



Delta Americas headquarters is the first building designed for LEED Platinum Net Zero Energy in Fremont.

2015 Delta Group CSR Report

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A Word from the Management
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2 Corporate Social Responsibility
3 Communication with Stakeholders
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About this 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 2015 are as follows:

Reporting Period

1 January 2015 to 31 December 2015

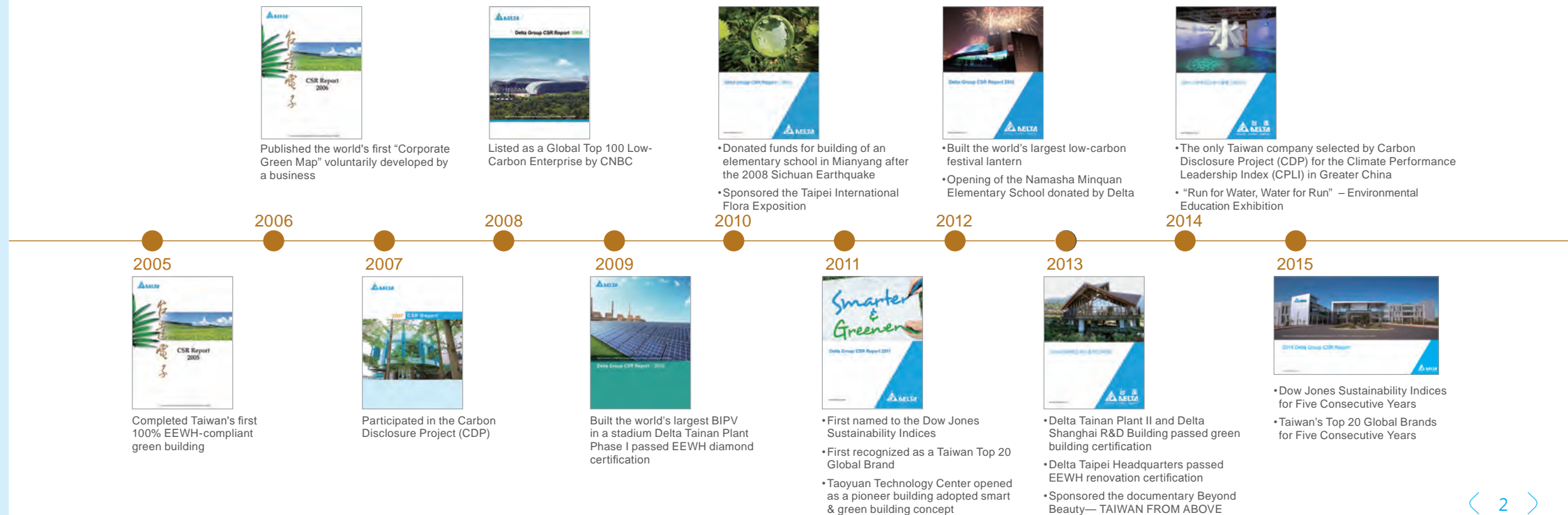
Reporting Scope

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.

The CSR report assurance:

Delta has engaged PwC Taiwan to perform the limited assurance in accordance with ISAE 3000 on selected information, and the assurance report is attached in the appendix.



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A Word from the Management

The Founder

Dear friends and colleagues,

By the end of the 20th century, people had awakened to the severity of the impact of technical and industrial development on the natural environment. After continued scientific research, we can be fairly certain that excessive emissions of CO₂ and other greenhouse gases into the atmosphere are causing global warming. The increased frequency and severity of natural disasters around the world are better without triggered by climate change.

In recent years, the vision and initiative of many corporate leaders and long-term stakeholders in the corporate sector has become more directed toward social responsibility. Many corporations have recognized that an economic system relying on fossil fuels will not be able to cope with the threat of global warming. More than 4,000 companies worldwide have signed numerous agreements on carbon reduction. After the “Paris Agreement” is passed, all countries must individually submit a “Nationally Determined Contributions” report dealing with climate change. Even so, the total target of Nationally Determined Contributions set by all countries would still increase the global average temperature by 2.7°C by the end of this century. While this is much lower than the previously estimated 4.8°C, it still exceeds 2°C, which climate scientists have identified as the threshold for preventing catastrophic effects such as food shortages, droughts, scarce potable water, air pollution, extreme weather, ocean acidification, the spread of infectious diseases and ecosystem breakdowns.

The Delta Group has long been aware of the adverse impact of climate change. Our long term focus is thus to flight climate change and dedicate ourselves to corporate social responsibility. Delta Electronics Foundation participated in the 2014 UN Climate Change Conference (COP20) side event in Lima Peru, and we have actively participated in the “UN Climate Change Conference (COP21)” in Paris, France. Delta has not only responded to the “Commit to Action” initiative of the Carbon Disclosure Project (CDP), but has also joined “We



Bruce C.H. Cheng, Founder and Honorary Chairman, Delta Group

Mean Business”, a coalition of organizations working with 556 of the world’s most influential businesses and investors with the aim of inspiring a low carbon revolution. The total annual revenue of the coalition is over USD 7.8 trillion, and its economic strength is 15 times that of Taiwan’s GDP.

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In response to the public's concerns on climate change, Delta has developed many green technology products that are energy saving and can protect the environment. Delta organizes its products into three categories: Power Electronics, Energy Management, "Smart. Green. Life". In recent years, Delta has integrated many of the group's resources, to provide integrated solutions.

An example of a recent renewable energy solution is Delta's participation in the construction of the world's third largest solar power plant in Nevada, USA. The total area of this solar plant is 6.48 million m². Delta installed 10,348 heliostats of 10.5m x 10.5m size each. This project generates 110 MW of power (1,760 MWhrs per day, and over 500 GWhrs per year), providing power for 75,000 U.S. homes. The energy saving reduces CO₂ emissions by 280,000 tons. The core technology is a heliostat tracking system with sensors that perform real time monitoring, and control reported location via software computation, along with a transmission mechanism for tracking mirrors that turn according to the angle variation of solar radiation received.

The cost of building and wiring the solar plant was significantly lower due to a simpler system structure with fewer components, as well as a lower cost for maintenance and human capital. Delta integrated its existing industrial automation products, switching power supplies, power storage, and internet and system management software technologies. The result provides a smart automation design and solution, that produces green energy, and contributes to a better and less polluted environment for mankind.

Delta commissioned a new building at the end of 2015 for our Americas headquarters in Fremont, California. This building integrates a ground source heat pumping system. During the cold season, when the surface temperature is lower than the constant underground temperature (about 70°F/21°C) this system sends heat from the ground to the building's interior. During the hot season, when surface temperatures are higher than the underground temperature, the system transfers heat from the building to the ground, and brings cool temperatures stored in the ground back to the building, which cools the building

interior to a comfortable temperature. This ground source heat pump system is connected to equipment such as a bi-directional radiant heating and cooling system, as well as an energy-saving converter. The system has 92 miles (about 147 kilometers) of plumbing in the ground, building floor and ceiling. The plumbing area equals the area of five American football stadiums, and there is an active chilled beam hanging from the ceiling, as well as a radiant floor and photovoltaic panels on the roof. The building's annual electricity consumption is lower than the solar power it generates, and it meets the high standards of "Net Zero Energy".

This example demonstrates the large potential for carbon reduction through energy saving. With suitable policy incentives, necessary regulation controls, and a pricing mechanism reflecting the external costs of pollution, energy saving can not only be a key solution for climate change related issues, but can also increase employment opportunities, bringing a bright future for the low carbon economy.

In addition, Delta actively launched an online open learning platform-DeltaMOOCx, which serves as a medium enabling experts to use online technology to spread their influence, while providing more learning resources for more students, and narrowing the gap between the urban and rural areas. The goal is to closely connect industrial development and technical and vocational education. To date, DeltaMOOCx has created 1,200 learning videos, been browsed by over 200,000 people, gained 45 participating schools, and received more than 8,000 registrations.

Facing a constantly changing global industrial and economic environment, enterprises need to develop commercial opportunities, innovate, and evolve continuously before every significant 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 "To provide innovative, clean and energy-efficient solutions for a better tomorrow" and to promote and create a smart green life.

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A Word from the Management

The Chairman and CEO

People might not see the correlation between Delta and the UN Climate Change Conference (COP21). In fact, Delta’s long-term commitment is: “To provide innovative, clean and energy-efficient solutions for a better tomorrow”, by utilizing its innovative technologies, products and services. At the end of 2015, the world was focused on COP21 in Paris, France, which was the next historic turning point for global action on climate change, after the signing of the Kyoto Protocol in 1997.

Prior to COP21, Delta published the book: “Delta’s Plan for Action”, which puts together the company’s environmental commitment, that promotes climate action projects, expresses our concerns for climate change issues, and advances our international impact. In response to the Climate Disclosure Project, Delta made three commitments to “We Mean Business”, which were: disclose climate change information, influence carbon reduction policies, and voluntarily reduce carbon emissions. To voluntarily reduce carbon emissions, Delta has committed to reducing its electricity intensity by an additional 30% by 2020. This follows reduction of electricity intensity at its main manufacturing facilities by 50% from 2009 to 2014. Delta is expanding this commitment to its entire operations, including offices and datacenters. In response to global warming, all members of Delta participate in energy-saving actions to the greatest extent possible.

Delta shared its dedication to carbon reduction and its experience in green buildings at COP21. Delta presented the “Delta21@ COP21” exhibition to showcase our 21 green buildings and hosted forum



Yancey Hai, Chairman, Delta Electronics, Inc.



Ping Cheng, Chief Executive Officer, Delta Electronics, Inc.

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discussions with UN members. It was an opportunity to showcase Delta's efforts on the world stage. Invited by the German Pavilion of UNFCCC COP21, Delta joined the German Federal Environment Agency (UBA), the Climate Alliance, and the University of Leeds, to organize a UN side event that called-on countries to value the benefits of energy efficiency and further reduce carbon emissions. Being part of the esteemed German Pavilion and voicing our opinion was a unique opportunity for Delta, and even for Taiwan. As Delta was the only corporate representative at this conference, all participants truly valued our field experience. As they seek to understand how technology can provide effective energy-saving solutions to alleviate global warming.

At the forums, we shared how Delta has aligned its business development with worldwide efforts in global carbon reduction. We described our core technologies and capabilities in electricity and electronics, and how we have developed many leading high efficiency power supply products. Our message was that Delta sets the benchmark for energy-saving, and actively participates in or develops energy management standards. We also seek to contribute positively to climate change policies, including concrete corporate performance, raising public awareness and dedication to corporate social responsibility.

During the "Delta21@ COP21" exhibition we presented a comprehensive record of the 21 green buildings Delta has constructed in the past ten years, as well as our energy-saving products and solutions. We also shared our experience in energy efficiency by promoting green buildings in the international arena.

Almost 200 countries unanimously passed the influential COP21 agreement. This new agreement on global greenhouse gas reductions is legally binding after the Kyoto Protocol. Annual assistance of at least USD 100 billion will help developing countries to deal with climate change issues, and assist in the construction or improvement of relevant infrastructure and facilities. The conclusion of the conference also means future business opportunities for us. Delta's corporate commitment, products, technologies and solutions are all in alignment with international demand. We can be assured that there is an

emerging demand for smart buildings, smart factories, and sustainable cities, as we endeavor to develop more effective and energy-efficient products and services.

From business management, product design, daily operations, office and plant buildings to social participation, Delta always adheres to its corporate commitment: "To provide innovative, clean, and energy-efficient savings for a better tomorrow". Combining leading technologies in power saving and core businesses with corporate social responsibility, Delta continuously strives to create value for mankind while seeking sustainable growth for the company.

For years we have endeavored to carry out a strategic combination of corporate social responsibility(CSR) with company operations. A CSR Committee organized by our top management team has set up CSR Guidelines and reviews implementation results of respective CSR projects. The future focus of Delta is to combine our continuing global deployment with deepening local development. We continue to actively promote CSR locally to fulfill our global corporate citizenship.

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Delta Group Overview

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1.2 Global Success Stories

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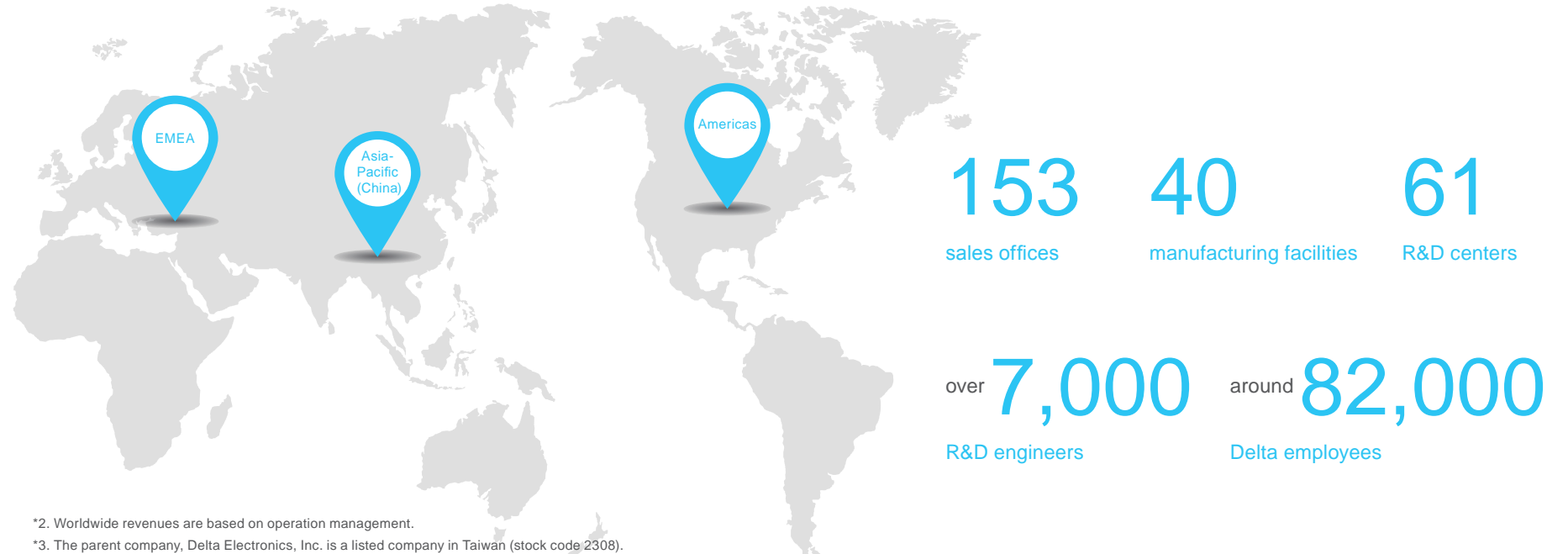
Delta Group Overview

Established: 1971

Worldwide revenues^{*2} in 2015: 7,577 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 31.8% since 1971. The Delta Group is headquartered in Taipei^{*3}, Taiwan, with 153 offices, 40 manufacturing facilities and 61 R&D centers throughout 40 countries from Europe, Asia, the Americas, and Africa. At the end of 2015, there were around 82,000 Delta employees throughout the world.

With its corporate mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow", Delta was the Climate Savers Computing Initiative's (CSCI^{*4}) 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 members 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 support of social progress.



^{*2}. Worldwide revenues are based on operation management.

^{*3}. The parent company, Delta Electronics, Inc. is a listed company in Taiwan (stock code 2308).

^{*4}. CSCI was incorporated into The Green Grid (TGG) in September 2012.

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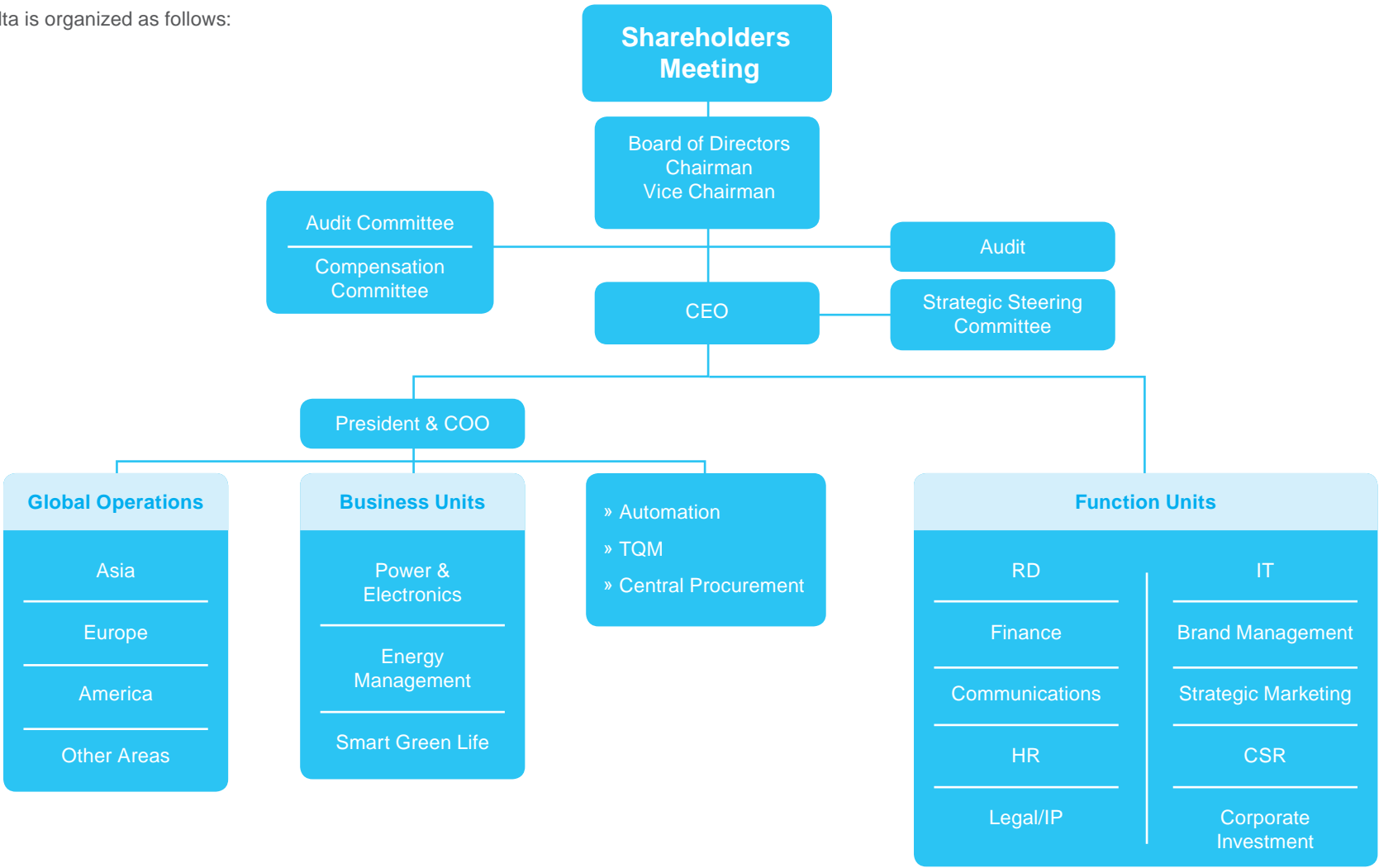
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1.1 Delta Organizational Structure

Delta is organized as follows:



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1.2 Global Success Stories

By leveraging its core competence in power electronics, Delta develops innovative technologies in both hardware and software based on the needs of its clients. We provide innovative, clean, energy-efficient solutions and system integration services while striving to promote our brand and enhance our

corporate image. From 2012 to 2015, we have delivered 327 successful cases around the world in a wide range of fields, including: industrial automation, datacenters, smart green buildings, telecom power supplies, display monitoring, EV charging, and renewable energy. The average energy-savings in these successful cases was in the 20% to 40% range. We are committed to helping our customers reduce energy costs and OPEX, and to making a significant contribution to the slowing down of global warming.



LED display (6.2m x 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



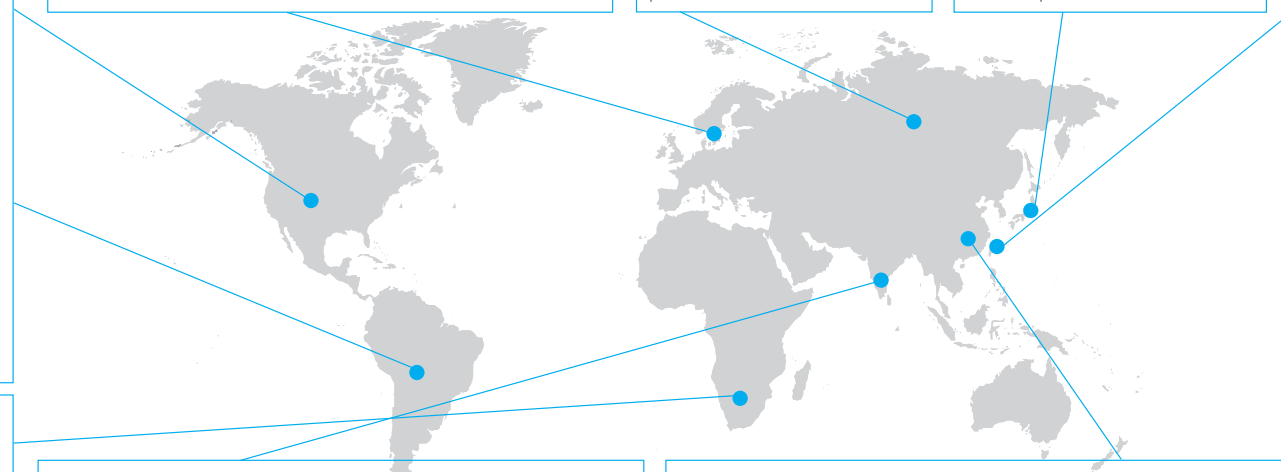
UPS solutions for the largest internet service provider in Russia and the CIS



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



Smart monitoring, surveillance, and power management solution for a countrywide ATM network in India



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



iPEMS solutions to build an Operations Command Center at Karamay oilfield



SCARA Robot with machine vision system for a function test of AC motor drives in China



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

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Corporate Social Responsibility

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2.2 CSR Highlights

2.3 CSR Commitment and Organization

2.4 Support of International Corporate Initiatives

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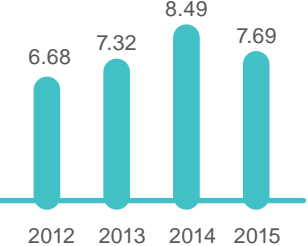


2.1 CSR Indicators

Corporate Governance

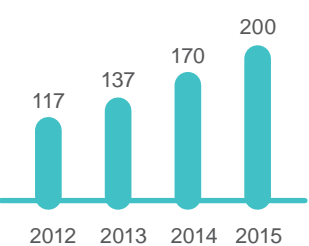
Earnings per share EPS

Unit: NTD



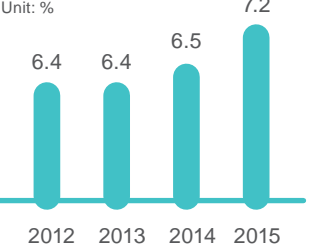
Brand Value

Unit: Million USD



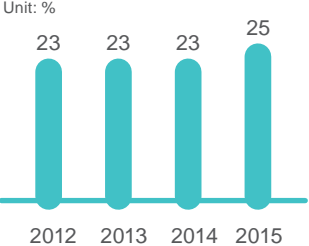
Ratio of R&D Budget to Global Revenues

Unit: %



Percentage of Independent Board Members

Unit: %



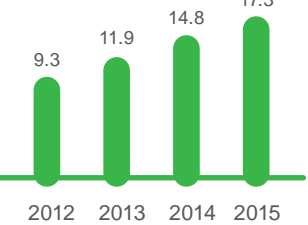
Ranking in Information Disclosure and Transparency for Taiwan Listed Companies



Environmental Protection^{*1}

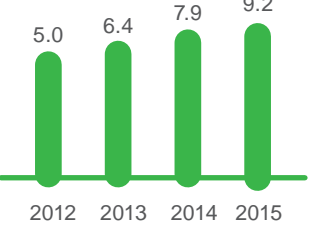
Accumulated Energy Savings of Products

Unit: Billion kWh



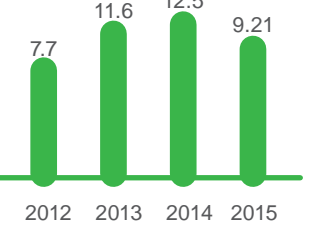
Accumulated Carbon Reductions of Products

Unit: Million ton CO₂e



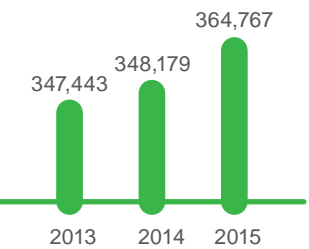
Energy Savings of Green Offices/Plants

Unit: Million kWh



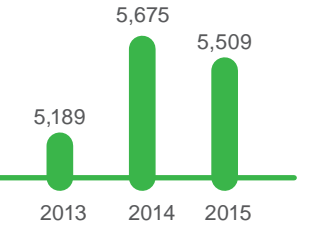
Carbon Emission of Major Plants

Unit: Million kWh



Solar Power Generation of Major Plants

Unit: ton CO₂e



*1. Carbon emission is calculated by the carbon of local area

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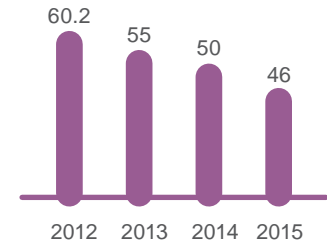
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Employee Relations & Social Contribution

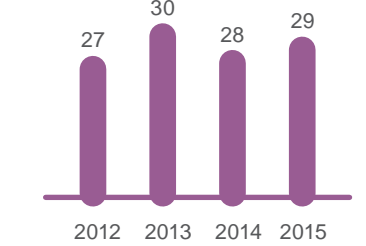
Percentage of Female Employees

Unit: %

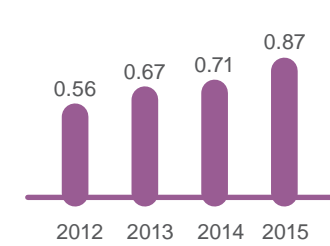


Average Time of Educational Training

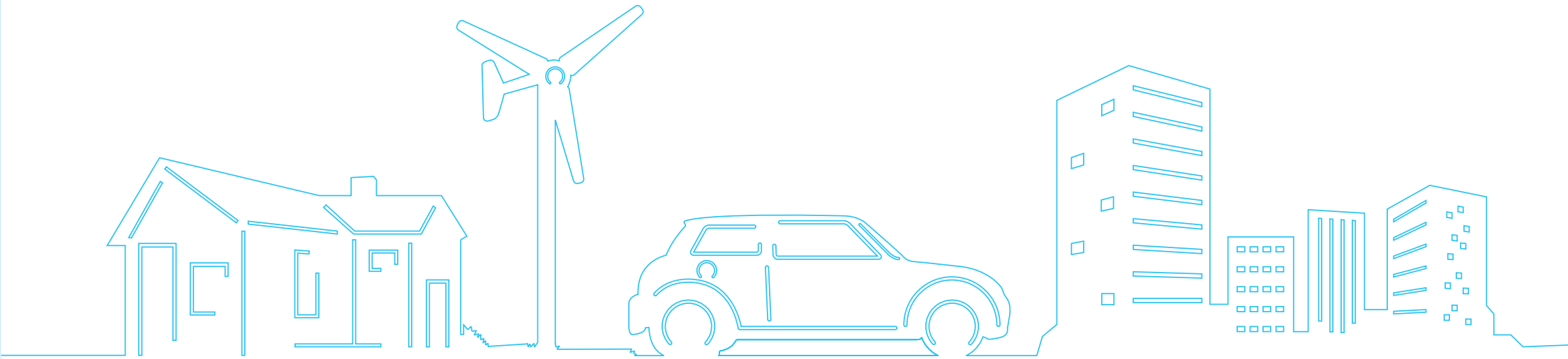
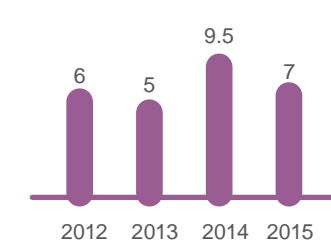
Unit: hours/person



Occupational Safety and Health – Frequency of Disabling Injuries



Occupational Safety and Health – Severity of Disabling Injuries



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2.2 CSR Highlights

Delta was selected for the Dow Jones Sustainability Indices for the fifth consecutive year. — Delta continues to receive leading performance assessments in the global electronic equipment group.

Delta was selected among 45 global companies as a member of the 2015 DJSI World Index from the Dow Jones Sustainability Indices (DJSI) for the fifth consecutive year and ranked as an industry leader in ICT Electronic Equipment, Instruments and Components. As a global enterprise active in many regions of the world, Delta received the highest mark for “Emerging Market Policy”, while continuing its pursuit of environmental risk management related to environmental protection. Delta received full marks in “The Risk Management of Water Resources” for three consecutive years. For employee relations and social contribution, Delta has integrated CSR into its corporate culture, and continues to receive leading performance assessments in “Codes of Conduct”, “Labor Practice Indicator and Human Rights” and “Corporate Citizen and Welfare” in the global electronic companies group.

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

Selected for Delta's Climate Disclosure Leadership Index (CDLI) in 2015

Delta was selected for the Climate Disclosure Leadership Index (CDLI) among the appraisals of listed companies conducted by the Carbon Disclosure Project (CDP) in 2015.

→ <https://www.cdp.net/Documents/leaders/asia.htm>



Delta Receives 2015 Green Luminary Award from Channel NewsAsia of Singapore — the only Taiwan company so recognized

Delta implements its corporate commitment through daily operations. The company is devoted to highly energy efficient products and solutions, and promoting green buildings in response to global climate change. Delta was presented with a 2015 Green Luminary Award by Singapore's Channel NewsAsia—the only Taiwan company recognized among over 40 Asian companies. Mr. Yancey Hai, chairman of Delta Electronics, Taiwan attended the award ceremony.



Chairman Mr. Yancey Hai receives Channel NewsAsia's 2015 Green Luminary Award.

CSR Awards from “Global Views Magazine”.

— Delta has won awards in two categories for the third consecutive year

Delta won the 11th edition of the CSR awards as the best in both categories of the “Technology and Traditional Industry” based on overall performance, and “Educational Promotion” based on its “Run for Water, Water for Run” project, focusing on water-saving and drought prevention. Delta has won the CSR awards in two categories for three consecutive years. Bruce C.H. Cheng, founder and honorary chairman, has held a long-term commitment to energy and climate change issues, and guided Delta to implementing CSR. Delta has become a corporate paradigm, winning the “Lifetime Achievement Award in the Field of CSR”.



Delta's Founder and Honorary Chairman Bruce Cheng (right) is awarded the CSR Lifetime Contribution Award.

“Corporate Citizenship Awards” from Commonwealth Magazine. — Delta has won this award for the ninth consecutive year

Commonwealth Magazine's “Corporate Citizenship Awards” apply international CSR guidelines in awarding outstanding enterprises. The awards are based on assessing four aspects of an enterprise: corporate governance, corporate commitment, environmental protection, and social involvement. For the 9th Corporate Citizenship Awards in 2015,

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Delta received high marks in the large company group for the ninth consecutive year. Delta values corporate governance and sustainability is our ultimate goal, and we apply these concepts into our daily operations. Delta focuses on the issue of climate change, and is involved in the community. In addition to Taiwan, Delta is dedicated to becoming a corporate citizen at an international level. We are active in social participation in China, Japan, and South East Asia, while encouraging our employees to do volunteer work.

Delta Wins 2015 Taiwan Corporate Sustainability Awards (TCSA) for the 3rd Year in a Row

At the 2015 Taiwan Corporate Sustainability Awards (TCSA), Delta Electronics won the “Taiwan Corporate Sustainability Award” for the third consecutive year, and also won first place for both the “Taiwan Top 10 Sustainability Exemplary Enterprise Awards” and “Climate Leadership Awards”. Delta was also recognized with a golden award in the electronic information category for the “Taiwan Top 50 Corporate Sustainability Report Awards”. Delta has long combined CSR and business strategy. With its core technology and capabilities in energy efficiency and power electronics, Delta integrates its green products and solutions to contribute to corporate sustainability and advance its international influence. Delta’s achievements were recognized by the jury.

Delta Receives “The First Corporate Governance Evaluation Award” from Taiwan Stock Exchange

Delta was honored with “The First Corporate Governance Evaluation Award” presented by the Taiwan Stock Exchange (TWSE). The TWSE presented the award to listed



The Executive Director of the Delta Electronics Foundation Ms. Shan-Shan Guo (right) receives Commonwealth Magazine CSR Award from Taiwan's President Ma Ying-jeou.



Taiwan's Vice President Wu Den-yih presents the Taiwan Sustainability Award to Delta Spokesman Mr. Jesse Chou (right).



Taiwan's Vice President Wu Den-yih presents the Taiwan Sustainability Award to Delta Spokesman Mr. Jesse Chou (right).

companies that ranked in the top 5% of its first corporate governance evaluation. The award attests to Delta’s outstanding performance in several evaluation areas including implementing corporate governance policies, protecting stakeholder interests, enhancing the functionality of the Board of Directors, improving information transparency, and fulfilling corporate social responsibilities.

Delta Awarded as One of Taiwan's Top 20 Global Brands for Five Consecutive Years

Delta was awarded as one of Taiwan's Top 20 Global Brands for the fifth consecutive year. In 2015, Delta's brand value increased by 17% compared to 2014, representing USD 199 million. Delta is the only company with brand value that has recorded double-digit growth for three consecutive years. Delta has clear brand positioning and innovative products/technologies. In response to climate change challenges, Delta continues to lead global trends for sustainability. Delta's corporate social responsibility is closely linked to its business development.



Delta's Chief Brand Officer Ms. Shan-Shan Guo (right) receives the Taiwan TOP 20 Global Brands award from Dr. Ming-Ji Wu, Director General of the Industrial Development Bureau.

Delta was named as a Top 10 Best CSR Foreign Company Among the Top 100 Foreign Enterprises in China

The first “Forum on CSR in China”, co-organized by the news center of China's State Council and the research center for Corporate Social Responsibility at the Chinese Academy of Social Science, took place in Beijing, and published the “Blue Book of Corporate Social Responsibility (2015)”. Delta Group ranked in the top 10 with the best CSR performance among the top 100 enterprises in China, and ahead of all other Taiwanese enterprises in the CSR ranking. Delta, dedicated to responsible operations, was also invited to initiate the “2015 Beijing Declaration on Responsibility Sharing”, taking the lead in CSR development in China.



Delta Greentech Managing Director Donald Yu receives the certificate for the “Beijing Pledge - Sharing Responsibility in 2025”.

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2.3 CSR Commitment and Organization

2.3.1 CSR Commitment

As a global corporate citizen, Delta is dedicated to developing its corporate social responsibility. To Delta, CSR encompasses sound corporate governance, balancing stakeholder benefits, focusing on environmental issues, protecting the Earth's environment, promoting energy-saving education, and contributing to society.

In 2015, Delta published the book "Delta's Plan for Action on Climate Change" that describes the company's environmental commitments, core technology and capabilities in energy efficiency and power electronics, and global business. With Delta employees and partners involved, the book addresses climate action plans, shares their concerns on climate change issues, and advances the company's international impact. In response to the Climate Disclosure Project, Delta has demonstrated its three commitments in "We Mean Business", such as disclosing climate change information, influencing carbon reduction policies and voluntarily reducing carbon emissions. Delta discloses comprehensive climate information in our annual CSR report, as well as in our financial annual report. In 2015, we issued our first China CSR report disclosing Delta's CSR efforts specifically in China. We have provided suggestions for green technology policies to the government, participated in BCSD's white paper publication on energy and climate policies for energy and water resources, as well as actively established specifications for energy-saving products and core technologies. In terms of voluntarily reducing carbon emissions, Delta has committed to further decreasing its electricity intensity by an additional 30% by 2020, following the reduction of electricity intensity of its main manufacturing facilities by 50% from 2010 to 2014. This commitment is to be expanded to Delta's entire operations, including both offices and data centers. In response to global warming, all members of Delta participate in energy-saving actions.

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 reach 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 reach 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
- To minimize differences in education opportunities in urban and rural areas, Delta provides technical and vocational education to develop talent with cooperative education through its DeltaMOOCx Online Learning Platform
- 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"^{*5} based on the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies" and related regulations^{*5}. The principles cover several key aspects including corporate governance, sustainable development, social contribution, information transparency, and more. The principles were approved by the Board.

^{*5}. Please go to our website to download "Delta Corporate Social Responsibility Best Practice Principles"
<http://www.deltaww.com/ir/governance.aspx?seclD>

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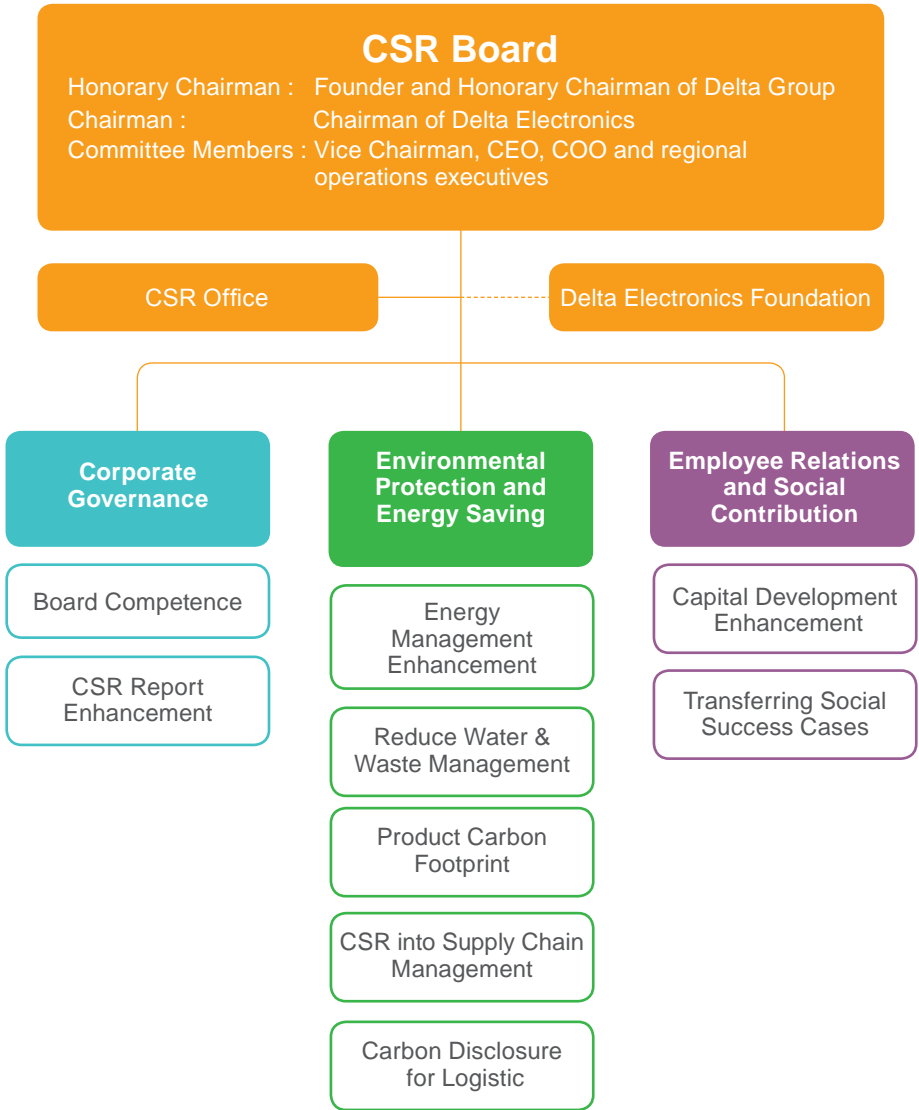


2.3.2 CSR Organization

The top CSR organization within Delta is the CSR Board. Mr. Bruce Cheng, 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: vice chairman, Mr. Mark Ko; CEO, Mr. Ping Cheng; 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 CSR report is formulated and submitted to the CSR Board 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.

In order to promote the effective implementation of ESG (environmental, social and economic-oriented) activities, regional branches pursue the three dimensions of corporate governance, environmental protection and energy saving, employee relations and social contribution. The three functional committees related to these are made up of heads from the business groups/units, region/site directors and the relevant department directors. The committees have the responsibility to formulate policy, define indicators, develop tools/processes and report on implementation performance. The three committees set up nine project working groups to promote the integration and implementation of related cross-department efforts.



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2.4 Support of International Corporate Initiatives

In response to the Climate Disclosure Project in 2015, Delta made three commitments under the “We Mean Business” project, which were: disclosing climate change information, influencing carbon reduction policies, and voluntarily reducing carbon emissions.

Delta advocates the anti-corruption initiative launched by the World Economic Forum (WEF) in 2004 and the formulation of “Ethical Corporate Management Best Practice Principles” based on 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 are illegal or that violate integrity or fiduciary obligations in the course of commercial operations to gain or maintain benefits.

The Code also governs education, training, complaints and disciplinary action. The Delta Code of Conduct^{*6} is a core part of orientation training. In addition to the hosting of actual courses and campaigns on a regular basis, digital courses 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 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, the head of the audit department, the head of the human resources department or the 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 points^{*7}.

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 in such activities.

^{*6}. Please visit 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>

^{*7}. For actual implementation of preventing violations of the Code of Conduct, please refer to the section on Internal Controls in Delta Electronics' 2015 Annual Report.

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

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Communication with Stakeholders

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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 actions and enrich the content of our information disclosures.

Stakeholder	Important Issue to Stakeholder		Communication Channels	
 Employees	<ul style="list-style-type: none">Employee-employer relationshipLabor rights	<ul style="list-style-type: none">Human capital developmentCorporate governance	<ul style="list-style-type: none">Delta corporate websiteEmployee Welfare Committee and communication meetings	<ul style="list-style-type: none">Delta E-newsEmployee satisfaction survey
 Customers	<ul style="list-style-type: none">Product stewardshipWater resources managementGreen operationsCustomer relationship management	<ul style="list-style-type: none">Environmental policy/management systemCorporate governanceBrand management	<ul style="list-style-type: none">Customer satisfaction surveyCustomer auditsDelta corporate websiteBrand News Bi-Monthly	<ul style="list-style-type: none">Regular customer review meetingChannel partner meetingsDelta CSR website & CSR report
 Suppliers	<ul style="list-style-type: none">Green operationsOccupational health and safety	<ul style="list-style-type: none">Climate strategySupply chain management	<ul style="list-style-type: none">Supplier e-commerce systemSupplier audit	<ul style="list-style-type: none">Supplier training programDelta CSR website
 Investors (Shareholders)	<ul style="list-style-type: none">Corporate governanceInnovation managementCustomer relationship management	<ul style="list-style-type: none">Risk managementCodes of conductBrand management	<ul style="list-style-type: none">Delta corporate website and annual financial reportAnnual shareholder meetingInvestor forumMeeting with institutional investors	<ul style="list-style-type: none">Investor services emailInstitutional investors' conferenceDelta CSR website & CSR report
 Communities	<ul style="list-style-type: none">Green operationSocial contribution and philanthropyProduct stewardship	<ul style="list-style-type: none">Water resources managementEnvironmental policy/Management systemClimate strategy	<ul style="list-style-type: none">Delta Electronics Foundation official websiteVolunteer activitiesDelta official website	<ul style="list-style-type: none">Public welfare organizationsDelta CSR website & CSR report

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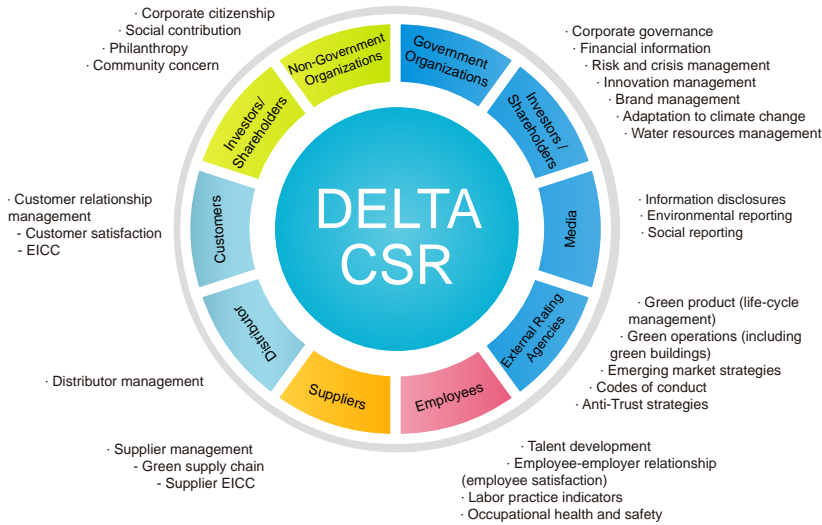
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3.1 Stakeholder Identification

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 on the following major issues in 2015

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 plantImprove the working environment and safety	<ul style="list-style-type: none">Conduct administrative satisfaction survey regularlyArrange workplace monitoring regularly
	Employee engagement survey	Two years	<ul style="list-style-type: none">Employee engagement survey in Taiwan and China	<ul style="list-style-type: none">Follows the last three kpi, we set up action plan to do in 2016 by business unit and factory
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 externallyStrengthen supplier procedure management	<ul style="list-style-type: none">Establish management measures of green materials in accordance with international regulations and customer requirementsShare self-improvement experience and good examples
Investor	Vendor conference	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 conditioningWork 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

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3.2 Identification of Material Aspects and Boundaries



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

- List sustainable development issues related to Delta. Most issues are the material 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	• Operations management
	• Codes of Conduct
	• Risk management
	• Customer relationships management
	• Innovative R&D
Environment	• Brand management
	• Supplier management
	• Climate change (reduction of GHG)
	• Environment policy/management system
	• Water resource management
Society	• Green operations (energy and resource management)
	• Product responsibility
	• Talent incubation and training
	• Social engagement
	• Occupational safety and health
	• Employer-employee relations and benefits
	• Human rights

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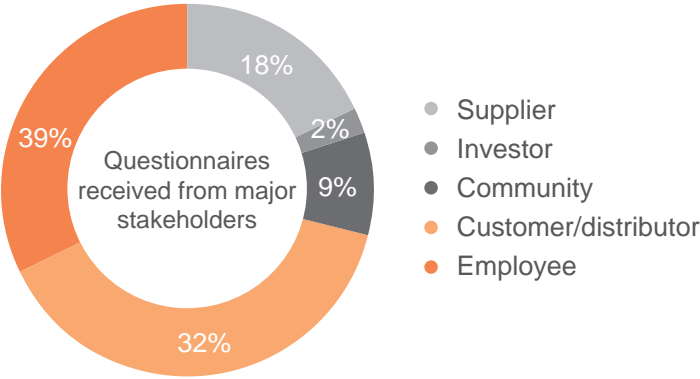
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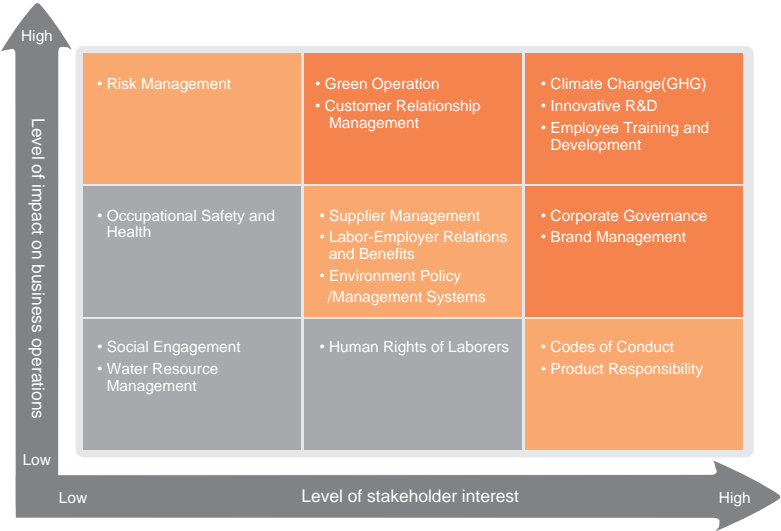
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- Review the boundaries of 17 of those issues, including operations, R&D and production sites, and define the material boundary based on the operational scale and impact of the issues.
- Identify the issues that stakeholders care about through an opinion survey. The major stakeholders of Delta are the survey subjects, including employees, customers, suppliers, investors and communities. Employees of main business units and every operations site were invited as employee representatives and organization representatives of each category to express opinions as external stakeholders. We have received 250 questionnaires and analyzed them. The response rate of external stakeholders was 60% or higher.



- Representatives of the CSR Committee work group assess the impact of each issue on Delta based on professional examination of the questionnaires.
- 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 CSR to make them the major working goals for corporate social responsibility in the future.



The results of stakeholder materiality analysis showed that the seven most important issues of stakeholder and Delta concern: climate changes (GHG), innovative R&D, employee training, green operation, brand management, customer relationship, corporate governance. A detailed description is provided in the following chapters:

Most Important Issues	Description
Climate Changes (GHG)	5.2 Activie Response to Climate Change (P.40)
Innovative R&D	4.3 Perseverance in Technical R&D and Pursuit of Innovation (P.28)
Employee Training and Development	6.2.6 Employee Training and Development (P.73)
Green Operation	5.4 Green Operations (P.45)
Brand Management	4.4 Enhancing Brand Value (P.29)
Customer Relationship	4.6.1 Exceeding Customer Expectations (P.31)
Corporate Governance	4 Corporate Governance (P.25)

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2015 CSR Report

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Corporate Governance

4.1 Key Performance

Market Value

~ 12,300 MUSD

2015/12/31

Group Revenues

~ 7,577 MUSD

2015

Brand Value

~ 200 MUSD

2015

Group CAGR

~ 31.8%

1971-2015

R&D Investment Ratio

~ 7%

of global revenue 2015

Granted Patents

~ 7,100 patents

by 2015

- Selected for the Dow Jones Sustainability Indices (DJSI-World Index) for the fifth consecutive year, Delta continues to receive leading performance assessments in the global electronic equipment group. It was also the third consecutive year that we were included in the “DJSI-Emerging Markets Index”.
- Selected for Carbon Disclosure Projects-Climate Disclosure Leadership Index (CDLI).
- Awarded as among the top 5% in corporate governance for listed companies in 2015.
- 2015 CSR Awards from “Global Views Monthly”- as the best in two categories, “Technology and Traditional Industry” and “Educational Promotion”.
- “Corporate Citizenship Awards” from Commonwealth Magazine - Third place for large company group.

- Delta won the “Taiwan Corporate Sustainability Awards” and took first place for both the “Taiwan Top 10 Sustainability Exemplary Enterprise Awards” and “Climate Leadership Award”, and a golden award in the electronic information category for the “Taiwan Top 50 Corporate Sustainability Report Awards”.
- Awarded as one of “Taiwan’s Top 20 Global Brands” for the fifth consecutive year, Delta is the only company with brand value that has recorded double-digit growth for three consecutive years.
- Delta Electronics (Thailand) was selected as a top 50 companies for the ASEAN Corporate Governance Scorecard.
- CSR DIW Continuous Award from the Ministry of Industry, Thailand.
- Asset 2015 Best Initiative in Environmental Responsibility.

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4.2 Board Competency and Risk Management

4.2.1 Board Competency

The Board was elected in 2015 with a total of 12 newly appointed Board directors for 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 directors' appointments are taken into account the Board's overall composition. The members of the Board are also expected to possess the knowledge, skills and expertise to perform their duties. Board members of Delta are elected based on the following capacities and abilities: operational judgment and management, accounting and financial analysis, crisis management, industry knowledge, international market views, leadership and decision-making.

To develop and improve management's overall knowledge on 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, the operations of the audit committee, and merge cases in 2015.

Board meetings are convened at least once every quarter to review business performance and discuss important strategic issues. Nine meetings were convened in 2015 with a total attendance rate of 90%. 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 Delta's website. In addition, the Articles of Incorporation, which include board meeting regulations and election rules for the directors/supervisors are also provided online for reference^{*9}. The annual report also discloses compliance with conflict-of-interest rules.

^{*9}. Please go to our website to download “Delta Corporate Social Responsibility Best Practice Principles” <http://www.deltaww.com/ir/governance.aspx?secID=4&pid=6&tid=0&hl=en-US>

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

Compensation Committee

Delta has established a Compensation Committee, which assists the company in assessing the compensation of the board's directors, supervisors and managers, in line with corporate performance. The committee determines the distribution rate for dividends, managerial salaries and compensation, and provides suggestions for the company's salary and compensation policy. The committee has established strategies at the corporate level, in accordance with the industrial competitive environment, corporate operational performance and market benchmarks. Three meetings were held in 2015. In addition, the company participates in a salary investigation conducted by industry and consulting companies, reviews the link between salary/benefits and the market, and sets up incentive policies. The annual dividend distributed to employees is approved by the Board, and relevant resolutions are passed during board meetings, and disclosed in the company's annual report.



2015 Delta Shareholders Meeting

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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 mechanisms, compliance with relevant laws and regulations as well as the management and control of potential or actual risk. In 2015, six 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.

4.2.2 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 risk tolerance in search of higher remuneration.

Internal Audit System

Delta has 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 promote internal control concepts within the organization.

Risk Assessment and Management

Each department carries out detailed risk assessments based on their own particular fields of expertise. Management policies and response plans that reduce, transfer or avoid risk 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 information networks. The system also provides 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 consultation, 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. Relevant plant departments are then required to define control measures based on risk severity.

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4.3 Perseverance in R&D and Pursuit of Innovation

Delta reinvests at least 5% of its revenue in R&D and innovation on an annual basis. In 2015, up to 7% of the company's global revenues were invested in R&D. Delta currently operates 61 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 teams to pursue innovation. For instance:

- Since the establishment of the Delta Innovation Award in 2008, 38 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 five teams received this honor in 2015.
- 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 12,600 patent applications have been submitted and roughly 7,100 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 the "Electricity and Electronics Technology Conference", 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 our 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 relevant schemes.



Five teams received "The 7th Delta Innovation Award in 2015"



IBN Executive Director Prof. Jackie Y. Ying (R2) introduces the R&D achievements of Delta-IBN Life Science and Diagnostics Lab to Mr. Ping Cheng (L2)

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4.4 Enhancing Brand Value

Brand Positioning and CSR Share a Common Goal

Brand Positioning

Delta combines its business development is closely linked with corporate social responsibility, a distinctive feature of the Delta brand. Delta has a long-term commitment to its corporate mission “To provide innovative, clean and energy-efficient solutions for a better tomorrow”, which is a commitment to environmental protection. From core capabilities and product development, Delta actively implements its brand vision of “Smarter. Greener. Together.” which promotes smarter and greener living and represents 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 that enable a smarter and more eco-friendly future.

Taiwan Top 20 Global Brand

Starting from 2011, Delta has been evaluated and selected by Interbrand as one of Taiwan’s top 20 international brands for five consecutive years. In 2015, Delta’s brand value increased by 17% compared to 2014, totaling USD 199 million. Delta is the only company with its brand value achieving double-digit growth for three consecutive years.

Interbrand values Delta’s clear brand value positioning and innovative product technology. Business development is closely linked to corporate social responsibility, which sustains operation and turns CSR into business opportunities. In recent years, Delta has communicated its values of corporate sustainability by holding environmental exhibitions, combining Delta’s products and technologies, increasing Delta’s brand recognition and identification by the public, customers and sales partners, and actively advancing its external impact.

External Brand Communications Focus on CSR

Delta Group integrates resources and communicates with worldwide customers to build a consistent brand image and position its brand in the global market. Using major international exhibitions such as Hannover Messe, CIIF, and Techno-Frontier, Delta installs large-scale ads in transportation nodes, such as airports and railway stations, and focuses on CSR for external brand communications. During global exhibitions and international press conferences, Delta shares its initiatives in green buildings and sustainability with 360-degree communication at events to extend its global exposure.

Internal Communication of the Brand

Over the past few years, Delta has published Brand News Bi-Monthly to build internal consensus brand, and share its regional business development and practices worldwide. Starting in 2015, Delta has issued a digital bi-monthly that shares videos and enhances social links. The bi-monthly gives colleagues more opportunities to read through the stories and share them with external partners. Delta has applied a large amount of resources in internal branding communication and training courses held at regional offices around the world. The courses give employees a better understanding of the processes of developing a brand, brand positioning, and CSR. Our aim is to integrate CSR into our colleagues’ way of thinking, not just our corporate culture. Each and every employee is thus a spokesperson for the Delta brand.



Delta Brand News

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4.5 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 dividend information, and corporate 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. From 2012 to 2014, Delta was honored with an A++ rating, the highest rating of the system.

In 2015, Delta was ranked in the top 5% of Taiwan's listed companies and honored with "The First Corporate Governance Evaluation Award" presented by the Taiwan Stock Exchange (TWSE). Delta was recognized for: Implementation of corporate governance, protection of shareholder rights, enhancing board functions and increasing information transparency & corporate social responsibility.

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 majority of Delta's shares, communicating with foreign investors is especially important to us. We participate in a wide range of investor forums each year and meeting with foreign shareholders directly from 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 2015, Delta attended 14 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 real-time. 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 terms of sustainable operations.

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4.6 Customer Service and Supply Chain Management

4.6.1 Exceeding Customer Expectations

With Delta's core competencies in power electronics, thermal management, and datacenter infrastructure, global brands collaborate with us 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, with energy efficiency greater than 96%. Delta also developed a 227V power supply with an energy efficiency of 94.5% while participating in the Facebook Open Compute Project. To interact with customers and promote its new innovative technologies, Delta actively participates in major international tradeshows such as Hannover Messe, the China International Industry Fair (CIIF), the Consumer Electronics Show (CES), Computex, and Centrum der Büro-und Informationstechnik (CeBIT).



Delta held an annual partner event in China

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 turned the external walls of the National Taichung Theater into 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 electric vehicles and a charging station management system to comprehensively manage the charging of EV cars.

To fulfill a commitment to customers, Delta studies their needs, working environments, and practices, to identify opportunities for improvement and to propose optimal solutions. 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 a 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 required services within 48 hours.

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To manage and protect client information with a specific and efficient systems, we apply different levels of authority and stringent controls. Delta applies DLP software around the world and executes measures as requested by ISO27001.

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.



Group photo for Delta Greentech's customer event

146 customer satisfaction surveys were returned from 174 major customers. The questionnaire recycle rate was 84% and the average satisfaction grade was 85 for products and service in 2015.

Our channel partners around the world provide us with access to global markets. For example, there are roughly 700 authorized partners in five continents for our industrial automation products. These partners assist Delta by providing customer services such as business inquiries, product installation, technical support, and product training, and convey 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 enhance aftersales services.

4.6.2 Cooperation with Suppliers

Delta provides products and services in three major categories: Power Electronics 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 historical purchasing expenditure, direct materials are the major proportion of taking 93.69% in 2015. There are three types of direct material suppliers: raw material/component suppliers, agents, and outsourced suppliers, where raw material/component suppliers make up the highest proportion at up to 85%. Delta actively gives priority consideration to green purchase of raw materials not related to production, and promotes sustainability in each of our manufacturing facilities. In 2015, green purchasing of raw materials in the non-production category was 0.29%. In recent years, Delta has grown into a solutions provider, with the supply chain continuously expanding. Taking power supplies as an example, there were 58 newly added suppliers in Delta's supply chain system.

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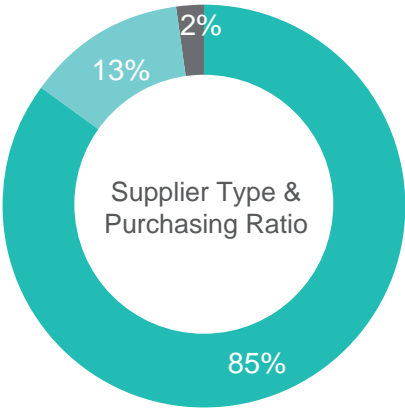
Furthermore, to establish close links with local partners, improve local social and economic development, and reduce the environmental footprint of the production processes, Delta continues to adopt localized purchasing. Delta implements a carbon inventory for outsourcing logistics, and has constructed a sustainable supply chain based upon low carbon logistics. For major production sites in China, Taiwan, and Thailand, direct materials are purchased locally. Major countries as sources for direct materials and their percentages, as well as different types of suppliers are shown in the table below.

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

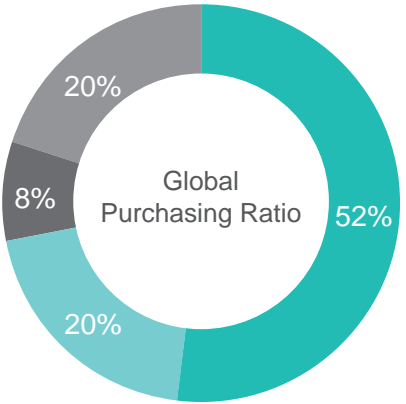
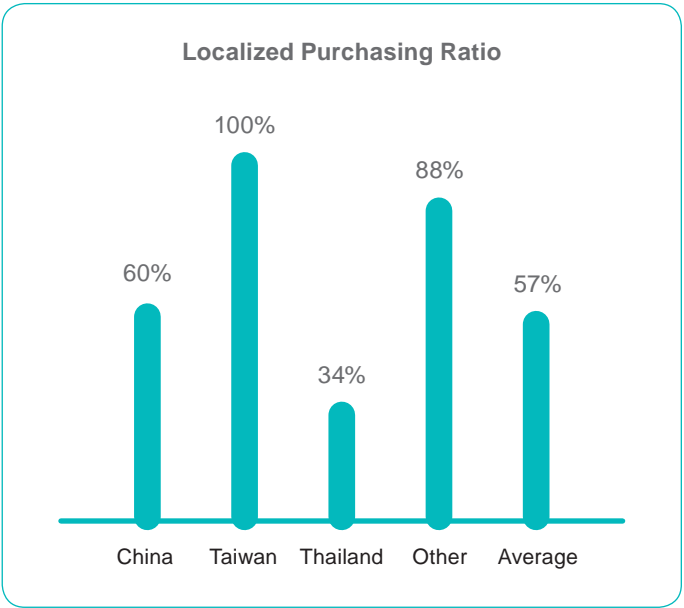
only commercial partners for Delta, they are partners in our promotion of a sustainable business as well.

Delta actively promotes and implements CSR in the supply chain. In 2015, Delta constructed a Supplier EC platform, focusing on major suppliers. We conducted a CSR survey, to further analyze the results of suppliers implementing CSR. With Delta's experience in implementing CSR, we seek to set up a future sustainable supply chain.

Currently, Delta continues to cooperate with suppliers on sustainability issues such as the environment-associated material management of products, conflict minerals 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.



● Material/components supplier
● Agents ● Outsourced



● China ● Thailand
● Taiwan ● Other

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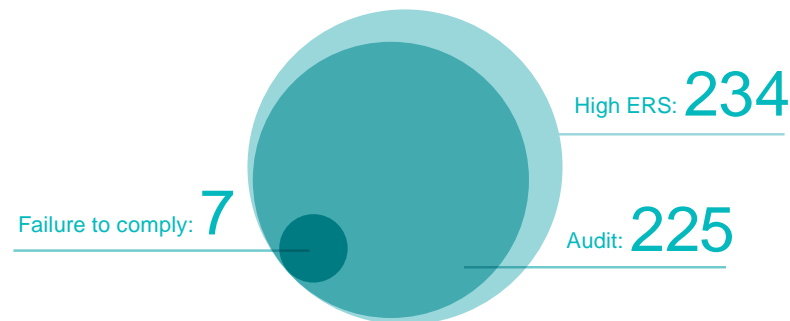
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**Management of Environment-Related Substances (ERS) in Products**

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:

- Supplier must fully comply with local statutory regulations and define their own risk control mechanisms.
- Suppliers 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 a 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 234 key suppliers have undergone ERS verification, and a total of 227 suppliers have been audited, of which seven suppliers were disqualified due to failure to comply with Delta's ERS requirements.

**Control of Conflict Minerals**

Delta implements a policy to ban conflict minerals. 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 Minerals", Delta also assists in tracing the original ores of the metals contained in the material. Up till 2015, about 67% of main material suppliers have signed the "Statement of Non-use of Conflict Minerals". Currently, Delta has not yet seen any conflict minerals 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 verification of the EICC or a third party.

Supplier ESG (Environment, Society and Economic aspects) Risk**a. 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 certification of relevant systems for Quality, Environment, and Occupational Health & Safety, as well as to sign an "Integrity Statement" and an "EICC Commitment Statement". During 2013~2015, with power supply product samples, key suppliers obtaining certification of relevant systems for quality, environment, and Occupational Health & Safety increased each year, with respective rates of 65%, 88% and 100%. For quality certification, all of Delta's qualified suppliers must obtain this



During 2013~2015, the percent of key suppliers for power supply products obtaining certification of relevant systems for quality, environment, and Occupational Health & Safety.

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certification. For Occupational Health & Safety certification, Delta will require that new and existing suppliers must implement EICC, Labor, and Health & Safety as key points for enhancing consultation and audits in the future, with the aim of protecting human rights throughout Delta's green supply chain.

b. Supplier Risk Management

Using tools such as Risk Mapping, Delta verifies potential risks in the supply chain for factors such as the economy, environment, and society, and for the purpose of strengthening related management. In 2015, Delta performed EICC verification on power supply product samples, and components such as PCB, wire/cables, heat sinks, inductor/transformers, metal/plastic casings and identified 114 suppliers with high ESG risks. In response to potentially high-risk suppliers, Delta set up dedicated teams of SQE/VQA/CE/CPC at its plants, to conduct a daily management audit and consultation of suppliers on a regular basis, particularly for CSR-related issues. For instance, employees' occupational safety and the high risk of automation, employee welfare, salary, and turnover rate, as well as the usage of raw materials and the monitoring of environment-related materials. Delta conducts annual consultations and verification/consultation for immediate issues, followed by remediation plans and schedules, along with verification of different items. For suppliers that do not improve after consultation, our buyers adjust purchase order quantities every quarter, as a means of requesting improvement. If the suppliers do not improve, Delta terminates their contracts.

Suppliers for Delta's power products' ESG assignment list in 2015

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 substanceVOC escape from PCB process	<ul style="list-style-type: none">Labor intensityVOC escape from PVC heating processLabor safety risks in soldering process	<ul style="list-style-type: none">Labor intensityLabor safety risks in stamping processDust and high noise level in work environment	<ul style="list-style-type: none">Labor intensityProcess chemicalsHigh temperature and high humidity in work area	<ul style="list-style-type: none">Labor safety risks in injection stamping processesHigh temperature and high humidity in work areaOdor of plastics
Key Suppliers (114 companies)	21	29	11	17	36
Number of Consultations (402 times)	108	88	44	34	128
Number of Suppliers under Special Observation (24 companies)	6	4	4	2	8
Reasons for Observation	Finished products with scratches and Labor long-term health issues with dust and high noise levels, induced by a manual stamping process	Continuous improvement for automation of injection machines, and improvement of manual wire feeding for reduction of occupational risk	Accurate alignment of product and potential finger injury in manual riveting, in the absence of automatic riveting	Operator's small spot burns in solder wetting, with solder spatter of solder ball	Product and operator's risk potential induced by robotic arm during stamping process

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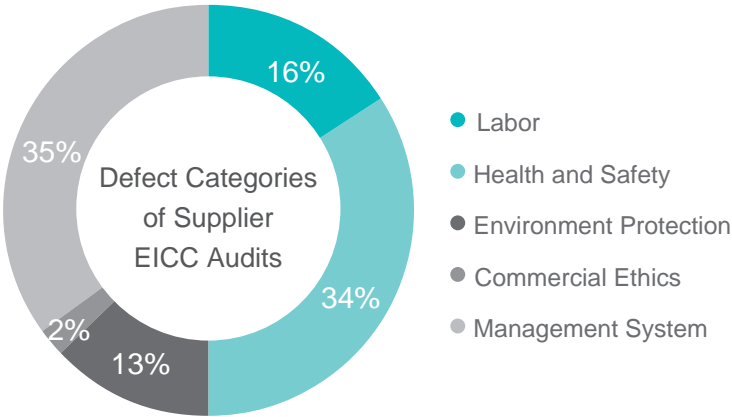
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c. EICC verification consultation

To lower ESG risks in the supply chain and improve competitiveness, Delta began promoting EICC Verification Consultation in 2012. Delta performs EICC verification and consultation of key suppliers with high ESG risks, and EICC assessment and consultation of key suppliers. We select key components based on raw material feeding, production process, and quality/performance for end-users. Delta selected 82 key suppliers of raw materials for major components that ranked in the top 80% of trading volume. The selection of suppliers is conducted in January every year, in accordance with the quality, trading amount and ESH or labor/human rights over the past year. Those suppliers were listed as priority verification and improvement subjects. A total of 82 key suppliers were listed as priority verification subjects in 2015. Delta set up an annual verification plan with the aim of complying with EICC. Delta implemented verification of the 82 key suppliers, with 20 for verification and 62 for re-verification. The ratio of supplier EICC verification was about 100%.

Delta verified its suppliers, and identified 1,034 items requiring improvement in the EHS section, in particular management systems and occupational health. In the labor/human rights section 723 items requiring improvement were identified,



in particular management systems and overtime work. Delta asks suppliers to provide detailed improvement plans in response to identified issues, based on a plant's actual status, within two weeks after receiving an audit report. The improvement plans include the planned closing date and people in charge. The responses provided to Delta utilize a template tracking form for remediation related to the audit report. Delta sets up a tracking date according to improvements conducted by suppliers, and ensures continued progress on social responsibility. In addition, Delta provided experience in introducing and promoting Delta's Management System for the reference of suppliers. In 2015, the ratio of improvements in defects of supplier EICC verification reached about 67%.

Carbon Footprint/Energy Saving and Carbon Reduction Management

To fulfill our corporate commitment "To provide innovative, clean and energy-efficient solutions for abetter tomorrow". Delta cooperates continuously with suppliers to reduce carbon emissions, which not only lowers operational 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, 45 participating suppliers have saved an estimated USD 1.146 Million in annual packing materials costs for power supply products.
Pallet Recycling and Reuse	Delta works with local suppliers to use recycled foundation and battens of wooden pallets, for delivery.	Delta's Wujiang Plant recycled foundation and battens of wooden pallets, saving an estimated RMB 492,189 in operation costs.

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Cooperation Items	Summary	Quantitative/Qualitative Results
Packaging Materials Recycling	Delta cooperates with major processing factories to recycle packaging materials such as EPE, paper, and more.	For example, saving 90% of packing materials and RMB 6,784,000 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 2014, Delta's total savings for air freight costs in 2015 were about 12.4%.
Introduction of Energy Saving and Carbon Reduction Products and Solutions	Delta assists suppliers to introduce energy saving products or solutions, such as LED Lighting, inverter, energy management systems, and more.	Delta cooperated with 38 suppliers to introduce energy saving products and solutions in 2015.

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 150 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 chose to hold its annual EMEA distributors meeting in Paris. We invited 200 distributors from 65 countries to witness Delta's dedication to the fight against climate change, and to protect the sustainability of the Earth. We actively implement our brand commitment to "Smarter. Greener. Together.", which promotes smarter and greener living. Delta has compiled its energy-saving and water saving experiences and success stories, into video introductions and promotional articles to share with supplier partners. The videos and articles also promote Delta's green buildings.



Delta's brokers have visited "Delta's 21 Green Buildings at COP21"

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Dedication to Environmental Protection and Energy Saving

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5.1 Key Performance

Electricity Reduction for Customers

> **17,300** million kWh

2010-2015

Electricity Savings of Green Buildings

> **9.21** million kWh

2015

Solar Power Generation of Major Plants

~ **5.5** million kWh

2015

Reduction of Electricity Intensity by 2020^{*10}

30%

Compared to 2014

EUI^{*11} Increase of Major Buildings

~ **4.8%**

Compared to 2014

Reducing non-IT Equipment Energy Consumption^{*12}

~ **24%**

Compared to 2014

Enhancing energy efficiency of products

- Telecom power supplies achieve 97.5% efficiency
- PV inverters achieve 98.8% efficiency
- DC-DC converter achieves 96% efficiency

Eco-labels

- 60 ventilation fans awarded “ENERGY STAR Most Efficient Products”
- 238 power supply products certified to 80 PLUS
- 39 products passed the Taiwan Energy Label certification
- 31 products passed the Taiwan Green Mark certification
- 20 products passed the China CECP certification

Delta's China plants (Dongguan, Wujiang, Wuhu and Chenzhou), Thailand plant (DET) and Cynotec Hsinchu plants have completed the GHG third party inventory

^{*10}. Setting 2014 as the base year for carbon reduction, Delta has committed to further reducing its electricity intensity by an additional 30% by 2020.

^{*11}. Energy Usage Intensity (EUI) = Purchased electricity/M²/year, setting 2014 as the base year for comparison.

^{*12}. Power Usage Effectiveness = Total electricity usage for data center equipment (IT equipment electricity usage + non-IT equipment electricity usage) / IT equipment electricity usage.

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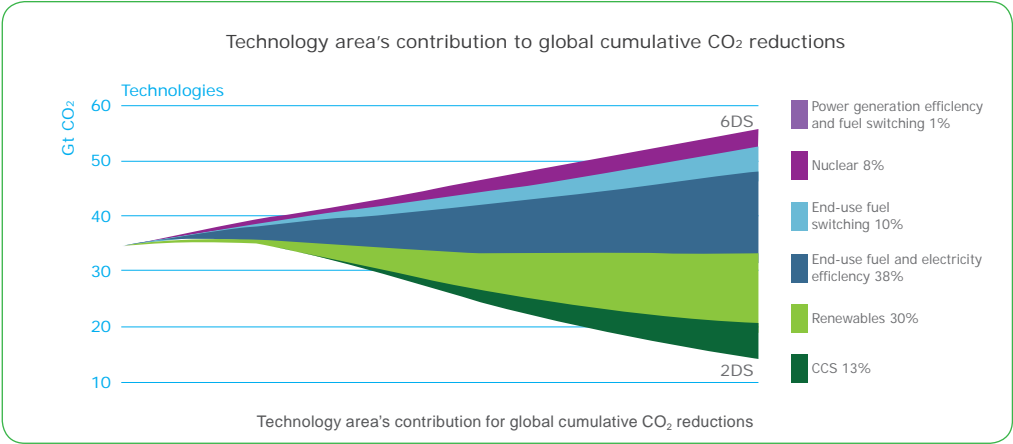
5.2 Active Response to Climate Change

Delta lists climate change as one of the critical risks of corporate sustainable management. In addition to closely monitoring trends and development of global climate change and analyzing operational risks, we also manage the company based on the principles of “Mitigation” and “Adaptation”.

5.2.1 Mitigation

Global Risk Analysis

- The World Economic Forum (WEF) has announced the results of the 2016 Global Risk Survey. In terms of the degree of impact, the greatest risks that influence the world and the environment or weather in 2016 include mitigation failure, water resource crises, and the impact of energy prices.
- Global Data estimates that global electricity usage will increase by 55% by 2025 and the International Energy Agency (IEA) predicts that global electricity demand will increase by more than 70% by 2040 and that energy-related carbon emissions will increase by 16%.
- The 5th climate change report (AR5) of the United Nations IPCC points out that to control the temperature increase within 2°C by the end of the century, the key is to aggressively promote carbon-reduction technologies, including end-use energy efficiency (fuel and electricity) promotion, renewable energy, carbon capture and storage (CCS), end-use energy conversion, nuclear energy and electricity efficiency promotion and fuel conversion. Companies should also voluntarily reduce their carbon emissions to change the energy structure.



Energy Management Policy for Major Global Emitters

GHG emissions must be lowered by 50% of the current development trend by 2030, which is equivalent to 20% below the 2005 level.

- The US is the second largest emitter in the world. For the Intended Nationally Determined Contributions (INDC), the US has declared that their carbon reduction target is 26~28% by 2025.
- For the INDC, China has declared that it would lower carbon emissions per unit of GDP by 60% to 65% below the 2005 level by 2030, and promote low-carbon development, full-scope energy conservation and high efficiency energy application in the Thirteenth Five-Year Plan.
- The EU has declared that their energy efficiency must be raised to 20% by 2020, and that the target needs to focus on buildings, consumption, transportation, industrial and manufacturing process.

Delta's mitigation efforts are based on key points, such as green operations, energy management, carbon-information disclosure and green buildings/plants promotion. By building and enhancing its R&D capabilities, Delta has analyzed its climate change opportunities as continuously development of green energy/energy-saving products and solutions, to become a provider of green energy-saving solutions.

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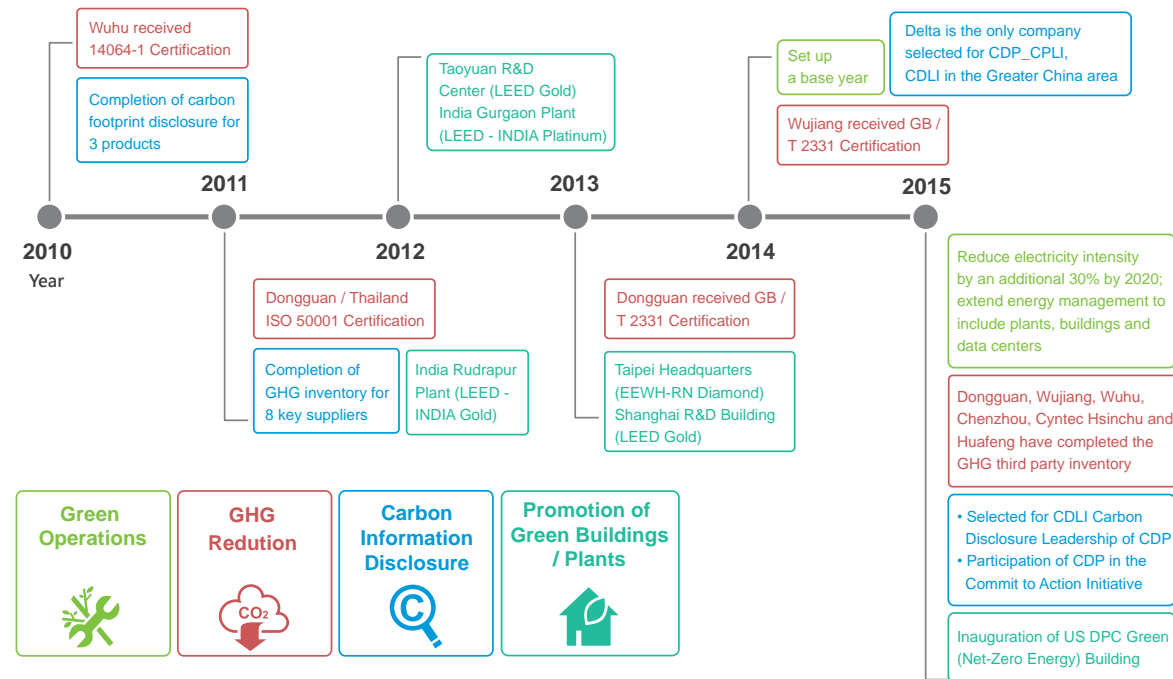
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Delta's Key Achievements in Climate Change Mitigation Over the Years:



5.2.2 Adaptation

Developing capabilities to adapt to climate change and reduce extreme weather risks is a key issue that should be included in a corporate sustainability management strategy. Delta 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.
- Full use of 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.

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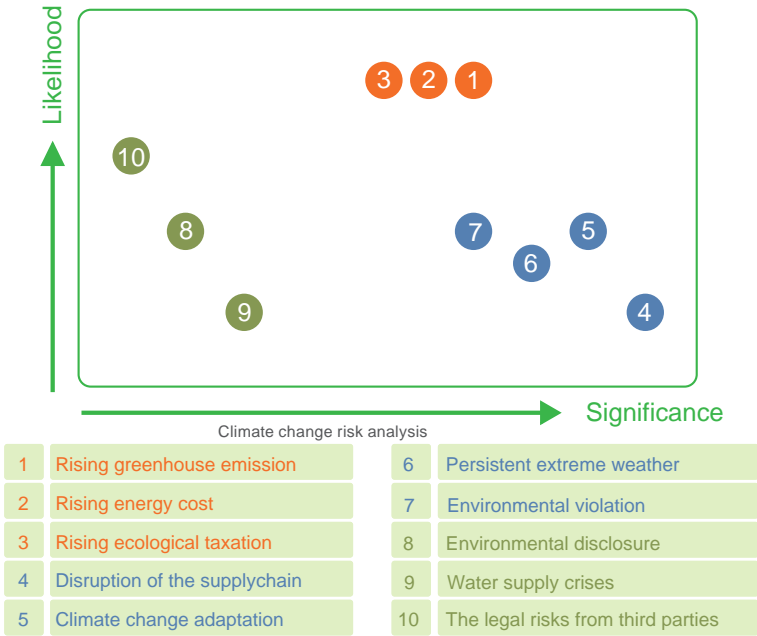
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5.2.3 Climate Change Risk Analysis

Delta employs Risk Maps that identify a total of 10 risks caused by climate change. We also actively manages energy costs such as electricity 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 purchasing and logistics policy.



5.2.4 Climate Change Opportunities

Delta keeps track of climate change trends, closely monitors and manages related 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 in the efficiency of power supply products, and actively develops key components and charging solutions 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 evolving into 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.

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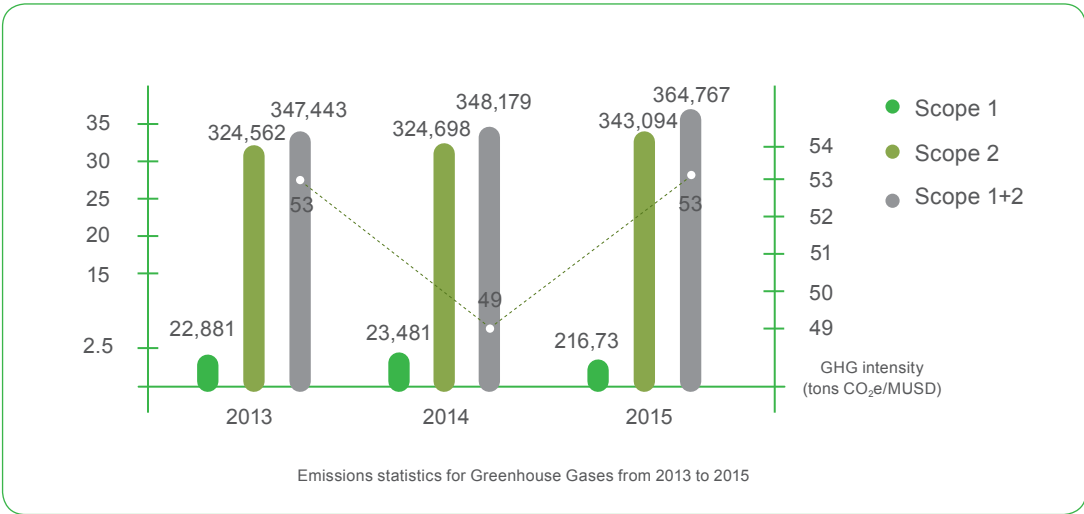
5.2.5 Carbon Disclosure

In 2007, Delta began taking part in the Carbon Disclosure Project (CDP). 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. To understand carbon emissions of products over their entire life cycle, Delta selected several major products, such as notebook adaptors, DC fans, and PV inverters for product carbon footprint inventory in 2010. In 2015, our CSR committee passed a resolution on voluntary carbon footprint inventory for pocket cell mobile power products, as well as telecom power rectifiers for which we plan to obtain carbon footprint certification by the end of 2016.

The direct emissions for 2015 were 21,673 tons CO₂e, and indirect emissions were about 343,094 tons CO₂e. Statistics show that GHG intensity of 2015 was 53 tons CO₂e/MUSD, an increase of 8.2% from 2014.

Delta's CSR committee passed a resolution for a logistics and carbon emission project in China, Taiwan and Thailand. In 2015, we have completed a voluntarily carbon inventory for logistics for 2014 and the first half of 2015, and further analyzed total carbon emissions for each means of transportation. We studied the world's most admired companies, focused on the design of low- carbon logistics, and adopted transportation and loading with lower CO₂ emission factors to improve loading efficiency and product packaging design for additional reduction of scope 3 emissions.



Increase Emissions Statistics of Greenhouse Gas

2015 GHG emissions of major sites in Taiwan, China andThailand						
Category	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	CO ₂
Emissions (ton CO ₂ e)	4,402	96	909	4,441	9	364,747

Meanwhile, Delta has reduced unnecessary business travel since 2010. The mileage of employee business flights is recorded to calculate greenhouse gas emissions (scope 3). For example^{*13}, in 2015 Delta Electronics Taiwan employees traveled more frequently due to the expansion of our business, such as acquiring Eltek, Norway. The estimated emissions of CO₂e from 2013 to 2015 are shown below:

Year	2013	2014	2015
Tons CO ₂ e	2556	3016	3297

*13. Only business flights of Delta Electronics Taiwan employees are calculated.

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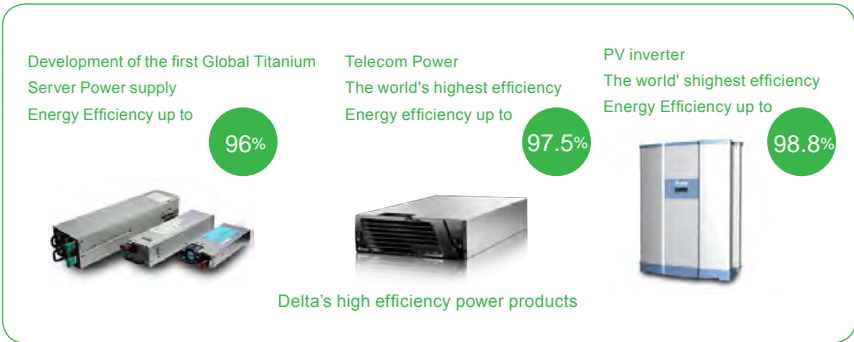
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5.3 Delta's Green Promise and Vision

Various international organizations continue to research methods to deal with the threat of climate change and its severe consequences. Among them, the reduction of greenhouse gas emissions through energy conservation, carbon reduction and the use of renewable energy and other technologies, for example. During the 1980s, a decade after Delta's startup in 1971, we witnessed Taiwan's "economic miracle" and the rapid growth of its industrial sector. But then, severe energy shortages became a frequent problem. In those days, equipment on the market commonly used Linear Power Supplies, which offered extremely low energy efficiency. This challenge prompted Delta not only to develop compact, highly efficient Switching Power Supply, but also to formulate its corporate mission: "To provide innovative, clean, and energy-efficient solutions for a better tomorrow".

Through years of research & development efforts, Delta's power supply product efficiency increased gradually to reach the current level of 90% or above for most products. Not only has Delta developed the world's first 80 PLUS Titanium Class server power supply, with an average efficiency of over 96%, but it has also produced telecom power equipment with industry-leading efficiency of 97.5% and solar PV inverters with efficiency of up to 98.8%. This higher efficiency capability allowed Delta's products to realize electricity savings of approximately



17.3 billion kWh as of 2015 for our customers, which is equivalent to a reduction of 9.2 million tons of CO₂ emissions. This is how Delta's products and solutions contribute to the ultimate global goal of energy savings.

Delta has committed to a further reduction in its electricity intensity by an additional 30% by 2020, with 2014 as the base year. This follows its reduction of electricity intensity of main manufacturing facilities by 50% from 2010 to 2014. This commitment is expanding to Delta's major plants, R&D/office buildings and data centers^{*14}. The goal of this concrete action is to cope with climate change in conjunction with other companies around the world.

a. Energy Savings in Plants

Delta utilizes the electricity use per production value (Electricity Purchased (KWh)/Production Value (MUSD)) as the performance indicator, with 2014 as the base year. Delta has committed to further reducing its electricity intensity by an additional 30% by 2020, as its energy management target.

b. Energy Savings in R&D/Office Building

Delta utilizes EUI (annual electricity use/square foot of floor space) as a performance indicator, with 2014 as the base year. Delta is committed to reducing EUI by 30% as its target for energy management in R&D/office buildings by 2020.

c. Energy Saving in Datacenters

Delta utilizes PUE (total facility energy consumption/IT equipment energy consumption) as a management indicator, with 2015 as the base year. Delta is committed to reducing non-IT equipment energy consumption by 30% by 2020 as the target for energy management in its four major data centers around the world.

^{*14}. Scope of electricity intensity reduced, with 2014 as base year.

a. This commitment expanding to the following production sites: precision machinery plant in Wujiang, Chenzhou plant 2, Delta Electronics (Thailand) plant 1, Cynotec in Hsinchu, Cynotec in Huafeng and Cynotec in Huateng, from the base year's sites (plants in China: Dongguan, Wujiang, Wuhu and Chenzhou; plants in Taiwan: Taoyuan 1 & 2, as well as Thailand 5 & 6).

b. 13 buildings: in Taiwan (Rueykuang, Yangguang, Taoyuan 3 Chungli 1 & 2 and Tainan 1 & 2); in China (Science and Development in Dongguan, Science and Development in Wujiang), Japan, USA and Holland.

c. Four datacenters: Rueykuang, Wujiang, Delta Electronics (Thailand) and USA.

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For years, Delta has carried out the strategic combination of corporate social responsibility with its company operations. A CSR Committee organized by the management team has set up strategic CSR guidelines and reviews implementation results of respective CSR projects. Delta's contribution to carbon reduction is recognized by many international organizations, and was selected for the Carbon Disclosure Projects' Climate Disclosure Leadership Index (CDLI) for the second consecutive year. At the same time, Delta has been included in the Dow Jones Sustainability Indices (DJSI) - World Index for five consecutive years. In 2015, Delta received DJSI's leading performance assessment in the global electronics equipment group, which indicates wide international recognition of Delta's CSR results.



Delta was selected for the Carbon Disclosure Projects' Climate Disclosure Leadership Indices (CDLI) in 2015



Delta was selected for the Dow Jones Sustainability Index(DJSI) - World Index for five consecutive years

5.4 Green Operations

5.4.1 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 from 2013 to 2015 are compiled in the table below.

Type	Category	Item	2013	2014	2015
Input	Energy*15	Purchased electricity (MWh)	415,169	417,720	441,242
		Purchased steam (MWh)	4,788	N/A	N/A
		Natural gas (GJ)	69,648	63,552	66,837
		Diesel (GJ)	17,249	31,808	17,852
		Gasoline (GJ)	10,303	9,809	8,615
		Liquid petroleum gas (GJ)	176,844	173,623	176,844
	Renewable Energy (MWh)	Solar energy(MWh)	5,189	5,675	5,509
	Water	Municipal water (km³)	4,843	4,667	4,547
	Materials*16	Metals (ton)	143,371	150,380	157,880
		Packaging materials (ton)	49,949	52,397	49,444
		Plastics (ton)	30,344	30,752	29,005
		Chemicals (ton)	1,385	1,563	1,476
		Other materials (ton)	1,678	1,628	1,436

*15. Global operation sites including plants in China (Dongguan, Wujiang, Wuhu and Chenzhou); plants in Taiwan (1 & 2 in Taoyuan, Cyntec in Hsinchu&Huafeng) and in Thailand (1, 5 & 6).

*16. The information disclosed of material consumption refers only to plants, excluding Cyntec (plants in Hsinchu & Huafeng).

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Type	Category	Item	2013	2014	2015
Output	Greenhouse Gases*17	Direct emissions (ton CO ₂ e)	22,881	23,481	21,673
		Indirect emissions (ton CO ₂ e)	324,562	324,698	343,094
		Direct +Indirect (ton CO ₂ e)	347,443	348,179	364,767
		Business flight (ton CO ₂ e)	2,556	3,016	3,297
	Wastewater	Municipal wastewater (km ³)	3,550	3,363	3,398
		Process wastewater (km ³)	290	301	246
	Waste	General waste (ton)	9,171	9,915	7,088
		Hazardous waste (ton)	2,331	2,729	3,384
		Recyclable waste (ton)	23,488	26,125	26,176
		Total waste (ton)	34,990	38,768	36,649
	Airpollutants	Volatile organic compounds (ton)	12.4	22.2	6.3
	Recycle	Burn-in recycle electricity (MWh)	54,635	51,389	69,110

5.4.2 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 steam and purchased electricity.

*17. The GHG emissions were summarized based on the GHG boundary and GHG inventory reports of above global production sites.

a. 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. They have been used less recently because stoves are using natural gas with a low CO₂ emissions factor, instead of fossil fuels with high CO₂ emissions factor. Considering cost and benefits, in 2015, a bi-functional heat pump system in the Wujiang Plants was integrated to provide heating and hot water in production areas and dormitories, which increased natural gas consumption by 12%, in comparison with 2014's consumption.

b. 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.

c. Purchased Electricity

The manufacturing process of Delta's major sites consists mainly of system assembly, and the largest source of GHG emissions (94%) is externally purchased electricity. The main energy management indicator was set as electricity intensity (KWh of electricity consumption/MUSD of output value), with 2014 as the base year, to facilitate effective energy management. Delta has committed to further reducing its electricity intensity by an additional 30% by 2020.

Since 2010, Delta has followed the ISO 50001 energy management system as a blueprint to gradually introduce energy management systems in 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 (ISO50001:2011).

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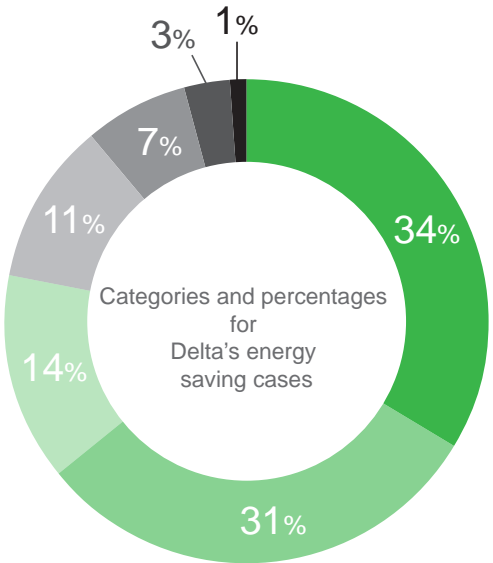


In 2011, Delta introduced an energy management information system (Delta Energy Online) developed in-house. The real-time monitoring and analysis functions provided by the system help identify more opportunities for energy saving and carbon reduction at our main sites. In 2015, the energy management information system was integrated at all of Delta's main sites in China. In 2016, this system will be implemented at all of Delta's main sites, R&D buildings and datacenters around the world.

Delta Energy Online System



To promote sound energy-saving practices, Delta also set up an energy-saving technology task force in 2011 to work with external consultants and internal experts and draw on their practical experience of saving energy in plants. The team worked to screen outstanding energy-saving projects according to technology difficulties, payoff times, energy-saving results and applications to set up a database of the best energy-saving practices. Today, a total of 637 best energy-saving practices have been compiled from various plants, and those examples are being gradually implemented at Delta's main production sites around the world.



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- Information

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Delta has carried out carbon reduction tasks for years, and reduced the electricity intensity (electricity use per production value) of its main manufacturing facilities by 50% from 2009 to 2014. At the same time, Delta has constructed 21 green buildings around the world during the past ten years, and it is committed to promote energy savings through sustainable buildings. In 2015, the electricity intensity of Delta's major operational sites was 63,957(kWh/MUSD).^{*18}

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 2011-2015. The company has put 165 energy saving projects into practice in 2015 and estimates that 18,170MWh^{*19} of electricity is saved per year and 14,574 ton CO₂e emissions are reduced. Delta implemented a total of 883 energy saving projects from 2011-2015 and estimates that 146,472 MWh of electricity has been saved and 117,855 ton CO₂e emissions were reduced.

^{* 18.} Exclusion area electricity usage
a. Dongguan plant's electricity usages excluded electricity usages of R&D building.
b. Wujiang plant's electricity usages excluded electricity usages of data center, R&D building(laboratory and plant factory) and Delsolar Plant electricity.
c. DET plant's electricity usages excluded electricity usages of data center in DET 5.
d. Cytotec plant's electricity usages excluded electricity usages of Delta Greentech.

^{* 19.} Plant in China (Dongguan, Wujiang, Wuhu and Chenzhou), Taiwan (Taoyuan1 & 2), Thailand (DET 1&5&6) was disclosed data from 2011 to 2015, and Cytotec Plant (Hsinchu,Huafeng and Huateng) was disclosed data from 2013 to 2015.

Delta implemented energy saving practices in plants from 2013 to 2015

Item	Energy Saving Topic	Performance	Sum	2011~2013	2014	2015
1	HVAC	Cases	253	112	90	51
		Annual electricity savings (MWh)	27,201	15,798	6,628	4,775
		Annual carbon reduction (CO ₂ e ton)	20,040	11,815	4,400	3,824
2	Air Compression	Cases	89	43	33	13
		Annual electricity savings (MWh)	11,678	4,690	3,292	3,695
		Annual carbon reduction (CO ₂ e ton)	9,300	3,904	2,477	2,918
3	Injection Molding Machine	Cases	23	17	6	0
		Annual electricity savings (MWh)	14,251	13,739	512	0
		Annual carbon reduction (CO ₂ e ton)	12,357	12,014	343	0
4	Lighting System	Cases	92	54	23	15
		Annual electricity savings (MWh)	10,778	9,576	698	503
		Annual carbon reduction (CO ₂ e ton)	8,809	7,922	485	401
5	Burn-in Recovery System	Cases	53	37	7	9
		Annual electricity savings (MWh)	29,842	25,425	2,337	2,081
		Annual carbon reduction (CO ₂ e ton)	23,224	19,779	1,747	1,698

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Item	Energy Saving Topic	Performance	sum	2011 ~ 2013	2014	2015
6	Process Improvement	Cases	223	99	62	62
		Annual electricity savings (MWh)	20,307	8,951	5,423	5,933
		Annual carbon reduction (CO ₂ e ton)	16,132	6,990	4,324	4,818
7	Other	Cases	150	64	71	15
		Annual electricity savings (MWh)	32,414	17,273	13,959	1,182
		Annual carbon reduction (CO ₂ e ton)	27,994	15,299	11,782	914
SUM		Cases	883	426	292	165
		Annual electricity savings (MWh)	146,472	95,452	32,851	18,170
		Annual carbon reduction (CO ₂ e ton)	117,855	77,723	25,559	14,574

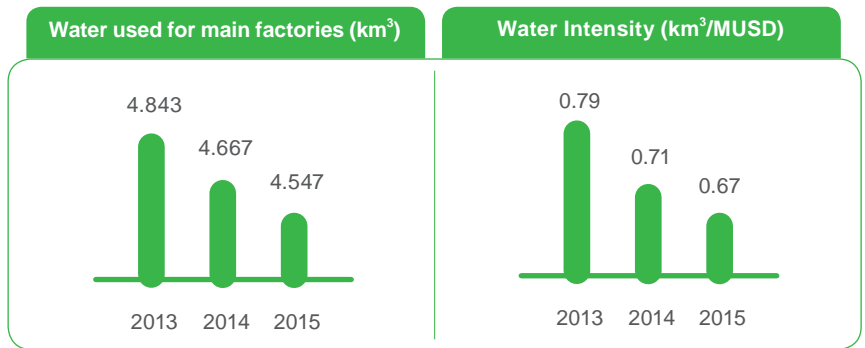
5.4.3 Materials Management

The main materials used by Delta include: 1. Metals (iron, steel, aluminum, copper and others); 2. Plastics (used for casings, insulation, and sockets); 3. Chemicals (mainly organic solvents including thinners, cleaners, and flux); 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 16.5% weight of wooden boxes, pallets and cartons in 2015. Using recycled paper accounted for 76.3% of all paper packaging materials. No substances harmful to the ozone layer are used during our production processes.

Output in 2015 was slightly higher than that of 2014 and the consumption of metal materials increased by 4.8% respectively. Delta supply chains adopt carbon-reduction methods, and for example the use of packaging materials instead of in cartons with plastic box reuse. The consumption of organic solutions used in the production process dropped by nearly 5.6% due to a change of product mix. (subsidiary Eltek excluded)

5.4.4 Water Resource Management

Most of the water used by Delta's main factories is for domestic use (95%). Municipal water is the main source and no ground water is used. Compared to 2014, water consumption decreased by 120,000 km³ for a reduction of 2.6% in 2015. Over the years, Delta has continued to implement various water-saving measures at main sites, such as recycling the condensation output 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 excess water of cooling towers as well as reusing the wastewater from water purifiers. We take water consumption intensity (km³/ MUSD) as the indicator (subsidiary Eltek excluded), and saw an increase of 6.18% compared to 2014, in which output value decreased by 3.8% and water consumption decreased by 2.6% in 2015.



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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. Delta hired an external team of experts to evaluate the diagnostic counseling, and provide professional advice to plan related to water-saving response measures, such as: installation of water meters, water-saving appliances, recycled water reuse and to promote employee to implement water-saving living habits.

5.4.5 Pollution Prevention

a. Wastewater Management

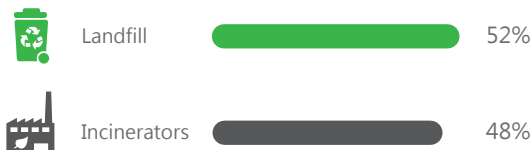
The wastewater at all key Delta sites is processed by proper sewage treatment facilities or directly channeled to the industrial zones' wastewater treatment plants. The volume of wastewater discharged is estimated to be 80% of water consumption for plants in China and Thailand, while the flow meters are 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 bodies of water. In 2015, there were no significant leaks or spillage incidents at any Delta site.

b. 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 2015.

waste, resource waste and hazardous waste was

The total weight of waste was 36,649 tons (subsidiary Eltek excluded) in 2015. Total waste volume slightly decreased by 5.5% compared to 2014 of which the weight of general waste, resource waste and hazardous waste was 7,088 (tons), 26,176 (tons), and 3,384 (tons). The ratio of resource waste was 71% and increased 3.6%, compared to 2014. 52% of general waste was landfill.



Compared to 2014, hazardous waste at mail sites increased by 24%, mainly due to China Wujiang mistaking zinc solvent as a hazardous waste when it should be a processed wastewater; in addition Cyntec Huafeng plant in 2014 accumulated 40 tons of sludge which was processed in 2015. The cleaning operations of workshop processing increased harmful organic solvents by 26 tons, resulting in 284 tonnes of hazardous waste in 2015.

c. Air Pollutants Management

Equipment assembly is the main mode of processing at the Delta and Cyntec production sites and there are no stationary sources for which application, regular monitoring and reporting of emissions can 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. 6.3 tons of VOCs was generated in 2015.

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.

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5.4.6 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 that 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 employees a healthier and more comfortable working environment. With such a precedent, we have promised since 2006 that all newly constructed Delta buildings will adopt green building.

Delta has seven certified green factory/office buildings globally, which include buildings in Taipei, Taoyuan, Tainan, Shanghai 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, large public structures in Shanghai or commercial buildings in India*21,22,23. In 2015, Delta Group's seven certified green factory/office buildings saved, in total, 9,210.8 MWh of electricity, and 6,660 tons of CO₂*20 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 platforms”. In addition, it has used a wide range of Delta's energy-saving solutions such as HVAC automation 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 Ruey kuang 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 practice for carbon reduction for Taiwan office buildings. The Ruey kuang Building achieved a 55% saving in power in 2015.

Delta's IT team, energy-saving service team and related business units cooperated to put a datacenter project, smart air-conditioners and LED together with free cooling technology and combine the existing datacenter in the Ruey kuang Building and a datacenter in the nearby Yang Guang Building into a green datacenter. Delta's own datacenter in our Taipei headquarters, which implements Infra Suite, has achieved a remarkable average PUE of 1.4 in 2015, compared with 1.43 in 2014. This resulted in energy consumption of non-IT equipment decreasing by 24% compared to 2014, and it now meets the criteria for gold-level datacenter efficiency as defined by Green Grid.

*20. Taiwan Power factor using 0.521kg/kWh, China Shanghai Power factor using 0.8095 kg/kWh, Indian Power factor using 0.856kg / kWh (IEA, CO₂e EMISSIONS FROM FUEL COMBUSTION Highlights, 2013 Edition)

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The new Delta Americas Headquarters is going to be a net-zero energy building, the first for the city of Fremont, California. This means that the total amount of energy used by this building on an annual basis is roughly equal to the amount of renewable energy created on the site. The design of this building is sustainable, which integrates innovative energy-saving technologies, such as installation of solar energy systems of 616 kW, including Delta's own photovoltaic inverter with energy conversion efficiency as high as 98.5%, and will generate over 1 million kWh of electricity per year. This new building's HVAC

system also integrates Delta's AC motor drives to increase energy efficiency. Delta's Building Automation Solutions are applied in lighting controls of this new building. Its sustainable design utilizes natural lighting. When it begins to get dark lighting in the office area that can be activated or adjusted. A 140,000 gallons of rainwater harvesting system has been installed, which collects every precious drop of rainwater to irrigate plants. All the above technologies ensure energy self-sufficiency.



Delta Americas headquarters is the first building designed for Net Zero Energy in Fremont.

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Delta's ground source heat pump system sets a shining example for the company's green buildings around the world

The new Delta Americas Headquarters integrates a ground source heat pump system that regulates temperature inside the building. During the cold season, when surface temperatures are lower than the constant temperatures underground, (about 70°F/21°C), the ground source heat pump system sends heat from the ground into the building. During the hot season, when surface temperatures are higher than the underground temperature, the system brings heat from the building to the underground, and brings the cool temperatures stored underground back into building, which cools the interior to a comfortable temperature.

The new Delta Americas Headquarters adopts energy-saving practices and benefits.

Energy - Saving Solutions	Benefits
Smart HVAC	Based on existing HVAC hardware, the Delta HQ building adopted Delta HVAC energy-saving products and solutions, including PLC controllers, inverters, HMI, Hub and the HVAC intelligent control logic. Compared to full-load operation, the energy savings surpassed 25%.
Lighting	Lighting system improvement included adopting Delta's indoor LED lamps and outdoor street LED lamps, as well as PLC control and infrared sensing switches for lamps. Compared to conventional lighting lamps, electricity savings in lighting reached 74%.
Elevator	Instead of energy losses by traditional brake resistors, Delta's energy regeneration devices 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 20%.
EMS	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.

Delta's green buildings adopt energy-saving practices and benefits.

Delta GreenBuilding / Green Factory	Application of Energy - Saving Techniques	Highest Benefits in Energy-Savings
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	• EUI :101<EUI Standard: 242 for traditional office building ²¹ • 58% energy-saving rate • Saved approximately 2,280 MWh of electricity • Reduction of approximately 1,191 tons CO ₂ e
Taoyuan R&D 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	• EUI 114.7<EUI Standard: 242 for traditional office building ²¹ • 53% energy-saving rate • Saved approximately 2,910 MWh of electricity • Reduction of approximately 1,548 tons CO ₂ e • Recycle water 8,288 tons
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)	• EUI 121<EUI Standard:242 for traditional office building ²¹ • 50% energy-saving rate • Saved approximately 1,200 MWh of electricity • Reduction of approximately 625 tons CO ₂ e

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Delta GreenBuilding / Green Factory	Application of Energy - Saving Techniques	Highest Benefits in Energy-Savings
<p>Tainan Plant Phase I</p> <ul style="list-style-type: none">• Inaugurated in 2006• EEWB Diamond 	<ul style="list-style-type: none">• Concave shielding and natural lighting• Buoyancy ventilation towers• LED lighting and Solar• PV systems• Energy regeneration form elevators• Water recycling system (rainwater and cooling water)	<ul style="list-style-type: none">• EUI 149< EUI Standard: 242 for traditional office building^{*21}• 38% energy-savings rate• Saved approximately 1,300 MWh of electricity• Reduction of approximately 729 tons CO₂e
<p>India Rudrapur Plant</p> <ul style="list-style-type: none">• Inaugurated in 2008• LEED-India Gold 	<ul style="list-style-type: none">• Natural lighting• High efficiency HVAC systems• Solar PV systems• LED street lamps• Anaerobic sewage treatment and recycling systems	<ul style="list-style-type: none">• EUI 51> EUI Standard: 210 for traditional commercial building^{*22}• 76% energy-saving rate• Saved approximately 2,920 MWh of electricity• Reduction of approximately 2,666 tons CO₂e
<p>India Gurgaon Plant</p> <ul style="list-style-type: none">• Inaugurated in 2011• LEED-India Platinum 	<ul style="list-style-type: none">• Natural lighting• High efficiency HVAC systems• Solar PV systems• LED street lamps• Anaerobic sewage treatment and recycling systems	<ul style="list-style-type: none">• EUI 77> EUI Standard: 210 for traditional commercial building^{*22}• 63% energy-saving rate• Saved approximately 1,060 MWh of electricity• Reduction of approximately 969 tons CO₂e
<p>Shanghai R&D Center</p> <ul style="list-style-type: none">• Inaugurated in 2011• LEED Gold 	<ul style="list-style-type: none">• Energy management systems• LED lighting solutions• Solar PV systems• Datacenter solutions	<ul style="list-style-type: none">• EUI 72.4> EUI Standard: 120 for big Civilian buildings^{*23}• 39% energy-saving rate• Saved approximately 2,560 MWh of electricity• Reduction of approximately 2,070 tons CO₂e

5.4.7 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-flushurinals.

Energy-Saving Elevator System



Some plants have installed an elevator energy regeneration 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.

5.4.8 Reducing Environmental Impact from Our Operations

Delta had no significant violation of environmental regulations in 2015. As all major Delta sites are located in industrial parks, science parks, or local industrial zones, this reduced the environmental impact on the local ecosystems to a minimum during operations and avoided any significant

^{*21}. <Bureau of Energy, Ministry of Economics Affairs, R.O.C.(Taiwan)> Electricity usage reference for building user, Page 3.Taiwan Office building (parking lot not included) average EUI: 241.9 kWh/m2/year

^{*22}. <UN and Indian Bureau of Energy>United Nations Development Programme - Energy Efficiency Improvements in Commercial Buildings, Page 40. Commercial building average EUI: 210 kWh/m2/year (parking lot not included)

^{*23}. <Shanghai Urban-Rural Development and Transport Commission>Statistic of Energy Consumption of Shanghai Private Building, Page 4. Large Public building average EUI: 119.73 kWh/m2/year (parking lot included)

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negative impact on local biodiversity. The commissioning of green buildings/ factories with diverse plant and eco-ponds has made a positive contribution to biodiversity.

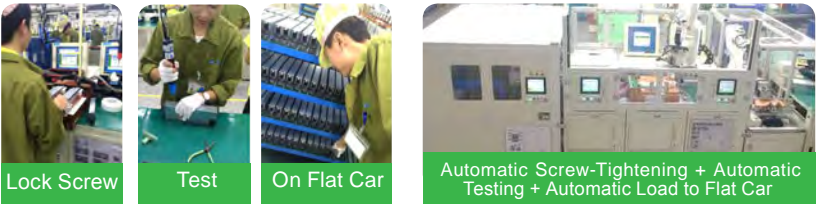
5.4.9 Green Production

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*24 from 2013 to 2015 are shown below:

Project Type	Implementation Summary	2013	2014	2015
Process optimization	Optimization of existing production processes	9.7	12.6	6.3
Automation control	Adoption of automation control systems for labor intensive production stages	7.2	7.6	6.4
Process simplification	Simplification for traditional or complicate dprocedures	1.2	2.0	1.4
Tool optimization	Optimization for jig design	0.5	0.8	0.6
Logistics improvements	Improvement of delivery and storage methods	0.5	2.1	0.1
Total Benefits (MUSD)		19.2	23.2	14.8

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

<Case I> Automated Assembly Case – Tighten screws + Testing + Load to Flat Car



Prior to enhancement:

1. Requires three people, provides only 86% of productivity with a qualification rate of 99.5%.

After enhancement:

1. No manpower required, with productivity of 95% and qualification rate of 99.75%.
2. Real-time monitoring and completion of data management.

<Case II> Automation Refinement –Enhancement of automatic feeding device for chip processing equipment



Prior to enhancement:

1. Manual single-tube reloading: manual reloading at 2.5 min/time, at a frequency of 24 times/H; high reloading frequency.
2. One man per machine: machine and personnel operate alternately, resulting in wasted waiting time.

After enhancement:

1. Automatic warning: automatic warning for reloading when deficient.
2. One man per three machines: automated tube replacement to reduce manpower.
3. Return on investment is 0.14 month.

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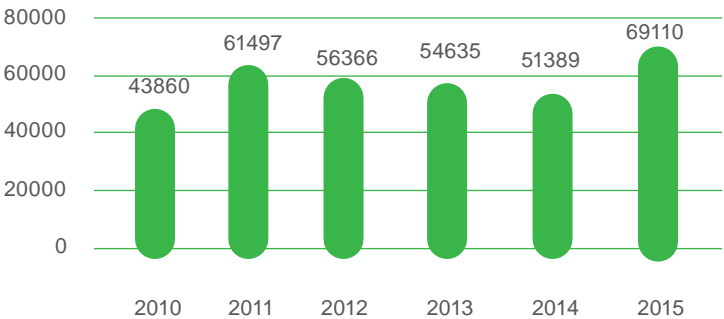


5.4.10 Energy / Resource Recycling and Renewable Energy

a. 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 air conditioning systems. By using Delta ERSs, including ERSs adopted before 2014, over 69,110 MWh of electricity was recycled in 2015, reducing GHG emissions by 55,970 tons ,compared to testing without ERSs.

Burn-in Energy Recycling



b. 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 installed solar PV modules. In 2015, the solar PV systems at major sites generated 5,509 MWh of electricity, which is equivalent to a CO₂e reduction of 4,678 tons, and reduced green electricity 2.9% compared to 2014.

c. Water Recycling and Reuse

Process cooling water, rainwater, condensated water from blowers, and water discharged by RO systems are the main water sources for recycling and reusing. In 2015, the Wuijiang plant recycled a total of 28,000 tons of water, while the Taoyuan Technology Center recycled and reused a total of 8,288 tons of water.

d. Solder Recycling

Our main operational bases have installed solder recycling devices. In the past, overflow solder was collected from receptacles and recycled after wards. Some plants have improved on this method by implementing immediate recycling methods. In 2015, roughly 48 tons of solder were recycled.

e. Procurement of Green Electricity

In order to promote the use of renewable energy, and reduce environmental impact and destruction, Delta has not only set up solar power, it has also externally procured 1,700 MKh of green power to contribute to the cause of environmental protection.

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5.5 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 as required by our customers. In 2015, Delta did not violate any laws or regulations concerning the provision and use of products and services.

5.5.1 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 SLCA methodology, we can identify design or process areas for improvement.

5.5.2 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.

In 2015, Delta CSR Committee passed a resolution for a voluntarily carbon footprint inventory of the PocketCell mobile power products, as well as modular telecom power. The committee set up an evaluation method for product carbon footprints, based on prior experience evaluating the carbon footprint of adaptors, as well as the domestic and international database of CO2 emissions factor. The Committee has established an SOP for carbon footprint inventory at our main sites. Delta plans to obtain carbon footprint certification by the end of 2016, and identify more opportunities for energy savings and carbon reduction. The goal of these actions is to continuously improve the design and marketing of Delta's sustainable products.

Delta implements the carbon footprint inventory to its products.

Telecom Power Supply
DPR2900B



Mobile Power
Innergie PocketCell



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5.5.3 Strategies for Lowering Environmental Impact of Products

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

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 materials transportation

We have implemented a low-carbon procurement policy. Local suppliers are given priority for all materials except key components. For instance, 60%~100% of the procurement of power supply products was from Chinese and Taiwanese suppliers in 2015, which greatly reduces carbon emissions during the transportation 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 transportation process. Waste materials can be recycled, reused, or used repeatedly. For example, paper packaging materials that are more than 90% recyclable and

reusable. Automation 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 98.8%, 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 designs its products for ease of recycling/disassembly. We actively help B2B customers improve the reuse rate and recycling rate of waste electronics products to conform with 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 Innergy has registered with local EU authorities and joined Germany's electronic waste recycling system.



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5.5.4 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 18 products of project machine and 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, 60 Delta ventilation fans have obtained the ENERGY STAR Most Efficient Product certification as of 2015, and 238 items of our power supply products have obtained 80 Plus certification.

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 “EnergeE” 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 EnergeE labels to our Rectifier product catalogs and products with an energy effectiveness of over 95%, 96%, and 97% to allow easy identification by customers. The following product models are currently available for selection: DPR850, DPR2000, DPR2900, DPR4000, and DPR6000.

EnergeE Energy Savings Calculator	EnergeE Product Label
	DPR2900: efficiency > 97%
	DPR6000: efficiency 96~97%
	DPR4000: efficiency 95~96%

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5.5.5 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 2012-2015 is shown below. Compared to 2014, Energy Management accounted for a larger percentage of revenue in 2015.



The revenue percentages of Delta's three major product categories for 2012-2015

Application Areas	Key Products	2012	2013	2014	2015
Power Electronics	<ul style="list-style-type: none">• Embedded Power Supplies• Mobile Power Supplie• Industrial & Medical Power Supplies• Fans and Thermal Management• Electronic Components for ICT Equipment	63.2%	59.8%	60.1%	54.6%
Energy Management	<ul style="list-style-type: none">• Industrial Automation• Telecom Power Systems• UPS & Datacenter Infrastructure• Automotive Electronics & EV Charging• Renewable Energy	17.1%	18.1%	18.8%	26.1%
Smart Green Life	<ul style="list-style-type: none">• Networking Systems• Display & Visualization• LED Lighting• Healthcare Devices• vivitek• Innergie	17.7%	19.3%	19.5%	19.2%

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Delta not only maintains its 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.

Delta's green solutions



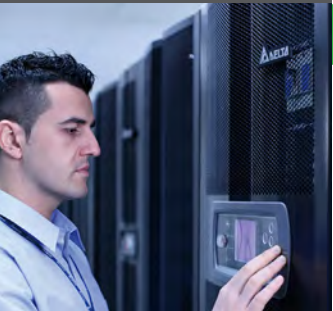
Industrial Automation Solutions

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

Delta's Building Automation Solutions combine an open building management platform to enable smarter, greener buildings. Delta Energy Online gathers global energy data. Delta assures building safety with Intelligent Video Surveillance technologies.



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 33.4% more energy than traditional telecom powersystems.



Renewable Energy Solutions

Delta has adopted solar PV cells manufactured by affiliated enterprises and our PV inverters with energy efficiency of 98.8%. 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.

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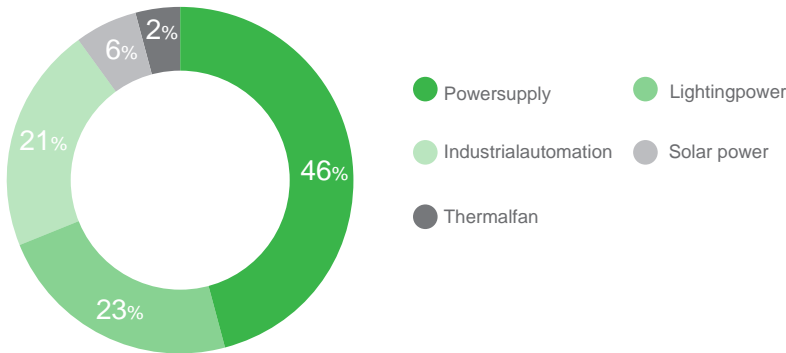
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Delta constantly improves the energy efficiency of products and develops new green energy/energy-saving products and solutions to assist customers to save energy and achieve better cost-savings. Based on the quantities of Delta's power supplies, DC fans, UPSs, ballasts, inverters, PV cells and other products^{*22} shipped by Delta in 2010~2015 from its Taiwan, China and Thailand plants, Delta's high efficiency products have helped customers save almost one billion kWh of electricity and reduce carbon emissions by nearly 17.3 billions and 9.2 million tons CO₂e. The proportions of energy savings by different product types between 2010~2015 are shown below^{*25}:

Compared to magnetic ballasts, electronic ballasts can increase lamps efficacy (decrease power consumption) because of their high frequency operation. For shipments of Delta's electronic ballast for fluorescent lamp to eight major customers in 2015, annual energy savings for end-users were 175 million kWh^{*26} (assuming that end-users replace existing magnetic ballasts with electronic ballasts).

Proportion of energy savings by different product types between 2010 and 2015 are shown below



In addition, Delta provides solutions to customers around the world. We have delivered about 327 successful cases. Cases with energy-saving features achieve 20% to 40% in energy-savings.

Global Success cases from 2012 to 2015

Total solution	2012~2015	2013	2014	2015
Datacenter	136	18	54	59
Display and Monitoring	56	14	17	20
EV Charging	13	6	1	2
Industrial Automation	66	20	14	26
Renewable Energy	24	8	3	9
Building Automation	9	2	3	3
Telecom Power	23	3	1	16
Total	327	71	93	135

*25. The estimate is based only on energy-saving products in 2015. The estimation method is as follows:

a. 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.

b. 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.

c. Lighting (LT) includes electronic ballast, and energy savings are compared to magnetic ballast.

d. PV cells: the calculation is based on total product capacity to estimate the electricity generated under normal conditions.

e. CO₂ emissions coefficient: Thailand shipments are calculated by using an electricity emissions coefficient of 0.5813kg / kWh. All other shipments are calculated using Taiwan's electricity emissions coefficient of 0.522kg / kWh.

*26. Annual Energy saving=[Σ(A×B)×C]÷1000 × 8(hr.)× 365(day)

A: Maximum input voltage (W) in different models of electronic ballast installed in compatible fluorescent lamps.

B: Quantity of products shipped.

C: Energy Saving=10% reference from the Page 7 of Electronic Ballast report of American National Lighting Product Information Program.

Lamp efficacy increases (by approximately 10–15% compared to magnetic ballasts operation) when the lamp operates at electronic ballasts. 1000 is unit transform (from W to kW). Assuming lamps operate 8 hours a day, 365 days a year.

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6.1 Key Performance

Environmental Exhibitions and Education

~15 million attendances

2009-2015

Energy Education Involvement

>52 thousand people

2006-2015

Green Building Visits

~50 thousand attendances

2014-2015

Electricity Savings of Donated Green Buildings

~578.3 MWh

When compared to the annual electricity consumption
standard per square meter

Delta MOOCx Online Learning Platform Involvement

>200 thousand people

Hit rate for 2015 teaching video

Low-carbon Lifestyle Blog

>4.12 million people

2007-2015

Delta21 @ COP21 - Delta's Energy-saving Capabilities Amazed the World at COP21

Delta Electronics Foundation (DEF) has attended the United Nations Climate Change Conference nine years in a row. DEF also participated in the "COP21 United Nations Climate Change Conference" held in Paris at the end of 2015. There it actively supported the Commit to Action corporate carbon reduction initiative of the CDP, and further promised to expand the electricity-saving scope to the entire group by 2020, reducing electricity intensity for output value by a further 30%. DEF has planned several "Road to Paris" events to promote green building energy-saving concepts, including UN side events, international environmental forums, the Sustainable Innovation Forum (SIF), as well as a green building exhibition, sharing with the world green building approaches to adapt to climate change.

Delta's MOOCx online learning platform officially activated based on the core vocational education development

The Delta MOOCx course platform is an online MOOC's course meticulously designed by the Delta Electronics Foundation for science subjects in senior high schools and vocational high schools as well as automation courses in science and technology. The courses are jointly developed by senior high school learning centers in mathematics, physics, chemistry, biology, geography, electrical and electronic engineering. Together with the help of outstanding teachers from three top-tier science and technology universities, the MOOCx platform hopes to eliminate the urban-rural gap and education-job gap, and cultivate talent in pursuit of a better society and sustainable development for mankind.

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6.2 Employee Care

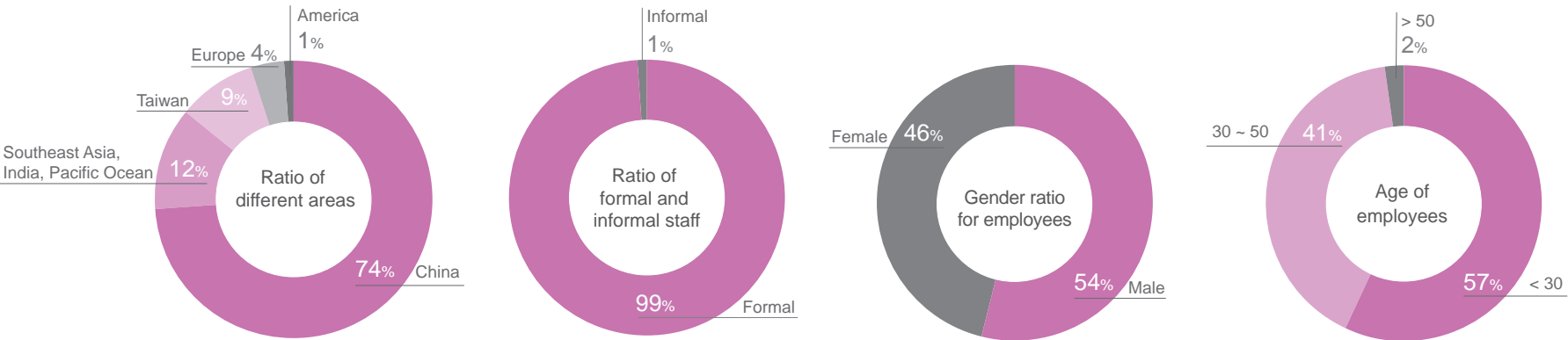
6.2.1 Employee Composition

By the end 2015, Delta had a total global workforce of around 82,000. In terms of geographical distribution, 74% 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, marital status, political affiliation or disability. Formal employees account for 99% of the total, of which all are in production, operations and R&D positions. Employees are 54% male and 46% female. Direct employees account for 62%, and 57% of employees are under the age of 30. Employees are 3% minorities. For management, 83% are native to the country where they are employed and 16% are females^{*27}.

Employee Composition Analysis



* 27. Regular Employees: Other employees besides informal employees.
Informal Employees: Hourly wage, part-time, contracted, dispatched personnel.
Direct Employees: Operating personnel working directly in the production line, commonly known as operators or technicians.
In-direct Employees: Workers not directly involved in production, including executive staff, supervising personnel, salesmen, R&D, and functional support personnel.

Management Post: Personnel with management roles who are section managers (including) or higher.
Local Nationality: Supervisors whose nationalities are the same as the local countries for global operations and production locations.

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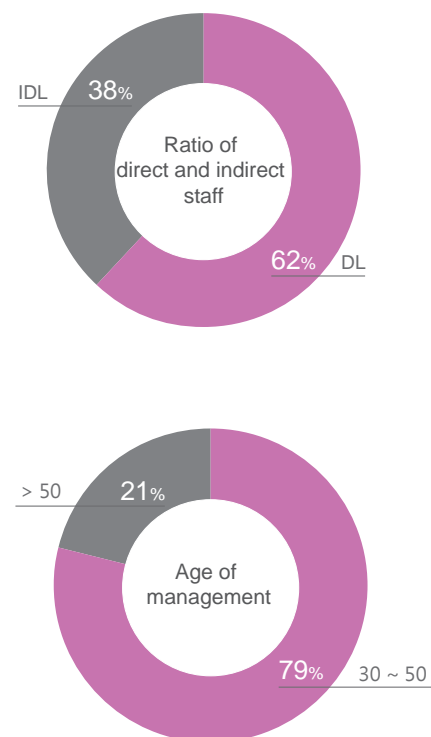
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Employee Composition Analysis



6.2.2 Employee Policy

Delta Group Employment Policy

As a global enterprise and a responsible corporate citizen, Delta is committed to offer employees an environment that allows them to develop to their full capacity. To fulfill this commitment, Delta constantly strives to comply with local regulations and 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:

a. Leagal Compliance :

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

b. Freely Chosen Employment :

Delta prohibits hiring of 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.

c. Humane Treatment :

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

d. Non-Discrimination :

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

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e. Working Hours :

Delta establishes 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 every seven working days.

f. Compensation and Benefits:

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

g. Freedom of Association:

Delta respects 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.

h. Training Opportunities:

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

i. Health and Safety:

Delta provide a safe and healthy working environment in accordance with applicable safety and health regulations, and establishes 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 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.

Responding to globalized arrangements and localized management strategies, the group's employee policies have already been adopted to operating regulations for the various locations, and adjusted according to local daily operation demand. For example, for plants in China local management axioms include "teaching others teaches yourself", "respect individuals" and "ability comes first", while for plants in Thailand axioms include "assist employees and social development", "develop human resource performance".

In addition to educational training courses, an e-newsletter covers special topics to reinforce common employee concepts and knowledge of the company's standards for behavior. In addition, anti-trust and anti-monopoly related training courses are also organized for executive officers.

Among the main production sites, plants in Thailand have already introduced an EICC counter check system on a comprehensive scale. The system is implemented with a training system, offering relevant guidance for new employees during the entry process, and allowing employees to become familiar with the relevant labor rights regulations of the EICC. Among plants in China, such as Wujiang, Dongguan, Chenzhou, Wuhu and Shanghai have all introduced EICC training courses. Altogether, nearly 79% of all employees in Taiwan and China have been subject to the human rights policy review.

Plants in Thailand conform to the local labor standards TLS 8001-2010 and have been awarded certification. In 2015, no incidents such as discrimination or severe forced labor were discovered in Taiwan or China in a review of Delta's internal complaint mailbox.

In 2015 Delta was in complete compliance with the Company Act, the Securities and Exchange Act, and environmental-related regulations. However, there were four cases where government officials determined that Delta was not in compliance with the Labor Standards Act on the issues of "application system for employees working overtime" and "attendance reporting system".

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Plant	Date	Violated Labor Law	Improvement Strategy
Cyntec	2015/9/02	Extended working hours exceeding 46 hours for a month.	Continue to review workers' overtime hours and increase manpower to conform to the statutory regulations and ensure employees' mental and physical health.
Delta Electronics, Inc	2015/9/21	Employers that extend labor working hours should pay additional wages according to the working hours extended.	For those who work overtime, we distribute overtime fees according to the law.
Delta Networks, Inc	2015/10/14	Employers that extend labor working hours should pay additional wages according to the working hours extended.	For those who work overtime, we distribute overtime fees according to the law.
Delta Electronics, Inc	2015/10/19	Employers should setup an attendance book or duty card to record labor on-duty conditions daily. This book or card should be kept for one year.	Stipulate colleagues use a swipe-card or online clock-in to prepare on-duty records in accordance with company working rule No.28: "Approval (including overtime work assigned by supervisors on short notice) must be obtained in advance for employees to extend their working hours (overtime) or they will not be counted for wages calculation".

6.2.3 Employer-Employee Relations

Employees are Delta’s most important asset. 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 an employee asks to leave, Delta will arrange an interview with the person to understand the reason why they want to leave and try to retain the employee. The average turnover rate at global sites reached 51% in 2015, while the average turnover rate at global R&D sites was 13%.

Turnover and New Recruits by Area

Country	New Recruits			Turnover		
	People	Total	%	People	Total	%
R&D center						
Taiwan	1,266	7,633	17%	689	7,633	9%
Europe	488	3234	15%	396	3234	12%
America	127	718	18%	398	718	55%
Northeast	49	189	26%	23	189	12%
Average	1,930	11,774	16%	1,506	11,774	13%
Main Production Site						
China	36,893	60,521	61%	34,956	60,521	58%
Southeast Asia, India, Pacific Ocean	1,314	9,729	14%	1,192	9,729	12%
Average	38,207	70,250	54%	36,148	70,250	51%
Global Average	40,137	82,024	49%	37,654	82,024	46%

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Turnover and New Recruits by Gender

Gender	New Recruits			Turnover		
	People	Total	% ^{*28}	People	Total	% ^{*29}
Male	24,054	42,658	56%	20,000	42,658	47%
Female	16,083	39,476	41%	17,654	39,476	45%
Average	40,137	82,024	49%	37,654	82,024	46%

Turnover and New Recruits by Age

Age	New Recruits			Turnover		
	People	Total	%	People	Total	%
< 30	33,773	46,817	72%	30,602	46,817	65%
30 ~ 50	6,274	33,362	19%	6,843	33,362	21%
> 50	90	1,845	5%	209	1,845	11%
Total	40,137	82,024	49%	37,654	82,024	46%

^{*28}. New employment rate: Number of new employees for 2015/Average of the number of in-service people at the end of each month from January to December for 2015. The number of newly employed personnel for system data at the end of 2015 (excluding those non-voluntarily dismissed^{*30}), are people who conform to atrial period of 3 months ormoreon the job.

^{*29}. Resignation: Number of employees who resigned in 2015/Average of number of in-service employees at the end of each month from January to December for 2015.The number of employees who quit forthel system data at the end of 2015 (excluding those non-voluntarily dismissed^{*30}), are people who conform to the trial period of 3 months or more on the job.

^{*30}. Non-voluntary dismissal: Dismissals due to retirement, according to the law, termination of contract, as well as termination of internship.

In the event of significant changes in operations, Delta notifies the affected employee(s) in advance according to 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, 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.

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6.2.4 Employee Communications



Delta's intranet

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.

Delta conducted numerous labor & capital meetings, welfare committee meetings and forums in Taiwan in 2015. These included a total of 20 labor & capital meetings for the various plants, to solve employee issues as well as stimulate labor & capital harmony, and four labor & capital meetings for the entire plant. A total of 20 welfare committee meetings were held for various plants to discuss employee welfare and event sharing, along with four welfare committee meetings for the entire plant. During the meetings employee representatives proposed suggestions and opinions regarding specific topics,

and achieved agreement with the company through discussion. For foreign blue collar employees, a total of 12 forums were held in 2015 to understand work and life issues experienced by foreign colleagues in Taiwan, while offering timely communications and assistance at the same time. The Sexual Harassment Prevention and Workplace Violence Prevention Appeals Board was established to provide employees with a comprehensive appeal channel for gender equality and workplace safety, and ensuring employees' rights.

Employee representatives in Taiwan can express suggestions and their views about certain issues at the quarterly employer-employee meeting and the welfare committee meetings, 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 82,000 employees all over the world with real-time multimedia materials and publishing 500 news/announcements on average every year. The site receives an average of 3 million visits annually.

Employees can also write letters, e-mails, or use the 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.



Delta employee communications meeting

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In addition, the region has also carried out employee opinion and satisfaction surveys, including general affairs, human resources services, hardware facilities, and information systems, in order to understand staff recommendations, and as a basis for improvement.

6.2.5 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 in order 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 in the job market as well as show our commitment to retaining talent. Delta appropriated 14% of net income for employee bonuses in 2015 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.

For employee performance reviews, Delta has adopted a 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 93% 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.

PMD by Gender

	Employees	Total	%
Male	39,450	44,332	89%
Female	37,792	38,479	98%
Total	74,242	82,811	93%

PMD by Direct and Indirect Staff

	Employees	Total	%
DL	51,604	51,622	100%
IDL	25,638	31,189	82%
Total	77,242	82,811	93%

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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 Standards 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.

		Male	Female	Total
A	People qualified to apply for unpaid parental leave in 2015 ^{*31}	720	264	984
B	People actually applying for the leave in 2015	8	13	21
C	People expected to return to work in 2015	4	8	12
D	People actually applying for returning to work in 2015	1	11	12
E	People returning to work in 2014	5	22	27
F	People returning to work for 1 year in 2014	5	17	22
				Average
G	Return rate ^{*32}	25%	138%	100%
H	Retention rate ^{*33}	100%	77%	81%

In addition, Delta organizes assorted activities, such as clubs, incentive tours, a LOHAS day, a paid volunteer day, sports activities, environmental protection and artistic activities to help employees strike a balance between work and life. In cooperation with special vendor platforms, the welfare Committee provided special prices to attract up to 300,000 visitors in 2015. 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 renovation of temples and public welfare activities. In Taiwan, there are annual incentive trips and benefits to create a happy working environment.



Delta CEO Mr. Ping Cheng (right first) attends Employee's Day.



Sightseeing tours for Delta China employees

^{*31}. The number of people qualified to apply for parental leave is estimated based on the number of people who have taken maternity or paternity leave from 2013/1/1 to 2015/12/31.

^{*32}. The formula of the return rate is D/C*100%.

^{*33}. The formula of the retention rate is F/E*100%.

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6.2.6 Employee Training and Development

Delta considers our employees as 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.



Delta's employee training courses

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

- A high-tech training system (the TMS e-learning platform) that helps managers develop their subordinates' abilities and improve their work performance in Taiwan and China. 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.



Delta's employee training courses held onsite in the plant

In China, for example, Delta officially established the Delta Enterprise University in 2012. The University includes a technical division, an administration division, and an 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 roles and capabilities. Multiple approaches are explored to provide education based on their talents that can boost individual employees' professional development.

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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 1,520 talent that are certified to become senior technicians or the higher-level of skilled talent that accounts for 40% of the engineers throughout Wujiang. The university has trained 78 black-belt experts, 534 green-belt skilled personnel, 197 improvers, and 27 improvement trainers under the Six Sigma system. 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 16 improvement solutions for Six Sigma projects in 2015.

In 2015, Delta held more than 2.36 million hours of educational training courses throughout the world; that is, each employee received around 29 hours training on average.

2015 Global employee educational training and completed hours around the world

	Male	Female	Total
Total Hours	1,479,171	887,817	2,366,988
Total Employees	44,332	38,479	82,811
Average Training Hours	33	23	29
	DL	IDL	Total
Total Hours	1,701,747	665,241	2,366,988
Total Employees	51,622	31,189	82,811
Average Training Hours	33	21	29

In response to Delta Group's global growth, and to cultivate future high-level leaders, Delta has promoted the "Delta Electronics Phase I" leadership talent cultivation program since 2011 on both sides of the Strait. Dozens of high-performance and high-potential talents have been developed via hybrid learning, with their promotion and development tracked on a regular basis. The scope was expanded to more than 100 elite management talents from 11 countries around the world as of 2015. Comprehensive evaluation tools were used to discover individual advantages, which were then integrated with the organization's strategic demands to develop dedicated individual learning development programs . This comprehensive talent development and cultivation system ensures that the completeness, preparedness and flexibility of leaders at all levels conform to Delta's future long-term business growth needs.

To improve employees'occupational skills and help them with career development, Delta has adopted a diversified set of solutions that encompass:

- 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 in administrative skills, including graduate school or EMBA courses.
- Guidance/coaching through supervisors to pass on valuable experiences.

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6.2.7 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 has established 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 2015 in major areas.

Summary of Delta's implementation of occupational safety and health management for major areas in 2015

Operating Region	Taiwan	China	Thailand
Key Topics of Discussion	<ul style="list-style-type: none">• Declaration, use and management of chemical products• Electrical safety promotion• Machinery and equipment safety	<ul style="list-style-type: none">• Safety evaluation for new equipment in the plant• Fire control safety• Stipulate punishments for severe operational violations	<ul style="list-style-type: none">• Zero safety incidents promotion• CSR-related labor safety promotion• Organizing safety training forums
Ratio of Employee Representatives	57%	No demand or applicable ratio	Not applicable
Additional Remarks	Number of employee representatives: 83 Total number of people on the committee: 146		In Thailand local regulations do not require the establishment of a safety & health committee

Occupational Safety and Health Management System

Delta's major production facilities in Taiwan, China, and Thailand are OHSAS 18001-certified (Plant 1 in Taoyuan and the Tainan plant are also CNS 15506 certified and holders of the TOSHMAS certification). 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.)^{*34} and Disabling Severity Rate (S.R.)^{*35} 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 causes, and propose improvements or engineering changes to prevent recurrences.

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, 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

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

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

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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.

Safety and Health Education and Emergency Response Training

Delta conducts ESH training at each of our plant to improve employees' knowledge of occupational safety and health issues. In 2015 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 222,000 attendances and over 444,000 man-hours of training were achieved to ensure personnel safety and reduce the impact of accidents.



Safety and health education and emergency response training was held in plants

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.



Occupational Safety and Health Information Exchanges were held in plants.

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

All plants monitor the operating environments' chemical and physical hazards on a regular basis. This is in accordance with statutory requirements for control over hazardous conditions in the operating environments. On-site improvements are conducted according to test results to reduce the occurrence of occupational disease. The chemical hazards at Delta's main production plants in Taiwan and China are mainly based on organic solvents, with the key monitored items including isopropyl alcohol, acetone, methylbenzene, carbon dioxide and others. Physical factors monitored include noise, and illumination, respirable dust. To avoid employee exposure to health hazards, we conduct special health examinations for operators working around hazards according to the regional statutory regulations, and implement health management in accordance with the grading of the health examination results.

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Enhancing Mental and Physical Health of Staff Members

Delta has established clinics where employees can receive health care from professional medical personnel. Delta also cooperates with professional health centers to provide staff with health examination services and counseling. Based on health examination data, lectures are organized to remind our employees to pay attention to their health and to undergo 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 besides 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 , Taoyuan Plant 1, Taoyuan Plant 2, Chungli 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 2015, they were added Taoyuan 2 Plant, andTainan Plant which received the Health Promotion Symbol.

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, venting 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 with employees, and organizes interactive workshops and professional lectures to offer support. In 2015, Delta organized a large number of lectures-a total of over 41 events-on stress relief in the workplace, which attracted an attendance of 6,321.

Workplace Safety and Health Management Performance

The F.R and S.R for Delta's locations in Taiwan, China and Thailand (excluding operations and R&D centers in China) for 2015 were as follows: occupational injuries in Taiwan and China production plants saw mainly object strikes, with a 43% occurrence rate for males and a 57% occurrence rate for females. The 2015 Safety & Health Management Goal of Delta China production plantsis F.R < 0.3, S.R < 4, while the actual management performance was F.R = 0.23, S.R = 4.

Workplace Safety and Health Management Performance List

Location	F.R			S.R			A.R ^{*36}		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Taiwan	0.41	1.62	0.82	7	3	6	0.7%	1.2%	0.9%
China	0.32	0.13	0.23	7	2	4	3.6%	3.8%	3.7%
Thailand	2.19	3.73	3.5	22	16	17	1.1%	0.6%	0.7
Total	0.43	1.25	0.87	8	6	7	1.2%	0.6%	0.7%

The Wuhu plant in China was designated as a “Role Model Enterprise for Occupational Health Fundamentals Construction in Anhui Province” in 2015. The main production plants for Delta worldwide had zero cases of employee occupational illness, occupational injuries/occupational illnesses for contracted workers, or unfortunate death incidents related to work.

^{* 36.}
Absentee Rate (AR) = (Total days of absence / Total man-days of work)× 200,000*
(*Refers to the ratio of every 100 employees according to 50 weeks per year, 40 working hours per week.)
(Definition of AR: Employee absent from their work post due to loss of labor ability (not caused by occupational injuries or occupational illness), including only sick leave and personal leave, and excluding approved vacation, maternity leave, paternity leave, bereavement leave, parental leave, sabbaticals, work-related injury leave, or others.)

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6.3 Social Participation

In addition to providing quality products and services, Delta also actively participates in various activities that benefit society.

Through the strategic integration of corporate core abilities and social participation in recent years, Delta has achieved excellent results in popularizing green building concepts, promoting the saving of energy resources, providing climate education, and actively cultivating talent.

In 2015, Delta set aside close to NT\$300 million to social participation programs. The total apportionment was: 61% for joint research programs with academic institutions; 30% for community participation including the DeltaMOOCx online learning platform, the Delta21@COP21 green building advocacy campaign, and the Delta Scholar Program on Environmental Law; and 9% for charitable donations including donations to the National Palace Museum and the school history hall for National Taichung First Senior High School.

The followings are divided into three major categories as developed according to the Delta Electronics Foundation to introduce the main projects:

6.3.1 Promoting the Green Building Concepts

Buildings account for a quarter to a third of the world's overall energy consumption, while emitting a significant amount of greenhouse gases at the same time. One of the best approaches to energy saving and carbon-reduction is to promote green buildings. Through the experience of constructing a diamond-grade green building for the Tainan plant, Delta realized that besides environmental protection and energy savings, a green building may also provide a quality space for users. Delta has promised that all of its new plants and offices will be constructed as green buildings, as will all buildings that Delta donates. Over the past 10 years, Delta has donated five certified green buildings, including the Delta Building and the Magic School of Green Technologies at National Cheng Kung University (NCKU), the Kuo-Ting

Optoelectronic Building at National Central University (NCU), the Delta Building at National Tsing Hua University (NTHU), as well as the Namasia Ming Chuan Elementary School. Taking the Namasia Ming Chuan Elementary School as an example, Energy Use Intensity (EUI: 6.8) in 2015 saved 74% more energy than the target figure (EUI: 26) for elementary school buildings set by the Ministry of Education. Compared to EUI for low-level office building, elementary school buildings or college school buildings in GREEN BUILDING EVALUATION MANUAL for BUILDING RENOVATION (2012 version) published by Minister of Interior³⁷, In 2015, Delta Group's five donated green buildings saved, in total, 578.3 MWh of electricity.

The Delta Electronics Foundation (DEF) has also collaborated with local community educational groups to continue the training of green building volunteers, assist local residents understand the implications of green buildings, and allow children to learn about and become familiar with green buildings. This would help promote a wider understanding of the benefits of green buildings. The DEF continues to train green building volunteers, and provide guided tour services to the entire Magic School of Green Technologies at National Cheng Kung University as well as outdoor areas. Approximately 28,000 people have paid a visit to the Magic School of Green Technologies at the National Cheng Kung University, while Delta's Taoyuan R&D Center received visits from 1,360 people in 2015.

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Energy savings of Delta's donated green campus buildings

Delta's Donated Green Buildings	Application of Energy-Saving Techniques	Highest Benefits of Energy-Saving
<p>The Namasia Minquan Elementary School</p> <ul style="list-style-type: none">• Opened in 2012• Win Green Building Certification in 2012• EEWH Diamond Grade	 <ul style="list-style-type: none">• With Delta's solar energy and wind power generation system, the library has attained "Net Zero Energy".	<ul style="list-style-type: none">• EUI 6.8<EUI Standard: 26 for elementary school building^{*37}• 74% energy-saving rate• Saved approximately 60,000 kWh of electricity• Emissions reduction of approximately 32 tons CO₂e
<p>The Magic School of Green Technologies at National Cheng Kung University (NCKU)</p> <ul style="list-style-type: none">• Opened in 2011• Win Green Building Certification in 2011• LEED Platinum Grade, EEWH Diamond Grade	 <ul style="list-style-type: none">• Applications of energy-saving techniques:<ul style="list-style-type: none">- Buoyancy-driven ventilation- Roof greening- Solar energy optoelectronic system	<ul style="list-style-type: none">• EUI 33.6<EUI Standard: 125 for low-level office building^{*37}• 73% energy-saving rate• Saved approximately 310,000 kWh of electricity• Emissions reduction of approximately 162 tons CO₂e
<p>The Delta Building at National Cheng Kung University (NCKU)</p> <ul style="list-style-type: none">• Opened in 2009• Win Green Building Certification in 2009• EEWH(school category)	 <ul style="list-style-type: none">• Indented for sun-shading• Natural lighting• Ventilation with air-exchange• Recycles rainwater and condensation water for pressure fans	<ul style="list-style-type: none">• EUI 162< EUI Standard: 125 for low-level office building^{*37}• 16% energy-saving rate• Saved approximately 131,000 kWh of electricity• Emissions reduction of approximately 68 tons CO₂e
<p>The Delta Building at National Tsing Hua University (NTHU)</p> <ul style="list-style-type: none">• Activated in 2011• Win Green Building Certification in 2011• EEWH Copper Grade	 <ul style="list-style-type: none">• Indented for sun-shading• Natural lighting• Natural lighting• Solar energy optoelectronic system	<ul style="list-style-type: none">• EUI 78.3<EUI Standard: 83 for college school building^{*37}• 6% energy-saving rate• Saved approximately 119,000 kWh of electricity• Emissions reduction of approximately 62 tons CO₂e
<p>The Kuo-Ting Optoelectronic Building at National Central University (NCU)</p> <ul style="list-style-type: none">• Opened in 2011• Win Green Building Certification in 2015• EEWH Copper Grade	 <ul style="list-style-type: none">• Create natural ventilation using Chungda Lake• Put in a mobility friendly stairway• 90% recycling of construction waste	<ul style="list-style-type: none">• EUI 122.3>EUI Standard: 125 for low-level office building^{*37}• 2% energy-saving rate• Saved approximately 32,700 kWh of electricity• Emissions reduction of approximately 17 tons CO₂e

^{* 37.} <Minister of Interior, R.O.C.(Taiwan)>GREEN BUILDING EVALUATION MANUAL for BUILDING RENOVATION (EEWH-RN), 2012 edition, Page 15 : EUI for each type building, low-level office building: 125 kWh/m²/year (parking lot not included), college school building : 83 kWh/m²/year (parking lot not included), elementary school building : 26 kWh/m²/year (parking lot not included)

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[Delta21 @ COP21] Delta's Energy-Saving Capabilities Astonished the World at COP21

Devoted to corporate social responsibility, the Delta Electronics Foundation (DEF) has participated in the UN Climate Change Conference for nine years in a row since 2007. In 2014, DEF hosted a UNFCCC venue to shared Delta's story of the rebuilding of the Namasia Ming Chuan Elementary School after the Morokot typhoon disaster.



Delta joins COP21 Paris to support energy conservation and carbon reduction

Delta actively participated in the "21st United Nations Climate Change Conference (COP21)" held in Paris at the end of 2015. Besides publicly responding to the Commit to Action enterprise carbon-reduction event advocated by CDP, Delta also promised to expand electricity-saving measures to the entire group by 2020, while reducing electricity intensity for output value by a further 30% based on its already 50% reduction of 2009. Delta has planned a "Road to Paris" series to promote energy-saving green building concepts, including a UN side event, an international environmental forum, the Sustainable Innovation Forum (SIF), and a green building exhibition. Delta shared with the world their approach to using green buildings to adapt to climate change.

Delta's official event website: <http://www.deltaww.com/cop21/zh/Default.aspx>

Series I – Organizing the "Delta21 Green Building Exhibition" @ the Grand Palais

Under the theme of Delta's 21 green buildings, Delta demonstrated approaches to adapting to climate change via green buildings

Displaying the 21 green buildings, it has constructed over 10 years, Delta launched the "Delta21 Green Building Exhibition" at the Grand Palais from December 4th to 10th, 2015. Exhibition venue planning was based on the Namasia Library's conceptual design, and composed of 4 main themes; chapter I "Smarter" depicted the



Delta hosts the "Delta21@COP21 Green Building Exhibition" and shares their green buildings' experience at Grand Palais, Paris

beauty of vernacular architecture; "Greener" looked at Delta's 21 green buildings of the past 10 years; "Together" promised to change behavior together; and the appearance for Part V's panoramic theater was based on the thorn apple, which also inspired the Namasia Ming Chuan Elementary School Library. The finale displayed an experiential journey of Delta's green buildings.

In addition to passive energy-saving designs at the exhibition venue, Delta added interactive R&D products to make daily energy-saving in the home even more accessible, which ordinary people could also do this at home. The short 7-day exhibition in Paris attracted the participation of 40,000 visitors, with over 3,000 people taking in the in-depth tour. Its influence was expanded via the internet with 45,000 browsers per country, allowing Taiwan's green building capabilities in Paris to shine on the international stage.

Series II – Chairman Mr. Yancey Hai Advocates sustainable Cities at the "Sustainable Innovation Forum SIF" @ Stade de France

On December 7th, 2015 Delta Electronics, Chairman Yancey Hai participated in the Sustainable Innovation Forum (SIF) along with prominent government leaders such as the governor of Hidalgo, Mexico, and top executives of global corporations such as Danfoss and Autodesk. The forum's theme was "Sustainable Cities: Increasing Efficiency and Transforming Design". Yancey Hai pointed out: "Sustainable Cities is an issue that has attracted the attention of many sectors at COP21 in Paris. Delta has always focused on increasing energy efficiency. Our multidimensional solutions apply to the three main requirements for intelligent city life: Communications, Connectivity and Computing, as well as to providing solutions such as high efficiency energy conversion, smart grid, electric vehicle charging, energy storage, energy management and renewable energy, for the city's low-carbon electricity infrastructure needs. At the forum, enterprise leaders, government officials, members of non-governmental organizations and the various agencies of the United Nations, gathered together for the goal of accelerating the promotion of a low carbon green economy.

SIF 2015 Official Website: <http://www.cop21paris.org/agenda/>



Chairman Yancey Hai participated in the Sustainable Innovation Forum along with prominent government leaders and top executives of global corporations.



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Series III – Jointly Organized UN Side Event @ UN Blue Zone Venue – German Pavilion

Three Parties of Industry, Government, and Academia Focus on Energy Efficiency Enhancement Based on Urban Scale

On December 10th, 2015, Delta was invited by the German Federal Environment Agency to enter the COP21 German Pavilion, to jointly organize an official side event with representatives that included Director-general Maria Krautzberger of the German Federal Environment Agency, the international environmental NGO Climate Alliance, as well as Leeds University of the UK. The event appealed to all nations to value the carbon-reduction benefits that result from energy efficiency. The event explored energy efficiency based on urban scale from industry, government and academic sectors. It was the most highlighted side event of the day at the COP21. Delta was the sole enterprise representative at the event. CEO Mr. Ping Cheng and Chief Brand Officer and Executive Director of the Delta Electronics Foundation, Ms. Shan-Shan Guo, presented keynote speeches to share how Delta Electronics has provided specific high-efficiency energy-saving solutions through technology, and has further reinforced people's energy-saving awareness via public campaigns.

The United Nations Climate Change Conference officials appointed IISD media to report Delta's side event
<http://www.iisd.ca/climate/cop21/enbots/10dec.html>



CEO Ping Cheng sharing Delta's experience at a UN official side event in the German Pavilion

Series IV – Organizing the “Delta21 Forum”@ the Grand Paris

Exploring the huge potential of green buildings for energy-saving.

On December 10th, 2015, experts and scholars in the fields of energy, architecture, and climate from both sides of the Strait gathered at the Grand Palais in Paris. Together they explored the huge potential of green buildings for saving energy from various perspectives including policy support, energy-saving techniques, and architectural design during the “Delta21 Forum” organized by Delta.

This was a rare forum with a discussion theme based on ethnic Chinese green building development from both sides of the Strait during the COP21 event. Attending guests included Delta Group founder, Mr. Bruce Cheng; chairman Mr. Yancey Hai, director Ting-Huan Shih of the Chinese Renewable Energy Society, architects Chi Pan and Ying-Chao Kuo and others. They exchanged ideas and experiences on Chinese green building with the general public.

United Nations Climate Change Conference officials appointed IISD media to report Delta's side event
<http://www.iisd.ca/climate/cop21/enbots/10dec.html>

Series V – Organizing Official Side Event @ UN Green Zone Venue

New Climate Agreement in the Countdown Phase – Delta Appeals to Enhance Energy Efficiency Enhancement

On December 11th, 2015, Delta held an official side event based on the theme of energy-saving. It was on the eve of the confirmation of the new global climate agreement. Collaborating international and domestic partners included Vice Principal Maria T. Zuber of MIT, Director Ting-Huan Shih of the Chinese Renewable Energy Society, Director Shirish S. Garud of the energy source environment technique development department of the Energy and Resources Institute (TERI), as well as Senior Consultant Jih-Chang Yang of ITRI. They agreed that more carbon reduction resources should be rapidly devoted to the enhancement of energy efficiency for timely control of CO₂ concentrations within the atmosphere, which would allow the temperature rise for the Earth to be less than 2°C.

Dr. Zuber, vice principal of MIT explained the “climate action solution” newly stipulated by the school. Energy-saving technology is an indispensable areas for future development at MIT. It requires urgent collaboration from the government, enterprises, and research institutes. Director Ting-Huan Shih of the Chinese Renewable Energy Society mentioned that the enhancement and application of energy-saving technologies significantly improves energy consumption of existing buildings in China. The key is that it requires the full support of governments worldwide. Dr. Garud of TERI from India believes that India has an opportunity to avoid the path of “pollution first and prevention later”, but definitely requires rapid global carbon fund investment.

United Nations Climate Change Conference officials appointed IISD media to report Delta's side event
<http://www.iisd.ca/climate/cop21/enbots/11dec.html>

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**Building Carbon Footprint Evaluation (as of 2013~)**

Third in the World –Building Carbon Footprint Evaluation System Promoted by Delta Officially Adopted

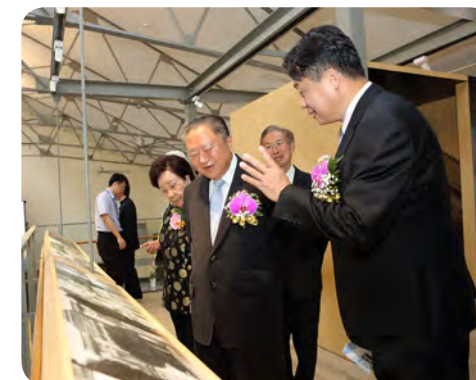
Delta has long been devoted to the development and promotion of green buildings. It jointly developed a building carbon footprint evaluation system with the Low Carbon Building Alliance in 2013, and encouraged the Environmental Protection Administration of the Executive Yuan to stipulate the “Building Carbon Footprint Product Category Rule (abbreviated as CFP-PCR-Product Category Rule)” in June, 2015. This is the third CFP-PCR in the world to be officially accepted. It will assist Taiwan to advance towards a low carbon society and align with international trends.

Donated by Delta and known as the “greenest building in the world” according to the UK’s Guardian newspaper, the Magic School of Green Technologies at National Cheng Kung University also passed building carbon footprint certification in November, 2015. It became the first diamond grade low carbon school building ever. Besides promoting non governmental building carbon footprint certification and the official CFP-PCR, Delta Foundation has also worked with the Low Carbon Building Alliance. The two organizations provide comprehensive training for certification personnel from carbon emissions evaluation system analysis to software operation. To date, 200 personnel from the architectural design, engineering construction, engineering consultant and research institutes have attained the “Building Carbon Footprint Evaluation LCBA-AP” certificate. Buildings that have received certification include the New Taipei City Library, New Taipei City community housing and Taoyuan congregate housing. Carbon reduction for projects in 2015 has reached an average of 10%-35%, with an energy-saving efficiency of 47%-77%. Besides reducing environmental impact, it has allowed buildings to save an enormous amount on energy costs, and has established a new sustainable index for Taiwan.

Renovation and Reuse of School History Hall for National Taichung First Senior High School(2011 ~ 2015)

Centennial Anniversary for National Taichung First Senior High School – Delta Donated Green Building Technologies to Renovate the School's History Hall

Mr. Bruce Cheng, founder and honorary chairman of Delta, and an alumnus of the National Taichung First Senior High School, showed gratitude towards his old school, with a donation to renovate the only Japanese historical building on campus: the School History Hall, before the school's centennial anniversary celebration. It was completed and dedicated to celebrate the school's anniversary. The building post renovation combines a green building energy-saving design with advanced ventilation and lighting. All of the walls, lime paint and window lattices required repeated verification from experts, and the large span truss on the roof was also brought to light through this renovation. It is one of the few historical buildings in Taiwan to be renovated using green building methods. This green building architecture may extend the lifespan of historic buildings from common 60 years, which would give it the potential for negative carbon emissions.



Delta donated green building technologies to renovate the school's history hall

Green Collar Architects Training Workshop (as of 2009 ~)

Earning study credits to renew architect certification, and a technician study credits certificate from the Construction and Planning Agency of the Ministry of the Interior

Delta Electronics Foundation and the Taiwan Green Collar Association continue to promote the “Green Collar Architect Training Workshop”. It combines green building concepts and practices in professional courses to train green building and green design talents. These courses range from “green building outline”, “green building design strategies” to practical aspects such as “how to transform green buildings from within”, “green building evaluation systems” and “green building project sharing”. In addition the organizations arrange visits to green buildings. A total of 45 students are training for the

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introductory course and the advanced special topic course in 2015. A total of 356 students have trained over the past seven years.

In addition, the Green Collar Architect Workshop received accreditation from the LEED U.S. Green Building Council in 2012. It conforms to LEED AP (Accredited Professional) or LEED GA (Green Associate), and has issued the first green building LEED credit certificate earned through Chinese language lectures.

Issued a total of 16 certificates during 2012~2015. Study credits for renewing application of Architect (architect study credits) were offered, as well as technician study credits certificate from the Construction and Planning Agency of Ministry of the Interior for the first time in 2015.

Official Website <http://greenworkshop.delta-foundation.org.tw/>



The Green Collar Architects Training Workshop cultivates green collar talent

Green Building Visits (as of 2014 ~)

Recognized for being World's Greenest, Net Zero Energy Consumption, and a Mini Green Energy Experience

Among the green buildings donated by Delta, the Magic School of Green Technologies at National Cheng Kung University received LEED platinum grade and EEWB diamond grade green building certifications, and was honored as the world's greenest building. Namasia Ming Chuan Elementary School in Kaohsiung County also gained the EEWB diamond rating, which further attained net zero energy consumption status in 2015. The accumulated number of visitors for both green buildings during 2014-2015 was 49,386 people.



The Magic School of Green Technologies at National Cheng Kung University is recognized for being the world's greenest building

Another special miniaturized building—the “Nautilus Mini House”—is the iron projection station recycled from the foundations of Delta’s Ring of Celestial Bliss after the 2013 Lantern Festival in Hsinchu. It has been transformed into a mini house with green energy and a roof garden in collaboration with the Tainan Community University, and is open for accommodation. The kitchen, furniture and beds inside the mini house are all made of recycled materials. Two small mobile solar energy vehicles “collect electricity” by going outdoors during the daytime. The electricity is then supplied to the mini house at night. Although the mini house does not use power supplied by the Taiwan Power Company, it is still capable of brewing coffee, and powering a computer, fans, lighting and more.

Relevant Websites

<http://tncomu.tw/modules/tadnews/index.php?nsn=2881> <http://163.26.52.242/house/?p=117>
<http://163.26.52.242/house/?p=117>

Delta Cup International Solar Building Design Competition (as of 2005 ~)

Award-winning Low Energy-Consumption Housing for Farmers in Qinghai Province Constructed as “The 24 Corridors Under the Riyue Mountain”

The results of the “2015 Delta International Solar Building Design Competition” based on the theme of “Sunshine and a Beautiful Village” were announced in Qinghai on September 22nd, 2015.

The contest this year recruited global designs based on two themes: Low Energy-Consumption Housing for Farmers in Qinghai Province, and Rural Housing Industrialization in the Residential Park, Huangshi City. Beijing Jiaotong University’s “Regeneration of Vernacular Settlements” and Guangxi University’s “Solar Bamboo House” won top prize in the two categories, respectively. Currently, the first, second and third prize-winning projects as well as those with honorable mentions in the projects for Low Energy-Consumption Housing for Farmers in Qinghai Province are in the process of implementation in Tuerqan Village, Huangyuan County of Qinghai Province. It has been



The “Delta Cup International Solar Building Design Competition” encouraging award-winning designs in Qinghai

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further incorporated as part of Qinghai Province's program for "Science and Technology Promotion in New Rural Development". The technological innovations support the construction of a new rural village, as well as demonstrate and promote projects from the contest. This marks the first time the winning projects from the Delta International Solar Building Design Competition have been used as development models.

The 2015 Delta International Solar Building Design Competition was jointly organized by the International Solar Energy Society and the Chinese Renewable Energy Society (CRES). It was carried out by the China National Engineering Research Center for Human Settlements and the Special Committee of Solar Buildings under the Chinese Renewable Energy Society (CRES), with the Delta Electronics Foundation as the sole official sponsor.

Completion and Dedication of the "Delta Sunshine Junior High School in Longmen Township" (2013 ~ 2015)

Duplicating the Green Building Reconstruction Experience from the Sichuan Earthquake Disaster Region to Create a Green Low-Carbon School Campus

Delta helped recovery efforts from the Ya'an earthquake in Sichuan, China, by donating 10 million RMB to build the "Delta Sunshine Junior High School in Longmen Township", Lushan County in 2013. The opening ceremony was held on October 13th, 2015. This is the second entire green building campus that Delta has provided assistance towards since it donated the construction of the "Delta Sunshine Elementary School in Yangjia Town". It was planned and constructed according to the anti-earthquake standard of 7.5. Designed according to the terrain conditions of the school's location, its features ventilation, heat insulation, sun-shading and damp-proof insulation for summer, and heat preservation and wind-shielding for winter, effectively reducing the use of energy sources while enhancing the comfort of the teaching environment.



Opening ceremony of the "Delta Sunshine Junior High School"

"Delta Sunshine Junior High School occupies a total area of 14,007 square meters, with 4,680 square meters for the building area. The China Architectural Design & Research Institute applied the energy-saving and eco-friendly design concepts of "Delta Sunshine Elementary School – 1st prize for the 2009 Delta International Solar Building Design Competition". The green building experience was successfully duplicated in the reconstruction project after the disaster according to local terrain and climate conditions. Energy-saving techniques adopted include renewable solar energy, buoyancy-driven ventilation, roof greening, solar energy water heaters, and more.

6.3.2 Promoting Energy Resources and Climate Education

Delta Energy Educational Volunteers (since 2006 ~)

DEF rallies 250 cross-strait energy volunteers in China

Since 2006, the Delta Electronics Foundation (DEF) has recruited staff every year for energy school seed teacher training, and to become guides for climate exhibits. In 2015, 57 volunteers in Taiwan joined the energy education program and gave lessons in 12 elementary schools, with 384 total service hours, teaching up to 2,214 students.



Training of energy education volunteers

DEF also actively trained energy education volunteers in China. In addition to current volunteer groups in Shanghai, Wujiang and Chengdu, in 2015 DEF created new volunteer groups in Chenzhou, Dongguan and Wuhu. The total number of volunteers from these six areas was 193, teaching at seven schools with 906 students participating in the energy education program.

To speed up the overseas development of energy volunteers, Taiwan headquarters will promote its energy teaching plan to China simultaneously. In 2015, we arranged five China seed teachers to come to Taiwan for training purposes.

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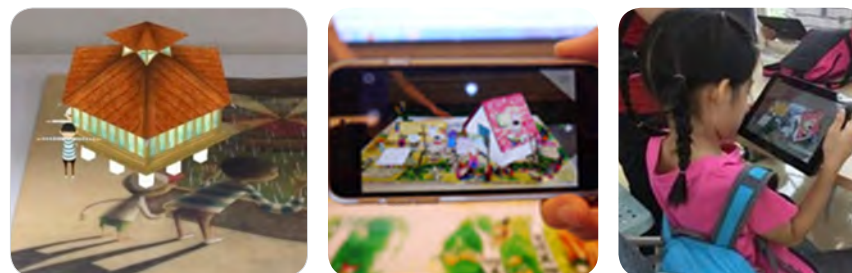
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Energy School Program (since 2009 ~)

DEEP (Delta Energy Education Program) DEEP (Delta Energy Education Program) introduces energy teaching materials with augmented reality (AR) technology



DEEP introduces energy teaching materials with augmented reality technology

With the long-term promotion of its Energy School Program, Delta cooperated with the Architecture and Building Research Institute of the Ministry of the Interior (ABRI) last year to initiate the green building seed teacher training with the participation of 120 schools in Taiwan. The content utilizes Delta's green buildings as a foundation on which to educate teachers on green building concepts.

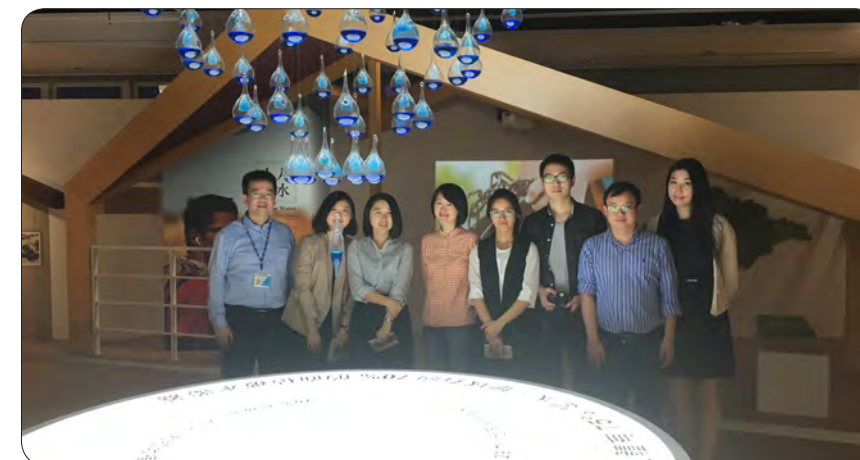
DEF has also developed the Delta Energy Education Program (DEEP), which features localized energy education materials for elementary school students. Currently it has been promoted and used in 25 elementary schools. In 2015, Delta introduced AR technology to transform the existing energy resource teaching materials, work with the existing cloud teaching models, rewrite the story script and provide teaching materials that contain the beginning and subsequent development of energy conversion.

- By cooperating with ABRI in integrating the teaching materials into the existing education system, we held four sessions of the "Green Building Teacher Training Program" and 120 elementary schools used the teaching materials.
- The Education Bureau organized a "US-Taiwan Educational Environment Exchange Group" event and arranged a visit of US elementary school principals to Yong-An Elementary School. In cooperation with DEF they also attended the AR teaching of the energy drawing book.
- The "Delta Energy Checking Form" and teaching materials developed by DEF were adopted by the Education Bureau of Tainan City and it became the energy-saving approval mechanism of the "Low-Carbon Campus Mark Program"

"Run for Water, Water for Run Environmental Education Exhibition" (Since 2014 ~)

Sponsored by the National Development Council and held at Former Air Force Headquarters

Delta Electronics Foundation held its first "Run for Water, Water for Run Environmental Education Exhibition" in September 2014. With easy-to-understand products and the practical solutions, the exhibition educated Taiwanese people, who were facing the most severe drought in 67 years, on the importance of saving water. On February 2015, the most severe period of drought, the National Development Council invited and sponsored DEF to present "Run for Water, Water for Run Environmental Education Exhibition" again at the former Air Force Headquarters, starting from Feb 27th, 2015. The exhibition shared water saving experiences of individuals and businesses with the public. The 52-day exhibition attracted more than 10,600 visitors. There have been 100 media reports and 70,000 hits on social media since the first exhibition in September 2014.



"Run for Water, Water for Run" exhibition VIP visit

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Climate Think Tank Analysis (since 2010 ~)

Namasia Ming Chuan Elementary School for campus disaster prevention

Namasia Ming Chuan Elementary School, Kaohsiung, donated and built by Delta, was selected as a seed school for disaster prevention by the Education Bureau in 2015. To support disaster preparation and reduce the impact of climate change, Namasia Elementary School is exchanging its experience with other rural schools in Taiwan. The Delta Electronics Foundation invited experts and scholars to study the green building campus of Namasia Ming Chuan Elementary School as a case study for its use as a disaster shelter for residents. The study of disaster prevention for campuses in Taiwan includes factors such as disaster management, climate change, energy management and green building concepts. Experts and scholars publicly evaluated 35 elementary and junior high schools and implemented an improvement plan after analyzing the results. The Education Bureau will promote the campus disaster prevention plan throughout Taiwan.



Namasia Ming Chuan Elementary School as a case study for providing a disaster shelter for residents

DEF Sponsors Tseng Hsu-pai Journalism Award Foundation and Establishes the "Delta Energy and Climate Special Award" (since 2013 ~)

2015 award winners head to Paris for first-hand reporting of COP21

The Delta Electronics Foundation (DEF) presented the Tseng Hsu-pai Journalism Award and Delta Energy and Climate Special Award on August 10th, 2015. Delta Energy and Climate Special Award winners included TVBS, the Hualien Substation of National Education Radio Station, CommonWealth Magazine and a people journalist from "DISTANT ECHOES". Award winners will receive a fellowship for United Nations Climate Conference

interviews in Paris, so that more citizens may clearly understand climate change issues.

The Tseng Hsu-pai Journalism Award is the oldest journalism award in Taiwan. Its Public Service Award is considered the "Pulitzer Prize" of Taiwan. The Delta Electronics Foundation has sponsored the Tseng Hsu-pai Journalism Award since 2013 when it established the Delta Energy and Climate Special Award to encourage in-depth environmental reporting.



Executive Director of the Foundation, Ms. Shan-Shan Guo presented the Delta Energy and Climate Special Award

Low-Carbon Living Blog (since 2007 ~)

Climate media platform achieves 4,120,000 hits in 9 years

To promote and publicize environmental concepts, the Delta Electronics Foundation will continue to promote the understanding of energy saving issues with the public, and build a knowledge platform for low-carbon lifestyles. In 2015 the "Low-Carbon Living Blog" posted 121 articles and reports on climate and energy. The content of the reports included COP21, the latest energy policies at home and abroad, droughts and water resource saving, exploration of Taiwan green buildings and many practical low-carbon strategies for daily living.

Since the blog was established in 2007, more than 60 writers have contributed knowledge and content. The more than 1000 articles have received 4.12 million hits. The platform received recognition from the Chinese Blog Award, and was presented with the XueXue Award and the Environmental Hero Award from Global Views magazine. A book compiled from the website content "The 24 Lessons of a Low-carbon Life", also received a Good Book Award from the China Times.

Official website <http://lowestc.blogspot.tw/>

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Climate Battles in Taiwan (since 2010 ~)

Radio program for eco-environmental protection, listening the threat of climate change to Taiwan

To deliver news on climate issues and low-carbon living, the Delta Electronics Foundation established the program “Climate Battles in Taiwan” in cooperation with the Voice of IC Hsinchu Science Broadcast starting in October 2010. Hosted by Wim Chang, the deputy executive director of the Delta Electronics Foundation, the program interviews an environmental figure every week and provides an analysis of the latest issues on the environment, energy resources, and climate change. In 2015, the program produced a series of episodes on the year-end climate conference and conducted interviews with a youth delegation, environmental groups, and scholars and provided a live broadcast from the conference. The radio program produced many episodes on a serious drought in Taiwan during the first half of the year.

Website <http://www.ic975.com/Main/Program.php?id=73>

Low-Carbon 3D Tour Bus (since 2011 ~)

Delta's remarkable high-definition projection for mobile theater



Low-Carbon 3D Tour Bus tours campuses in Taiwan

In 2011, Delta Electronics Foundation built the first “Low-Carbon 3D Tour Bus” in Taiwan along with the National Taiwan Science Education Center and the Ministry of Science and Technology to tour campuses in Taiwan and screen 3D and HD environmental documentaries. Its purpose is to promote awareness of emissions, energy savings, and environmental protection, and provide environmental education to rural elementary schools. The tour bus toured 52 schools in Taipei, Pingtung, Tainan, Kaohsiung and Yunlin in 2015, and has attracted 247,490 visits since 2011.

Delta Greentech Scholar Program on Environmental Law (since 2011 ~)

The 5th “Delta Greentech Environmental Law Forum” invites cross-strait experts and scholars

Over 100 environmental law experts, scholars, college and university teachers, and students participated in “the 5th Delta Greentech Environmental Law Forum” on October 17th - 18th, 2015. The two-day discussion focused on the topic, “The completion of a legal system for eco-environmental protection in a constitutional state”. The forum discussed the theory and execution of environmental legal system protection, including promoting environmental governance and a comprehensive environmental law system, the execution of an “environmental protection law” in China and advancing environmental public interest litigation.

The Delta Electronics Foundation established the “Delta Greentech Environmental Law Forum” under the “Delta Greentech Scholar Program on Environmental Law” in 2011 with cooperation from 10 key universities in the cross-strait area, including Peking University (China), Renmin University of China, China University of Political Science and Law, Wuhan University (China), Zhongnan University of Economics and Law (China), Shanghai Jiao Tong University (China), Zhengzhou University (China), National Taiwan University and National Taipei University. The forum promotes academic exchange in the field of environmental law in China and Taiwan, and encourages education and analysis of environmental law while developing talent in the field. During the past five years, the DEF has awarded three students with a “Delta Greentech Scholarship on the Environmental Law”, 10 students with the “Delta Scholarship for Youth Scholars in Environmental Law”, 12 students for “Outstanding Thesis”, 195 students with “Outstanding Academic Dissertation Scholarships”, and held five sessions of the “Delta Greentech Environmental Law Forum”.



Delta Greentech Environment Law Forum promotes cross-strait exchanges in Universities

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6.3.3 Talent Cultivation

DeltaMOOCx Online Learning Platform (since 2014 ~)
Technical and vocational education motivates good teachers

The DeltaMOOCx platform is an online MOOCs course designed by the Delta Electronics Foundation (DEF) to provide an automation curriculum for senior high and vocational schools and universities of science and technology. It was established by high school learning centers in math, physics, chemistry, biology, geography, electrical and electronics. With excellent teachers from the top three science and technology universities, the platform offers e-learning to eliminate the urban-rural and education-job gaps and cultivate industrial talent.

The DEF together with National Taipei University of Technology, National Taiwan University of Science and Technology and National Yunlin University of Science and Technology, set up the automation curriculum alliance for science and technology universities. The schools are expected to launch more than 24 online courses within three years. Comprehensive MOOCs courses are exclusively designed for the automation curriculum, which is rare.

For senior high and vocational schools, the DEF has collaborated with K-12 Education Administration of the Ministry of Education and the National Academy for Educational Research. The courses were designed by the learning center of the Ministry of Education, reviewed by an expert team from the National Academy for Educational Research and recorded by an ELTA professional team. With the support of digital technology, the teaching talent of “good teachers” knows no boundaries.



DeltaMOOCx offers a curriculum in automation

So far, 50 senior and vocational high schools, and colleges have joined this program. The number of platform registrants had reached 8,368 by the end March 2016. The platform features 1,275 teaching videos and more than 200,000 people have watched the videos.

Learning portal <http://deltamoox.net/>

Delta Environmental Scholarship (since 2005 ~)

Cultivating Taiwan's environment and connecting with international low-carbon trends

The Delta Electronics Foundation (DEF) collaborated with the Netherlands Trade and Investment Office on the “Delta Netherlands Environmental Scholarship” in 2005, and cooperated with the British Trade and Cultural Office to offer the “Chevening Delta Environmental Scholarship” in 2008. The DEF also worked with the Chinese Business Ethics Education Association to award the “Delta Business Ethics Study Fellowship” in 2011, so that young scholars may bring the influence of international low-carbon trends back to Taiwan.

In 2015, Delta supported 8 master's and PhD students in obtaining design related degrees in the Netherlands and the United Kingdom. The DEF has sponsored 94 graduate students over the years. Delta has also sponsored 9 scholars abroad that are furthering their study of corporate environmental ethics during 2011 to 2015. The scholars' research results will be publicly released when they return to Taiwan.

Supporting Chinese Schools in Northern Thailand (since 2001 ~)

Scholarships for studying in Taiwan for Chinese middle school students and overseas Chinese from northern Thailand

To assist descendants of the northern Thailand Defense Force with Chinese language education, and provide better opportunities, the Delta Electronics Foundation collaborated with Delta Electronics Thailand (DET) to establish a scholarship for Chinese schools in northern Thailand beginning in 2001. Delta founded a scholarship for overseas Chinese children from northern Thailand to come study higher education in Taiwan starting from 2006. In addition, Delta has improved the quality of Chinese language teaching in northern Thailand by providing teacher training, school buildings, Chinese books and computer equipment funding.

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- Scholarship for Chinese schools in northern Thailand:
The target applicants were students studying in Chinese middle schools in northern Thailand. Over 3,600 students have been awarded scholarships over the years.
- Student adoption in Chinese language schools of northern Thailand - the Plum Program:
Sponsored school and living expenses for high school students from low-income families in Chiang Mai and Chiang Rai. 8 students have received the scholarship in four years.
- Scholarships for overseas Chinese students from northern Thailand:
Overseas Chinese children from northern Thailand may apply for a scholarship to come to Taiwan and study at a college or university. Students in difficult economic conditions are given priority. Over the years 101 overseas Chinese students have been awarded scholarships.

Delta Power Electronics Science Educational Development Program / Delta Greentech Scholar Program (Since 2000~)

Encouragement for scientific research innovation and acceleration for the interdisciplinary studies

Starting in 2000, the Delta Electronics Foundation founded the "Delta Power Electronics Science Educational Development Program" to provide funding to develop outstanding projects and cultivate talent. During the past 16 years, the collaboration has included 10 key universities in China, including Zhejiang University, Xi'an Jiaotong University, Shanghai University, Beijing Jiaotong University, Shanghai Jiao Tong University and HeFei University of Technology. The Delta Electronics Foundation supported 225 scientific research projects, rewarded 41 excellent scientific research projects, provided scholarships to 927 outstanding doctoral students, and awarded the "Caixuansan Scholarship" to five PhD students.

Through an open application and selection procedure, Delta has selecting professors who have made outstanding contributions in the field of power electronics and power transmission, and conferred on them the title of "Delta Greentech Scholar" and a 3-year special allowance. At the same time Delta chooses two scholars for the "Delta Greentech Youth Scholarship" for a one time award. To date, 26 students have been awarded the "Delta Greentech Scholar", 10 students with the "Delta Greentech Youth Scholarship", and 20 students with the "Delta Visiting Scholar".

Delta Cup Automation Design Competition for Cross-strait Colleges and Universities (since 2014 ~)

Combining theory and practice to discover exceptional talent

Delta hosted the 2nd Delta Cup Automation Design Competition for Cross-strait Colleges and Universities with the theme of "Find a Control Master". This exciting competition attracted 198 teams from 83 universities and colleges. From July 29 to 30, 2015, nearly 60 teams participated at the Delta Wujiang Plant. The competition was strictly judged and reviewed by the Instruction Committee from the Ministry of Education of the People's Republic of China, the Chinese Association of Automation, the Instruction Committee for Industrialization and Informatization, the Instruction Committee of Education for Automation Specialties, and cross-strait industrial and technical experts.



The cross-strait's Automation Design Competition stimulates industry-university cooperation

This year, Shanghai Jiao Tong University and National Taipei University of Technology won the grand prize. At this two-day activity, the "Control Masters" coming from cross-strait colleges and universities shared their experiences and results in the competition. The Organizing Committee also held a series of teaching activities, including an "Engineer Forum", "Start-up Talk with Delta Founder - Mr. Bruce Cheng", and an "Employment Forum", providing the students with experience for skills and career development. The competition is having a remarkable influence on the development of the automation industry.

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Hope for Pearl (Since 2008 ~)

Sponsoring students from low-income backgrounds with 3 years of living expenses in senior high school

Delta has participated in the “Hope for Pearl” program, founded by the China XinHua Compassion Education Foundation, since 2008. The foundation has established pearl classes in many places, including Fujian, Hebei, Shanxi and Hefei provinces, to provide the students with 3-years of living expenses to attend high school. The program aims to prevent excellent students from discontinuing their schooling due to poverty. In 2015, the foundation supported 28 high school students from Hefei’s 168 middle schools. The foundation has sponsored 241 high school students in 7 years. Students in the Pearl classes have received outstanding marks in the National Higher Education Entrance Examination.

Projects (sorted by latest year)

The Three Pillars	Project Item	Year
Green Building Concept Promotion	[Delta21 @ COP21] Heading to Paris series event	2015
	Series I - Hosting Delta21 @COP21 Green Building Exhibition	
	Series II - Participating in the Sustainability Innovation Forum	
	Series III - Co-hosting the UN side meeting	
	Series IV - Hosting the Delta21 Forum	
	Series V – Hosting the official side meeting	2014~
	Green building tours	
	Green building carbon footprint assessment	
	Inauguration of the Delta Sunshine Secondary School in Longmen Township	2013-2015
	Restoration and reuse for the Historical Museum of TCFSH	2011-2015
	Green-collar architect training workshop	2009~
	Delta Cup International Solar Building Design Competition	2005~

The Three Pillars	Project Item	Year
Promotion for Energy and Climate Education	Run for Water, Water for Run environmental education exhibition	2014~
	Sponsorship for the Tseng Hsu-pai Journalism Award and establishing the Delta Energy and Climate Special Award	2013~
	Low-carbon 3D tour bus	2011~
	Delta Greentech Scholar Program on Environmental Law	2011~
	Climate think tank analysis	2010~
	Voice of IC - Climate Battle in Taiwan	2010~
	Energy education school program	2009~
	Low-carbon living Blog	2007~
	Delta energy education volunteers	2006~
Talent Cultivation	Delta MOOCx online learning platform	2014~
	Delta Cup Automation Design Competition for Cross-Strait Colleges and Universities	2014~
	Hope for Pearl	2008~
	Delta Environmental Scholarship	2005~
	Supporting Chinese education in northern Thailand	2001~
	Delta Power Electronics Science Educational Development Program / Delta Greentech Scholar Program	2000~

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7.1 Screening Criteria of Reporting Boundaries

Considering the realities of fact disclosure and actual managerial requirements, the boundaries of this report are not entirely consistent with the consolidated financial report of the company. Operations, R&D and production sites stated in the report are fully listed as follows:

Operations Sites, R&D Centers:

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
Eltek AS

Major Production Sites:

Taiwan

Delta Electronics Inc. (Taoyuan 1st Plant and 2nd Plant)
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.

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

Type	Topic	Dimension	GRI G4indicator	Internal Border		External Border		
				Production	R&D	Supplier	Distributor / Custome	Community
Governance	Operations 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 practices	EC9	●				
		Supplier environmental assessment	EN32-EN33	●		●		
		Supplier labor practices assessment	LA14-LA15	●		●		
		Supplier human rights assessment	HR10-HR11	●		●		
		Supplier social impact assessment	SO9-SO10	●		●		
		Survey of conflicting minerals production	Other	●		●	●	
Environment	Climate change (greenhouse gas reduction)	Greenhouse gas emissions	EN15-16, EN18-19	●		◇		
		Environmental impact 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 benefitsat green factories	Other	●	●			
	Water resource management	Water resources	EN8-EN10	●				
		Water shortage risk identification	Other	●		●		
		Compliance with environmental protection Laws and regulations	EN29	●		●		
	Environmental policy / management system	Mechanism for filing complaints about environmental issues	EN34	●				
		Related environmental matters	Other	●		●	●	
	Product liability	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		●		●	

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Type	Topic	Dimension	GRI G4indicator	Internal Border		External Border		
				Production	R&D	Supplier	Distributor / Custome	Community
Society	Labor-capital relationship and compensation benefits	Employer-employee relationship	LA1-LA3	●	●			
		Labor-management relations	LA4	●	●			
		Diversification and equal opportunities for employees	LA12	●	●			
		Mechanism for filing complaints about practical laborissues	LA16	●	●			
	Human rights of workers	Non-discrimination	HR3	●	●	●		
		Childlabor	HR5	●	●	●		
		Coerced or forcedlabor	HR6	●	●	●		
		Assessment (EICC, internalaudit)	HR9	●	●	●		
		Mechanism for filing complaints about human rights practices	HR12	●	●			
	Talent development and educational training	Training and education	LA9-LA11	●	●	◇		
	Occupational safety and health	Occupational health and safety	LA5-LA8	●	●	●		
		Regulatory compliance	SO8	●	●	◇		
	Social participation	Mechanism for filing complaints about social impac tissues	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		●			●

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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.	The Founder The Chairman and CEO	3 5			109
G4 -2	Provide a description of key impacts, risks, and opportunities.	The Founder The Chairman and CEO Water Resource Management Carbon Disclosure Energy Management	3 5 49 43 46			109
Organizational Profile						
G4 -3	Report the name of the organization.	Delta Group Overview	8			109
G4 -4	Report the primary brands, products, and services.	Delta Group Overview	8			109
G4 -5	Report the location of the organization's headquarters.	Delta Group Overview	8			109
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	8			109
G4 -7	Report the nature of ownership and legalform.	Delta Group Overview	8			109
G4 -8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Delta Group Overview	8			109
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	8			109
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 agriculturalindustries).	Employee Composition	65			109

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Indicators		Section	Page / Note		Omissions	External Assurance
G4 -11	Report the percentage of total employees covered by collective bargaining agreements.	Employee Communication	70			109
G4 -12	Describe the organization's supply chain.	Cooperation with Suppliers	32			109
G4 -13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Organizational Structure	9			109
G4 -14	Report whether and how the precautionary approach or principle is addressed by the organization.	The Founder	3			109
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	8			109
		CSR Commitment Delta's Green Promise and Vision	44			
G4 -16	List memberships of associations(such as industry associations) and national or international advocacy organizations in which the organization participates.	Delta Group Overview CSR Commitment Delta's Green Promise and Vision	8 16 44			109
Identified Material Aspects and Boundaries						
G4 -17	a. List all entities included in the organization's consolidated financial statements or equivalent documents.	Appendix	92	a. Please refer to 2015 Annual Report.		109
	b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.			b. Yes. Please refer to this report (note).		
G4 -18	a. Explain the process for defining the report content and the Aspect Boundaries.	Appendix	92			109
	b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.					
G4 -19	List all the material Aspects identified in the process for defining report content.	Appendix	92			109
G4 -20	For each material Aspect, report the Aspect Boundary within the organization	Appendix	92			109
G4 -21	For each material Aspect, report the Aspect Boundary outside the organization	Appendix	92			109
G4 -22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Appendix	92	N/A		109
G4 -23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Appendix	92	Add Eltek in 2015		109

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Indicators		Section	Page / Note		Omissions	External Assurance
Stakeholder Engagement						
G4 -24	Provide a list of stakeholder groups engaged by the organization.	Communication with Stakeholders	21			109
G4 -25	Report the basis for identification and selection of stakeholders with whom to engage.	Communication with Stakeholders	22			109
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	21			109
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	23			109
Report Profile						
G4 -28	Reporting period (such as fiscal or calendar year) for information provided.	About this Report	2			109
G4 -29	Date of most recent previous report (if any).	Appendix	2	June 30, 2015		109
G4 -30	Reporting cycle (such as annual, biennial).	About this Report	2			109
G4 -31	Provide the contact point for questions regarding the report or its contents.	Appendix	107			109
G4 -32	Report the "in accordance" option the organization has chosen.	Index of GRI G4 Indicators	95			109
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	109 110	GRI G4 & AA1000 ISAE3000		109
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	17 26			109
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	17			109
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	17			109

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Indicators		Section	Page / Note		Omissions	External Assurance
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	23			109
G4 -38	Report the composition of the highest governance body and its committees.	Board Competency	26			109
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			109
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			109
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	18			109
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	17			109
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			109
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	27			109
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	17			109
G4 -47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Board Competency	26			109
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	17			109
G4 -49	Report the process for communicating critical concerns to the highest governance body.	CSR Organization	17			109
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	17			109
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 71			109
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 71 20			109

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Indicators		Section	Page / Note		Omissions	External Assurance
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 Employee Policy	16 66			109
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			109
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	20 18			109

Specific Standard Disclosures

Category	Aspects	Indicators	Description	Section	Page / Note		Omissions	External Assurance
Economic	Economic Performance	G4-DMA		A word from the Chairman and CEO	5			109
				Perseverance in Technical R&D and Pursuit of Innovation	28			
				Enhancing Brand Value	29			
				Delta's Green Promise and Vision	44			
	Procurement Practices	G4-EC1	Direct economic value generated and distributed.	Social Contributions	78	Please refer to 2015 Annual Report "Income Statement".		109
				Delta Group Overview	8			
				Social Contributions	78			
		G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Climate Change Risk Analysis	42			109
				Climate Change Opportunities	42			
		G4-DMA	Coverage of the organization's defined benefit plan obligations.	Cooperation with Suppliers	32			109
		G4-EC9		Cooperation with Suppliers	32			

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Environmental	Materials	G4-DMA		Material Management	49			109
		G4-EN1	Materials used by weight or volume.	Environmental Information	45			109
		G4-EN2	Percentage of materials used that are recycled input materials.	Energy/Resource Recycling and Renewable Energy	56			109
	Energy	G4-DMA		Energy Management Delta's Green Promise and Vision	46 44			109
		G4-EN3	Energy consumption within the organization.	Environmental Information Energy Management	45 46			109
		G4-EN5	Energy intensity.	Energy Management Delta's Green Promise and Vision	46 44			109
		G4-EN6	Reduction of energy consumption	Energy Management	46			109
		G4-EN7	Reductions in energy requirements of products and services.	Green Products and Services	57			109
	Water	G4-DMA		Water Resource Management	49			109
		G4-EN8	Total water withdrawal by source.	Water Resource Management	49			109
		G4-EN9	Water sources significantly affected by withdrawal of water.	Water Resource Management	49			109
		G4-EN10	Percentage and total volume of water recycled and reused.	Water Resource Management Energy/Resource Recycling and Renewable Energy	49 56			109
	Emissions	G4-DMA		Carbon Disclosure	43			109
		G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	Carbon Disclosure Environmental Information	43 45			109
		G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	Carbon Disclosure Environmental Information	43 45			109
		G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	Carbon Disclosure Environmental Information	43 45			109
		G4-EN18	Greenhouse gas (GHG) emissions intensity.	Carbon Disclosure	43			109
		G4-EN19	Reduction of greenhouse gas (GHG) emissions.	Carbon Disclosure	43			109

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Environmental	Effluents and Waste	G4-DMA		Pollution Prevention	50			109
		G4-EN22	Total water discharge by quality and destination.	Pollution Prevention	50			109
		G4-EN23	Total weight of waste by type and disposal method.	Environmental Information Pollution Prevention	45 50			109
		G4-EN24	Total number and volume of significant spills.	Pollution Prevention	50			109
	Products and Services	G4-DMA		Green Products and Services	57			109
		G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	Green Products and Services	57			109
	Compliance	G4-DMA		Eco-labels and Eco- declarations	59			109
		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	54	"Heavy fines" is defined as more than NT\$ 1 million		109
	Transport	G4-DMA		Carbon Disclosure Green Production Green Design	43 60 57			109
		G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	CSR Organizational Structure Carbon Disclosure Green Design	17 43 57	N/A		109
	Supplier Environmental Assessment	G4-DMA		Cooperation with Suppliers	32			109
		G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	Cooperation with Suppliers	32			109
		G4-EN33	Significant actual and potential negative environmental impacts in the supply chain.	Cooperation with Suppliers	32			109
	Environmental Grievance Mechanisms	G4-DMA		Green Buildings/Factories Reducing Environmental Impact from Our Operations	51 54			109
		G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.			N/A		109

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Category	Sub-Categories	Aspects	Indicators	Description	Section	Page /Note		Omissions	External Assurance
Social	Labor Practices and Decent Work	Employment	G4-DMA		Labor-Employer Relationship	68			109
			G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	Labor-Employer Relationship	68			109
			G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Remuneration and Benefits	71			109
			G4-LA3	Return to work and retention rates after parental leave, by gender.	Remuneration and Benefits	71			109
		Labor Relations Management	G4-DMA		Labor-Employer Relationship	68			109
			G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	Labor-Employer Relationship	68			109
		Occupational Health and Safety	G4-DMA		Occupational Safety and Health	75			109
			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	75			109
			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	75			109
			G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	Occupational Safety and Health	75			109
			G4-LA8	Health and safety topics covered in formal agreements with trade unions.	Employee Communication	70			109

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Category	Sub-Categories	Aspects	Indicators	Description	Section	Page /Note	Omissions	External Assurance
Social	Labor Practices and Decent Work	Training and Education	G4-DMA		Employee Training and Development	73		109
			G4-LA9	Average hours of training per year per employee by gender, and by employee category.	Employee Training and Development	73		109
			G4-LA10	Programs for skills management and lifelong learning that support the continued.	Employee Training and Development	73		109
			G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	Remuneration and Benefits	71		109
		Diversity and Equal Opportunity	G4-DMA		Employment Policy	66		109
			G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Employee Composition	65		109
		Supplier Assessment for Labor Practices	G4-DMA		Cooperation with Suppliers	32		109
			G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	Cooperation with Suppliers	32		109
			G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	Cooperation with Suppliers	32		109
		Labor Practices Grievance Mechanisms	G4-DMA		Employee Communication	70		109
			G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	Employee Communication	70		109

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Category	Sub-Categories	Aspects	Indicators	Description	Section	Page /Note		Omissions	External Assurance
Social	Human Rights	Non-discrimination	G4-DMA		Employment Policy	66			109
			G4-HR3	Total number of incidents of discrimination and corrective actions taken.	Employment Policy	66			109
		Child Labor	G4-DMA		Employment Policy	66			109
			G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Employment Policy	66			109
		Forced or Compulsory Labor	G4-DMA		Employment Policy	66			109
			G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Employment Policy	66			109
		Assessment	G4-DMA		Employment Policy	66			109
			G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	Employment Policy	66			109
		Supplier Human Rights Assessment	G4-DMA		Cooperation with Suppliers	32			109
			G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	Cooperation with Suppliers	32			109
			G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	Cooperation with Suppliers	32			109
		Human Rights Grievance Mechanisms	G4-DMA		Employment Policy	66			109
			G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	Employment Policy	66			109

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Social	Society	Anti-corruption	G4-DMA		Support of International CorporateInitiatives	18			109
			G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.			Cover ratio of EICC factory audits and internal execution assessment is 100%, no major violations of corruption in 2015.		109
		Anti-competitive Behavior	G4-DMA		Support of International CorporateInitiatives	18			109
			G4-SO7	Communication and training on anti-corruption policies and procedures.			No punishment for involvement of anti-competitive behavior, anti-trust and monopolistic behavior in 2015.		109
		Compliance	G4-DMA		Support of International Corporate Initiatives Employment Policy	18			109
			G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.			Delta was punished four cases by competent authorities for violating the labor laws in 2015.		109
		Supplier Assessment for Impacts on Society	G4-DMA		Cooperation with Suppliers	32			109
			G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	Cooperation with Suppliers	32			109
			G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	Cooperation with Suppliers	32			109
		Grievance Mechanisms for Impacts on Society	G4-DMA		Support of International Corporate Initiatives	18			109
			G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.					109

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Category	Sub-Categories	Aspects	Indicators	Description	Section	Page /Note		Omissions	External Assurance
Social	Product Responsibility	Customer Health and Safety	G4-DMA		Green Products and Services	57			109
			G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Green Products and Services	57			109
			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	57			109
		Product and Service Labeling	G4-DMA		Eco-labels and Eco-declarations	59			109
			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	59			109
			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	57			109
			G4-PR5	Results of surveys measuring customer satisfaction.	Exceeding Customer Expectations	31			109
		Compliance	G4-DMA		Green Products and Services	57			109
			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	57			109

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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	27	
	Brand Value	Enhancing Brand Value	29	
	Conflict Minerals Survey	Control of Conflict Minerals	34	
	Mitigation and Adaptation of Climate Change	Active Response to Climate Change	40	
	Benefits of Green Buildings/Factories	Green Buildings/Factories	51	
	Water Shortage Risks Identification	Water Resource Management	49	
	Environment-related Substances	Cooperation with Suppliers Strategies for Lowering the Environmental Impact of Products	32 58	
	Products & Solutions Success Stories	Global Success Stories	10	
	Environmental and Energy Education	Environmental and Energy Education	84	
	Promotion the Green Building Concept	Promotion the Green Building Concept	78	
	Promotion Energy Resources and Climate Education	Promotion Energy Resources and Climate Education	84	
	Talent Cultivation	Talent Cultivation	88	

In the 2016 CSR Report, we will describe our progress in 2016. 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.

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7.3 Summary of Information Assured (ISAE3000)

No.	Assured Item	Information Assured	Page	Reporting Criteria
1	Electricity intensity in 2015	In 2015, the electricity intensity of Delta's major operations sites was 63,957 kWh/MUSD.	P48	Major global operation sites include China (Dongguan, Wujiang, Wuhu, Chenzhou and Cyttec in Huafeng), Taiwan (Taoyuan Plant 1, Taoyuan Plant 2, Cyttec in Hsinchu) and Thailand (plants 1, 5 & 6). Electricity intensity = [Annual electricity usage (kWh)-electricity usage (kWh)] of excluded areas/Production value (million USD).
2	Electricity savings of green factory/office buildings in 2015	In 2015, Delta Group's seven certified green factory/office buildings saved, in total, 9,210.8 MWh of electricity.	P51	The seven green factory/office buildings are the following: Delta Taipei Headquarters, Taoyuan R&D Center, Tainan Plant Phase II, Tainan Plant Phase I, India Rudrapur Plant, India Gurgaon Plant and the Shanghai R&D Center. Electricity savings (kWh) = (EUI in literature cited – Actual EUI of green buildings) * Floor area of green buildings per building permit or building drawings. EUI = Total electricity usage (kWh)/Floor area (m ²). Note: Green Building total electricity usage does not include electricity usage of the regional data center. Floor area does not include the floor areas of parking lots, unused areas and regional data center (exception that: the calculation of floor area for Shanghai R&D Center does not exclude the area of the parking lot).
3	Electricity savings of donated green buildings in 2015	In 2015, Delta Group's five donated green buildings saved, in total, 578.3 MWh of electricity.	P78	The five donated green buildings are the following: the Delta Building and the Magic School of Green Technologies at National Cheng Kung University (NCKU), the Kuo-Ting Optoelectronic Building at National Central University (NCU), the Delta Building at National Tsing Hua University (NTHU), as well as the Namasia Ming Chuan Elementary School. Electricity savings (kWh) = (EUI in literature cited – Actual EUI of green buildings) * Floor area of green buildings per building permit or building drawings. EUI = Total electricity usage (kWh)/Floor area (m ²). Note: Floor area does not include the floor area of indoor parking spaces.
4	Electronic ballast annual energy savings in 2015	For shipments of Delta's Electronic Ballast for Fluorescent Lamps to 8 major customers in 2015, annual energy savings for end-users are 175 million kWh (assuming that end-users replace existing Magnetic Ballasts with Electronic Ballasts).	P62	Annual Energy Savings: = $[\Sigma(A \times B) \times C] + 1000 \times 8 \text{ (hr)} \times 365 \text{ (day)}$. A: Maximum input voltage (W) in different models of Electronic Ballast installed in the compatible Fluorescent Lamp based on the data from customer's product brochure. B: Quantities of products of each model are exported from SAP shipment record from 1/1/2015 to 12/31/2015. C: Energy Savings=10%.

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7.4.2 ISAE3000 Limited Assurance Report

Limited Assurance Report of Independent Accountants

To Delta Electronics, Inc.

We have been engaged by Delta Electronics, Inc. (hereafter referred to as the "Company") to perform assurance procedures on the selected sustainability performance information reported in the 2015 Corporate Sustainability Report (hereafter referred to as the "CSR Report"), and issue a limited assurance report based on the result of our work performed.

Information assured and reporting criteria

The sustainability performance information selected by the Company (hereafter referred to as the "Selected Information") and their respective reporting criteria are stated in the "Summary of Information Assured" on page 103 of the CSR Report.

Management's responsibilities

The Management of the Company is responsible for preparing and reporting the CSR Report and sustainability performance information in accordance with respective appropriate reporting criteria. The Management is also responsible for establishing relevant processes, information systems, and internal controls to prevent the CSR Report and sustainability performance information from material misstatements.

Our responsibilities

We conducted our assurance work on the Selected Information included in the CSR Report in accordance with the International Standard on Assurance Engagement (ISAE3000): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by International Auditing and Assurance Standards Board, to identify whether any material amendments that need to be made to the aforementioned information to be in accordance with respective reporting criteria in all material aspects, and issue a limited assurance report based on the result of our work. We do not provide any assurance on the CSR Report as a whole or on the design or operating effectiveness of the relevant internal controls. In addition, information relating to the year ended December 31, 2014 and earlier periods have not been assured by us.

Quality control requirement

We apply Statements of Auditing Standard No 46, "Quality Control for Public Accounting Firms" in the Republic of China and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Compliance of independence and ethical principles

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants, including integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of work performed

We conducted our assurance work on the Selected Information. The procedures include:

- Read the CSR Report.
- Inquire the personnel responsible for providing the sustainability performance information to understand and evaluate the processes, internal controls and information systems relating to the preparation of the aforementioned information.
- Based on the understanding and evaluation above, carry out analytical review procedures on the sustainability performance information. If deemed necessary, perform selective testing to obtain evidence of limited assurance.

The determination of the procedures performed above is based on our professional judgement, including identifying the areas where there may be risks of material misstatement of the Selected Information, and for those areas, designing and implementing procedures to obtain limited assurance to draw our conclusion. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Certain Selected Information involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Limited assurance conclusion

Based on the procedures performed and evidence obtained, we are not aware of any material amendments that need to be made to the Selected Information referred to in the second paragraph to be in accordance with their respective reporting criteria in all material aspects.

Other

The Management of the Company is responsible for maintaining the Company's website. If the Selected Information or related reporting criteria are changed after this limited assurance report is issued, we are not obliged to re-perform the assurance work.

PricewaterhouseCoopers, Taiwan
June 14, 2016

For the convenience of readers and for information purpose only, this report has been translated into English from the original Chinese version. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language version shall prevail.

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