



2013 Delta Group CSR Report

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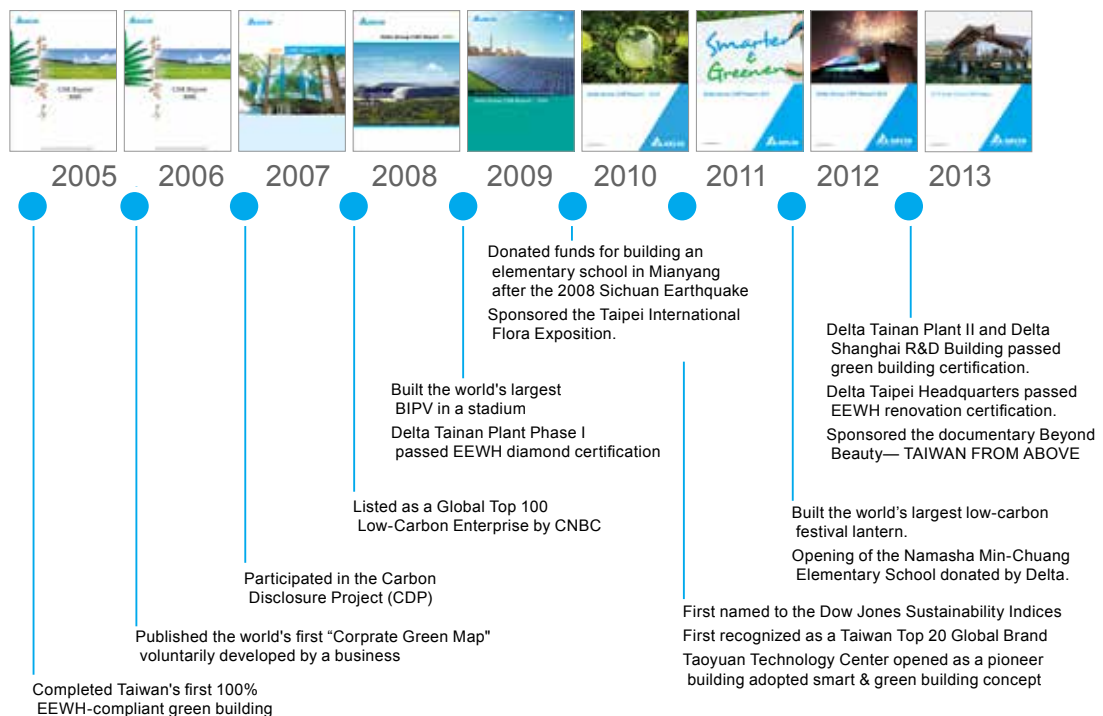


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About the Report

In 2005, Delta Group began publishing its corporate social responsibility (CSR) report on an annual basis. The aim of the report is to provide an overview of the group's CSR activities for the year, including its progress and concrete performance in major aspects of CSR, such as corporate governance, environmental protection, employee relations, and social involvement.



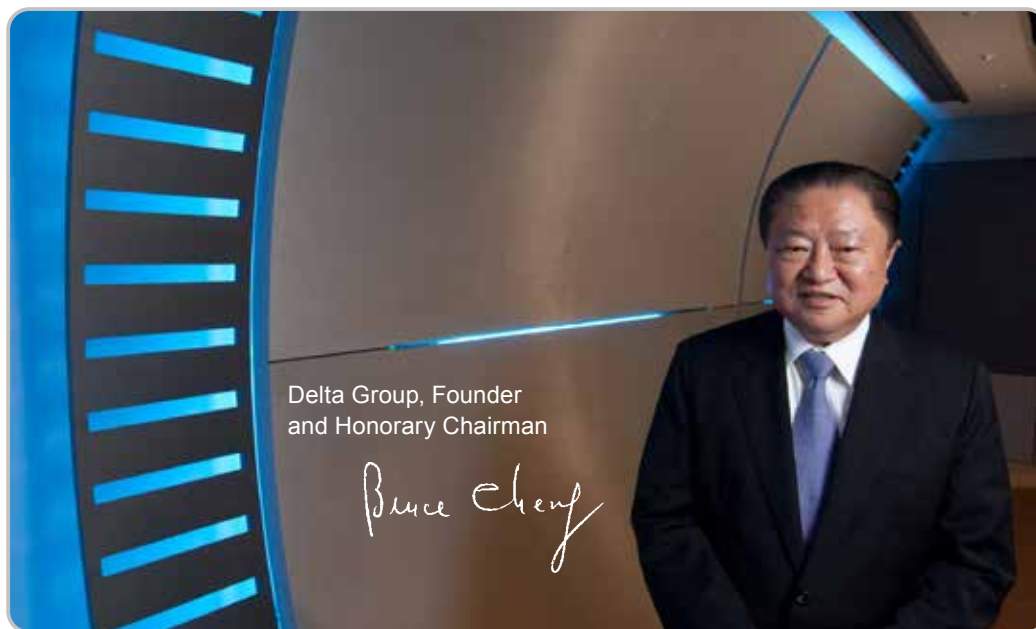
In this report, we apply the Global Reporting Initiative (GRI)-G3.0 reporting framework. The key topics of stakeholder concern are disclosed and addressed in corresponding sections with reference to the results of materiality analysis.

The reporting period and scope of the Delta Group CSR Report 2013 are as follows:

Reporting Period	1 January 2013 to 31 December 2013
Reporting Scope	Delta Group global operations, production, and research and development centers.

This report has been validated to comply with the GRI G3.0 A⁺ standard disclosures by a third-party verification agency.

Letter from the Founder



Dear friends and colleagues:

The Intergovernmental Panel on Climate Change (IPCC) pointed out in its Fifth Assessment Report (AR5) published this year that carbon dioxide emissions from the use of fossil fuels increased by 47% over the past two decades as the human population has expanded. The increase in Asian countries was the highest. The AR5 added that if we wish to control the temperature rise to within 2°C by the end of the century, we need immediate improvement of energy efficiency, reinforced international cooperation to increase incentives, and voluntary reduction from business owners to alter the energy structure.

Facing such a severe climate change crisis, this is the call for each enterprise to assume its social responsibility and to find the pivot of its sustainability policy. Since Delta was established, we have fulfilled our corporate mission “To provide innovative, clean and efficient energy solutions for a better tomorrow” by continuously enhancing the energy-efficiency of our products. Over the past four years, the high-performance energy-saving products sold by Delta have saved a total of 11.9GkWh of electricity for consumers worldwide, which equals to the growth of electricity consumption in Taiwan over the past years.

We insist on promoting green buildings because buildings are responsible for as much as a quarter to a third of the world's total energy consumption and there is a 60% emission reduction potential for both existing and new buildings throughout the world. After Delta's Tainan Plant passed EEWB diamond certification in 2006, we promised that each new Delta plant or office built from that point on would be a green building. Our hope is to influence society by increasing and promoting our green building experience. For example, green building techniques are applied to buildings donated by Delta and to buildings reconstructed with Delta funding in response to natural disasters. At present, Delta has built seven green-building plants and offices in Taiwan, China, and India, and has donated four green buildings, and all have passed green building certification. In 2013, these green buildings saved a total of 1.2 MW of electricity.

Among these, our corporate headquarters on Ruyi Kuang Road, the Ruyi Kuang Building, has passed "diamond" level EEWB certification for existing building renovation in 2014 after "key point energy re-engineering" in 2012-13. By implementing a building automation system (BAS) and solutions from Delta, this 15-year-old building successfully saved 58% in energy consumption, with impressive effectiveness.

Delta has also organized the Green Collar Architect Workshop, the International Solar Building Design Competition, and green building guided tours, to increase public understanding of the environmental benefits of green buildings. Our goal is to set an example and inspire the widespread construction and use of green buildings.

In addition to energy saving and emission reduction, Delta seeks to benefit society by promoting environmental protection in variety of ways. In the documentary *Beyond Beauty—TAIWAN FROM ABOVE*, director Po-lin Chi uses aerial photography to capture the beauty of Taiwan's mountains and rivers, and then contrasts it with the damage caused by man's pollution and negligence. His message is that we must be kind to our natural environment, because it is a precious and limited resource. As this coincides with our corporate mission, we took the lead by providing a NT\$30 million sponsorship to help him complete the documentary. The total box office receipts for *Beyond Beauty—TAIWAN FROM ABOVE* exceeded NT\$200 million, breaking the record for documentaries in Taiwan and winning the Golden Horse Award for Best Documentary. More importantly, the documentary has reawakened the people of Taiwan to care more about the conservation and environmental protection of their homeland.

As a responsible corporate citizen, we know that recognizing a problem is important, but even more important is finding solutions. Delta continues to carry out our corporate mission "To provide innovative, clean and efficient energy solutions for a better tomorrow" and we are dedicated to the Delta brand spirit of "Smarter. Greener. Together."

Letter from the Chairman and CEO



Dear friends and colleagues:

For Delta, corporate social responsibility means more than just our responsibility to shareholders, customers and employees. It means that Delta's corporate mission—"To provide innovative, clean and energy-efficient solutions for a better tomorrow"—should be reinforced in all aspects of routine operations and business. While pursuing sustainable growth, Delta should make concrete contributions to the environment and society to ensure a better life for future generations.

Every year, Delta invests over 5% of its global revenue in product research, development and innovation. We continuously enhance the energy conversion efficiency of our products. For example, the current energy efficiency of our energy management products exceeds 90%, particularly telecom power systems which have reached the highest efficiency in the world at 97.3%, PV solutions at 98.5%, and our automotive DC-DC converter at 94%. These are all the best in their industries. We are also aggressively transforming Delta Group into a total solution provider by integrating hardware with software solutions and maximizing the environmental benefits for our customers. In nearly one hundred successful examples across the world, our energy-related solutions have saved customers 20% to 40% in energy consumption. From 2010 to 2013, Delta's high-performance energy-saving products and solutions have saved up to 11.9 billion kWh of electricity for customers, which is equivalent to 6.4 million metric tons of CO₂ emissions.

At Delta, we continuously enhance the energy efficiency of each business location. For our major production bases, we implement more than 100 efficiency enhancement projects a year to save energy. With the ISO50001 energy management system as a blueprint, we began establishing energy management procedures for our major business locations worldwide in 2010. In early 2014 Delta's Dongguan Plant passed certification of the China Energy Management System. Overall, the concerted efforts of Delta employees and our energy solutions have saved Delta locations worldwide as much as 47 million kWh of electricity and reduced energy use intensity by as much as 40% compared to 2009, and all energy targets were achieved.

Over the years, we have strategically combined routine business operations with corporate social responsibility. Apart from being named to the Dow Jones Sustainability Indices-World Index for three consecutive years and the Dow Jones Sustainability Emerging Markets Indices in 2013, we have won a great number of honors worldwide. These include the "Best Sustainability Practices" and the "Best Investor Relations by a CEO or President" awards from IR Magazine in 2013, the "Most Admired Company" in the electronics industry for the twelfth time and "Top Ranking Large Enterprise Champion" again for the "Corporate Citizenship Award 2013" from Commonwealth Magazine, the "CSR Award" in the overall performance and environmental protection categories from Global Views Magazine and an "A++ in Information Disclosure and Transparency Ranking" from the Securities and Futures Institute. In addition, we are the first Taiwan-bonded electronics company to win the "Outstanding Business Award" again from the China Business Network (CBN) China Corporate Social Responsibility Ratings and we have been named one of the "Top 50 Private Enterprises" in China for four consecutive years. We also won the "Prime Minister's Best Industry Award" and the Industry Ministry "CSR Award" in Thailand.

We continue to differentiate the Delta brand from competitors through participation in world-leading exhibitions, including CeBIT, CIIF, CES, and Computex Taipei, and using branding activities, publicity materials, internal training programs and instructor training to promote the Delta brand to worldwide customers, partners and employees. In 2013, we were named as one of the Top 20 Best Taiwan Global Brands for the third consecutive year. We are active in increasing the value of the Delta brand as we continue to learn.

We believe that corporate social responsibility with due diligence is the key to sustainable development. Delta is committed to fulfilling our corporate mission, "To provide innovative, clean and energy-efficient energy solutions for a better tomorrow" for the benefit of all of our stakeholders.

CSR Highlights

Named to Dow Jones Sustainability Indices

From 2011 to 2013, Delta was named to the DJSI World Index of the Dow Jones Sustainability Indices (DJSI) for three consecutive years. In 2013, we were named to the DJSI Emerging Markets. Delta was also at the top of six ratings worldwide for the electronic equipment sector.

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM



ROBECOSAM
Sustainability Award
Silver Class 2014

"Corporate Social Responsibility Award" from Global Views Magazine

At the 9th CSR Awards organized by Global Views Magazine (GVM), Delta was the first enterprise to win two championship awards in the overall performance and environmental protection categories. This is the third time Delta has won the CSR Championship Award from GVM since 2010.



“Most Admired Company” from CommonWealth Magazine

Delta's Chairman Mr. Yancey Hai received Delta's twelfth consecutive CommonWealth Magazine award for the “Most Admired Company in the Electronics Industry” from former Taiwan Vice President Hsiao. The “2013 Most Admired Company” evaluated Taiwan's Top 25 industries. In addition, Delta was ranked 4th place for “Best Benchmark Company”.



“Corporate Citizenship Award” Large-scale Enterprise from CommonWealth Magazine

Delta was presented with the “Corporate Citizenship Award” from CommonWealth Magazine for the seventh consecutive year. The chairman Mr. Yancey Hai was invited to receive the award. During 2012-13, Delta was rated as Taiwan's leading large-scale enterprise.



"Outstanding Enterprise Award" from CBN China Corporate Social Responsibility Ratings

Delta won the "Outstanding Enterprise Award" again from CBN China Corporate Social Responsibility Ratings 2013. Delta is the first Taiwan-bonded high-tech enterprise to win this award for two consecutive years. Delta China EVP Mr. Daryl Liao received the award on behalf of the Delta Group.



"2013 ASEAN Business Award" in the Innovation Category for Large Companies

Delta Electronics Thailand (DET) was awarded the "2013 ASEAN Business Award" in the Innovation Category in recognition of its performance in innovation and contributions to corporate social responsibility. DET President Mr. Henry Hsieh received the honor from Brunei Foreign and Trade Minister His Royal Highness Prince Mohammed Bolkiah.



Awards for Best Practices in Greater China from IR Magazine

In 2013, Delta won two awards from IR Magazine. "Best Sustainability Practices" recognizes Delta's outstanding long-term strategy, business model and operating performance. CEO Mr. Ping Cheng was awarded "Best Investor Relations by a CEO or President" to honor Delta's sound corporate governance and professional investor service.



Top 20 Best Taiwan Global Brands 2013

Delta was named as one of the Top 20 Best Taiwan Global Brands for the third consecutive year. The brand value survey of the Best Taiwan Global Brands 2013 was organized by the Industrial Development Bureau and implemented by Digitimes and Interbrand. The event is one of the most influential brand value evaluations in Taiwan.



Green Building Promotion



Taipei Headquarters

Delta's corporate headquarters the Taipei Ruey Kuang Building, passed Taiwan's first "Diamond" EEW-HRN green building certification and has created two new records: Taiwan's best carbon reduction office building 51.75%, which significantly exceeds the rating standard (20%) for Diamond EEW-HRN; and Taiwan's first mid-rise office building (6-15 stories) to pass diamond-level EEW-HRN in the renovation category. The Taipei Ruiguang Building was officially completed and opened for around 15 years. The renovation applies many of Delta's integrated solutions, including a smart HVAC solution, LED lighting solution, energy-efficient elevator solution, and iPEMS™ intelligent monitoring and management systems. It shows that an existing building that applies Delta's energy-saving products solutions can achieve significant energy savings and carbon reduction benefits.



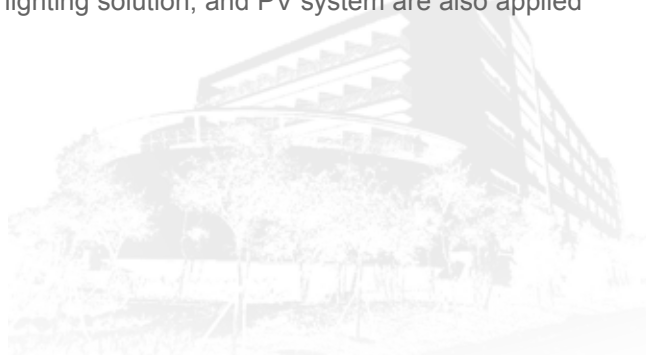
Shanghai R&D Center

Delta's Shanghai R&D Center passed the LEED (Leadership in Energy & Environmental Design) Gold rating of the US Green Building Council (USGBC) to become the group's tenth certified green building (including four donated green buildings) since its first green factory building was completed in 2006. Compared to other large public buildings in the same district, the Shanghai R&D Center achieves overall energy savings of as much as 35%. Compared to the LEED design standards, the Shanghai R&D Center saves water by as much as 46%. In addition, many integrated solutions independently developed by Delta are applied at the Shanghai R&D Center. They include the InfraSuite datacenter solution, industrial automation solution, smart HVAC solution, energy-efficient elevator solution, PV solution, LED lighting solution, and Delta's building energy management system (BEMS).



Tainan Plant (Phase II)

Delta's Tainan Plant Phase II marks the group's second success in building an EEWB Diamond green factory and office building. Compared to green building design specifications, the Tainan Plant Phase II saves energy by as much as 34%. By applying ecological engineering methods as in all other Delta green buildings, the Tainan Plant Phase II achieves a perfect combination of architectural design and lighting, heat, air and water management. Buoyancy-driven ventilation is applied to maintain indoor air quality of the 260 seat auditorium without the need of air-conditioning for most months. Other green building designs include recessed windows, natural lighting, underground vents, and materials with the water-efficiency label. Delta's independently developed energy-efficient elevator solution, LED lighting solution, and PV system are also applied to the factory building.



A Perfect Combination of Technology, Eco-friendliness and Culture



Projection Mapping at NMNS

In cooperation with the National Museum of Natural Science (NMNS), and using less than NT\$35 of electricity a day, Delta decorated the 8-story tall exterior wall of the NMNS Greenhouse as an eco-friendly and energy-saving projection mapping artwork. The 234 sets of LED lighting fixtures disassembled from Delta's Ring of Celestial Bliss from the Taiwan Lantern Festival and LED lighting solution, turned the NMNS Greenhouse into a new Taichung city landmark. Delta designed the projection mapping show based on the theme "Dreamy Rainforest: The Four Seasons Symphonic Poem". Part 1 "Rainwater and River" features blue and green lights that present how water nourishes all creatures on earth. Part 2 "Biodiversity" begins with butterflies in the greenhouse colored by LED projection lights to showcase the colors of life on the building façade. Part 3 "Breath" renders rhythmic green light to simulate how rainforests regulate the environment as the lungs of earth. Part 4 "Disappearance" starts with a crimson shadow that gradually fades to represent the disappearing rainforests. The story setting presents the concept of "reuse" with sound and visual effects to help the public understand the importance of rainforests and the threat of their disappearance. Delta's goal for the project is to raise awareness of climate change issues.



Projection Mapping at NCFTA

Using an LED lighting solution integrating hardware and software controls and integrated electricity transmission, Delta contributed to a gorgeous night scene for the National Center for Traditional Arts (NCFTA). This charming evening view of the Dongshan River is decorated with energy efficient shoreline lights, twinkling lawn lights, and pier lights to create a modern version of the classic Along the River during the Qingming Festival. The project turned the NCFTA into a popular romantic attraction. In practice, Delta replaced over 500 inefficient bulbs with energy-efficient LED bulbs to reduce energy used by as much as 63%. Requiring less than NT\$60 a day for the projection mapping, and only NT\$110 a day throughout the center, the LED lighting lets visitors enjoy a wondrous evening river view at the NCFTA and experience smart and green living.

Positive Influence of CSR



Sponsoring Beyond Beauty—TAIWAN FROM ABOVE

Delta sponsored the environmental documentary Beyond Beauty—TAIWAN FROM ABOVE which achieved box office receipts of over NT\$200 million, breaking the record for documentaries in Taiwan and winning the Best Documentary Award at the 50th Golden Horse Film Festival. TAIWAN FROM ABOVE, directed by Po-lin Chi, uses aerial photography to capture the beauty of Taiwan's mountains and rivers, and then contrasts it with the damage caused by man's pollution and negligence. His message is that we must be kind to our natural environment, because it is a precious and limited resource. As this coincides with our corporate mission, Delta provided sponsorship to help complete the documentary. In addition, we organized special screenings for more than one thousand teachers, students and partners in an energy education cooperation program with the aerial views of this documentary projected on a 900-inch screen using an advanced 40,000 lm projector. The documentary was sensational and inspiring for audiences throughout Taiwan.

Delta Group Overview

Established: 1971

Worldwide revenues in 2013: 7,180 million USD

Delta Group is a global leader in switching power supply and thermal management solutions, as well as in energy-saving and new energy solutions, display systems, industrial automation, network communications, solar power, LED lighting and electric vehicle powertrain and charging systems, with markets across the world. Delta's worldwide revenues have grown at a compounded annual growth rate of 34.3% since 1971. The Delta Group is headquartered in Taipei¹, Taiwan, with offices, manufacturing facilities and R&D centers throughout Europe, Asia, the Americas, and Africa. At the end of 2013, there were around 80,000 Delta employees throughout the world.



Note 1. The parent company, Delta Electronics, Inc. is a listed company in Taiwan (stock code 2308)

With our corporate mission “To provide innovative, clean and energy-efficient solutions for a better tomorrow”, Delta was the Climate Savers Computing Initiative's (CSCI²) first member in Taiwan. Delta also participates in sustainability-related associations such as The Green Grid (TGG), the Business Council for Sustainable Development, Taiwan (BCSD-TW), Taiwan Corporate Sustainability Forum (TCSF), Taiwan Corporate Governance Association (TCGA), Chinese Business Ethics Education Association and Taiwan Electrical and Electronic Manufacturers' Association (TEEMA). We strive to do our utmost to reduce the environmental impact of our operations and to help slow global warming with more energy-efficient products and solutions. We believe in fulfilling Delta's CSR goals through sound corporate governance, balancing stakeholder interests, and supporting social progress.



Note 2. CSCI was incorporated into The Green Grid (TGG) in September 2012.

Global Success Stories

By leveraging our power supply electronics technology, Delta integrates its global capabilities to develop innovative technologies in both hardware and software based on the needs of our clients. We provide innovative, clean, energy-efficient solutions and system integration services while striving to promote our brand and enhance our corporate image. In recent years, we have delivered about 100 successful cases around the world in a wide range of fields, including:



LED display (6.2m × 34.1m) for the Space Shuttle Atlantis attraction at NASA's Kennedy Space Center Visitor Complex



Solar tracking systems for a power plant in the U.S.A



Telecom power solutions for major telecom carriers in the Americas



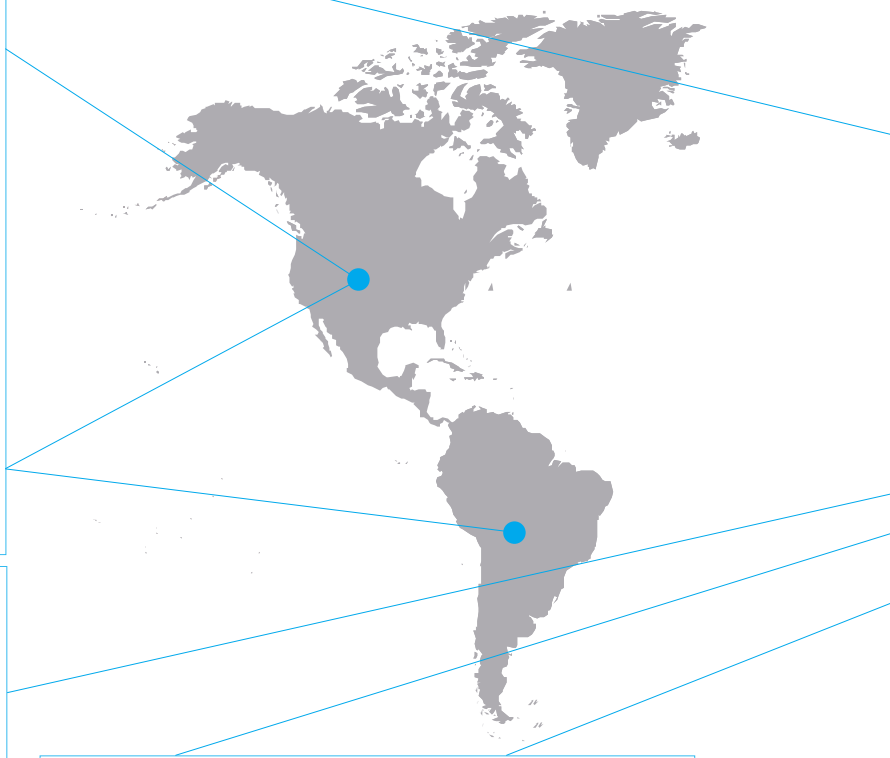
Outdoor telecom power solutions with integration of PV systems for a telecom operator in Africa



Automation and energy-saving solutions for a fashion chain store in Europe



EV charging solutions for a charging network in Norway



ATM Surveillance and energy management solutions for the finance industry in India



First EV charging solution in Thailand

industrial automation, datacenters, smart green buildings, telecom power supplies, monitoring and displays, EV charging, and renewable energy. We are committed to helping our customers reduce their energy costs and OPEX and to make a significant contribution to the slowing of global warming.



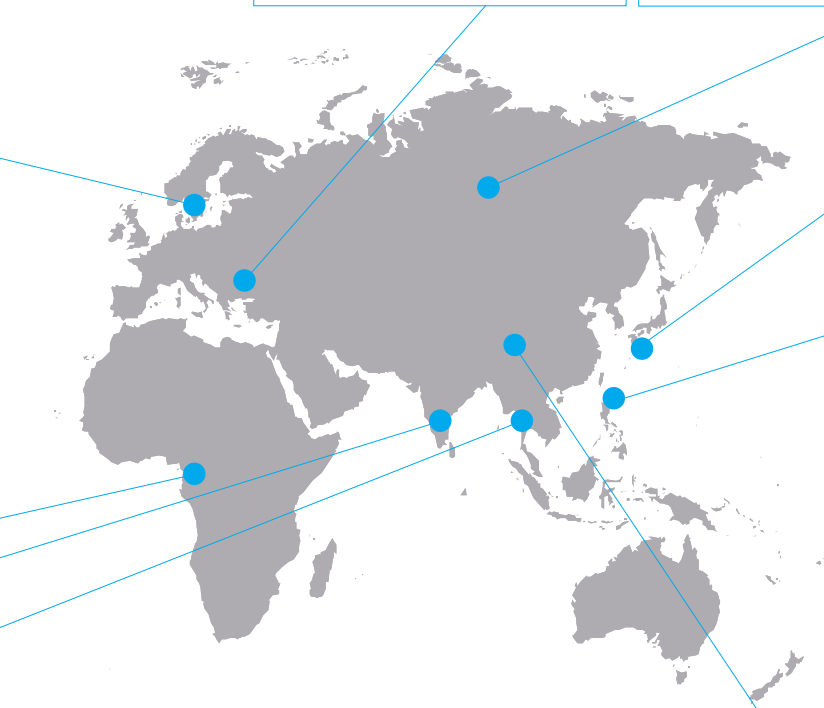
Industrial Automation Solutions for egg hatching machinery in Egypt



UPS solutions for the largest internet service provider in Russia and the CIS



PV systems for a 2MWp solar plant on Awaji Island in Japan



Building automation solutions for the Delta Taoyuan Technology Center in Taiwan



Display and monitoring solutions for Shanghai Astronomical Observatory in China



InfraSuite datacenter infrastructure solutions including UPSs, power systems, precision cooling, and environmental management systems for Shaanxi broadcasting station in China



Manufacturing execution systems for a leading textile company in China



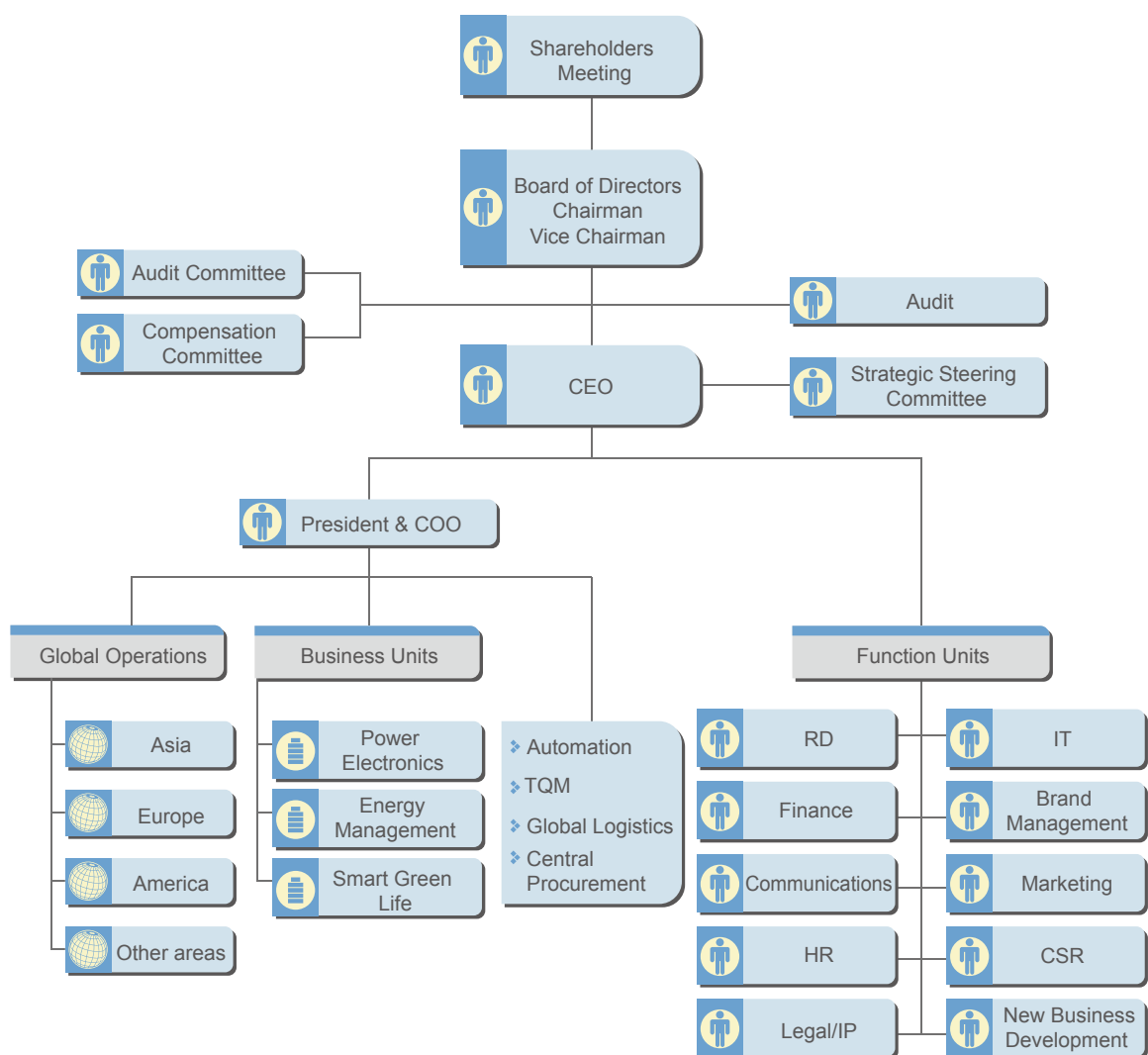
4G LTE telecom power solutions and datacenter infrastructure for the major telecom operators in China



Process automation solutions for the water treatment plant in Fujian Province, China

Organizational Structure

There were no major changes to the organization of the Delta Group during 2013 compared to the previous year. The Delta Group is organized as follows:

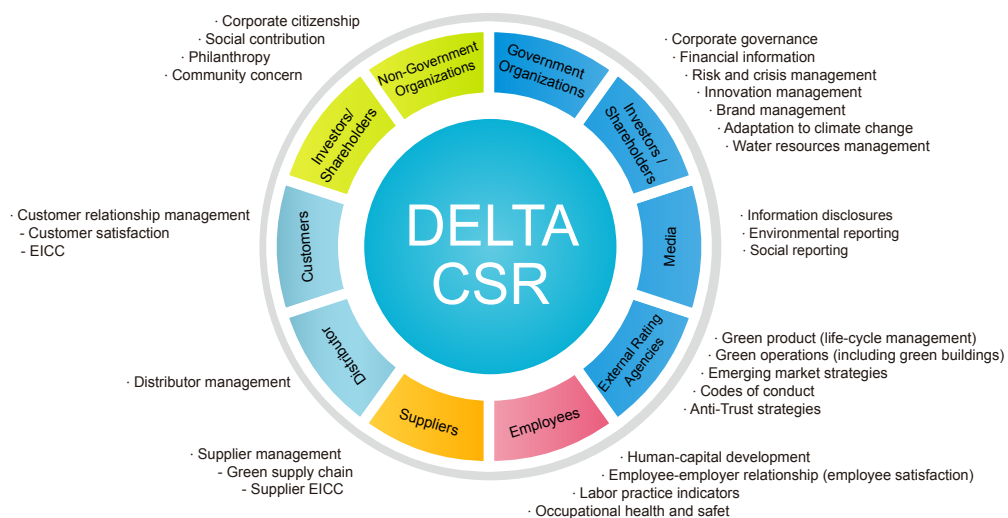


Communication with Stakeholders

Communication with stakeholders is fundamental to CSR fulfillment. As a corporate citizen, Delta communicates with stakeholders through comprehensive channels to understand and respond to their needs in a timely manner. Delta has adopted the following mechanisms to communicate with stakeholders. The key issues of stakeholder concern are identified with materiality analysis, so that we can take the necessary responsive action and enrich the content of our information disclosures.

Stakeholder Identification

Stakeholders in Delta's operations include customers, suppliers, investors (shareholders), government organizations, communities, the media, industry associations, non-profit organizations, research institutions and employees. Based on local and international trends in sustainable development as well as the needs of business operations, the Delta CSR Board has defined our major stakeholders to be employees, customers, suppliers, investors (shareholders) and communities.



Stakeholder Issues and Interests

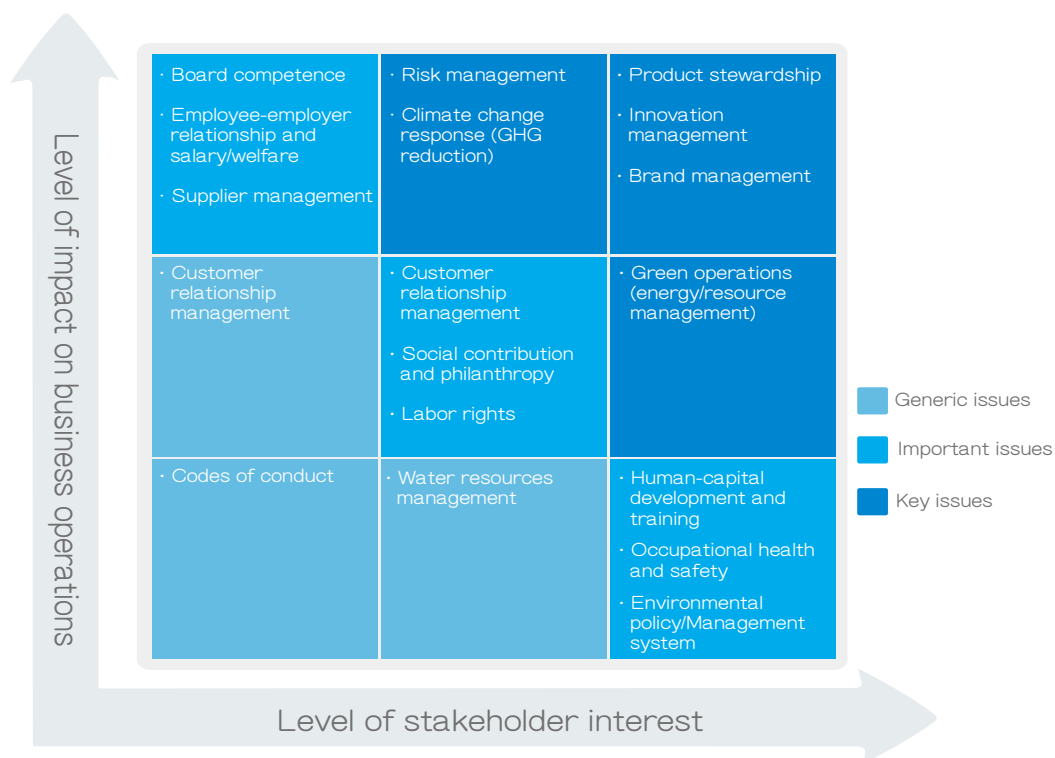
There are a total of 17 major issues in economic, environmental, and social dimensions with reference to domestic and international sustainability assessment items (e.g. DJSI and CDP). Delta developed a questionnaire to measure the feedback of stakeholders on the CSR website to investigate the key issues of stakeholder concern and their level of interest in these issues. A materiality analysis combining the level of impact on business operations was conducted.

Stakeholder Issues and Channels for Communication

Stakeholder	Important Issue to Stakeholder	Communication Channels
Employees	<ul style="list-style-type: none"> Employee-employer relationship Human capital development Labor rights Corporate governance 	<ul style="list-style-type: none"> Delta corporate website Delta E-news Employee Welfare Committee and communication meetings Employee satisfaction survey
Customers	<ul style="list-style-type: none"> Product stewardship Environmental policy / management system Water resources management Corporate governance Green operations Customer relationship management Brand management 	<ul style="list-style-type: none"> Customer satisfaction survey Regular customer review meeting Customer audits Channel partner meetings Delta corporate website Delta CSR website & CSR report Brand News Bi-Monthly
Suppliers	<ul style="list-style-type: none"> Green operation Climate strategy Occupational health and safety Supply chain management 	<ul style="list-style-type: none"> Supplier e-commerce system Supplier training program Supplier audit Delta CSR website
Investors (Shareholders)	<ul style="list-style-type: none"> Corporate governance Risk management Innovation management Codes of conduct Customer relationship management Brand management 	<ul style="list-style-type: none"> Delta corporate website and annual financial report Investor services email Annual shareholder meeting Institutional investors' conference Investor forum Visit to institutional investors Delta CSR website & CSR report
Community	<ul style="list-style-type: none"> Green operation Water resources management Social contribution and philanthropy Environmental policy/Management system Product stewardship Climate strategy 	<ul style="list-style-type: none"> Delta Electronics Foundation official website Volunteer activities Public welfare organizations Delta official website Delta CSR website & CSR report

Dimension	Summary of Major CSR Issues		
Economic	<ul style="list-style-type: none"> Corporate governance Customer relationship management 	<ul style="list-style-type: none"> Codes of conduct Innovation management 	<ul style="list-style-type: none"> Risk management Brand management
Environmental	<ul style="list-style-type: none"> Climate change response (GHG reduction) Green operations (energy/resource management) 	<ul style="list-style-type: none"> Environmental policy/ Management system Product stewardship (green design, environmental impact and information disclosures) 	<ul style="list-style-type: none"> Water resources management
Economic	<ul style="list-style-type: none"> Human-capital development and training Employee-employer relationship and salary/welfare 	<ul style="list-style-type: none"> Social contribution and philanthropy Labor rights 	<ul style="list-style-type: none"> Occupational health and safety Supplier management

Results of Stakeholder Materiality Analysis



The results of stakeholder materiality analysis showed that the six most important issues of stakeholder concern and Delta include: product stewardship (green design, environmental impact and information disclosures), innovation management, brand management, risk management, climate change response (GHG reduction), and green operations (energy/resource management). A detailed description is provided in the following chapters:

Most Important Issues	Detailed Description
Risk Management	Implementation of risk management (p. 29) Active response to climate change (p. 44)
Innovation Management	Perseverance in technical R&D and pursuit of innovation (p. 32)
Brand Management	Enhancing brand value (p. 34)
Product Stewardship	Green products and services (p. 61)
Green Operations	Green operations (p. 47)
Climate Change Response	Active response to climate change (p. 44) Raising climate awareness (p. 81)

CSR Commitment

To Delta, CSR encompasses sound corporate governance, balancing of stakeholder benefits, protecting the Earth's environment, and social contribution. As a global corporate citizen, Delta supports international standards such as the Electronic Industry Code of Conduct (EICC), the Universal Declaration of Human Rights, the International Labor Office Tripartite Declaration of Principles and the OECD Guidelines for Multinational Enterprises. We also place a strong emphasis on corporate governance. Through continued innovation, developing high value-added products and building a work environment where employees can live up to their full potential, we create the maximum benefits for our employees, shareholders and society as a whole. We are committed to the following:

- Maintain sound corporate governance and strictly abide by commercial and ethical standards
- Comply with laws and regulations
- Provide employees with a safe and healthy work environment where they can live up to their full potential in return for reasonable remuneration and benefits
- Support environmental protection and energy conservation education and encourage employees to take part in community activities
- Create company value and enhance shareholder value
- Promote CSR practices throughout Delta's supply chain and work together for better performance
- Develop environmentally-friendly, energy-saving products and implement sound practices to reduce our impact on the environment
- Invest in innovation and research, develop intellectual property rights, and devote ourselves to the progress of human culture and technology, the development of society and the economy, as well as the sustainable development of the Earth and its environment

To realize our mission of “To provide innovative, clean, and energy-efficient solutions for a better tomorrow,” we have formulated the “Delta Corporate Social Responsibility Best Practice Principles” based on the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies” and relative regulations. The principles cover several key aspects including corporate governance, sustainable development, social contribution, information transparency, and more. The principles were approved by the Board.

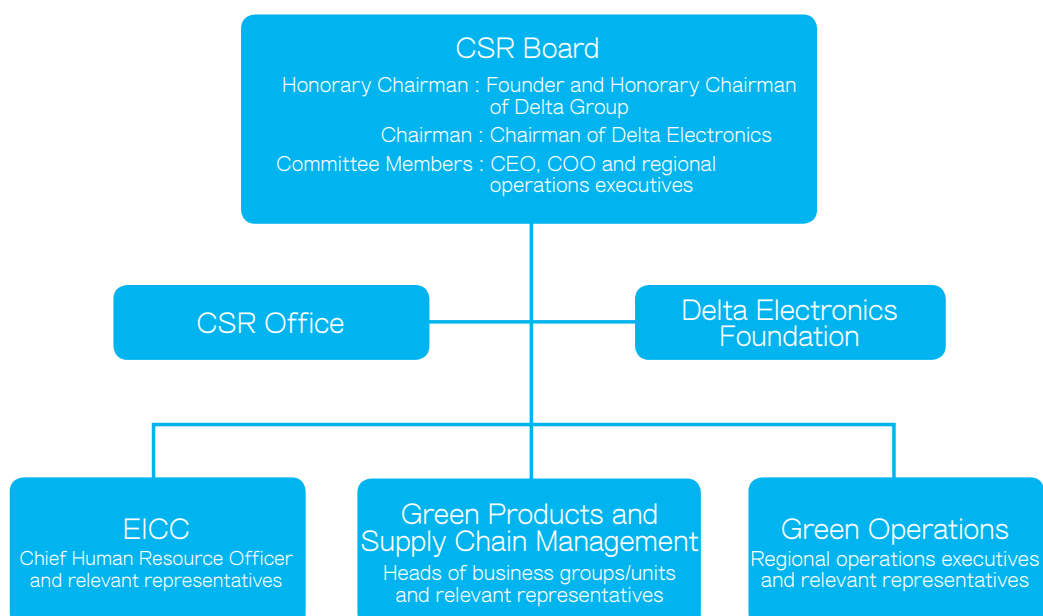
Note 3. Please go to our website to download “Delta Corporate Social Responsibility Best Practice Principles”
<http://www.deltaww.com/ir/governance.aspx?seclD=4&pid=6&tid=0&hl=en-US>

CSR Organization

The top CSR organization within Delta is the CSR Board. Mr. Bruce Cheng, the founder and honorary chairman of Delta Electronics, serves as honorary chairman of the committee, while Chairman Yancey Hai acts as the chairman. The committee is composed of the following members: the CEO, Mr. Ping Cheng; the COO, Mr. Johnson Lee, and the top executives of Thailand and China. It is the responsibility of the board to define Delta's CSR strategies, review the policies set by the functional committees and supervise overall execution. The annual CSR achievements are reported to the Board in the following year.

The CSR Board oversees the advisory organizations and implementation units. The CSR Office serves as the secretariat for analyzing international trends in sustainable development and understanding stakeholder expectations to identify the risks and opportunities for Delta on relevant issues. The office also works with the functional committees to plan response strategies and execute action plans. The other advisory organization is the Delta Electronics Foundation. The foundation is mainly responsible for communicating and interacting with the external community and nonprofit organizations with a particular focus on environmental protection, technological innovation and education promotion. Implementation units are the Electronic Industry Code of Conduct (EICC) Committee, the Green Product and Supply Chain Management Committee and the Green Operations Committee. The three functional committees are made up of heads from the business groups/units, region/site directors and the relevant department directors. The committees have the responsibility for formulating Delta policy, defining indicators, developing tools/ processes and reporting on implementation performance. Under each committee are various working groups, each with their own particular theme. The working groups are responsible for inter-departmental coordination and execution.

The Delta CSR Organizational Structure is shown below:



CSR Indicators

Key indicators for corporate governance	2013	2012	2011	2010
Earnings per share EPS (NTD)	7.32	6.68	4.58	6.69
Brand value (Million USD)*1	137	117	139	-
Ratio of R&D budget to revenues (%)	6.4	6.4	5.9	5.2
Percentage of independent Board members (%)	23	23	18	18
Ranking in information disclosure and transparency for Taiwan listed companies*2	A++	A++	A+	A+

Key indicators for environmental protection	2013	2012	2011	2010
Accumulated Energy Savings of Products (Billion kWh)	11.9	9.3	6.3	3.0
Accumulated Carbon Reductions of Products (Million ton CO ₂ e)	6.4	5.0	3.4	1.6
Reduction rate of electricity intensity of major sites (%)*3	40.4	34.9	30.1	23.7
Reduction rate of carbon intensity of major sites (%)*3	43.8	37.6	32.6	23.8
Energy Savings of Green Offices/Plants (Million kWh)	11.6	7.7	3.9	3.5

Key indicators for environmental protection	2013	2012	2011
Percentage of Female Employees (%)	55	60.2	63.4
Indirect Employee Turnover Rate (%) – Taiwan area	11.7	12.3	11.5
Average Time of Educational Training (hours/person)	30	27	35
Occupational Safety and Health – Frequency of Disabling Injuries (F.R. = Number of disabling injuries x 1000000 / Total working hours)	0.67	0.56	1.38
Occupational Safety and Health – Severity of Disabling Injuries (S.R. = Number of days lost due to disabling injuries x 1000000 / Total working hours)	5.86	6.93	7.04

*1 The value was estimated by Interbrand consulting, Business Next Magazine, Taiwan External Trade Development council, Affairs the Bureau of Foreign Trade, and Ministry.

*2 A+ was the highest ranking before 2012.

*3 Major sites refers to Delta's China plants (Dongguan, Wujiang, Wuhu, Chenzhou, Tianjin), Taiwan plants (Taoyuan Plant 1, Taoyuan Plant 2, Tainan Plant), and Thailand plants.

Corporate Governance

Key Performance

► Market Value

> **4,000** billion
2013

► Group Revenues

7,180 MUSD
2013

► Brand Value

> **137** MUSD
2013

► Group CAGR

> **33.4**%
1971-2013

► R&D Investment Ratio

6.4 %
of global revenue

► Granted Patents

~ **5,500** patents
by 2013

- Named to the DJSI World for three consecutive years.
- Named one of the Top 20 Best Taiwan Global Brands for three consecutive years and the first industrial brand to receive the honor.
- Outstanding Business Award again from CBN China Corporate Social Responsibility Ratings, the first Taiwan-bonded high-tech enterprise to win this award for two consecutive years.
- Named one of the Top 50 Private Enterprises in China for four consecutive years.
- Received A++ in Information Disclosure and Transparency Ranking from the Securities and Futures Institute for two consecutive years; and the eighth year to be rated A or above since 2006.
- Innovative Large Enterprise Award from the ASEAN Outstanding Business Awards (2011 and 2013)
- CNBC Talent Management Award from the Asia Business Leaders Awards: Chairman Yancey Hai
- IR Magazine Awards 2013: Best Sustainability Practice and the Best Investor Relations by a CEO or President
- The Asset Excellence in Management and Corporate Governance Awards 2013.
- 4th "Best Enterprise in Taiwan" from Institutional Investor.
- "Most Promising Company on Corporate Governance" from Corporate Governance Asia.

Board Competency



The Board was elected in 2012 with a total of 13 newly appointed Board directors with a term of three years. The Board now has a total of three independent board directors (a total percentage of 23%). This helps strengthen the independent and multidimensional character of the Board for being capable of providing strategic direction. The “Rules for Director and Supervisor Elections” requires that the appointment of directors take into account the Board's overall composition. The members of the Board are also expected to possess the knowledge, skills and expertise to perform their duties.

Board meetings are convened at least once every quarter to review business performance and discuss important strategy issues (8 meetings were convened in 2013 with a total attendance rate of 94.2%). Key resolutions passed by the Board are published in a timely manner on the Market Observation Post System of the Taiwan Stock Exchange and in the corporate governance section of the Delta website. In addition, the Articles of Incorporation, which includes board meeting regulations and election rules for the directors/supervisors are also provided online for reference⁴. The annual report also discloses compliance with conflict-of-interest rules.

The Board has established functional committees such as the Audit Committee and the Compensation Committee which are composed of independent Board members.

Compensation Committee

The Compensation Committee evaluates the overall compensation policy and the compensation of the company's directors and officers based on the industrial competitive environment, the

Note 4. Please go to our website to download the annual report
<http://www.deltaww.com/ir/annualReport.aspx?secID=4&pid=2&tid=0&hl=en-US>

company's business performance, and benchmark market trends. In 2013, two meetings were convened.

Audit Committee

The Audit Committee reviews financial statements as well as the appointment, independence, and performance of accountants. It also supervises the effective implementation of the internal control mechanism, compliance with relevant laws and regulations as well as the management and control of potential or actual dangers. In 2013, eight meetings were convened.

In addition, the Delta Board and management team jointly form the strategic steering committee to improve organizational effectiveness and for the promotion and implementation of short-, mid-, and long-term strategic planning to enhance business performance. Independent Board members and global executives from different regions also attend the annual strategy meeting to ensure they are familiar with the company's current activities and can provide appropriate advice when necessary.

Implementation of Risk Management

Our company's core activities are R&D, manufacturing and sales. We do not participate in high-risk and highly leveraged investments. The charter of the compensation committee also specifically advises against the committee setting remuneration policies that encourage directors and managers to exceed the company's capacity for risk in search of higher remuneration.

Internal audit system

Delta has also established independent internal audit units to oversee internal controls and complete the annual audit plans. The audit unit executives submit reports on important findings during the audit process to the Board and individual Board members and keep track of actual improvements. In addition, Delta employs an internal audit rotation system to train leadership personnel that possess audit expertise and skills and to spread internal control concepts within the organization.

Risk assessments and management

Detailed risk assessments are carried out by each department based on their own particular field of expertise. Management policies and response plans that reduce, transfer or avoid risks are developed to effectively reduce business risks.

Examples include:

- **Financial risk management**

Strict controls and legal tax planning, credit risk management and financial risk prediction models

are used to reduce risks. Market capital and bank interest rates are also regularly assessed to determine appropriate fund raising strategies. Hedging measures are used to minimize the impact of currency fluctuations on our company.

- **Corporate investment risk management**

The benefits of medium and long-term investments are assessed with strategic targets identified in conjunction with business units. Non-core investments are disposed of as necessary. Re-investments are also assessed, reviewed, supervised and managed to strategically reduce, transfer or avoid risks.

- **Information risk management**

A sound corporate IT management system is used to monitor and protect the safety of the information network. The system also provides the management with fast, effective and transparent business management information to reduce the risk of IT security threats.

- **Legal and intellectual property right risk management**

This is provided by reviewing all contracts, providing internal legal consultations, extending product liability insurance, dealing with legal disputes and lawsuits, helping business units handle patent, trademark and other intellectual property items. Anti-trust training and consultations are also provided to reduce, transfer and avoid risks.

- **Environmental risk management**

Regulatory requirements, current management, internal/external environmental impact and priority of improvements are taken into account when defining management plans and indicators. Regular reviews and assessments are also performed.

- **Safety and health risk management**

Factors such as hazard frequency, employee operating frequency and hazard severity are used to identify the levels of risk. The relevant plant departments are then required to define control measures based on risk severity.

Support of International Corporate Initiatives

Delta advocates the anti-corruption initiative launched by the World Economic Forum (WEF) in 2004 and the formulation of an “Ethical Corporate Management Best Practice Principles”⁵ based on government laws and regulations to establish a business model which is characterized by an ethical business culture and positive commercial operations. It is clearly stated in the code that Board members, managers, and employees are not allowed to directly or indirectly provide, promise, request, or accept any form of improper benefit or engage in other forms of unethical behavior that is illegal or violates integrity or fiduciary obligations in the course of commercial operations to gain or maintain benefits.

Note 5. Please go to our website to download “Ethical Corporate Management Best Practice Principles”
<http://www.deltaww.com/ir/governance.aspx?secID=4&pid=6&tid=0&hl=en-US>

Key provisions in the Delta Code of Conduct include the following:

- Delta employees should not take advantage of their position inside the Company to accept or demand business-related third parties or their relatives to provide services unrelated to Company business
- Delta employees shall not bribe the competent authorities or other government officials by offering, for example, cash, gift coupons, checks, stocks, presents or kickbacks, gratuity or special treatment of value
- Delta employees shall not actively or passively, directly or indirectly accept or solicit cash, gift coupons, checks, stocks, presents or any other kickback, gratuity or special treatment of value (including meals, travel or entertainment) from business-related third parties
- Delta employees should avoid any conflict with Delta's interests
- Delta employees should maintain the security of the company's assets, and are strictly prohibited from improperly or illegally using Delta assets
- Delta employees should protect the company's information, business data, technical materials, trade secrets and other confidential business information
- Delta employees are prohibited from acquiring others' confidential business information in an illegal manner, or infringing others' intellectual property rights
- Delta employees must comply with copyright laws
- Delta employees are prohibited from earning personal gains through insider information
- Delta employees should observe the provisions of the Fair Trade Act and refrain from offering, enticing, entering agreement with competitors, or engaging in concerted action to jointly determine prices, monopolize the market, agree on resale prices, impede others to compete, or undertake bid rigging, and refrain from lessening competition or impeding fair competition by coercion, enticement, or other improper means
- Delta employees should comply with environmental, health and safety regulations, and promote Delta's relevant commitments and policies to stakeholders (such as suppliers)

The Code also governs education, training, complaints and disciplinary action. The Delta Code of Conduct is a core part of human capital orientation training. In addition to the hosting of actual classes and campaigns on a regular basis, digital classes are also provided in Taiwan and China. It is the responsibility of every employee to protect Delta's reputation by maintaining

the highest ethical standards. Any behavior that violates the Code shall be considered as misconduct. We require all employees to follow the contents of the Delta Code of Conduct to safeguard the rights of Delta and all stakeholders. When finding that another Delta employee could be involved in activities that violate the law or the Code, all Delta employees have the obligation to report the matter to the head of the unit the employee belongs to, head of the audit department, head of the human resources department or head of the legal department, or a local employee communication channel, such as the general manager mailbox. If an employee is reported or found during routine audits as having potentially violated the Code of Conduct, auditors will immediately gather evidence and conduct an in-depth investigation to determine if illegal behavior has occurred. An internal report is then produced and the necessary action taken by the relevant departments. If necessary, the relevant procedures and employee permissions are also revised to prevent any future reoccurrence. The Delta Audit Department also schedules audit plans on an annual basis to actively inspect the operational procedures in every plant and prevent the occurrence of violations of the Code of Conduct by adding OS control points⁶.

Every Delta employee is personally responsible for the maintenance of the company's reputation according to the highest moral standards. Violations of this code are regarded as inappropriate behavior which will be penalized according to the relevant company regulations and handled according to local laws. All employees are requested to observe those norms and regulations to guarantee the rights and benefits of Delta and all involved parties. In addition, Delta has formulated the "Management Procedures for Handling Charitable Donations or Sponsorships" to regulate donations and financial contributions by the company and guarantee greater transparency of such activities.

Perseverance in Technical R&D and Pursuit of Innovation

Delta reinvests at least 5% of its revenues in R&D and innovation on an annual basis. In 2013, about 6% of the company's global revenues were invested in R&D. Delta currently operates 55 R&D centers with a total of over 7,000 R&D engineers.

Delta relies on a multidimensional incentive system to encourage individuals and the whole team to pursue innovation. For instance:

- Since the establishment of the Delta Innovation Award in 2008, 29 winners have been honored in the categories of technology and product design, process innovation, and new business models and more than 30 million NTD in prize money has been awarded. A total of four teams received this honor in 2013.
- An IP incentive scheme has been established and all business units have received assistance in the compilation of intellectual property right risk maps. More than 11,000 patent applications have been submitted and roughly 5,500 patent certificates have been awarded.

Note 6. For actual implementation of preventing violation of the Code of Conduct, please refer to Page 32 of Delta Electronics' 2013 Annual Report.

7. Please go to the corporate governance section of our website to download <http://www.deltaww.com/ir/governance.aspx?seclD=4&pid=6&tid=0&hl=en-US>

- Delta has also established an incentive system for process improvement projects in all manufacturing sites such as the “Idea Bank” platform at Delta’s Wujiang Plant in China. This platform encourages frontline personnel to suggest innovations and feasible improvement measures in the field of process improvement, enhancement of energy efficiency, process automation, energy conservation, and work environment improvement to increase overall productivity.
- Global technology workshops are organized on a regular basis. Technology Advisory Board (TAB) Meetings are attended by the Delta executive team, individual business units, and involved enterprises to provide guidance for R&D engineers in the absorption of new ideas and the broadening of horizons as well as the provision of a new stimulus for R&D and the creation of new business opportunities through horizontal exchanges.



Four award-winning teams of the 2013 Delta Innovation Award Contest and the executive team

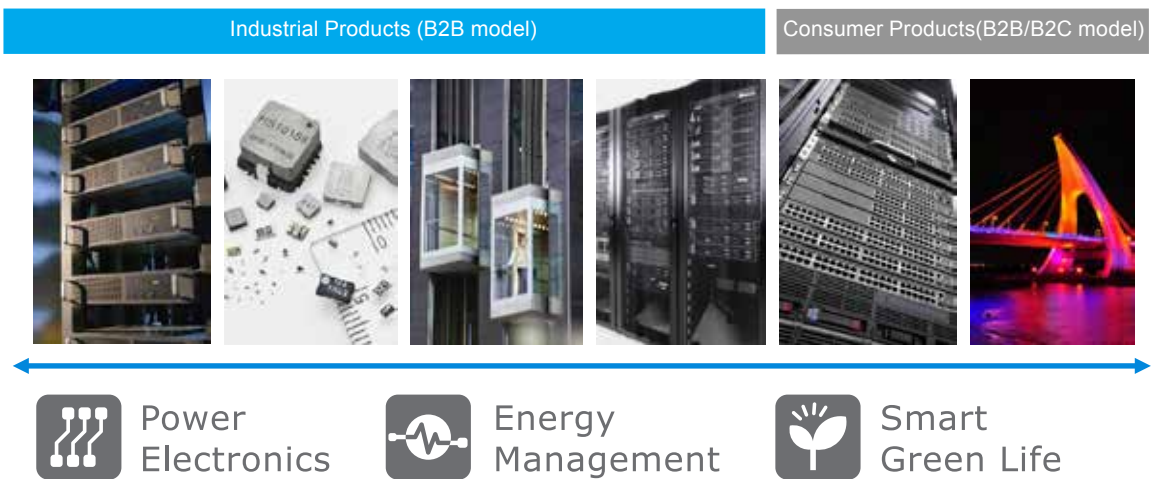
Delta has made a long-term commitment to the innovative development of eco-friendly products and solutions. In 2013, Delta received the 2013 ASEAN Business Award in Innovation Category for Large Company. For product design, Delta has received 59 national and international awards between 2010 and 2013 such as the iF, reddot, and CES innovative product awards, the Computex Best Choice Award, the Taiwan Excellence Award, and the Taiwan Golden Pin Design Award.

How to sustain the company's future growth is an important topic for Delta. We have studied the practices of international 100-year old enterprises and introduced the New Business Development (NBD) scheme. The NBD management framework ensures that new business targets are matched to growth strategy, to promote inter-business unit integration and cooperation, and to establish key performance indicators (KPI) for new businesses and a budget measurement mechanism.

We regularly review the development of each new business. Portfolio management for new businesses is also practiced to optimize the allocation of resources. At the same time, we are hosting NBD-themed training courses in different locations to familiarize employees with the relevant schemes.

Enhancing Brand Value

In 2010 Delta established the Brand Management Office to operate the company’s brand management platform and communications. Over the past forty years, Delta has focused on providing key accounts with engineering and construction services and has established a sound reputation and excellent brand image in the industry. By extending its core capabilities in power electronics, Delta is on its way to becoming a provider of integrated systems and total solutions with its scope of business falling into three major categories: power electronics, energy management, and smart green life.



Our three business categories cover B2B and B2C, and our customers include key accounts, channel partners, system integrators, end users, and consumers. To fulfill the need for multidimensional external communications, the Brand Management Office has gradually built the brand management platform and strengthened the principles and content of external communications, hoping to shape a globally consistent brand image for Delta.

Brand External Communication

From 2010 to 2012, Delta gradually completed a number of milestones, including global brand recognition surveys, an external communication framework, a corporate identity system update, a global website update, and more. In 2013, it launched the “Smarter. Greener. Together.” branding campaign to communicate with global customers and channel partners at the world’s largest industry fair, Hannover Messe, to spread Delta’s brand positioning and brand promise to the global market.

In the external communications for industrial products, Delta has combined group resources to provide 360° communications at international industry fairs, such as Hannover Messe and the China International Industry Fair, using large-scale outdoor advertisements, event publications and international press conferences to maximize the effectiveness of communications.



International press conference held at Hannover Messe

In the external communications for consumer products, the Brand Management Office completed its Brand Management Guidelines for consumer products in 2013. For its Innergie brand of portable power supply solutions and Vivitek brand of projectors, Delta adopted an endorsed branding strategy for both brands with “A brand of Delta” to leverage Delta’s image for technology innovation and good quality, and enhance confidence of channel partners in their cooperation with Delta. In the international tradeshow, Delta visual integrated the key images of Vivitek and Innergie with its booth design for visitors to easily associate Vivitek and Innergie with Delta at the entrance.

Brand Internal Communications

The main goal of brand internal communication is to help each employee understand Delta's brand development, and become a brand ambassador. In 2012, we began to publish our Brand News Bi-Monthly to build a consensus on the Delta brand within the organization and to share Delta's branding practices in different parts of the world with employees. Brand News Bi-Monthly has become the major communication platform for employees in different countries to understand Delta's business development. By 2014, fifteen issues have been published.



Brand education/training



Brand News Bi-Monthly

Smarter. Greener. Together.

Delta has been recognized as Taiwan Top 20 Global Brands by Interbrand Consulting for three consecutive years for outstanding performance in external communication, brand management, and brand clarity. Together with strong financial performance and branding strategies, Delta's brand value increased by 17% in 2013.

“Smarter. Greener. Together.” is Delta's commitment to all stakeholders. We firmly believe in the importance of environmental protection and energy saving. To realize this belief, every employee works toward the same goals. Through continuous technology innovation, we improve energy management and use of power supply modules, products, and systems. Through close cooperation with customers, we create a smarter and greener future together.

Excellent Information Transparency and Communication with Shareholders



Delta organizes an institutional investors' conference every quarter to share information with investors.

Even before relevant laws came into effect, Delta took the lead in publicly issuing a semiannual consolidated financial statement with 3rd party verification. The chairman's statement, annual report, financial statements, corporate governance regulations, stock price and stock dividend information, and corporate information meeting contents are all available for download from the Delta website. We have also included the organizational charters of relevant committees. All announcements for the Taiwan Stock Exchange are completed in a timely manner. Our efforts and results in information disclosure have received wide recognition from investors and relevant organizations. Since 2006, Delta has received an A rating or above for information disclosure of listed companies in Taiwan for eight consecutive years from Taiwan's Securities and Futures Institute. In 2012 and 2013, Delta was honored with an A++ rating, the highest rating of the system.

Delta hosts institutional investor conferences on a regular basis where we announce and explain each quarter's consolidated financial data, business performance and future plans. The institutional investor conferences are also webcast live in both Chinese and English to give overseas investors a chance to obtain real-time information.

As foreign investors hold the greater part of all Delta shares, communicating with foreign investors is especially important to us. We participate in a wide range of investor forums each year and visit foreign shareholders directly in Asia, Europe and the United States. Apart from providing them with updates on the company's operations, we also welcome constructive

feedback on our operations, finances and governance. At the same time, Delta welcomes visits from local and foreign investors, and we also arrange visits to our major manufacturing sites. In 2013, Delta attended 10 externally organized investor forums and more than 300 road shows.

Individual investors are just as important to us as institutional investors. Delta is an industry leader in the adoption of voting by poll for different proposals during shareholder meetings to give individual investors a chance to participate in corporate decisions. Information about the voting process and results is publicly disclosed in a real-time manner. We also actively respond to questions and suggestions raised by shareholders at the annual shareholder meeting. Additionally, we provide service hotlines and mailboxes and assign professional staff to provide detailed responses to shareholder questions.

In the past few years, key international institutional investors have begun looking beyond financial statements and at sustainable development strategies, potential risks, and opportunities. Delta actively participates in international sustainability assessment programs, such as the Dow Jones Sustainability Index (DJSI) and the Carbon Disclosure Project (CDP), to create a communication channel with investment groups and allow the benchmarking of the best international corporate practices in the field of sustainable operations. This helps to strengthen our competitive edge in the field of sustainable operations.

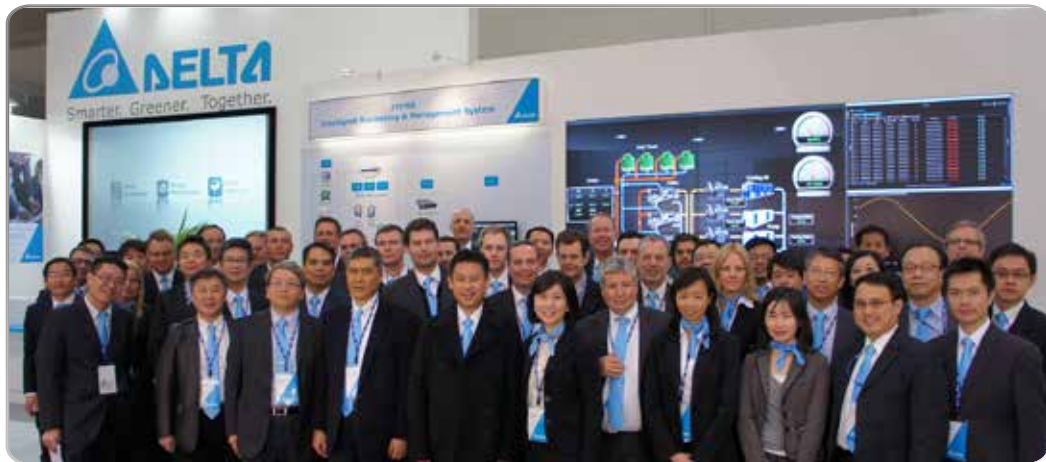


Delta's shareholder meetings adopt voting by poll.



Delta hosts quarterly institutional investor conference.

Exceeding Customer Expectations



With Delta's core competencies in power electronics, thermal management, and datacenter infrastructure, global brand companies collaborate with Delta to jointly develop new-generation energy-efficient products. For instance, Delta assisted Dell in the development of the world's first server power supply to achieve 80 Plus Titanium energy efficiency, which is greater than 96%. Delta also developed a 227V power supply with an energy efficiency of 94.5% while participating in the Facebook Open Compute Project. To interact with customers and promote its new innovative technologies, Delta actively participates in major international tradeshows such as Hannover Messe, the China International Industry Fair (CIIF), the Consumer Electronics Show (CES), Computex, and Centrum für Büroautomation, Informationstechnologie und Telekommunikation (CeBIT).

Delta has a competitive edge in renewable energy and energy-efficient products and systems when developing business opportunities in energy conservation and carbon reduction. Delta installed EV charging stations for Sun-Moon Lake, a well-known tourist attraction in central Taiwan. For the energy management of buildings, we are working with our customers to help reduce energy consumption of their buildings. In addition, Delta provides the arts and culture industry with high-end visualization solutions and high-definition projection technologies to support unlimited creativity. For example, In Taiwan, Delta delivered outdoor projection in Tainan City, and LED lighting sculptures for the National Center for Traditional Arts in Yilan and the National Museum of Natural Science in Taichung.

To fulfill our commitment to customers, Delta studies their needs, working environments, and practices to identify opportunities for improvement and to propose best solutions. End-customer relations management at Delta emphasizes listening to our customers. Apart from

conducting large-scale customer surveys, we also commission consultants to conduct end-customer satisfaction surveys, focus groups interviews, individual interviews, and online surveys. The in-depth understanding of customer requirements and expectations serve as the basis for improving technical R&D, system design, and solutions concepts. By accepting the results of our customers' quarterly business reviews (QBR), we strive to provide total solutions that exceed customer expectations, and look for opportunities to develop new products and services.

Delta provides multidimensional communication channels for customers such as the Delta website, service hotlines, and E-mail. Business units have established mechanisms for the timely handling of customer feedback or quality issues. Contact through the Delta website as well as sales personnel ensure that these problems are quickly addressed. For example, Delta Greentech, a subsidiary of the Delta Group has established 48 branches and service points in China. Technical support personnel can respond to customer questions within two hours and provide the required services within 48 hours.

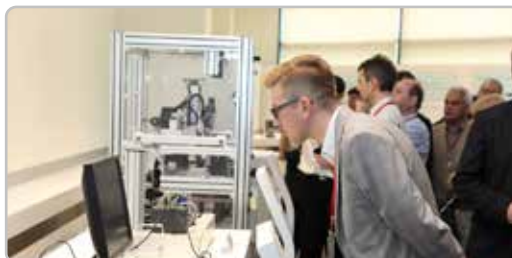
Delta's customer service knowledge platforms compile product technology data, engineering opinions, incident analysis, and maintenance experience as a reference basis for service personnel. Delta has established ERP customer relationship management systems in developing areas with great market potential such as China and India. Customer demands are predicted and customer expectations are exceeded through efficient and high-quality interactions. Once the



2013 Europe, Middle East, and Africa Partner Event



Delta presented Collaboration Excellence Awards to our channel partners



Delta's channel partners visit our plants

implementation of these systems is complete, we will integrate more than 30,000 customer data entries and marketing resources to achieve even better results in customer service.

Our channel partners around the world provide us with access to global markets. For example, there are roughly 600 authorized partners in five continents for our automated industrial products. These partners assist Delta by providing customer service such as business inquiries, product installation, technical support, and product training, and convey our brand value and corporate mission. Delta organizes activities with channel partners on a regular basis in India, North America, South America, China, and Europe to share information about general market trends, product planning, and the enhancement of after-sales services.

Cooperation with Suppliers

Our thousands of suppliers around the world are Delta's business partners, and they are essential to our efforts in addressing environment-related substances in products, supplier management of corporate governance risks, environmental risks and social risks as well as issues such as carbon footprint/energy-saving, conflict minerals/metals and water footprint. Delta and its suppliers currently continue cooperation regarding the following environmental and social issues:

Green supply chain issues	Implementation and practice	Important results
Management of environment-related substances	<ul style="list-style-type: none"> Delta's major plants have adopted QC 080000 and Green Product Management (GPM) Systems to manage materials based on risk levels Suppliers provide test reports and guarantees for materials regarding compliance with the latest hazardous substance regulations 	<ul style="list-style-type: none"> Delta was awarded the first overseas SONY Green Partner Certification back in 2000 and has adopted low-halogen materials Delta employs the GPM platform to provide suppliers with educational training or updated information regarding norms and regulations
Supplier corporate governance and management of environmental and social risks (including EICC)	<ul style="list-style-type: none"> Delta adopts risk map tools to identify governance, environmental, and social risks in the supply chain and reviews and supervises selected key suppliers and components. The company also incorporates related requirements in the quarterly QBR Implementation of training for contractors in EHS and supervision of operational safety of individual manufacturers to avoid dangers to the staff and the environment due to improper operations 	<ul style="list-style-type: none"> Review and supervision of selected key suppliers on an annual basis as well as tracking of improvements implemented by suppliers By the end of 2013, 56% of Delta suppliers had already signed the EICC declaration From 2011 to 2013, there was only one case of a disabling injury reported by contractors at major sites

Management of energy conservation and carbon reduction / Carbon footprint	<ul style="list-style-type: none"> • Delta cooperated with TCSF to strengthen the carbon management capability of the supply chain • Delta adopts a low-carbon purchase policy which gives priority to local suppliers except for key components • Local hubs are established in cooperation with suppliers of mechanical parts and reusable transport containers are employed • Cooperation with key forwarders to adopt green transport methods such as optimization of transport costs, combined shipments, packaging design, loading methods, and optimal transport routes 	<ul style="list-style-type: none"> • Greenhouse gas inventories were completed for a total of 50 Taiwanese suppliers in 2011 (18 Delta suppliers) • About 77% of all Delta suppliers were located in China, our major manufacturing base, in 2013 • For power management products, roughly 68% of all suppliers of mechanical parts employ reusable containers • Compared to 2012, the implementation of green logistics methods for air transport in 2013 resulted in a savings of about 17%
Water resource management/Water footprint	<ul style="list-style-type: none"> • Delta employs the Global Water Tool developed by the WBCSD and helps suppliers identify whether plants are located in water-stressed areas and enables early response to water shortage risks 	<ul style="list-style-type: none"> • In the field of power management products, Delta assisted 162 key suppliers in the completion of relevant assessments between 2011 and 2012
Conflict metal	<ul style="list-style-type: none"> • Delta adopts a policy regarding the non-use of conflict metals • Suppliers sign a survey form regarding the origin of metals and a declaration regarding the non-use of conflict metals and provide assistance in tracking down the origin of metal substances contained in materials 	<ul style="list-style-type: none"> • Delta assists major clients investigate the use of conflict metals in the supply chain and employs the EICC / GeSI standard format to compile the investigation results • Delta is in continued negotiations with key suppliers regarding increased EICC audits for smelters

As for the selection strategy of suppliers, under the conditions of good technology, quality and CSR performance, the local suppliers for Delta production lines have an advantage in delivery time and cooperation.

Dedication to Energy Saving and Environmental Protection

Key performance

- Electricity Savings
for Customers

~ **11.9** Billion kWh
2010-2013

- Electricity Reduction
of Major Sites

~ **47** Million kWh
Compared to 2009

- Electricity Savings
of Green Buildings/Factories

> **11** Million kWh
2013

- Electricity Intensity
Reduction of Major Sites

> **40** %
Compared to 2009

- Carbon Intensity
Reduction of Major Sites

~ **43.8** %
Compared to 2009

- Green Power
Generation of Major Sites

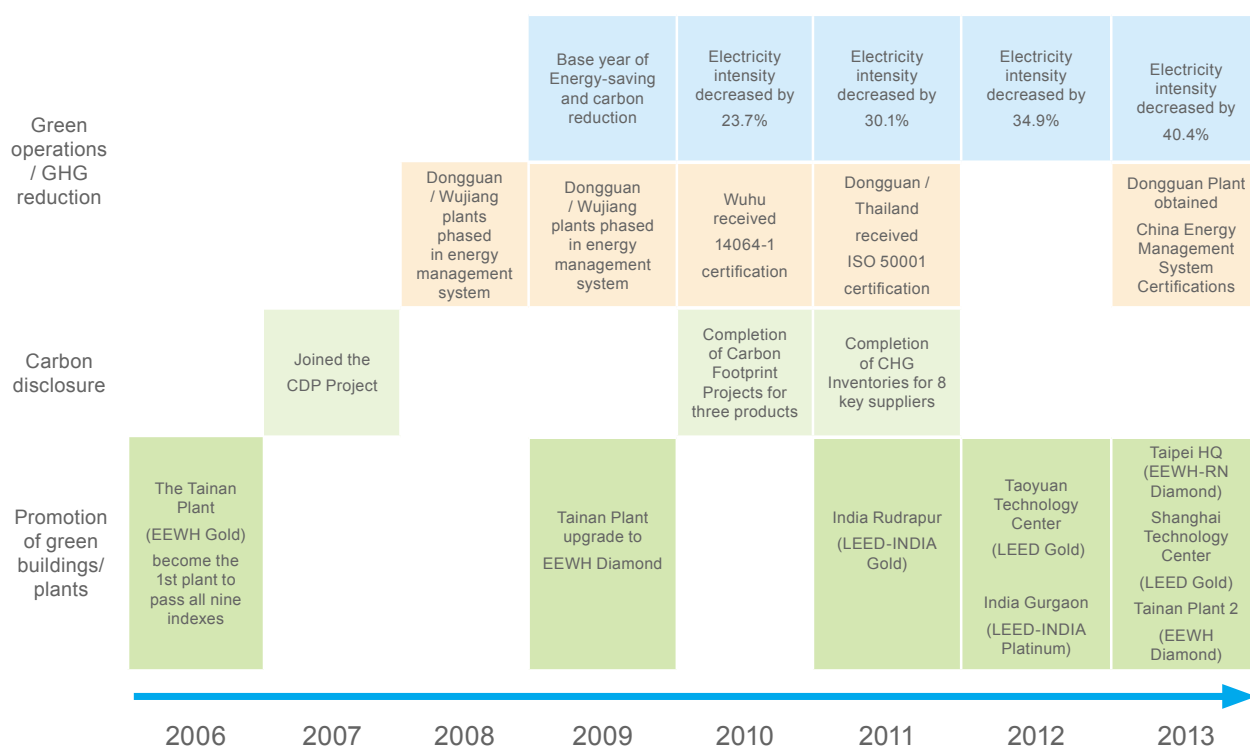
~ **5.2** Million kWh
2013

- Enhancing energy efficiency of products
 - Telecommunication power supplies achieve 97.3% efficiency
 - PV inverters achieve 98.5% efficiency
 - DC-DC converter achieves 94% efficiency
- Eco-labels
 - 14 models of ventilation fans certified for ENERGY STAR Most Efficient products.
 - 188 power supply products passed 80 PLUS certification.
 - 23 products passed the Taiwan Energy Label.
- Certified Green Buildings in 2013
 - Tainan Plant Phase II passed EEWH diamond certification.
 - Shanghai R&D Center passed LEED Gold certification.
 - Taoyuan Technology Center and Tainan Plant Phase II won the "2013 Excellent Green Building Award".
 - The Taipei headquarters passed "Diamond" EEWH-RN green building certification.
- Wujiang Plants in China were rated as 4-star factories under the Energy-Efficiency Star of the National Energy Conservation Center.
- Taoyuan Technology Center was honored with the Carbon Emission Reduction Mark by the Environmental Protection Administration and was honored with the Outstanding Performance in Energy Saving and Carbon Emission Reduction Award by Taoyuan County.

Active Response to Climate Change

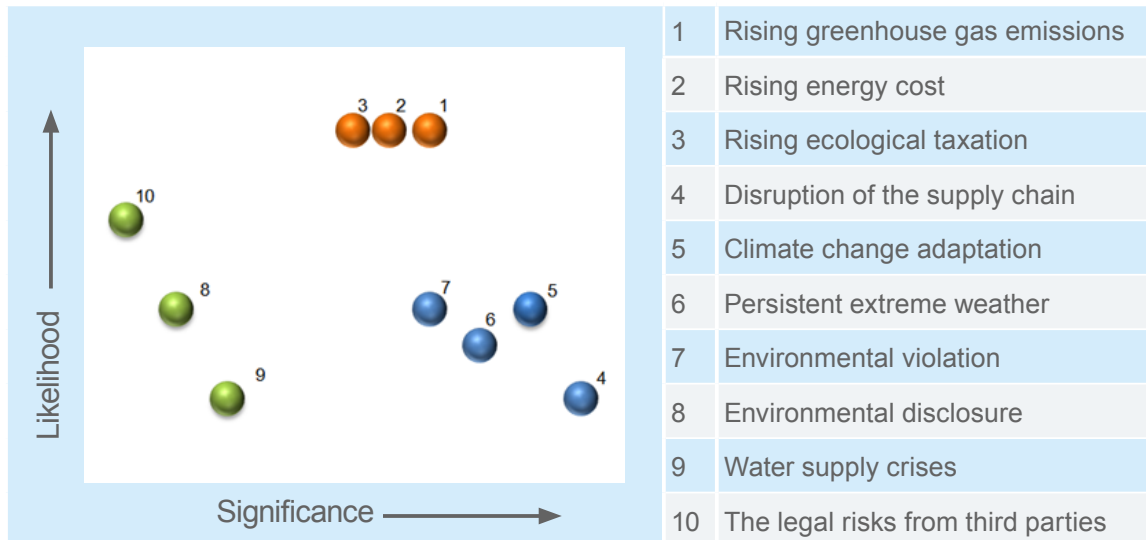
Climate Change Management

Delta has included climate change among its major risks for sustainable operations. Besides a deep concern for the latest trends in global climate change and an analysis of operational risks, Delta takes active measures in key aspects of green operations/GHG reduction, carbon disclosure, and the promotion of green buildings/factories. At the same time, Delta accumulates and expands R&D capacities based on climate change opportunities and continues to develop green energy/energy saving products and solutions as it pursues an active transformation of the company into a provider of green, energy-efficient solutions. Over the years, Delta has accomplished the following key achievements in the field of climate change management:



Climate Change Risk Analysis

Delta employed Risk Maps to identify a total of 10 risks that are caused by climate change as well as actively manage rising energy costs (such as electricity costs), increasing greenhouse gas emissions, and ecological taxes (such as energy taxes and carbon taxes). The company also continues to conduct energy management in all major sites to improve energy efficiency, and to implement a low carbon purchase and transportation policy.



Carbon Disclosure

In 2007, Delta began taking part in the Carbon Disclosure Project (CDP) set up by leading international institutional investors in 2003 and inventorying direct GHG emissions (scope 1) and indirect GHG emissions (scope 2) of major sites in accordance with the “Greenhouse Gas Protocol” (GHG Protocol) issued by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Since 2009, Delta's major sites have progressively achieved ISO 14064-1 GHG report verification. In 2010, Delta selected notebook adaptors, DC fans, and PV inverter products for product carbon footprint inventory.

To effectively manage the GHG emissions of major sites⁸, we defined GHG intensity (tons of carbon dioxide equivalent/US\$1 million output value) as our GHG management indicator and set 2009 as the baseline year for energy-saving and carbon reduction. In 2013, direct GHG emissions from our major sites were 13,016 tons CO₂e, and indirect GHG emissions were 249,247 tons CO₂e⁹. GHG intensity was 41.4, a 43.8% reduction compared to 2009.

In addition, we began cutting back on unnecessary business flights in 2010 and recording the mileage of employee business flights to estimate their GHG emissions (scope 3). In Taiwan for example, Delta employees' business flights in 2013 produced 2,947 tons CO₂e GHG emissions, a reduction of 21% compared to 2010.

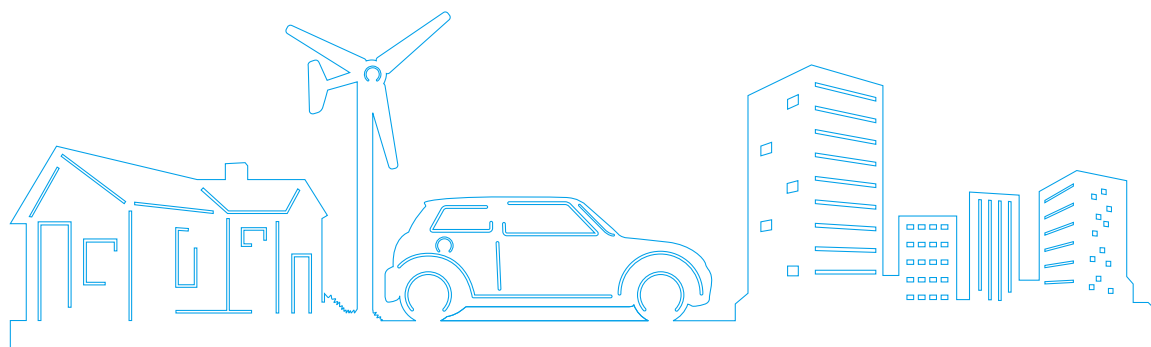
Note 8. Taiwan's CO₂ emission coefficient of electricity was modified in 2012

9. Scope 1 and scope 2 covers Delta's China plants (Dongguan, Wujiang, Wuhu, Chenzhou, Tianjin), Taiwan plants (Taoyuan Plant 1, Taoyuan Plant 2, Tainan Plant), and Thailand plants. Scope 3 covers business flights by employees of Delta Electronics from Taiwan.

Climate Change Opportunities

Environmental consciousness has been on the rise worldwide in the 21st century and energy-saving and carbon reduction has already turned into a globally agreed upon response to the problem of climate change. Delta not only shows concern for climate change trends and closely monitors and manages the risks associated with climate change, but has also identified the opportunities and sustainable development strategies shown in the table below :

Opportunities to slow down climate change	Sustainable business strategies
Develop Clean Energy	<ul style="list-style-type: none"> • Our main development strategies in this field include PV systems, wind power systems, and energy storage technology • In the field of transportation, we are firmly convinced that the solution of the problem of energy waste by modern transportation tools represents a great business opportunity. Electric vehicles will turn into a mainstream trend. Delta has therefore developed a series of electric vehicles and recharge stations.
Enhance Energy Efficiency	<ul style="list-style-type: none"> • In view of exploding energy costs, Delta continues to focus on a constant improvement of the efficiency of power supply products, and actively develops key components and chargers for electric vehicles.
Provide Energy-saving Services and Solutions	<ul style="list-style-type: none"> • Our business can be divided into three major application areas: power electronics, energy management and smart green life. The company is moving toward a provider of green energy-efficient solutions • We continue to apply and demonstrate our green energy-saving solutions, such as energy monitoring systems, at our business sites around the world.



Green Operations

Environmental Data

The total inputs (energy, water resources, materials) and total outputs (greenhouse gases, air pollutants, waste, wastewater) of our major sites¹⁰ around the world over the past four years are presented in the table below :

Type	Category	Item	2013	2012	2011	2010	2009
Input	Energy (MWh)	Purchased electricity ^{*1}	313,712	331,275 (331,256)	362,080 (360,225)	377,650 (373,742)	360,498 (358,081)
		Purchased steam	931	982	1,211	1,074	356
		Natural gas	19.3	18.7	19.2	13.4	9.8
		Diesel	4.1	4.8	10.6	8.7	7.1
		Gasoline	2.3	2.3	2.4	2.7	2.7
		Liquid petroleum gas	0.0017	0.004	0.003	0.045	0.218
	Renewable Energy(MWh)	Solar energy	5,213	51	55.6	47.2	44.3
	Water (Mm ³)	Municipal water	3.87	4.34	4.80	5.07	4.63
	Materials (ton)	Metals	145,524	141,623	136,348	134,788	113,723
		Packaging materials	51,017	44,016	43,614	42,898	36,283
		Plastics	30,948	29,460	31,984	28,904	22,841
		Chemicals	1,853	3,117	2,013	2,149	1,779
		Other materials	982	2,483	3,846	5,095	3,359
Output	Greenhouse Gases (ton CO ₂ e)	Direct emissions ^{*2}	13,036	13,091 (13,014)	16,256 (16,138)	13,773 (13,974)	11,751 (11,799)
		Indirect emissions ^{*3}	249,247	268,320 (264,349)	293,547 (299,184)	320,912 (318,598)	307,867 (306,555)
		Business flight	2,947	2,991	3,500	3,757	-
	Wastewater	Municipal wastewater (Mm ³)	3.05	3.46	4.03	4.07	3.70
		Process wastewater (m ³)	302	265	294	169 (only Taiwan)	644 (only Taiwan)
	Waste (ton)	General waste	8,183	7,384	8,214	8,945	7,735
		Hazardous waste	1,890	1,839	2,094	1,708	1,295
		Recyclable waste	23,547	22,097	26,609	24,739	17,135
	Air pollutants (ton)	Volatile organic compounds (VOC)	12.4	12.9	17.9	11.1	15.3

*1. Subsidiaries such as DNI and Delbio are included in the scope of purchased electricity. The numbers in parentheses are the numbers in the previous scope.

*2. GWP coefficients are changed to the ones in AR4. The numbers in parentheses are based on the previous coefficients.

*3. Taiwan's CO₂ emission coefficient of electricity was modified in 2012. The numbers in parentheses are based on the old coefficients.

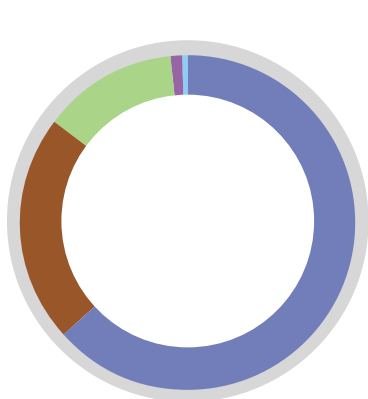
Note 10. Major sites refers to Delta's China plants (Dongguan, Wujiang, Wuhu, Chenzhou, Tianjin), Taiwan plants (Taoyuan Plant 1, Taoyuan Plant 2, Tainan Plant), and Thailand plants. For business flights, only the GHG emissions by employees of Delta Electronics from Taiwan were assessed.

Energy Management

Energy used by Delta at our major sites around the world include fossil fuels, externally purchased steam, and externally purchased electricity.

1.Fossil Fuels

Fossil fuels were mainly used by plant generators, forklifts, official vehicles, and boilers in living areas, (including employee dormitories and cafeterias). When sorted by heat value (million kcals), the percentages for each fuel type between 2009 and 2013 were shown in the table below. Over the years certain changes have been implemented in the use of fossil fuels. One of the main changes was the gradual conversion of the boilers in the living areas from burning LPG or diesel to natural gas, which is more eco-friendly. The diesel consumed by plant generators has been reduced as well. Compared to 2012, diesel has been reduced slightly (please see page 50).



	2013	2012	2011	2010	2009
■ Natural Gas	75.1%	72.3%	59.7%	54.1%	49.4%
■ Diesel oil	16.1%	18.6%	33.0%	35.0%	36.0%
■ Gasoline	8.8%	9.1%	7.4%	10.8%	13.5%
■ Liquid petroleum gas	0.006%	0.017%	0.008%	0.180%	1.0101%
■ Heavy oil	0.000%	0.002%	0.096%	0.000%	0.000%

2. Externally Purchased Steam

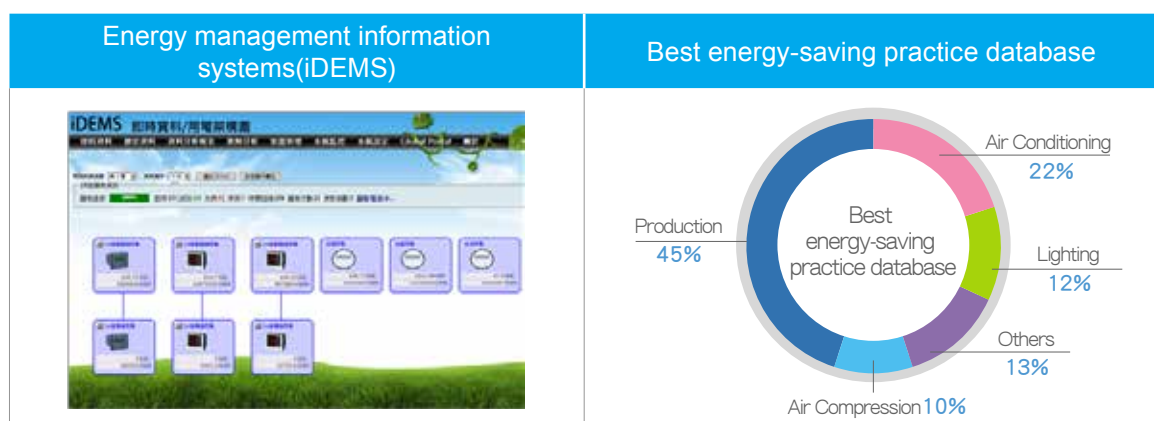
Among the main sites, only Tianjin in China purchases steam to provide hot water to the employee dormitory and warm environment air to the plant. Starting in 2010, the Tianjin plant collaborated with the local government to convert the steam supply system to a parallel solar and steam system. Excess rooms were also rented to other local workers. Compared to 2012, the purchased steam has been reduced slightly.

3. Purchased Electricity

The manufacturing process at Delta's major sites consists mainly of system assembly, and externally purchased electricity is the largest source of GHG emissions (95%). The main energy management indicator was set as electricity intensity (MWh of electricity consumption /MUSD of output value) to facilitate effective energy management. We have also designated a competitive five year goal of lowering electricity intensity by 50% in the hopes of further enhancing efficiency in our use of electricity.

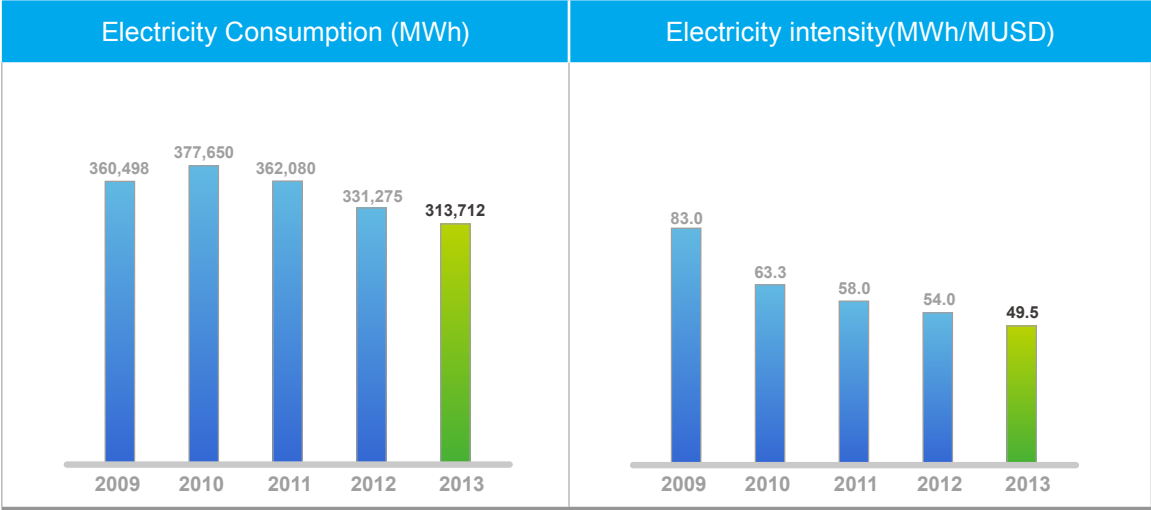
Starting in 2010, Delta follows the ISO 50001 energy management system as a blueprint to gradually introduce the energy management system to our main sites in China, Thailand and Taiwan. In 2011, a trans-regional energy management committee was set up to implement a Plan-Do-Check-Action (PDCA) management mechanism that integrates energy management with routine operations. In July, 2011, Delta's Dongguan plant in China became the first power and component electronics enterprise in the world to pass the ISO 50001 Conformity Evaluation. The Thailand plant passed the same evaluation in September, 2011, as well, making it the first company in Thailand to do so. In addition, to align with the regional or national energy management standard, Delta's Dongguan plant obtained China energy management standard certification- GB/T23331-2012 (ISO 50001:2011). In addition, The Wujiangs plant were honored as China "Energy-Efficiency Star – 4 Star Ratings."

We also began introducing the energy management information system (iDEMS) developed in-house by the Delta Group and integrated with digital metering technology at our main sites in China, Thailand and Taiwan. The real-time monitoring and analysis functions provided by the system helped identify more opportunities for energy saving and carbon reduction. The iDEMS was adopted by 87% of our China plants. To spread sound energy-saving practices, we also set up an energy-saving technology work team in 2011 that worked with external expert consultants, experts from Delta's R&D center, and that drew on the practical experience of plant based energy-saving teams. The team worked to select energy-saving projects with shorter payoff times and better energy-saving results to set up a database of the best energy-saving practices. From 2011 to 2013, a total of 40 best energy-saving practices were compiled from various plants.



The energy-saving technology work team also conducted energy-use diagnosis for our major plants to identify potential energy-saving opportunities. For example, in Dongguan plant No.7, after comprehensive energy consumption analysis the team has established seven energy-saving techniques for tuning, three energy management practices, and six energy-saving retrofitting projects. The result showed that the electricity intensity of the plant was reduced by 23.7%. The team will conduct the energy-use diagnosis at other plants to achieve the goal of lowering electricity intensity by 50%.

Compared to 2009, electricity consumption of Delta's major sites around the world decreased by 47 million kWh, while the electricity intensity dropped by 40% in 2013.



From 2011 to 2013, our main sites continued to implement energy-saving initiatives in seven key energy-saving areas: heating, ventilation, and air conditioning (HVAC) systems, air compressor systems, injection molding machines, lighting systems, burn-in energy recovery, process improvements and others as shown in the table below. The energy-saving practices implemented in 2013 were resulted in electricity savings of 27,408 MWh and a reduction of GHG emissions by about 21,882 tons of CO₂e.

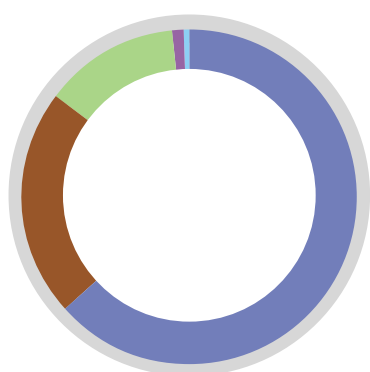
Dedication to Energy Saving and Environmental Protection

Energy Saving Topic	Items	2013	2012	2011
HVAC	Cases	31	36	20
	Annual electricity savings (MWh)	3,390	5,166	4,530
	Annual carbon reduction (CO ₂ e ton)	2,539	4,626	3,911
Air Compression	Cases	12	17	13
	Annual electricity savings (MWh)	1,408	1,520	1,690
	Annual carbon reduction (CO ₂ e ton)	1,091	1,332	1,437
Injection Molding Machine	Cases	6	4	7
	Annual electricity savings (MWh)	2,384	2,705	8,650
	Annual carbon reduction (CO ₂ e ton)	1,818	2,352	7,844
Lighting System	Cases	15	15	17
	Annual electricity savings (MWh)	643	1,013	7,480
	Annual carbon reduction (CO ₂ e ton)	374	743	6,522
Burn-in Recovery System	Cases	7	10	15
	Annual electricity savings (MWh)	3,649	7,662	13,410
	Annual carbon reduction (CO ₂ e ton)	2,548	4,810	12,060
Process Improvement	Cases	31	38	29
	Annual electricity savings (MWh)	3,426	1,890	3,380
	Annual carbon reduction (CO ₂ e ton)	2,335	1,450	3,048
Others	Cases	16	12	34
	Annual electricity savings (MWh)	12,509	1,434	3,270
	Annual carbon reduction (CO ₂ e ton)	11,178	996	3,086
Total	Cases	118	132	135
	Annual electricity savings (MWh)	27,408	21,390	42,400
	Annual carbon reduction (CO ₂ e ton)	21,882	16,310	37,908

Material Management

The main materials used by Delta include: 1. metal (iron, steel, aluminum, copper and others); 2. plastic (used for casings, insulation, and sockets); 3. chemicals (mainly organic solvents including thinners, cleaners, and fluxes); 4. packaging or buffer packaging materials (paper/cardboard, cartons, paper pallets, filling materials, and timber); and 5. other materials (epoxy resin used for bonding electronic materials, and insulation, and asphalt used in electronic ballasts). No substances harmful to the ozone layer are used during our production processes.

While sorted by purchased amounts (tons), the percentages of each material used between 2009 and 2013 are shown in the table below. The amount of metals and chemicals has slightly increased, and the other materials have slightly decreased. Generally speaking, the percentages for each material have remained more or less constant over the years.

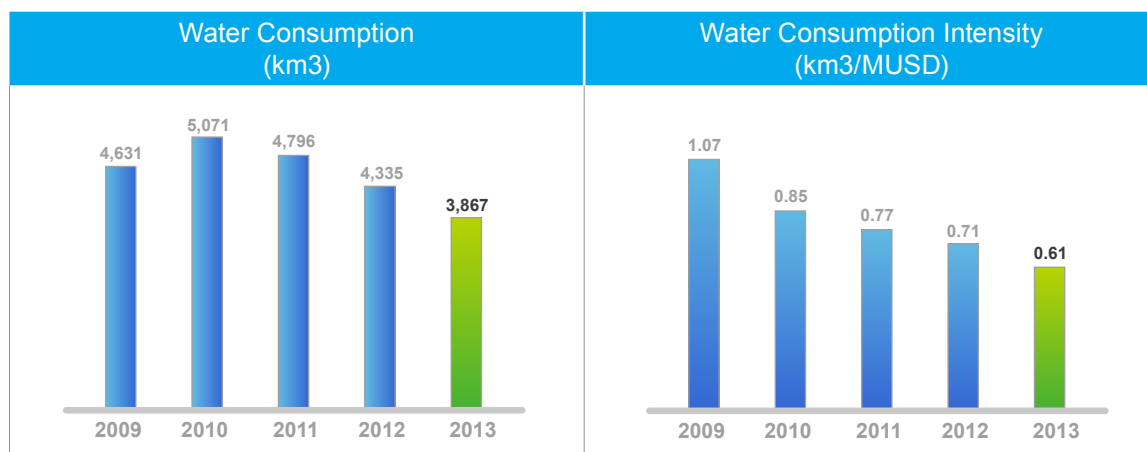


	2013	2012	2011	2010	2009
Metals	63%	64%	63%	63%	64%
Packaging	22%	20%	20%	20%	20%
Plastics	13%	13%	15%	14%	13%
Chemicals	1%	1%	1%	1%	1%
Others	0.4%	1.1%	1.8%	2.4%	1.9%

Water Resource Management

Most of the water used by Delta's main sites is for domestic use (95%). Municipal water is the main source and no ground water is used. Compared to 2012, water consumption was reduced by 468,000 tons for a reduction of 11% in 2013. Over the years, we have continued to implement various water-saving measures at main sites, such as using water-saving taps, and water-saving toilets, reducing water output from taps and the water level of cisterns, managing the excess water of cooling towers as well as reusing the wastewater from water purifiers. If water intensity (million liters of water consumption/MUSD of output value) is used as an indicator, water intensity in 2013 was 0.61, a reduction of 42.8% compared to 2009.

Dedication to Energy Saving and Environmental Protection



In addition, we have adopted the Global Water Tool developed by the World Business Council for Sustainable Development (WBCSD) and taken into account the type and distribution of water resources at the local level as well as the actual water consumption of individual plants. We have identified relatively high water shortage risks for the Tianjin Plant in China and Taoyuan Plant 2 in Taiwan. These plants have now formulated countermeasures for insufficient water supply, rising water prices, and conflicts between stakeholders over water access in potential short-, medium-, and long-term water shortage scenarios.

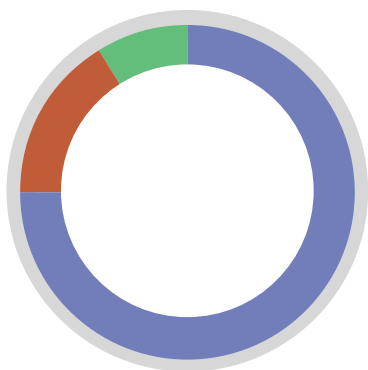
Pollution Prevention

1. Wastewater Management

The wastewater at all key Delta sites is processed by proper sewage treatment facilities or directly channeled to the industrial zones' wastewater treatment plants. Wastewater discharge is estimated at 80% of total water usage or measured by flow meters. The quality of all discharges conforms to current regulations and wastewater is regularly tested to ensure that it has no significant environmental impact on the surrounding water bodies. In 2013, there were no significant leaks or spill incidents at any Delta site.

2. Waste Management

All Delta's major sites divide waste into three categories: resource waste, hazardous waste, and general waste. Resource waste includes metal waste, plastic waste, waste pallets, paper, and paper boxes, which are sorted, collected, and handed over to local qualified recycling businesses. Hazardous waste includes electronic waste, waste glass tubes and glass, and solvents which are also sorted, collected, and handed over to local qualified waste treatment businesses. General waste is transported to garbage incinerators and landfill sites designated by the government by qualified garbage disposal businesses. The percentages for the different waste types between 2009 and 2013 are shown in the table below. The total percentage of general waste and hazardous waste was increased by roughly 2.5%. In addition, the percentage of general waste which was treated in landfills was slightly decreased to 87.6%.



	2013	2012	2011	2010	2009
General waste	63%	64%	63%	63%	64%
Recyclable waste	22%	20%	20%	20%	20%
Hazardous waste	0.4%	1.1%	1.8%	2.4%	1.9%

3. Air Pollutants Management

The production processes at major Delta sites are mainly assembly-based. Currently there are no fixed pollution sources that require approval, regular inspection or reporting. We continue to monitor the air quality around our plants to ensure that we generate a minimum environmental impact on the surrounding atmosphere. Air pollutants generated by the main sites include Volatile Organic Compounds (VOCs), Nitrogen Oxides (NOx) and Sulfur Oxides (SOx). VOCs are mainly given off by asphalt, which is used as filler in electronic ballasts, and by organic solvents during heating and evaporation, such as flux and isopropanol. In 2013 the amount of VOCs generated was approximately 12.4 tons. NOx and SOx came mainly from the testing or emergency use of power generators, hot water boilers in the living areas and cafeteria cooking, but the quantities were minute.

Green Buildings/Factories

Ever since Delta built its first green building/factory at the Tainan Science Park in 2006, we have understood that green buildings can effectively reduce environmental and ecological impacts. As a “Diamond-Rated” green building, the office was the first building in Taiwan awarded the certification for all nine indicators of the Taiwan Ministry of Interior's Green Building EEWB Rating System. The office not only consumes less energy and water, but gives colleagues a healthier and more comfortable work environment. With such a precedent, we have promised since 2006 that all newly constructed Delta buildings will be only green buildings.

Currently Delta has seven certified green buildings/factories worldwide. Our Tainan Plant received the first green factory label for the general industry sector in Taiwan. Based on electricity consumption per unit floor space (EUI, kWh/m².yr) of Taiwan traditional office buildings¹¹ or Indian commercial buildings¹², Delta's green buildings/factories allow electricity savings of over 11 million KWh and carbon emission reductions¹³ of 7,538 tons CO₂e.

Note 11. <Bureau of Energy, Ministry of Economic Affairs>, Reference indicators for electricity consumption by building types. Office building (parking lot not included) average EUI value: 241.9 kWh/m².yr
 12. <UN and Indian Bureau of Energy>, Improvement program for energy efficiency of commercial buildings in India. Commercial building average EUI value: 210 kWh/m².yr
 13. The CO₂ coefficient in Taiwan: 0.532kg/kWh. The factor in China: 0.81kg/kWh. The factor in India: 0.912kg/kWh (IEA, CO₂ Emissions from Fuel Combustion Highlights, 2012 Edition)

Dedication to Energy Saving and Environmental Protection

Among Delta's green buildings/factories, the Taoyuan Technology Center has adopted a "Smart Green Building" design concept and has integrated "Green Building", "Building Automation", and "Visualized Factory Management". In addition, it has used a wide range of Delta's energy-saving solutions such as HVAC management systems, energy management information systems, LED lighting management systems, elevator energy-saving systems, solar PV systems, and electric vehicles (EV) charging solutions.

Delta received another green building honor in early 2014. Delta Headquarters on Ruiguang Road passed Diamond certification, the highest level of green building certification in Taiwan. This is a new milestone for Delta green buildings and the first time for Delta to remodel an existing building into a green building. From diagnosis, planning, design and programming, to the application for certification, the Delta team did it all on its own. With carbon reduction efficiency up to 51.75% and energy savings up to 58%, Delta Headquarters is so far the most energy efficient office building and the first medium level (6-15 stories) office building ever to pass Diamond certification in Taiwan.



Delta Taipei headquarters showcases the remarkable benefits of Delta's energy-saving solutions.

Delta green building/green factory	Energy-saving techniques	Benefits in 2013
<p>Delta Taipei Headquarters</p> <ul style="list-style-type: none"> • Inaugurated in 1999 • EEWB-RN Diamond (Building Renovation) 	 <ul style="list-style-type: none"> • High efficiency HVAC systems • LED lighting solutions • Energy regeneration from elevators • Energy management systems 	<ul style="list-style-type: none"> • Saved 58% electricity (Savings of 2,373 MWh^{*1}) • Reduced 1,262 tons CO₂e
<p>Taoyuan Technology Center</p> <ul style="list-style-type: none"> • Inaugurated in 2011 • LEED Gold 	 <ul style="list-style-type: none"> • High efficiency HVAC systems • Energy regeneration from elevators • LED lighting and Solar PV systems • Combination of green building design, a building automation solutions and management visualization • Water recycling systems (rainwater and cooling water) 	<ul style="list-style-type: none"> • Saved 47% electricity (Savings of 2,596 MWh^{*1}) • Reduced 1,381 tons CO₂e • Saved 5,498 tons water
<p>Tainan Plant Phase II</p> <ul style="list-style-type: none"> • Inaugurated in 2013 • EEWB Diamond 	 <ul style="list-style-type: none"> • Shading design • Natural lighting, buoyancy ventilation towers, and tunnel ventilation systems • LED lighting and Solar PV systems • Energy regeneration from elevators • Water recycling systems (rainwater and cooling water) 	<ul style="list-style-type: none"> • Saved 34% electricity (compared to EEWB standards)
<p>Tainan Plant Phase I</p> <ul style="list-style-type: none"> • Inaugurated in 2006 • EEWB Diamond 	 <ul style="list-style-type: none"> • Concave shielding and natural lighting • Buoyancy ventilation towers • LED lighting and Solar PV systems • Energy regeneration from elevators • Water recycling system (rainwater and cooling water) 	<ul style="list-style-type: none"> • Saved 22% electricity (Savings of 728 MWh)^{*1} • Reduced 387 tons CO₂e
<p>India Rudrapur Plant</p> <ul style="list-style-type: none"> • Inaugurated in 2008 • LEED-India Gold 	 <ul style="list-style-type: none"> • Natural lighting • High efficiency HVAC systems • Solar PV systems • LED street lamps • Sewage treatment and recycling systems 	<ul style="list-style-type: none"> • Saved 69% electricity (Savings of 2,679 MWh)^{*2} • Reduced 2,443 tons CO₂e
<p>India Gurgaon Plant</p> <ul style="list-style-type: none"> • Inaugurated in 2011 • LEED-India Platinum 	 <ul style="list-style-type: none"> • Natural lighting • High efficiency HVAC systems • Solar PV systems • LED street lamps • Anaerobic sewage treatment and recycling systems 	<ul style="list-style-type: none"> • Saved 52% electricity (Savings of 876 MWh)^{*2} • Reduced 799 tons CO₂e
<p>Shanghai R&D Center</p> <ul style="list-style-type: none"> • Inaugurated in 2011 • LEED Gold 	 <ul style="list-style-type: none"> • Energy management systems • LED lighting solutions • Solar PV systems • Datacenter solutions 	<ul style="list-style-type: none"> • Saved 37% electricity (Savings of 2,378 MWh)^{*3} • Reduced 1,265 tons CO₂e

*1. Compared to Taiwan traditional office buildings

*2. Compared to India commercial buildings

*3. Compared to Shanghai large-scale public buildings

Energy-saving solutions	Benefits
Smart HVAC	<ul style="list-style-type: none"> Based on existing HVAC hardware, the Delta HQ building adopted Delta HVAC energy-saving products and solutions, including the PLC controller, inverter, HMI, Hub and the HVAC intelligent control logic. Compared to full-load operation, the energy saving of HVAC was up to 25%.
Lighting	<ul style="list-style-type: none"> Lighting system improvement included adopting Delta indoor LED lamps and outdoor street LED lamps, as well as PLC control and infrared sensing switches for lamps. Compared to conventional lighting lamps, the electricity savings of lighting was up to 74%.
Elevator	<ul style="list-style-type: none"> Instead of energy losses by traditional brake resistor, Delta's energy regeneration device effectively convert the elevator's position energy to electricity and feedback into the grid. Compared to elevator electricity consumption, the electricity savings was always up to 32%.
EMS	With the adopted of Delta intelligent monitoring and management system (iPEMS™), the electricity flow of buildings main systems (such HVAC, lighting, elevator and etc.) and electricity consumption of floor were continuously monitored and managed for further energy-saving strategy making.

Delta is more than willing to share its experience in the field of green building/factory design with other parties. Green building volunteer programs or environmental education programs are currently actively promoted by the Delta Electronics Foundation in cooperation with local environmental groups to share green energy conservation concepts with the general public.

Green offices

From 2011 to 2013, Delta's main sites continued to practice the following energy saving measures for offices:

1. Office lighting

All plants have progressively installed to LED lights, adjusted the lighting in each work area, turned off lights after working hours and during breaks, installed independent switches for lights in office areas, or added time-control devices for lighting systems.

2. Energy-saving office products

Office and testing computers changed from 180W PCs to 30W low-power PCs (Atom CPUs) or desktop machines replaced by notebook computers. In addition, we purchased Energy Star qualified office products such as computers, monitors, and printers.

3. Water-saving products

All plants have adopted water-saving washing facilities, water-saving toilets, non-flush urinals or water-saving taps.

4. Energy-saving elevator system

Some plants have installed an elevator energy recovery system developed by Delta to regenerate electricity and reduce heat generation to lower the air-conditioning demand for elevator machine rooms. Up to 50% in energy savings was achieved.

Reducing Environmental Impact from Our Operations

Delta had no significant violation of environmental regulations in 2013. As all major Delta sites are located in industrial parks, science parks, or local industrial zones, this reduced the environmental impact on the local eco-system to a minimum during operations and avoided any significant negative impact on local biodiversity. The commissioning of green buildings/factories with diverse plantings and eco-ponds has made a positive contribution to biodiversity.

As for reducing the impact on local communities, some plants have worked with local environmental groups to promote environmental education and our green building design philosophy. We also promote interactions between community members through the adoption of local green areas, such as Wende Park No.3 in Taipei, and offer environmental education lectures, or specific exhibitions on energy conservation. In 2013, we organized 14 lectures, including five environmental documentary discussions and nine speeches in our Taipei headquarters. The lectures attracted about 500 participants, and average attendance per lecture was 36.



Delta promotes interactions within communities.

Green Production

Besides improvements in energy savings, our main sites also continue to implement green production measures in process optimization, automation, process simplification, jig optimization, and logistics improvements. At the same time, six sigma projects were combined to actively advance R&D and process innovation. Statistics regarding the benefits of green production from 2011 to 2013 are shown below:

Project Type	Implementation Summary	2013	2012	2011
Process optimization	Optimization of existing production processes	9.7	16.5	14.9
Automation control	Adoption of automation control systems for labor intensive production stages	9.7	16.5	14.9
Process simplification	Simplification for traditional or complicated procedures	1.2	0.5	0.9
Tool optimization	Optimization for jig design	0.5	2.9	0.4
Logistics improvements	Improvement of delivery and storage methods	0.5	0.1	1.0
Total Benefits (MUSD)		19.2	31.5	28.6

Note: The calculation of the effects of green production takes into account manpower, wages, and cost savings after the implementation of improvements

Example: Process optimization for the packaging process of DC products



Before: Traditional strapping machines.
The packing process is inefficient and requires more workers.



After: Automatic strapping machines.
The packing process is more efficient and requires two fewer workers.

Energy/Resource Recycling and Renewable Energy

Process Electricity Recycling

Delta's main sites adopted the self-developed Energy Recycling Systems (ERS) to recycle electricity used during burn-in testing. The ERSs also reduce heat generated and thus lowers the loading of the air conditioning systems. By using Delta ERSs, including ERSs adopted before 2013, over 54,635 MWh of electricity was recycled in 2013, reducing GHG emissions by 44,285 tons compared to the tests without ERSs.

Solar Energy Applications

Our main sites have established solar water heating systems and solar PV systems. The Dongguan Plant, Wujiang Plant and Wuhu Plant have joined the "Golden Sun Project" in China to install solar PV modules with a capacity of 2.117 MWp, 2.177 MWp, and 1.53 MWp respectively. In 2013, the solar PV systems at major sites generated 5,206 MWh of electricity. Together with other solar applications, we generated 5,213 MWh of solar energy in total, which is equivalent to a CO₂e reduction of 6,073 tons.

Water Recycling and Reuse

Process cooling water, rainwater, condensate water from blowers, and water discharged by RO systems are the main water sources for recycling and reusing. In 2013, the Wujiang plant recycled a total of roughly 17,138 tons of water, while the Taoyuan Technology Center recycled and reused a total of 5,498 tons of water.

Solder Recycling

Our main operational bases have installed solder recycling devices. In the past, overflow solder was collected from receptacles and recycled afterwards. Some plants have improved on this method by implementing immediate recycling methods. In 2013, roughly 45.4 tons of solder were recycled.



Wujiang Site installed 2.177MWp Solar PV systems.



Dongguan Site installed 2.117MWp Solar PV systems.



Wuhu Site installed 1.53MWp Solar PV systems.

Green Products and Services

All Delta products comply with international safety standards or international environmental requirements. Products or product packaging are also labeled with conformity information in accordance with the environmental regulations of the target market, such as the EU RoHS and WEEE directives, and the China Measures for the Control of Pollution from Electronic Information Products. We also display environmental certification information such as US Energy Star and 80 PLUS on our products that are required by our customers. In 2013, Delta did not violate any laws or regulations concerning the provision and use of products and services.

Green Design

The Life Cycle Assessment (LCA) is a green design approach that systemically analyzes the environmental impact of a product from material extraction, manufacturing, shipping, product use, and disposal. The ISO 14040 international standard divided LCA into several key processes including the definition of the goal and scope, inventory analysis, and impact assessment and interpretation. Due to the complex nature of supply chain relationships in the electronics industry, Delta knows that a complete LCA will consume enormous amounts of time and resources. Delta has drawn on research by the Society of Environmental Toxicology and Chemistry (SETAC) on LCA methodology and adopted the Screening, Simplified and Streamlined LCA (SLCA) to focus on the issues with the most significant environmental impact, such as GHG emissions, and reduced the amount of data that needs to be gathered. Additionally, we use available LCA databases as supporting tools to further facilitate the SLCA process. By using the SLCA methodology, we can identify design or process areas for improvement.

1. Product Carbon Footprint

Product carbon footprint is the best example of the SLCA in action. Delta has now completed the carbon footprint inventory and verification of several Business-to-Business (B2B) products based on the PAS 2050 Product Carbon Footprint Standards issued by the British Standards Institution (BSI) including notebook adaptors, PV inverters and DC fans. The notebook adaptor in particular was the first power supply product from Taiwan to complete BSI PAS 2050 carbon footprint verification.

Adaptor(90W)	PV Inverter (250VDC)	DC fan (12V)
		
Material extraction : 7.65 kg CO ₂ e Manufacturing stage : 0.25 kg CO ₂ e	Material extraction : 653.04 kg CO ₂ e Manufacturing stage : 33.38 kg CO ₂ e	Material extraction : 1.48 kg CO ₂ e Manufacturing stage : 0.28 kg CO ₂ e

2. Strategies for lowering the environmental impact of products

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

(1) Reduce use of environment-related substances:

Delta has implemented the Green Product Management (GPM) IT system based on the QC 080000 hazardous substance process management system. Apart from inspecting materials testing reports from suppliers, Delta manages parts/components based on their environment-related substance risk level to ensure the proper control of environment-related substances. Delta sites have also introduced lead-free processes and low-halogen materials to help customers develop greener and more eco-friendly products.

(2) Reduction of carbon emissions during material transport:

We have implemented a low-carbon procurement policy. Local suppliers are given priority for all materials except key components. For instance, 77% of the materials used for power management products were provided by Chinese suppliers in 2013, which greatly reduces carbon emissions during the transport process. In addition, we also encourage the suppliers of mechanical parts to set up local hubs and employ reusable transport containers, which not only helps reduce the costs for both parties, during transportation, but also generates energy conservation and carbon reduction effects. In addition, Delta cooperates with transport service providers in the adoption of a single standard for pallets, combined shipments, and the planning of optimal transport routes to jointly achieve the cost-saving effects of green logistics.

(3) Adoption of green packaging materials

We employ green packaging materials for all our products, including corrugated paper, cardboard, paper, and wooden boxes, for the transport process. Waste materials can be recycled, reused, or used repeatedly. For example, paper packaging materials that contain more than 80% paper are 100% recyclable and reusable. Automated motors, on the other hand, are placed in wooden boxes with fixed flaps which can be used repeatedly.

(4) Enhanced energy efficiency

The continued improvement in product energy efficiency is a concrete expression of Delta's commitment to "To provide innovative, clean and energy-efficient solutions for a better tomorrow". Most of Delta's power management products have surpassed 90% energy efficiency, such as our PV inverters with a conversion efficiency of over 98.5%, DC-DC converters for automotive with 94% efficiency, and telecom power supplies with 97.3% efficiency.

Dedication to Energy Saving and Environmental Protection

(5) Products can be recycled and disassembled with ease

We always strive to design our products for ease of recycling/disassembly. Apart from actively helping B2B customers improve the reuse rate and recycling rate of waste electronics products to conform to environmental regulations of the target region, such as 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 mobile power brand Innergie has registered with local EU authorities and joined the German electronic waste recycling system.



QUMI-Q5 pico projector adopts LED lighting and recyclable plastics.



Delta servo motor drives adopt reusable wooden pallets and clips as packaging materials.



Eco-labels and Eco-declarations

1. Type I eco-labels

Type I Eco-labels conform to specification standards of organizations or governments and have been verified by third parties. The trademarks are easily identified by clients and consumers. Prominent examples are the Taiwan Green Mark and US Energy Star. 23 of our products have obtained the Taiwan Green Mark, including interior lighting, street lighting, and bathroom ventilating fans. Our series of DC brushless fans is the first of its kind in Taiwan to obtain the energy label for all products in the series, of which there are nine. In addition, 14 of Delta's ventilation fans obtained ENERGY STAR Most Efficient product certifications in 2013, and 188 of our power supply products obtained 80 plus certifications. Please refer to the official websites of the Taiwan Energy Label, Energy Star, and 80 Plus for more details.

2. Type II environmental declarations

Our experience from several product SLCA's shows that the environmental impact from the use of Delta's core products is most significant during their lifecycle. We are therefore promoting product environmental information disclosure and integrating this with the ISO 14021 Product Environmental Labels and Declarations and the ISO 14025 Environmental Product Declaration (EPD). In 2010, we launched the "EnergyE" program for rectifiers. An energy-savings calculator was provided on the product webpage to help customers understand the cost and energy-saving benefits they can achieve by using Delta products under different scenarios based on the type of power source, number of sites, average load per site and energy cost information. In addition, we added EnergyE labels to our Rectifier product catalogs and products with an energy effectiveness of over 95% to allow easy identification by customers. The following product models are currently available for selection: DPR850, DPR2000, DPR2900, DPR4000, and DPR 6000.

EnergyE Energy Saving Calculator	EnergyE Product Label
	 DPR 6000

Green Products/Services Innovation

Based on our sustainable development strategy in response to climate change risks, Delta has divided its core business into three main categories: Power Electronics, Energy Management, and Smart Green Life. The revenue percentage for each category for 2010-2013 are shown below. Compared to 2012, Energy Management and Smart Green Life accounted for a larger percentage of revenues in 2013.

Delta not only maintains our leadership position in the field of ODM but we are also actively expanding into DMS solutions business. With integration of Delta products via hardware and software technologies, we provide several energy-saving, comfortable and convenient DMS solutions.

Dedication to Energy Saving and Environmental Protection



Application Areas	Key Products	2013	2012	2011	2010
Power Electronics	<ul style="list-style-type: none"> • Embedded Power Supplies • Mobile Power Supplies • Fans and Thermal Management • Electronic Components for ICT Equipment 	59.8%	63.2%	66.5%	64.2%
Energy Management	<ul style="list-style-type: none"> • Industrial Automation • Telecom Power Systems • UPS & Datacenter Infrastructure • Renewable Energy • Automotive Electronics & EV Charging 	18.1%	17.1%	14.5%	21.2%
Smart Green Life	<ul style="list-style-type: none"> • Networking Systems • Display & Visualization • LED Lighting • Healthcare Devices • Innervie • vivitek 	19.3%	17.7%	17.3%	13.9%



Industrial Automation Solutions

Delta provides its customers with customized automated industrial solutions which are widely applied in areas such as machine tools, textiles, printing, packaging, large-scale construction, food products, electronics equipment, plastics & rubber, elevators, heating and ventilation, and woodworking



Building Automation Solutions

The Delta Technology Center in Taoyuan employs energy conservation and automated products and solutions which are applied in lighting control, HVAC air conditioning, elevators, water management systems, and renewable energy electricity supply devices. HVAC solutions and energy-efficient elevator solutions provide energy conservation of up to 50%



Datacenter Solutions

The Delta InfraSuite Data Center Solution possesses the following advantages: modularization, high manageability, flexible integration, high efficiency, and high reliability, and provides the following integrated services required for the basic infrastructure of data centers: UPS, power allocation, environmental monitoring, precision air conditioning in addition to energy conservation of more than 25%.



EV Charging Solutions

Delta's DC Quick Charger has received the global industry standard for quick charging—CHAdeMO standard certification—and provides 94% charging efficiency. In Taiwan and Thailand, Delta has installed the first full-spec EV charging station with a large variety of charging solutions that correspond to international standards. In addition, we have also introduced high efficiency EV Charging Solutions for the Ishavsveien Charging Network in Norway.



Telecom Network Energy Solutions

Delta telecom power solutions integrate different power sources including solar energy, wind power, AC power, diesel power generation, and fuel cells, providing customers with low-carbon, safe, and uninterruptible power solutions. Delta Base Station telecom power solutions conserve 34% more energy than traditional telecom power systems.



Renewable Energy Solutions

Delta has adopted solar PV cells manufactured by affiliated enterprises and our PV inverters with energy efficiency of 98.5%. We installed a solar PV system for the roof of the main venue of the World Games in 2009 and also provide competitive solutions for clients in countries that are key global developers of renewable energy, such as China.

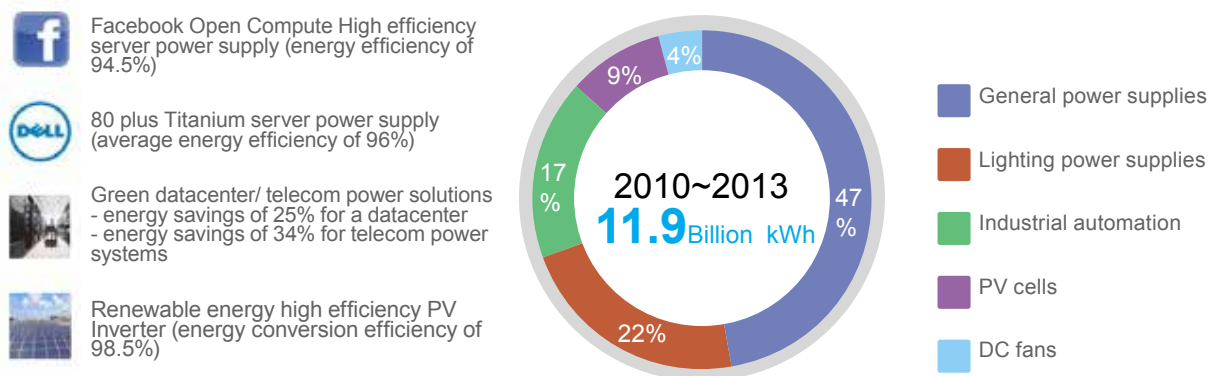


Display and Monitoring Solutions

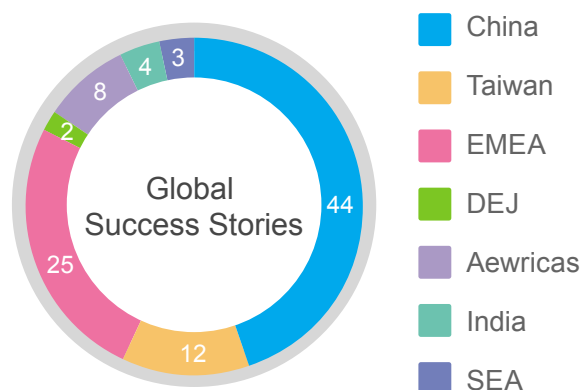
Delta provides projection solutions for the outer walls of large-scale buildings, and fusion projection solutions by employing high-end projection technology to project images for clients in the fields of environmental protection, sports, technology, and culture and creativity.

Dedication to Energy Saving and Environmental Protection

Delta constantly improves the energy efficiency of our products and develops green energy/energy-saving products and solutions to assist customers in saving more energy and achieving better cost-savings. Based on the quantities¹⁴ of Delta's power supplies, DC fans, UPSs, ballasts, inverters, PV cells and others products shipped by Delta in 2010~2013 from its Taiwan, China and Thailand plants, Delta's high efficiency products help customers save almost 11.9 billion kWh of electricity and reduces carbon emissions by nearly 6.4 million tons CO₂e. The proportions of energy savings by different product types between 2010 and 2013 are shown below:



In addition, Delta provides customers with solutions around the world. We have delivered about 100 successful projects. Among those projects, the projects with energy-saving features can achieve 20% to 40% in energy-savings.



Note 14. The estimate is based only on energy-saving products in 2013. The estimation method is as follows:
a. Power supplies and DC fan products: the calculation is based on efficiency improvements compared to 2012, with the assumption of load and hours at use (or standby) mode under normal situations.
b. Lighting (LT) and industrial automation (IA) products: the calculation is based on before and after the adoption of these products, with the assumption of load and hours of use under normal situations; For the IA products, we only estimate the energy-saving benefit of inverter products adopted in energy-saving applications, such as air-conditioning systems, injection molding machines, water treatment and elevator systems.
c. PV cells: the calculation is based on total product capacity to estimate the electricity generated under normal conditions.
d. CO₂ emission coefficient: Thailand shipments are calculated by using an electricity emission coefficient of 0.5813 kg/kWh. All other shipments are calculated by using Taiwan's electricity emission coefficient of 0.532 kg/kWh.

Employee Relations and Social Contribution

Key performance

► Environmental Exhibitions and Education

~ **15** million attendances

2009-2013

► Energy Education Involvement

> **50,000** students

2006-2013

► Green Building Visits

> **14,000** attendances

2013

► Electricity Savings of Donated Buildings

> **950** MWh

2013

► Electricity Savings of Delta Energy Schools

~ **30** %

10 energy schools under guidance in 2013

► Low-carbon Lifestyle Blog

> **3.4** million view

2007-2013

- Industry trendsetter for green buildings

Delta not only built Taiwan's first green building achieving all nine green building targets, our green buildings also continue to attract visitors from industry, government, academia and research institutions every year. Over 14,000 attendances visited Delta green buildings in 2013.

- Assisted in formulating the world's first green factory rating system

Delta and members of the Taiwan Corporate Sustainability Forum (TCSF) assisted the government in formulating the world's first green factory rating system.

- Sponsored Beyond Beauty—TAIWAN FROM ABOVE to awaken public awareness of environmental protection.

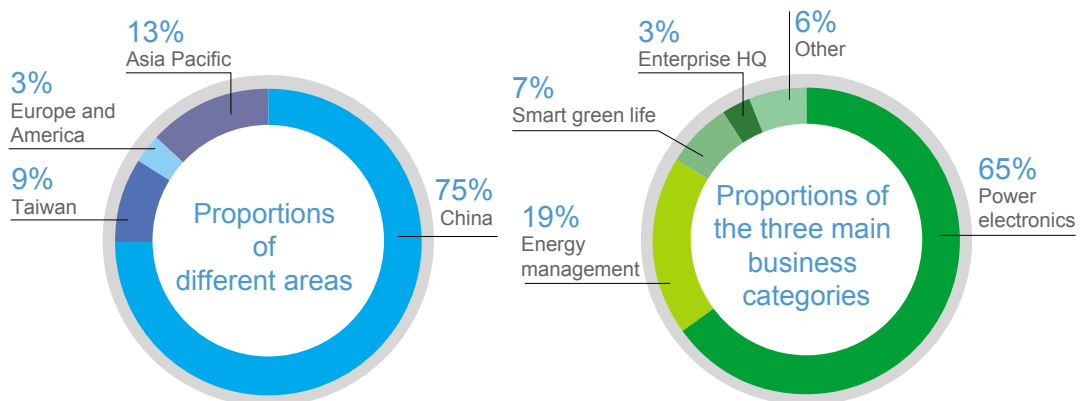
Taiwan's first environmental documentary produced by aerial photography attracted about one million viewers as it urged the public and the government to take care of the domestic environment.

- Connecting with the world on climate change issues

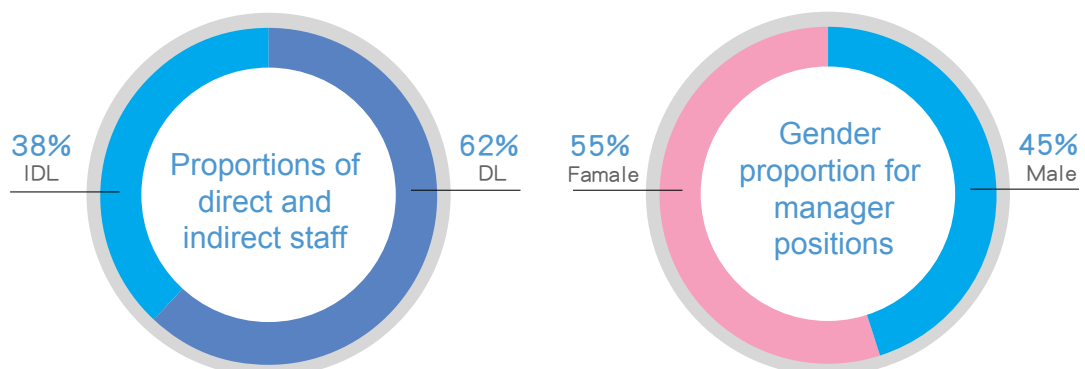
Delta organized Climate Change Media Salon to synchronously interpret IPCC AR5.

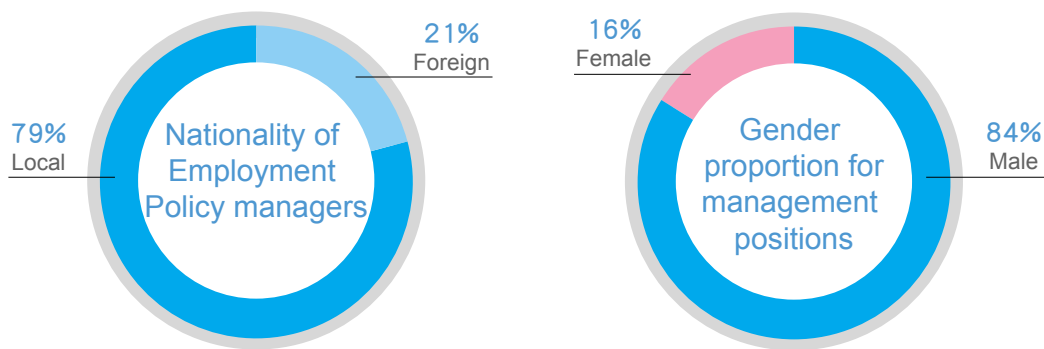
Employee Composition

By the end of 2013, Delta had a total global workforce of around 80,000. Most employees—a total of 65% of Delta's global workforce—are employed in the power electronics business category. In terms of geographical distribution, most employees (75%) work in China. The distribution of the global workforce is shown below:



The recruitment, employment and development of employees at Delta is based on merit. All employees are treated equally regardless of race, religion, color, nationality, age, gender, sexuality and disability. Female employees account for 55% of all Delta employees at major sites in Taiwan, China and Thailand. Direct labor and minority groups account for 62% and 2.6% of all employees. 79% of supervisors over the grade of assistant manager are local nationals and 16% are female.





Employee Policy

As a world-class enterprise and a responsible corporate citizen, Delta Group is committed to offering our employees an environment that lets them develop their capabilities. To fulfill this commitment, Delta Group constantly strives to comply with local regulations and to meet international labor and human rights standards, including the Electronic Industry Code of Conduct (EICC), Universal Declaration of Human Rights, International Labor Office Tripartite Declaration of Principles, OECD Guidelines for Multinational Enterprises, and more. To accomplish this objective, the Company has implemented the Delta Group Employment Policy.

Law Compliance

Delta complies with applicable labor or employment laws and international standards wherever it operates.

Freely Chosen Employment

Delta prohibits hiring forced labor or child labor. All jobs shall be taken voluntarily and employees can voluntarily leave the company within a reasonable period after giving notice.

Humane Treatment

Delta prohibits any form of harassment and inhumane treatment, including any sexual harassment, abuse, slavery, corporal punishment, threatening, exploitative, mental or physical coercion or verbal abuse of employees.

Non-Discrimination

Delta hires employees based on capabilities, and does not discriminate based on race, religion, color, nationality, age, gender, sexual orientation, disability, or other reason which is protected by law in recruitment, training, awards, promotion, termination, retirement, or other employment condition.

Working Hours

Delta establishes management mechanisms for working hours in line with labor laws and regulations. Unless for special operating conditions, employees shall be allowed at least one day off for each seven working days.

Compensation and Benefits

Delta provides employee compensation and benefits to meet the applicable laws, including minimum wages, holidays with pay, and welfare provided in the law.

Freedom of Association

Delta respects the rights of employees to associate freely on a voluntary basis, to organize labor unions, and to establish employee communication channels according to local regulations.

Training Opportunity

Delta ensures equal opportunity for employee development and provides job-related training to enhance employee capabilities and skills

Health and Safety

Delta provides a safe and healthy working environment in accordance with applicable safety and health regulations, and establishes and maintains an occupational safety and health management system that defines operational procedures and monitors the implementation of continuous improvements in safety and health performance.

Employee Communication



Delta established diversified communication channels.

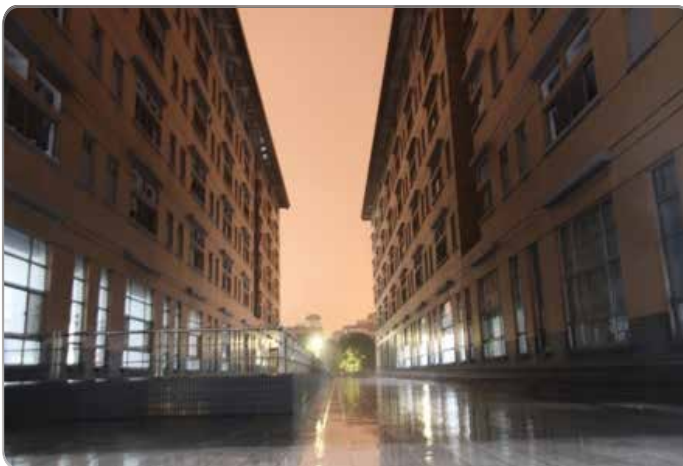
Our employee policy recognizes employees' right to freedom of association and unionization. We have also established channels of communication with our employees in accordance with local law. In Taiwan, for example, quarterly labor-management meetings as well as the regional welfare committee enable employee representatives to provide feedback and suggestions on certain issues. The issues are discussed during meetings so a consensus can be established with the company. In China, communication consists of talk panels as well as employee-management meetings led by the human resources department. The meetings are organized independently by each plant and held once per quarter. Employees can raise any issues they have regarding work or lifestyle for the relevant departments and managers to answer and propose improvements.

Apart from our basic employee policy, Delta also offers a variety of channels for communications and for cultivating positive labor relations. For example, Delta has set up an internal website called MyDelta as a platform for providing around 80,000 employees all over the world with real-time multimedia materials and publishing 500 news/announcements on average every year. The site has by an average of 3 million visits annually.

Employees can also use written letters, e-mails, or a 24-hour service hotline to make suggestions to the company. Our sites also have documented processes such as the "Internal and External Communications Procedure", "Employee Rights Protection Procedure" and "Employee Complaints Management Procedure" to ensure that each communication channel remains open.



Over 1,000 employees and their families attended this tree-planting activity in Dongguan in 2013.



Delta plants in Shanghai, Wujiang, Dongguan, Wuhu, and Tianjin voluntarily participated in the global "Earth Hour" eco-activity.

Remuneration and Benefits

We regularly adjust compensation structures and benefits based on local laws and markets. We have designed incentive schemes to attract and retain talented personnel to maintain our competitiveness in the job market and show employees that Delta values talent. In recent years, Delta has allocated more than 10% of its profits for bonuses to maintain our competitive edge on the job market as well as show our commitment to retaining talent. In 2013, the company allocated 14% of its net profit to employees in the form of bonuses.

The corporate-level remuneration strategy is formulated by the compensation committee based on the competitive environment, company performance, and benchmark markets. Recommendations for management salaries are then based on team performance, personal potential and actual performance. The recommendations are submitted to the Board of Directors for confirmation. Remuneration is not influenced by personal factors such as gender, race, nationality, or age.

For employee performance reviews, Delta has adopted the Performance Management and Development (PMD) system to link the company's strategy targets, personal performance targets, company values and abilities, as well as individual career development. The system reflects individual responsibilities in performance reviews and all Delta employees are governed by this scheme. The performance of managers in plant management, labor safety, factory administration and human resources, for example, are all closely linked to labor safety, environmental protection and labor indicators. Salaries also fully reflect the link with performance. In principle, the higher a manager is in the hierarchy the more closely their remuneration is linked to performance. Delta not only provides insurance, benefits and pension contributions in accordance with local laws or practice, but also provides group insurance that exceeds legally mandated levels to protect the safety of employees at work and at home.

Employee Training and Development

Delta considers our employees our most important asset and has always placed a strong emphasis on personnel cultivation and development. Training courses are provided to meet the needs of employees in different countries and regions.

We also provide a range of learning environments to improve the effectiveness of learning, including:

- (1) Orientation training: Guidance training for new employees and management competency training for newly appointed managers.
- (2) Professional training: Marketing, sales, R&D, engineering, finance, management, import & export, procurement and information technology.
- (3) Management skill training: Training programs for mid- and high-level managers, including scenario simulation training, and lectures on the management of benchmark enterprises.
- (4) General education training: Corporate mission, corporate culture, customer satisfaction, quality, safety and health, and brand management.
- (5) Direct labor training: Skill training in the workplace

(6) Project-based training: Workshops and seminars

(7) Self-development training: Language courses and e-Learning.

To improve learning results, we also provide multidimensional learning environments and platforms such as:

- A high-tech training system to help managers develop their subordinates' abilities and improve their work performance. Employees can find out about available courses online and set up their own flexible learning program.
- World-class technical symposiums and seminars, such as the annual TAB Meeting
- Support for external training courses and in-service learning
- Integrated training development and performance management systems to maximize employees' skills and unlock their hidden potential

In 2013, the total training hours at Delta's major plants in Taiwan and mainland China and Thailand exceeded 1.98 million hours (subsidiaries not included). The average training hour per worker is around 30 hours. We are training "internal experts and instructors" in Taiwan and China for subjects such as sales, course planning and project management. By providing a better match for the requirements of the company organization and processes, we can help employees settle more quickly into their work and make a difference.

Employee Retention

Delta provides a variety of employee communication channels, competitive salaries and benefits, comprehensive training framework and a comfortable, safe working environment to encourage employees to stay with the company. If an employee submits their resignation, Delta immediately organizes an interview with the applicant to understand their reasons for leaving. We then do our best to offer our support and persuade them to stay. In 2013, the turnover rate of indirect labor in major plants in Taiwan, China, and Thailand was 30% (11.7% in Taiwan alone).

Occupational Safety and Health

Occupational Safety and Health Management Organization

"Provide employees with a safe and healthy work environment" is one of Delta's most fundamental responsibilities as a corporate citizen. A dedicated labor safety department reporting directly to the regional top management was set up by Delta in China where our

main production sites are located. For the R&D and administration-oriented offices in Taiwan, an environmental safety & health risk management center reporting directly to the CEO is responsible for the planning, execution and auditing of plant safety & health management.

Occupational Safety and Health Management System

All of Delta's major sites in Taiwan and China have achieved OHSAS 18001 certification. As environmental protection and workplace safety & health are two sides of the same coin in many management issues, Delta is gradually integrating our plants' environmental management system with the occupational safety & health management system. So far the five main plants in China (Dongguan, Wujiang, Wuhu, Chenzhou, Tianjin) as well as the Taoyuan plants (Taoyuan plants 1 and 2) in Taiwan have all achieved both ISO 14001 and OHSAS 18001 certification. Delta has also made Disabling Frequency Rate (F.R.)¹⁵ and Disabling Severity Rate (S.R.)¹⁶ the main safety & health management indicators. Annual plant and regional targets have been set along with safety & health audits, safety & health education, regular work environment inspections and improved information exchange to effectively reduce the frequency of safety & health incidents. At the monthly interplant safety & health meetings, safety & health representatives from each plant discuss incidents related to employees and contractors, analyze the reasons, and propose improvements or engineering changes to prevent any further recurrence.

Occupational Safety and Health Audit

Besides internal OSH inspections carried out at each plant in accordance with the law, we also organize cross site audits conducted jointly by OSH committee members and audit personnel. Through complete audit plans, the task force audits ESH documents, the results of risk assessments, ESH control and operations, monitoring and measurement, as well as the work environment, the equipment, and onsite operations to ensure the proper implementation of the OHSAS 18001 management system and identification of potential risks. Targeted accident prevention audits are also implemented at the plants for special or critical equipment. Examples include electrical safety audits using thermal imaging to check for potential electrical hazards, soldering pots, chemical use, surface mount technology (SMT) equipment, specialist equipment, ventilation equipment, contractors' specialist operations such as cranes and fire, EICC - ESH execution, and other specialist checks. The executive directors on each site also convene monthly OSH meetings to review OSH performance.

Safety and Health Education and Emergency Response Training

Delta conducts ESH training at each of our plants to improve employees' knowledge of occupational safety and health issues. In 2012 for example, our major plants in Taiwan, China and Thailand organized occupational safety and health training, emergency response and firefighting training, and external specialist training for new and current employees. Over 117,000 attendances and over 348,000 man-hours of training were achieved to ensure personnel safety and reduce the impact of accidents.

Note 15. F.R Frequency of disabling injuries (F.R=Number of disabling injuries x 1000000 / Total working hours)

16. S.R Severity of disabling injuries (S.R=Number of days lost due to disabling injuries x 1000000 / Total working



Delta major sites organize annual fire drill and CPR training.

Occupational Safety and Health Information Exchange

In addition to regular OSH meetings, the OSH department uses the company intranet and suggestion boxes to convey OSH messages to employees and boost the exchange of OSH information in a timely manner. Employee feedback on OSH issues is also collected and studied. We hope the creation of a smooth, two-way communication channel will help increase employee safety awareness and involvement, and in turn, help ensure the safety and health of all employees.

Work Environment Inspection

Based on the potential risks at each plant, not only are regular work environment inspections conducted, but also the list of materials used and exposure to hazardous substances are constantly monitored. The results are used to correct work practices or make engineering improvements to reduce the risk of occupational illnesses.



Work environment inspection and Audit

Enhanced Mental and Physical Health of Staff Members

Delta has established clinics where employees can receive health care administered by professional medical personnel. Delta also cooperates with professional health check centers to provide staff with health check services and counseling. Based on health check data, lectures are organized to remind our employees to pay attention to their health and have medical personnel conduct examinations, diagnosis, and treatment if health issues are detected. In addition, Delta also encourages employees to establish clubs and participate in different types of activities beneficial to mental and physical health while focusing on their work. Delta is committed to employing green design concepts for all new factories and office buildings to maximize their work efficiency in a healthy and comfortable environment. In 2013, the Chungli Plant in Taiwan received the Healthy Workplace Certification and Health Initiation Mark from the Bureau of Health.

The mental health of employees is important to Delta. Various facilities and methods are used to help employees relax and unwind. The plants in China not only provide clinics with professional medical personnel but also libraries, movie theaters, billiard rooms, cafeterias, staff service centers, interview rooms, vent rooms, and psychological testing areas. In addition, our professional psychological counseling team provides different forms of mental health services and counseling by phone, mail, or face-to-face for employees and also organizes interactive workshops and professional lectures to offer support. In 2013, Delta organized a large number of lectures—a total of over 4,046 hours—on stress relief in the workplace and attracted an attendance of 25,000.

Achievements in Occupational Safety and Health

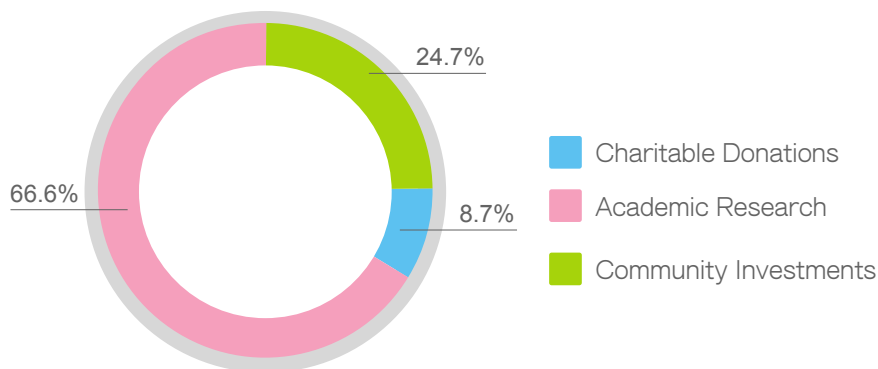
In 2013, Delta's F.R for the five main plants in China was 0.25 and S.R was 4.7, achieving the targets of F.R<0.7 and S.R<7 for the region. In 2013, the Wujiang plant and Wuhu plant were recognized as a safety production unit and an advanced unit in occupational health, respectively. No occupational illnesses or work-related deaths were reported among employees or contractors at the above plants.



Delta's major sites organise diversified activities to facilitate mental and physical health of employees.

Social Contribution

Besides providing eco-friendly products and services to improve the living quality of people around the world, we actively participate in various social contribution activities. In recent years, we have achieved impressive results in environmental and energy education, promotion of green buildings, cultivation of talent, support of academic research and disadvantaged groups, all through a CSR strategy which integrates our core capabilities with making social contributions. In 2013, Delta invested approximately NT\$160 million in social contributions. Charitable donations (Climate Refugee Aid Program and Kwoh-Ting Li Memorial Concert) accounted for 8.7%, while community investments (promoting energy education, green buildings, and environmental scholarships) accounted for 24.7%, and collaborative research projects with academic institutions accounted for 66.6%.



Environmental and Energy Education

1. Delta Energy School Program

In order to introduce the importance of energy and climate change issues to the next generations earlier, Delta promotes the "Delta Energy School Program" on a long-term basis. Over the years Delta has developed localized TEEP teaching materials and promoted them to 25 elementary schools. The Penghu County Government even selected them as the official energy teaching materials for developing Penghu into a low-carbon island. We also established three Zero-Carbon Classrooms in northern, central, and southern Taiwan to help energy schools to promote renewable energy. In 2013, we guided 10 energy schools to implement energy management and energy saving improvement projects. As a result, the energy use intensity (EUI) of these schools was ahead of the 2015 targets set by the Ministry of Education. After Minfu Elementary School in Hsinchu City completed an energy saving improvement project in early 2013, the electricity consumption for that month was 35% lower than the same period last year and 40% less than elementary schools with similar electricity consumption. In 2013, Delta Electronics Foundation won the Group Distinction Award from the 2nd Taipei City Environmental Education Award organized by the Taipei City Government.



Delta Electronics Foundation won 2nd Taipei City Environmental Education Award.



Delta Electronics Foundation helped Minfu Elementary School in Hsinchu implement energy saving projects.

2. Energy Education Volunteers

In 2006, the Delta Electronics Foundation began to recruit employees every year and train them into energy education seed instructors to provide guidance for schools partners and serve as volunteer guides of exhibitions related to climate awareness. In 2013, a total of 96 energy education volunteers were trained and they provided services to 1,740 student-attendance in 58 classes. Today, more than 50,000 students have benefited from the energy teaching of volunteers. By duplicating the energy education volunteer system in China, Delta successfully trained 50 volunteers in Shanghai to provide pilot energy education programs for neighboring elementary schools. Delta also trains green collar volunteers, including green building volunteers and green picture book volunteers.

3. Mobile Energy Education

In 2011, the Delta Electronics Foundation teamed up with the National Taiwan Science Education Center and the National Science Council to build Taiwan's first "3D Low-Carbon Mobile Cinema". The cinema toured campuses all over Taiwan to show 3D or HD films related to environmental protection and promote low-carbon, energy saving and eco-friendly concepts with the goal of spreading environmental education to remote schools. In 2013 the cinema toured to Hsinchu County, Keelung City, Yuenlin County, Hualien County, and Taichung City and attracted over 12,000 attendances in about 200 days.



Delta enlists employees on an annual basis for training as energy as education volunteers.





3D Low-Carbon Mobile Cinema promotes environmental education by tour.



3D Low-Carbon Mobile Cinema toured to Hualien for the first time.

Raising Climate Awareness

1. Sponsoring Beyond Beauty – TAIWAN FROM ABOVE

Delta began to cooperate with aerial photographer Po-lin Chi in 2010 to impress the general public with the beauty of Taiwan. The results included the short film “Taiwan from the Air: an Aerial Photography Exhibition on Environment”, and a special screening in 2013 of Beyond Beauty – TAIWAN FROM ABOVE. In theaters for about four and a half months, TAIWAN FROM ABOVE not only won the Best Documentary Award of the 15th Golden Horse Film Festival, it also earned box office sales of NT\$220 million. Besides setting a new record for documentaries in Taiwan, TAIWAN FROM ABOVE has educated more than one million viewers. More importantly, the documentary has successfully urged the public and government to safeguard Taiwan and take better care of our environment. For example, the Executive Yuan formed the TAIWAN FROM ABOVE Taskforce for a comprehensive review of Taiwan’s soil conservation problems.



Delta sponsored the documentary of Beyond Beauty – TAIWAN FROM ABOVE.





Delta built the world's largest low-carbon festival lantern – Delta's "Ring of Celestial Bliss"

2. Taiwan Lantern Festival – Delta's "Ring of Celestial Bliss"

At the 2013 Taiwan Lantern Festival organized by the Hsinchu County Government, Delta built a 10m-tall, 70m-wide and 270° circular structure called the Delta "Ring of Celestial Bliss". This was the world's largest festival lantern made from recyclable, methane-free bamboo, recyclable cloth projection screen, and steel structure, which implemented a low-carbon building concept by reducing carbon emissions by nearly 80% less than reinforced concrete structures. During the 15-day event, Delta repeatedly showed two environmental education films, *The Sun and the Moon* and *The Four Seasons*, with Delta's HQ DLPs, together with an LED show that urged the public to value environmental protection and energy saving and to pursue sustainable development. The Ring attracted over 12 million visitors.

3. Sponsoring a Documentary on Crossing the Gobi Desert

To help the public understand water scarcity and extreme climate issues of the Gobi Desert, Delta sponsored super marathoner Kevin Lin to make a documentary on crossing the Gobi Desert on foot. The documentary will participate in international film festivals. With this documentary, Delta hopes to urge the public to care more about environmental issues, to value water resources, and to protect the earth together.

4. Climate Think Tank

The Delta Electronics Foundation conducts in-depth research on issues such as urban heat island effects and reasonable electricity rates through collaboration with National Chengchi University and the Chinese Association of Low Carbon Environment. The goal is to become a climate think tank to provide government, industry, and academia with objective data as the basis for follow-up studies.

5. Climate Media Platform

To promote eco-friendly concepts, the Delta Electronics Foundation has established a knowledge-sharing platform for eco-life to continuously update knowledge on issues relating to



Delta sponsored Kevin Lin on crossing the Gobi Desert.



environmental protection and energy saving for the general public. In 2013, the Delta Electronics Foundation became a UNFCCC official observer, officially registering as a civil organization with the UN. The Foundation's "Low-carbon Lifestyle" blog has accumulated a total of 3.4 million views.

6.Connecting Media with Global Environmental Issues

In 2009, Delta explained to Taiwan's media and environmental organizations the background and current status of the UN Climate Change Conference for the first time. Delta invited scholars to exchange opinions at the event. In September 2013, Delta organized the Media Salon: Interpreting the Fifth Assessment Report to provide first-hand scientific information on global warming for the media. Simultaneous interpreting was also arranged for the live international press conference held by the Intergovernmental Panel on Climate Change (IPCC). Experts were invited to express their opinions and comments. The salon attracted roughly 60 reporters. Delta also teamed up with Xubai Zheng Journalism Award Foundation to establish the Delta Energy and Climate Special Award, hoping to extend the influence of environmental education through the media. A total of 115 quality works were recruited. After the first and second evaluations, CommonWealth Magazine, Voice of Han Broadcasting, Network, Rhythms Monthly, and News & Market won the award.



Delta organized the Media Salon: Interpreting the Fifth Assessment Report of IPCC.



Promotion of Green Buildings

As buildings account for a quarter to a third of total energy consumption and emit a large amount of greenhouse gases, green buildings are one of the best solutions to realize energy savings and emission reduction. From experience with its Tainan Plant, a diamond-level green building, Delta realizes that green buildings ensure living space quality and bring comfort to users while maintaining environmental protection and saving energy. Delta is committed to building only green plants and offices in the future and donating only green buildings. Over the years Delta has donated six green buildings, including the Taiwan NCKU Delta Building; Y.S. Sun Green Building Research Center (also known as the Green Magic School) at National Cheng Kung University; the Delta Sunshine Elementary School in Mianyang, Sichuan; the Kuo-Ting Optics and Photonics Building at National Central University; the NTHU Delta Building; as well as the Namasia Ming-Chuang Elementary School. For example, the EUI for the Namasia Ming-Chuang Elementary School in 2013 was 50% higher than the 2015 target set by the Ministry of Education, and the renewable energy substitution rate is 37%.

The Delta Electronics Foundation continuously trains green building volunteers through regional social and educational groups to help locals understand green buildings and expose children to the green building. This helps to introduce the green building concept to the public as early as possible. The Delta Electronics Foundation has also trained employees as green building volunteers that provide guided tour services for the Y.S. Sun Green Building Research Center (also known as the Green Magic School) at National Cheng Kung University. In 2013, the Green Magic School attracted about 12,000 visits and the Taoyuan R&D Center attracted about 2,000 visits.



Delta assisted the government in reconstruction Namasia Min-Chuang Elementary School.

Training of Green-collar Talent

1. Green Designer Workshop

The Delta Electronics Foundation continuously promotes a “Green Designer Workshop” in collaboration with the Taiwan Green Collar Association to open provide professional training courses for green architects and designers based on green building concepts and practices. The curriculum emphasizes both theory and practice in design. The theoretical component includes “Green Building Theory” and “Green Building Design Strategy” while practical components include “Total Conversion to Green Building”, “Green Building Rating System” and “Green Building Case Studies” as well as actual visits to green buildings. Over the past five years, the professional course has trained 163 professionals. The fundamental course that started two years ago has trained a total of 64 students. In addition, the Green Designer Workshop received a 2012 LEED green building credit certification that can be applied to continuous education (CE) hours for LEED AP and LEED GA. The workshop also issued the first Chinese-taught LEED green building credit certificate in Taiwan. During 2012-13, a total of 10 certificates were issued.

2. Environmental Scholarships

The Delta Electronics Foundation established joint environmental scholarships with the Netherlands Trade & Investment Office and the British Trade and Cultural Office in 2005 and 2007 respectively. The goal of the scholarships is to train international environmental specialists who can provide solutions for global issues and raise industrial competitiveness. In 2013, the Delta Electronics Foundation sponsored 14 postgraduate students (master’s or PhD programs) to study in environmental fields in the UK and the Netherlands. Over the years the scholarships have sponsored a total of 71 students.

3. Delta Corporate Environmental Ethics Research Grant

The “Delta Corporate Environmental Ethics Research Grant” sponsored by Delta and administered by the Chinese Business Ethics Education Association was launched in 2011. The scholarship is the first research grant program targeted at business environment ethics in Taiwan. As part of the program, two outstanding teachers from business ethics-related disciplines are selected and a sponsorship given for short-term overseas research. The assistance helps the candidates expand their knowledge and experience in business ethics and environmental sustainability issues. By enforcing business ethics education in Taiwan, this will ultimately encourage the industry, government and academe to value business and environmental ethics more. Over the past three years, Delta has sponsored six research projects and five scholars to conduct research in Europe and Canada, where sound and advanced corporate and environmental ethics systems are prevalent.

4. Delta Science & Educational Development Project

To develop talent in the electricity and electronics fields, Delta launched cooperation with major Chinese universities, including Zhejiang University, Shanghai University, Xi'an Jiaotong University, and Beijing Jiaotong University. Over the years, we have sponsored a total of 201 technology development projects, awarded 38 excellent technology development projects, granted 856 scholarships to outstanding research students, and organized 13 national electricity and electronics technology conferences to demonstrate a far-reaching influence in China's electricity and electronics education.



Delta proactively promotes the training of green-collar talent

Concern for Disadvantaged Groups

1. Continued Concern for Climate Refugees

After the Morakot typhoon disaster in 2009, the Delta Group and Delta Electronics Foundation donated a total of NT\$500 million to assist the government in reconstructing Namasia Min-Chuang Elementary School and turn the school into a comfortable and healthy green building. In 2012, the new campus passed EEWB Diamond green building certification, the highest ranking available in Taiwan. A Delta solar PV system (10kWp) was installed on the campus to achieve “net-zero” energy consumption for the library building. To ensure campus electricity self-sufficiency, Delta donated another solar PV system (12kWp) to the school in 2013. It is expected that the school will become Taiwan's first “net zero energy campus” in 2014. The Namasia Min-Chuang Elementary School also fulfills the functions in aboriginal culture of preservation, environmental protection, ecology awareness education, disaster prevention, and providing a disaster shelter. In 2013, the school demonstrated its shelter function for the second time for 290 people when typhoon Suli hit the area in July. There was also food, drinking water, and electricity supply.

2. Supporting Chinese Language Education in Northern Thailand

To encourage the descendants of separated KMT troops in northern Thailand living in a difficult learning environment to continue their studies, the Delta Electronics Foundation launched the “Northern Thailand Plum Blossom Program” in 2006 to provide scholarships for these overseas Chinese students to study in Taiwan. In 2013, a total of 10 overseas Chinese students from northern Thailand received higher education in Taiwan with the scholarship. Over the years, a total of 81 students have received the scholarships.

3. The “Hope for Pearl Project”

To help more students living in poverty to fulfill their dreams of study, Delta is participating in the “Hope for Pearl Project” launched by the Zhejiang Xinhua Compassion Education Foundation. The goal of the project is to ensure students with outstanding education performance to continue their study regardless of financial problems. So far, Delta has sponsored 200 senior high school students from four high schools in Fujian, Hebei, Shanxi and Hefei with three years of living expense to help them finish their high school education.

4. The Reading Project for Remote Elementary Schools

In cooperation with National Central University, Delta launched the “Modeled Sustained Silent Reading (MSSR)” project in 2013 at Namasia Min-Chuan Elementary School to encourage students living in remote areas to develop the reading habit. The project effectiveness analysis shows that reading volume of students from Namasia Min-Chuan Elementary is higher than that of other elementary schools in the reconstruction area, and the volume is even higher than the 30-35 books recommended by the Ministry of Education.



Namasia Min-Chuan Elementary School is a multifunctional shelter.



Namasia Min-Chuan Elementary School activated “Modeled Sustained Silent Reading ” project .

CSR Honors in 2013

Category	Credits and Honors	Rating/Awarding Organization
CSR	Named to the DJSI World and DJSI Emerging Markets indices	RobecoSAM AG
	CSR Award Champion for overall performance and environmental protection	Global View Magazine
	Corporate Citizenship Award, Top Ranking in Large Enterprise	CommonWealth Magazine
	Top 50 Private Enterprises from Top 100 Green Enterprises in China	Daonong Center for Enterprise
	Outstanding Business Award, CBN China Corporate Social Responsibility Ratings	CBN
	Taiwan CSR Awards: Manufacturing Industry First Prize in "Sustainable Innovation", Model Enterprise Awards in "Climate Leader Category", and "Excellent Manufacturer in the Taiwan CSR Top 50 Award".	Taiwan Institute for Sustainable Energy
	Community Smart Practice Award	ECO-NOMY
	Certificate of Corporate Social Responsibility	Pudong New Area Government of Shanghai
	China Equipment Manufacturing Industry Model CSR Practitioner Award	Machinery & Electronics Business
Corporate Governance	Top 20 Best Taiwan Global Brands	Interbrand
	No. 1 "Most Admired Company" in the electronics industry	CommonWealth Magazine
	Talent Management Award of Asia Business Leaders Awards: Chairman Yancey Hai	CNBC
	Best Sustainability Practice in Greater China and the Best Investor Relations by a CEO or President	IR Magazine
	Excellence in Management and Corporate Governance Awards	The Asset
	4th Best Enterprise in Taiwan	Institutional Investor
	Most Promising Company for Corporate Governance	Corporate Governance Asia
Innovation Management	Top 20 Innovative Organizations in Taiwan	Industrial Development Bureau of the Ministry of Economic Affairs
	Innovative Large Enterprise Award from the ASEAN Outstanding Business Awards: DET	ASEAN Business and Investment Summit
Information Disclosures	A++ Information Disclosure and Transparency Ranking.	Securities and Futures Institute
Building	Smart Green Building Design 2013: Taoyuan Technology Center and Tainan Plant Phase II	Architecture and Building Research Institute, Ministry of the Interior
	Taiwan Green Building EEWH Diamond: Tainan Plant Phase II	
	US LEED Gold: Shanghai R&D Center	U.S. Green Building Council
Environmental Protection	Outstanding Performance in Energy Saving and Carbon Emission Reduction Award: Taoyuan Technology Center	Taoyuan County Government
	Carbon Emission Reduction Mark: Taoyuan Technology Center	Environmental Protection Administration, Executive Yuan
	4-star factory under the Energy-Efficiency Star: Wujiang Complex in China	National Energy Conservation Center
Energy Label	Most Efficient products -14 Energy-efficient Ventilation Fans	ENERGY STAR
OHS	Excellent Healthy Workplace: Health Management Award: Zhongli Plant	Health Promotion Administration
Social Contributions and Philanthropy	Group Distinction Award from the 2nd Taipei City Environmental Education Award: Delta Electronics Foundation	Taipei City Government
Others	Outstanding Private Enterprises and Groups Promoting Green Purchasing	Department of Environmental Protection, Taipei City Government

Index of GRI G3 Indicators

Aspect	GRI	Description	Section	Page	Note
Strategy and Analysis	1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy.	Letter from the Founder Letter from the Chairman and CEO	2 4	
	1.2	Description of key impacts, risks, and opportunities.	Letter from the Founder Letter from the Chairman and CEO Active response to climate change	2 4 44	
Organizational Profile	2.1	Name of the organization.	Delta Group Overview	16	
	2.2	Primary brands, products, and/or services.	Delta Group Overview	16	
	2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Organizational Structure	20	
	2.4	Location of organization's headquarters	Delta Group Overview	16	
	2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Delta Group Overview	16	
	2.6	Nature of ownership and legal form.	Delta Group Overview	16	
	2.7	Markets served.	Delta Group Overview	16	
	2.8	Scale of the reporting organization.	Delta Group Overview	16	
	2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Organizational Structure	20	
	2.10	Awards received in the reporting period.	2013 Honors and Recognition	88	
Report Parameters	3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	About the report	1	
	3.2	Date of most recent previous report (if any).			July, 2013
	3.3	Reporting cycle (annual, biennial, etc.).	About the report	1	
	3.4	Contact point for questions regarding the report or its contents.		94	
	3.5	Process for defining report content	About the report	1	
	3.6	Boundary of the report.	About the report	1	
	3.7	Limitations on the scope or boundary of the report.			None
	3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.			The boundary of each performance indicator is defined based on the management needs of the company.
	3.9	Data measurement techniques and the bases of calculations.			Data measurement techniques and calculations are based on GRI Protocol. If there is any exception, the specific calculations will be noted in the relative sections.
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.			None
	3.11	Significant changes from previous reporting periods.			None
	3.12	Table identifying the location of the Standard Disclosures in the report.	GRI G3 Indicators	89	
	3.13	Policy and current practice with regard to seeking external assurance for the report.	About the report Third Party Assurance Letter	1 95	

Aspect	GRI	Description	Section	Page	Note
Governance, Commitments, and Engagement	4.1	Governance Structure of the Organization	Board Competency	28	
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer.			Please refer to page 12 of our annual report
	4.3	The number of members of the highest governance body that are independent and/or non-executive members.			Please refer to page 12 of our annual report
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Communication with Stakeholders Employee Communication Excellent Information Transparency and Communication with Shareholder	21 72 37	
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organization's performance	Board Competency	28	
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Board Competency	28	
	4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	Board Competency	28	
	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	CSR Commitment Support of International Corporate Initiatives Employment Policy	24 30 70	
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance.	Organizational Structure	20	
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Organizational Structure	20	
	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Board Competency Implementation of risk management Support of international corporate initiatives	28 29 30	
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	CSR Commitment Employment Policy	24 70	
	4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Delta Group Overview	16	
	4.14	List of stakeholder groups engaged by the organization.	Communication with Stakeholders	21	
	4.15	Basis for identification and selection of stakeholders with whom to engage.	Communication with Stakeholders	21	
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Communication with Stakeholders	21	
	4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Communication with Stakeholders	21	

Aspect	GRI	Description	Section	Page	Note
Economic	Economic Management Approach		Letter from the Chairman and CEO	4	
			Perseverance in technical R&D and pursuit of innovation	32	
			Enhancing brand value	34	
			Social contributions	79	
	EC1	Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Delta Group Overview Social contributions	16 79	Please refer to our annual report for the operating costs, employee wages, gross taxes and revenues of Delta Electronics, Inc.
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Active response to climate change	44	
	EC3	Coverage of the organization's defined benefit plan obligations	Employment policy Remuneration and benefits	70 73	
	EC4	Significant financial assistance received from government.			Delta is entitled to tax incentives. Please refer to our English Annual Report.
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Cooperation with suppliers	41	For our major plants in China, 77% of our suppliers are based in China.
	EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Employee composition	69	
Environment	EN1	Materials Used by Weight or Volume	Active response to climate change	44	
			Green Operations	47	
			Green products and services	61	
	EN2	Percentage of materials used that are recycled input materials.	Reducing environmental impact from our operations Energy/resource recycling and renewable energy	58 60	
	EN3	Direct energy consumption by primary energy source	Green Operations	47	
	EN4	Indirect energy consumption by primary source.	Green Operations	47	
	EN5	Energy saved due to conservation and efficiency improvements.	Green Operations	47	
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Global success stories Green products and services	18 61	
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Energy management	49	

Aspect	GRI	Description	Section	Page	Note
Environment	EN8	Total water withdrawal by source.	Green Operations	47	
	EN10	Percentage and total volume of water recycled and reused.	Water resource management	52	
	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Reducing environmental impact from our operations	58	
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Reducing environmental impact from our operations	58	
	EN16	Total direct and indirect greenhouse gas emissions by weight.	Green Operations	47	
	EN17	Other relevant indirect greenhouse gas emissions by weight.	Green Operations	47	
	EN19	Emissions of ozone-depleting substances by weight.	Green Operations	47	
	EN20	NOx, SOx, and other significant air emissions by type and weight.	Air pollutants management	54	
	EN21	Total water discharge by quality and destination.	Green Operations	47	
	EN22	Total weight of waste by type and disposal method.	Green Operations	47	
	EN23	Total number and volume of significant spills.			There was no significant spill in 2013.
	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Reducing environmental impact from our operations	58	
			Green products and services	61	
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Reducing environmental impact from our operations	58	
	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Reducing environmental impact from our operations	58	
Labor Practices	Labor Practices and Decent Work Management Approach		Employee composition	69	
			Employee communication	72	
			Employee training and development	74	
			Occupational safety and health	75	
	LA1	Total workforce by employment type, employment contract, and region.	Employee composition	69	
	LA2	Total number and rate of employee turnover by age group, gender, and region.	Employee retention	75	
	LA4	Percentage of employees covered by collective bargaining agreements.	Employee communication	72	
	LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.			Delta is compliant with the local labor laws/regulations across all organizations.
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region	Occupational safety and health	75	Taiwan: 2013 F.R.=0.92 2013 S.R.=1.66 Thailand: 2013 F.R.=2.41 2013 S.R.=11.73

Aspect	GRI	Description	Section	Page	Note
Labor Practices	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Enhanced mental and physical health of staff members	78	
	LA10	Average hours of training per year per employee by employee category.	Employee training and development	74	
	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Employee composition	69	The age composition of Delta's major sites (Taiwan, China, and Thailand) is listed below: Under age 30: 61.7% Age 30-40: 30.5% Age 41-50: 6.7% Over age 50: 1.1%
	LA14	Ratio of basic salary of men to women by employee category.	Remuneration and benefits	73	
Human Rights	Human Rights Management Approach		Cooperation with suppliers	41	
			Employment policy	70	
			Employee communication	72	
	HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.			We consider geography, infrastructure, human resources, environmental regulations, labor regulations, labor union status and more in our significant investment agreements.
	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Cooperation with suppliers	41	
	HR4	Total number of incidents of discrimination and actions taken.	Employment policy	70	There was no incident of discrimination in 2013.
	HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	Employment policy	70	
	HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Employment policy	70	
Society	Society Management Approach		Support of international corporate initiatives	30	
			Social contributions	79	
	SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Reducing environmental impact from our operations	58	
	SO2	Percentage and total number of business units analyzed for risks related to corruption.	Implementation of risk management	29	
			Support of international corporate initiatives	30	
	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Support of international corporate initiatives	30	

Aspect	GRI	Description	Section	Page	Note
Society	SO4	Actions taken in response to incidents of corruption.	Support of international corporate initiatives	30	In 2013, Delta did not suffer any significant monetary fine and/or non-monetary sanction due to violation of laws or regulations.
	SO5	Public policy positions and participation in public policy development and lobbying.	Green Operations Raising climate awareness Promotion of green buildings Training of Green-Collar Talent	47 81 84 85	
	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.			In 2013, Delta did not suffer any significant monetary fine and/or non-monetary sanction due to violation of laws or regulations.
Product Responsibility	Product Responsibility Management Approach		Green products and services	61-67	
	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Green products and services	61-67	
	PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Green products and services	61-67	
	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.			Our marketing communication complies with relevant laws such as the Fair Trade Act. For example, we address antitrust/anticompetitive policy in Delta's CoC and provide specific antitrust training to all employees around the world.
	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Green products and services	61	

In the 2014 CSR Report, we will describe our progress in 2014.
If you have any comments or suggestions regarding this report or Delta's CSR activities, please do not hesitate to contact us at CSR@delta.com.tw. We will respond as soon as possible.
Thank you.

Third Party Assurance Letter



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S INDEPENDENT ASSURANCE REPORT ON SUSTAINABILITY ACTIVITIES IN THE Delta Electronics, Inc.'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2013

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 Corporate Social Responsibility Report of 2013. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in DELTA's all operational sites of this report.

The information in the DELTA's Corporate Social Responsibility Report of 2013 and its presentation are the responsibility of the superintendents, CSR committee and the management of DELTA. SGS has not been involved in the preparation of any of the material included in the DELTA's Corporate Social Responsibility Report of 2013.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification set out below with the intention to inform all DELTA's stakeholders.

The SGS Group has developed a set of protocols for the Assurance of Sustainability Reports based on current best practice guidance provided in the Global Reporting Initiative Sustainability Reporting Guidelines. These protocols follow differing options for Assurance depending the reporting history and capabilities of the Reporting Organisation.

This report has been assured using our protocols for:

- evaluation of content veracity at a moderate level of scrutiny; and
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Guidelines (G3 2006).

The assurance comprised a combination of pre-assurance research; interviews with relevant employees at headquarter of DELTA in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

Financial data drawn directly from independently audited financial accounts 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 affirms 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 QMS, EMS, SMS, EnMS, GPMS, SA 8000, GHG Verification 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 information and data contained within DELTA's Corporate Social Responsibility Report of 2012 verified is accurate, reliable and provides a fair and balanced representation of DELTA sustainability activities in 01/01/2013 to 12/31/2013.

The assurance team is of the opinion that the report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting. The report is the third to be assured by an independent assurance team and DELTA has taken a bold step by offering the report to evaluation against Global Reporting Initiative's G3 guidelines. This shows a deserved confidence in their reporting process.

In our opinion, the contents of the report meet the requirements of Global Reporting Initiative G3 Application Level A+.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**Principles, Standard Disclosures and Indicators**

The report, DELTA's Corporate Social Responsibility Report of 2013, is adequately in line with the Global Reporting Initiative G3 application level A+. The report has addressed the great majority of DELTA's material issues at an appropriate level to reflect their importance and priority to the stakeholders. It is recommended that the process and criteria applied to assess materiality to be formalized and documented to ensure better consistent result in future reporting. The performance indicators (LA2, LA13, HR1,HR2 and SO3) may be further enhanced in accordance with indicator protocol. It is also recommended to have more disclosure on the performance of supplier chain management and organizational governance required in GRI G4.

Signed:

For and on behalf of SGS Taiwan Ltd.



Dennis Yang, Chief Operating Officer
Taipei, Taiwan
28 May, 2014
WWW.SGS.COM

