



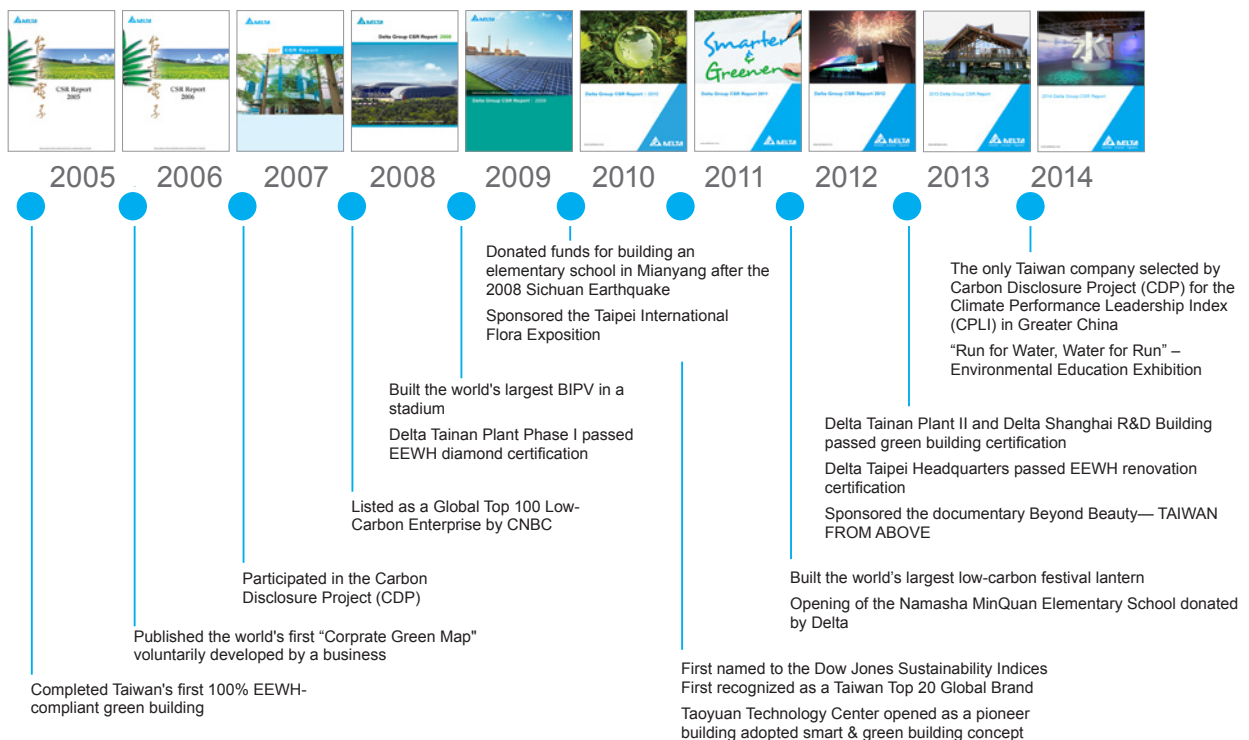
2014 Delta Group CSR Report

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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)-G4 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 2014 are as follows:

Reporting Period	1 January 2014 to 31 December 2014
Reporting Scope	Delta Group global operations, production, and research and development centers (Appendix)

This report has been validated to comply "in accordance" with the GRI G4 guidelines Core option and AA1000 Type I Moderate assurance standard disclosures by a third-party verification agency.

Letter from the Founder



Founder and Honorary Chairman
Delta Group

Bruce Cheng

There is no doubt that the most critical and urgent issue requiring mankind's immediate action is the tackling of global warming. The Intergovernmental Panel on Climate Change (IPCC) released the Climate Change Mitigation Project report in 2014 that points out that CO₂ emissions from the consumption of petrochemical fuel in the past 20 years have increased significantly along with population growth, with Asian countries having the highest ratio of increase. Furthermore, more than 90% of power consumption is attributable to only two categories: Industry and Building Construction. Energy saving measures must surely begin with these two categories.

The IPCC report also indicates that buildings have a potential capacity for 30-60% carbon reduction. Ever since Delta's Tainan Plant won Taiwan Green Building (EEWH) Gold certification, then upgraded to Diamond certification, all new Delta buildings have been constructed as green buildings. Even Delta's 15-year old Taipei headquarters received Taiwan Green Building (EEWH) Diamond certification in the Existing Buildings Renovation category after our entire staff worked together to modify lighting, air conditioning, elevators, and other building facilities.

Letter from the Founder

Over the years, we have widely shared our green building experience and benefits via academic donations and disaster relief. To date, Delta owns seven certified green building plants/offices and it has donated four green buildings to education institutions around the world, with total annual power savings exceeding 13 million kWh in 2014.

Delta is devoted to our corporate mission, “To provide innovative, clean, and energy-efficient savings for a better tomorrow”. We are also committed to contributing to society. Besides the significant energy-savings that our innovative technologies, products, and solutions provide worldwide, the Delta Electronics Foundation promotes education on environmental and energy resources issues.

In June 2014, National Chiao Tung University participated in the Solar Decathlon Europe (SDE) on behalf of Taiwan and constructed a new generation green building, “Orchid House”, in front of the Palace of Versailles. This international event has run for years, and only 20 universities in the world qualified to attend the 2014 competition. Delta assisted NCTU’s project with an energy integration solution and jointly attended the competition on behalf of Taiwan. In the end, “Orchid House” won the first place Urban Design Prize. Delta’s energy creation, energy-saving, and energy storage solutions facilitated NCTU in winning a bronze medal Energy Efficiency Award. It was a brilliant performance.

In September 2014, the Foundation prepared an educational exhibit on water and the environment: “Run for Water, Water for Run”. The staff consulted domestic experts including researchers at the Institute of Earth Science at Academia Sinica. Our goal was to help the public realize Taiwan’s current water resource difficulties, so people would become aware of the threat of global warming. Throughout Taiwan and across Asia, water resources are a present-day issue that requires a long-term focus. We must rely on the combined efforts of both the government and the private sector to provide solutions.

Facing a constantly changing global industrial and economic environment, an enterprise needs to develop commercial opportunities, innovate, and evolve continuously before every change in the industrial environment. We must select and develop products and services that are competitive and meet the demands of the market. Delta continues to fulfill our corporate commitment, through our energy-efficient products and services, while contributing to society, and sharing our know-how and other resources to promote and create smart green buildings.

Letter from the Chairman and CEO



Delta Electronics, Inc.
Chairman

Yanney Hsu

Delta Electronics, Inc.
CEO

Peng Chen

From business management, product design, daily operation, office and plant buildings to social participation, Delta has always adhered to our corporate commitment: “To provide innovative, clean, and energy-efficient savings for a better tomorrow”. Combining leading technologies in power saving and core businesses with our corporate social responsibility, Delta continuously strives to create value for humanity while seeking sustained growth for the company.

For years we have endeavored to carry out the strategic combination of corporate social responsibility with company operations. A CSR Committee organized by our operation team has set up strategic group CSR Guidelines and reviews implementation results of respective CSR projects. In 2014 Delta was selected for the Carbon Disclosure Project (CDP) - Climate Performance Leading Index (CPLI), and we are the only selected corporation from the greater China area. At the same time, Delta has been included in the Dow Jones Sustainability Index (DJSI) - World Index for four consecutive years, which indicates high international recognition of Delta’s CSR results.

Letter from the Chairman and CEO

As a leading supplier of power management and heat dissipation solutions, Delta invests 5-6% of global revenue into product development and innovation, endeavoring to improve the energy conversion efficiency of our products. Most Delta power supply products have an energy efficiency exceeding 90%; which include a communication power supply that is 97.5%; a solar PV converter that is 98.7%; and vehicle DC-DC converters that are 96% efficient—these are all industry-leading efficiencies. From 2010-2014, Delta products saved 14.8 billion kWh of power for its customers, equivalent to a reduction of 7.9 million tons of CO₂ emissions. Delta also actively integrates software and hardware that provide customers with comprehensive and intelligent power saving solutions for which we have almost 200 success stories globally.

Delta is devoted to fulfilling our corporate mission, “To provide innovative, clean, and energy-efficient savings for a better tomorrow” in our daily operations. Since 2010, Delta has established energy management procedures at major production sites and introduces over one hundred energy saving and improvement projects every year. By 2014, the electricity intensity of Delta’s major global operation sites dropped 50% compared with 2009, which was an early achievement of our target for 2015. The 2014 GHG intensity was 38.2 ton CO₂ equivalent/million USD—a reduction of more than 48% compared to 2009, which also exceeded our original 2015 reduction target of 45%. We have incorporated the green building approach in both new plants and in donated buildings. Currently Delta has 11 certified green buildings globally, including plants and buildings donated to academic institutions.

As an international corporation Delta is active in contributing to the community. At a 2014 COP20 side event in Lima Peru, Delta showcased a successful diamond level eco-campus at the Kaohsiung MinQuan Primary School in Namasia established with Delta’s assistance after typhoon Morakot. More than one hundred representatives and scholars from countries including Holland and Tuvalu participated in this side event and they recognized Delta’s achievement in building climate sustainable facilities in the disaster-prone mountain area. We also provided timely interpretation of the latest IPCC Assessment Report for the local media.

For Delta, corporate sustainability is an ongoing road and we will never stop promoting CSR. The future focus of Delta is to combine our continuing global deployment with deepening local development. We believe that helping people confront climate change can be a commercial opportunity for enterprises, and we plan to actively promote CSR locally to fulfill our global corporate citizenship. Delta will continue carrying out our corporate commitment, and providing smarter and more environment-friendly lifestyles for future generations.

CSR Highlights

The Only Company in Greater China Selected by the CDP for the CPLI

In 2014 Delta achieved excellent results in carbon management, implementing annual carbon reduction measures and meeting annual carbon reduction goals. With overall performance awarded the highest grade of "A", Delta was selected for the Climate Performance Leadership Index (CPLI) and Climate Disclosure Leadership Index (CDLI).



Selected for Dow Jones Sustainability Indexes

From 2011-2014, Delta has been selected as a member of DJSI World Index from the Dow Jones Sustainability Indexes (DJSI). In 2014, Delta was also named to the DJSI Emerging Markets index for the second consecutive year. Delta continues to receive leading performance assessments in "Risk & Crisis Management," "Water Related Risk," "Codes of Conduct/ Compliance/Corruption & Bribery," "Occupational Health and Safety," and "Labor Practice Indicators and Human Rights".

MEMBER OF

**Dow Jones
Sustainability Indices**

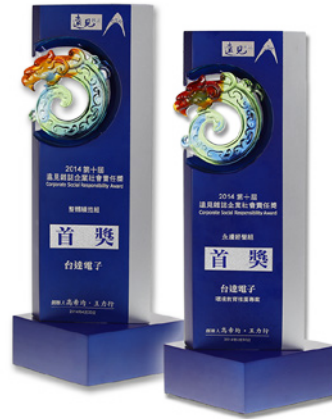
In Collaboration with RobecoSAM 



ROBECOSAM
Sustainability Award
Gold Class 2015

CSR Awards from “Global Views Monthly”

Delta won CSR awards as the best in both the Overall Performance and Sustainable Management categories by “Global Views Monthly” in 2014. We are the only company to have won first prize 9 times in 10 years. Delta has received the Champion Award in two categories for two consecutive years and is the only enterprise that has received 9 Champion Awards since 2005.



“Most Admired Company” from “CommonWealth Magazine”

Delta won first place in the electronics industry for the 13th year in a row in the “Most Admired Company in Taiwan Survey” in 2014. Delta also received the “Evergreen Benchmark” award. Bruce Cheng, the founder and honorary chairman of the Delta Group, was awarded the “Most Admired Entrepreneur” for the 8th consecutive year for his active devotion to public welfare, environmental protection, and economic and industrial development.



“Corporate Citizenship Awards” from “CommonWealth Magazine”

Delta won the “Corporate Citizenship Award” in the large company group for the eighth consecutive year in 2014. Delta’s daily operations, product design, and social contributions are all guided by our corporate mission and dedication to CSR. We received high marks in corporate management and social contributions from the judges.



2014 Top 20 International Brands of Taiwan

Delta has won the “Top 20 International Brands of Taiwan” for four consecutive years. In 2014, Delta’s brand value made a great leap achieving USD170 million, an increase of 24% from 2013. We jumped from 17th place to 13th place in the ranking and were the only big industrial brand selected.



2014 China Best Enterprise University

Delta has established a sound system in human capital development, and long-term facilitated collaborations with universities and research institutions to promote industry transformation, cultural heritage, knowledge and innovation, prospective research, significant change management, value chain integration and more. In 2014, Delta was named for China Best Enterprise University.

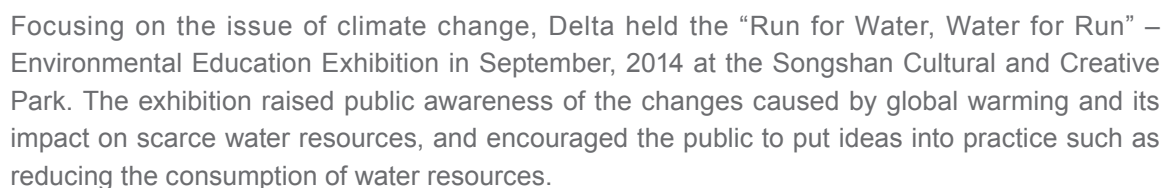


“Excellent Practices” in Chinese CSR from “CBNweekly”

Delta emphasizes environmental responsibility and actively puts green ideas into practice. Delta’s practical energy management in its operations and offices generate significant results and contributions to environmental protection. After receiving the “Outstanding Enterprise Awards” in 2012 and 2013, we were awarded the “Excellent Practices Prize” from “CBNweekly” in 2014.



“Run for Water, Water for Run” – Environmental Education Exhibition



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Making an Impact with CSR

Promotion CSR in the international arena – Sharing the success case of GHG adaptation



The Delta Electronics Foundation joined the side event of COP20 in Lima, Peru at the end of 2014 to share how Delta helped the MinQuan Elementary School in Namasia District of Kaohsiung City build a diamond-level green building after typhoon Morakot. The new building will help prevent future catastrophic damage brought by natural disasters.

The side event of COP20 in Lima was held with the cooperation of the Delta Electronics Foundation, the World Resources Institute (WRI), and the Swiss Agency for Development and Cooperation (SDC). The topic of the side event was “Integrated Climate Risk Management for a Resilient World” with an aim to exchange ideas with people from various industries on how to improve human resilience and dealing with climate change.

Delta Group Overview

Established: 1971

Worldwide revenues^{*1} in 2014: 7,523 million USD

Delta Group is a global leader in switching power supplies 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 powertrains and charging systems, with markets across the world. Delta's worldwide revenues have grown at a compounded annual growth rate of 32.6% since 1971. The Delta Group is headquartered in Taipei^{*2}, Taiwan, with offices, manufacturing facilities and R&D centers throughout Europe, Asia, the Americas, and Africa. At the end of 2014, there were around 80,000 Delta employees throughout the world.



Note 1. Worldwide revenues are based on operation management.

2. 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 (CSCI3) 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 are also the member of many associations in China, such as the China Power Association, Chinese Association of Automation, China Textile Machinery Association, and China Renewable Energy Society. We strive to do our utmost in reducing 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 3. 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



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



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



Telecom power solutions for major telecom carriers in the Americas



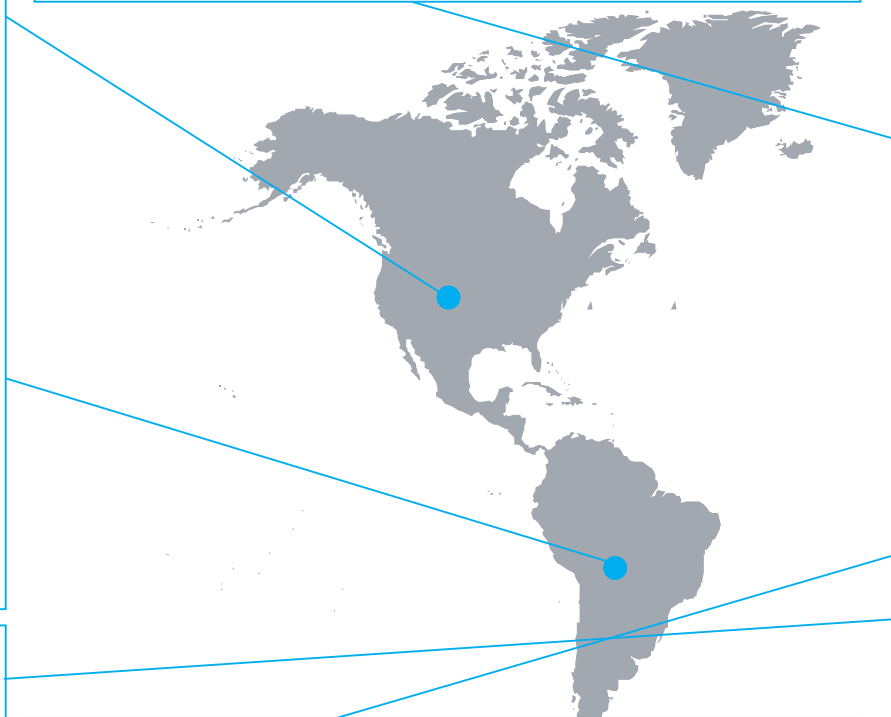
Outdoor telecom power solutions with integrated PV systems for a telecom operator in Africa



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



EV charging solutions for a charging network in Norway



Smart monitoring, surveillance, and power management solution for a management center in Bangalore, India



LED-based DLP Video walls for the first traffic management center in Bangalore, India

Global Success Stories

delivered about 200 successful cases around the world in a wide range of fields, including: 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 making a significant contribution to the slowing of global warming.



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



InfraSuite datacenter infrastructure solutions for National United University in Taiwan



Delta display solution serving as a comprehensive monitoring system on Pingtan Island in China



CNC applied to a world-class manufacturing company's production line as an automatic loading and unloading solution in China



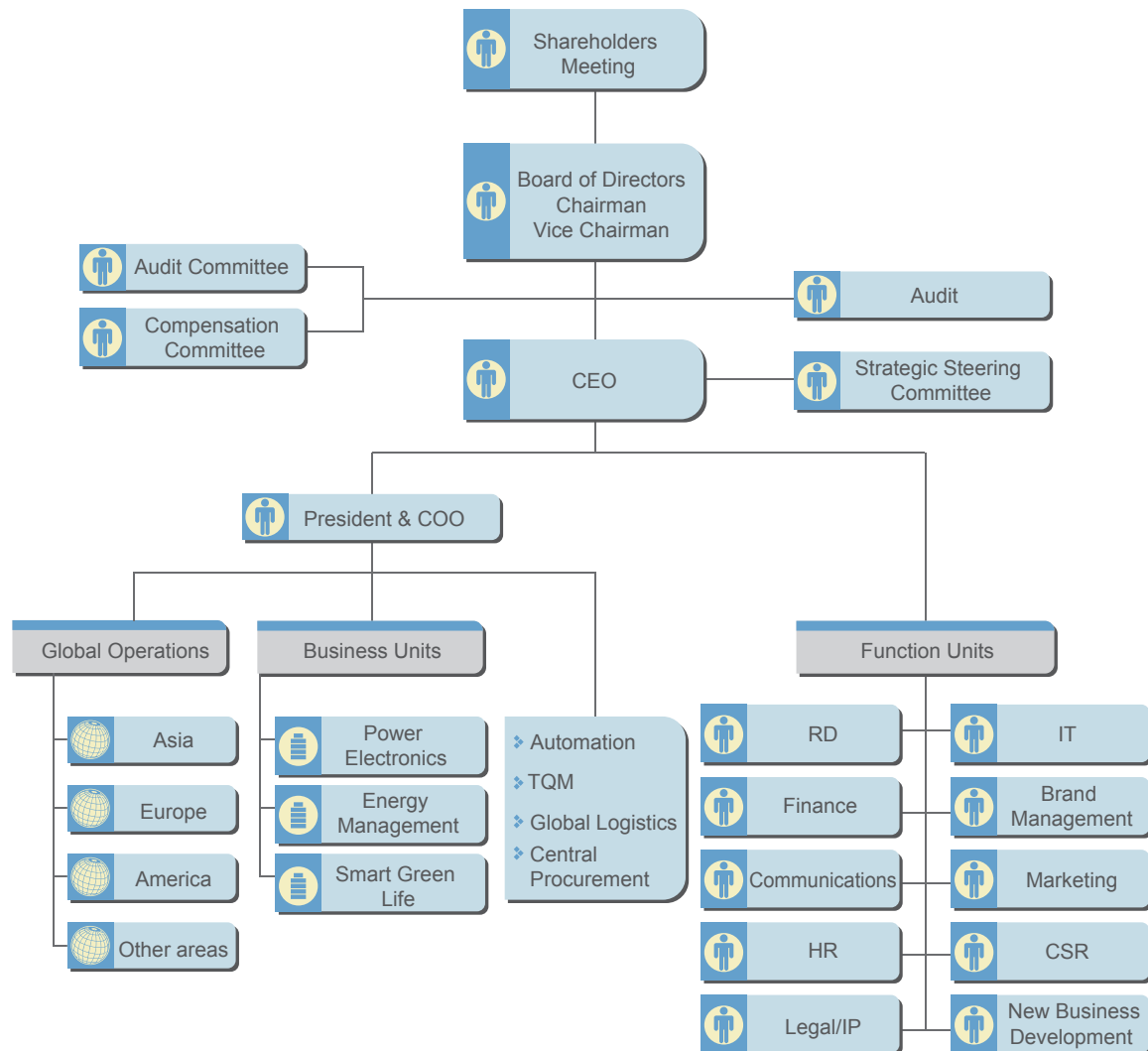
iPEMS solutions to build an SCARA Robot with machine vision system for a Operations Command Center at function test of AC motor drives in China Karamay oilfield



Delta InfraSuite solutions helped First People's Hospital of Kashi, China, build a new datacenter

Organizational Structure

There were no major changes to the organization of the Delta Group during 2014 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	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

Stakeholder Identification

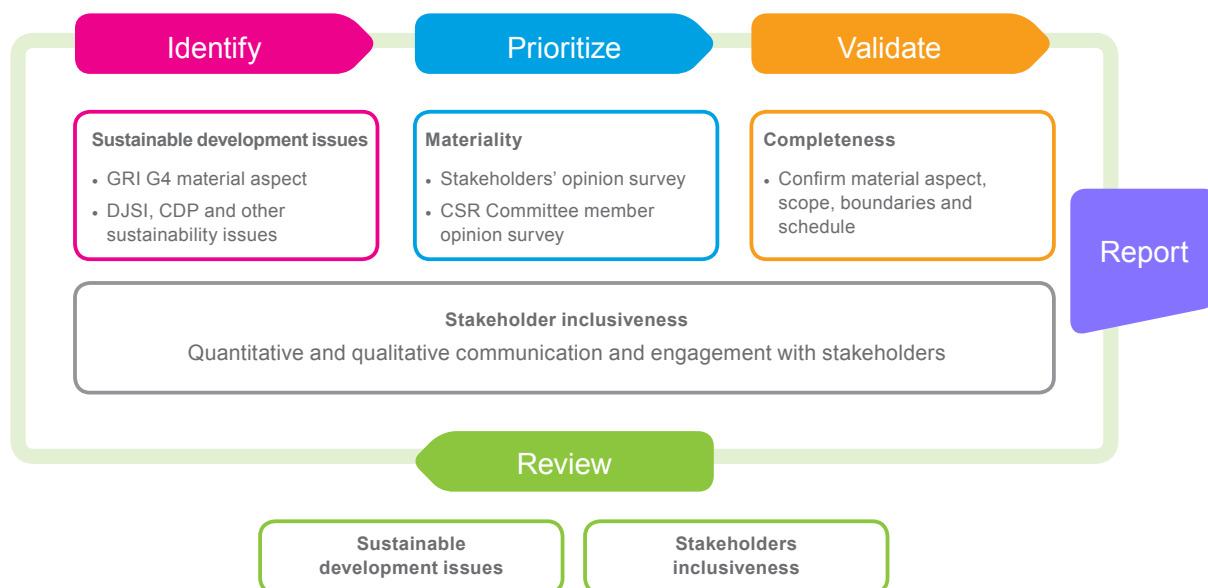
Stakeholders in Delta's operations include customers, suppliers, investors (shareholders), government organizations, communities, the media, industry associations, non-profit organizations, research institutions and employees. Based on local and international trends in sustainable development as well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



Delta has communicated major issue about the following issues in 2014

Stakeholder	Channel	Interval	Major issue	Response summary
Employee	Employee and director meeting (China)	Quarterly	<ul style="list-style-type: none"> Improve the living environment in the plant Improve the working environment and safety 	<ul style="list-style-type: none"> Conduct administrative satisfaction survey regularly Arrange workplace monitoring regularly
Customer	EICC audit by customers	Annually	<ul style="list-style-type: none"> EICC third party audit schedule and result (EICC VAP) Working hour management in China 	<ul style="list-style-type: none"> Set a goal of 60 hours per week for Chinese employees and gradually enhance working hour management.
Supplier	Vendor conference	Annually	<ul style="list-style-type: none"> Define the technical criteria of our "Environment-related Substance Management Guidelines" and the service capacity that can be offered externally. Strengthen supplier procedure management 	<ul style="list-style-type: none"> Establish management measures of green materials in accordance with international regulations and customer requirements. Share self-improvement experience and good examples
Investor	ESG (environment, society and governance) assessment by investment institutions	Irregularly	<ul style="list-style-type: none"> Enhance board composition, such as increasing the number of independent directors or female members and assessing board performance 	<ul style="list-style-type: none"> Select new board members in 2015 and take suggestions into account
Community	Visits of Delta's green building	Irregularly	<ul style="list-style-type: none"> Promote energy saving for elevators, lighting and air conditioning Work with other industries to save energy and reduce carbon emissions 	<ul style="list-style-type: none"> Continue to consider industrial requirements and progressively develop integrated energy saving projects.

Identified Material Aspects and Boundaries



Delta analyzes the significance of sustainable development issues based on GRI G4 and the process is described below:

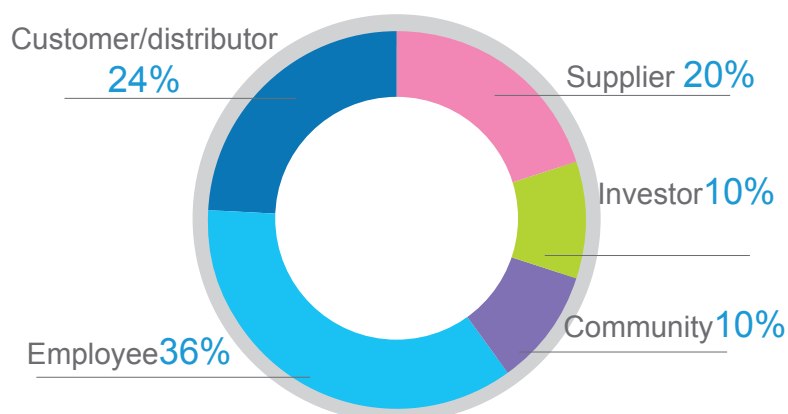
Step 1: List sustainable development issues related to Delta and most issues are the materials aspects of GRI G4. We then refer to the Dow Jones Sustainability Index (DJSI) and Carbon Disclosure Project (CDP) and other international sustainability appraisals to conclude 17 issues for investigation.

Aspect	CSR key issues
Governance	<ul style="list-style-type: none"> • Operation management • Codes of Conduct • Risk management • Customer relationship management • Innovative R&D • Brand management • Supplier management
Environment	<ul style="list-style-type: none"> • Climate change (reduction of GHG) • Environment policy/management system • Water resource management • Green operation (energy and resource management) • Product responsibility
Society	<ul style="list-style-type: none"> • Talent incubation and training • Social engagement • Occupational safety and health • Labor-employer relations and benefits • Human rights of laborers

Step2: Review the boundaries of 17 issues, including operations, R&D and production sites, and define the material boundary based on the operation scale and impact of the issues.

Step3: Identify the issues that stakeholders care about through an opinion survey of stakeholders. The major stakeholders of Delta are the subjects, including employees, customers, suppliers, investors and communities. 1-2 employee(s) of main business units and every operation site was/were invited as employee representative(s) and 10-25 organization representatives of each category were invited to express opinions as external stakeholders. The response rate of external stakeholders was 60% or higher.

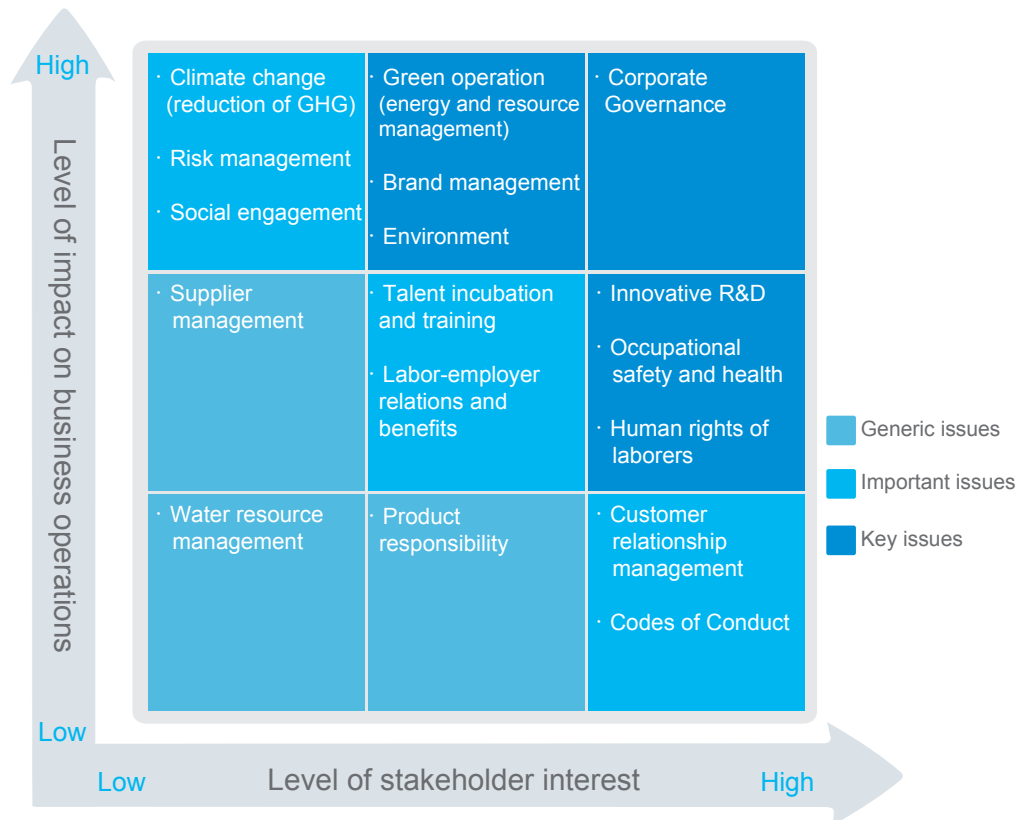
Questionnaires received from major stakeholders



Step4: The representatives of the CSR Committee work group assess the impact of each issue on Delta based on professional examination of the questionnaires.

Step5: The issues were graded high, middle and low based on the degree of attention by stakeholders and the impact on operations. Important issues relating to stakeholders and the Company were defined and disclosed frequently in the Corporate Social Responsibility Report to make them the major working goals for corporate social responsibility in the future.

Results of Stakeholder Materiality Analysis



The results of stakeholder materiality analysis showed that the seven most important issues of stakeholder concern and Delta include: corporate governance, innovative R&D, brand management, environment policy/management systems, green operation, human rights of laborers, and occupational safety and health. A detailed description is provided in the following chapters:

Most Important Issues	Description
Corporate Governance	Corporate Governance (P.32)
Innovative R&D	Perseverance in Technical R&D and Pursuit of Innovation (P.30)
Brand management	Enhancing Brand Value (P.31)
Environment policy/management systems	Active Response to Climate Change (P.44)
Green operations	Green Operations (P.48)
Human rights of laborers	Employment Policy (P.70)
Occupational safety and health	Occupational Safety and Health (P.78)

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 related regulations⁴. 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 4. 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>

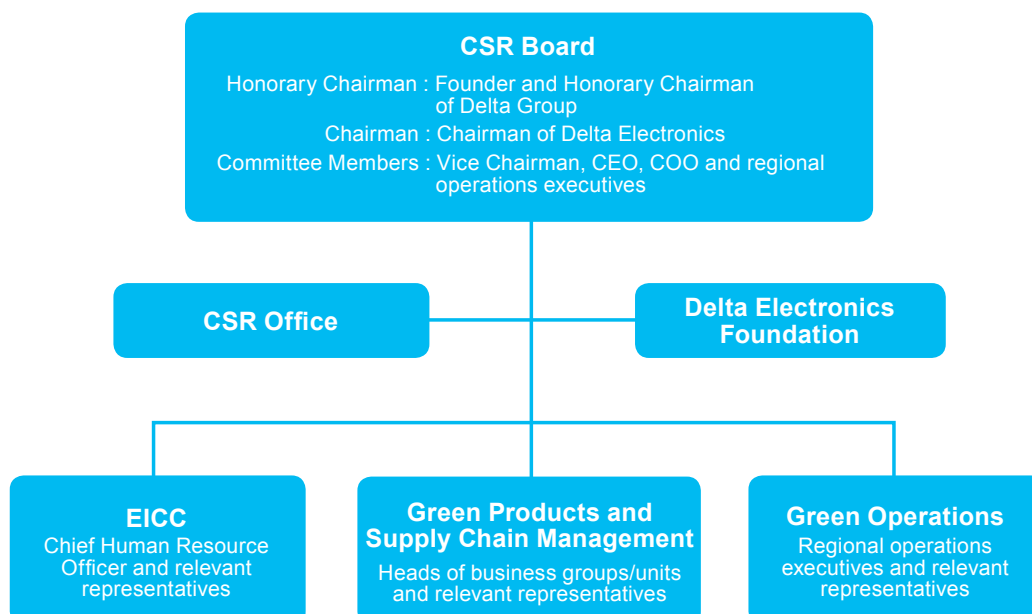
CSR Organization

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 vice chairman, Mr. Mark Ko; 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 corporate social responsibility report is formulated and submitted to the CSR Committee for review before it is released annually. 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

Corporate Governance	2011	2012	2013	2014
Earnings per share EPS (NTD)	4.58	6.68	7.32	8.49
Brand value (Million USD)	139	117	137	170
Ratio of R&D budget to revenues (%)	5.9	6.4	6.4	6.5
Percentage of independent Board members (%)	18	23	23	23
Ranking in information disclosure and transparency for Taiwan listed companies	A+	A++	A++	A++

Environmental Protection	2011	2012	2013	2014
Accumulated Energy Savings of Products (Billion kWh)	6.3	9.3	11.9	14.8
Accumulated Carbon Reductions of Products (Million ton CO ₂ e)	3.4	5.0	6.4	7.9
Reduction rate of electricity intensity of major sites (%)	30.1	34.9	40.4	49.6
Reduction rate of carbon intensity of major sites (%)	33.1	37.6	42.9	48.1
Energy Savings of Green Offices/Plants (Million kWh)	3.9	7.7	11.6	12.5

Employee Relations & Social Contribution	2011	2012	2013	2014
Percentage of Female Employees (%)	63.4	60.2	55	50
Average Time of Educational Training (hours/person)	35	27	30	28
Occupational Safety and Health – Frequency of Disabling Injuries (F.R. = Number of disabling injuries x 1000000 / Total working hours)	1.38	0.56	0.67	0.71
Occupational Safety and Health – Severity of Disabling Injuries (S.R. = Number of days lost due to disabling injuries x 1000000 / Total working hours)	7	6	5	9

Corporate Governance

Key Performance

► Market Value

> **500** billion
2014

► Group Revenues

7,523 MUSD
2014

► Brand Value

> **170** MUSD
2014

► Group CAGR

> **32.6**%
1971-2014

► R&D Investment Ratio

6.5%
of global revenue 2014

► Granted Patents

~ **6,200** patents
by 2014

- Named to the DJSI World for four consecutive years
- Delta is the only company selected by the Carbon Disclosure Project (CDP) for inclusion in the Climate Performance Leadership Index (CPLI) in the Greater China area
- Named one of the Top 20 Best Taiwan Global Brands for three consecutive years and the first industrial brand to receive the honor
- Awarded "Excellent Practices" for Chinese corporate social responsibility by "CBN weekly" for three years in a row
- Named one of the Top 50 Private Enterprises in China for five consecutive years
- Received A++ in Information Disclosure and Transparency Ranking from the Securities and Futures Institute for three consecutive years; and the eighth year to be rated A or above since 2006
- Awarded as a Top 10 Sustainability Model Corporation and for the Top 50 Corporate Sustainability Reports at the "2014 Taiwan Corporate Sustainability Awards (TCSA)"
- Won CSR DIW Continuous Award from the Ministry of Industry (Thailand)
- Received the Asset Excellence in Management and Corporate Governance Awards 2014

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 as well as its capabilities for providing strategic direction. The “Rules for Director and Supervisor Elections” require 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. The board members of Delta were elected based on the following capacities and abilities: operation judgment and management, accounting and financial analysis, crisis management, industrial knowledge, international market view, leadership and decision-making.

To develop and improve management’s overall knowledge about the economy, environment, and social issues, Delta organizes training programs for board members annually. We invite external speakers to give lectures or arrange external training for board members. The topics vary, and include international financial reporting guidelines, conflicts of interest and avoidance of conflicts of interest for board members and supervisors, corporate ethical management, and corporate social responsibility. The board members joined a training course for performance assessment of board members and the Board in 2014.

Board meetings are convened at least once every quarter to review business performance and discuss important strategic issues. Eight meetings were convened in 2014 with a total attendance rate of 90.54%. 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 reference⁵. 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 company's business performance, and benchmark market trends. In 2014, 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 2014, 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.

Note 5. Please connect our website to download the annual report <http://www.deltaww.com/ir/annualReport.aspx?seclD=4&pid=2&tid=0&hl=en-US>

Risk assessments and management

Each department carries out detailed risk assessments 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. Reinvestments 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 rights 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 patents, trademarks 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” ⁶ 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.

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

Note 6. Please connect 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>

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 an 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 points⁷.

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"⁸ 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 2014, about 6.5% of the company's global revenues were invested in R&D. Delta currently operates 60 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, 33 winners have been honored in the categories of technology and product design, process innovation, and new business models and each team has the honor to win the higher prize which is close to one million NTD. A total of four teams received this honor in 2014.

Note 7. For actual implementation of preventing violation of the Code of Conduct, please refer to section of internal control of Delta Electronics' 2014 Annual Report.

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



- 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 11,800 patent applications have been submitted and roughly 6,200 patent certificates have been awarded.
- 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.
- Delta hosts global technology workshops on a regular basis, such as “Electricity and Electronics Technology Conferences”, to provide guidance for R&D engineers in the absorption of new ideas and the broadening of horizons as well to demonstrate a far-reaching influence in China’s electricity and electronics education.
- Delta has also cooperated with renowned overseas and domestic educational and research institutions, such as MIT, Virginia Polytech, NTU, NCTU, NCKU and more.

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

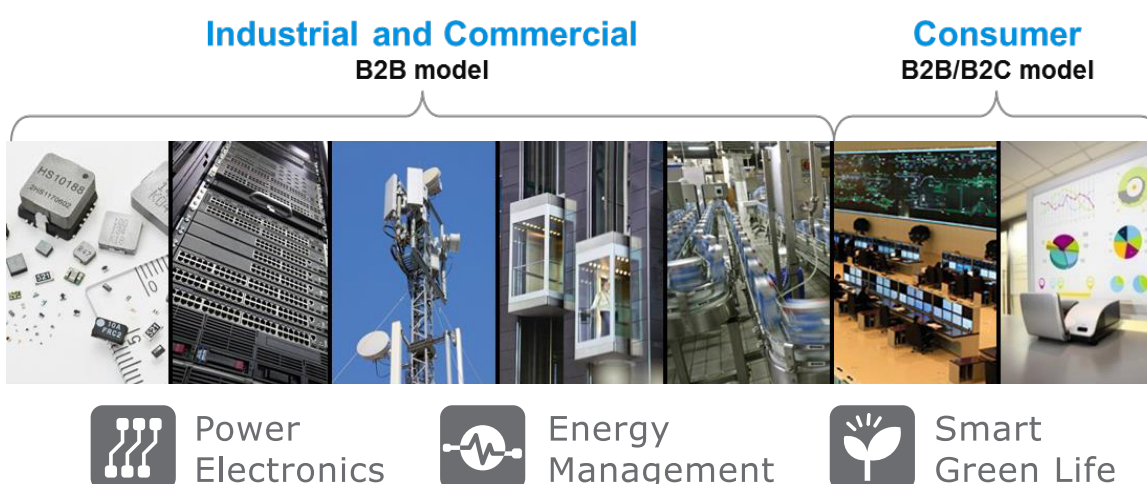
Brand positioning

We endeavor to provide innovative, clean and energy saving solutions and to create a better tomorrow. This is not only a corporate expectation; it is the unique property of the Delta brand. From business mission, core capabilities and product development, Delta intensively combines environmental protection and corporate social responsibility, and actively implements its brand commitment to “Smarter, Greener, Together” that promotes smarter and greener living. It is a symbol as well as a commitment to shareholders, customers, and staff. We believe in leading technology and customer collaboration, and aim to continuously create highly effective and reliable power supply products and components, industrial automation and power management systems, as well as consumer products. Delta strives to provide both industrial customers and consumers alike with versatile products and services for enabling a smarter and more eco-friendly future.

Starting in 2011, Delta has been evaluated and selected by Interbrand as one of Taiwan's top 20 international brands for four consecutive years. Due to its grasp of global growth trends and its position as a highly effective and reliable power saving solutions provider, Delta grew continuously in 2014, resulting in a 24% increase in brand value compared to 2013, with its overall rank rising 4 places.

External communications of the brand

The external communications of Delta can be divided by commercial models into two major blocks: Industrial Products and Consumer Products.



To build a consistent brand image, Delta communicates with worldwide customers for brand positioning and commitment to the global market. Using major international exhibitions such as Hannover Messe, CIIF, CES, etc., Delta carries out 360-degree promotion combined with large scale ads, digital marketing, international press conferences, and more, to extend its global exposure. For the external communication of consumer products, Endorsed Branding

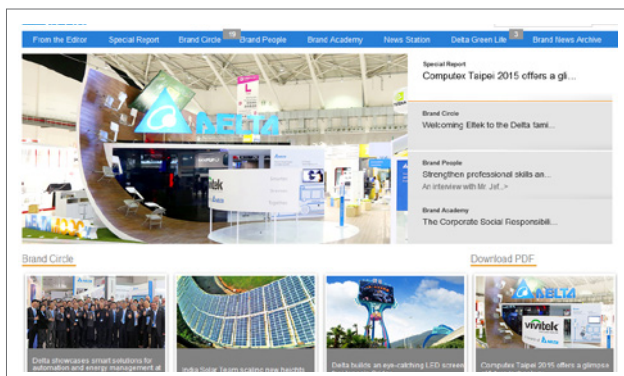
is strategically used for promoting Innergie, a mobile power brand, and Vivitek, a professional projector brand. Based on the image of innovative technology and excellent quality, Delta communicates with consumers and strengthens dealer partnerships by endorsing both the Innergie and Vivitek brands as “A brand of Delta”

In June 2014, Delta assisted NCTU in attending a major green building competition held in France—the 2014 Solar Decathlon Europe. We provided comprehensive solutions for building power saving and environmental control, and obtained exceptional results in the collaboration with NCTU. Delta has demonstrated international class power-saving capabilities via participation in key international events. In China, Delta sponsored the “Delta Cup Cross-Strait High School Automation Design Contest” and provided Delta automation products to encourage outstanding college students from Taiwan and China to practice what they have learned, exercise their innovation skills, and work out new solutions for automated power-saving technologies. The contest hosted more than 120 groups coming from over 60 colleges and universities across the strait. Delta successfully promoted automated power-saving applications and established an example for industry-academic cooperation between Taiwan and China.



Internal communication of the brand

Delta believes that Brand Engineering should be at the core of enterprise development. During 2013-2014, Delta injected large-scale group resources into internal branding communication and training courses held in regional offices around the world, making employees understand the processes for developing a brand, the brand positioning, and brand diversities. At the same time, these courses were recorded as online lessons. Each and every employee is given the opportunity to become a spokesman for the Delta brand, building a unique experience with their respective points of contact.



Brand News Bi-Monthly

Information Transparency and Shareholder Communications

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 to 2014, 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 arrange visits to our major manufacturing sites. In 2014, 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, allow the benchmarking of best international corporate practices, and strengthen our competitive edge in the field of sustainable operations.

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 tradeshow 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 fully utilizes the advantage of its integrated green/energy-efficient products to stimulate customer interest in energy-saving and carbon reduction business opportunities using large green performance fields and green buildings. For example, seamless fusion 3D project mapping makes the external walls of the National Taichung Theater a visual feast. Delta's integrated video solutions were applied to an LED mega-dome and huge outdoor curved display at Chimelong Ocean Kingdom in China. The InfraSuite datacenter solution was used to create a green datacenter for National United University that saves up to 46.5% in energy. We have also cooperated with the U.S. Department of Energy to design a new generation charger for smart electric cars and a charging station management system to comprehensively manage the charging of electric cars.

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 group 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 hot line, 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 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 major business units conducted a customer satisfaction survey in 2014 and more than 90% of our customers expressed satisfaction with our products and service.

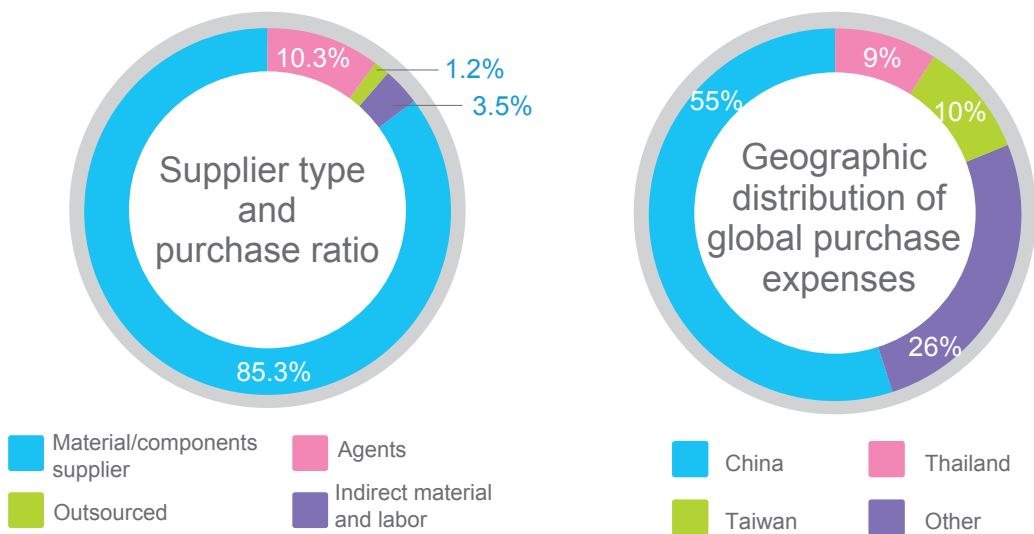
Our channel partners around the world provide us with access to global markets. For example, there are roughly 600 authorized partners in five continents for our automated industrial products. These partners assist Delta by providing customer service such as business inquiries, product installation, 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 aftersales services.



Cooperation with Suppliers

Delta provides products and services in three major categories: power supply components, power management and smart green life. For production, Delta's suppliers are divided into three types: production-related direct materials, non-production-related indirect materials, and labor. For historic purchase expenditure, direct material is the major proportion, taking 96.3% in 2014. There are three types of direct material suppliers: raw material/component suppliers, agents, and outsourced suppliers, where raw material/component suppliers take the highest proportion of up to 85.3%. In recent years, Delta has grown into a solutions provider, with the supply chain continuously expanding. Taking power supplies as an example, there were 49 newly added suppliers in Delta's supply chain system.

Furthermore, to establish close links with local partners, improve local social and economic development, and reduce the environmental footprint of the production process, Delta continues to adopt localized purchasing. For major production sites in China, Taiwan and Thailand, respectively, 74%, 74%, and 35% of direct materials were purchased locally in 2014.



Delta views our suppliers as long-term partners. We believe that a prolonged partnership can only be maintained between enterprises with similar cultures. Integrity and honesty are the first priorities for Delta in selecting suppliers. Furthermore, competitive quality, technology, delivery and cost are also requirements for a supplier. Thousands of suppliers all over the world are not only commercial partners for Delta, they are partners in our promotion of a sustainable business

as well. Currently, Delta continues to cooperate with suppliers on sustainability issues such as the environment-associated material management of products, conflict metal management, supplier ESG (Environment, Society and Economic aspects), Risk Management (including the Electronic Industry Code of Conduct, EICC) and carbon footprint/energy saving and carbon reduction control, water footprint/water resource risks management, and more.

Management of Environment-Related Substances (ERS) in Products

Delta has introduced the IECQ/QC080000 Quality System and promoted Green Product Management (GPM) systems in major plants. IECQ is implemented based on the risk classification of materials; the Green Supply Chain is established based on the following principles:

- A supplier must fully comply with local statutory regulations and define its own risk control mechanism.
- A supplier must establish management systems regarding environmental protection, staff health and safety, and being hazardous substance free (HSF).
- Compliance with relevant Delta standards on managing environment related substances (such as 10000-0162 Management Standards for Environment Related Substances).

At the same time, Delta takes the Green Products Management (GPM) system as a shared platform of environmental information in the supply chain. The most recent international environmental requirements such as the latest controlled substances of EU's RoHS 2.0, REACH SVHC, and others, are simultaneously relayed to supplier partners for their reference and compliance with the requirements and establishing the management system for the material supply system. In addition, Delta has established consultation teams in major plants for the verification of Environment Related Substances in products. Continuous consultation was provided to improve the Management System for Environment Related Substances of key suppliers. Taking Delta's China Plants as an example, a total of 305 key suppliers have been covered with ERS verification, of which 5 suppliers were disqualified due to failure to comply with Delta's ERS requirements.

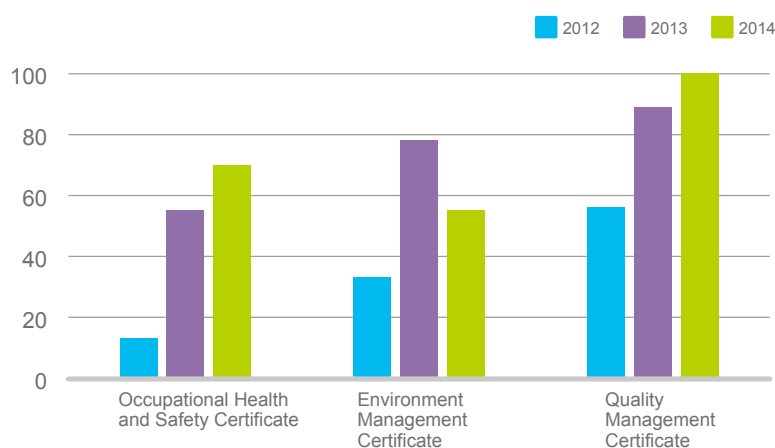
Control of Conflict Metals

Delta implements a policy for banning conflict metals. In addition to requesting suppliers of power supply products to fill out a "Metal Origin Survey Form" and to sign a "Statement of Non-use of Conflict Metals", Delta also assists in tracing the original ores of the metals contained in the material. Until 2014, about 61% of main material suppliers have signed the "Statement of Non-use of Conflict Metals". Currently, Delta has not yet seen any conflict metal used in the supply chain. Delta continuously communicates with major materials suppliers by employing its influence on corporate social responsibility, and increasing the possibility for the origin of ore products to receive the verification of the EICC or a third party.

Supplier ESG (Environment, Society and Economic aspects) Risk Management

ESG management requirements and risk assessment

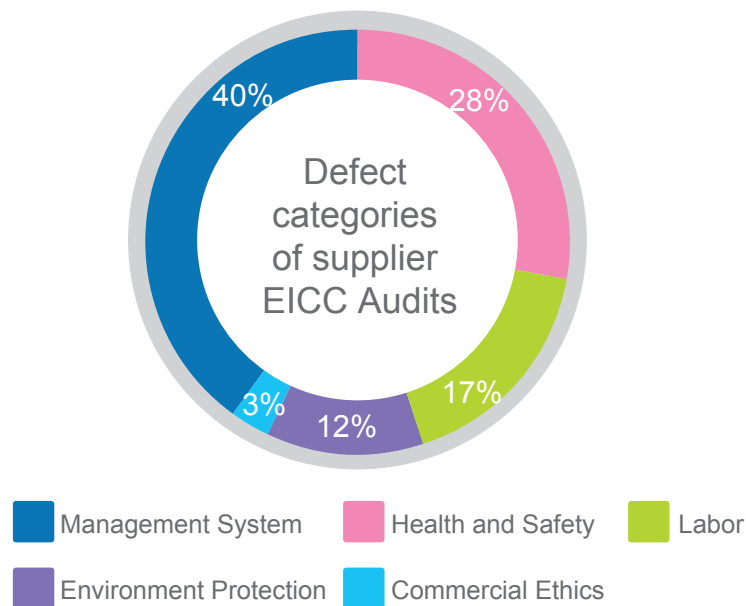
For the requirements of establishing the management of a sustainable supply chain, Delta requests new suppliers to obtain certifications of relevant systems for Quality, Environment, and Occupational Health & Safety, as well as to sign an “Integrity Statement” and an “EICC Commitment Statement”. Delta also encourages existing suppliers to obtain relevant certificates for the systems mentioned above. Additionally, using tools such as Risk Mapping, Delta verifies potential risks in the supply chain of factors such as the Economy, Environment, and Society, and for the purpose of strengthening related management. During 2012-2014, with power supply product samples, key suppliers that obtained relevant certificates increased each year. In 2014, 109 suppliers were verified as having higher environmental and social risks.



Components	PCBs	Wire/Cable	Heat Sink	Inductor / Transformer	Metal/Plastic casing
Risk Attributes	Environment	Environment, Society	Environment, Society	Environment, Society	Environment, Society
Potential Risks	<ul style="list-style-type: none"> Etching process hazardous substance VOC escape from PCB process 	<ul style="list-style-type: none"> Labor intensity VOC escape from PVC heating process Labor safety risks in soldering process 	<ul style="list-style-type: none"> Labor intensity Labor safety risks in stamping process Dust and high noise level in work environment 	<ul style="list-style-type: none"> Labor intensity Process chemicals High temperature and high humidity in work area 	<ul style="list-style-type: none"> Labor safety risks in injection stamping processes High temperature and high humidity in work area Odor of plastics
Key Suppliers	21	28	18	22	30

EICC Verification Consultation

To lower ESG risks in the supply chain and improve competitiveness, Delta started promoting EICC Verification Consultation from 2012. A verification and consultation team was organized jointly by Delta's Human Resources, Labor Safety, Plant Affairs, and Purchasing Departments to perform EICC verification and consultation of key suppliers with high ESG risks. A total of 62 key suppliers were listed as priority verification subjects in 2014, with 21 for verification and 41 for re-verification. Room for improvement has been verified for most suppliers in Health and Safety aspects of the EICC management system. Excessive work hours are common managerial problems in the industry. Addressing these findings, the Delta verification and consultation team provided experience in introducing and promoting Delta's Management System for the reference of suppliers, with status follows up to ensure continued improvement. Up to end of 2014, the ratio of improvements in defects of supplier EICC verification reached about 71%. Additionally, no member of the Delta supply chain terminated its partnership due to any nonconformity in the environment, labor conditions, human rights, or social aspects in 2014.



Carbon Footprint/Energy Saving and Carbon Reduction Management

To fulfill its business commitment of “Care for the Environment, Energy Saving, and Our Green Earth,” Delta cooperates continuously with suppliers to reduce carbon emissions, which not only lowers operation costs for both Delta and the supplier, but also increases the competitiveness of the entire supply chain.

Cooperation Items	Summary	Quantitative/Qualitative Results
Repetitive use of carriers (plastic frames)	Delta cooperates with local mechanism suppliers to use reusable carriers (plastic frames) for transporting plastic casings and materials in place of cardboard boxes.	For example, 127 participating suppliers in China have saved an estimated USD 19,000 in annual packing materials costs for power supply products.
Pallet recycling and reuse	Delta works with local suppliers to use recycled pallets for delivery.	Delta's Dongguan Plant 2, saves an estimated 60,000 RMB in operating cost per day.
Packaging materials recycling	Delta cooperates with major processing factories to recycle packaging materials such as EPE, paper, and more.	Delta's Wujiang Plant recycles up to 87% of the packaging materials for transformer products.
Green Logistics	Major global distribution centers cooperate with logistics providers to implement transportation cost optimization, consolidated delivery, Milk Run, packaging design, container packaging and selection of optimal delivery routes, and other relevant measures.	Compared to 2013, Delta's total savings for airfreight costs in 2014 were about 9.6%.
Introduction of energy saving and carbon reduction products and solutions	Delta assists suppliers to introduce energy saving products or solutions, such as LED, inverter, energy management systems, and more.	Delta cooperated with 38 suppliers to introduce energy saving products and solutions in 2013 and 2014.

Water Footprint/ Water Resource Management

To assess water resource risks in the supply chain caused by climate change, Delta has used the Global Water Tool developed by WBCSD since 2011. The Global Water Tool assists suppliers in verifying whether their production base is situated in a water stressed area. To date, Delta has accomplished identification of the plant locality of 162 critical parts suppliers and 120 non-critical suppliers. Delta provides suppliers in water stressed areas with the water saving experience of Delta's own plants and green buildings, and assists the suppliers in setting up water resource management and corresponding strategies.

Delta has compiled its power and water saving experience and success cases, while promoting its global green buildings, into video introductions and promotion articles to share with supplier partners. This includes the educational Green Building Instructions compiled by the Delta Electronic Foundation in 2014 based on Delta's Taoyuan R&D Center. Delta also invites suppliers to large-scale environmental exhibitions or educational activities it sponsors, such as the documentary “Beyond Beauty—Taiwan from Above”, and the special exhibition, “Run for Water, Water for Run”.

Dedication to Energy Saving and Environmental Protection

Key performance

<p>► Electricity Reduction for Customers</p> <p>~ 14.8 Billion kWh 2010-2014</p>	<p>► Electricity Savings of Green Buildings/Factories</p> <p>> 12.5 Million kWh</p>	<p>► Green Power Generation of Major Sites</p> <p>> 5.7 Million kWh 2014</p>
<p>► Electricity Intensity*⁹ Reduction of Major Sites</p> <p>~ 50 % Compared to 2009</p>	<p>► Carbon Intensity*¹⁰ Reduction of Major Sites</p> <p>> 48 % Compared to 2009</p>	<p>► Water Consumption Intensity*¹¹ Reduction of Major Sites</p> <p>> 48 % Compared to 2009</p>

Enhancing energy efficiency of products

- Telecommunication power supplies achieve 97.5% efficiency
- PV inverters achieve 98.7% efficiency
- DC-DC converter achieves 96% efficiency

Eco-labels

- 44 ventilator fans awarded “ENERGY STAR Most Efficient Products”
- 210 power supply products certified to 80PLUS
- 34 products passed the Taiwan Energy Label certification
- 18 products passed the Taiwan Green Mark certification
- 10 products passed the China CECP certification

The Dongguan and Wujiang plants certified to GB/T23331-2012 (ISO 50001:2011) of the China Energy Management System

Taoyuan Plant 2 awarded “Excellence in Carbon Reduction and Energy Saving” by the EPA

Note 9. Electricity intensity = Annual electricity consumption (purchased electricity)/Output value. Please refer to the section “Energy Management” for further information.

10. Carbon intensity = Annual GHG emission (scope1+2)/Output value. Please refer to the section “Active Response to Climate Change” for further information.

11. Water consumption intensity = Annual water consumption/Output value. Please refer to the section “Water Resource Management” for further information.

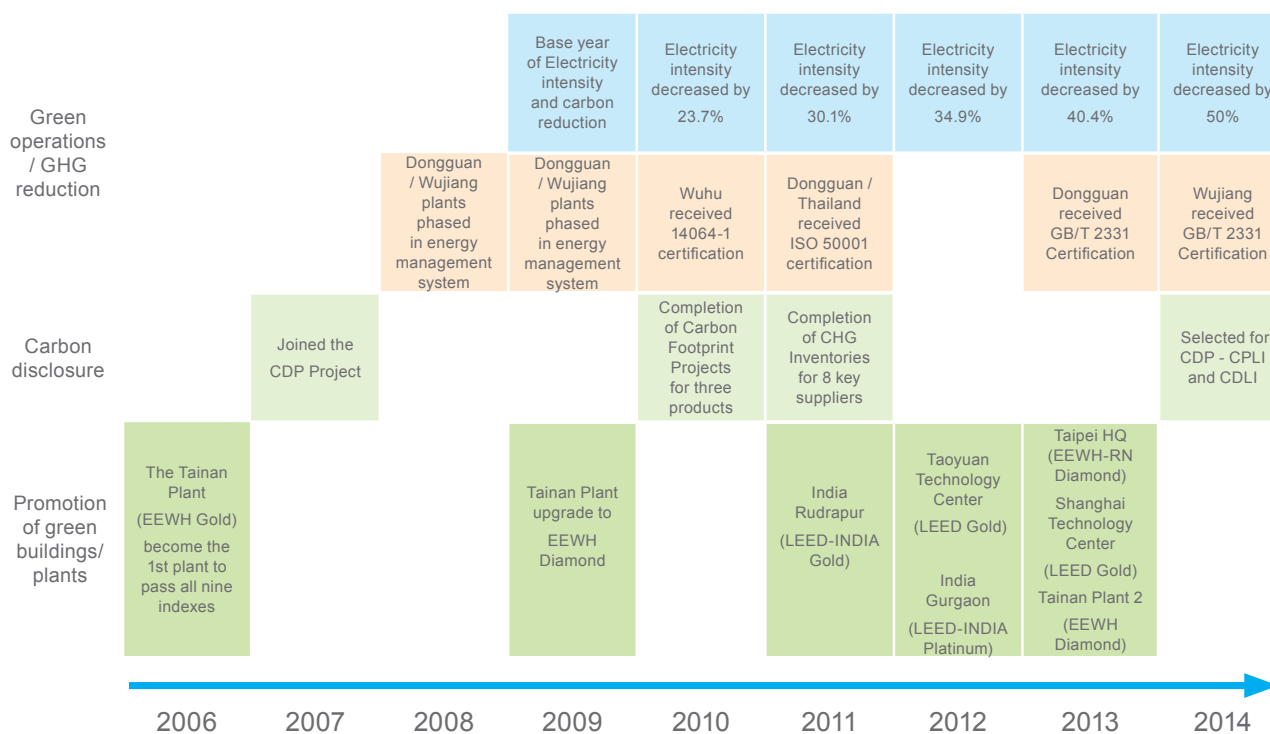
Active Response to Climate Change

Delta includes climate change in the critical risks of corporate sustainable management. In addition to closely monitoring the trend and development of global climate change and analyzing operation risks, we also manage based on “mitigation” and “adaptation”.

Mitigation

The 5th climate change report (AR5) of the IPCC points out that energy efficiency should be improved promptly, if we are expected to control a temperature increase to within 2°C by the end of the century. Meanwhile, international cooperation should intensify to increase policy incentives and companies should voluntarily reduce carbon emissions to change the energy structure. In terms of mitigation, Delta implements and promotes green operation, energy management, carbon information disclosure and green buildings/factories, while analyzing opportunities of climate change, building and enhancing energy R&D, continuing to develop green energy/energy-efficient products and solutions and aggressively becoming a provider of green and energy-efficient solutions.

Delta's key achievements in addressing climate change are summarized below:



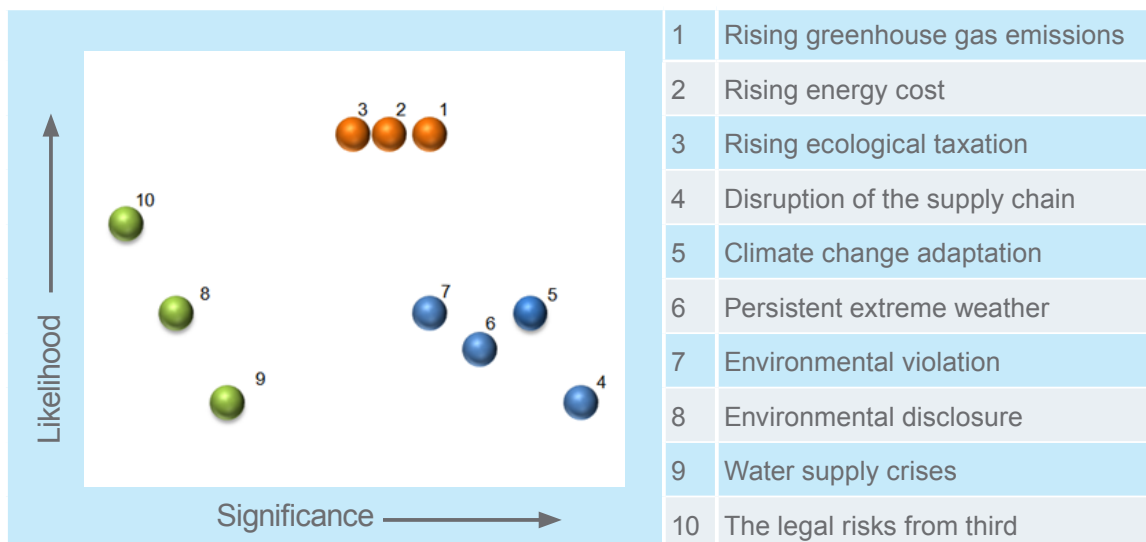
Adaptation

According to the global risk analysis of the World Economic Forum (WEF), extreme weather events and adaptation to climate change will continue to exert a greater influence on the whole world. Developing the ability to adapt to climate change and reduce possible weather risks is a key issue that should be included in a corporate sustainability management strategy. Delta has taken the following measures to address this:

- Strengthen infrastructure: Engineering techniques were applied in areas that are vulnerable to extreme weather, such as droughts and floods, to help reduce risks. For example, the base of Delta's Thailand Plants are 5-6 meters higher than sea level in consideration of possible floods.
- Build business continuity: Contingency plans and mechanisms as well as response teams are established for possible extreme weather events to ensure business continuity and restore operations in a short time.
- Fully use the green building concept: The concept of a sustainable base in green building design is applied to enhance the tolerance of plants to extreme weather. For example, at Delta's Tainan branch permeable pavement and a detention pool ensure a 150% water retention rate.

Climate Change Risk Analysis

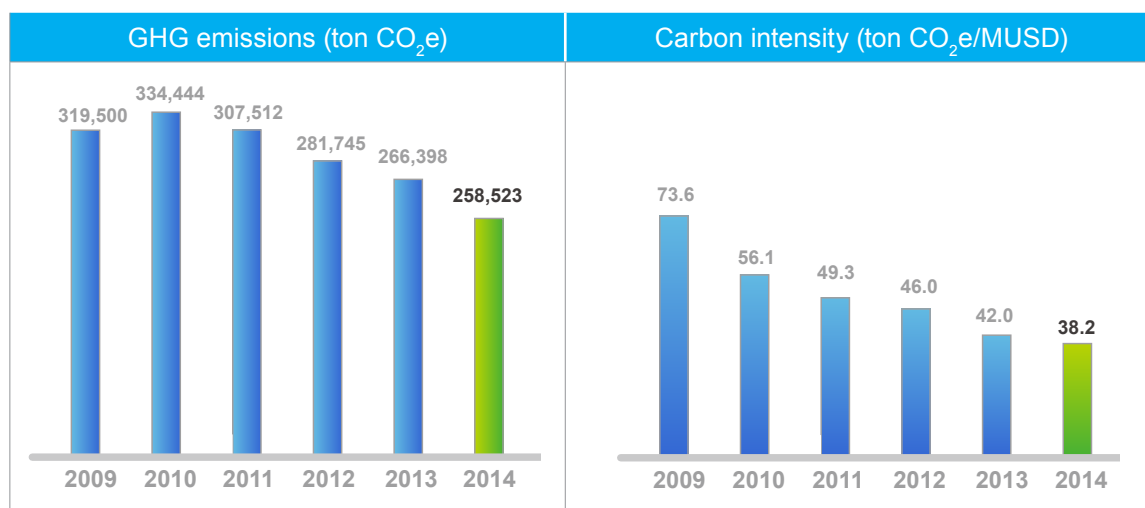
Delta employs Risk Maps that identify a total of 10 risks that are caused by climate change as well as actively manages energy costs such as electricity costs, greenhouse gas emissions, and ecological taxes such as energy taxes and carbon taxes. The company also continues to conduct energy management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



Carbon Disclosure

In 2007, Delta began taking apart in the Carbon Disclosure Project (CDP) set up by leading international institutional investors in 2003. The CDP inventories 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.

We set 2009 as the base year and uses the Carbon intensity (ton CO₂e/MUSD) as the management indicator to effectively manage direct emissions (scope 1) and indirect emissions (scope 2) of major sites in Taiwan, China and Thailand (the subsidiary of Cyntec excluded).



The direct emissions of 2014 was 12,784 tons CO₂e, (22,742 tons including Cyntec), and indirect emissions were about 245,739 tons CO₂e, (325,520 tons including Cyntec). Emissions of 87% have been validated by the independent assurance and the included greenhouse gases are shown in the table below. Statistics show that the Carbon intensity of 2014 was 38.2 tons CO₂e/MUSD, a decrease of 48% from 2009, which surpasses Delta's goal of reducing GHG emissions by 45% in 2015.

Delta has reduced unnecessary business travel since 2010. The mileage of employee business flights is recorded to calculate greenhouse gas emissions (scope 3). In 2014, Taiwan^{*12} employees traveled more frequently due to the expansion of our business. It is estimated emissions were 3,250 tons CO₂e, a drop of 13% from 2010.

Note 12. Employees traveled only calculated the employee business flights of Delta Taiwan employees.

Dedication to Energy Saving and Environmental Protection

2014 GHG emissions of major sites in Taiwan, China and Thailand							
Category	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	Total
Emissions (ton CO ₂ e)	251,525	4,913	34	2,043	0	9	258,523
Proportion	97.293%	1.9%	0.013%	0.79%	0%	0.003%	100%
2014 GHG emissions of major sites in Taiwan, China and Thailand (including Cyntec)							
Category	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	Total
Emissions (ton CO ₂ e)	332,256	5,624	141	2,293	7,939	9	348,262
Proportion	95.404%	1.615%	0.04%	0.658%	2.28%	0.003%	100%

Climate Change Opportunities

Delta has focused on climate change trends and closely monitors and manages the risks, and has developed the following opportunities and sustainable management strategies:

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

Environment Information

Information on the total input (energy, resources and materials) and total output (greenhouse gas, air pollutants, wastes and wastewater) of our global production sites*¹³ from 2011 to 2014 are compiled in the table below.

Type	Category	Item	2011	2012	2013	2014	2014 (including Cyntec)
Input	Energy ^{*14}	Purchased electricity (MWh)	362,396	334,515	321,634	312,493	419,295
		Purchased electricity EM boundary (MWh)	362,080	331,275	313,712	276,581	Not in the EM boundary
		Purchased steam (MWh)	1,211	982	931	0	0
		Natural gas (GJ)	67,169	61,922	56,197	51,778	63,648
		Diesel (GJ)	38,227	17,961	14,924	30,698	31,830
		Gasoline (GJ)	8,454	8,387	8,156	8,549	9,733
		Liquid petroleum gas (GJ)	9.97	15.66	6.00	1.96	2.13
	Renewable Energy(MWh)	Solar energy (MWh)	50	45	5,207	5,723	5,723
	Water	Municipal water (km ³)	4,796	4,335	3,885	3,764	4,696
	Materials ^{*15}	Metals (ton)	139,468	139,190	143,371	148,101	150,380
		Packaging materials (ton)	42,757	42,981	49,949	51,348	52,397
		Plastics (ton)	31,472	28,817	30,344	30,160	30,752
		Chemicals (ton)	1,707	2,132	1,385	1,112	1,563
		Other materials (ton)	3,803	3,066	1,678	1,587	1,628
Output	Greenhouse Gases ^{*16}	Direct emissions (ton CO ₂ e)	15,372	12,089	12,047	12,784	22,742
		Indirect emissions (ton CO ₂ e)	292,140	269,656	254,351	245,739	325,520
		Business flight (ton CO ₂ e) (only Taiwan)	3,500 (only Taiwan)	2,991 (only Taiwan)	2,947 (only Taiwan)	3,250 (only Taiwan)	3,250 (only Taiwan)
	Wastewater	Municipal wastewater (km ³)	4,018	3,458	3,065	2,976	3,380
		Process wastewater (km ³)	0.29	0.27	0.30	0.92	301
	Waste	General waste (ton)	8,214	7,384	8,183	9,272	9,928
		Hazardous waste (ton)	2,094	1,839	1,890	2,299	2,729
		Recyclable waste (ton)	26,609	22,097	23,547	26,059	26,214
	Air pollutants	Volatile organic compounds (VOC) (ton)	17.9	12.9	12.4	11.6	22.2

Note 13. The global production sites refer to the plants in China (Dongguan, Wujiang, Wuhu, Chenzhou and Tianjin), Taiwan (2 in Taoyuan and 1 in Tainan) and Thailand. Considering the materiality, the environment information of Cyntec, our subsidiary, has been disclosed since 2014.

14. The information of energy consumption (purchased electricity and fuels) were adjusted to consistent to GHG boundary and were different from the previous report by energy management (EM) boundary. Please refer to section of "Energy Management".

15. The information of material consumption were adjusted to consistent to the boundary of production sites.

16. The GHG emissions were summarized based on GHG boundary and GHG inventory report of above global production sites.

Energy Management

The plants in Taiwan, China and Thailand are mainly powered by fossil fuels such as natural gas, diesel, gasoline, and liquefied petroleum gas, as well as purchased vapor and purchased electricity.

Fossil fuels

Fossil fuels are mainly used to power emergency power generators, lawn mowers, forklift trucks, business vehicles as well as ovens and stoves in dormitories and cafeterias. It is used less recently mainly because stoves are using natural gas instead. In 2014, the emergency power generators in the Dongguan and Wujiang Plants were activated due to an inspection of electric circuits and new stoves were installed in the Chenzhou Plant, which doubled fossil fuel consumption compared with that of 2013.

Purchased steam

The Tianjin Plant is the only site that needs to purchase steam locally to supply hot water for employee dormitories and plant heating. The Plant moved in 2014 in accordance with the development strategy of the Company, and was thus excluded from the compilation this year.

Purchased Electricity

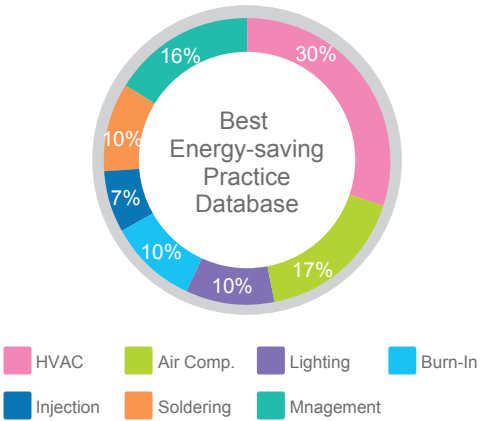
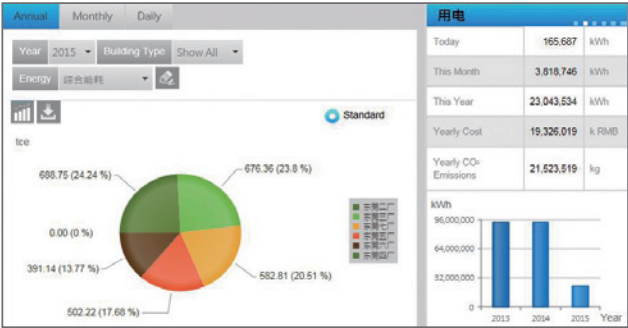
The manufacturing process of Delta's major sites consists mainly of system assembly, and the largest source of GHG emissions (95%) is externally purchased electricity. The main energy management indicator was set as electricity intensity (MWh of electricity consumption /MUSD of output value) to facilitate effective energy management. Delta has also designated a competitive five year goal of lowering electricity intensity by 50%¹⁷ to further enhance efficient use of electricity.

Starting in 2010, Delta follows the ISO 50001 energy management system as a blueprint to gradually introduce energy management systems 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 plants 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 standards, Delta's Dongguan and Wujang plants have obtained China energy management standard certification- GB/T23331-2012 (ISO 50001:2011).

Note 17. The overall goal of "electricity intensity" applies to the plants, dormitories and buildings built before 2009, including Plant No. 2~5 and 7 in Dongguan, Plant No. 1~5 in Wujiang, Plant No.1 in Chenzhou and Tianjin, Plant No.1~2 in Taoyuan, Phase 1 building of Tainan Branch and Plant No.5~6 in Thailand. The R&D building of the Wujiang Plant, M1 Plant and Plant No.2 in Chenzhou, which were built from 2010~2014 are not included in the 2009-2015 energy management scope but are in the GHG inventory.

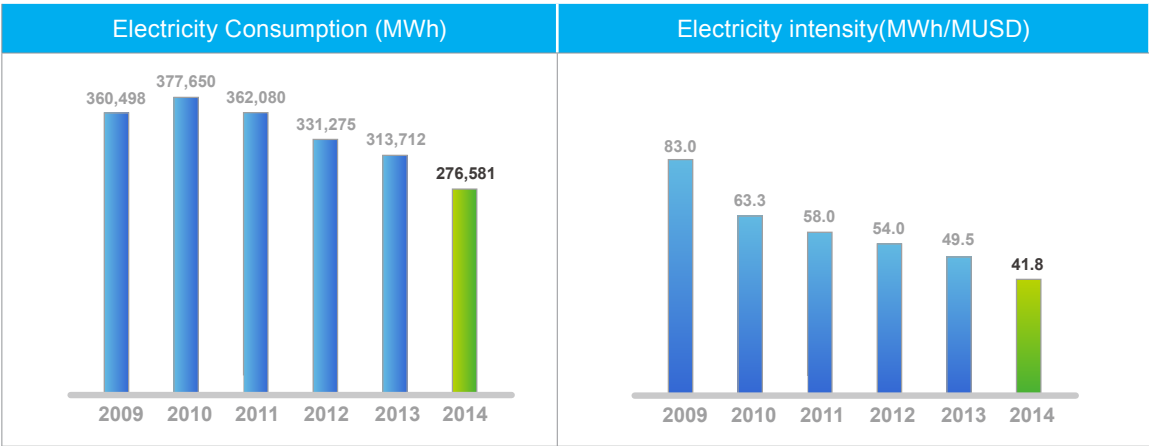
Delta also began introducing the energy management information system (iDEMS and Delta Energy Online) developed in-house and integrated with digital metering technology at our main sites in China, Thailand and Taiwan. The real-time monitoring and analysis functions provided by the system help identify more opportunities for energy saving and carbon reduction.

Energy management information system
(Delta Energy Online)



To spread sound energy-saving practices, we also setup an energy-saving technology work team in 2011 that worked with external consultants and internal experts that drew on the practical experience of energy-saving in plants. The team worked to screen energy-saving projects with shorter payoff times and better energy-saving results to set up a database of best energy-saving practices. From 2011 to 2014, a total of 100 best energy-saving practices were compiled from various plants.

Delta’s electricity intensity in 2014 (MWh/MUSD) dropped by 50% compared with the base year of 2009. This achieved the goal of a 50% decrease in electricity intensity by 2015 earlier than expected. Delta is considering using the energy management index based on annual carbon reduction rate or energy efficiency to establish its next goal of energy management with reference to CPLI criteria of CDP and international benchmark objectives.



Dedication to Energy Saving and Environmental Protection

Delta continues to carry out energy-saving and carbon reduction measures (see table below) for air-conditioners, ventilation systems, air compressors, injection machines, lighting systems, burn-in energy recycling, process improvement and other dimensions from 2011-2014. The company put 254 energy saving projects into practice in 2014 and estimates that 26 million kWh of electricity is saved per year and 20,475 ton CO₂e emissions are reduced.

Energy Saving Topic	Items	2011	2012	2013	2014
HVAC	Cases	20	36	31	72
	Annual electricity savings (MWh)	4,530	5,166	3,390	5,178
	Annual carbon reduction (CO ₂ e ton)	3,911	4,626	2,539	3,557
Air Compression	Cases	13	17	12	30
	Annual electricity savings (MWh)	1,690	1,520	1,408	2,581
	Annual carbon reduction (CO ₂ e ton)	1,437	1,332	1,091	1,926
Injection Molding Machine	Cases	7	4	6	4
	Annual electricity savings (MWh)	8,650	2,705	2,384	419
	Annual carbon reduction (CO ₂ e ton)	7,844	2,352	1,818	289
Lighting System	Cases	17	15	15	18
	Annual electricity savings (MWh)	7,480	1,013	643	309
	Annual carbon reduction (CO ₂ e ton)	6,522	743	374	204
Burn-in Recovery System	Cases	15	10	7	7
	Annual electricity savings (MWh)	13,410	7,662	3,649	2,337
	Annual carbon reduction (CO ₂ e ton)	12,060	4,810	2,548	1,747
Process Improvement	Cases	29	38	31	56
	Annual electricity savings (MWh)	3,380	1,890	3,426	3,841
	Annual carbon reduction (CO ₂ e ton)	3,048	1,450	2,335	3,051
Others	Cases	34	12	16	67
	Annual electricity savings (MWh)	3,270	1,434	12,509	11,378
	Annual carbon reduction (CO ₂ e ton)	3,086	996	11,178	9,702
Total	Cases	135	132	118	254
	Annual electricity savings (MWh)	42,400	21,390	27,408	26,043
	Annual carbon reduction (CO ₂ e ton)	37,908	16,310	21,882	20,475

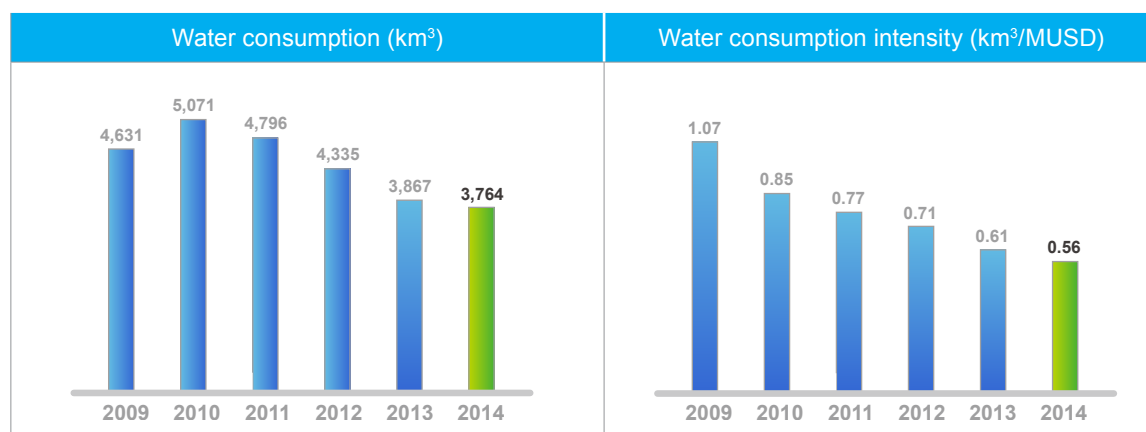
Materials Management

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). Renewable materials accounted for 17.4% weight of wooden boxes, pallets and cartons in 2014. No substances harmful to the ozone layer are used during our production processes.

Output in 2014 was slightly higher than that of 2013 and the consumption of metal and packaging materials increased by 3.2% and 2.6% respectively. The consumption of organic solutions used in the production process dropped by nearly 16% due to a change of product mix.

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 2013, water consumption was decreased by 120,000 tons for a reduction of 3.1% in 2014. Over the years, Delta has continued to implement various water-saving measures at main sites, such as recycling the condensate of air-conditioners for flushing toilets or irrigation, 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. Taking water consumption intensity (km^3/MUSD) as the indicator (Cyntec not included), we have a reduction of 48% compared to 2009.



In addition, Delta has 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. The company identified relatively high water shortage risks for the Taoyuan Plant 2 in Taiwan. The plant has 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

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. The volume of wastewater discharged is estimated to be 80% of water consumption for plants in China and Thailand, while the flow meter is used for practical monitoring in Taiwan plants. 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 2014, there were no significant leaks or spill incidents at any Delta site.

Waste Management

All of 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. No significant incidents occurred in 2014.

The total weight of waste was 37,630 tons (38,871 tons including Cyntec) in 2014. Because stone and soil waste generated from the renovation of some plants in China was mixed with industrial waste and the waste printed circuit board (PCB) increased due to the increase of output, the volume of industrial waste and hazardous waste in the total waste volume slightly increased by 0.7% compared with that of 2013 and 88% of the industrial waste was buried.

Air Pollutants Management

Assembly is the main process at Delta and Cyntec production sites and there are no stationary sources for which application, regular monitoring and reporting of emissions shall be designated and announced. We continue to monitor gas emitted by the plants to ensure that it causes the lowest environmental load to the surrounding air.

Air pollutants generated by major 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.

11.6 tons of VOC was generated in 2014 (22 tons including Cyntec). NOx and SOx come mainly from the testing or emergency use of power generators, hot water boilers in the living areas, and cafeteria cooking, but the quantities are minute.

Green Buildings/Factories

Ever since Delta built its first green building/factory at the Tainan Science Park in 2006, we have realized that green buildings can effectively reduce environmental and ecological impact. 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 it 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.

Delta has seven certified green factory/office buildings globally, which include buildings in Taipei, Taoyuan, and Tainan, Taiwan, in Shanghai, China, and in Rudrapur and Gurgaon, India. Our Tainan branch was even awarded the Green Factory Label with the first clean production certificate for general industry. In comparison with the energy use intensity (EUI, kWh/m²/year) of traditional office buildings in Taiwan^{*18}, large public structures in Shanghai^{*19} or commercial buildings in India^{*20}, 12.5 million kWh electricity was saved at our green factory/office buildings in 2014 and 8,500 tons CO₂e of emissions were reduced.

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.

In addition to building factory/office buildings in accordance with green building techniques, Delta has renovated its existing buildings to make them energy-efficient and continues to develop energy-saving projects for existing office and commercial buildings. For example, smart air-conditioning, lighting, energy-efficient elevators and energy management information systems are used in Delta's headquarters, the Rui Guang Building, which has reduced carbon emissions by 51.75%. The headquarters building has been recognized as a “diamond level” existing green building and has become a best model of carbon reduction for Taiwan office buildings. The Rui Guang Building saved 58% in power in 2014.

Delta's IT team, energy-saving service team and related business units cooperated to put a datacenter project, smart air-conditioners and LED energy-efficiency project together with free cooling technology and combine the existing datacenter in the Rui Guang Building and a datacenter in the nearby Yang Guang Building into a green datacenter. The new datacenter complies with TIA-942 Tier2 and the power usage effectiveness (PUE) met the Green Grid 1.43 standard in 2014. The new datacenter consumes 30% less power compared with the average power consumption of the previous two datacenters.

Note 18. <Bureau of Energy, Ministry of Economic Affairs>Taiwan Office building (parking lot not included) average EUI: 241.9 kWh/m²/year
19. <Statistic of Energy Consumption of Shang Hai Private Building> Large Public building average EUI: 119.73 kWh/m²/year
20. <UN and Indian Bureau of Energy> Commercial building average EUI: 210 kWh/m²/year
21. The CO₂ coefficient in Taiwan: 0.522kg/kWh. The factor in China: 0.8095kg/kWh. The factor in India: 0.912kg/kWh (IEA, CO₂ Emissions from Fuel Combustion Highlights, 2012 Edition)

Dedication to Energy Saving and Environmental Protection



Delta is willing to share its experience in building energy-efficient and low-carbon green buildings and green factory-office buildings. Through the Delta Electronic Foundation the company promotes green building volunteer programs, works with local environmental protection groups to promote environment education programs and has joined the “Green Building Foundation Plan” of Architecture and Building Research Institute, Ministry of the Interior. This plan shares the energy-saving ideas of green buildings with the government, school, media, communities, and the public. In 2014, our green factory/office building had 1,360 visitors.

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 30%.
EMS	<p>With the adopted of Delta intelligent monitoring and management system (iPEMSTM), 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.</p>

Delta green building/green factory		Energy-saving techniques	Benefits* ²¹ in 2014
Delta Taipei Headquarters • Inaugurated in 1999 • EEWH-RN Diamond (Building Renovation)		• High efficiency HVAC systems • LED lighting solutions • Energy regeneration from elevators • Energy management systems	• Saved 58% electricity (Savings of 2,300 MWh) • Reduced 1,200 tons CO ₂ e
Taoyuan Technology Center • Inaugurated in 2011 • LEED Gold		• 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)	• Saved 47% electricity (Savings of 2,160 MWh) • Reduced 1,130 tons CO ₂ e • Saved 9,100 tons water
Tainan Plant Phase II • Inaugurated in 2013 • EEWH Diamond		• Shading design • Natural lighting, buoyancy ventilation towers, and tunnel ventilation systems • LED lighting and Solar PV systems • Energy regeneration form elevators • Water recycling systems (rainwater and cooling water)	• Saved 50% electricity (saving of 1,200 MWh) • Reduced 625 tons CO ₂
Tainan Plant Phase I • Inaugurated in 2006 • EEWH Diamond		• Concave shielding and natural lighting • Buoyancy ventilation towers • LED lighting and Solar PV systems • Energy regeneration form elevators • Water recycling system (rainwater and cooling water)	• Saved 19% electricity (Savings of 620 MWh) • Reduced 320 tons CO ₂ e
India Rudrapur Plant • Inaugurated in 2008 • LEED-India Gold		• Natural lighting • High efficiency HVAC systems • Solar PV systems • LED street lamps • Sewage treatment and recycling systems	• Saved 73% electricity (Savings of 2,800 MWh) • Reduced 2,410 tons CO ₂ e
India Gurgaon Plant • Inaugurated in 2011 • LEED-India Platinum		• Natural lighting • High efficiency HVAC systems • Solar PV systems • LED street lamps • Anaerobic sewage treatment and recycling systems	• Saved 53% electricity (Savings of 900 MWh) • Reduced 760 tons CO ₂ e
Shanghai R&D Center • Inaugurated in 2011 • LEED Gold		• Energy management systems • LED lighting solutions • Solar PV systems • Datacenter solutions	• Saved 39% electricity (Savings of 2,560 MWh) • Reduced 2,070 tons CO ₂ e

Dedication to Energy Saving and Environmental Protection

Green Offices

Delta's main sites continue to practice the following energy-saving measures for offices:

Office lighting

All plants installed 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.

Energy-saving office measures

Office and testing computers changed to 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.

Water-saving measures

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

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. An average of 30-40% in energy savings was achieved.

Reducing Environmental Impact from Our Operations

Delta had no significant violation of environmental regulations in 2014. As all major Delta sites are located in industrial parks, science parks, or local industrial zones, this reduced the environmental impact on the local ecosystem 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. For example, we set up an environmental education and exhibition site at Yang-Kuang Building nearby Delta Taipei Headquarters in 2013. The site was managed by Delta Electronics Foundation and has the collection of over 800 books in environmental category. Since 2013, the Foundation held several environmental education activities and attracted around 2,800 visitors. In 2014, we organized 9 lectures, and attracted about 340 participants.

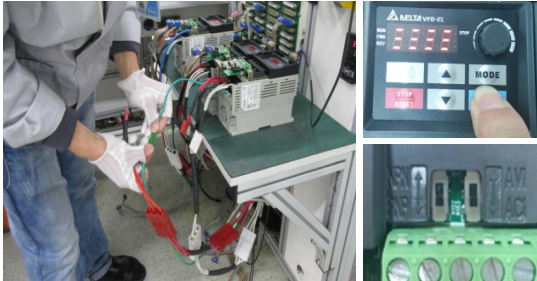
Green Production

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 2014 are shown below:


Project Type	Implementation Summary	2011	2012	2013	2014
Process optimization	Optimization of existing production processes	14.9	16.5	9.7	12.6
Automation control	Adoption of automation control systems for labor intensive production stages	14.3	8.6	7.2	7.6
Process simplification	Simplification for traditional or complicated procedures	0.9	0.5	1.2	2.0
Tool optimization	Optimization for jig design	0.4	2.9	0.5	0.8
Logistics improvements	Improvement of delivery and storage methods	1.0	0.1	0.5	2.1
Total Benefits (MUSD)		28.6	31.5	19.2	23.2

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

(Case 1) Automation Control - Improvement of the button test line of converter panels

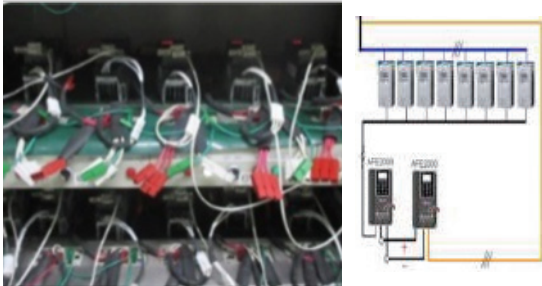


Before: Manual testing was time-consuming and often resulted in negligence and misjudgments.

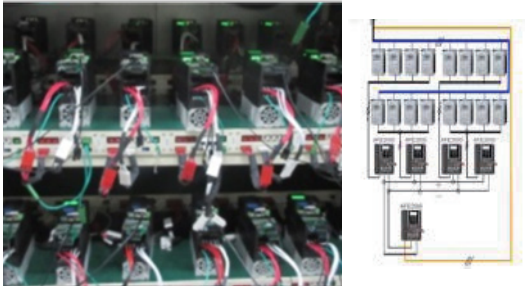


After: Automatic testing with a robotic arm does the work of 12 people to facilitate the process.

(Case 2) Manufacturing process improvement - Increasing burn-in test capacity and efficiency



Before: Only 32 power products could be tested each time and the power factor was < 90% before improvement.



After: The power distribution system has been improved, resulting in doubled capacity and higher power factor (~96%).

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, which lowers the loading of the air conditioning systems. By using Delta ERSs, including ERSs adopted before 2014, over 51.3 million kWh of electricity was recycled in 2014, reducing GHG emissions by 4,100 tons compared to testing 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 China's "Golden Sun Project" to install solar PV modules with a capacity of 2.117 MWp, 2.177 MWp, and 1.53 MWp respectively. In 2014, the solar PV systems at major sites generated 5.7 million kWh of electricity, which is equivalent to a CO₂e reduction of 4,800 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 2014, the Wujiang plant recycled a total of 12,600 tons of water, while the Taoyuan Technology Center recycled and reused a total of 9,100 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 2014, roughly 54 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 2014, 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 the BSI PAS 2050 carbon footprint verification.

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.

Dedication to Energy Saving and Environmental Protection

Adaptor(90W) (ADP-90 CD BB)	PV Inverter (250VDC) (SeLivia 5.0 EU G3 TR)	DC fan (12V) (PFC0612DE)
		
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

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.

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, 79% of the procurement amount used for power supply products were from Chinese suppliers in 2014, 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 help reduce the costs for both parties during transportation, but also generate 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.

Adoption of green packaging materials:

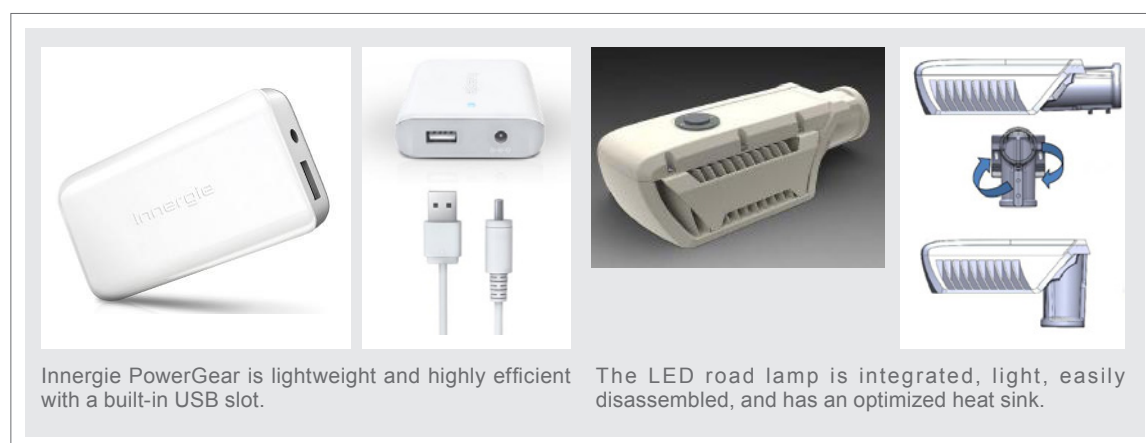
We employ green packaging materials for all of our products, including corrugated paper, cardboard, paper, and wooden boxes, for the transport process. Waste materials can be recycled, reused, or used repeatedly. For example, paper packaging materials that contain more than 74% paper are 100% recyclable and reusable. Automated motors, on the other hand, are placed in wooden boxes with fixed flaps, which can be used repeatedly.

Enhanced energy efficiency:

The continued improvement in product energy efficiency is a concrete expression of Delta's commitment: "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 98.7%, DC-DC converters for automotive with 96% efficiency, and telecom power supplies with 97.5% efficiency.

Products can be recycled and disassembled with ease:

Delta strives to design our products for ease of recycling/disassembly. We actively help 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.



Eco-labels and Eco-declarations

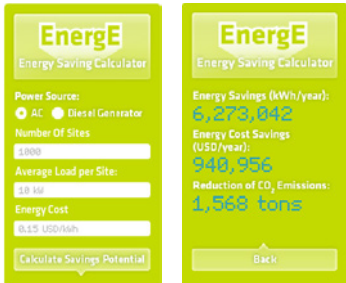
Type I eco-labels

Type I Eco-labels conform to specification standards of organizations or governments and have been verified by third parties. Trademarks are easily identified by clients and consumers. Prominent examples are the Taiwan Green Mark and US Energy Star. Delta has 34 products that 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, 44 of Delta's ventilation fans have obtained the ENERGY STAR Most Efficient Product certification till 2014, and 210 of our power supply products have obtained 80 plus certification.

Dedication to Energy Saving and Environmental Protection

Type II environmental declarations

Our experience from several product Streamlined Life Cycle Assessments (SLCA) 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
	<div data-bbox="735 1059 1015 1084">DPR 2900 : efficiency > 97%</div> <div data-bbox="740 1099 948 1155"></div> <div data-bbox="1139 1070 1342 1160"></div> <hr/> <div data-bbox="735 1200 1027 1225">DPR 6000: efficiency 96~97%</div> <div data-bbox="740 1240 948 1296"></div> <div data-bbox="1139 1196 1334 1301"></div> <hr/> <div data-bbox="735 1335 1027 1359">DPR 4000: efficiency 95~96%</div> <div data-bbox="740 1375 948 1431"></div> <div data-bbox="1161 1330 1321 1435"></div>

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 2010-2014 is shown below. Compared to 2013, Energy Management and Smart Green Life accounted for a larger percentage of revenues in 2014.



Application Areas	Key Products	2011	2012	2013	2014
Power Electronics	<ul style="list-style-type: none"> • Embedded Power Supplies • Mobile Power Supplies • Industrial & Medical Power Supplies • Fans and Thermal Management • Electronic Components for ICT Equipment 	66.5%	63.2%	59.8%	60.1%
Energy Management	<ul style="list-style-type: none"> • Industrial Automation • Telecom Power Systems • UPS & Datacenter Infrastructure • Automotive Electronics & EV Charging • Renewable Energy 	14.5%	17.1%	18.1%	18.8%
Smart Green Life	<ul style="list-style-type: none"> • Networking Systems • Display & Visualization • LED Lighting • Healthcare Devices • vivitek • Innervie 	17.3%	17.7%	19.3%	19.5%

Delta not only maintains our leadership position in the ODM field, but we are also actively expanding into the DMS solutions business. With the 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



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%.



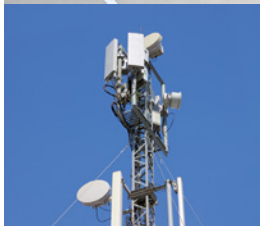
Datacenter Solutions

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

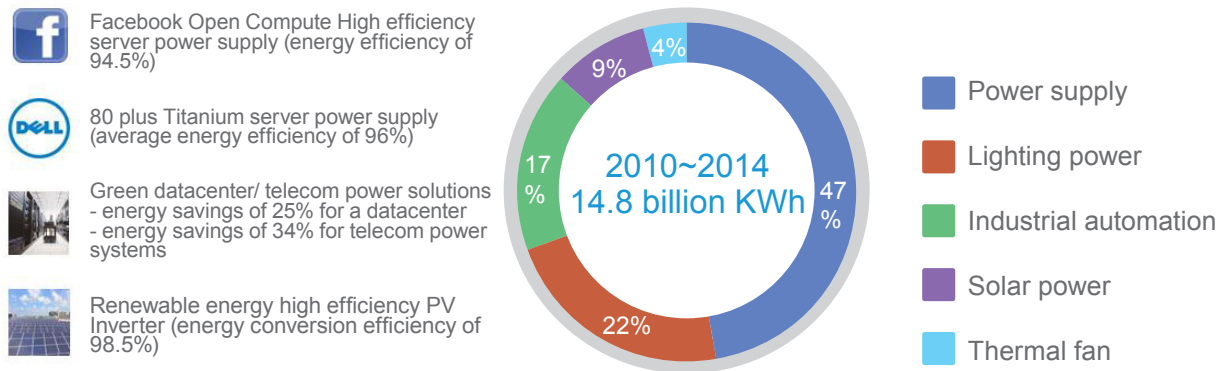
Delta has adopted solar PV cells manufactured by affiliated enterprises and our PV inverters with energy efficiency of 98.5%. We installed a solar PV system for the roof of the main venue of the World Games in 2009 and also provide competitive solutions for clients in countries that are key global developers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



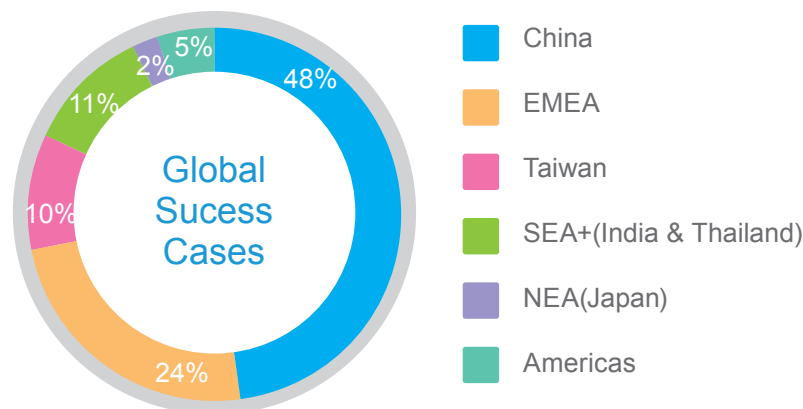
Display and Monitoring Solutions

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.

Delta constantly improves the energy efficiency of our current products and develops new green energy/ energy-saving products and solutions to assist customers in saving more energy and achieving better cost-savings. Based on the quantities of Delta's power supplies, DC fans, UPSs, ballasts, inverters, PV cells and other products*²² shipped by Delta in 2010~2014 from its Taiwan, China and Thailand plants, Delta's high efficiency products help customers save almost 14.8 billion kWh of electricity and reduce carbon emissions by nearly 7.9 million tons CO₂e. The proportions of energy savings by different product types between 2010 and 2014 are shown below:



In addition, Delta provides solutions to customers around the world. We have delivered about 200 successful cases. Of these cases with energy-saving features achieve 20% to 40% in energy-savings.



Note 22. The estimate is based only on energy-saving products in 2014. The estimation method is as follows:

- Power supplies and DC fan products: the calculation is based on efficiency improvements compared to 2013, with the assumption of load and hours at use (or standby mode) under normal situations.
- 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 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.
- PV cells: the calculation is based on total product capacity to estimate the electricity generated under normal conditions.
- CO₂ emissions coefficient: Thailand shipments are calculated by using an electricity emissions coefficient of 0.5813 kg/kWh. All other shipments are calculated using Taiwan's electricity emissions coefficient of 0.522 kg/kWh.

Employee Relations and Social Contribution

Key performance

<p>▶ Environmental Exhibitions and Education</p> <p>~ 15 million attendances</p> <p>2009-2014</p>	<p>▶ Energy Education Involvement</p> <p>> 50,000 students</p> <p>2006-2014</p>	<p>▶ Green Building Visits</p> <p>~ 22,000 attendances</p> <p>2014</p>
<p>▶ Electricity Savings of Donated Buildings</p> <p>> 600 MWh</p> <p>2014</p>	<p>▶ Electricity Savings of Delta Energy Schools</p> <p>~ 20 %</p> <p>10 energy schools under guidance in 2014</p>	<p>▶ Low-carbon Lifestyle Blog</p> <p>> 3.8 million view</p> <p>2007-2014</p>

Shared the experience of building a “Net Zero Energy” campus at a UN climate-related meeting

At a COP20 side event Delta Electronics Foundation shared how we helped MinQuan Elementary School in the Namasia District of Kaohsiung City build a diamond-level green “Net Zero Energy” building that also provides shelter from natural disasters. This achievement won recognition from environment representatives of the World Bank, the Netherlands and Tuvalu.

Showcased our energy-saving systems at an international competition

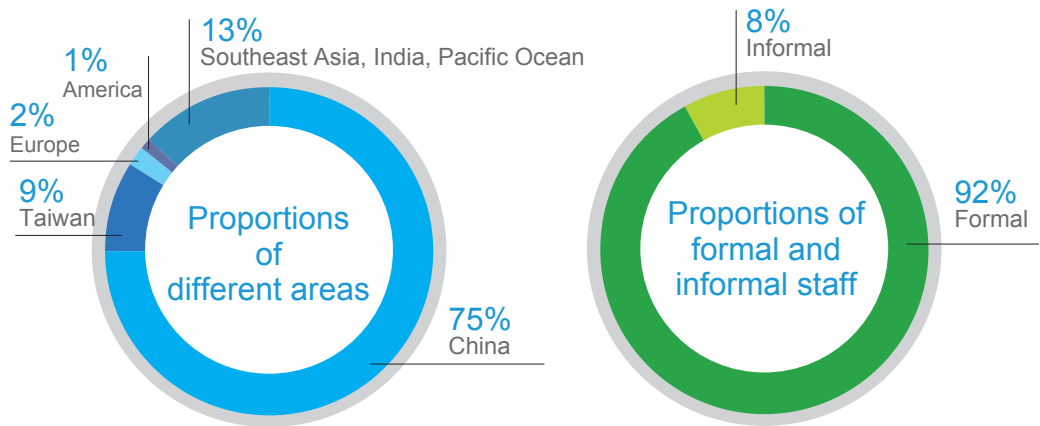
Delta provided cutting-edge solar power generation and storage systems, electricity monitoring and management systems as well as environmental control systems to National Chiao Tung University with the aim of promoting brand concepts and environmental education. We supported NCTU in joining “2014 Solar Decathlon Europe” and they won third place in “energy efficiency”.

Raised the alarm to combat drought and held the “Run for Water, Water for Run” Exhibition

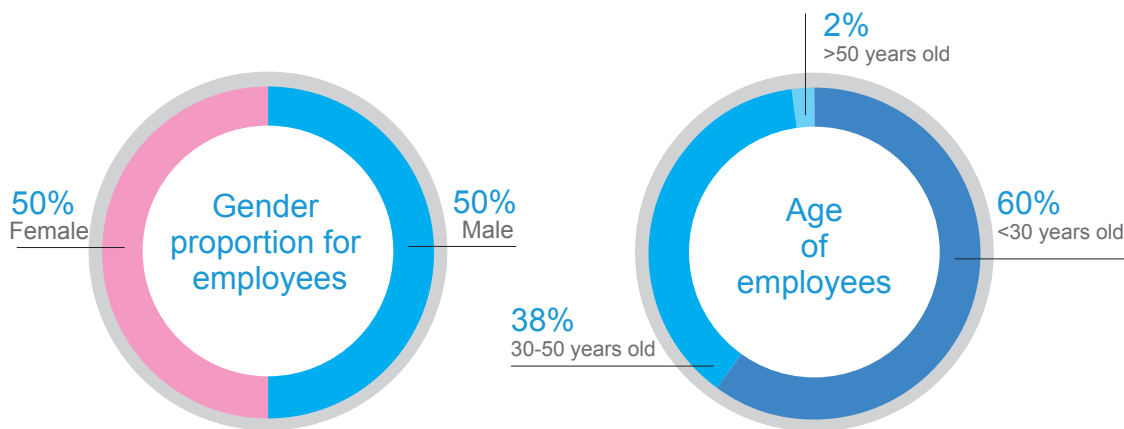
The “Run for Water, Water for Run” exhibition had 35,000 visits, including government leaders, of industry and university leaders, , US experts on climate change, diplomats and international guests with a high-level of media coverage. 14,000 teachers and students completed an environment education program at the exhibition and the National Development Council sent the exhibition invitation.

Employee Composition

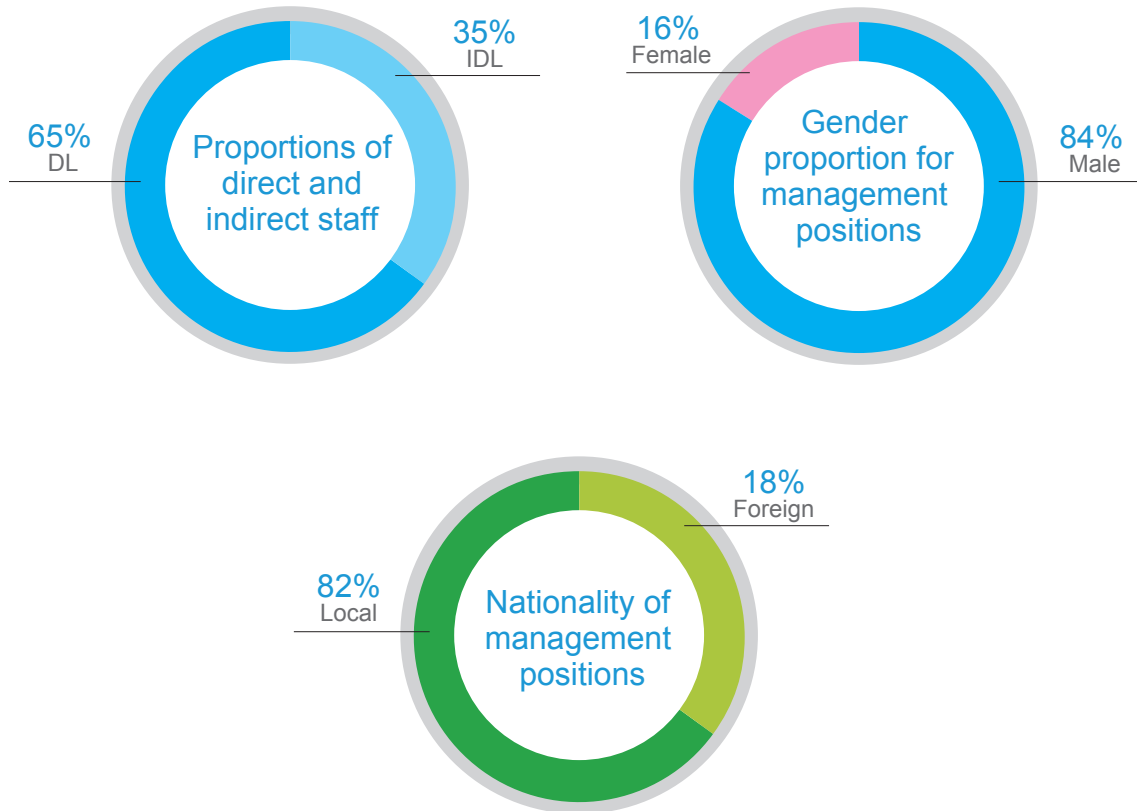
By the end 2014, Delta had a total global workforce of around 80,000. In terms of geographical distribution, 75% of employees work in China. The distribution of the global workforce is shown below:



Delta recruits, appoints and develops employees based on their capacities, and treats all in the same way, regardless of race, faith, color, nationality, age, gender, sexual orientation, marriage status, political affiliation or disability. Official employees account for 92% of the total, of which all are in production, operation and R&D positions. Employees are 50% males and 50% females. Direct employees account for 65%, and 60% of the employees are under the age of 30. Employees are 3% minorities. For management, 82% are native to the country where they are employed and 16% are females.



Employee Relations and Social Contribution



Definition

Direct employees: People who work in the production line and are often referred as operators or technicians.

Indirect employees: People whose work is not directly related to production, including directors, supervisors and employees in the sales, R&D and support units.

Native: People who are natives of the country where they are employed.

Employee Policy

As a global enterprise and a responsible corporate citizen, Delta is committed to offering our employees an environment to develop their capabilities. To fulfill this commitment, Delta 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, we have implemented the Delta Group Employment Policy as following:

Law Compliance:

To comply with applicable labor or employment laws and international standards wherever it operates.

Freely Chosen Employment:

To prohibit 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:

To prohibit 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:

To hire employees based on capabilities, and not to discriminate based on race, religion, color, nationality, age, gender, sexual orientation, disability, or other reasons which are protected by law in recruitment, training, awards, promotion, termination, retirement, or other employment conditions.

Working Hours:

To establish a management mechanism 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:

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

Freedom of Association:

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

Training Opportunity:

To ensure equal opportunity for employee development and provide job-related training to enhance employee capabilities and skills.

Health and Safety:

To provide a safe and healthy working environment in accordance with applicable safety and health regulations, and to establish and maintain an occupational safety and health and safety management system that defines operational procedures and monitors the implementation of continuous improvements in safety and health performance

Our employee policy expressly provides that human rights shall be well protected. In China, the Dongguan Plant and Wujiang Plant have gone through complete EICCs, and about 60% of the employees at all production sites have received a human rights assessment.

In 2014, there was no discrimination, child labor, infringement of human rights, or severely compelled or forced labor.

Labor-Employer Relationship

Employees are Delta's most important assets. We provide various communication channels, competitive salaries and benefits, and complete training as well as a comfortable and safe workplace to encourage the retention of employees. If one asks to leave, Delta will arrange an interview with the person to understand the reason why he/she wants to leave and try to retain the employee. The average turnover rate at global sites reached 61% in 2014, while the average turnover rate at global R&D sites was 14%.

Turnover and new recruits by area

Area	New recruits		Turnover	
	People	%	People	%
Taiwan	1,299	18%	919	13%
China	46,074	74%	42,865	69%
Europe	76	6%	129	10%
America	265	21%	330	27%
North East Asia	26	16%	8	5%
South East Asia, India and Oceania	983	10%	1,044	10%
Average	48,723	60%	45,295	55%

Turnover and new recruits by gender

Gender	New recruits		Turnover	
	People	%	People	%
Male	27,549	69%	23,768	59%
Female	21,174	51%	21,527	51%
Average	48,723	60%* ²³	45,295	55%* ²⁴

Turnover and new recruits by age

Age	New recruits		Turnover	
	People	%	People	%
<30	40,669	82%	36,763	74%
30-50	7,998	26%	8,394	27%
>50	56	4%	138	10%
Total	48,723	60%	45,295	55%

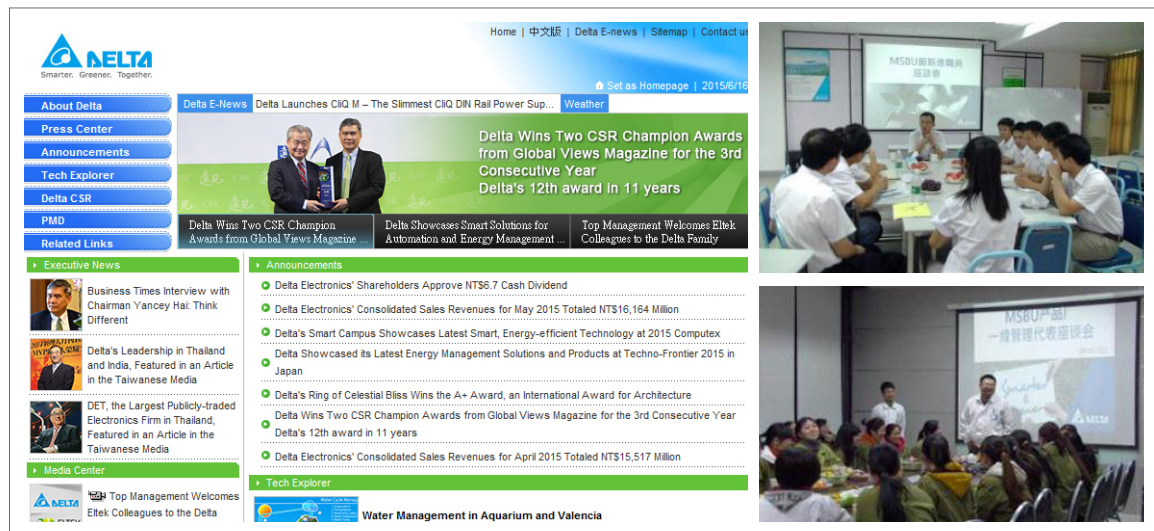
In the event of significant changes in operations, Delta notifies the affected employee(s) in advance according to the local regulations or the collective contract signed with the labor unions. In addition to prior notice, the Company also provides supplementary measures, such as transferring the employee to other units, recommending the employee for external jobs or providing recruitment information and giving what the employee requires to apply for subsidies from the government.

In Taiwan, for example, Delta is required by the Labor Standards Act to notify the affected employee 10 to 30 days in advance depending on the seniority of the employee. In Shanghai, China, the employer is required to explain the following manpower adjustment plan, procedure and financial compensation criteria to the labor union and employee(s) 30 days before in accordance with the contract agreed with the labor union. The plan must be approved by the worker congress and reported to the department of labor for reference before being implemented.

Note 23. New recruitment rate: The number of new recruits in 2014/ Average number of existing employees at the end of the month from January to December, 2014

24. Turnover rate: The number of people that left in 2014/ Average number of existing employees at the end of the month from January to December, 2014

Employee Communication



Our employee policy commitment is to respect the freedom of association and the right to organize labor unions for all employees. We have established communication channels for employees in accordance with local laws. Delta has major production sites in China and Thailand and has signed collective contracts with the respective labor unions. An employee coverage rate that exceeds 80% is guaranteed in Thailand. The collective labor union contract expressly provides that the Company shall assure safe and healthy working conditions. These types of provisions account for 17.5% of the total clauses.

Employee representatives in Taiwan can express suggestions and their views about certain issues at the quarterly labor-employer meeting and the welfare committee meeting, and reach a consensus with the Company via discussion.

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 hot-line 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.

To realize Delta's corporate mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow", every plant organizes CSR-related activities such as employee nights at the exhibit of "Water for Run, Run for Water", tree planting activities, eco-friendly fashion shows, an "Earth-hour" lights-off activity, and competitions in energy conservation knowledge. These activities have received enthusiastic feedback from our staff.



Wuhu Plant organized an environmental protection training activity at Tianmen Mt.



Energy education volunteers at the Shanghai R&D Center held a popular science activity for environmental protection at the Pudong 2nd Zhongxin Elementary School on Earth Day, April 22nd.

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. Delta appropriated 14% of net income for employee bonuses in 2014 and was listed in the “Taiwan High Compensation 100 Index” published by the Taiwan Stock Exchange Corporation.

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.

Employee Relations and Social Contribution

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.

The performance of new employees is formally assessed after their first three months and their performance and career development is reviewed annually. Assessments and reviews are carried out with nearly a 100% completion rate.

Delta provides various insurance, benefits and pension funding in line with local regulations or practices, and even offers group insurance better than what is legally required to ensure the working and living safety of employees.

To encourage marriage and children, Delta in Taiwan offers parking lots for cars and motorcycles, a breast-feeding room, active care for pregnant employees or for childbirth, maternity leave, paternity leave, family care leave, marriage leave as well as monetary wedding gifts from both the management and the Welfare Committee.

Parental leave is granted in line with local regulations. According to the Labor Standard Act of Taiwan, an employee who works for the Company for one year can apply for unpaid parental leave before the child turns three and the unpaid parental leave shall not be more than two years. Once the parental leave is over, the Company will arrange for or help the employee return to their original unit and position. Total days of unpaid parental leave in 2014 are shown below:

		Male	Female	Total
A	People qualified to apply for unpaid parental leave in 2014* ²⁵	1063	492	1555
B	People actually applying for the leave in 2014	10	58	68
C	People expected to return to work in 2014	11	31	42
D	People actually applying for returning to work in 2014	5	22	27
E	People returning to work in 2013	1	13	14
F	People returning to work for 1 year in 2013	0	10	10
				Average
G	Return rate* ²⁶	45%	71%	64%
H	Retention rate* ²⁷	0%	77%	71%

Note 25. The number of people qualified to apply for parental leaves is estimated based on the number of people who have taken maternity or paternity leave from 2011 to 2014.

26. The formula of the return rate is $D/C \times 100\%$.

27. The formula of the retention rate is $F/E \times 100\%$.

In addition, Delta organizes assorted activities, such as clubs, incentive tours, a LOHOS day, a paid volunteer day, sports meets, environmental protection and artistic activities to help employees strike a balance between work and life. We also respect local cultures. Every plant in China organizes events for New Years, the Dragon Boat Festival and the Moon Festival while the directors of plants in Thailand lead employees to help with the renovation of temples and public welfare activities. In Taiwan, there are annual incentive trips and benefits to create a happy working environment.

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:

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

Employee Relations and Social Contribution

In China, for example, Delta officially established the Delta Enterprise University in 2012. The University includes a technical division, administration division, and elite division, which vary depending on the content of the training provided. It aims primarily to perfect talent development by combining employee capabilities and the career development system. Employees are analyzed for their role and capabilities. Multiple approaches are explored to provide education according to their talents and to boost individual employees' professional development.

The Delta Enterprise University is approved by the government and has been assigned a test site for skills evaluation within Jiangsu Province. So far, it has nurtured around 1,400 talented people that are certified to become senior technicians or higher-level skilled talents that account for 30% of the engineers throughout China. The University has trained 200 black-belt experts, 740 green-belt skilled people, 368 improvers, and 66 improvement trainers for Six Sigma. After years of development and perfection, the professional black-belt and green-belt teams effectively enhance the company's production efficiency. They proposed more than 250 improvement solutions for Six Sigma projects between 2013 and 2014.

In 2014, Delta held more than 2.3 million hours of educational training courses combined throughout the world; that is, each employee received around 28 hours training on average.

Employee educational training and completed hours around the world			
	Male	Female	Subtotal
Total hours	1,280,131	1,023,815	2,303,946
Total number of employees	41,050	41,293	82,343
Average	31	25	28

	Direct employees	Indirect employees	Subtotal
Total hours	1,670,782	633,164	2,303,946
Total number of employees	53,312	29,031	82,343
Average	31	22	28

To improve employees' occupational skills and help them with career development, Delta adopted a diversified solution that encompasses:

- Educational training that is planned according to the job position and role of each employee and includes the required and relevant professional, core, and administrative training.
- Job rotation among departments, with external assignments, or involving transfer to other business units.
- Participation in projects across departments, business units, products, or nations.
- In-service education aimed to encourage acquisition of professional certification and leadership and advancement on administrative skills, including graduate school or EMBA courses.
- Guidance/coaching through supervisors to pass down valuable experiences

Delta also provides employees who have reached the end of their career or whose employment has been terminated with a switch assistance program that aims to continue advancing their employability, help them manage their retired life by providing them the opportunity training in a second skill, providing them with a blueprint and guidance in career development and planning, hiring them to work as consultants depending on their project capabilities, implementing the retirement fund proposal, or providing them with severance pay, and more.

Occupational Safety and Health

Occupational Safety and Health Management Organization

Providing employees with a safe and healthy workplace is one of the most fundamental obligations of Delta as a corporate citizen. Delta established exclusive industrial safety departments in production-oriented China and Thailand reporting directly to the highest local person in charge. In R&D and administration-oriented Taiwan, on the other hand, an occupational safety and health management department reports directly to the Chief Executive Officer and is in charge of planning, promoting, and inspecting safety and health management in the facilities. The following summarizes Delta's implementation of occupational safety and health management throughout 2014 in major areas.

Location	Taiwan	China	Thailand
Highlights	<ul style="list-style-type: none"> • Revision of package measures in the new Occupational Safety and Health Act and revision of the Safety and Health Code of Conduct • Promotion of chemical/mechanical equipment/electrical safety 	<ul style="list-style-type: none"> • Promotion and follow-up inspection of chemical/mechanical equipment/electrical safety • Promotion of transport safety 	<ul style="list-style-type: none"> • Promotion of operational safety protection • Promotion of transport safety • Promotion of traffic safety
Ratio of representative employees	64%	Not applicable	Not applicable
Additional information	Number of representative employees: 94 Total number of Committee members: 147	Setting up an Industrial Safety Committee is not required according to local laws and regulations in China and Thailand.	

Occupational Safety and Health Management System

Delta's major production facilities in Taiwan, China, and Thailand are OHSAS 18001-certified (Plant 1 in Taoyuan Taiwan and the plant in Tainan are also CNS 15506 certified and holders of the TOSHMAS Certificate). For many management issues, environmental protection and safety and health in the workplace are actually two sides of the same coin. Delta is working step-by-step to integrate its facility environment management system and its occupational safety

and health management system. Delta has also made Disabling Frequency Rate (F.R.)*²⁸ and Disabling Severity Rate (S.R.)*²⁹ 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 audits are performed on a yearly basis at major facilities throughout China. Departments found with deficiencies are asked to analyze the causes and seek improvement. Auditors confirm improvement results in subsequent follow-up audits.

Note 28. F.R Frequency of disabling injuries (F.R=Number of disabling injuries x 1000000 / Total working hours)

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

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.

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. Delta follows the requirements of local laws and regulations by providing employees engaged in hazardous operations with special health exams, and then providing health management according to their health exam results.

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. 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 using green design concepts for all new factories and office buildings to maximize work efficiency in a healthy and comfortable environment. Both the Taipei Plant and the Tainan Plant in Taiwan were rated as healthy workplaces by the Health Promotion Administration of the Ministry of Health and Welfare in 2014, and received the Health Promotion Symbol.

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 organizes interactive workshops and professional lectures to offer support. In 2014, Delta organized a large number of lectures—a total of over 400 hours—on stress relief in the workplace and attracted an attendance of 20,847.

Achievements in Occupational Safety and Health

The F.R and S.R data of Delta's major production sites in Taiwan, China, and Thailand (excluding the subsidiary Cyntec) throughout 2014 are summarized as follows. Industrial injuries that occurred at individual facilities were mainly those caused by mechanical equipment. The annual industrial safety management goal of 2014 in China, in particular, was F.R < 0.5 and S.R < 6. The result for 2014 was F.R = 0.33 and S.R = 8. Analysis of major reasons for the failure to fulfill the preset goals revealed that the number of days for some employees on industrial injury leave was longer than expected. To help employees recover quickly from injuries with a reasonable number of days for industrial injury leave, we will reinforce the re-examination mechanism while employees are on industrial injury leave and will include the number of leave days as part of periodic follow-ups.

Location	F.R disabled injury frequency			S.R disabled injury severity			A.R absence rate*30		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Taiwan	0.82	0.49	0.70	15	1	9	0.09	0.16	0.12
China	0.52	0.16	0.33	11	5	8	0.51	0.50	0.50
Thailand	3.89	2.11	2.37	22	15	15	1.62	0.37	0.56
Total	0.75	0.69	0.71	12	7	9	0.55	0.45	0.50

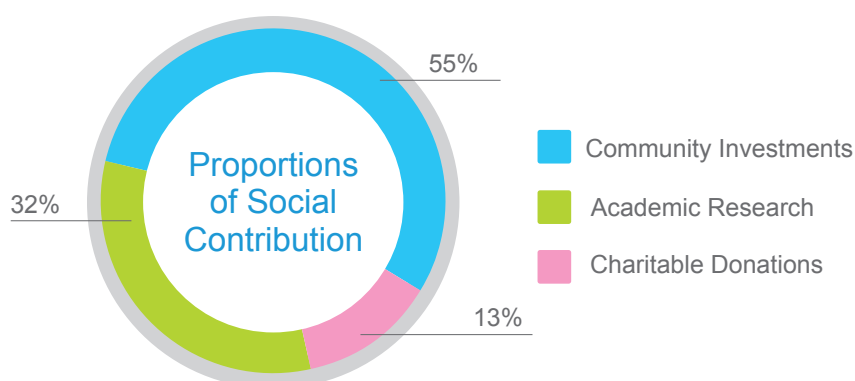
In addition, the Dongguan Facility in China was reputed as “a role model of workplace occupational health management in Dongguan City” in 2014 and was approved in the safety production standardization assessment. The Wujiang Economic Development Zone rated the Wujiang Facility as the 2014 advanced safe production corporation. The Wuhu Facility was also honored as an “Occupational Health Infrastructure Exemplary Employer”.

In addition, throughout 2014, there were no cases of occupational hazard injuries among employees, industrial injuries/occupational hazards among contractors, or work-related deaths at Delta's major production sites.

Note 30. A.R absence rate = real work days during a year / estimate work days during a year

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. Delta contributed around NT\$190 million to society throughout 2014. Social participation accounted for 55%, including promotion of energy education, green buildings, climate awareness, and general education, among others. Collaboration with academic institutions on research projects accounted for 32% and charity donations, such as donations during the Kaohsiung gas explosion incident, accounted for around 13%.



Environmental and Energy Education

DEEP (Delta Energy Education Program)

The Delta Electronics Foundation (DEF) developed the DEEP materials jointly with 12 elementary schools throughout Taiwan. Experts and scholars were invited to form a guidance group to help with actual application of energy-saving techniques on campus. The government was influenced indirectly and decided to set up energy promotion seed schools in individual cities and counties. The Penghu County Government, in particular, decided to use DEF materials while promoting the concept of a low-carbon island in 2012. Starting in 2005, the DEF has been proactively introducing energy education and development experiences from the U.S. to Taiwan, and in the past two years, DEF has been localizing the materials so that energy education can take root in the existing education system.

Main accomplishments and impact in 2014

- More than 55,000 students in total attended the DEEP energy program.
- 4,350 students visited the DEEP teaching aid exhibition, which then attracted 215 elementary and junior high school principals to take part in the teaching aid development seminar.
- The Architecture and Building Research Institute adopted our DEEP materials and trained seed teachers at 100 schools throughout Taiwan to popularize the DEEP materials.
- The DEF was invited to take part in the 4th annual conference of A.NEREGY in Korea and shared experiences with representatives from 10 countries on how Delta Electronics has been promoting energy education.
- One of Delta's energy schools, Yong An Elementary School, is assisting the local government in establishing an "Energy School" certification system.

Energy Education Volunteers

Since 2006, the DEF has been recruiting among its employees on a yearly basis and training them to be energy education seeds to help provide guidance at energy schools and work as voluntary guides for related climate awareness exhibitions. The seventh intake of energy education volunteers in 2014 was trained primarily to be teachers of saving energy in buildings. There were 55 volunteers recruited and their retention rate was 75%. These volunteers served 8 schools and held a total of 73 classes. They taught 452 hours in total to benefit 1,700 students. Related courses were also further promoted in Shanghai at the same time for the volunteer teaching project.

Besides Shanghai, additional energy education sites in China in 2014 included Wujiang and Chengdu. In these three places, a total of 95 volunteers were recruited. These volunteers received basic teaching training and practiced teaching in simulated sessions. This year, they will serve 358 students and help them complete the fundamental energy education courses and a localized energy education operating manual will be produced.

Meanwhile, Delta is developing more diversified green collar volunteers, such as green building volunteers, green building junior volunteers, and green picture book volunteers, among others.



3D Low-Carbon Mobile Movie Theater and Active Sunshine Elementary School

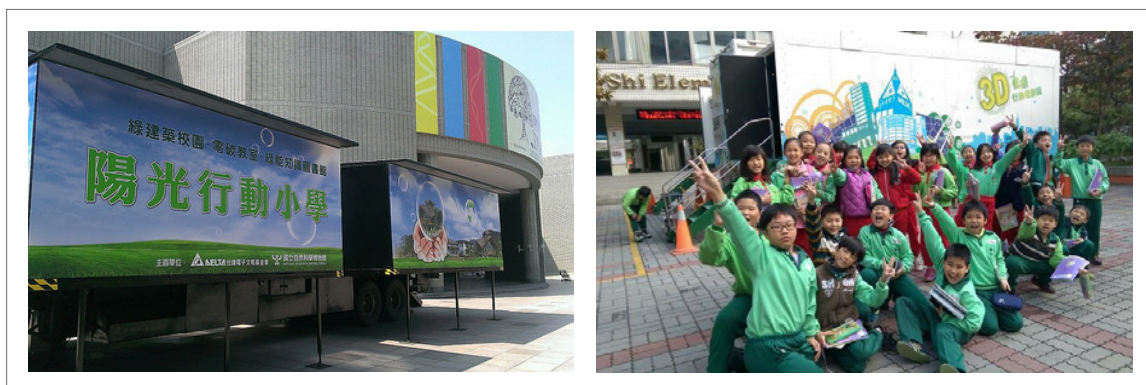
The DEF worked with the National Taiwan Science Education Center and National Science Council in 2011 to create the first “3D low-carbon mobile movie theater” in Taiwan. The vehicle went to schools throughout Taiwan to play 3D or HD films on environmental protection and promote the ideas of low carbon output, energy-saving, and environmental protection. The vehicle was able to reach out to provide environmental education to outlying elementary schools.

In 2014, leading by example and helping students learn about multi-faceted green campus, the DEF worked with the National Science Museum to collect successful examples from individual energy education bases of Delta Electronics and presented them in the “mobile sunshine elementary school”.

Information display on the mobile sunshine elementary school focused primarily on Ming Quan Elementary School located in Namasia District that was destroyed when Typhoon Morakot hit Taiwan in 2009. It took three years to rebuild the school, which is now a diamond-grade green elementary school building, that is environmentally-friendly, provides a disaster shelter, and preserves the local culture. It is also Taiwan’s first “net zero power consumption” library and uses only renewable energy.

The DEF’s hope is that more successful examples can be copied to more schools. Visiting students are encouraged to practice energy-saving at home to realize an energy-saving life. An exhibition circuit is currently reaching out to every corner in Taiwan. Major accomplishments in 2014 include:

- Around 3,500 people in outlying areas watched the film “Beyond Beauty – Taiwan From Above” and 3D environmental movies.
- Yilan County Magistrate, Pingtung County Magistrate, Deputy Major of Tainan City, Xinyi Township Chief of Nantou County spontaneously appeared onsite to express recognition of DEF’s efforts.
- The mobile sunshine elementary school has attracted around 45,000 people to take a ride and understand green campus planning.



Raising Climate Awareness

“Run for Water, Water for Run”, an educational exhibit about water and the environment

At the Songshan Cultural and Creative Park in Taipei, the Delta Electronics Foundation hosted "Run for Water, Water for Run", an exhibition designed to raise people's awareness of hydrological changes and the impact caused by global warming, as well as the issue of water scarcity in Taiwan. The exhibition aimed to promote methods for saving water daily, encouraging the public to take actions to save water resources. Exhibited together was a documentary of ultra marathon runner Kevin Lin traversing the Gobi Desert in 2013 sponsored by Delta. The film demonstrates the water resource issue and the challenges that extreme climate changes may inflict on humanity. The one-month exhibition was a broad success. An invitation was given by the National Development Council to extend the exhibit for another 45 days at the former location of the Air Force Command Headquarters Taipei.

The exhibit, “Run for Water, Water for Run”, comprised two concepts: one was “Water Traces”, showing water for production and consumption and our daily reliance on water resources. The other was “Residing along the Water”, which showed how water nourishes lives. The exhibit told stories of suffering due to a lack of water. “Run for Water, Water for Run” was held in cooperation with renowned international NGOs and presented water saving methods used in other countries, while expressing concern for the current status of Taiwan's water resources. The event was not just an educational exhibit about the environment; it was a cross-disciplinary exhibit in combination with multimedia.

The one-month exhibit attracted 35,000 visitors, among which were the co-winner of the 2007 Nobel Peace Prize, Professor Donald J. Wuebbles, and Dr. Wayne Higgins, Chief of the Climate Program Office of NOAA (National Oceanic and Atmospheric Administration), USA. Visitors included leading government officials, industry and academic experts, the media, foreign diplomats, international guests, and more than 300 professionals.



Delta shares “Net Zero Energy Consumption” Disaster Preventive Campus experiences—the very first implementation in Taiwan—at UNFCCC

At a side event of Lima COP20 held in Peru’s capital in December 2014, the Delta Electronics Foundation (DEF) shared with an international audience Delta’s successful renovation of a diamond level green campus, the Namasia MinQuan Elementary School in Namasia Kaohsiung, Taiwan, which was destroyed by Typhoon Morakot.

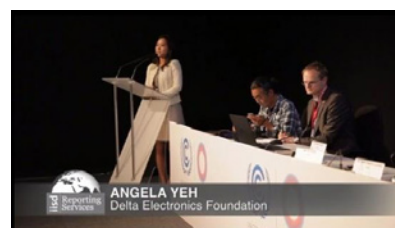
Delta’s adoption and rebuilding of the Namasia MinQuan Elementary School was a challenge that received cooperation from numerous stakeholders, including but not limited to the central government, local NGOs, geological experts and green architects. The project finally came to fruition after it was launched.

Three years later, the new campus, which is in the most remote mountainous area of Taiwan, would also serve as a green disaster shelter that can safeguard the entire village of 300 people for up to a week. Since 2012, the Namasia MinQuan Elementary School has successfully served the indigenous community of over 1,000 people.

Thirteen other schools faced similar damage from the same typhoon in 2009. Almost all were covered by massive landslides resulting from 2,300 mm of rain in 48 hours. Delta’s adoption and rebuilding of Namasia was a challenging responsibility with cooperation from numerous stakeholders, including but not limited to the central government, local NGOs, geological experts and green architects. The project finally came to fruition when it was launched three years later, in 2012 -- the new campus is now a green ark that safeguards the entire village of 300 people for up to a week, in the most remote mountainous area of Taiwan.

The DEF, World Resources Institute (WRI), and Swiss Agency of Development and Cooperation (SDC) jointly sponsored this side event of Lima COP20 under the theme: “Integrated Climate Risk Management for a Resilient World”, which studied how to optimize the use of resources to enhance disaster prevention and minimize damage from an increase in climate disasters.

Representatives attending the side event included Annika Fawcett, Chief of Policies Holland,Climate Negotiation Delegation; James Close, Director of Climate Change, World Bank; and Mataio Tekinene, Environment Minister of Tuvalu. All recognized the experience of the renovation of Namasia as a model for “resilience” for areas susceptible to disaster in the future.



Climate Think Tank

The DEF 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.

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 environmental protection and energy saving for the public. In 2013, the DEF became a UNFCCC official observer, and registered officially as a civil organization with the UN. Ninety-six papers were released throughout 2014, which were read by 353,388 people, with an accumulated readership of over 3.8 million since 2007.

The editors of the low carbon life blog include not only members of the Foundation but also external writers such as senior environmental protection reporters, green building experts, NGO partners, climate change researchers, and young people. Among them are writers familiar with energy saving and climate change issues in Japan, Australia, and the US. Columns featuring different topics are added to the blog each year to promote innovation or validate feasible environmental protection and energy-saving practices.

Among the 116 papers released throughout 2014, the one entitled "Let German People End the Rumors about Energy Saving in Taiwan" reflected a current hotly debated energy topic with a relatively high click-through rate that was summarized in Business Week, News Lens, and the Apple Daily's news coverage. The article was widely discussed. The low carbon life blog is normally open for transfer posts on the e-news of the Taiwan Environmental Information Center and people. Starting in 2014, TechNews was given access so that more people concerned about energy and the environment could access the information.

Communicating and Sharing the Latest Climate Report from the United Nations

With the continued effort of the “Media Salon – Deciphering the 5th UN Climate Assessment Report” organized in 2013, the DEF again invited domestic and international experts in April 2014 to analyze Chapter 3 of the 5th Climate Assessment Report (AR5) just released in Europe by the UN Intergovernmental Panel on Climate Change. The DEF indicated its observations of industries and policies in Taiwan and called on the government to increase energy-saving incentives as soon as possible and gradually establish stricter energy consumption criteria to embark on comprehensive energy-saving measures in two fields, industry and architecture.

Meanwhile, at the end of that month, the “2014 Delta Electronics Workshop to Interpret the UN Climate Change Assessment Report” was organized to study and share Chapters 2 and 3 of the 5th UN Climate Assessment Report. Domestic scholars and representative think tanks with policy experience and specializing in risk management were invited to lead further discussions about what Taiwan should do to cope with climate change and the strategy.

Main accomplishments and impact in 2014

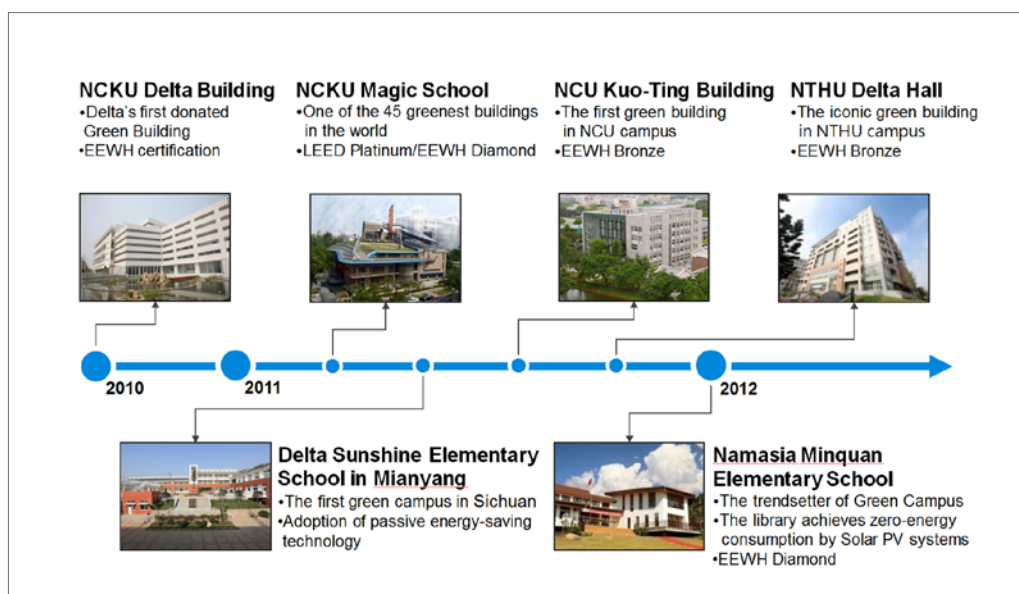
- Materials were obtained beforehand and translated into Chinese in real time to facilitate coverage by the Taiwan media on 50-plus reports.
- David King, the UK climate change envoy, recorded a speech to be played at the press conference.
- More than a hundred experts from industry, government, and academia participated in the seminar.
- Articles on the Foundations’ blog had a click-through rate corresponding to 20,000-plus viewers.



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 achieving energy savings and emissions 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 MinQuan Elementary School. For example, the EUI for the Namasia MinQuan Elementary School in 2013 was 50% higher than the 2015 target set by the Ministry of Education, and its 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 green buildings. This helps to introduce the green building concept to the public as early as possible. The DEF 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 20,000 visits and the Taoyuan R&D Center attracted about 1,200 visits.



Delta assisted NCTU in attending the “2014 Solar Decathlon Europe”.

In the “2014 Solar Decathlon Europe”, Delta sponsored the “Orchid House” built by NCTU’s Unicode Team. Using sustainable green energy the Orchid House is powered and controlled by the latest technologies for solar PV systems, power storage, power monitoring and environment control systems. The objective of the contest was to promote the use of solar energy in constructing low carbon emission buildings, which corresponds to Delta’s business mission: “To provide innovative, clean, and energy-efficient savings for a better tomorrow”. Delta assisted the Unicode Team of NCTU in becoming the first team from Taiwan to attend the competition.

Combining brand philosophy and environmental education, the project was awarded by bellow substantial results:

- Using the latest technologies in Solar Power Generation, Power Storage, Power Monitoring & Management, and Environmental Control Systems, Delta assisted the Unicode Team of NCTU in building “Orchid House”, a green power building. The results were exceptional, and the team achieved the following:
 - An “Urban Design” Award with full score. It was the first time an Asian team was awarded first place on a single item.
 - Third Place for the “Power Efficiency” Award
 - Second Place for the Innovation Award, and Third Place by audience vote
- 2016 Taipei Design City incorporated the Cool Roof concept of “Orchid House”
- 10,000+ hits for a series of blog reports



Training of Green-collar Talent

Green Designer Workshop

The Delta Electronics Foundation (DEF) continuously promotes a “Green Designer Workshop” in collaboration with the Taiwan Green Collar Association to 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. The fundamentals class and professional class of 2014 had a total of 54 students. Over the past 6 years, the number of students has totaled 311. 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 2012-14, a total of 11 certificates were issued.

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 2008 respectively. The goal of the scholarships is to train international environmental specialists that can provide solutions for global issues and raise industrial competitiveness. In 2014, the DEF sponsored 8 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 78 students.

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 four years, Delta has sponsored eight research projects and seven scholars in conducting research overseas, where sound and advanced corporate and environmental ethics systems are prevalent.

Delta Science & Educational Development Project

Since 2000, Delta has sponsored the Power Electronic Science Education Development Program and the Delta Scholar Program in China. Power electronics talent is being nurtured through collaboration with eight priority universities, including Jhejiang University, Xi'an Jiaotong University, Shanghai University, and Beijing Jiaotong University. As of the end of 2014, a total of 214 projects were supported, 41 outstanding science research projects were awarded, and 927 outstanding graduate students received scholarships. In addition, 14 nationwide seminars for new techniques in power electronics were organized. The impact on power electronics science education in China has been far-reaching.

International Delta Cup for Solar-Energy Building Design

Delta started sponsoring the “International Delta Cup on Solar-energy Building Design” in 2006 as part of a proactive effort to promote renewable energies such as solar power and green building techniques. The subject for the 2014's event was “Sunshine and a Beautiful Village”. Different topics were selected for Qinghai and Hubei. The design was focused on energy-saving settlement for farmers and herdsman and low-carbon residential industrialization for agricultural villages. Projects were solicited from around the world, with the first winning prize in 2009. This design was adopted and perfected by the China Architecture Design & Research Group for the official construction of the Yangjiazhen Delta Sunshine Elementary School, which was rebuilt after the Wenchuan Earthquake with sponsorship from Delta. The school was completed and opened in 2011. The winner of the first prize in 2011 was entitled “Vertical Village”, which will also be a low-carbon demonstration residence near Tongli Lake in Suzhou. The design layout is a habitable residence that combines technological innovation and environmental protection together as a green building to be studied.



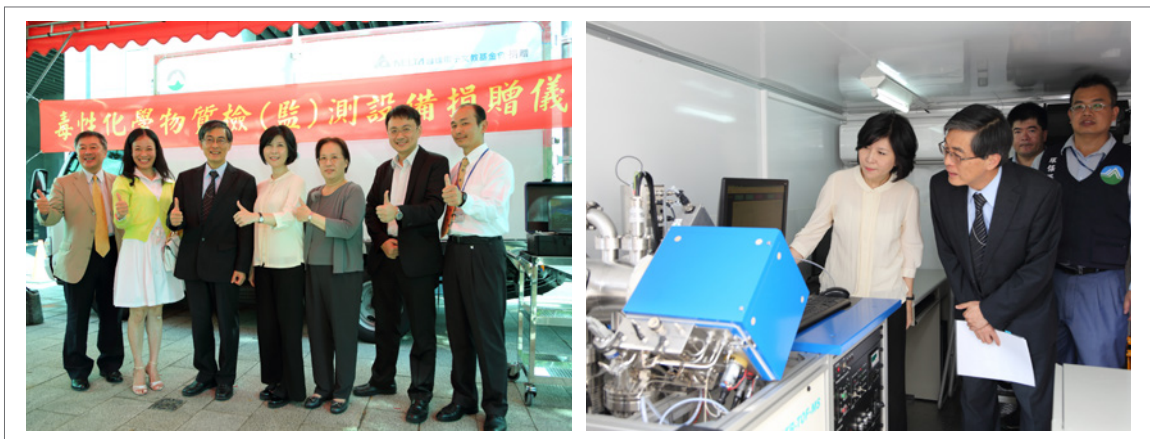
Concern for Disadvantaged Groups

Assistance after the Kaohsiung Gas Explosion

The Delta Electronics Foundation invested NT\$20 million in August 2014 to help with rescue and reconstruction in the aftermath of the Kaohsiung gas explosion incident. This included a donation of NT\$15 million for purchasing real-time toxic chemical testing/monitoring equipment and a donation of NT\$5 million to the Sunshine Social Welfare Foundation to help burn victims with subsequent physical and mental rehabilitation. Delta also gathered spontaneous donations from its employees at the same time, raising NT\$2.34 million, which was given to the Sunshine Social Welfare Foundation.

Real-time toxic chemical testing/monitoring equipment featuring various types of state-of-the-art monitoring instruments are currently available around the world and enable inspectors to perform comparisons on the front line to precisely determine the culprit gas. The integrated testing equipment that is capable of determining abnormal gases precisely within three minutes can exercise better prevention and control during disaster rescue operations and implement the protection of personal safety of the people involved.

The Kaohsiung Reconstruction Center of the Sunshine Social Welfare Foundation was commissioned in October 2014 to help 73 victims of the gas explosion resume their daily activities and start working again within a period of 5 years.



Building a Green School in Ya'an Earthquake-hit Areas

The Delta Group donated RMB10 million after the Ya'an Earthquake in 2013 to support the reconstruction of Delta Sunshine Junior High School in Longmen Township, Lushan County, for which the ground was officially broken in October 2014. Delta will apply its experience in helping with reconstruction in disaster-hit areas and create a low-carbon school targeting a two-star green building symbol that can withstand an earthquake of 7.5 on the Richter Scale, so that teachers and students can return to a safe and comfortable teaching and learning environment as soon as possible. Once it is completed, it will become a second green school supported by Delta in Sichuan.

Educational Sponsorship for a Chinese School in Northern Thailand

Local Chinese schools have current needs for improved utilities, such as water and electricity. Delta Electronics (Thailand) Public Co., Ltd. has set a budget to gradually introduce Delta energy-saving lights to bring down electricity expenditures. This 14-year program is currently fully sponsored by Delta Electronics (Thailand) Public Co., Ltd. And it has benefitted more than 3,000 students so far.

The “Hope for Pearl Project”

To help more students living in poverty 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 continue their study regardless of financial problems. So far, Delta has sponsored 213 senior high school students from four high schools in Fujian, Hebei, Shanxi and Hefei with three years of living expenses to help them finish their high school education.



CSR Honors in 2014

Category	Recognition and awards	Assessment and awarding institute
CSR	Dow Jones Sustainability Index (DJSI) "World Index", "Emerging Market Index"	RobecoSAM AG
	International Carbon Disclosure Program (CDP), Climate Performance Leading Index (CPLI), Climate Disclosure Leading Index (CDLI)	CDP
	Corporate Social Responsibility Award, First place of both Integral Performance Group and Sustainable Business Group	Global Views Monthly
	Corporate Citizenship Award, Second Place for Large Enterprises	CommonWealth Magazine
	Taiwan Sustainable Enterprise Award – Top 10 Model Companies in Taiwan, Taiwan Top 50 Sustainability Report Award	Taiwan Institute for Sustainable Energy (TAISE)
	Top 100 Green Companies in China	Daonong Center for Enterprise
	China CSR Award – "Excellent Implementation Award"	CBNweekly
	China CSR Development Index, Top 10 in Electronics	The China Academy of Social Sciences
	CSR DIW Continuous Award	The Department of Industrial Work, Ministry of Industry
Corporate governance	No.13 of the Top 20 International Brands in Taiwan	Interbrand
	First place Electronics Enterprise – Taiwan Best Reputation Benchmark Enterprises	CommonWealth
	Best Corporate Governance Platinum Award	Asset (Asset Magazine)
Information disclosure	A++ Class Information Disclosure of Listed Companies	Security and Futures Market Development Foundation
Green building	Taiwan Green Building EEWH-RN "Diamond Level" Certificate – Taipei HQ	Architecture and Building Research Institute, Ministry of the Interior
Best occupation	Best Chinese Enterprise University	Institute of International Leadership, Overseas Education College, Shanghai Jiaotong University
	Member stock of "Taiwan High Compensation 100 Index"	Taiwan Stock Exchange
Labor, safety and environment protection	Energy Saving and Carbon Deduction Emblem (Exceptional Award) – Taoyuan Plant 2	EPA, Executive Yuan
	Healthy Work Place Certificate, Health Promotion Emblem – Tainan Branch Company	SGS/Health Promotion Administration, Ministry of Health and Welfare
	Healthy Work Place Certificate, Health Promotion Emblem – Taipei HQ	Health Promotion Administration, Ministry of Health and Welfare

Appendix

Principles of coverage of this report:

Considering the reality of fact disclosure and actual managerial requirements, the boundaries of this report are not entirely consistent with the consolidated financial report of the company. The screening criteria of the reporting boundaries are as follows:

1. Delta Electronics Inc. and its subsidiary companies with at least 90% ownership and capable of operation, development and production functionalities.
2. Affiliates of Delta Electronics Inc. with less than 90% holding but having substantial control and capable of operation, development and production functionalities.

Based on the above principles, sites of operation, development and production stated in the report are fully listed as follows:

Operations, R&D Center:

Taiwan

Delta Electronics Inc. (Taipei HQ, Taoyuan R&D Center, Zhongli Plant, Tainan Branch)
Delta Networks Inc., DelBio Inc., Cytotec Co., Ltd.

China

Delta Electronics (Shanghai) Co., Ltd.
Delta Greentech (China) Co., Ltd.

Other overseas areas

Deltronics (Netherlands) B.V.
Delta Electronics Int'l (Singapore) Pte. Ltd.
Delta Electronics (Japan), Inc.
Delta Products Corporation

Major Production Sites:

Taiwan

Delta Electronics Inc. (Taoyuan 1st Plant and 2nd Plant, Tainan Branch)
Delta Networks Inc., DelBio Inc., Cytotec Co., Ltd.

China

Dongguan: Delta Electronics (Dongguan) Inc.; Delta Electronics Power Supply (Dongguan) Inc.; Delta Networks (Dongguan) Inc.
Wujiang: Delta Greentech (Jiang Su) Co., Ltd., Delta Greentech Components (Wujiang) Co., Ltd., Zhongda Photoelectric Industrial (Wujiang) Co., Ltd., Zhongda Video (Wujiang) Co., Ltd., Wu Jiang Huafeng Electronic Technology Co., Ltd., Huateng Electronic Technology (Suzhou) Co., Ltd.
Wuhu: Delta Greentech (Wuhu) Co., Ltd.
Chenzhou: Delta Electronics (ChenZhou) Inc.

Thailand

Delta Electronics (Thailand) Public Co., Ltd.

● Disclosed in this report ▲ Planned to disclosed in the future

Type	Topic	Dimension	GRI G4 indicator	Internal border		External border		
				Production	Administration, research and development	Supplier	Distributor/customer	Community
Governance	Operation management	Economic performance	EC1-EC2	●	●			
	Risk management	Risk assessment and management	Other	●	●			
	Innovative research and development	Innovative R&D momentum	Other	●	●			
	Brand management	Brand value	Other		●			
	Code of conduct	Anti-corruption	SO3	●	●	▲		
		Anti-competition	SO7		●			
	Customer relationship management	Customer health and safety	PR1-PR2		●			
	Supplier management	Procurement practice	EC9	●				
		Supplier environmental assessment	EN32-EN33	●		▲		
		Supplier labor practice assessment	LA14-LA15	●		▲		
		Supplier human rights assessment	HR10-HR11	●		▲		
		Supplier social impacts assessment	SO9-SO10	▲		▲		
		Survey of conflicting mineral production	Other	●		●	●	
Environment	Climate change (greenhouse gas reduction)	Greenhouse gas emission	"EN15-16, EN18-19"	●		▲		
		Environmental impacts of traffic and transportation	EN30	▲		▲		
		Remission and regulation of climate change	Other	●	●			
	Green operation (energy and resource management)	Quantity of raw materials used	EN1-EN2	●				
		Energy consumption (factory energy-saving benefits, product energy-saving benefits)	EN3, EN5-7	●		▲		
		Polluted water and waste	EN22-EN24	●				
		Green-saving benefits at green factories	Other	●	●			
	Water resource management	Water resource	EN8-EN10	●				
		Water shortage risk identification	Other	●		●		
	Environmental Policy/management system	Compliance with environmental protection Laws and regulations	EN29	●		▲		
		Mechanism for filing complaints about environmental issues	EN34	●				
	Product liability	Related environmental matters	Other	●		●	●	
		Products and services	EN27-EN28		●			
		Labeling of products and services	PR3-PR5		●			
		Compliance with product laws and regulations	PR9		●			
		Successful examples of products and services	Other		●		●	

Type	Topic	Dimension	GRI G4 indicator	Internal border		External border		
				Production	Administration, research and development	Supplier	Distributor/customer	Community
Society	Labor-capital relationship and compensation benefits	Employer-employee relationship	LA1-LA3	●	●			
		Labor-capital relationship	LA4		●			
		Diversification and equal opportunities for employees	LA12	●	●			
		Mechanism for filing complaints about practical labor issues	LA16	●	●			
	Human rights of workers	Non-discrimination	HR3	●	●	●		
		Child labor	HR5	●	●	●		
		Coerced or forced labor	HR6	●	●	●		
		Assessment (EICC, internal audit)	HR9	●				
		Mechanism for filing complaints about human rights practice	HR12	●	●			
	Talent development and educational training	Training and education	LA9-LA11	●	●			
	Occupational safety and health	Occupational health and safety	LA5-LA8	●	●	●		
	Social participation	Regulatory compliance	SO8	●	●	▲		
		Mechanism for filing complaints about social impact issues	SO11	▲	▲			
		Deepened environmental and energy education	Other		●			●
		Awakened public awareness of climate change	Other		●			●
		Promotion of green building	Other		●			●
		Development of green-collar talent	Other		●			●
		Care for the disadvantaged	Other		●			●

Compilation criteria of 2014 Report altered into GRI G4 from GRI G3. Disclosure Scope includes substantial internal and external boundaries of major consideration aspects. Cyntec Co., Ltd. (including Wu Jiang Huafeng Electronic Technology Co., Ltd. and Huateng Electronic Technology (Suzhou) Co., Ltd.) are added into the internal boundary.

Index of GRI G4 Indicators

GENERAL STANDARD DISCLOSURES

Indicators		Section	Page / Note	Omissions	External Assurance
Strategy and Analysis					
G4 - 1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Letter from the Founder Letter from the Chairman and CEO	2 4		94
G4 - 2	Provide a description of key impacts, risks, and opportunities.	Letter from the Founder Letter from the Chairman and CEO Carbon Disclosure Energy Management	2 4 46 49		94
Organizational Profile					
G4 - 3	Report the name of the organization.	Delta Group Overview	12		94
G4 - 4	Report the primary brands, products, and services.	Delta Group Overview	12		94
G4 - 5	Report the location of the organization's headquarters.	Delta Group Overview	12		94
G4 - 6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Delta Group Overview	12		94
G4 - 7	Report the nature of ownership and legal form.	Delta Group Overview	12		94
G4 - 8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Delta Group Overview	12		94
G4 - 9	Report the scale of the organization, including: - Total number of employees - Total number of operations - Net sales (for private sector organizations) or net revenues (for public sector organizations) - Total capitalization broken down in terms of debt and equity (for private sector organizations) - Quantity of products or services provided	Delta Group Overview	12		94
G4 - 10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	Employee Composition	68		94
G4 - 11	Report the percentage of total employees covered by collective bargaining agreements.	Employee Communication	73		94

G4 - 12	Describe the organization's supply chain.	Cooperation with Suppliers	38			94
G4 - 13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: - Changes in the location of, or changes in, operations, including facility openings, closings, and expansions - Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) - Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	Organizational Structure	16			94
G4 - 14	Report whether and how the precautionary approach or principle is addressed by the organization.	Letter from the Founder	2			94
G4 - 15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Delta Group Overview CSR Commitment	12 22			94
G4 - 16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:	Delta Group Overview	12			94
Identified Material Aspects and Boundaries						
G4 - 17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	About the Report (Note)	97		a. Please refer to 2014 Annual Report. b. Yes. Please refer to this report (note).	94
G4 - 18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	About the Report (Note)	97			94
G4 - 19	List all the material Aspects identified in the process for defining report content.	About the Report	1			94
G4 - 20	For each material Aspect, report the Aspect Boundary within the organization	About the Report	1			94
G4 - 21	For each material Aspect, report the Aspect Boundary outside the organization	About the Report	1			94
G4 - 22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	About the Report	1	N/A		94
G4 - 23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	About the Report	1			94
Stakeholder Engagement						
G4 - 24	Provide a list of stakeholder groups engaged by the organization.	Communication with Stakeholders	13			94
G4 - 25	Report the basis for identification and selection of stakeholders with whom to engage.	Communication with Stakeholders	13			94
G4 - 26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Communication with Stakeholders	13			94
G4 - 27	Report 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. Report the stakeholder groups that raised each of the key topics and concerns.	Communication with Stakeholders	13			94

Indicators	Section	Page / Note	Omissions	External Assurance
Report Profile				
G4 - 28	Reporting period (such as fiscal or calendar year) for information provided.	About the Report	1	94
G4 - 29	Date of most recent previous report (if any).		July, 2014	94
G4 - 30	Reporting cycle (such as annual, biennial).	About the Report	1	94
G4 - 31	Provide the contact point for questions regarding the report or its contents.		111	94
G4 - 32	Report the 'in accordance' option the organization has chosen.	About the Report	100	94
G4 - 33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	Third Party Assurance Letter	112-113	94
Governance				
G4 - 34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	CSR Organization Board Competency	23 26	94
G4 - 35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	CSR Organization	23	94
G4 - 36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	CSR Organization	23	94
G4 - 37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Communication with Stakeholders	17	94
G4 - 38	Report the composition of the highest governance body and its committees	Board Competency	26	94
G4 - 39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Board Competency	26	94
G4 - 40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	Board Competency	26	94

G4 - 41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	Support of International Corporate Initiatives	29			94
G4 - 42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	CSR Organization	23			94
G4 - 43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Board Competency	26			94
G4 - 45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	CSR Organization	23			94
G4 - 46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	CSR Organization	23			94
G4 - 47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Board Competency	26			94
G4 - 48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	CSR Organization	23			94
G4 - 49	Report the process for communicating critical concerns to the highest governance body.	CSR Organization	23			94
G4 - 50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	CSR Organization	23			94
G4 - 52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Board Competency Remuneration and Benefits	26 74			94
G4 - 53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Board Competency Remuneration and Benefits Communication with Stakeholders	26 74 17			94
Ethics and Integrity						
G4 - 56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	CSR Commitment	22			94
G4 - 57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Implementation of Risk Management	27			94
G4 - 58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Communication with Stakeholders Support of International Corporate Initiatives	17 29			94

SPECIFIC STANDARD DISCLOSURES

Category	Aspects	Indicators	Description	Section	Page / Note	Omissions	External Assurance
Economic	Economic Performance	G4-DMA	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	Letter from the Chairman and CEO	4		94
				Perseverance in Technical R&D and Pursuit of Innovation	30		
				Enhancing Brand Value	32		
				Social Contributions	82		
	Procurement Practices	G4-EC1	FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANIZATION'S ACTIVITIES DUE TO CLIMATE CHANGE	Delta Group Overview Social Contributions	12 82	Please refer to 2014 Annual Report, p.77, "Income Statement"	94
		G4-EC2		Climate Change Risk Analysis Climate Change Opportunities	45 47		94
		G4-DMA		Cooperation with Suppliers	38		94
		G4-EC9		Cooperation with Suppliers	38		94
		G4-DMA		Material Management	45 52		94
		G4-EN1		Environmental Data	48		94
Environmental	Materials	G4-EN2	PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED INPUT MATERIALS	Green Products and Services	60		94
		G4-DMA		Energy Management	49		94
		G4-EN3		"Environmental Data Energy Management"	48 49		94
	Energy	G4-EN5	ENERGY INTENSITY	Energy Management	49		94
		G4-EN6	REDUCTION OF ENERGY CONSUMPTION	Energy Management	49		94
		G4-EN7	REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES	Green Products and Services	60		94
		G4-DMA	TOTAL WATER WITHDRAWAL BY SOURCE	Water Resource Management	52		94
	Water	G4-EN8		Water Resource Management	52		94
		G4-EN9		Water Resource Management	52		94
		G4-EN10		Water Resource Management Energy/Resource Recycling and Renewable Energy	52 59		94
	Emissions	G4-DMA	DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)	Carbon Disclosure	46		94
		G4-EN15		Carbon Disclosure Environmental Data	46 41		94
		G4-EN16		Carbon Disclosure Environmental Data	46 48		94

Environmental	Emissions	G4-EN18	GREENHOUSE GAS (GHG) EMISSIONS INTENSITY	Carbon Disclosure	46			94
		G4-EN19	REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS	Carbon Disclosure	46			94
		G4-DMA		Pollution Prevention	53			94
	Effluents and Waste	G4-EN22	TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION	Pollution Prevention	53			94
		G4-EN23	TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD	Environmental Data Pollution Prevention	41 53			94
		G4-EN24	TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS	Pollution Prevention	53			94
	Products and Services	G4-DMA		Green Products and Services	60			94
		G4-EN27	EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES	Green Products and Services	60			94
		G4-DMA		Eco-labels and Eco-declarations	62			94
	Compliance	G4-EN29	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	57		"Heavy fines" is defined as more than NT\$1 million.	94
	Transport	G4-DMA		Carbon Disclosure Green Production Green Design	46 58 60			94
		G4-EN30	SIGNIFICANT ENVIRONMENTAL IMPACTS OF TRANSPORTING PRODUCTS AND OTHER GOODS AND MATERIALS FOR THE ORGANIZATION'S OPERATIONS, AND TRANSPORTING MEMBERS OF THE WORKFORCE	Carbon Disclosure Green Design	46 60		N/A	94
		G4-DMA		Cooperation with Suppliers	38			94
	Supplier Environmental Assessment	G4-EN32	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA	Cooperation with Suppliers	38			94
		G4-EN33	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN	Cooperation with Suppliers	38			94
	Environmental Grievance Mechanisms	G4-DMA		Green Buildings/Factories Reducing Environmental Impact from Our Operations	54 57			94
		G4-EN34	NUMBER OF GRIEVANCES ABOUT ENVIRONMENTAL IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS				N/A	94

SPECIFIC STANDARD DISCLOSURES

Category	Sub-Categories	Aspects	Indicators	Description	Section	Page / Note	Omissions	External Assurance
Social	Labor Practices and Decent Work	Employment	G4-DMA		Labor-Employer Relationship	71		94
			G4-LA1	TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION	Labor-Employer Relationship	71		94
			G4-LA2	BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PARTTIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION	Remuneration and Benefits	74		94
			G4-LA3	RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER	Remuneration and Benefits	74		94
			G4-DMA		Labor-Employer Relationship	74		94
	Occupational Health and Safety	Labor/ Management	Relations	MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS	Labor-Employer Relationship	71		94
			G4-DMA		Occupational Safety and Health	78		94
			G4-LA5	"PERCENTAGE OF TOTAL WORKFORCE REPRESENTED IN FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES THAT HELP MONITOR AND ADVISE ON OCCUPATIONAL HEALTH AND SAFETY PROGRAMS"	Occupational Safety and Health	78		94
			G4-LA6	TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER	Occupational Safety and Health	78	Contractors' AR information of the year is insufficient to expose	94
			G4-LA7	WORKERS WITH HIGH INCIDENCE OR HIGH RISK OF DISEASES RELATED TO THEIR OCCUPATION	Occupational Safety and Health	78		94
	Training and Education		G4-LA8	HEALTH AND SAFETY TOPICS COVERED IN FORMAL AGREEMENTS WITH TRADE UNIONS	Employee Communication	73		94
			G4-DMA		Employee Training and Development	76		94
			G4-LA9	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY	Employee Training and Development	76		94
			G4-LA10	PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS	Employee Training and Development	76		94
			G4-LA11	PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY	Remuneration and Benefits	74		94

Category	Sub-Categories	Aspects	Indicators	Description	Section	Page / Note	Omissions	External Assurance
Social	Human Rights	Supplier Human Rights Assessment	G4-DMA		Cooperation with Suppliers	38		94
			G4-HR10	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA	Cooperation with Suppliers	38		94
			G4-HR11	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE HUMAN RIGHTS IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN	Cooperation with Suppliers	38		94
		Human Rights Grievance Mechanisms	G4-DMA		Employment Policy	70		94
			G4-HR12	NUMBER OF GRIEVANCES ABOUT HUMAN RIGHTS IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	Employment Policy	71		94
		Anti-corruption	G4-DMA		Support of International Corporate Initiatives	29		94
			G4-SO3	TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION AND THE SIGNIFICANT RISKS IDENTIFIED				94
	Society	Anti-competitive Behavior	G4-DMA		Support of International Corporate Initiatives	29		94
			G4-SO7	TOTAL NUMBER OF LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES AND THEIR OUTCOMES				94
		Compliance	G4-DMA		"Support of International Corporate Initiatives Employment Policy"	29 71		94
			G4-SO8	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS				94
		Supplier Assessment for Impacts on Society	G4-DMA		Cooperation with Suppliers	38		94
			G4-SO9	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING CRITERIA FOR IMPACTS ON SOCIETY	Cooperation with Suppliers	38		94
			G4-SO10	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON SOCIETY IN THE SUPPLY CHAIN AND ACTIONS TAKEN	Cooperation with Suppliers	38		94

Social	Society	Grievance Mechanisms for Impacts on Society	G4-DMA			Support of International Corporate Initiatives	29			94
			G4-SO11	NUMBER OF GRIEVANCES ABOUT IMPACTS ON SOCIETY FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS					94	
Social	Customer Health and Safety	Customer Health and Safety	G4-DMA		Green Products and Services		60			94
			G4-PR1	PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENT	Green Products and Services	60			94	
			G4-PR2	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES DURING THEIR LIFE CYCLE, BY TYPE OF OUTCOMES	Green Products and Services	60			94	
			G4-DMA		Eco-labels and Eco-declarations	62			94	
			G4-PR3	TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY THE ORGANIZATION'S PROCEDURES FOR PRODUCT AND SERVICE INFORMATION AND LABELING, AND PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES SUBJECT TO SUCH INFORMATION REQUIREMENTS	Eco-labels and Eco-declarations	62			94	
	Product and Service Labeling	G4-PR4	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING, BY TYPE OF OUTCOMES	Green Products and Services	60			94		
		G4-PR5	RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION	Exceeding Customer Expectations	36			94		
		G4-DMA		Green Products and Services	60			94		
		G4-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	60			94		

OTHER DISCLOSURES

Indicators		Section	Page	Note
Others	Risk Evaluation and Management	Implementation of Risk Management	27	
	Technical R&D and Pursuit of Innovation	Perseverance in Technical R&D and Pursuit of Innovation	30	
	Brand Value	Enhancing Brand Value	32	
	Conflict Metals Survey	Control of Conflict Metals	40	
	Mitigation And Adaptation of Climate Change	Active Response to Climate Change	44	
	Benefits of Green Buildings/Factories	Green Buildings/Factories	54	
	Water shortage risks identification	Water Resource Management	42	
	Environment-related substances	Cooperation with Suppliers Strategies for lowering the environmental impact of products	38 60	
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	Raising Climate Awareness	Raising Climate Awareness	85	
	Promotion of Green Buildings	Promotion of Green Buildings	89	
	Training of Green-collar Talent	Training of Green-collar Talent	91	
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In the 2015 CSR Report, we will describe our progress in 2015. 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 OF 2014

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 (hereinafter referred to as CSR Report) of 2014. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables contained in this report.

The information in the Delta's CSR Report of 2014 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 CSR Report of 2014.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance 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 (hereinafter referred to as GRI) Sustainability Reporting Guidelines and the AA1000 Assurance Standard (2008). These protocols follow differing options for Assurance depending the reporting history and capabilities of the Reporting Organization.

This report has been assured using our protocols for:

- evaluation of content veracity at a moderate level of scrutiny for Delta and subsidiaries, joint ventures, and applicable aspect boundaries outside of the organization covered by this report ;
- evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008);
- evaluation of the report against the GRI Sustainability Reporting Guidelines (G4 2013).

The assurance comprised a combination of pre-assurance research; interviews with relevant superintendents, CSR office members and the senior management 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 organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, EICC, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within Delta's CSR Report of 2014 verified is accurate, reliable and provides a fair and balanced representation of Delta sustainability activities in 01/01/2014 to 12/31/2014.

The assurance team is of the opinion that the report can be used by the Reporting Organization's Stakeholders. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting. The report is the Fifth to be assured by an independent assurance team and Delta has taken a bold step by offering the report to evaluation against both GRI G4 guidelines and the AA1000 Assurance standard. This shows a deserved confidence in their reporting process.

In our opinion, the contents of the report meet the requirements of GRI G4 Core Option and AA1000 Assurance Standard (2008) Type 1, Moderate level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

Delta has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. It may be considered to formalize the stakeholder engagement process and systematically document stakeholders' view on Delta's CSR activities in future engagements.

Materiality

Delta has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, Delta's CSR Report of 2014, is adequately in line with the GRI G4 Core Option. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material aspects and boundaries, and stakeholder engagement, G4-17 to G4-27, are correctly located in content index and report. More disclosures on Management Approach components, such as goals and targets and performance measurement system, with more detailed analysis on the performance results are recommended in future reports. It may also be considered to have more descriptions on the actions taken to address the significant actual and potential negative impacts identified in the supply chain.

Signed:

For and on behalf of SGS Taiwan Ltd.



Dennis Yang, Chief Operating Officer
Taipei, Taiwan
28 May, 2015
WWW.SGS.COM



AA1000
Licensed Assurance Provider
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