

# Delta Corporate Social Responsibility Best Practice Principles

## Chapter 1 General Principles

Article 1: To implement the corporate social responsibility policies of Delta Electronics and its operational mission –“To provide innovative, clean and energy-efficient solutions for a better tomorrow” – Delta Electronics Inc. (Delta) hereby promulgates the Corporate Social Responsibility Best Practice Principles (The Principles), referencing “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies” and related regulations to abide by.

The Principles apply to Delta Electronics, Inc. (Delta) and its subsidiaries or affiliates.

Article 2: When conducting business operations, Delta actively carries out corporate social responsibility to match the international trend of balancing environment, society, and corporate governance. Moreover, Delta aims to improve the quality of life of employees, communities, and society directly or indirectly so as to promote competitive advantages based on corporate responsibility through the promotion of issues related to corporate citizens.

Article 3: When pursuing sustainable operations and earning profits, Delta also emphasizes corporate governance, environmental protection, social participation and benefits of other stakeholders.

Article 4: Delta carries out corporate social responsibility according to the following principles:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate social responsibility information.

Article 5: Delta realizes the reasonable expectations and demands of stakeholders through appropriate communications with stakeholders, and properly responds to the major corporate social responsibility issues that stakeholders are concerned about.

## Chapter 2 Exercising Corporate Governance

Article 6: The board of directors of Delta exercises its duty of care as a good administrator to supervise and assist at the operational level in implementing corporate governance and corporate social responsibility.

Article 7: Delta follows the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, the Guidelines for the Adoption of Codes of Ethical Conduct by TWSE/GTSM Listed Companies, and along with other guidelines and examples, establishes an effective corporate governance framework, and sets relevant ethical standards so as to enhance corporate governance.

- Article 8: Delta complies with local laws and regulations in conducting operational activities and implements the following guidelines to foster an environment of fair competition:
1. Avoid engaging in unfair competition.
  2. Faithfully fulfill tax-related obligations.
  3. Not tolerate bribery or corruption and establish appropriate management systems.
- Article 9: Delta values the rights of investors, obeys related regulations on information disclosure, and also strives for completeness, timeliness, and fairness in information disclosure.

### Chapter 3 Fostering a Sustainable Environment

- Article 10: Delta follows relevant environmental laws, regulations and international standards to properly protect the environment, and strives to implement its corporate operational mission – “To provide innovative, clean and energy-efficient solutions for a better tomorrow” – when engaging in business activities.
- Article 11: Delta establishes a proper environment management system according to the following tasks:
1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
  2. Establishing measurable goals and examining whether such examination should be maintained and whether they are still relevant on a regular basis.
  3. Establishing planning and action plans and examining achievement on a regular basis.
- Article 12: Delta maintains the relevant environment management system and hosts environment education courses for employees and managerial officers on a periodic basis.
- Article 13: Delta conducts research, procurement, production, processes, service and other operational activities in accordance with the following principles to reduce its impact on the natural environment and the general public:
1. Dedication to enhancing the energy efficiency of products.
  2. Adoption of green building principles to build new factories and office buildings.
  3. Concern for the potential risks and opportunities generated from climate change during operational activities, and following energy-saving and carbon reduction strategies to reduce the emissions of greenhouse gas.
  4. Adoption of the concept of green design and life cycle analysis to enhance the recyclability and reusability of materials and products, reduce the inappropriate consumption of energy and resources, and reduce the emission of pollutants (including waste water, waste gas, and solid waste).
  5. Using water resources properly and sustainably, and making best efforts to adopt the best available techniques of pollution prevention and control to handle waste water, waste gas, and solid waste generated through the processes of operational activities.
  6. Promotion of green supply chain management and the principles of green procurement, and prioritizing the use of products or services for energy-saving

and environmental protection.

7. Promotion of the use of renewable energy and resources.

Article 14: Delta's products and services adopt the principles of green design to provide highly efficient and reliable solutions.

Article 15: Delta extends the concept and the practices of its corporate social responsibility to the supply chain to assist suppliers in reducing the impact of their operations on the environment and jointly fulfill corporate social responsibility.

## Chapter 4 Preserving Public Welfare

Article 16: Delta follows relevant labor laws and regulations to guarantee the legal rights and benefits of its employees, and respects basic labor rights recognized internationally and does not harm basic labor rights, adopting the principles of equality and equal rights, and establishing appropriate management methods and procedures.

Article 17: Delta provides information for its employees so that they have knowledge of their rights under the labor laws of the countries where Delta has business operations.

Article 18: Delta provides safe and healthy training and working environment for its employees, including necessary health and first-aid facilities, and strives to prevent occupational accidents and to reduce the risk factors impacting the safety and health of its employees.

Article 19: Delta creates a favorable environment for the career development of employees and establishes effective training programs to foster career skills.

Article 20: Delta establishes diverse channels for employees and gives employee the right to obtain relevant information and express their opinions on Delta's operations, management and decisions.

Article 21: Delta actively promotes social contribution activities, and cooperates with related government institutes, social welfare institutions, social benefits groups, and educational institutions for charity, environmental protection, green building promotion, environment education, and other fields.

Article 22: Delta calls on its employees to contribute to volunteer activities, to participate in all types of public affairs and public welfare activities, and to promote community development and bring benefits to social communities and groups.

## Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information

Article 23: Delta discloses information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM, and fully discloses relevant and reliable information on corporate social responsibility to improve information transparency.

Delta discloses related information on corporate social responsibility as follows:

1. The management policy, rules, guidelines and plans for corporate social responsibility initiatives are resolved by the board of directors.
2. The risks and impact on corporate operations and financial conditions arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals, measures and performance for realizing the corporate social responsibility initiatives established by the companies.
4. Results of implementing corporate social responsibility initiatives.
5. Other information relating to corporate social responsibility initiatives.

Article 24: Delta refers to international standards and guidelines and compiles an annual report on corporate social responsibility to reveal the status of its efforts, with content that includes:

1. The frameworks, policies, and proposals of implementing corporate social responsibility initiatives.
2. Major interested parties and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, and preservation of public welfare.
4. Future improvements and goals.

## Chapter 6 Supplementary Provisions

Article 25: Delta follows decrees, articles, and relevant rules of the authorities, and monitors the development of domestic and international corporate social responsibility frameworks and changes in the business environment so as to examine and improve The Principles and achieve better performance of corporate social responsibility accordingly.

The Principles shall be implemented upon approval by the board of directors of Delta, with the same procedure for any revisions.

The principle was approved by the board of directors of Delta on October 27, 2015.