardous materials undergo special health checks and the results of the checks are used for tiered management.

Training and Communication

To improve workers' safety and health awareness and abilities to respond to emergencies, Delta held safety and health education training in accordance with regulatory requirements. Delta also used emails and bulletin boards to post or organize safety knowledge Q&A to increase employees' ability to identify hazards in the work environment and increase their safety and health awareness knowledge for hazard and disaster prevention and response.

In 2020, Delta Taiwan, China, and Thailand (including the subsidiary Cyntec) implemented workplace safety and health training for new recruits and current employees (course contents included hazardous chemicals, machinery and equipment operations, electrical safety, and respiratory protection), emergency response and fire drills for licensed employees required by regulations (e.g., first aid personnel, forklift operators, fixed crane operators, and organic solvent operations supervisors), and personnel safety training for the introduction of new equipment or new technologies. We recorded a total of 275,000 participants for related internal (external) on-the-job training who registered with more than 968,000 hours of training. Courses are conducted in local languages or the languages used by non-native employees. We also administered post-training tests to evaluate the effectiveness of the training.

We established safety, health, and environmental protection regulations for contractors to enhance safety and management of contractors in plants. We require contractors to abide by occupational health and safety laws and Delta's regulations. Contractor personnel who intend to enter Delta plants must receive the necessary occupational safety and health training, pass tests, and sign the hazard notice before they may enter the plants for operations. Contractor personnel in Taiwan, Dongguan, Wujiang, and Thailand Plants have recorded 15,500 hours of safety training. Taoyuan Plant 3 took part in the Workplace Safety Week program organized by the competent authority in 2020 and set up a booth at the venue to use fun activities to promote occupational safety and health knowledge.



Respiratory Quantitative Fit Test for Personal Respiratory Protection Equipment



Participation in the Workplace Safety Week Program Organized by the Competent Authority



First Aid Personnel AED Training

Occupational Injuries Incident Management

To ensure the rapid response of related units in the event of an occupational incident, the Company has established incident notification and processing procedures for employees and workers in plant areas under Delta jurisdiction. In the event of a near miss, occupational injury, or occupational disease, first aid, reporting, investigations, and improvement measures must be implemented for each incident. The Company must also propose improvement measures for the root cause of the incident. All improvement measures must be horizontally expanded to prevent the recurrence of similar incidents. If employees who have returned to work after an occupational injury or occupational disease still have concerns regarding occupational injuries or occupational diseases in the workplace, they may address the concerns with employees of the Occupational Safety and Health Department of each plant at any time. The Company prioritizes the safety and health of employees above all and continues to implement corresponding improvement measures to ensure the safety and health of employees.

Delta employees recorded more than 170 million work hours in 2020. The statistics of occupational injuries and diseases in Delta operations in different regions are specified in the table on the following page. The Company recorded zero occupational injury-induced deaths, severe occupation injuries, occupational disease-induced deaths, and recordable occupational diseases in 2020. Rate of recordable work-related cases of employees was 0.96, which met the target rate of recordable work-related cases of employees 0.98. The incidence rate of number of recordable work-related cases of employee was higher for men. In terms of injury type, they consisted mainly of mechanical injuries. To prevent the hazards of such mechanical injuries, plants shall implement equipment source management, install safety devices when purchasing machinery, and list them as routine inspection items. Due to incomplete data on the work hours of non-employees (i.e., contractor personnel) in plants, the data cannot be disclosed and the Company shall formulate methods for compiling statistics and continue to collect data.

Delta's Pingjhen Plant was fined 2,135 USD by Taoyuan City Government for violation of the Occupational Safety and Health Act during an onsite inspection by an occupational hazard labor inspection institution. The company has adopted corresponding engineering improvements and operation control measures and regularly followed up on the implementation status of control measures to ensure employees' operation safety.

Statistics of Occupational Injuries and Diseases ^{**1-6}

Occupational Injuries and Diseases		Major Production Sites			Operations Sites and R&D Center			Total
		Taiwan	China	Thailand	Taiwan	China	Other Regions	
Employees	Occupational injury-induced death rate	0	0	0	0	0	0	0
	Severe occupational injury rate	0	0	0	0	0	0	0
	Recordable occupational injury rate	0.80	0.70	2.18	0.89	0	0.80	0.96
	Occupational disease-induced death rate	0	0	0	0	0	0	0
	Recordable occupational disease rate	0	0	0	0	0	0	0
All workers who are non-employees but whose work and/or workplace is controlled by the organization	Occupational injury-induced death rate	0	0	0	0	0	0	0
	Severe occupational injury rate	0	0	0	0	0	0	0
	Recordable occupational injury rate	0	0	0	0	0	0	0
	Occupational disease-induced death rate	0	0	0	0	0	0	0
	Recordable occupational disease rate	0	0	0	0	0	0	0

Awards

Taoyuan R&D Center received the following awards:

- Commended by the Occupational Safety and Health Administration, Ministry of Labor for active assistance in promoting improvement measures for SME workplaces and made significant contributions to public welfare activities for occupation safety
- "Excellent Safety and Healthy Family" and "Safety and Healthy Family Contribution Award" from Taipei City Government

*1 Statistical count excludes traffic accidents during commutes; the occurrence rate is accurate to two digits after the decimal point and the third digit is rounded off unconditionally

*2 Occupational injury-induced death rate = number of deaths caused by occupational injuries / total hours worked * 1,000,000

*3 Severe occupational injury rate = number of severe occupational injuries / total hours worked * 1,000,000

*4 Recordable occupational hazard rate = recordable number of occupational injuries / total work hours * 1,000,000

*5 Occupational disease-induced death rate = number of deaths caused by occupational diseases / total hours worked * 1,000,000

*6 Recordable occupational hazard rate = recordable number of occupational diseases / total work hours * 1,000,000

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Appendix

- 7.1 Screening Criteria of Reporting Boundaries
- 7.2 Environmental Data
- 7.3 Social Data
- 7.4 Index of GRI Standards Indicators and SASB Index
- 7.5 Summary of Information Assured (ISAE 3000)
- 7.6 TCFD Practices Across the Four Core Elements
- 7.7 External Assurance Statement and Report



7.1 Screening Criteria of Reporting Boundaries

Considering the realities of fact disclosure and actual managerial requirements, the boundaries of this report are not entirely consistent with the consolidated financial report of the company. Operations, R&D and production sites stated in the report are fully listed as follows:

Operations Sites and R&D Center

Taiwan

- Delta Electronics, Inc. (Taipei HQ, Taoyuan R&D Center, Chungli Plant 1, Chungli R&D Building, Chungli Plant 2, Pingjhen, Tainan Branch), Delta Networks Inc., Cytotec Co., Ltd., Vivotek Inc.

China

- Delta Electronics (Shanghai) Co., Ltd.; Delta Greentech (China) Co., Ltd.

Other overseas regions

- Delta Electronics (Netherlands) B.V.
- Delta Electronics (Japan), Inc.
- Delta Electronics Int'l (Singapore) Pte. Ltd.
- Delta Electronics (Americas) Ltd.
- Eltek AS

Main Production Plant

Taiwan

- Delta Electronics Inc. (Taoyuan Plant 1 and Plant 2), Cytotec Co., Ltd., Vivotek Inc.

China

- Dongguan: Delta Electronics (Dongguan) Co. Ltd.; Delta Electronics Power (Dongguan) Co. Ltd.; Delta Networks (Dongguan) Inc.
- Wujiang: Delta Electronics (JIANGSU) Ltd.; Delta Electronics Components (Wujiang) Ltd.; Delta Video Display System (Wujiang) Ltd.; Cytotec Electronics (Suzhou) Co., Ltd.; Cytotec (Suzhou) Co. Ltd.; DELBio (WUJIANG) Co. ,Ltd.; PreOptix (Jiangsu) Co. Ltd.
- Wuhu: Delta Electronics (Wuhu) Co. Ltd.
- Chenzhou: Delta Electronics (Chenzhou) Inc.

Thailand

- Delta Electronics (Thailand) Public Co., Ltd.

7.2 Environmental Data

Attribute	Category	Item	Main Production Plant ^{*1}				Overall Production Plant ^{*2}			
			2017	2018	2019	2020	2017	2018	2019	2020
Input	Energy ^{*3}	Purchased Electricity (GJ)	1,773,490	1,751,810	1,792,944	1,936,649	1,781,240	1,761,642	1,802,005	1,944,925
		Plant-Owned Solar Power (GJ)	51,725	73,156	83,632	91,159	51,725	73,156	83,632	91,159
		Natural Gas (GJ)	85,455	97,527	88,816	88,945	85,495	97,531	89,329	89,522
		Diesel (GJ)	13,112	11,540	8,031	7,279	8,653	11,665	8,162	7,321
		Gasoline (GJ)	10,212	8,877	3,371	5,128	10,614	9,304	3,371	5,128
		Liquid Petroleum Gas (GJ)	177,603	174,427	154,092	154,944	177,603	174,427	154,092	154,944
	Water Resources	Tap Water (Megaliters)	4,757.2	4,202.5	3,749.1	3,745.5	4,760.7	4,206.9	3,753.2	3,751.5
		Rainwater (Megaliters)	8.1	24.2	37.1	37.1	8.1	24.2	37.1	37.1
		Total Water Withdrawal (Megaliters)	4,765.3	4,226.7	3,786.2	3,782.6	4,768.8	4,231.1	3,790.3	3,788.6
		Water Productivity Intensity (Metric ton/MUSD)	638.8	537.5	505.0	463.0	635.4	535.1	499.0	453.0
		Total Water Recycled (Megaliters)	173.0	159.6	430.9	508.7	173.0	159.6	430.9	508.7
		Recycled Water Usage Rate(%)	3.5	3.7	10.3	12.0	3.5	3.7	10.3	11.9
Output	GHG Emissions	Scope 1 (Metric ton-CO ₂ e)	25,219	25,661	18,554	14,131	25,254	25,670	18,598	14,183
		Scope 2 (Metric ton-CO ₂ e) Market-based	367,152	296,698	237,637	162,627	368,436	298,159	238,962	163,628

Attribute	Category	Item	Main Production Plant ^{*1}				Overall Production Plant ^{*2}			
			2017	2018	2019	2020	2017	2018	2019	2020
Output	GHG Emissions	Scope 1 + Scope 2 (Metric ton-CO ₂ e) Market-based	392,371	322,359	256,934	176,758	393,690	323,828	258,120	177,811
		Scope 2 (Metric ton-CO ₂ e) Location-based	367,152	369,535	377,507	389,867	368,436	370,846	378,648	390,868
		Scope 1 + Scope 2 (Metric ton-CO ₂ e) Location-based	392,371	395,196	396,061	403,998	393,690	323,828	397,246	405,051
		Carbon Intensity (Metric ton-CO ₂ e/MUSD)	52.7	41.2	34.5	21.8	52.5	41.2	32.7	21.4
	Water Discharge	Domestic Sewage (Megaliters)	3,259.6	3,210.7	2,467.3	2,303.3	3,262.4	3,214.2	2,470.6	2,303.4
		Process Wastewater (Megaliters)	564.9	213.7	186.7	216.9	564.9	213.7	186.7	216.9
		Total Water Discharge (Megaliters)	3,824.5	3,424.4	2,654.0	2,520.2	3,827.3	3,427.9	2,657.3	2,520.3
	Water Consumption	Water Consumption (Megaliters)	940.8	802.3	1,132.2	1,262.4	941.5	803.2	1,133.0	1,268.3
	Non-hazardous Waste	Incineration Without Energy Recovery (Metric Ton)	36.4	21.8	33.9	13.6	36.4	21.8	33.9	13.6
		Landfill (Metric Ton)	2,132.1	2,963.9	427.3	305.1	2,215.8	3,003.4	481.4	366.4
		Waste to Energy Recovery (Metric Ton)	7,827.2	6,075.6	6,737.8	7,297.8	7,827.2	6,075.6	6,737.8	7,297.8
		Compost (Metric Ton)	451.7	457.8	694.5	0.0	451.7	457.8	694.5	0.0
		Recycling (Metric Ton)	30,422.9	29,910.8	31,251.8	28,051.4	30,457.0	29,944.0	31,295.4	28,081.9
		Subtotal (Metric Ton)	40,870.3	39,429.9	39,145.3	35,667.9	40,988.1	39,502.6	39,243.0	35,759.7

Attribute	Category	Item	Main Production Plant ^{*1}				Overall Production Plant ^{*2}			
			2017	2018	2019	2020	2017	2018	2019	2020
Output	Hazardous Waste	Incineration Without Energy Recovery (Metric Ton)	252.9	258.6	383.2	231.0	252.9	258.6	383.2	231.0
		Landfill (Metric Ton)	20.3	134.3	39.2	36.7	20.3	134.3	39.2	36.7
		Waste to Energy Recovery (Metric Ton)	1,401.4	1,295.9	634.3	828.4	1,401.4	1,295.9	634.3	828.4
		Recycling (Metric Ton)	1,786.5	1,547.3	2,308.6	2,572.9	1,794.5	1,555.3	2,344.4	2,591.2
		Subtotal (Metric Ton)	3,461.1	3,236.1	3,365.3	3,669.0	3,469.1	3,244.1	3,401.1	3,687.3
	Waste	Total Waste Volume (Metric Ton)	44,331.4	42,666.0	42,510.6	39,336.9	44,457.2	42,746.7	42,644.1	39,447.0
		Waste Intensity (Metric ton/MUSD)	5.95	5.46	5.73	4.86	5.93	5.44	5.67	4.76
		Hazardous Waste Recycled Rate (%)	51.6%	47.8%	68.6%	70.1%	51.7%	47.9%	68.9%	70.3%
	Waste Gas Emissions	Volatile Organic Compounds (Metric ton)	108.8	110.5	128.2	135.9	108.8	110.5	128.2	135.9

*1 Main production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China, DET plant 1, 5, and 6, and Taoyuan plant 1 and 2 in Taiwan, Cyntec Hsinchu and Huafeng plants are within the scope of the SBT commitment.

*2 Overall production plants include Delta's main plants and Eltek production plants acquired after 2015 (plants in the United States and India).

*3 The fuel heating value of each plant adopts fixed data, including natural gas: 9,000 kcal/m³, diesel: 10,200 kcal/kg, gasoline: 10,300 kcal/kg, and 1 MWh is equivalent to 3.6 GJ for unit conversion.

7.3 Social Data

Category	Item	2017	2018	2019	2020
Education	Global Average Hours Trainings per Person (Hour/Person/Year) ^{**1}	48	48	47	27.2
	(Energy/Science Education/Green Buildings/Biodiversity) Number of Volunteers in Energy and Climate Education (Person)	407	383	643	236
Employees Worldwide (person)	Number of Employees Worldwide (Person)	87,366	86,101	80,545	83,804
Attractiveness to Talents	Offer Letter Acceptance Rate (%)	-	-	75.6	81.2
	Open Positions Filled by Internal Candidates from Transfer and Promotion (%)	n.a.	21.0	23.6	27.8
Human Rights Protection	Unpaid Leave for Childcare Rate (%)	87.0	81.6	93.0	97.8
	Completion Percentage of Global Human Rights Courses (%)	n.a.	n.a.	n.a.	85.2
Social Participation	Social Participation Contributions (MUSD)	11.06	9.53	6.99	9.07
Occupational Health and Safety	Incidence of Employee Occupational Injury on Record	0.96	1.07	0.91	0.96
	Lost-Time Injury Frequency Rate (LTIFR) - Contractors	0	0	0	0
Tolerance of Diversity	Female in the Total Labor Force Rate (%)	-	45.1	44.9	46.8
	Female Manager Rate (%)	-	32.1	29.8	32.8
	Female in Junior Managerial Positions Rate (%)	-	44.6	50.5	57.8
	Female in Top-level Managerial Positions Rate (%)	-	12.1	12.2	13.2
	Female in Income-generating Managerial Positions Rate (%)	-	21.2	18.7	20.1
	Female in STEM Positions Rate (%)	-	22.2	21.7	21.9
	Employees with Disabilities in the Company Rate (%)	-	0.5	0.7	1.13
Minority Employees in the the Company Rate (%)	-	2.7	2.6	2.87	

Category	Item	2017	2018	2019	2020
Engagement Survey Response	Total Employee Engagement Score ^{*2}	83	75	75	91
	Coverage Percentage ^{*3}	29.3	26.8	26.8	64.3
	Response Percentage ^{*2}	-	59	59	92
Engagement Score_Employee Category ^{*4}	Senior Managers	-	90	90	96
	Middle Managers	-	82	82	91
	Low-level Managers	-	79	79	88
	General Employees	-	74	74	88
	Production Line Employees	-	-	-	93
Engagement Score_Gender	Male	No consistent sub-categories in the analyses over the years			90
	Female				92
Engagement Score_Age	61 Years Old and Above				89
	51 to 60 Years Old				94
	41 to 50 Years Old				93
	31 to 40 Years Old				92
	30 Years Old or Under				89

*1 Average training hours per person in 2019 and before was "number of in-service employees at the end of the year", and average training hours per person in 2020 is revised to "number of employees who were once employed during the year", so the average training hours per person decreased significantly.

*2 In the 2020 Engagement Survey, the total engagement score of indirect employees was 89 points (83% of indirect employees responded); the total engagement score of direct employees was 93 points (99% of direct employees responded), and the combined total score was 91 points. Delta plans to conduct a global engagement survey every two years. Therefore, actions were taken as per the results in 2018 to make continuous improvement in 2019.

*3 In 2018 and 2019, the questionnaires were distributed only to indirect employees worldwide. In 2020, direct personnel in China were included, so the coverage percentage increased. The coverage percentage of the survey in 2020 was based on all employees who received the questionnaire divided by the number of employees worldwide, i.e. around $53,886 / 83,804 = 64.3\%$.

*4 Hierarchical classification of the engagement survey: Senior-level was at the level of directors or above, middle-level was at the level of senior deputy managers or above, senior chief engineers, senior section chiefs or above, chief engineers, and coordinators-in-chief.

7.4 Index of GRI Standards Indicators and SASB Index

The structure of this report follows the Global Reporting Initiative's (GRI) "GRI Sustainability Reporting Standards (2016)" (GRI Standards), GRI 303 (2018), GRI 403 (2018), and GRI 207 (2019). We also referenced the SASB Electrical Electronic Equipment Standard (2018) and Hardware Standard (2018).

GRI

Disclosure Number	Index Name	Related Chapters	Page	Remark
GRI 102 General Disclosures (Core)				
102-1	Name of the organization	1. Overview	11	
102-2	Activities, brands, products, and services	1. Overview	11	
102-3	Location of headquarters	1. Overview	11	
102-4	Location of operations	1. Overview	11	
102-5	Ownership and legal form	1. Overview	11	Delta is a publicly listed company in Taiwan
102-6	Markets served	1. Overview	11	
102-7	Scale of the organization	1. Overview	11	
102-8	Information on employees and other workers	1. Overview, 6.2 Talent Attraction	11, 113-125	
102-9	Supply chain	4.5.2 Ratio of Localized Procurement and Materials	58-59	
102-10	Significant changes to the organization and its supply chain	-	-	No significant change
102-11	Precautionary principle or approach	4.2.1 Board of Directors and Duties, 4.8 Emerging Risks - Response to the COVID-19 Epidemic	41-45, 66-69	
102-12	External initiatives	2.3 Responding to Global Sustainable Development	25-28	
102-13	Membership of associations	1. Overview, 2.3.3 Participation in Associations	11, 28	
102-14	Statement from senior decision-maker	A Word from the Management	4	

Disclosure Number	Index Name	Related Chapters	Page	Remark
102-16	Values, principles, standards, and norms of behavior	2.2.1 ESG Policy and Mission, 6.4 Human Rights Protection	23	
102-18	Governance structure	1.1 Delta Electronics Organizational Structure	13	
102-40	List of stakeholder groups	3 Communication with Stakeholders	30-31	
102-41	Collective bargaining agreements	6.4 Human Rights Protection	133	
102-42	Identifying and selecting stakeholders	3 Communication with Stakeholders	30-31	
102-43	Approach to stakeholder engagement	3.1 Stakeholder Communication and Response	30-31	
102-44	Key topics and concerns raised	3.1 Stakeholder Communication and Response	33	
102-45	Entities included in the consolidated financial statements	7.1 Screening Criteria of Reporting Boundaries	160	Some entities included in the consolidated financial statements are not included in the ESG report
102-46	Defining report content and topic boundaries	About the ESG Report	2	
102-47	List of material topics	3 Communication with Stakeholders	35	
102-48	Restatements of information	-	-	No significant change
102-49	Changes in reporting	-	-	No significant change
102-50	Reporting period	About the ESG Report	2	
102-51	Date of most recent report	About the ESG Report	2	
102-52	Reporting cycle	About the ESG Report	2	
102-53	Contact point for questions regarding the report	About the ESG Report	2	
102-54	Claims of reporting in accordance with the GRI Standards	About the ESG Report	2	
102-55	GRI content index	7.4 Index of GRI Standards Indicators and SASB Index	166-176	
102-56	External assurance	About the ESG Report	2	

Disclosure Number	Index Name	Related Chapters	Page	Remark
GRI 102 General Disclosures (Non-Core)				
102-15	Key impacts, risks, and opportunities	3.2 Materiality Assessment	32-35	
102-17	Mechanisms for advice and concerns about ethics	6.4.2 Human Right Risk Identification and Mitigation	134-137	
102-19	Delegating authority	2.2.2 Organization Responsible for Promoting Sustainability	24	
102-20	Executive-level responsibility for economic, environmental, and social topics	2.2.2 Organization Responsible for Promoting Sustainability	24	
102-21	Consulting stakeholders on economic, environmental, and social topics	3.1 Stakeholder Communication and Response	30	
102-23	Chair of the highest governance body	4.2 Enhancing the Board of Directors' Functions	41-43	
102-24	Nominating and selecting the highest governance body	4.2 Enhancing the Board of Directors' Functions	41-43	
102-25	Conflicts of interest	4.2 Enhancing the Board of Directors' Functions	43-45	
102-26	Role of highest governance body in setting purpose, values, and strategy	4.2 Enhancing the Board of Directors' Functions	41-43	
102-27	Collective knowledge of highest governance body	4.2 Enhancing the Board of Directors' Functions	41-43	
102-28	Evaluating the highest governance body's performance	4.2 Enhancing the Board of Directors' Functions	41-43	
102-29	Identifying and managing economic, environmental, and social impacts	3.2 Materiality Assessment	32	
102-30	Effectiveness of risk management processes	3.2 Materiality Assessment	32-34	
102-31	Review of economic, environmental, and social topics	3.2 Materiality Assessment	32-34	
102-32	Highest governance body's role in sustainability reporting	2.2.2 Organization Responsible for Promoting Sustainability	24	
102-33	Communicating critical concerns	3.2 Materiality Assessment	32	
102-34	Nature and total number of critical concerns	3.2 Materiality Assessment	35	
102-35	Remuneration policies	6.2.3 Competitive Employee Compensation and Benefits	120-121	
102-36	Process for determining remuneration	4.2 Enhancing the Board of Directors' Functions	42	

Disclosure Number	Index Name	Related Chapters	Page	Remark
102-38	Annual total compensation ratio	6.2.3 Competitive Employee Compensation and Benefits	122	
GRI 201 Economic Performance[†]				
103-1	Explanation of the material topic and its boundary	1. Overview; 3.2 Materiality Assessment; 7.1 Screening Criteria of Reporting Boundaries	11-12, 32, 160	
103-2	The management approach and its components	4.4 Transcending Customer Expectations; 5.2 Climate Change and Carbon Management [†]	51, 75-80	
103-3	Evaluation of the management approach	4.4 Transcending Customer Expectations; 5.2 Climate Change and Carbon Management [†]	54, 75-80	
201-1	Direct economic value generated and distributed	-	-	Please refer to Delta Electronics, Inc. 2020 Annual Report P.10
201-2	Financial implications and other risks and opportunities due to climate change	5.2 Climate Change and Carbon Management	75-80	
GRI 203 Indirect Economic Impacts[†]				
103-1	Explanation of the material topic and its boundary	1. Overview; 3.2 Materiality Assessment; 7.1 Screening Criteria of Reporting Boundaries	11-12, 32, 160	
103-2	The management approach and its components	6.6 Social Engagement	145-146	
103-3	Evaluation of the management approach	6.6 Social Engagement	146-152	
203-1	Infrastructure investments and services supported	6.6 Social Engagement	146	
GRI 204 Procurement Practices[†]				
103-1	Explanation of the material topic and its boundary	3.2 Materiality Assessment; 4.5.1 Overall Measures for Supplier Sustainability Management; 7.1 Screening Criteria of Reporting Boundaries	35, 55, 160	
103-2	The management approach and its components	4.5.1 Overall Measures for Supplier Sustainability Management	56-57	
103-3	Evaluation of the management approach	4.5.2 Ratio of Localized Procurement and Materials	58-59	
204-1	Proportion of spending on local suppliers	4.5.2 Ratio of Localized Procurement and Materials	58-59	

Disclosure Number	Index Name	Related Chapters	Page	Remark
GRI 205 Anti-corruption				
205-2	Communication and training about anti-corruption policies and procedures	4.2.2 Ethical Corporate Management	45	
GRI 206 Anti-competitive Behavior				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4.2.2 Ethical Corporate Management	45	No anti-competitive behavior nor anti-trust and monopoly practice occurred during the year
GRI 207 Tax				
207-1	Approach to tax	4.7 Comprehensive Information Disclosure and Shareholder Communication	65	
GRI 301 Materials [*]				
103-1	Explanation of the material topic and its boundary	3.2 Materiality Assessment; 4.5.1 Overall Measures for Supplier Sustainability Management; 7.1 Screening Criteria of Reporting Boundaries	32, 56-57, 160	
103-2	The management approach and its components	4.5.1 Overall Measures for Supplier Sustainability Management	56-57	
103-3	Evaluation of the management approach	4.5.2 Ratio of Localized Procurement and Materials	58-60	
301-1	Materials used by weight or volume	4.5.2 Ratio of Localized Procurement and Materials	58-60	No material records were available to calculate the proportion of recycled materials used
GRI 302 Energy [*]				
103-1	Explanation of the material topic and its boundary	About the ESG Report; 3.2 Materiality Assessment; 5.3 Energy Management; 7.1 Screening Criteria of Reporting Boundaries	32, 85, 160	
103-2	The management approach and its components	5.3 Energy Management	85-93	
103-3	Evaluation of the management approach	5.3 Energy Management	85-93	
302-1	Energy consumption within the organization	5.3.1 Energy Consumption; 7.2 Environmental Data	86, 161	

Disclosure Number	Index Name	Related Chapters	Page	Remark
302-2	Energy consumption outside of the organization	5.6.4 Energy Saving Benefits of Products	107	
302-3	Energy intensity	5.3 Energy Management	85	
302-4	Reduction of energy consumption	5.3.2 Energy Conservation Projects	87	
302-5	Reductions in energy requirements of products and services	5.6.4 Energy Saving Benefits of Products	107	
GRI 303 Water				
103-1	Explanation of the material topic and its boundary	About the ESG Report; 3.2 Materiality Assessment ; 5.4 Water Resource Management	32, 94-98	
103-2	The management approach and its components	5.4 Water Resource Management	94-98	
103-3	Evaluation of the management approach	5.4 Water Resource Management	94-98	
303-1	Interactions with water as a shared resource	5.4.1 Identification of Water Risks and Response Measures	95-96	
303-2	Management of water discharge-related impacts	5.4.2 Consumption and Effectiveness of Water Resources	96-97	
303-3	Water withdrawal	5.4.2 Consumption and Effectiveness of Water Resources	96-97	
303-4	Water discharge	5.4.2 Consumption and Effectiveness of Water Resources	96-97	
303-5	Water consumption	5.4.2 Consumption and Effectiveness of Water Resources	96-97	
GRI 305 Emissions				
103-1	Explanation of the material topic and its boundary	About the ESG Report; 3.2 Materiality Assessment ; 5.2 Climate Change and Carbon Management	32, 73	
103-2	The management approach and its components	5.2 Climate Change and Carbon Management	73	
103-3	Evaluation of the management approach	5.2 Climate Change and Carbon Management	73	
305-1	Direct (Scope 1) GHG emissions	5.2.2 Greenhouse Gas Inventory and Management	82-83	
305-2	Energy indirect (Scope 2) GHG emissions	5.2.2 Greenhouse Gas Inventory and Management	82-83	
305-3	Other indirect (Scope 3) GHG emissions	5.2.2 Greenhouse Gas Inventory and Management	83	
305-4	GHG emissions intensity	5.2.2 Greenhouse Gas Inventory and Management	82-83	

Disclosure Number	Index Name	Related Chapters	Page	Remark
305-5	Reduction of GHG emissions	5.2.2 Greenhouse Gas Inventory and Management	82	
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	5.7.4 Air Pollution Prevention and Management	109	
GRI 306 Effluents and Waste*				
103-1	Explanation of the material topic and its boundary	About the ESG Report; 3.2 Materiality Assessment ; 5.5 Waste Management	32, 99-101	
103-2	The management approach and its components	5.5 Waste Management	99-101	
103-3	Evaluation of the management approach	5.5 Waste Management	99-101	
306-2	Waste by type and disposal method	5.5.2 Waste Generation and Performance	100-101	
306-3	Significant spills	5.4.2 Consumption and Effectiveness of Water Resources	98	
GRI 307 Environmental Compliance				
307-1	Non-compliance with environmental laws and regulations	5.7.1 Compliance with Environmental Protection Regulations	109	No penalty of violation of environmental regulations from 2017 to 2020.
GRI 308 Supplier Environmental Assessment*				
103-1	Explanation of the material topic and its boundary	3.2 Materiality Assessment; 4.5.1 Overall Measures for Supplier Sustainability Management; 7.1 Screening Criteria of Reporting Boundaries	32, 55, 160	
103-2	The management approach and its components	4.5.1 Overall Measures for Supplier Sustainability Management	56-57	
103-3	Evaluation of the management approach	4.5.1 Overall Measures for Supplier Sustainability Management	56-57	
308-1	New suppliers that were screened using environmental criteria	4.5.1 Overall Measures for Supplier Sustainability Management	56-57	
308-2	Negative environmental impacts in the CPC and actions taken	4.5.3 Supplier ESG Risk Assessment and Due Diligence Conflict Minerals	59	

Disclosure Number	Index Name	Related Chapters	Page	Remark
GRI 401 Employment [*]				
103-1	Explanation of the material topic and its boundary	3.2 Materiality Assessment; 6.2 Talent Attraction; 7.1 Screening Criteria of Reporting Boundaries	32, 113, 160	
103-2	The management approach and its components	6.2 Talent Attraction	113	
103-3	Evaluation of the management approach	6.2 Talent Attraction; 6.5 LOHAS Workplace	114-117, 142	
401-1	New employee hires and employee turnover	6.2.1 Diversity and Inclusiveness Hiring	114-117	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.2.3 Competitive Employee Compensation and Benefits, 6.5 LOHAS Workplace	120-124, 141-144	
401-3	Parental leave	6.4.2 Human Right Risk Identification and Mitigation	138	
GRI 403 Occupational Health and Safety [*]				
103-1	Explanation of the material topic and its boundary	3.2 Materiality Assessment; 6.7 Occupational Safety and Health; 7.1 Screening Criteria of Reporting Boundaries	32, 154, 160	
103-2	The management approach and its components	6.5.1 Comprehensive Health Management and Promotion; 6.7 Occupational Safety and Health	141-142, 153	
103-3	Evaluation of the management approach	6.5.1 Comprehensive Health Management and Promotion; 6.7 Occupational Safety and Health	141-142, 158	
403-1	Occupational health and safety management system	6.7 Occupational Safety and Health	154	
403-2	Hazard identification, risk assessment, and incident investigation	6.7 Occupational Safety and Health	155-157	
403-3	Occupational health services	6.5.1 Comprehensive Health Management and Promotion	141-142	
403-4	Worker participation, consultation, and communication on occupational health and safety	6.7 Occupational Safety and Health	146-152	
403-5	Worker training on occupational health and safety	6.7 Occupational Safety and Health	156	
403-6	Promotion of worker health	6.5.1 Comprehensive Health Management and Promotion	141-142	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.7 Occupational Safety and Health	155	

Disclosure Number	Index Name	Related Chapters	Page	Remark
403-8	Workers covered by an occupational health and safety management system	6.7 Occupational Safety and Health	155-156	
403-9	Work-related injuries	6.7 Occupational Safety and Health	158	
403-10	Work-related ill health	6.7 Occupational Safety and Health	141-142	
GRI 404 Training and Education				
404-1	Average hours of training per year per employee	6.3 Talent Learning Development	126	
GRI 405 Diversity and Equal Opportunity*				
103-1	Explanation of the material topic and its boundary	3.2 Materiality Assessment; 6.2 Talent Attraction; 7.1 Screening Criteria of Reporting Boundaries	32, 127, 160	
103-2	The management approach and its components	6.2 Talent Attraction	126	
103-3	Evaluation of the management approach	6.2 Talent Attraction; 6.5 LOHAS Workplace	127	
405-1	Diversity of governance bodies and employees	6.2.1 Diversity and Inclusiveness Hiring	114-117	Please refer to Delta Electronics, Inc. 2020 Annual Report P.55,82
GRI 406 Non-discrimination*				
103-1	Explanation of the material topic and its boundary	3.2 Materiality Assessment; 6.4 Human Rights Protection; 7.1 Screening Criteria of Reporting Boundaries	32, 133, 160	
103-2	The management approach and its components	6.4 Human Rights Protection	133	
103-3	Evaluation of the management approach	6.4 Human Rights Protection	134-135	
406-1	Incidents of discrimination and corrective actions taken	-	-	No discrimination incident occurred
GRI 408 Child Labor*				
103-1	Explanation of the material topic and its boundary	3.2 Materiality Assessment; 4.5 Supplier Sustainability Management; 6.4 Human Rights Protection	32, 55, 134	

Disclosure Number	Index Name	Related Chapters	Page	Remark
103-2	The management approach and its components	4.5 Supplier Sustainability Management; 6.4 Human Rights Protection	56, 57, 59, 126	
103-3	Evaluation of the management approach	4.5 Supplier Sustainability Management; 6.4 Human Rights Protection	56, 57, 59, 126	
408-1	Operations and suppliers at significant risk for incidents of child labor	4.5.3 Supplier ESG Risk Assessment and Due Diligence Conflict Minerals, 6.4.4 Employee Rights and Communication	59, 126	
GRI 409 Forced or Compulsory Labor*				
103-1	Explanation of the material topic and its boundary	3.2 Materiality Assessment; 4.5 Supplier Sustainability Management, 6.4 Human Rights Protection	32, 55, 134	
103-2	The management approach and its components	4.5 Supplier Sustainability Management, 6.4 Human Rights Protection	56, 57, 59, 134	
103-3	Evaluation of the management approach	4.5 Supplier Sustainability Management, 6.4 Human Rights Protection	56, 57, 59, 135	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.5.3 Supplier ESG Risk Assessment and Due Diligence Conflict Minerals, 6.4.4 Employee Rights and Communication	59, 140	
GRI 412 Human Rights Assessment*				
103-1	Explanation of the material topic and its boundary	3.2 Materiality Assessment; 4.5 Supplier Sustainability Management; 6.4 Human Rights Protection	32, 55, 134	
103-2	The management approach and its components	4.5 Supplier Sustainability Management; 6.4 Human Rights Protection	56, 57, 59, 134	
103-3	Evaluation of the management approach	4.5 Supplier Sustainability Management; 6.4 Human Rights Protection	56, 57, 59, 135	
412-1	Operations that have been subject to human rights reviews or impact assessments	4.5.2 Ratio of Localized Procurement and Materials · 6.4 Human Rights Protection	58-59, 134-137	
412-2	Employee training on human rights policies or procedures	6.4.4 Employee Rights and Communication	135	

Disclosure Number	Index Name	Related Chapters	Page	Remark
GRI 414 Supplier Social Assessment*				
103-1	Explanation of the material topic and its boundary	3.2 Materiality Assessment; 4.5.1 Overall Measures for Supplier Sustainability Management; 7.1 Screening Criteria of Reporting Boundaries	32, 55, 160	
103-2	The management approach and its components	4.5.1 Overall Measures for Supplier Sustainability Management	56-57	
103-3	Evaluation of the management approach	4.5.1 Overall Measures for Supplier Sustainability Management	56-57	
414-1	New suppliers that were screened using social criteria	4.5.2 Ratio of Localized Procurement and Materials	58-59	
GRI 415 Public Policy				
415-1	Political contributions	NA		No political contributions were made
GRI 418 Customer Privacy*				
103-1	Explanation of the material topic and its boundary	3.2 Materiality Assessment; 4.4 Transcending Customer Expectations; 4.6 Information Security Management	32, 51, 62	
103-2	The management approach and its components	4.4 Transcending Customer Expectations; 4.6 Information Security Management	54, 62-64	
103-3	Evaluation of the management approach	4.4 Transcending Customer Expectations; 4.6 Information Security Management	54, 62-64	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	-	No lawsuits or fines regarding customer privacy occurred in 2020
GRI 419 Socioeconomic Compliance				
419-1	Non-compliance with laws and regulations in the social and economic area	6.4.4 Employee Rights and Communication	140	

* Marked as material issues

SASB

Topic	Accounting Metrics	Code	Unit of Measures	Related Information
Supply Chain Management	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	TC-HW-430a.1	%	Suppliers who have introduced the Validated Assessment Program (VAP) of the Responsible Business Alliance (RBA) by themselves accounted for around 5.4% of the valid copies of questionnaires (b) No high risk facilities (the suppliers who have adopted VAP of RBA in this survey did not score below 65 points)
	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	TC-HW-430a.2	Rate	4.5.4 Supplier Audit Based on RBA Principles For key suppliers (a) In 2020, the Supplier Improvement Rate was 84%
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-HW-440a.1 RT-EE-440a.1	NA	Not disclosed
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	RT-EE-510a.1	NA	4.2.2 Ethical Corporate Management
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	RT-EE-510a.2	Reporting currency	USD 0 (4.2.2 Ethical Corporate Management)
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	RT-EE-510a.3	Reporting currency	USD 0 (4.2.2 Ethical Corporate Management)
Product Security	Description of approach to identifying and addressing data security risks in products	TC-HW-230a.1	NA	4.6.3 Establishment of Emergency Response Measures
Product Safety	Number of recalls issued, total units recalled	RT-EE-250a.1	Number	4.4.2 Improving Customer Relationship Management
	Total amount of monetary losses as a result of legal proceedings associated with product safety	RT-EE-250a.2	Reporting currency	4.4.2 Improving Customer Relationship Management

Topic	Accounting Metrics	Code	Unit of Measures	Related Information
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	TC-HW-410a.1 RT-EE-410a.1	%	The indicative Power Supply Business Group was selected at this time. As per "Power Business Group Revenue from products in compliance with IEC 62474 in 2020/ Power Supply Business Group product revenue in 2020", 100% was in compliance with IEC 62474 requirements. For relevant management policies, please refer to 5.6.2 Hazardous Substances Policy and Management
	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	TC-HW-410a.2	%	Most of Delta's products are in the business-to-business (B2B) category, hence are not applicable to the product categories of EPEAT. Therefore, Delta does not apply for the label, so there is no statistical data.
	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	TC-HW-410a.3	%	As for Delta's uninterruptible power system (UPS) products, as per "Revenue from ENERGY STAR certified UPS products shipped to the U.S. market by OBM in 2020/Revenue from UPS products shipped to the U.S. market by OBM in 2020", 75% met the ENERGY STAR certification criteria.
	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	RT-EE-410a.2	%	As for Delta's ventilation fan products, as per "2020 product revenue from ENERGY STAR certified ventilation fans / 2020 product revenue from overall ventilation fans", 69.1% of the revenue was in line with the ENERGY STAR certification criteria.
	Weight of end-of-life products and e-waste recovered, percentage recycled	TC-HW-410a.4	Tons, %	As most of Delta's products are in the B2B category, it is difficult to collect such information currently
			% by revenue	As most of Delta's products are in the B2B category, it is difficult to collect such information currently
	Revenue from renewable energy-related and energy efficiency-related products	RT-EE-410a.3	Reporting currency	5.6.4 Energy Saving Benefits of Products

Topic	Accounting Metrics	Code	Unit of Measures	Related Information
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-EE-130a.1	Gigajoules (GJ), Percentage (%)	7.2 Environmental Data (1) Total energy consumed: 2,284,104 GJ (2) Grid electricity: 910,649 GJ, contributed to 39.9% of the total energy consumed. (3) Percentage renewable: 48.9%
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-EE-150a.1	Metric tons (t), Percentage (%)	5.5.1 Enhance Circular Recycling and Reuse 7.2 Environmental Data Main Production Plants : 3,669.0 metric tonnes; percentage recycled: 70.1% Overall Production Plants: 3,687.3 metric tonnes; percentage recycled: 70.3%
	Number and aggregate quantity of reportable spills, quantity recovered	RT-EE-150a.2	Number, Kilograms (kg)	5.7.1 Compliance with Environmental Protection Regulations
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-HW-330a.1	%	6.2.1 Diversity and Inclusiveness Hiring
Activity Metrics	Number of units produced by product category	TC-HW-000.A RT-EE-000.A	Number	Not applicable
	Area of manufacturing facilities	TC-HW-000.B	Square feet (ft ²)	Not applicable
	Percentage of production from owned facilities	TC-HW-000.C	Percentage (%)	Not applicable
	Number of units produced by product category	RT-EE-000.A	Number	As it is a trade secret, it will not be disclosed
	Number of employees	RT-EE-000.B	Number	6.2.1 Diversity and Inclusiveness Hiring

7.5 Summary of Information Assured (ISAE 3000)

No.	Assured Item	Information Assured	Page	Reporting Criteria
1	Electronic ballast annual energy savings in 2020	Assuming that end-users replace existing Magnetic Ballasts with Electronic Ballasts, for shipments of Delta Electronic Ballast for Fluorescent Lamps to 8 major customers in 2020, annual energy savings for end-users was 42 million kWh.	108	<p>Annual Energy Savings (kWh) = $[\sum(A \times B) \times C] \div 1000 \times 8 \text{ (hr)} \times 365 \text{ (day)}$.</p> <p>A: Maximum input voltage (W) of different models of Electronic Ballast installed in the compatible Fluorescent Lamp based on the data from customer's product brochure.</p> <p>B: Quantities of products of each model are exported from SAP shipment record from 1/1/2020 to 12/31/2020.</p> <p>C: Energy Savings=10%.</p>
2	Server power annual energy savings in 2020	By comparing the efficiency of Delta Server Power to that of 80 Plus Bronze requirements, for the shipments of 14 major customers in 2020, annual energy savings was 1.61 billion kWh.	108	<p>Annual Energy Savings (kWh) = $[\sum(A \times B \times C) \times D] \div 1000 \times 24 \text{ (hr)} \times 365 \text{ (day)}$.</p> <p>A: Rated output power (W) of each Delta server power model.</p> <p>B: At the 50% load condition, power loss (W) difference between Delta server power and 80 Plus Bronze requirements.</p> <p>C: Quantities of products of each model are exported from SAP shipment record from 1/1/2020 to 12/31/2020.</p> <p>D: Percentage of load=50%.</p>
3	Ventilating fans annual energy savings in 2020	By comparing the efficiency of Delta ventilating fans to that of USA Energy Star or Taiwan Energy Label requirements, for shipments of products that have been certified by the USA Energy Star or Taiwan Energy Label in 2020, annual energy savings was 32 million kWh.	108	<p>Annual Energy Savings (kWh) = $\sum(A \times B \times C) \div 1000 \times 1671 \text{ (hour/Year)}^{*1}$.</p> <p>A: Rated output power (W) of each Delta ventilating fan model</p> <p>B: Energy saving rate (the difference of efficiency between Delta ventilating fan and USA Energy Star/Taiwan Energy Label requirements divided by that of USA Energy Star/Taiwan Energy Label requirements).</p> <p>C: Quantities of products of each model are exported from SAP shipment record from 1/1/2020 to 12/31/2020.</p> <p>*1: Usage time of 1671 hours/year refers to Japanese Industrial Standards (JIS C 9921-2).</p>

No.	Assured Item	Information Assured	Page	Reporting Criteria
4	LED street lights annual energy savings in 2020	Assuming that end-users installed Delta LED street lights to replace mercury street lights, for the shipments of LED street lights to Taiwan in 2020, annual energy savings was 123 million kWh.	108	<p>Annual Energy Savings (kWh) = $\sum(A \times B) \times 12 \text{ (hr)} \times 365 \text{ (day)}$.</p> <p>A: Power consumption (W) difference between LED street lights and theoretical replaced mercury street lights.</p> <p>B: Quantities of products of each model are exported from SAP shipment record from 1/1/2020 to 12/31/2020.</p>
5	AC-DC adapter annual energy savings in 2020	<p>By comparing the efficiency of Delta AC-DC adapters to that of EU eco-design requirements for External Power Supplies (EU 2019/1782), for shipments of the 46 main AC-DC Adapter models^{*1} in 2020, annual energy savings was 55 million kWh.</p> <p>*1: Main product models are ADP-39CB BA, ADP-45AGBA, ADP-45BG BA, ADP-45BG BC, ADP-45EG AA, ADP-45FE BE, ADP-45FE FA, ADP-45FE FC, ADP-45HG BA, ADP-65AE BA, ADP-65DE BA, ADP-65HB HCB, ADP-65HB HCE, ADP-65KE BB, ADP-65MD AB, ADP-65ME BA, ADP-65XD AB, ADP-65YD BA, ADP-65YH BA, ADP-90DE BA, ADP-90DE BC, ADP-90FE DA, ADP-90LD DD, ADP-90LD FA, ADP-90LE BA, ADP-90WH KA, ADP-90WH KB, ADP-120CR AA, ADP-120MH TA, ADP-120MH TE, ADP-120TH BA, ADP-120VH BB, ADP-120WH BA, ADP-120WH BB, ADP-180MB DB, ADP-180MB DD, ADP-180MB KA, ADP-180MB KD, ADP-180TB BA, ADP-180TB HA, ADP-240AB DB, ADP-240CB BA, ADP-240CB BB, ADP-240EB BA, ADP-240EB BD, ADP-240GB BA.</p>	108	<p>Annual Energy Savings (kWh) = $\{[\sum(A \times B) \times C \times 39.9 \text{ (hr/week)} \times 52 \text{ (week)}] + [\sum(D \times B) \times 56.05 \text{ (hr/week)} \times 52 \text{ (week)}]^{*1}\} \div 1000$</p> <p>A: On charge mode, power loss (W) difference between Delta product and EU requirements at corresponding average efficiency.</p> <p>B: Quantities of products of each model are exported from SAP shipment record from 1/1/2020 to 12/31/2020.</p> <p>C: Percentage of load=56% (Refer to (EC) No 278/2009 analysis report ^{*2}).</p> <p>D: On no load mode, power loss (W) difference between Delta product and EU requirements.</p> <p>* 1: Usage time refers to Page 22, Additional assessment in the frame of the review study on commission regulation (EC) No. 278/2009 External Power Supplies.</p> <p>* 2: Percent loading of 56% refers to Page 21, Additional assessment in the frame of the review study on commission regulation (EC) No. 278/2009 External Power Supplies.</p>

No.	Assured Item	Information Assured	Page	Reporting Criteria
6	PV Inverter (PVI) annual energy savings in 2020	<p>By comparing the efficiency of Delta PV Inverter (PVI) to the minimum average efficiency 97.5%^{*1} of the ENERGY STAR Market and Industry Scoping Report, for the shipments of main PVI models^{*2} to North America and Europe^{*3} in 2020, annual energy savings was 10 million kWh.</p> <p>*1: ENERGY STAR Market and Industry Scoping Report</p> <p>*2: Main product models and series are RPIM6A, RPIM8A, RPIM10A, RPIM15A, RPIM20A, RPIM30A120, RPIM50A 12s, RPIM70A, M88H121, M88H122, M125HV110, M125HV, M36U121, M42U121, M60U121, M60U122, M80U121, M80U122.</p> <p>*3: Countries of shipments to Europe are Germany, France, Spain, Netherlands, Luxembourg, Romania; US states of shipments to North America are Maryland, Minnesota, Oregon, Arizona, California, Georgia, New Jersey, New York.</p>	108	<p>Annual Energy Savings (kWh) = $\Sigma(A \times B \times C \times D \times T) \times 365 \text{ (day)} \div 1000$</p> <p>A: Rated output power (W) of each Delta PVI model.</p> <p>B: Power loss (W) difference between Delta PVI and the ENERGY STAR market investigation.</p> <p>C: Percentage of load=100%.</p> <p>D: Quantities of products of each model are exported from SAP shipment record from 1/1/2020 to 12/31/2020.</p> <p>T: Usage time of various hours/day refers to NASA Daily solar radiation of the Delta PVI's shipping destination.</p>
7	EV DC Charger annual energy savings in 2020	<p>By comparing the efficiency of Delta EV DC Charger to the minimum efficiency 90% regulated by CHAdeMo, for the shipments of EV DC Charger in 2020, annual energy savings was 7.7 million kWh.</p>	108	<p>Annual Energy Savings (kWh) = $\Sigma(A \times B \times C) \times D \times 8 \text{ (hr)} \times 365 \text{ (day)} \div 1000$</p> <p>A: Rated output power (W) of each Delta EV DC Charger model.</p> <p>B: Power loss (W) difference between Delta EV DC Charger and CHAdeMo requirements.</p> <p>C: Quantities of products of each model are exported from SAP shipment record from 1/1/2020 to 12/31/2020.</p> <p>D: Percentage of load=100%.</p>
8	LED high bay annual energy savings in 2020	<p>Assuming that end-users installed Delta LED high bays to replace Metal Halide high bays, and by comparing the efficiency of Delta LED high bays to the minimum efficiency requirements for the procurement of Metal Halide high bays (Distribution: Direct, LER: Closed) issued by the United States Department of Energy, for the shipments of LED high bays in 2020, annual energy savings was 7.8 million kWh.</p>	108	<p>Annual Energy Savings (kWh) = $\Sigma[(A+B) \times C] \times 12 \text{ (hr)} \times 260 \text{ (day)} \div 1000$</p> <p>A: Rated output power (W) of each Delta LED high bay model.</p> <p>B: The difference of efficiency between Delta LED high bay and United States Department of Energy's HID high bay requirements.</p> <p>C: Quantities of products of each model are exported from SAP shipment record from 1/1/2020 to 12/31/2020.</p>

No.	Assured Item	Information Assured	Page	Reporting Criteria
9	Uninterruptible power supply system (UPS) annual energy savings in 2020	<p>By comparing the efficiency of Delta uninterruptible power supply (UPS) to that of EU Code of Code on Energy Efficiency and Quality of AC Uninterruptible power supply systems (EU UPS CoC rev.2), for the shipments of the main UPS models^{*1} in 2020, annual energy savings was 87 million kWh.</p> <p>*1: Main product models and series are the single-phase UPS models which contains “RT” in the part number, and the 3-phase UPS models which contains “DH”, “NH”, “HP”, “HH”, “DS” and “DM” in the part number.</p>	108	<p>Annual Energy Savings (kWh) = $\Sigma[(A \times B) \times C] \times 24 \text{ (hr)} \times 365 \text{ (day)} \div 1000$</p> <p>A: Rated output power (W) of each Delta UPS model.</p> <p>B: On charge mode, time-weighted average power loss (W) difference between Delta UPS product and EU CoC requirements at corresponding efficiency on different load mode.</p> <p>C: Quantities of products of each model are exported from SAP shipment record from 1/1/2020 to 12/31/2020.</p>
10	TV power (TVP) annual energy savings in 2020	<p>By comparing the efficiency of Delta Open frame TV power to that of the minimum energy efficiency required by customer’s specifications, for shipments of the 20 main Open frame TV power models^{*1} in 2020, annual energy savings was 55 million kWh.</p> <p>*1: Main product models are AP-P242AM A, AP-P242AM B, AP-P288AM B, AP-P321AM B, AP-P340AM A, AP-P341AM A, AP-P341AM B, AP-P348AM A, AP-P396AM A, AP-P397AM A, AP-P397AM-1 A, AP-P410BM A, AP-P410BM B, AP-P412AM-1 A, AP-P484AM A, AP-P484AM B, AP-P502AM A, AP-P125AM A, AP-P130AM A, AP-P180AM A. The minimum energy efficiency requirement of customer specifications for the first seventeen models mentioned above is 80%, and the minimum energy efficiency requirement for the last 3 model is 85%.</p>	108	<p>A: On charge mode, power loss (W) difference between Delta product and the customers' minimum efficiency specifications.</p> <p>B: Quantities of products of each model are exported from SAP shipment record from 1/1/2020 to 12/31/2020.</p> <p>C: Load = load required for the customer's specifications for performance.</p> <p>D: On no load mode, power loss (W) difference between Delta product and the customer's minimum efficiency specifications.</p> <p>* 1: Usage time refers to the result of AMERICAN TIME USE SURVEY.</p>
11	LED driver annual energy savings in 2020	<p>By comparing the efficiency of Delta LED driver to that of EU eco-design requirements for light sources and separate control gears^{*1}, for the shipments of the Delta OBM and 1 EU major customer in 2020, annual energy savings was 34 million kWh.</p> <p>*1: laying down eco-design requirements for light sources and separate control gears pursuant to Directive 2009/125/EC of the European Parliament and of the Council and repealing Commission Regulations (EC) No 244/2009, (EC) No 245/2009 and (EU) No 1194/2012</p>	108	<p>Annual Energy Savings (kWh)= $\Sigma(A \times B \times C) \times D \times 8 \text{ (hr)} \times 365 \text{ (day)} \div 1000$</p> <p>A: Rated output power (W) of each Delta LED driver model</p> <p>B: Power loss (W) difference between Delta LED driver and the EU requirements.</p> <p>C: Quantities of products of each model are exported from SAP shipment record from 1/1/2020 to 12/31/2020</p> <p>D: Percentage of load=100%.</p>

No.	Assured Item	Information Assured	Page	Reporting Criteria
12	Electricity intensity in 2020	2020 EI was 66,461 kWh/MUSD for Delta's main production plants.	87	<p>Main production plants include China (Dongguan, Wujiang, Wuhu, Chenzhou and Cytotec in Huafeng), Taiwan (Taoyuan Plant 1, Taoyuan Plant 2, Cytotec in Hsinchu) and DET (plants 1, 5 & 6).</p> <p>Electricity intensity = [Annual electricity usage (kWh)-electricity usage (kWh) of excluded areas] / Production value (million USD).</p> <p>Annual electricity usage refers to purchased electricity not including self-generated solar power.</p>
13	Data center power usage effectiveness in 2020 (Power Usage Effectiveness, PUE)	The PUE was 1.32 for Delta's 4 data centers in 2020.	87	<p>Global average= average PUE of 4 Delta data centers (Taiwan Headquarters, Wujiang, DET Plant 5 and American Headquarters)</p> <p>PUE is calculated with methodology provided by The Green Grid as follows:</p> <p>PUE= Total Data Center Energy (kWh) /IT Equipment Energy (kWh)</p> <p>IT equipment energy includes the energy associated with all of the IT equipment (e.g., compute, storage, and network equipment) along with supplemental equipment (e.g., KVM switches, monitors, and workstations/ laptops used to monitor or otherwise control the data center).</p> <p>Total data center energy includes all IT equipment energy as described above plus everything that supports the IT equipment using energy, such as:</p> <p>A: Power delivery components, including UPS systems, switchgear, generators, power distribution units (PDUs), batteries, and distribution losses external to the IT equipment</p> <p>B: Cooling system components, such as chillers, cooling towers, pumps, computer room air handling units (CRAHs), computer room air conditioning units (CRACs), and direct expansion air handler (DX) units</p> <p>C: Other miscellaneous component loads, such as data center lighting</p>

No.	Assured Item	Information Assured	Page	Reporting Criteria
14	Electricity savings of green plants and buildings in 2020	In 2020, Delta's global certified green plants and buildings collectively saved, in total, 16.82 million kWh of electricity.	91	<p>The 15 green factory/office buildings are the following: Taiwan Headquarters, Taoyuan Technology Center, Tainan Plant Phase II, Tainan Plant Phase I, India Rudrapur Plant, India Gurgaon Plant, Shanghai R&D Center, American Headquarters, Taoyuan Plant 5, Beijing Office Building, India Mumbai Office, Thailand Plant 5, EMEA Headquarters, Chungli R&D Center and Japan Ako Energy Park.</p> <p>Electricity savings (kWh) = (EUI in literature cited – Actual EUI of green buildings) * Floor area of green buildings</p> <p>EUI = Annual Electricity usage (kWh)/Floor area (m²). Annual electricity usage refers to purchased electricity not including self-generated solar power.</p> <p>Note: Refer to footnotes *1 to *9 on page 92 and 93 for "EUI in literature cited" and footnote *1 on page 91 for "Actual EUI of green buildings"</p>
15	Electricity savings of donated green buildings in 2020	In 2020, Delta's 5 donated green buildings reduced, in total, 1.66 million kWh of electricity.	148	<p>The 5 donated green buildings are the following: the Delta Building and the Y. S. Sun Green Building Research Center at National Cheng Kung University (NCKU), the Kuo-Ting Optoelectronic Building at National Central University (NCU), the Delta Building at National Tsing Hua University (NTHU), as well as the Namasia Ming Chuan Elementary School.</p> <p>Electricity savings (kWh) = (EUI in literature cited – Actual EUI of green buildings) * Floor area of green buildings</p> <p>EUI = Annual Electricity usage (kWh)/Floor area (m²). Annual electricity usage refers to purchased electricity not including self-generated solar power.</p> <p>Note: Refer to footnote *1 on page 148 for "Actual EUI of green buildings" and footnotes *2 to *4 on page 148 for "EUI in literature cited"</p>
16	Water productivity intensity (WPI) in 2020	2020 Water productivity intensity (WPI) was 463 metric ton/MUSD for Delta's main production plants.	97	<p>Main production plants include China (Dongguan, Wujiang, Wuhu, Chenzhou and Cyntec in Huafeng), Taiwan (Taoyuan Plant I, Taoyuan Plant II, Cyntec in Hsinchu) and Thailand plant (plants 1, 5 & 6). Statistics are exported from tap water bills.</p> <p>Water productivity intensity = [purchased water usage (metric ton)/ Production value (million USD)</p>

7.6 TCFD Practices Across the Four Core Elements

Task Force on Climate-related Financial Disclosures (TCFD)

Delta adopts the TCFD structure in disclosing its practice where the four core elements of climate change, i.e. governance, strategy, risk management, and indicators and targets, are concerned:

I. Governance: Disclose the organization's climate-related risks and opportunities	
Guiding Principles	Specific Practices
Board's supervision over climate-related risks and opportunities	<p>The Delta Global ESG Committee (the "ESG Committee") under the Board of Directors is the highest-level supervision unit for climate risk and opportunity within Delta, with Mr. Bruce Cheng, founder and honorary chairman of Delta, as the honorary chairperson and Mr. Yancey Hai, Chairman of Delta, as the chairperson. The ESG committee is composed of board members including the vice chairman, CEO and COO as well as CSO and top executives from regional and functional management.</p> <p>Most members of the Board of Directors have been paying attention to climate change and have a full understanding of the significance and effects of climate change. When considering major investment resolutions, including the construction of green buildings, solar energy plants, and green energy investment, the Board of Directors is able to take climate change issues into consideration.</p>
Management's role in assessing and managing climate-related risks and opportunities	<p>Climate change covers a wide range of topics and impacts, with each responsible unit at Delta playing different roles. They can facilitate the implementation of measures through communication and exchange of information at quarterly ESG Committee meetings.</p> <p>The Corporate Sustainability Development Office under the ESG Committee is responsible for monitoring international climate change trends, coordinating projects related to climate change, compiling relevant data indicators, establishing an operational framework, organizing education and training on climate change, inviting heads of different functions and business groups to keep the management abreast of climate-related issues. The business group is responsible for the research and development of a variety of energy-saving related products and solutions, and is committed to improving the energy efficiency of its products and developing products and services that contribute to the mitigation and adaptation of climate change. The Energy Conservation Service Department is responsible for providing comprehensive energy efficiency improvement services to enhance the energy efficiency of utilities, data centers, buildings, and factories.</p> <p>The CSO reports to the Board of Directors on trends relating to climate change on a quarterly basis, as well as Delta's climate management progress, including important trends, key data, disclosure effectiveness, external assessment results, and the overall performance of energy and carbon reduction.</p> <p>To facilitate effective operation of key issues, energy conservation and products are managed by the Energy Management Committee and strategic development meetings. The Energy Management Committee under the Delta Global ESG Committee holds meetings quarterly and is responsible for promoting energy conservation at Delta's global factories, green buildings, and server rooms, as well as the introduction of global renewable energy. The strategic development meeting is held annually, in which the business and functional groups report important trends, set strategic direction of the business groups and targets for Delta. The above meetings are led by the management team with Board members participating.</p>

II. Strategy: Immediate and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning

Guiding Principles	Specific Practices
<p>Short-, medium-, and long-term climate-related risks and opportunities identified</p>	<ul style="list-style-type: none"> • With reference to its internal carbon reduction targets, Delta has defined the short-term as three years, the mid-term as three to five years, and the long-term as more than five years. • Short-, medium-, and long-term risks: <ul style="list-style-type: none"> - Short-term: Carbon taxes and related taxes, uncertainty surrounding regulation and policies, increased cost of raw materials, voluntary agreements, renewable energy regulation. - Medium-term: Shifts in consumer preferences to low-carbon products, customers change supplier selection criteria, requirements for decreasing greenhouse indirect emissions from water and wastewater reduction, increased severity of extreme weather events such as cyclones and floods, costs to transition to lower emissions technology, mandates on and regulation of existing products and services, rising mean temperatures, international sector agreements, changes in precipitation patterns and extreme variability in weather patterns, customers’ changing product specification requirements. - Long-term: Substitution of existing products and services with lower emissions options, rising sea levels, emission reduction requirements to suppliers. • Short-, medium-, and long-term opportunities: <ul style="list-style-type: none"> - Short-term: Adoption of more efficient production and distribution processes, recycle and reuse, more energy-efficient buildings, use of low-emission energy, supportive policy incentives, use of new technologies, participation in carbon trading markets, the movement towards decentralized energy production, development or expansion of low-carbon products and services, development of climate adaptation and insurance solutions, diverse management, responses to the changes in consumer preferences, and new market partnerships. - Medium-term: Participation in renewable energy projects and energy efficiency enhancement. - Long-term: Reduction in the use of water resources, R&D and innovation of new products and services, and resource substitution and diversification.
<p>Climate-related risks and opportunities having significant impact on the organization’s businesses, strategy, and financial planning</p>	<p>Delta’s identified climate risks and opportunities range from products and services, supply chains, adaptation and mitigation activities, R&D, investment, operations to other relevant aspects, and the probability of occurrence and degree of impact for each assessed risk and opportunity.</p> <p>In 2018, Delta introduced the trial project, which further analyzes the impact caused by operating costs and revenues, capital expenditures, and distributions to understand the financial impact on its business and develop responding strategies.</p>
<p>Potential impacts from different climate-related scenarios on the organization’s business, strategy and financial planning</p>	<p>Based on the International Energy Agency’s (IEA) 2017 scenario for the global temperature increase within 2°C, Delta estimated its commitment to reducing carbon emissions and established the 2025 Science-Based Targets (SBT) with the year of 2014 as the benchmark. The targets were already approved by the Science-Based Target Initiative (SBTi) in 2017.</p> <p>Currently, Delta has fulfilled its objective for three consecutive years. Delta has also actively introduced the Task Force on Climate-related Financial Disclosures (TCFD) to assess the risks and opportunities arising from climate change.</p> <p>Delta uses NDC and Beyond 2°C to simulate business opportunities for energy storage-related products under different climates.</p>

III. Risk management: Process used by the organization to identify, assess, and manage climate-related risks

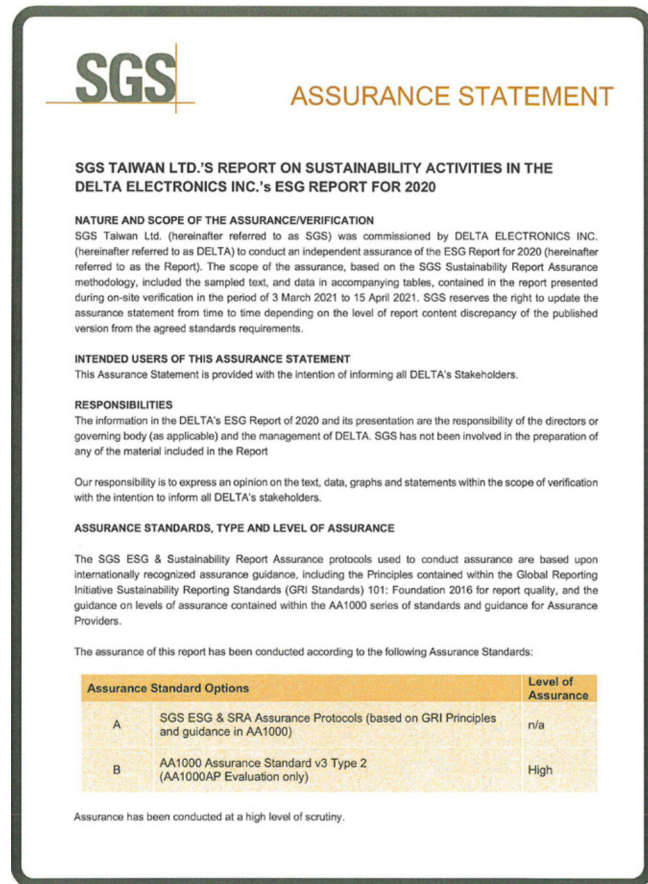
Guiding Principles	Specific Practices
<p>Organization’s processes for identifying and assessing climate-related risks.</p>	<ul style="list-style-type: none"> The Board of Directors has instructed the ESG Committee to manage and monitor climate-related issues. Based on the climate change research report, risk assessment report, stakeholders’ voices, and with reference to ESG issues, the ESG Committee has identified transformation risks and physical risks according to the proposed risk structure, analyzed the impact arising from policies and regulations, technology, markets, corporate reputation, and extreme and chronic climate events. Delta conducts a major survey every three years and re-assesses the results annually to confirm the reasonableness and ensure that the results are in line with current circumstances. Delta selects high-risk projects and matches them with corresponding opportunities based on their short-term, medium-term and long-term goals, as well as possibility and impact. At the same time, to evaluate the feasibility of quantification, quantitative feasibility has been added to the third aspect since 2020.
<p>Organization’s processes for managing climate-related risks</p>	<ul style="list-style-type: none"> If the overall score of a climate risk event falls in the high attention category, an approach based on “mitigation” and “adaptation” will be adopted. <ol style="list-style-type: none"> Mitigation: To actively promote the construction of renewable energy, energy conservation, green buildings, and increase energy efficiency to reduce Delta’s dependence on energy. Adaptation: To develop renewable and other alternative clean energy, formulate corporate sustainable operation plans related to climate risks, and analyze and seize on impacts arising from climate change to come up with corresponding strategies, as well as provide customers with integrated solutions and assist them in adapting to climate change.
<p>How to integrate the processes of climate-related risk identification, assessment, and management into the overall risk management</p>	<ul style="list-style-type: none"> Climate change is one of the official issues of the Delta Group’s risk management and is included in the overall risk management. Due to the special nature of climate change, the Board of Directors has also delegated the ESG Committee to be responsible for identifying and managing climate risks and opportunities and implementing corresponding measures and solutions.

IV. Indicator and targets: Indicators and targets used by the organization to assess and manage climate-related risks and opportunities

Guiding Principles	Specific Practices
<p>Indicators used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<ul style="list-style-type: none"> As of 2020, the indicators adopted by Delta for assessing climate-related risks include science-based carbon reduction achievements, Energy Intensity (EI) of factories, Energy Use Intensity (EUI) of R&D/office buildings, Power Usage Effectiveness (PUE) of data centers, the overall EI (factories, R&D/office buildings, and data centers), waste intensity, and water productivity intensity. At the beginning of 2021, Delta committed to reaching 100% renewable energy usage by 2030. Since then, the percentage of renewable energy usage has become a new indicator. Delta will implement measures in relation to energy conservation and transformation of renewable energy with its internal carbon pricing system.
<p>Disclose Scope 1, Scope 2, and Scope 3 GHG emissions, and related risks.</p>	<ul style="list-style-type: none"> According to the GHG Protocol, Delta has conducted greenhouse gas inventories of direct emissions (Scope 1) and indirect emissions (Scope 2) and verified the amount based on the ISO 14064-1 greenhouse gases inventory standards. With reference to GHG Protocol Scope 3, Delta conducts GHG inventories of Scope 3, which include purchased goods and services, business travel, use of sales products, upstream and downstream transportation and distribution, and waste management, and obtains the ISO 14064-1 GHG verification report. The results of previous annual inventories are published in the chapter titled “Devoted to environment protection and energy conservation,” in the Delta Electronics ESG Report.

7.7 External Assurance Statement and Report

SGS Assurance Statement – GRI Standards & AA1000



SGS ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE DELTA ELECTRONICS INC.'S ESG REPORT FOR 2020

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION
 SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by DELTA ELECTRONICS INC. (hereinafter referred to as DELTA) to conduct an independent assurance of the ESG Report for 2020 (hereinafter referred to as the Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during on-site verification in the period of 3 March 2021 to 15 April 2021. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT
 This Assurance Statement is provided with the intention of informing all DELTA's Stakeholders.

RESPONSIBILITIES
 The information in the DELTA's ESG Report of 2020 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of DELTA. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all DELTA's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
A SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)	n/a
B AA1000 Assurance Standard v3 Type 2 (AA1000AP Evaluation only)	High

Assurance has been conducted at a high level of scrutiny.

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SCOPE OF ASSURANCE AND REPORTING CRITERIA
 The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options

- GRI Standards (Core)
- AA1000 Accountability Principles (2018)
- SASB

- Evaluation of content veracity of the sustainability performance information based on the materiality determination at a high level of scrutiny for DELTA and moderate level of scrutiny for subsidiaries, and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018); and
- Evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

ASSURANCE METHODOLOGY
 The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, ESG committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION
 Financial data drawn directly from independently audited financial accounts and Task Force on Climate-related Financial Disclosures (TCFD) has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE
 The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from DELTA, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION
 On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity
 DELTA has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety

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of engagement efforts such as survey and communication to employees, customers, investors, shareholders, suppliers, media, communities, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, DELTA may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

Materiality
 DELTA has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness
 The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

Impact
 DELTA has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, DELTA's ESG Report of 2020, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions of DELTA's involvement with the impacts for each material topic, and how efforts were given to mitigate the impacts (103-1). More descriptions of how DELTA manages each material topics and the statement of the purpose of the management approach (103-2) and any related adjustments to the management approach (103-3).

SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS
 DELTA adopted SASB's Standard, TECHNOLOGY & COMMUNICATIONS SECTOR- HARDWARE INDUSTRY STANDARD, VERSION 2018-10 and RESOURCE TRANSFORMATION SECTOR- ELECTRICAL & ELECTRONIC EQUIPMENT INDUSTRY STANDARD, VERSION 2018-10 to communicate their sustainability accounting performance to their investors. DELTA has determined which disclosure topics and associated metrics are financially material to its business and has illustrated appropriately in the content index. By using both GRI and SASB standards together, the efficiency of communication and the identification of material issues are substantially increased during the whole reporting preparation process. Besides, it is best practice to implement a gap analysis and comparison of reported issues and benchmark within or across sectors in next reporting.

Signed:
 For and on behalf of SGS Taiwan Ltd.




David Huang
 Senior Director
 Taipei, Taiwan
 15 June, 2021
WWW.SGS.COM

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ISAE 3000 Limited Assurance Report



Independent Limited Assurance Report

PWCM20000597

To Delta Electronics, Inc.

We have been engaged by Delta Electronics, Inc. ("the Company") to perform assurance procedures on the sustainability performance information identified by the Company and reported in the 2020 Delta Electronics ESG Report (hereinafter referred to as the "ESG Report"), and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The sustainability performance information identified by the Company (hereinafter referred to as the "Subject Matter Information") and the respective applicable criteria are stated in the "Summary of Subject Matter Assured" on page 180-185 of the ESG Report.

Management's Responsibilities

The Management of the Company is responsible for the preparation of the sustainability performance information disclosed in the ESG Report in accordance with the respective applicable criteria, and for such internal control as management determines is necessary to enable the preparation of the sustainability performance information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance work on the Subject Matter Information disclosed in the ESG Report in accordance with International Standard on Assurance Engagements 3000, issued by the International Auditing and Assurance Standards Board, to identify whether any amendment is required of the Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria, and issue a limited assurance report.

We conducted our assurance work in accordance with the aforementioned standards including identifying the areas where there may be risks of material misstatement of the Subject Matter Information, and designing and performing procedures to address the identified areas. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

The extent of the assurance work we performed were based on the identified risk areas and determined materiality, and given the circumstances of the engagement, we designed and performed the following procedures:

- Made inquiries of the persons responsible for the Subject Matter Information to understand the processes, information systems (if any), and the relevant internal controls relating to the preparation of the

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
11012 臺北市信義區基隆路一段 333 號 27 樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 11012, Taiwan
T: +886 (2) 2729 6666, F: +886 (2) 2729 6686, www.pwc.tw



forementioned information to identify the areas where there may be risks of material misstatement; and

- Based on the above understanding and the areas identified, performed selective testing including inquiry, observation, inspection, and reperformance to obtain evidence for limited assurance.

We do not provide any assurance on the ESG Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Compliance of Independence and Quality Control Requirement

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Statement of Auditing Standard No. 46, "Quality Control for Public Accounting Firms" in the Republic of China and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Limitations

Certain Subject Matter Information involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, we are not aware of any amendment that is required of Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria."

Other Matter

The Management of the Company is responsible for maintaining the Company's website. If the Subject Matter Information or the applicable criteria are modified after this limited assurance report is issued, we are not obliged to re-perform the assurance work.

PricewaterhouseCoopers, Taiwan

Li, Yi-Huah

Partner

July 8, 2021

