

A NELTA

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About the CSR Report

Since 2005, the Delta Group has published an annual corporate social responsibility (CSR) report that compiles and describes the company's corporate governance, environmental protection, employee welfare, community and social participation, and related CSR activities, progress, and substantive performance for the given year. Delta Electronics supports the 17 Sustainable Development Goals (SDGs) established by the UN. Delta has worked toward achieving the SDGs through various projects, as stated in the first pages of this CSR Report's Governance, Environment, and Society chapters. We have also correlated the 13 material topics identified by Delta stakeholders to the 17 SDGs, and focused on six, including: 4) Quality Education, 7) Affordable and Clean Energy, 9) Industry Innovation and Infrastructure, 12) Responsible Consumption and Production, 13) Climate Action, and 17) Partnership for the Goals. These SDGs will serve as the direction of Delta's efforts toward sustainable development. In addition, the correlation between the abovementioned SDGs and Delta's 13 material topics are demonstrated in eight sections of the CSR report, including 4.3 Innovation, 4.7 Strengthening Green Supply Chain CSR Management, 5.2 Proactive Factors for Climate Change, 5.3.3 Carbon Management, 5.3.4 Energy Management, 5.4 Green Products and Services, 6.2.5 Talent Cultivation and Retention, as well as 6.2.6 Human Resources Development. These sections all explain Delta's commitment and results through the topics of "Commitment," "Focus and Practice of Promoting Development of SDGs," "Detailed Explanations," and "Future Plans."

The structure of this report follows the fourth Global Reporting Initiative's "G4 Sustainability Reporting Guidelines". In addition, this report was prepared in accordance with the Taiwan Stock Exchange Corporation's Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies. Date of most recent previous report is June 30,2016. Pursuant to the important topics for stakeholders, the substantive analysis results, disclosure, and feedback are described in the following chapters.

The time period and scope of 2016 Delta Group CSR report are summarized:

Period

January 1, 2016 to December 31, 2016



Scope

Delta Group's global corporate operations, research and development center, and important manufacturing centers (See attachment)

This report is validated and confirmed by a third party

I. Validation:

This company contracted SGS Taiwan to verify that this report conforms to the GRI G4 and AA1000 Type II core standards and a high level of scrutiny, as attached in the appendix.

II. Assurance:

This company contracted PwC Taiwan to conduct a limited assurance engagement to confirm that the specific key performance information is done in accordance with ISAE 3000. The assurance report for this CSR report is attached in the appendix.

If you have any comments or suggestions regarding the Delta Group CSR Report, you are welcome to contact at CSR@deltaww.com. We will reply to you as soon as possible. Thank you!

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The Founder

In recent years, climate change has raised the public's awareness and concern for environmental issues. I personally became aware of the seriousness of environmental pollution long before I founded Delta Electronics, Inc. In the 1960s, Taiwan experienced a peak in manufacturing-related foreign investment due to its lack of environmental regulations and penalties. Under these circumstances, it was easy for people to ignore the importance of environmental protection. At the time, I was working in an American company that specialized in precision electronics. Many factories in Taiwan were leaking unprocessed waste water from electroplating into fields used for agriculture, which was something that my training in the USA would never allow. I expressed my concerns to my superior but received only a lukewarm response. Although I later managed to push for waste water processing within the company, the incident brought up my concern for environmental issues for years to come.

When I established Delta Electronics in 1971, I kept this concern in mind. During the first stage of founding Delta I decided our company mission would be "To provide innovative, clean and energy-efficient solutions for a better tomorrow", and we have long nurtured this environmental awareness in our corporate culture. In the 1980's, Delta started engaging in the production of power supplies. The explosive growth of factories in Taiwan resulted in frequent power shortages. It was then that I realized that many linear power supplies on the market had an energy efficiency rate lower than 50% and it was then that I decided to invest in the development of switching power supplies, which had a substantially higher energy efficiency rate. With the efforts and research of our team of experts, we managed to enhance our energy efficiency rate from an initial 65% to 90% by 2000 in practically all our products—our solar power inverters now even reach an efficiency of up to 98.8%.

Apart from our continuous investment in the R&D of energy-saving products, Delta actively participates in global climate change related conferences. Since 2007, the Delta Electronics Foundation has annually selected representatives to participate in climate change conferences to keep up with global updates. In 2012, Delta became an official observer of the UNFCCC; and in 2014, Delta participated in a COP20 side conference to exhibit the benefits of our green buildings by featuring the Min Chuan Elementary School in Kaohsiung's Namasia District as a success case study. In 2015, Delta shared, through forums, meetings and exhibitions, its experience in creating energy-saving green buildings at the COP21 Paris Conference. In 2016, we also participated in COP22 to keep focusing on the international efforts against global warming.

Delta also continues to promote environmental education. We utilize a variety of methods to educate society and expand our ability to raise environmental awareness. With our accumulated electronics technology and knowledge we hope to tackle this issue starting from our daily lives. We have held environmental exhibitions, movies, seminars and workshops to assist schools in



Bruce Cheng, Founder and Honorary Chairman of Delta Group

developing energy-saving habits among students. This includes specialists focused on the development of teaching materials and Delta volunteers engaging in lessons, and helping high schools with energy-saving campus modifications. We have gathered Taiwanese green building experts to provide workshops at the Delta Electronics Foundation that train architects and interior designers on the creation of eco-friendly buildings. We sincerely hope that Delta's green building experience can make long-term sustainability a reality and contribute to making the world a better, healthier place.

In regards to CSR, Delta is devoted to environmental protection and energy conservation. At Delta, we value education, especially technical, vocational, and basic science education, so we established DeltaMOOCx, a digital learning platform featuring high-definition education videos with the priceless contribution of invited renowned teachers. This expansion of digital learning has allowed teachers to increase their educational influence. After three years of efforts, we have uploaded online technical, vocational and high school courses in mathematics, physics, and chemistry. We hope to provide a premium learning resource that will elevate students' desire to learn, and we deeply believe that schools, students and parents will recognize and agree with Delta's efforts.

For the future, we shall continue our dedication to energy savings and carbon reduction. We invite everyone to work together towards the reduction of GHG emissions and also to get involved in the eco-friendly activities so that mankind can maintain the rise of average global temperatures within 2°C, or even 1.5°C if possible.



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The Chairman and the CEO

Over the last few years,

Corporate Social Responsibility (CSR) has become one of the most discussed sustainable development issues among global business circles. When pursuing profit growth and enhancing operational performance, enterprises should consider the rights and interests of all stakeholders and develop CSR strategies that originate from the corporation's own core competence. Delta is dedicated to its corporate mission, "To provide innovative, clean and energy-efficient solutions for a better tomorrow" as we put our CSR strategies into practice. Through its main operational and business development projects, the Company continues to promote energy conservation through its core expertise in high-efficiency power electronics and investment in research and development of energy-saving products and solutions. Our broad range of green solutions and experience are replicated into our major operational locations worldwide for the benefit of our customers and stakeholders.

As a world-class corporate citizen strictly committed to sustainable development and to a low-carbon future, Delta actively participates in international climate change-related events such as the 2015 UN Climate Change Conference (COP21). Apart from publicly supporting the "Commit to Action" corporate carbon reduction initiative of the CDP, Delta has also joined the "We Mean Business" organization. While embracing our corporate core competencies, we are tackling climate change through three dimensions, which include energy conservation through products, factory operations, and green buildings.

The "2016 Energy Efficiency Market Report" (issued by the IEA) indicates that energy efficiency is one of the most effective methods to achieve mankind's carbon emissions reduction goal. In regards to energy conservation through its products, Delta continuously invests in innovative R&D, and has vigorously enhanced the energy conversion efficiency of all of its product lines over the years. Delta's high-efficiency power products and solutions have helped our global customers save nearly 20.8 billion kWh of electricity between 2010 and 2016.

Manufacturing accounts for over 90% of Delta's global electricity consumption. Delta puts emphasis on energy conservation in over 30 of manufacturing locations worldwide. Moreover, Delta has promised to reduce its overall electricity consumption, by 30% by the year 2020, a target expanded beyond our factories and into our office buildings and data centers as well. Delta brings together the efforts of its entire human capital, who are all involved in specific energy-saving actions, in response to concerns regarding climate change.



Yancey Hai, Chairman of Delta Electronics, Inc.



Ping Cheng, CEO of Delta Electronics, Inc.

In regards to energy conservation through green buildings, Delta has enabled the creation of 24 green buildings for more than 10 years, including some of its main operation facilities as well as some donated to academic institutions. In the year 2016, all of Delta's certified green buildings worldwide have conserved a combined amount of over 15.2 million kWh of electricity. In 2017, Delta's EMEA (Europe, Middle East & Africa) headquarters, located in the Netherlands, became a renovated green building, certified as a "Building Research Establishment Environmental Assessment Method" sustainable facility and boasting not only a Dutch "A-class Building" energy label but also a "Very Good" rating by the Dutch Green Building Council

Furthermore, Delta continues to promote CSR in line with the 17 SDGs (Sustainable Development Goals) launched by the United Nations in 2015. Apart from conforming to the 17 goals in our daily operations, we also focus on six major aspects, which include (4) Quality Education, (7) Affordable and Clean Energy, (9) Industry Innovation and Infrastructure, (12) Responsible Consumption and Production, (13) Climate Action, and (17) Partnership for the Goals.

In recent years, Delta has actively engaged in the integration of energy-saving solutions while continuing the research and development of technologies capable of optimizing the use of energy. On the one hand, these efforts are beneficial to the environment, and on the other, we have helped global customers boost their competitiveness across all industries. We will remain committed to our corporate mission, "To provide innovative, clean and energy-efficient solutions for a better tomorrow", maintaining a positive influence to our society.



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Delta Group is a global leader in power supplies and thermal management solutions, as well as in energy-saving and new energy solutions, including displays, industrial automation, networking, renewable energy, LED lighting and automotive

electronics and EV charging systems, with markets across the world. Delta's worldwide revenues have grown at a

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*2) first member from 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 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 to reduce the

environmental impact of our operations and to help slow global warming with more energy-efficient products and solutions. We believe in fulfilling Delta's CSR goals through sound corporate governance, balancing stakeholder interests, and



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1 Delta Group Overview



Established: 1971

Worldwide revenues*1 in 2016:

7,782 million USD

Main Sales Offices

Main Plant Sites

Main R&D Centers



• Sydney
• Melbourne

compounded annual growth rate of 31% since 1971.

supporting social progress.

^{*1.} Worldwide revenues are based on operation management

^{*2.} CSCI was incorporated into The Green Grid (TGG) in September 2012.



1.1 Delta Electronics Organizational Structure

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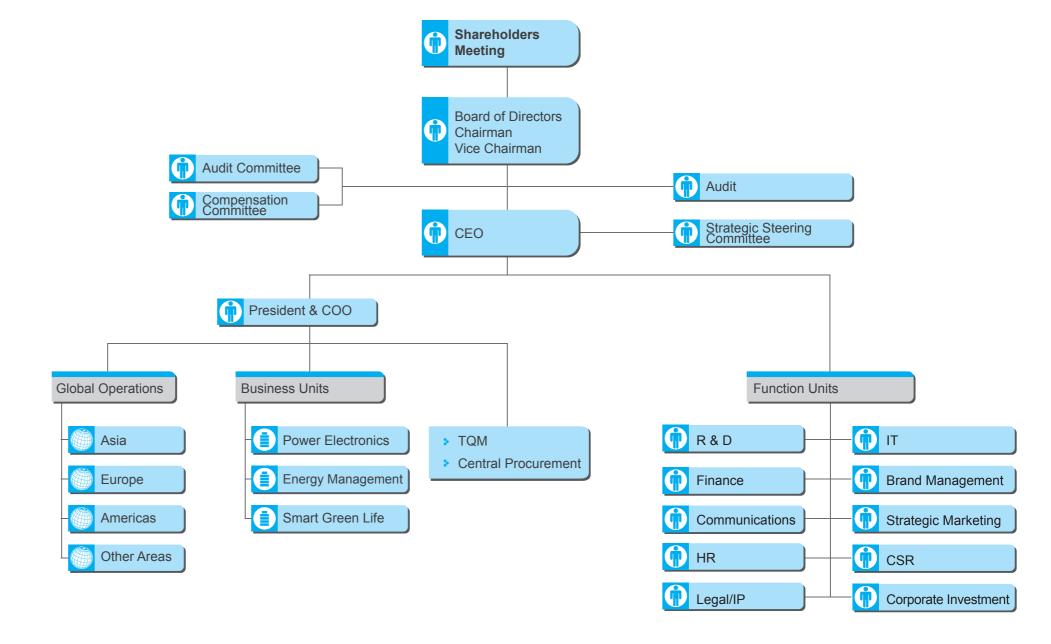
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1.2 Global Success Stories



By leveraging its core competence in power electronics, Delta has developed 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 2016, Delta has had 469 successfully completed cases all over the world. These projects covered areas such as industrial automation and control systems, building automation, green data centers, telecom power systems, intelligent monitoring & management systems, electric vehicles charging systems, and renewable energy. Not only have these projects assisted clients in saving operations costs and improving their global competitiveness, but they have also contributed to reducing global warming.



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



DALI Lighting System for PV inverters for 75.4 MW solar Manchester Airport in the United energy project in Denmark Kingdom







InfraSuite datacenter solution for a web-hosting company in Berlin that serves a large German shopping website



Delta Ako Energy Park uses a 4.6 MWp distributed solar power system with Delta's PV Inverters and energy storage system in Japan



Smart LED street lighting solution in New Taiper City

transportation control center











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



Renewable Energy Solutions with Eltek's Rectiverter for 104 Hospitals in Zimbabwe under the UNDP's "Solar for Health" Program





Smart monitoring, surveillance, and power management solution for a countrywide ATM LED-based DLP Video walls for the first traffic management center in Bangalore, India



The world's largest video wall with 324 LED DLP 80' cubes and DVCS system in China







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

SCAR robot solution with Delta InfraSuite solutions machine vision system for helped a smart city project in function testing of AC motor Henan, China, build a modular drives in China



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2.1 CSR Key Indicators





^{*3.} Calculations from 2014 / *4. Occupational Safety and Health – Frequency of Disabling Injuries rate (FR = disabling injuries x 1,000,000/total work hours)

^{*5.} Occupational Safety and Health - Severity of Disabling Injuriesrate (SR = total days lost to disabling injuries X 1,000,000/total work hours) / *6. 2015/3 Total visits



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2.2 CSR Highlights



《DJSI》 Delta Listed on Dow Jones Sustainability Indexes (DJSI) for Six Consecutive Years - Global Electronics Equipment Industry

Delta is a regular stand-out among the 64 companies in the fiercely competitive global electronics equipment, instruments, and components industry. Since 2011, we have been listed on the DJSI World Index, with four consecutive years on the "Emerging Markets Index".

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM (



《CDP》Delta was selected for CDP Climate Change Leadership A- Level in 2016

In the 2016 Carbon Disclosure Project, Delta CDP assessment stood out among stock market listed companies, receiving Climate Change Leadership A-Level.

《Global Views Magazine》Corporate Social Responsibility Awards - Delta Wins Two First Prizes for Four Consecutive Years

In the 12th Global Views Corporate Social Responsibility Awards, Delta' excellent overall performance won the Major CSR Assessment in Technology and Manufacturing Award. In addition, Delta's "Delta21 @ COP 21" green building promotion experience exhibited the COP21-Paris Climate Conference won the Environmentally Friendly Award. We have won both of these awards for four consecutive years.



Taiwan's former Vice President Wu Den-yih presented Delta Group Founder Bruce Cheng (Right) with the top award for the annual major assessment of the electronics technology division 《CommonWealth Magazine》Delta Finds 10 Years of Repeat Success at CSR Excellence in Corporate Social Responsibility Awards

Delta won the Major Industry Award at the CommonWealth Magazine's CSR Excellence in Corporate Social Responsibility Awards. Delta's primary goals focus on combining environmental protection and energy conservation in our corporate governance and operations concepts and integrating them into daily operations. Delta is committed to social participation. In pursuit of that idea, Delta participated in the 2015 Paris Climate Conference by holding the "Delta21 @ COP21" activities series. There, we expanded our participation, continuous contributions, and industry integration by being a good international corporate citizen, and thus helping to expand our social impact.



Judge panel head Mr. Lin Xin-yi (Right) awarded Delta Founder Bruce Cheng (Left) with the Annual Major Industry Excellence in CSR Award





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《Taiwan Institute for Sustainable Energy》 Delta Received Taiwan Corporate Sustainability Awards for Four Consecutive

Delta has been acknowledged at the Taiwan Corporate Sustainability Awards for four consecutive years. In 2016, we received first prize for the Ten Most Sustainable Company Award, the Climate Leadership Award, Supply Chain Management Award, and the Top 50 Corporate Sustainability Report Award, in the field of electronics and information. These awards are a testament to our efforts in electronics core technology, developing green energy products and integrated solutions deriving from our commitment to CSR development in our corporate operations strategies. These initiatives also go hand-in-hand with our suppliers in pushing to create a green supply chain. We also actively participated in the 2015 Paris Climate Conference, sharing the results of our green building energy saving efforts as we commit to improving the international influence of the company. This won the praises of the panel of judges at TAISE.



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

《Taiwan Stock Exchange》 Delta Wins the Taiwan Stock Exchange Corporate Governance Assessment Award for Two Consecutive Years

For two years in a row, Delta has received the Taiwan Stock Exchange's Corporate Governance Assessment Award, ranking it among the top 5% of listed companies. The award once again acknowledges our efforts in meeting our assessment goals forthe implementation of corporate governance, maintaining shareholder equity, strengthening the board of directors' functions, as well as improving information transparency, and corporate social responsibility.



Delta Vice President representativeCaiRong-teng (Center) receives the "Second Annual Corporate Governance Assessment Award"

《Interbrand》 Deltaranked inBranding Taiwan Top 20 for the Six Consecutive Year

For six years in a row, Delta has received the Taiwan Global Brand Value Assessment for the Branding Taiwan Top 20. In 2016, our brand value once again leapt forward, rising by 13% over 2015 values, reaching 2.25 billion USD, and having two-digit growth for four consecutive years.



Industrial Development Bureau, Ministry of Economic Affairs Bureau Director Chang Wu-ming (Left) presented theBranding Taiwan Top 20 award to Delta' Brand Manager Shan-Shan Guo (right).



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《Xin Hua Net Chinese Academy of Social Sciences》 Delta Founder Bruce Cheng Wins "China Outstanding Person in Social Responsibility Award"

Mr. Bruce Cheng, Founder and honorary chairmanof Delta, received the 2016 "China Outstanding Person in Social Responsibility Award" from Xinhua News and the Chinese Academy of Social Sciences, the only Taiwanese entrepreneur to win the award. Delta also received an outstanding report in the "2016 China Corporate Social Responsibility Almanac".



Delta Founder and honorary chairman ,Bruce Cheng wins the 2016 "China Outstanding Person in Social Responsibility Award".

《Chinese Academy of Social Sciences》 Delta Ranks a Strong Sixth at Top 100 Foreign-Invested Companies in CSR Development Index

According to a Chinese Academy of Social Sciences (CASS) evaluation, Delta has not only created a robust CSR management system, but it has also implemented comprehensive CSR information disclosure, which when combined gave Delta a 5-star rating. Out of the 300 Chinese companies assessed for the CASS' Top 100 Foreign-Invested Companies in the CSR Development Index, Delta and its subsidiary ranked6th and 29th respectively.

《Thailand Won the Stock Exchange》 Delta Thailand wins Thailand Sustainability Investment Award

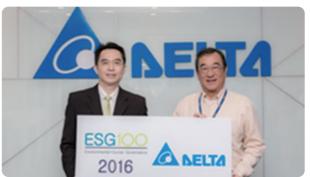
Delta Thailand has won the Stock Exchange of Thailand's Thailand Sustainability Investment Award two years in a row, clearly demonstrating Delta Thailand's strong emphasis on the environment, society, and governance through sustainable development in its business practices. This demonstrates that Delta is a model company with our outstanding stock performance and business practices.



Delta Thailand receives the Thailand Sustainability Investment Awards.President XieShenyan (right) accepts on behalf of the company

《Thaipat》 Delta Thailand ranks on ESG100 for Two Years in a Row

Thaipat is Thailand's stock exchange's ESG ranking sustainable assessment body. For two years in a row, Delta Thailand has ranked as an outstanding company in the ESG100 form assessment body's evaluation.



Delta Thailand receives the Thaipat ESG100. President XieShenyan (right) accepted the award on behalf of the company.

《Thailand Greenhouse Gas Management Organization, TGO》Received Certificates For Carbon Neutral And Carbon Footprint

Mr. Hsieh Shen-yen (President), Mr. Vichai Saksuriya (Operations VP) along with 18 of DET Management and Staff have received certificates for Carbon Neutral and Carbon Footprint as a result of its participation in Carbon Offsetting Program, organized by TGO at QSNCC, BKK; A program that promotes activities to reduce global warming in Thailand.

The Certificates demonstrate that an Organization (or Person) has a positive contribution to sustainability and responsibility in Climate Protection. Furthermore, through the monitoring and inspection of emission sources within an organization, certification offers valuable indications of how to lower CO2 emissions to protect the environment



Delta Thailand Received Certificates For Carbon Neutral And Carbon Footprint



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2.3 CSR Commitment and Organization

2.3.1 CSR Commitment

Delta also place a strong emphasis on corporate governance. Through continued innovation, developing high value-added products and building a working environment where employees can reach their full potential. We maximized benefits for our employees, shareholders and society as a whole. Furthermore, we abide by relevant Laws and CSR principles^{*7}. The principles cover several key aspects including corporate governance, sustainable development, social contribution, information transparency, and more. All of the principles were approved by the Board.

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. as well as global businesses With Delta employees and partners involved, the book addresses climate action plans, shares their concerns on climate change issues, and enhances the Company's international influence 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. In response to global warming, all members of Delta Electronics participate in energy-saving actions.



Commit to report climate change information in mainstream reports as a fiduciary duty

Disclosing Climate Change Information

According to Climate Disclosure Standards Board, Delta discloses comprehensive climate information in our main report, as well as in our annual financial report.



Commit to responsible corporate engagement in climate policy

Influencing Carbon Reduction Policies

Delta also seek to influence carbon-reduction policy by providing the government with policy advice on green technology, as well as contribute to the development of the energy and climate policy white paper, carbon footprints for building specifications, and elevator power recovery in building standards with the Business Council for Sustainable Development of Taiwan's (BCSD-Taiwan).



Commit to adopt a science based emissions reduction target

Voluntarily Reducing Carbon Emissions

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%. This commitment is expanding to Delta's major plants, R&D/office buildings and data centers

^{*7 :} For "Delta Corporate Social Responsibility Best Practice Principles", please visit the Delta website, go to the Corporate Governance Information section, and download them. Website: http://www.deltaww.com



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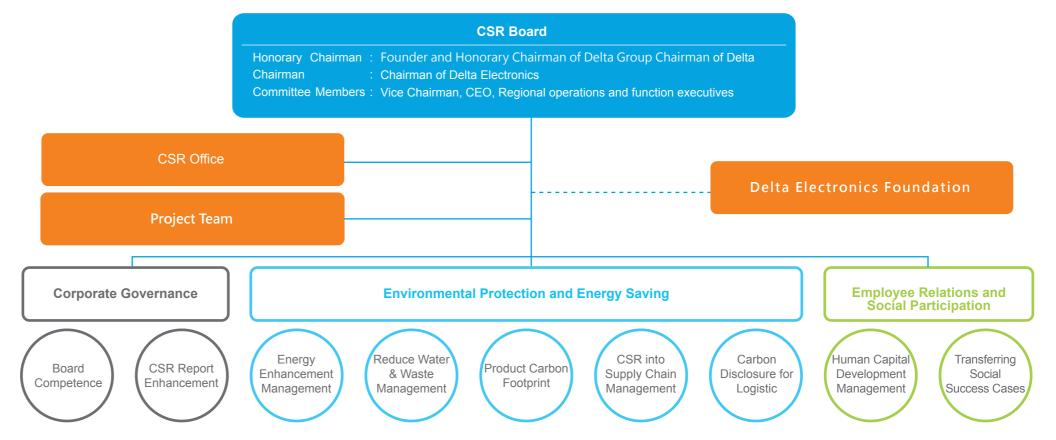
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2.3.2 CSR Organization

The top CSR organization within Delta is the CSR Board. Mr. Bruce Cheng, founder and honorary chairman of Delta, serves as honorary chairman of the committee, while Chairman Yancey Hai acts as the chairman. The committee is composed of the following members: vice chairman, CEO, COO, top executives from different locations and functional management. 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 Office serves as the ssecretary for analyzing international trends in sustainable development and understanding stakeholder expectations to identify the risks and opportunities for Delta on relevant issues and climate change, they may impact business operations and carry out mitigation and adaptation. 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 Foundation. The foundation focuses specifically on the three areas of: energy sources and climate change.

green buildings, and talent cultivation. To effectively implement the three areas of corporate governance, environmental protection, and employee and social participation,the CSR organization is 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 9 project working groups to promote the integration and implementation of related cross-department efforts.





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2.4 In support of international Initiatives







In addition to committing to the three goals of the CDP's "We Mean Business" campaign, we have taken the issues raised by stakeholders that echo the UN Sustainable Development Goals (SDGs), as references to determine Delta's main priorities in sustainable development methods.

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.



Delta advocates the anti-corruption initiative launched by the World Economic Forum (WEF) in 2004 and the formulation of the "Ethical Corporate Management Best Practice Principles" *8 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.



Every year, Delta's audit department implements regular checkups and actively checks on the manufacturing processes in Taiwan and China. By implementing mechanisms such as point system control, Delta aims to prevent any violations. Every Delta employee is personally responsible for the maintenance of the company's reputation according to the highest moral standards. Violations of this code are regarded as inappropriate behavior, which will be penalized according to the relevant company regulations and handled according to local laws. All employees are requested to observe those norms and regulations to guarantee the rights and benefits of Delta and all involved parties. In addition, Delta has formulated the "Management Procedures for Handling Charitable Donations or Sponsorships" to regulate donations and financial contributions by the company and guarantee greater transparency across all activities.

^{*8.} Please visit our website to download "Ethical Corporate Management Best Practice Principles": http://www.deltaww.com

^{*9.} For actual implementation of preventing violations of the Code of Conduct, please refer to the section on Internal Controls in 2016 Delta Annual Report.

^{*10.} Please visit our website to download the annual report: http://www.deltaww.com



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3 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 through materiality analysis, so that we can take the necessary actions and enrich the content of our information disclosures.

Employees



Important Issues to Stakeholders

Employee-employer relationship and compensation

Human capital development

Corporate governance

Labor rights

Communication Channels

Employee Welfare Committee and communication meetings

Employee satisfaction survey

Delta corporate website

Delta F-news

Suppliers



Important Issues to Stakeholders

Occupational Health and Safety

Supply chain management

Green operations

Climate strategy

Communication Channels

Delta CSR website

Supplier training program

Supplier e-commerce system

Supplier audit

Customers



Important Issues to Stakeholders

Environmental policy/management system

Customer relationship management

Water resources managment

Corporate governance

Product stewardship Green operations

Brand management

Communication Channels

Delta corporate website

Regular customer review meeting

Channel partner meetings

Customer satisfaction surveys

Brand News Bi-monthly

Customer audits

Delta CSR website & CSR report

Communities



Important Issues to Stakeholders

Environmental policy/Management system

Water resources management

Climate strategy

Green operations

Social contribution and philanthropy

Product stewardship

Communication Channels

Delta CSR website & CSR report

Delta Electronics Foundationofficial website

Public welfare organizations

Volunteer activities

Delta official website

Investors (Shareholders)



Important Issues to Stakeholders

Customer relationship management

Innovation management

Corporate governance

Risk management Codes of conduct

Brand management

Communication Channels

Delta CSR website & CSR report

Delta corporate website and annual financial report

Investor forum

Annual shareholder meeting Institutional investors visit

Investors services mail

Meeting with institutional

investors

Institutional investors' conference

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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 Committee has defined our major stakeholders to be employees, customers, suppliers, investors (shareholders) and communities.

Supplier

Interval: Quarterly



Channel: Interval: Quarterly Employee and Director Meeting

Major Issue:

- Improve the living environment of the plant
- · Improve the working environment and safety

Response Summary:

- · Conduct administrative satisfaction surveys regularly
- · Arrange workplace monitoring regularly

Channel: Interval: Every 2 years Employee Engagement Survey

Major Issue:

Employee engagement survey in Taiwan and China

Response Summary:

In response to failing three employee engagement indicators in Taiwan and China, the business department and factories were asked to come up with an improvement plan.

Channel : Analyst Meeting

Interval: Quarterly

Major Issue:

Future growth strategy

Response Summary:

- · Delta shall increase growth through M&A
- Delta shall continue R&D research and new business development.

Major Issue :

Suppliers Meeting

Channel:

- Define the technical criteria of our "Environment-related Substance Management Guidelines" and the service capabilities that can be offered externally
- · Strengthen supplier's manufacture procedure management

gradually enhance working hour management

Response Summary:

- Establish management measures for green materials in accordance with international regulations and customer requirements
- · Share self-improvement experience and good examples



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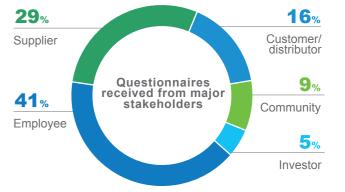
3.2 Identification of Material Aspects and Boundaries



Delta analyzes the significance of sustainable development issues based on GRI G4. 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 24 issues for investigation.
- . Review the boundaries of 24 of these 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 1,205 questionnaires back and have analyzed them. The response rate was 76%, with the response rate of external stakeholders at 59% or higher.

Aspect	CSR Key Issues
Governance	 Innovation and R&D Risk management Brand Management Operations Management Supplier Management Codes of Conduct Customer Relationships Management
Environment	Climate Change (Mitigation Adaptation) Environment Policy/ Management System Product Responsibility Carbon Management Green Operations Water Resource Management Energy Management Green Product Management Waste Management
Society	 Social Engagement Employer-Employee Relations Stakeholder Communication Occupational Safety and Health Employee Wage and Benefits Human Rights Talent Incubation and Training Talent Retention & Retention





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The UNDP Sustainable Development Goals (SDGs) were set in 2015 and designed to make planned actions with human health (people), ecological sustainability (planet), economic prosperity (prosperity), peace, and cooperation (partnership). To be successful, SDGs must rely on innovative corporate products and technologies as well as the cooperation of governments, the United Nations, supranational organizations, and multivariate stakeholders. Corporations must focus on this trend, and use SDGs to optimize their corporate CSR strategies. They can use their core competencies as their foundation to develop operations, products, and supply chains, and serve society to create a sustainable development path blueprint that will also facilitate the maximization of synergy.

Over many years, Delta has upheld our mission "To provide innovative, clean, and energy-efficient solutions for a better tomorrow" through continuous product innovations as well as research and development of energy efficient products. Business operations have undergone continuous improvements in energy usage efficiency. Moreover, Delta has also promoted environmental and basic science education. Combined with SDG's, not only does Delta's long-term CSR strategy align with United Nation's goals. but also invoked the reevaluation of the core of Delta's future development strategies in order to derive future commercial opportunities from international business trends.

		Operation	Supply Chain	Product	Social
May Y İİİ	No Poverty				
STREET HEWIZER ((()	Zero Hunger			•	
Wash	Good Health and Well-Being				
ALITY LEXTEN	Quality Education	•	•		
∰ ()	Gender Equality	•	•		
EAN WATER II SANTANIDA	Clean Water and Sanitation	•	•		
DEDURE AND AN ENERGY	Affordable and Clean Energy	•	•	•	
1 NOS. HO MC CRIMIN	Decent Work and Economic Growth	•	•		
TEL SHEWEN STATISHED R	Industry Innovation and Infrastructure	•			
JAMINES	Reduced Inequalities	•	•		
TAMABLE CITIES COMMENTIES	Sustainable Cities and Communities	•			
SPANSEE: NOLMPION SPRENCIEN	Responsible Consumption and Production				
MATE IDN	Climate Action				
AL MITM	Life Below Water				
E ILAND	Life on Land				
IZ SO	Peace and Justice Strong institutions				
MEENPE IN COMES	Partnerships for the Goals				
_					

Delta Value Chain and Corresponding SDGs



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- Delta's corporate social responsibility (CSR) working group representatives utilized their professional expertise and created a questionnaire survey to evaluate the impact level of Delta' various operations.
- 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 change (mitigation and adaptation), Innovation and R&D development, Carbon Management, Talent Education and Training, Green Supply Chain CSR Management, Energy Management, Green Operations, Water Resource Management, Talent Retention & Retention Goals Retainment, Corporate Governance, Customer Relations Management, Brand Management, and Product Responsibility.



Stakeholder Materiality Analysis



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• Corresponding topics from the UN 17 Sustainable Development Goals and the stakeholders 13 topics of concern:

Most Important Issues	Details	Response SDGs	Reference Page Number
Climate Changes (Mitigation · Adaptation)	5.2 Proactive Response to Climate Change	SDG 13	P.46
Innovative R&D	4.3 Innovation	SDG 9	P.30
Carbon Management	5.3.3 Carbon Management	SDG 13 ,17	P.52
Employee Training and Development	6.2.6 Human Resource Management	SDG 4, 9, 12	P.78
Sustainable Supplier CSR Management	4.7 Strengthening Green Supply Chain CSR Management	SDG 12 , 13 , 17	P.36
Energy Management	5.3.4 Energy Management	SDG 7 , 12	P.48
Green Operations	5.3 Delta's Green Promise and Vision	SDG 6 , 7 , 9 , 11 , 12 , 13 , 15 , 17	P.49
Water Resources Management	5.3.5 Water Resources Management	SDG 6	P.57
Talent Attraction & Retention	6.2.5 Talent Attraction & Retention	SDG 4, 9	P.76
Corporate Governance	Corporate Governance	SDG 7 , 11 , 12	P.25
Customer Relationships	4.6 Transcending Customer Expectations	SDG 12 , 17	P.35
Brand Management	4.4 Enhancing Brand Value	SDG 17	P.32
Product Responsibility	5.4 Green Products and Services	SDG 7 , 11 , 12	P.61



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• Based on CSR committee meeting discussions and resolutions, there are six major SDGs that are important for Delta's future direction.





QUALITY EDUCATION

Delta's four major promotions of education and life-long learning: 1) Create the DeltaMOOCx platform as a foundation for science education. 2) Promote environmental education regarding energy resources, water resources and green buildings. 3) Sponsor the Northern Thailand Project and the China Renewal Foundation's "Pearl Retrieval Program" to help raise the number of education opportunities for Chinese families; and 4) Internally promote Delta's corporate university.



AFFORDABLE AND CLEAN ENERGY

The creation of a reliable and sustainable clean energy system is currently a top priority. Delta is committed to developing solar power systems and renewable energy solutions. Moreover, Delta utilizes emerging business models, for example, the construction and operation of a solar energy plant in Ako, Japan. Delta also provides renewable energy solutions to underdevelopment areas. For example, installing renewable energy systems in Zimbabwe hospitals.



INDUSTRY, INNOVATION AND INFRASTRUCTURE

Delta is accelerating the industry's innovation and supporting the construction of a sturdy infrastructure, which is the optimal solution to the dual issues regarding climate change and sustainable development. Internally, Delta has formulated an incentive system to continuously accumulate innovative momentum, to provide customers around the globe with energy saving solutions. Application areas include smart manufacturing and low carbon transportation.



RESPONSIBLE CONSUMPTION AND PRODUCTION

Sustainable consumption and production is the foundation of a corporation's sustainable operations. Delta upholds its operational mission "To provide innovative, clean, and energy-efficient solutions for a better tomorrow." by supporting green production measures, local procurements, using low-carbon logistics, promoting green factories and green operations. This allows sustainable consumption and production methods to be continuously implemented in daily operations.



CLIMATE ACTION

Properly responding to climate change, its impact, and related countermeasures, is a major test of a company's sustainable operations strategy. Delta, pursuant to adaptation and mitigation management of climate risk outside of strengthening industrial infrastructure, also announced a climate action plan and science-based targets (SBT) while continuously exploring climate change business opportunities.



PARTNERSHIPS FOR THE GOALS

Climate change is an issue which corporations worldwide are responsible for. Delta has participated in COP activities and held international green building exhibitions to provide sustainable perspectives and increase opportunities for industry exchanges. Moreover, pursuant to its three commitments with the CDP/We Mean Business, Delta has promoted global partnerships with practical action.



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4.1 Key Performance Indicators



Market Value

>13,810 MUSD

Brand Value

~ 225 MUSD

Group Revenues

~ 7,782 MUSD

Group CAGR

~ 31%

(1971-2016)

R&D Investment Ratio

~ 7.2%

Granted Patents

~ **7,850** patents

Main Endeavors

- 《DJSI》 Delta Listed on Dow Jones Sustainability Indexes (DJSI) for 6 Consecutive Years - Global Electronics Equipment Industry
- 《CDP》 Delta was selected for it's Climate Change Leadership A- Level in 2016
- 《Global Views Magazine》Corporate Social Responsibility Awards - Delta Wins 2 First Prizes for 4 Consecutive Years
- 《CommonWealth Magazine》 Delta Honored with CSR Excellence in Corporate Social Responsibility Awards for 10 Years
- 《Taiwan Stock Exchange》 Delta Wins the Taiwan Stock Exchange Corporate Governance Assessment Award for 2 Consecutive Years
- «Taiwan Institute for Sustainable Energy» Delta Received Taiwan Corporate Sustainability Awards for 4 Consecutive



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Echoes the UN Sustainable Development Goals



Alignment with SDGs



Partnerships for the Goals

Delta solidified its commitment to the environment and actively participates in international carbon reduction



Peace and Justice Strong institutions

Promoted supply chain conflict minerals management to assist in eliminating inequality.

Supported international corporate operation initiatives by promoting integrity and anti-corruption measures in internal corporate operations and supply chains.



Climate Action

Reduced carbon emissions through supply chain carbon footprint management and supplier cooperation.



Responsible Consumption and Production

Assisted suppliers in reducing operation costs through supply chain carbon footprints or energy saving and carbon reduction management.



No Poverty

Set up manufacturing center in India and continuously increase local procurement ratio, to assist economic development for developing countries.



Quality Education

Provided ESG training and assisted in the creation of supply chain CSR capabilities in order to enhance sustainability.



Gender Equality

Used EICC supply chain management as highest governing principle to ensure the supply chain is free of gender discrimination.



7 AFFORDABLE AND CLEAN ENERGY

Clean Water and Sanitation

Utilized Delta's own solutions for its Ako Energy Park in

Japan and developed an emerging business model that

Delta shared its experience with suppl chain, regarding water resource saving from global green buildings as well as identifying water scarcity risks.



Reduced Inequalities

Supply chain implemented EICC audit counseling, to eliminate work place discrimination and ensuring disabled people's rights.



Industry Innovation and Infrastructure

Established the "Delta Innovation Award" encouraging individual and team innovation.



Decent Work and Economic Growth

Committed to contributing to R&D innovations to establish a variety of incentive systems to improve innovation capabilities.

Affordable and Clean Energy





4.2 Board of Directors Functions and Risk Management

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4.2.1 Enhancing the Board of Directors Functions

Delta Electronics Board of Directors consists of 13 board

members, with each term consisting of 3 years. Chairperson Yancey Hai's primary responsibility is perfecting corporate governance and presiding over board of director meetings. To strengthen corporate governance, the positions for the board of directors are selected through an election nomination process. The board of directors is currently composed of directors with the relevant in commercial affairs, finance, accounting, and business, with four independent directors serving for 3 year terms. The board of directors' independence. diversity, and strategic leadership capabilities are facilitated through the overall configuration of the company's board of director's selection according to Delta Electronics' "Director's Election Rules" and "Corporate Governance Practices Code". This means the board has members from different professional backgrounds. expertise, and genders, with future plans to introduce female board members. Delta Electronics' Board of Directors must have the following abilities: the ability to make judgments in operations and management, accounting and financial analysis abilities, crisis management abilities, equipped with knowledge of the industry, possess international market perspective, leadership ability, and decision-making abilities. knowledge of the industry, an international market perspective, leadership ability, and decision-making abilities. In order to develop and improve the highest governing institution's overall knowledge of economics, environment, and society, Delta Electronics conducts annual in-service training for the chairpersons by inviting outside lecturers as well as arranging for external training for chairpersons. In recent years, training topics include International Financial Reporting Standards, Board of Directors & Supervisor conflict of interest and its avoidance, corporate integrity management and corporate social responsibility, directors and board of directors performance evaluations. The 2016 directors in-service training topics is "How do conduct business operations while ensuring protection of trade secrets and fraud prevention to strengthen corporate governance against new internet threats and developing trends.

Board of Directors

Board meetings are convened at least once a quarter to assess corporate business performance and discuss important strategy topics. This includes impacts, risks, and opportunities in relation to economics, environment, and society. In 2016, there were a total of five board meetings with an average attendance rate of over 90%. The important decisions of the board of directors are instantaneously publicized on the Taiwan Stock Exchange Market Observation Post System as well as Delta's main website corporate governance section *9. Delta Electronics also publicly provides the company's proceedings and board meeting topic regulations for reference. In 2016, the board of directors stipulated the "Board of Directors Performance Assessment Measures" to implement corporate governance that improves the Delta Electronics board of directors' capabilities and creates performance indicators to strengthen the board's operational effectiveness.

Delta Electronics' board of directors has several functional committees composed of independent directors, including a compensation committee and an audit committee.

Compensation Committee

Delta created the compensation committee to facilitate the link between the Board of Directors' assessment of chairpersons, supervisors, and manager compensations standards and corporate operations performance as well as determining dividend ratios in accordance with manager remuneration and corporate numeration policy reacommendations and in 2016, two meetings took place. Moreover, Delta regularly participates in industry and consulting company's salary surveys as well as evaluate how Delta's compensations fair with the current market. Delta has created an incentive system in accordance to certain compensation issues with the help of external human resource consultation companies. Annual employee dividends amounts are decided after the Board of Directors agrees with the suggestions of the Board of Shareholders and are released in the company's annual reports.

Audit Committee

The position of Delta Electronics' supervisor from the audit committee was made pursuant to the Securities and Exchange Act. They are responsible for the supervision of the company's financial statements, choosing the accountants for their independence and performance, the effective implementation of internal controls, ensuring that the company follows relevant laws and regulations, and to assess the existence and potential risks to the company. A total of five board meetings were held in 2016. In addition, Delta Electronics Board of Directors' members and operations team have also jointly formed an operations strategy management committee. Every year, the independent directors and global regional directors are invited to participate in a strategy meeting on the company's institutions, regions, and technology. These meetings are used to adjust organizational and strategic development and improve operational performance in response to market changes and rapid technological progress.



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4.2.2 Implementing risk management

Through Delta Electronics R&D, manufacturing, and sales position in the industry, the company does not need to engage in high-risk, highly leveraged investments. In addition, when forming the remuneration committee's regulations, the committees' authority was expressly stipulated, it may not lead directors and managers to pursue remuneration from behaviorthat brings greater risk to the company.

Internal audit mechanisms

In addition to an audit committee under the jurisdiction of the Board of Directors control over the monitoring of the company's existing or potential risks, Delta has established an independent internal audits department. This department supervises the control and completion of the Annual Audit Plan. The department also reports to the members of the Board of Directors and tracks continued improvements. In addition, to allow the internal audit concepts to spread throughout the company, Delta utilizes a rotating internal audit system to train supervisors with auditing knowledge and capabilities.

Risk identification and management

Delta's operating risks are effectively reduced through departments divided by professional expertise to carry out detailed risk identification. These groups also develop management strategies and response programs to reduce, transfer, and avoid risk.



Financial Affairs Risk Management

Risk is reduced through rigorous control and appropriate tax planning, credit risk control, and financial crisis predictive modeling. In addition, market capital and bank interest rates are regularly assessed, as well as prudent fund raising methods to hedge actions against exchange rate changes.



Information risk management

A company-wide information management system to control and preserve information security provides management echelons with fast, effective, and transparent operations management information that reduces information security risk.



Corporate investment risk management

Evaluates long-term investment efficiency and actively cooperates with the operations department to seek strategic subjects to timely provide non-core investment projects. In addition, the department is responsible for investment assessment, review, supervision, and management to strategically reduce, transfer, and avoid risks.



Safety and health management

Identification risk levels factors in the risk occurrence probability, staff operation frequency, and risk severity. Moreover, departments set relevant control measures based on determined risks levels





Environmental risk management

Considers regulatory requirements, management status impacts in both internal and external environments as well as adjusting improvement priorities. This is to establish management plans and indicators which are regularly reviewed and evaluated.



Provides internal legal advice, product liability insurance renewal and settlement of claims, and handling legal issues and litigation to assist the operations department to process patents, trademarks, and other related intellectual property matters. It also provides anti-trust education and training to reduce, transfer, or avoid associated risks.





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Commitments

- · Innovative corporate culture
- · Focus on core product efficiency
- Invests 6-7% of its annual revenue into its R&D budget

Key Initiatives for the Alignment with SDGs

Delta Innovation Awards

Started in 2008, the "Delta Innovation Awards" promotes and supports an innovative internal company culture. The awards are divided into the areas of technology and products, process reshaping, and new modes of operation. Over the years, there have been 43 winning teams with a total prize money exceeding 35 million NTD. In 2016, there were 5 winning teams.

· Idea Bank

Delta plants also established procedures to improve the proposal incentive system. For example the Wujiang Plant in Chine established the "Idea Bank" platform to encourage the proposal of innovation improvements, which in turn enhances overall productivity.

· Cultivate professional talents

Cooperation with the world's top universities to cultivate high quality power electronics professional talent

Authorized Certifications

Established an IP incentive award system and assisted individual departments to compile an IP smart risk map, totaling approximately 7,850 authorized certifications.

Technology Strategy Meetings

Periodically held global technology strategy meetings to expand new horizons and advance the development of new commercial opportunities.

Technological Seminars

Delta research facilities periodically hold group technological seminars to exchange technology development results.



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The Delta Research Center was formally established in 2013. The Center combines the ideas of services and software, thus enhancing cross-functional, cross-system collaboration efficiency. This, in turn, has enhanced Delta's transformation into a solutions provider as it fulfills our commitment to Delta's brand promise of "Smarter. Greener. Together."

Delta has established R&D centers all around the world, and each year it invests 6-7% of its annual revenue into its R&D budget. Delta also has an industry-academia cooperation program working with the top international universities of Virginia Tech, MIT, Case Western, and several Taiwanese universities. Delta periodically holds technology conferences examining the latest technology and its usage around the globe. Delta's corporate culture emphasizes on innovative R&D, which has allowed the company's switch power supply efficiency to improve year after year. Since 2002, Delta's switch power supply have ranked number 1 in the world. Since 2006, Delta's DC brushless fans have also ranked number 1 in the world. Delta continously improved power efficiency of it's switch power supply, for example, the current efficiency of switch is 90%, with telecom power efficiency reaching the world's highest at 98% and solar inverter reaching 98.8%. Automobile DC-DC converter has reached an industry-leading efficiency of 94%. Delta also developed the world's first "80 Plus" titanium-grade server power supplys, with an efficiency of 96%.

Short and Long-term R&D Planning

Delta's short-, medium- and long-term R&D goals can be classified into product and market objectives.

(1)Product objectives: In the short run (2017), we will continue to develop new products and work on vertical integration applications and system solutions. We will also continue to enhance product quality and cost management, promote production automation, comply with advanced environmental regulations, shorten the product design cycle, reduce the sales-to-delivery cycle, and increase flexibility in global delivery. Over the medium



Five teams received "The 8th Delta Innovation Award in 2016

to long term, we will continue to focus on R&D, enhance R&D efficiency, improve the application and duration of patents, increase product applications, and lower production costs.

(2)Market objectives: In the short term, we will continue to cultivate industrial automation and advanced energy management markets, such as energy sources for communications, data centers, and power adapters for alternative energy sources, and expand our market share in advanced cooling fans. Over the medium to long term, we will expand into the automotive parts and components, medical electronics, and infrastructure fields by leveraging our competitiveness in the alternative energy market.

Delta holds a world-leading position in the fields of industrial and building automation, network communications, electric vehicles charging systems, data center infrastructure, renewable energy, and display solutions. Delta's corporate R&D center is targeting smart commercialization principles, examining manufacturing, life, and learning in relation to smart manufacturing, smart lifestyles, smart learning, smart commercialization, and other key areas. By continuously expanding innovation, we help improve the industrial manufacturing process and improve the quality of life and learning with smart technology.

For new applications, Delta has laid out development plans for IoT, biomedical technology, and the automotive market. We strive for software and hardware integration and the use of big data analytics to provide solutions and products with learning abilities. We also plan to establish other core competencies and apply them in areas such as energy management.

Future Plans

- · Encourage corporate interdepartmental cooperation and innovation
- · Understand market innovation bellwethers
- Become the company that encourages innovation the most





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4.4 Enhancing Brand Value



Brand Positioning

Delta' brand emphasizes innovation and energy conservation featuring a combination of business development and corporate social responsibility. When faced with today's rapidly changing industry ecology, Delta always seeks to seize on the latest global industry trends. As such, Delta has responded to the calls for environmental protection and energy conservation in the face of climate change by creating highly efficient and reliable energy-saving solutions that continuously provide innovative value for our customers and consumers.

"To provide innovative, clean and energy-efficient solutions for a better tomorrow." is both our corporation mission and our commitment to environmental protection. From our core competencies to product development, Delta is committed to its

brand promise of "Smarter. Greener.Together." This not only embodies Delta' own demands for itself, it is also a commitment to investors, customers, and employees alike. We believe deeply in bringing together leading technology and customer cooperation to continuously create highly efficient, reliable power and component products, industrial automation, energy management systems, and consumer productss. Delta dedicates to providing industry customers and consumers alike with a variety of products and services that support a smart, environmentally-friendly future.



Delta Brand News website

Best Taiwan Global Brands

Since 2011, Delta has continuously been listed on Interbrand's brand valuation

Top 20 Best Taiwan Global Brands

In 2016, Delta's brand value once again took a leap forward ,compared to 2015

rising 13%

2016 Delta's brand value reaching

225_{MUSD}

Delta's brand value is the fourth consecutive year

delivering double-digit growth for 4 consecutive years



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Pushing for Corporate Social Responsibility in External Brand Communication

Delta has significantly improved its brand strength through our commitment and participation in international activities and initiatives. In addition to our participation in the COP 21 United Nations Climate Change Conference 2015, Delta held the "Delta 21 Green Buildings - Delta Green Building Exhibition" and held a number of official side events.



In June 2016, we brought this exhibition idea to China's Academy of Arts & Design, and we combined green buildings with the Chinese people's cultural aesthetics, to give the exhibit a unique look. The exhibit moved to Paris: then Beijing, with its own exhibit contents; and then Taipei's Huashan Park in September, 2016 with the themes "flowers, bugs, and stone", integrating the unique language and methods of the people of each location. This created a diversity of green building displays, while also portraying Taiwanese society's concern for energy conserving in building designs. At the same time, we also worked with Global Views Monthly to publish the new book "Following Delta's Path: Making Green Buildings", which covers Delta over 20 green buildings around the world and showing the construction process and energy conservation experience

of the company. Delta also produced a documentary that describes its green buildings and shares the stories of how they came to be, with key managers, scholars, and architects behind the projects sharing their personal views. The documentary uses their clear professional viewpoints and aesthetics to help the public fully appreciate the respect for nature that green buildings show.

In addition, during the Huashan Park exhibition, we invited important industry guests, clients, and distributor partners to experience Delta' corporate culture and efficiency first-hand by sharing Delta's green building energy saving solutions. Our hoped is that everyone will promote, expand, and inspire our partners to implement Delta's brand promise of "Smarter. Greener. Together."

In order to provide an unified brand image to the public, Delta has integrated the group's resources and through global exhibitions, coveyed to customers and vendors alike, the positioning and the commitment behind the Delta brand. Delta has participated in various industry exhibitions including Hannover Messe, CIIF, Techno-Frontier. During these exhibitions, Delta has arranged large-scale CSR branding advertisements to be shown across important airports, train stations and transport hubs. At global exhibitions and international press conferences, Delta has also used a 360 degree surface to share its green building energy saving and carbon reduction initiatives in response to COP21.

Internal Brand Communication -Achieving a CSR Consensus Among Employees

For the past few years, Delta has bi-monthly issued brand newsletters to encourage the development of a consensus as well as share Delta's effort in developing branding. Since 2015, the digital version of the bi-monthly newsletter went life and in 2016, an update was implemeted regarding videos and social media links. Not only does this enrich our employees reading experience, but we also share these with our partners. Delta has used a significant part of its resources to provide brand communication and training to offices around the world. This way, employees can better understand the the brands story, positioning, and CSR. We sincerely hope that CSR can can surpass that of being just a part of company culture, but also merge employees as who they are. This way, everyone at Delta can become a profound spokesperson for Delta.

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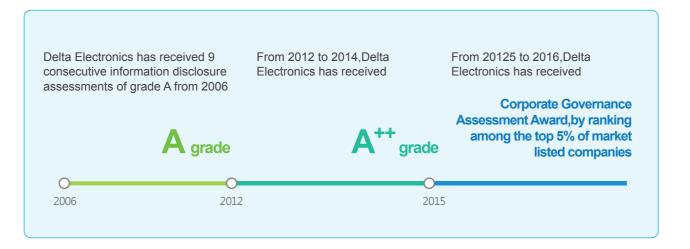
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4.5 Comprehensive Information Disclosure and Shareholder Communication

Before the implementation of relevant legislation, Delta took the initiative and publicized our 6 months financial statements which have been submitted for the approval of accountants. At the same time, we immediately made public announcements on the Taiwan Stock Exchange. Through Delta Electronic's website, you can download the Chairperson's Report of the Shareholders, company's annual reports, financial statements, corporate governance regulations, stock value and dividend information, legal briefing sessions, and the relevant rules and regulations regarding our committees



Delta Electronics won the Taiwan Stock Exchange's 2015 & 2016 Corporate Governance Assessment Award for 2 consecutive years and acknowledgment of its outstanding performance in the evaluation of its projects in implementing corporate governance, maintaining shareholder equity, strengthening the board of directors' functions, enhancing information transparency, and corporate social responsibility.

Delta Electronics holds an investors' conference every quarter, where the company's quarterly financial numbers, corporate operations situation, and future project information is publicized and explained. The investors' conference process also provides a simultaneous live webcast, allowing overseas investors to have simultaneous access to this information. Delta Electronics has a high ratio of foreign investors. As such, we attach a great amount of importance to proper communication with foreign investors through participation in annual investor meetings and through direct visits to foreign shareholders in Asia, Europe, and the United States. In addition to describing operation conditions to foreign investors, we also factor in positive advice from the various stakeholders related to corporate operations, financial affairs, and corporate governance. At the same time, we also fully cooperate with domestic and international visits and welcome non-periodic visits from investor representatives to see our global manufacturing bases and exhibitions.

In 2016, Delta Electronics participated in a total of 21 foreign investor meetings and over 300 investor interview conferences. Delta Electronics is the first in the industry to use voting by poll for all of the meeting items. which facilitated the participation of smaller stockholders in company decisions and their right to vote. The voting situation and results are immediately disclosed to the public. We are also committed to providing feedback to the various suggestions provided by stockholders at the annual Shareholders Meeting to provide reference for future strategies. Moreover, Delta Electronics also provides investors with a services hotline and email address, with professionals providing detailed responses to individual investor inquiries.



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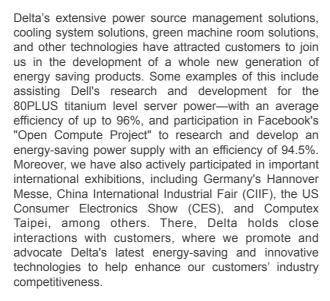
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4.6 Transcending customer expectations



Delta also fully utilizes the advantages of our green energy and energy-saving products for full system integration. Our environmental exhibitions and green buildings have influenced our customers to come for forth for consultation regarding energy saving and carbon reduction business opportunities. For example, in the desert of Nevada, USA, Delta participated in the construction of a 6.48 million square meters concentrated solar power plant. Delta provided a highly precise tracking control system for the more than 10 thousand highly reflective solar mirrors, which assisted in providing 500 million kWhof electricity.

Customer Satisfaction Survey

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

technology research and development, system design, and program development. We also humbly accept our customers' quarterly business review (QBR), while also taking the initiative to issue questionnaires on customer satisfaction. We then take these various forms of customer feedback to continue our improvements. Delta engineers are encouraged to directly communicate with customers. This allows engineers to understand customer issues at the product design phase, while also gaining an accurate understanding of end market demands through consultations and recruiting experts from a variety of industries.

To achieve an in-depth understanding of customer satisfaction with Delta's products and services, we regularly host an Annual Customer Satisfaction Survey to explore potential market opportunities and design products to exceed client expectations. To better understand customer suggestions for the direction of Delta's products and services, we also proactively participate in customer satisfaction surveys conducted by third-parties either online or through talks with experts. In China, for example, Delta actively participates in the "UPS Power Supply System Technical Development and Innovation Forum and 12th UPS and Power Supply System User Satisfaction Survey" and has received UPS User Satisfaction Awards for four consecutive years. We also undertake Quarterly Business Reviews for suppliers in collaboration with our customers. These inspections and in-depth interactions with our customers allow Delta to precisely match customer needs and enhance service quality accordingly.

In 2016, Delta's major operatingunits investigated the satisfaction levels of 120 major customers, receiving 118 responses fora questionnaire return rate of 98%. The average satisfaction score was 84%, fully representing customer satisfaction with Delta's products and services.

Customer FAQ

To maintain customer interest, Delta provides a variety of communication channels to customers. This includes our official website, service hotline, and email. Pursuant to customer feedback and quality websites, Delta's various operating units have stipulated administrative mechanisms to simultaneously supply proper handling of

the issues. For example, in China, the Delta Group subsidiary Delta Greentech has already constructed 48 subsidiary offices and service centers, which allow our technical personnel to respond to customer inquiries within twohours and provide required services within 48 hours.

Client Confidential Information Protection

Forcustomer information protection we have an effective, specialized system for customer information management and give customers strict rights to control the access strategy and process. Delta deploys related DLP software and implementation with relevant ISO 27001 measures all over the world. Delta Thailand also achieved ISO27001 certification in 2014.

Customer Knowledge Platform

To provide customer service personnel with even more comprehensive professional capabilities, we established a customer knowledge platform that accumulates technical product information, project opinions, accident analyses, and professional repair experience information, and provided employees with reference exchanges. Realizing the strong market potential of China and India, Delta established an ERP customer relationship management system. This system utilizes previous efficient, effective, and high-quality customer interactions to anticipate customer demands and exceed their expectations.

Our distributionpartners across the world have become Delta's global market vanguard. With our industrial automation products, we have over 700 distributors across 5 continents that help provide customer business consulting services, product installation, technical support, product training, and other services, all of which effectively convey Delta's brand value and corporate mission. We regularly hold activities with our distributors, including those in India, North America, South America, China, and Europe. To maintain close relationships, we share with our distributors overall market trends, product planning, and after-sales service, and reward outstanding sales partners.

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Commitments

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 of Delta, they are also partners in our promotion of a sustainable business as well.

To strengthen green management from suppliers, Delta has established short- and medium-term objectives for the key indicators below. To effectively promote and implement such management, Delta has also drafted relevant promotional procedures.

Critical suppliers with completed CSR Evaluation

2016 Performance

100%

2016 Target : 60% 2017 Target : 100% 2020 Target : 100%

Main material suppliers with completed CSR Evaluation

2016 Performance

80%

2016 Target : 80% 2017 Target : 85% 2020 Target : 100%

Obtained both quality control certification and environmental management certification

2016 Performance

86%

2016 Target : 86% 2017 Target : 88% 2020 Target : 100%

Key Initiatives for the Alignment with SDGs

- · Purchase order management
- Supplier verification and risk management
- Energy saving and carbon reduction /water resource management
- Main supply chain CSR management



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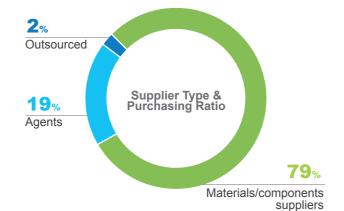
4.7.1 Localized Management

Localized management is primarily focused on localized procurement management, materials management, and conflict minerals management:

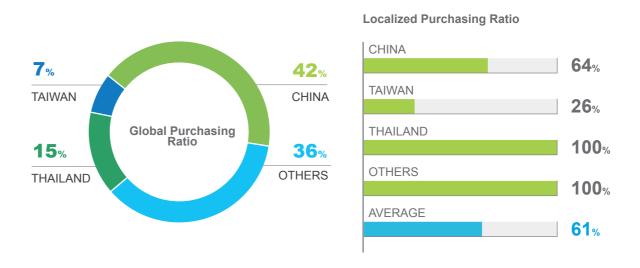
Localized Procurement Management

Delta's products and services cover three major aspects including batteries and parts, energy management, and smart and green living.

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 expenditures, direct materials are the major proportion accounting for 95.3% in 2016. 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 of up to 79%. 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 2016, green purchasing of raw materials in the non-production category was 2.55%.



In recent years, Delta has grown into a solutions provider, with the supply chain continuously expanding. Taking powersupplies as an example, there were 38 newly added suppliers in Delta's supply chain system. In addition, 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 is committed to the promotion and implementation of corporate social responsibility, while simultaneously calling on its supply chain to promote. We assess the CSR structure of first and second-tier suppliers using questionnaire surveys to analyze their current situation in relation to corporate governance, environment, and social factors. We then utilize that information in combination with our experience in promoting CSR to make "risk blueprints" that identify high-risk suppliers. We also regularly carry out CSR audit counseling and hold training sessions with common study materials to inspire potential suppliers to join the green supply chain.

Materials Management

The main materials used by Delta include: Metals ` Plastics ` Chemicals ` packaging or buffer packaging materials ` Other materials. Renewable materials accounted for 30% weight of wooden boxes, pallets and cartons in 2016. Using recycled paper accounted for 88.7% of all paper packaging materials. No substances harmful to the ozone layer are used during our production processes. Output in 2016 was slightly higher than that of 2015 and the consumption of metal materials increased by 1.4% respectively. Delta supply chains adopt carbon-reduction methods, and for example the use of packaging materials instead of in cartons with plastic box reuse, and reduce the use of packaging materials by 16.7%. The consumption of organic solutions used in the production process decreased by nearly 5.2% due to a change of product mix. (subsidiary Eltek excluded).

SELTA

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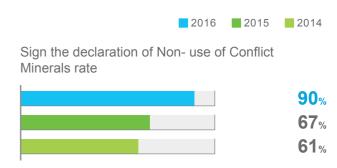
Materials Management Items



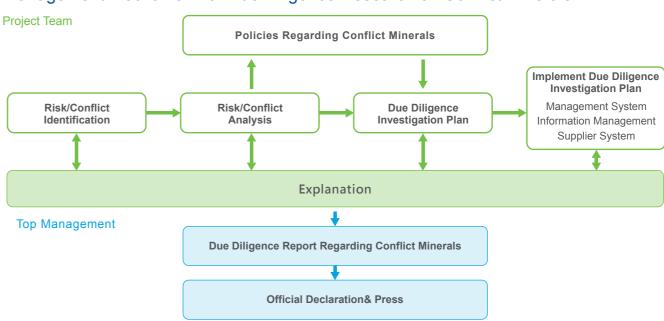
Control of Conflict Minerals

Delta has a strict policy and management system for not using conflict minerals. According to the Organization for Economic Co-operation and Development (OECD) "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas", due diligence policies and management systems should continuously make active and passive assessments of the management of suppliers' potential use of conflict minerals. By taking these actions, Delta's supply chain is ensured of both respecting human rights and not participating in conflicts.

Delta implements a policy to ban conflict minerals. In addition to requesting suppliers of power supply products of 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 2016, about 90% of main material suppliers have signed the "Statement of Non-use of Conflict Minerals". Currently, Delta has not yet seen any conflict merials 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.



Management Mechanism for Due Diligence Research on Conflict Minerals





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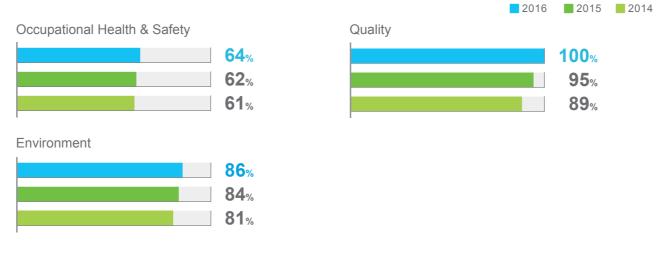
4.7.2 Supplier Certification and Risk Management

In response to international supply chain trends, customer demands, and local regulations, Delta has used its years of experience in corporate social responsibility to formulate supplier CSR policies as guidelines for sustainable supply chains. Below is a description of related risk management actions:

Supplier ESG Certification

For the requirements of establishing the management of a sustainable supply chain, Delta requests that new suppliers obtain certification of relevant systems for Quality, Environment, and Occupational Health & Safety, as well as sign an "Integrity Statement" and an "EICC Commitment Statement". For quality certification, all of Delta's qualified suppliers must obtain ISO9000 certification. For Occupational Health & Safety certification, Delta requires 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. During 2014~2016, with power supply product samples, key suppliers obtaining certification of relevant systems for a quality, environment, and Occupational Health & Safety increased each year, as shown in the chart below:

During 2014~2016, the percent of key suppliers for power supply products obtaining certification of relevant systems for quality, environment, and Occupational Health & Safety.



Supplier Risk Management

The risk evaluation that Delta undertakes for its suppliers is primarily based on environmentally-related material management, CSR questionnaire and training, EICC audits, and Supplier ESG (environmental, social, and economic) Risk Management. Please see below for further details:

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.

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 the 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 for ERS verification as an example:

2014	2015	2016
Numbe	ers of high-risk su	ppliers
305	234	217
Nur	nbers of audits ta	ken
50	118	65
Numbers of re	estricted/quaranti	ned suppliers
255	116	114
Ter	rmination of contr	act
5	7	5



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Implement EICC audit

To lower ESG risks in the supply chain and improve competitiveness, Delta began promoting EICC Verification Consultation in 2012. Delta performs EICC verification. Delta set up an annual verification plan with the aim of complying with EICC.Our 2016 target was to finish the inspection of 50 high-risk suppliers,Our 2016 objective was to finish the inspection of 50 high-risk suppliers, in which initial inspections of 23 suppliers and follow-up inspections of 27 suppliers were undertaken. The ratio of supplier EICC verification was about 100%.

Delta audit suppliers



1,152 items requiring improvement

in particular management systems and occupational health

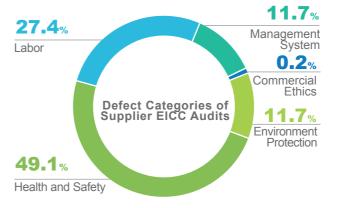


564

items requiring improvement

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 provides experience in introducing and promoting Delta's Management System for the reference of suppliers. In 2016, the ratio of improvements in defects of supplier EICC verification reached about 64% and we will improve defect by CSR questionnaire and risk identification.



Supplier ESG (Environmental, Social, and Economic) Risk Management

To expand to the operations of Delta's overall supply chain system, suppliers that account for the top 80% of Delta's annual procurement and those that provide key components are listed as high-volume suppliers and designated as our key targets for conducting audits and for promoting improvements. Through Delta's long-term mission of striving to implement CSR in practice, we have initiated comprehensive information disclosure in terms of environmental, social, and corporate governance aspects. We have undertaken CSR Questionnaire research for Delta's tier 1 and tier 2 high-volume suppliers, and surveyed 506 suppliers in total. Using tools including Risk Map, we have identified potential risks in terms of economic, environmental and social aspects from our supply chain, and we lower potential bottlenecks in our suppliers through CSR on-site audits, and coaching and collaborative training activities. To encourage suppliers to implement CSR in practice, we begin by adopting positive reinforcement, where points are added to high-performing suppliers in quarterly business reviews (QBR). By effectively disclosing the economic, environmental and social information of our suppliers, we have identified a total of 17 suppliers whose average self-assessment questionnaire scores are lower \ than 70 points and who

have breached local environmental regulations within the last three years through analyzing the risk identification results. These firms have been classified as high-risk suppliers, and we will continue to expand our supplier CSR research and audits in the future to effectively monitor and to improve our supply chain.

2014	2015	2016			
	High Risk				
109	114	104			
Audit times					
NA	402	412			
Numbe	ers of restricted su	ppliers			
NA	24	21			

In 2016, Delta identified 104 suppliers with high ESG risksfor power supply product samples. In response to potentially high-risk suppliers, Delta set up dedicated teams of EICC / SQE/ VQA/CE/CPC at its plants, to conduct a daily management audit and consulted suppliers on a regular basis, particularly for CSR-related issues such as employees' occupational safety. employee welfare, as well as the usage of raw 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.



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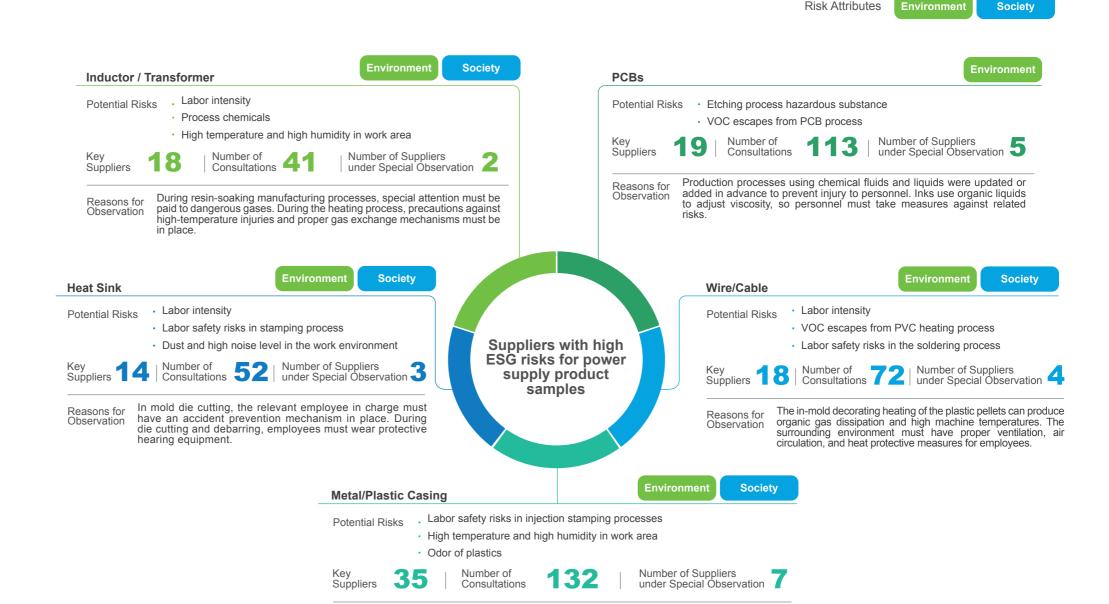
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The work area surrounding the automated stamping area has strict safety

regulations. Special attention must be paid during plastic injection molding for high-heat injury risks and the environment must have strengthened gas exchange

特別列管原因

systems.



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4.7.3 Energy Saving and Carbon Reduction /Water Resource 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.

Energy Saving and Carbon Reduction Management with Suppliers

Packaging Materials Recycling

Delta cooperates with major processing factories to recycle packaging materials such as EPE, paper, and more.

Take adaptor products for example .

packing materials 91% Saving USD 113 million

Pallet Recycling and Reuse

Delta works with local suppliers to use recycled foundations and battens of wooden pallets.

Delta's Wujiang Plant recycled foundations and battens of wooden pallets, saving an estimated

USD 96,409 in operation costs

Green Logistics

Major global distribution centers cooperate with logistics providers to implement transportation cost optimization, consolidated delivery, Milk Runs, packaging design, container packaging and selection of optimal delivery routes, and other relevant measures.

Compared to 2015, Delta's total savings for air freight costs in 2016 were about 14.8%

Introduction of Energy Saving and Carbon Reduction Products and Solutions

Delta assists suppliers introduce energy saving products or solutions, such as LED Lighting, inverter, energy management systems, and more.

Delta cooperated with $39\,$ suppliers to introduce energy saving products and solutions in 2016.

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.

Take power supply products for example

Delta have saved in 2016

packing materials costs

Water Resource Management

To assess water resource risks in the supply chain caused by climate change, Delta has used the Water Risk Atlas Tool developed by WRI. The Water Risk Atlas 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 suppliers and 180 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.

Corporate synergy system handling

Pursuant to our Cleaner Production Corporate Synergy System Operations Plan, Delta brought the corporate synergy system to key manufacturing centers along with 8 other key satellite manufacturers to promote low-emissions management and supplier CSR management principles. This effectively lowered the impact of our operations on the environment. Both our central and satellite manufacturers were pushed to worked together in tandem with the counselors and consultants at over 30 factory locations. There, they proposed 35 cleaner production method improvements and it is expected to save 7,746 MWh, save water 375 thousand tons of water and reduce CO2 emissions by 4 thousand tons in 2108.

Future Plans

- Deepen the green supply chain's CSR management and compliance with EICC regulation standards
- Construct green supply chain audit counseling mechanisms to implement ESG disclosure and improvements.
- Demand improved supply chain social participation





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5.1 Key Performance Indicators



Electricity savings for Customers

>20,800 million kWh

2010-2016

Electricity Savings of Green Buildings

>14.54 million kWh

2016

Green Power Production

~ 6.9 million kWh

2016

Reduction Target of Electricity Intensity by 2020*11

30%

Compared to 2014

Energy-saving practices at global factories

~1,177

2011-2016

Energy Consumption Reduction of non-IT Equipment*12

Compared to 2015

Main Endeavors

Enhancing energy efficiency of products

- Telecom power supplies achieve up to 98% efficiency
- PV inverters achieved up to 98.8% efficiency
- Automotive DC-DC converter achieves as high as 96% efficiency

Eco-label certifications *13

- · 66 ventilation fans awarded "ENERGY STAR Most Efficient Products"
- 266 power supply products certified as 80 PLUS
- · 47 products achieved the Taiwan Energy Label certificaion
- 34 products achieved the Taiwan Green Mark certification
- 43 products achieved the China CECP certification

100% of main plants achieved ISO 14064 verification

- · China plants -Dongguan, Wujiang, Wuhu and Chenzhou plant
- Thailand plant -Thailand plant 1,5,6
- Taiwan Plant -Taoyung plant 1 and Taoyuan plant 2
- · Cyntec -Hsinchu, Huafeng

^{*11} Delta has committed to further reducing its electricity intensity by an additional 30% by 2020 (2014 as benchmark). Energy Intensity (EI)=(Purchased electricity-exception electricity / Production value). Production value is based on before intercompany elimination and except product value of subconctracting.

^{*12.} Power Usage Effectiveness=Total electricity usage by Data Centerequipment (IT equipment+Non-IT equipment)/IT equipment electricity usage, (2014 as benchmark), to calculate the percentage of non-IT equipment electricity usage

^{*13.} Eco-label benchmark statistics as of 2017/3/24



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Echoes the UN Sustainable Development Goals



Alignment with SDGs



Partnerships for the Goals

Assisted in compiling energy and climate policy white papers and called upon the local government to boot its attention to related policies.

Responded to the three commitments behind CDP/We Mean Business by actively reducing our carbon emissions.



Life on Land

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



Climate Action

Issued a climate action to exert a wider positive influence.

Committed to the fight against climate change and seizing related business opportunities.



Implemented sustainable manufacturing to reduce factories' impact on the community.



Improved the efficiency of energy and raw materials usage. Implemented green design and green packaging.

No Poverty

Provided developing countries with renewable energy solutions, enhancing energy accessibility.



Clean Water and Sanitation

Improved water resource usage efficiency.

Developed green building and water-saving technology.

7 AFFORDABLE AND CLEAN ENERGY

Affordable and Clean Energy

Developed solar tracking technology for solar power systems, increasing the attractiveness of renewable energy.

Enhanced renewable energy usage in our factories.

Industry Innovation and Infrastructure

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



6 CLEAN WATER AND SANITATION

Sustainable Cities and Communities

Developed electric vehicle solutions to promote sustainable transportation. Developed green buildings to assist in sustainable urban development.



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5.2 Proactive Response to Climate Change



Commitments

Delta Electronics has incorporated climate change into its corporate sustainable management's major risk categories, while utilizing mitigation and adaptation in its management practices. In an effort to minimize the impact on climate, Delta is devoted to precise management of promotion of Green Operations, Energy Management, Carbon Disclosure, and Green Building/Factories. In addition, Delta Electronics actively uses Vulnerability & Risk Maps to further analyze climate opportunities and accumulate R&D momentum to develop green energy, product energy reduction, and solution changes, as well as strive to be a solution provider for green energy saving.

Key Initiatives for the Alignment with SDGs

- Research and analysis of global risks and energy policies of major countries focused on carbon emissions reduction.
- Utilization of risk map to identify climate change risks.
- · Building of capabilities to adapt to climate change risks, and further reduce potential risks.
- · Engagement towards climate change-related opportunities.

5.2.1 Mitigation

Global Risk Analysis

- In 2017, the World Economic Forum released the Global Risks Report, Of the top five major risks, environmental risks ranked third. This included extreme weather events, large-scale natural disasters, and climate change mitigation and adaptation. The report also described that in the coming decade, the three major risks will be "severe economic disparity", "global climate change", and "increasing polarization"". Climate change will be a major deciding factor in global development in the coming decade.
- The United Nations Environment Programme (UNEP) published "The Emissions Gap Report 2016", in which it describes that within 10 years after the Paris Accords become effective, even if all countries carry out their National Determined Contributions (NDCs) to reduce global greenhouse gas emissions, greenhouse gas emissions will still exceed 12 billion metric tons—the target to keep warming below 2°C—by 2030. However, if individual countries only implement "no criteria" NDCs, that number will expand to 14 billion metric tons.
- According to the UN's 5th IPCC (AR5) report, in order to keep global temperature under 2°C by the turn of the century, immediate changes in energy usage efficiency as well as the promotion of corporation carbon reduction are required.

Energy Management Policy and Major Global Emitters

- The US is the world's second largest country in terms of carbon emissions. For the Nationally Determined Contributions (NDC), the US has declared that their carbon reduction target is 26~28% by 2025.
- For the NDC, 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 its 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 products and manufacturing process.



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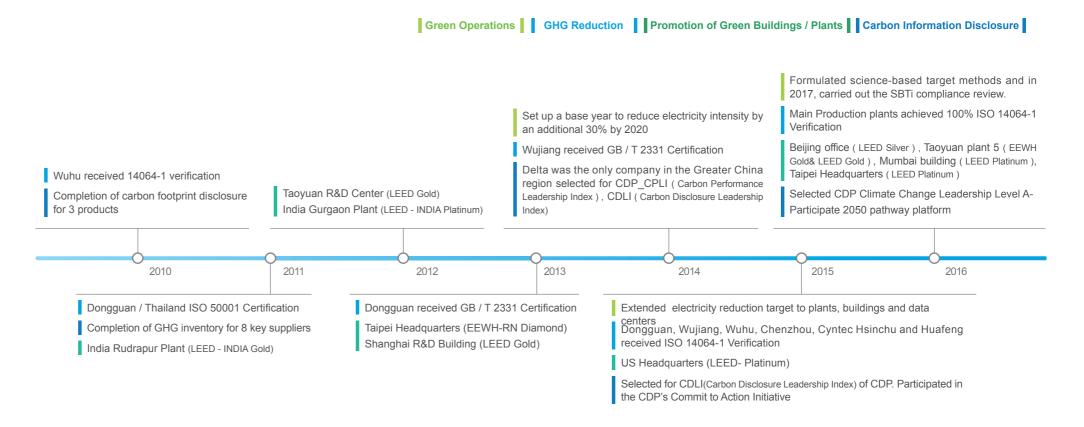
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Delta's Key Achievements in regards to Climate Change Mitigation



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 period of 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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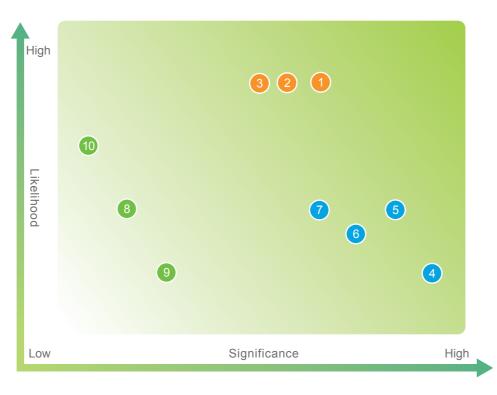
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5.2.3 Climate Change Risk Analysis

Delta employs Risk Maps that identify a total of 10 risks caused by climate change. We also actively manage 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 main plants to improve energy efficiency, and to implement a low-carbon procurement and logistics policy.



- 1. Rising greenhouse emissions
- 2. Rising energy costs
- 3. Rising ecological taxation
- 4. Disruption of the supply chain
- 5. Climate change adaptation
- 6. Persistent extreme weather
- 7. Environmental violation
- 8. Environmental disclosure
- 9. Water supply crises
- 10. The legal risks from third parties

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:

Develop Clean Energy

- Our main strategies in this field include the development of solar 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 become a mainstream trend. Delta has therefore developed a series of electric vehicle charging solutions as well as automotive electronics technology.

Enhance Energy Efficiency

 Delta focuses on a constant improvement of the conversion efficiency of its power supply products, and actively develops key components and charging solutions for electric vehicles.

Provide Energy-Saving Solutions and Services

- Our business can be divided into three major categories: Power Electronics, Energy Management and Smart Green Life. The company is evolving into a provider of green solutions.
- We continue todeploy our energy-saving solutions, such as the Delta Energy Online energy monitoring system, in a wide range of industries and applications.

Future Plans

Our future plans include setting up a climate risk adaptation project team to establish a climate change risk assessment and to come up with an adaption mechanism. These measures will have a phased implementation into Delta Electronics' major factories in Taiwan, China, and Thailand. We will also regularly evaluate mitigation and adaptation response measures to enhance the management of climate change disasters.



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5.3 Delta's Green Promise and Vision



5.3.1 Environment Information Disclosure

Information on the total input (energy, resources and materials) and total output (greenhouse gases, air pollutants, waste, and wastewater) of our global production plants from 2014 to 2016 are compiled in the table below.



Energy

Purchased Electricity (MWh ²⁰¹⁵ 441.242 2016 **461,909** ²⁰¹⁴ 417,720

Diesel (MWh) ²⁰¹⁵ 5.632 2016 5,011 ²⁰¹⁴ 8.835



Gasoline (MWh) 2016 2015 2,923 2,996 2014 2.724

Natural Gas (MWh) 2016 2015 19.124 22.170 ²⁰¹⁴ **17.653**

2016

N/A

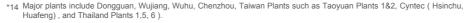
Liquid Petroleum Gas (MWh) 2016 ²⁰¹⁵ **49.123** 52.906 ²⁰¹⁴ 48,229



Municipal Water (km3) 2016 ²⁰¹⁵ 4.547 4,471 ²⁰¹⁴ **4.667**



Solar Power (MWh) 2016 ²⁰¹⁵ 5.509 6,907 ²⁰¹⁴ 5.675



^{*15} In consideration of the comprehensive scope and quantities in the total count of the waste, we will factor in the domestic waste in the primary production sites into management and review, as well as adjust the data from 2014~2015.





General Waste (ton) 2016 2015 8,449 2016 9,382 2014 10.845

Hazardous Waste (ton) 2015 3.384 3,354 2014 2.729

Resource Waste (ton) 2016 2015 26.176 29.037 2014 26.125

Total Waste (ton) 2016 2015 38.010 41.773 2014 39.699





Process Waste Water (km3) 2016 2015 246 258 2014 301







Recycled Electricity (MWh) 2016 2015 69.110 310.470 2014 51.389



Direct Emiss	SIONS	(ton CO2e
2016	2015	21,673
19,900	2014	23,481

21,673 23,481	²⁰¹⁶ 350,974	²⁰¹⁵ 343,094 ²⁰¹⁴ 324,698
- 00 \	Direct+Indire	ct Emissions

Business	Flights (t	on CO2
2016	2015	3,297
4,441	2014	3,016

2016 2015 364.767 370.874 2014 348,179

Indirect Emissions (ton CO2e)

^{*16} The GHG emissions were summarized based on the GHG boundary and GHG inventory reports of the global production plants above. Business Flights are only for Taiwan Employees.



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5.3.2 Green Buildings / Factories

Since the construction of Delta's first green factory/office building at the Southern Taiwan Science Park in 2006, we witnessed the drastic reduction in environmental impact of green buildings. To fulfill our promise on sustainability, all future Delta Electronics plants and offices shall utilize green building concepts.

As of 2016, Delta had 11 certified green factory/office buildings globally, which include Taiwan (Taipei Headquarters, Taoyuan, Tainan), China (Shanghai, Beijing), India (Rudrapur, Gurgaon, Mumbai office) and the USA (Fremont, Ca.). Our Tainan branch was awarded Taiwan's Green Factory Label and the first clean production certificate for general industry in the country. Compared with the energy use intensity (EUI, kWh/m2/year) of conventional local buildings, Delta Group's 11 certified green factory/office buildings saved, in total, 14.54 million kWh of electricity in 2016, thus, preventing 9,675 tons of CO2 emissions.

In addition, Delta published a book describing its experience in the creation and promotion of green buildings entitled "Building Green Buildings with Delta" to promote awareness for green buildings and creating a sustainable environment. Delta's green buildings adopt energy-saving practices and also achieve several benefits:

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



Delta's 11 certified green factory/office buildings

Delta Taipei Headquarters (Inaugurated in 1999)

EEWH-RN Diamond, LEED Platinum (Building Renovation)

Application of Energy- saving Technologies

- High efficiency HVAC systems
- Energy regeneration from elevators \
- LED lighting solutions
- Energy management systems

Highest Benefits in Energy-Savings

• EUI:101<EUI baseline: 242*17 • Energy-saving rate 58%

Tainan Plant Phase I (Inaugurated in 2006)

EEWH Diamond

Application of Energy- saving Technologies

- Concave shielding and natural lighting
- · Buoyancy ventilation towers
- · LED lighting and SolarPV systems
- Energy regeneration from elevators
- · Water recycling system (rainwater and cooling water)

Highest Benefits in Energy-Savings

- FUI: 149<FUI baseline: 242*17
- Saved 38% compared to traditional buildings

Taoyuan R&D Center (Inaugurated in 2011)

LEED Gold

visualization

Application of Energy- saving Technologies

- Combination of green building. design, building automation solutions, and management
- LED lighting and Solar PV systems
 High efficiency HVAC systems
 - Energy regeneration from elevators

Highest Benefits in Energy-Savings

• EUI: 114.7<EUI baseline: 242*17

· Saved 53% compared to traditional buildings

Tainan Plant Phase II (Inaugurated in 2013)

EEWH Diamond

Application of Energy- saving Technologies

- Shading design
- Natural lighting, buoyancy ventilation
- towers, and tunnel ventilation
- · LED lighting and solar PV systems energy regeneration from elevators
- Water recycling systems (rainwater and cooling water)

Highest Benefits in Energy-Savings

• EUI: 121<EUI baseline: 242*17 • Saved 50% compared to traditional buildings

Taoyuan plant 5 (Inaugurated in 2015)

LEED Gold . EEWH Gold

Application of Energy- saving Technologies Techniques

- HVAC Smart ventilation system
- Elevator energy saving solutions
- LED illumination solution
- Solar power optics system

Highest Benefits in Energy-Savings

• EUI:236.6>EUI baseline: 242*17 • Saved 2% more energy than traditional buildings



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

Shanghai R&D Center (Inaugurated in 2011)

LEED Gold

Application of Energy- saving Technologies

- Solar PV systems
- Datacenter solutions
- · LED lighting solutions
- · Energy management system

Highest Benefits in Energy-Savings

- EUI:72<EUI baseline: 120*19 Saved 68% compared to
 - residential buildings

Beijing Office Building (Inaugurated in 2012)

LEED Silver

Application of Energy- saving Technologies

- LED lighting solution
- Energy management system

Anaerobic sewage treatment

and recycling systems

 Centralized lighting control
 Energy-saving variable frequency drives

Highest Benefits in Energy-Savings

• EUI:33.7<EUI standard: 124*21 • Saved 73% more energy than traditional buildings

Delta US Headquarters (Inaugurated in 2015)

LEED Platinum

Application of Energy- saving Technologies

- Energy management system
 Solar optics system
- Use of geothermal system Data Center Solutions solution

Highest Benefits in Energy-Savings

• EUI:21.6<EUI standard: 212^{*20} • Saved 90% more energy than traditional buildings

India Rudrapur Plant (Inaugurated in 2008)

LEED-India Gold

Application of Energy- saving Technologies

- Natural lighting
- · High efficiency HVAC system
- Solar PV system LED street lamps
- Anaerobic sewage treatment and recycling systems

Highest Benefits in Energy-Savings

- EUI:51<EUI baseline: 210^{*18} Saved 76% compared to traditional buildings

India Gurgaon Plant (Inaugurated in 2011)

LEED-India Platinum

Application of Energy- saving Technologies

- Natural lighting
- · High efficiency HVAC system
- Solar PV system
- LED street lamps

Highest Benefits in Energy-Savings

• EUI:103.7<EUI baseline: 210*18 • Saved 51% compared to traditional buildings

India Mumbai Office Building (Inaugurated in 2015)

LEED Platinum

Application of Energy- saving Technologies

- LED illumination solution
- Energy management system
- · Centralized light control
- · HVAC smart ventilation svstem

Highest Benefits in Energy-Savings

• EUI:52.3<EUI standard: 210*18 • Saved 75% more energy than traditional buildings

^{*17 &}lt; 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. In 2017, Delta will refer the new EUI: 163.1 kWh/m2/year published in December 2016.

^{*18.&}lt;UN and Indian Bureau of Energy>United Nations Development Programme - Energy Efficiency Improvements in Commercial Buildings, Page 40. Commercial building average EUI: 210 kWh/m2year (parking lot not included).

^{*19.&}lt;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/m2year (included parking). In 2017, Delta will refer the new EUI: 86.2 kWh/m2year published in May 2016.

^{*20: &}lt;Energy Star> U.S. Energy Use Intensity by Property Type, page 4. Office building (parking lot not included) median EUI:148.1kBtu/ft2(212.3 kWh/m2year).

^{*21: &}lt;The Energy Foundation > Study on Energy Conservation Potential and Promotion Mechanism for Civil Buildings in Beijing, page 25. Large scale public building (parking lot not included) average EUI:124 kWh/m2year.



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5.3.3 Carbon Management





Commitments

In 2015, Delta Electronics publicly responded to the Global Carbon Disclosure Project and joined the "Commit to Action" carbon reduction activity for businesses. Delta committed to three major initiatives of "We Mean Business", which include: climate change information disclosure, influencing carbon reduction policies, and corporations reducing carbon in the face of the low-carbon revolution, and providing practical applications.

Key Initiatives for the Alignment with SDGs

- Corporate autonomous carbon disclosure and achieve third-party GHG verification
- Response to commitments of "We Mean Business" to set up Science-Based Targets.
- Analysis of international carbon trends and implementation of an internal carbon pricing system.

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 main plants 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 main plants have progressively achieved ISO 14064-1 GHG verification. As of 2016, 100% of Delta's main production sites have achieved ISO 14064-1 verification.

To effectively manage greenhouse gas emissions of our main production facilities, we set 2014 as the base year and use the greenhouse gas intensity (ton CO₂e/MUSD) as the main management indicator.

In 2016, our factories had direct carbon dioxide emissions totaling 19,900 metric tons CO₂e and indirect carbon dioxide emissions of 350,974 metric tons CO₂e. The Scope 1 greenhouse gas intensity is 2.9, compared to the 2014 baseline year, Scope 1 greenhouse gas intensity (3.34) declined by 13.2 % as stoves use the clean energy of natural gas instead of diesel since 2014; Scope 2 greenhouse intensity is 51.2, which compared to the 2014 baseline year, Scope 2 greenhouse gas intensity (46.3) increased by 10.6%. The main reason is the electricity usage increased and the production value declined at our main plants.

2016 GHG Emissions of main plants in Taiwan, China and Thailand						ions (ton CO2e)
CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	Total
357,846	5,300	92	2,117	5,511	9	370,874

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

Since 2010, Delta has cut down on non-vital travel and initiated the calculation of GHGs by recording worker flying miles. In 2016, following Delta's internal policies regarding Globalized Management and Improvement of Customer Relations, an increase occurred compared to 2014.



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In 2016, Delta expanded compliance with the "GHG Protocol" in the areas of scope, purchased goods and services, up and downstream transportation, distribution, business flights and waste disposal. We have achieved ISO 14064-1 GHG verification, which covers around 97 % of the total emissions

Scope 3 GHG Emissions			(ton CO ₂ e)
Purchased goods and services	1,516	downstream transportation and delivery	17,534
Use of sold products	338,077 *22	Waste generated in operations	104
Upstream transportation & distribution	10,035	Employee Business trip	4,144

Specific Achievements on the "We Mean Business" Initiative

Delta proactively executes energy conservation and carbon reduction efforts as part of its long-term focus on sustainability. After the 2015 Paris Climate Summit, we publicly committed to the Carbon Disclosure Project's (CDP) "Commit to Action" carbon reduction campaign. This requires Delta Electronics to disclose its climate change information, policies relating to carbon reduction, and our role in a joint corporate revolution to reduce carbon, and to put those notions into practice.

Pursuant to climate change information disclosure, Delta joined the CDP in 2007. For two consecutive years since 2014, we listed on the CDP's Climate Disclosure Leadership Index (CDLI) and listed on Climate Change Leadership level A- in 2016. In addition, we have disclosed all relevant climate information and data in our annual reports in accordance with the framework created by the Climate Disclosure Standard Board (CDSB).

In response to the commitment to disclosing our carbon reduction policies, we simultaneously published the "Delta Climate Action Plan," in which we describe our path to confront to global warming. We also take part in the Business Council for Sustainable Development of Taiwan (BCSD-Taiwan)'s Energy and Climate Policy White Paper, and have promoted the use of meteorological data in Building Information Modeling (BIM) and the integration of energy-saving elevator systems into national energy use standards.

Pursuant to individual corporate carbon reduction, in 2015 Delta signed into the program set by the CDP, the UN Global Compact, World Wide Fund for Nature, and World Resources Institute (WRI), for the "We Mean Business" Science-Based Target Initiative (SBTi), providing a science-based emission reduction target for sustainability commitments. The commitment to keep global warming below 2°C is based on a scientific calculation that determines global carbon budgets for reasonable emissions for specific industries companies. In 2017, we officially carried out the SBTi compliance review.

Aligning with international trends on corporate internal carbon pricing

After COP21, the international community gradually came together and agreed to put a price on carbon emissions. The World Bank's Carbon Pricing Leadership Coalition (CPLC) already has more than 10 governments and more than 100 corporate responses. The United Nations and the World Bank have also created the strategic organization Business Leadership on Carbon Pricing, which calls on corporations to commit to internal carbon pricing and to jointly publish a carbon pricing guide.

Internal carbon pricing represents a company's willingness to internalize the related economic costs of carbon emissions. This also supports a company's decarbonization strategies' tools and risks management tools, and helps transform their investment strategy. By changing the focus towards low-carbon economic development, it allows us to respond early to regulations regarding greenhouse gases.

As a good corporate citizen Delta has long been committed to internal carbon pricing development trends. We continuously study global corporate case studies, global carbon market research reports, and international development trends to help determine our carbon price.

Future Plans

- To approve Science-Based Target initiative verification and achieve respective targets.
- Manage a phased integration of an internal carbon pricing mechanism from carbon pricing regulations to promoting test cases, to assess internal carbon price's impact on business operations.



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5.3.4 Energy Management



Commitment

From 2009 to 2014, Delta reduced the electricity intensity in its production process by 50%. Delta promised to widen the extent of electricity reduction beyond factories, to include R&D centers, office buildings and data centers. By using 2014 as a benchmark, Delta plans to lower its electricity intensity by a further 30% by 2020, thus, contributing further to a meaningful reduction of carbon emissions.

Factory Energy
Reduction

Management Indicators

El (Annual electricity usage/\$ million production value)

30%

El reduction by 2020 Benchmark Year 2014

*23b

R&D/Office Building

Energy Reduction

Management Indicators

EUI (Annual electricity usage /Space area)

30%

EUI reduction by 2020 Data Center
Energy Reduction

Management Indicators
PUE (total facility electricity usage/IT
equipment electricity usage)

30%

Benchmark Year 2015

reduction in electricity consumption of non-IT equipment by 2020 Delta's energy sources include fossil fuels such as natural gases, diesel, petroleum, and liquid petroleum, as well as purchased electricity in main production locations of Taiwan, China and Thailand.

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. Diesel has seen seen less usage recently doing to stoves running on natural gases instead.

Electricity & steam

Since 2014, Delta has ceased to purchase steam. According to GHG data analysis, electricity purchase is the main source of Delta's GHG emissions (95%). Again, with 2014 as the base year, Delta has committed to further reducing its electricity intensity by an additional 30% by 2020.

Key points in stimulating SDGs development

- Expansion of Energy Management and implementing concrete targets.
- Energy on-line system
- R&D of High efficacy Products and Solutions

^{*23.}Details of Electricity Usage Reduction / a. Compared to 2009 benchmark factories (Greater China Area: Dongguan, Wujiang, Wuhu, Chenzhou, Taiwan Plants 1 & 2, Thailand Plants 5 & 6), with the addition of the Wujiang Refined Machinery Factory, Chenzhou Plant 2, Thailand Plants 1, Cyntec Hsinchu, Cyntec HuaFeng) / b.13 Buildings (RhueiGuang, Yang Guan, Tao San, Chungli 1 & 2, Tainan 1 & 2, Dongguan Technology Development, Wujiang Technology Development, Shanghai Technology Development, Japan, USA, Germany / c.4 Personal Data Centers (Taipei Headquarters, Wujiang, Delta Thailand, USA)



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Energy conservation Performance

Factory energy saving

In 2016, the electricity intensity of Delta's major sites was 66,859 kWh/MUSD. *24 Compared to 2014, main site overall energy intensity increased by 13.9%. The primary reason for this increase was the addition of new factories and facilities, a reduction in actual production value, and changes in client demands regarding production.

Energy Savings in buildings

From 2014 to 2016, Delta's EUI increased by 3.52%. This was primarily caused by an increase in the number of warm days, creating a higher average use of air conditioning in R&D facilities

Non-IT equipment electricity usage

From 2015 to 2016, Delta's non-IT power usage decreased by 2.2% thanks to the increased efficiency achieved through the use of outdoor natural air for thermal management in our data centers, and also to the reduced physical server quantities, increased equipment efficiency and lower overall electricity consumption.

Implementation of Energy Management System and an Energy on-line System

Since 2010, Delta has followed the ISO 50001 energy management system as a blueprint for gradual introduction of energy management systems to our main plants. In 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.

In 2011, Delta established a cross functional energy management committee to make energy management as part of business-as-usual. Delta also introduced Delta Energy Online System, an energy management information system developed in-house. The real-time monitoring and analysis functions provided by the system help identify more opportunities forenergy saving and carbon reduction at our main plants. In 2016, this system was implemented at all of Delta's main plants, R&D buildings and datacenters around the world.

Examples of Energy Conservation Practices

To promote sound energy-saving practices, Delta also set up an energy-saving technology task force under Energy Management Committee in 2011 to work with external consultants and internal experts and draw on their practical experience of saving energy in plants. The team analyzed outstanding energy-saving projects according to technology difficulties, payback periods, energy conservation results and applications, and set up a database of the best energy-saving practices. As a result, in 2016 Delta implemented a total of 373 energy-saving projects. It is Delta's vision to gradually implement these measures at all its major production sites around the globe.

Delta continuously carried out energy conservation and carbon reduction measures (see table below) in regards to air-conditioners, ventilation systems, air compressors, injection machines, lighting systems, burn-in energy recycling, process improvement and other dimensions from 2011 to 2016. The company put 373 energy saving projects into practice in 2016 and estimates that approximately 16.1 million kWh of electricity were saved and and that 13,313 tons CO₂e emissions were reduced in that year alone. Delta implemented a total of 1,177 energy saving projects from 2011-2016 with an estimated 151.5 million kWh of electricity saved and 124,462 tons of CO₂e emissions reduced accordingly. In 2016, Delta invested nearly NTD 1.5 billion in energy conservation and environmental protection measures in its factories.

^{* 24.} Exclusion area electricity usages a. Dongguan plant's electricity usages excluded electricity usages excluded electricity usages excluded electricity usages of data center, R&D building and Delsolar Plant electricity. c. Thailand plant's electricity usages excluded electricity usages excluded electricity usages of data center in Thailand plant 5.



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Delta implemented energy saving practices in plants from 2011 to 2016

Bolta Imple	omontod onorgy	daving praduodo	in plants nom 20	711 to 2010				
	Cases	Annual electricity savings (MWh)	Annual carbon reduction (tons CO2e)		Cases	Annual electricity savings (MWh)	Annual carbon reduction (tons CO2e)	
HVAC	Sum (2011~2016)	Sum (2011~2016)	Sum (2011~2016)	Λ:	Sum (2011~2016)	Sum (2011~2016)	Sum (2011~2016)	
HVAC	260	26,616	21,219	I	117	12,771	10,198	
	2015 2016	2015 2016			2015 2016	2015 2016	2015 2016	
	51 50	4,775 3,577	3,824 2,762		13 32	3,695 1,877	2,918 1,494	
'				1				
	Cases	Annual electricity savings (MWh)	Annual carbon reduction (tons CO2e)		Cases	Annual electricity savings (MWh)	Annual carbon reduction (tons CO2e)	
Injection	Sum (2011~2016)	Sum (2011~2016)	Sum (2011~2016)	Lighting	Sum (2011~2016)	Sum (2011~2016)	Sum (2011~2016)	
Molding Machines	22	14,378	12,481	Systems 102		10,852	8,904	
	2015 2016	2015 2016	2015 2016		2015 2016	2015 2016	2015 2016	
	0 1	Sum (2011-2016) Sum (2011-2016) 260 Sum (2011-2016) 2015 2016 2015 2016 3,824 2,762	401 660					
	Cases		Annual carbon		Cases		Annual carbon	
		3 1 7			Guoco	savings (MWh)	reduction (tons CO2e)	
Burn-in Recovery	` ,	,		Process	` ,	` ′	Sum (2011~2016)	
Systems	57	30,655	24,101	Improvements	275	20,912	16,686	
							2015 2016	
	9 9	2,081 1,516	1,698 1,238		62 59	5,933 2,442	4,818 1,984	
		Annual electricity	Annual carbon		0	Annual electricity	Annual carbon	
	Cases				Cases		reduction (tons CO2e)	
Other	` ,	,	i i	Total	` '	` ′	Sum (2011~2016)	
	282	35,231	30,804	· Star	1,177	151,522	124,462	
	2015 2016	2015 2016	2015 2016		2015 2016	2015 2016	2015 2016	

165

373

18,170

16,111

14,574

Future Plans

15

• Further implementation of energy conservation projects to achieve our commitment to a 30% overall decrease in power consumption by 2020.

4,928

914

· Commit to a deeper development of renewable energy.

138

1,182

5,458



13,313



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5.3.5 Water Resource Management

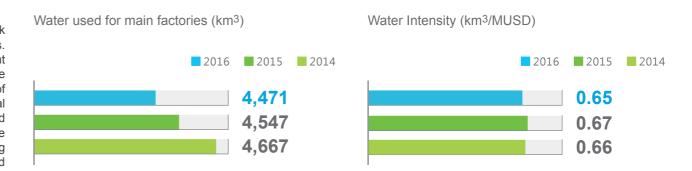
According to the World Economic Forum's (WEF) "2017 Global Risks Report" and the United Nations' "World Water Development Report", the world is facing a global water crisis. Our committed to maintaining world-class corporate social responsibility entails a decisive response to the global water shortage issue. As such, in 2011 we began utilizing the Global Water Tool made available by the World Business Council for Sustainable Development (WBCSD), and in 2016 we further utilized the WRI Aqueduct water resource risk assessment tool to evaluate local water resources and usage, along with the water consumption of our own facilities.

We utilize the World Resources Institute's water risk assessment tools in all of our major operations centers. According to the conclusion of tools, the water demand at our main operations centers is not in high-risk areas. The tools help us assess by identifying the relevant factors of water shortages, incidents of flood occurrence, seasonal variability, groundwater stress, and drought severity, and then develop relevant water conservation measures. These measures include installing water meters and water-saving equipment, wastewater reuse, rainwater storage and utilization, as well as promoting better water efficiency habits to our employees.

To implement these water resource management techniques, we first worked toward understanding the water usage situation of our global operations centers and their respective municipal water, and made sure they are not using ground water. According to statistical analysis, compared to 2015, our 2016 water usage dropped roughly 0.076 million cubic meters, a reduction of 1.7%. If we use water intensity (Km³ water usage/million USD of production value) as an indicator, water intensity in 2015 dropped 2.7%. The reason being production increased 1.1%, and water consumption dropped 1.7%.

Our major operations centers have continuously implemented water-saving measures over the years. These measures include recycling water condensation from our air conditioning systems for flushing toilets or irrigation, installation of water-saving faucets and devices, utilizing water efficient toilets, reducing water faucet output and toilet water tank levels, and monitoring the water level in our cooling towers.

For the future, we plan to further achieve effective control of our factories water usage and carry out our water reduction plans. In the main high water usage areas, such as cooling towers, restaurants, dormitories, and office areas, Delta will set water monitoring devices in key layers. In early 2017, we have set our water use reduction goal for 2020 and also reviewed water usage reduction program goals.





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5 3 6 Pollution Prevention

Wastewater Management

Wastewater at all of Delta's key plants 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 2016, there were no significant leaks or spillage incidents at any Delta's plants

Waste Management

All of Delta's main plants 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 plants designated by the government by qualified garbage disposal businesses.

The total weight of waste was 41,773 tons in 2016. Total waste volume slightly increased by 9.9% compared to 2015 of which the weight of general waste, resource waste and hazardous waste was 9,382 tons, 29,037 tons, and 3,354 tons. The ratio of resource waste was 69% and increased 0.9%, compared to 2015. If we use waste intensity (ton waste generation/million USD produced) as an indicator, waste intensity in 2015 increased 8.7%. This is due to the weight of general waste and hazardous waste, which increased 11.0% and 10.9%. Compared to 2015, the waste generation at main sites increased, mainly due to an increase in factory production items, an increase in employee headcount, and a plant re-layout as well as adjustments. For general waste, 55.6% was landfill. We did not identify any major illegal activity by our waste management vendors in 2016.

Air Pollutants Management

Equipment assembly is the main processing mode at Delta's main plants 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 damage to the surrounding air. In 2016, 36.9 tons of VOCs were generated.

Air pollutants generated by mainplants 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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5.3.7 Green Office

Delta's main plants continue to practice the following energy-saving measures for offices.

Office lighting -

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

Energy-Saving Office Measures

Office and testing computers have been changed to low-power PCs (Atom CPUs), or desktop machines have been replaced by notebook computers. In addition, we have purchased "ENERGY STAR" qualified office products such as computers, monitors, and printers.

Water-Saving Measures

All plants have adopted water-saving facilities, toilets, taps or nonflush urinals.

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.

5.3.8 Green Production

Besides improvements in energy savings, our main plants also continue to implement green production measures in the processes of optimization, automation, process simplification, jig optimization, and logistics improvements. At the same time, six sigma projects have been combined to actively advance R&D and process innovation. Statistics regarding the benefits of green production*25 from 2014 to 2016 are shown below:

Project Type	Implementation Summary	2014	2015	2016
Process optimization	Optimization of existing production processes	12.6	6.3	4.3
Automation control	Adoption of automation control systems for labor intensive production stages	7.6	6.4	7.1
Process simplification	Simplification for traditional or complicate d procedures	2.0	1.4	0.7
Tool optimization	Optimization for jig design	0.8	0.6	0.7
Logistics improvements	Improvement of delivery and storage methods	2.1	0.1	0.3
Total Benefits (MUSD)		19.2	14.8	13.1

< Case Study > ICT Process automation

Prior to enhancement



- 1. Requires 8 people
- 2. Testing equipment operation rate < 70%

After enhancement



- 1. No manpower required
- 2. Testing equipment operation rate = 100%
- 3. Total benefit 1.1MUSD

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



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5.3.9 Energy / Resource Recycling and Renewable Energy

Process Electricity Recycling

Delta's main sites adopted the Company's 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.

- In 2016, electricity recycled were 310.47 million kWh electricity
- Compared to testing without ERSs, GHG reduction were
 251,497 tons CO_{2e}

Solar Energy Applications

Our main sites have adopted solar water heating systems and solar PV systems. The Dongguan Plant, Wujiang Plant, and Wuhu Plant have joined China's "Golden Sun Project" program with the installation of solar PV modules since 2014. Taiwan Taoyuan plant 1 and Cyntec HuaFeng plant have adopted solar PV systems in 2016

- In 2016, the solar PV systems at main sites generated 6.9 million kWh
- Compared to installation without PV systems, GHG reduction were 5,561 tons CO_{2e}
- Compared to 2015,increased 24.35% contribution of green energy

Solder Recycling

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

• In 2016, solder recycling were **25.1** ton

Water Recycling and Reuse

Rainwater, process cooling water, water discharged by cooling tower, condensate water from blowers, and water discharged by RO systems are the main water sources for recycling and reusing.

- In 2016, China Wujang plant reused and recycled a total of 37,600 tons of water
- In 2016, China Chenzhou Plant reused and recycled a total of 23,320 tons of water

5.3.10 Lowering Environmental Impact of our Operations

In 2016, no significant leaks or environmental incidents occurred. In addition, all of Delta Electronics' main operation factories are located in industrial areas, science parks or local areas designated for industrial development. We have minimized the impact of our daily operations on the environment to ensure there is no significant harm or impact to the diversity of living organisms. With the construction of green buildings and green factories, we discovered that our plans for plant diversity near our factories and implementation of ecological waterholes have had an overall positive effect on biodiversity.

5.3.11 Environmental Profit and Loss (EP&L)

Natural resources and ecosystems service have a significant on the Earth's life-support system, thus represent a major benefit to human welfare. All of Delta's businesses rely on nature capital to deliver our products and services, as well as the impacts of our operations on the environment through natural resources is increasing. We incorporate the cost of degradation of these natural systems as externalities into decision making of our green operations. The Environmental Profit and Loss (EP&L) methodology is developed by Delta in collaboration with university. In terms of Natural Capital Protocol (NCP), four categories of nature capital of greenhouse gas (GHG), air pollutants, water use and waste are embraced by Delta to measure the environmental performance of the cost of degradation.

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5.4 Green Products and Services









Commitments

All Delta's products comply with international safety standards or international environmental requirements, and include a green desing on their design phase. Products or product packaging are also labeled with relevant information in accordance with the environmental regulations of the target market, such as the EU RoHS, WEEE, REACH directives, as well as China's 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 2016, Delta did not violate any laws or regulations concerning the provision and use of products and services.

Key Initiatives for the Alignment with SDGs

- · Implementation of product green design.
- · Green Innovation for Products / Services.
- Delta's Energy-saving solutions (global products).
- Commit to the development renewable energy.

5.4.1 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 its goals 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 has adopted Screening, Simplified and Streamlined LCA (SLCA) to focus on the issues with the most significant environmental impact, such as GHG emissions, and to reduce the amount of data that needs to be gathered regarding product scope, and supply chain information. Additionally, we use available LCA databases as supporting tools to further facilitate the SLCA process and analyze the different stages of the product's life cycle: Raw Materals, Manufacture, Shipment and Usage. By using the SLCA methodology, we can identify process areas for improvement of green design.

5.4.2 Product Carbon Footprint

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

Delta has now completed the carbon footprint inventory and verification of several B2B (Business to Business) products, including notebook adaptors, PV inverters, DC fans, and the Pocket Cell mobile power. We have also completed the verification of High Efficiency Rectifiers in 2016. The notebook adaptor in particular was the first power supply product from Taiwan to complete the BSI PAS 2050 carbon footprint verification. In 2017, Delta will use the completed investigations and analysis from 2016 to locate carbon reduction opportunities in various stages of the product lifecycle, which will lead to the creation of more low-carbon and green design products. After which, we will use that information to continue to test and certify industrial power supplies, server power sources, and uninterruptible power supplies.



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5.4.3 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. Our environmental standards are set based on GPM system strictly complies with global regulations, customer needs and environmental protection trends. In terms of material selection, we only choose materials that are friendly to the environment

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 plants have also introduced lead-free processes and low-halogen materials to help customers have access to greener and more eco-friendly products.



Ease of Recycling and Dismantling of our Products

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



Reduction of carbon emissions during materials transportation

We have implemented a low-carbon procurement policy. Local suppliers are given priority when procuring all materials with the exception of critical components. For instance, 64% of the procurement of power supply products was from Chinese suppliers in 2016, which greatly reduces carbon emissions related to transportation processes. 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 enable energy conservation and related carbon reduction benefits. 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.



♠ Enhanced energy efficiency in our Products

The continued improvement in energy efficiency in our products 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 peak conversion efficiency of 98.8%, DC-DC converters for electric vehicles with 96% efficiency, and telecom power supplies with up to 98% efficiency. Currently, Delta Electronics has been awarded the Energy Star certification for its Breez ventilation fan products, which only consume 3.8 Watts, 367% better than the US Energy Star product performance standards. In addition, Delta received Energy Star's "Product Brand Owner Award" for 2 consecutive years since 2016 due to our products' superior energy efficiency and contribution to the reduction of greenhouse gas emissions.



(Adoption of green packaging materials

We employ green packaging materials for all of our products, including corrugated paper, cardboard, paper, and wooden boxes, all in line with our transportation process needs. Waste materials can be recycled, reused, or used repeatedly. For example, our paper packaging materials are more than 91% recyclable and reusable. Automation motors, on the other hand, are placed in wooden boxes with fixed flaps, which can be used repeatedly.

5.4.4 Eco-labels and **Eco-declarations**

Type I Eco-labels

Type I Eco-labels conform with 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, the Taiwan Enegy Label and the US Energy Star. Moreover, Delta has 34 projector products that have obtained the Taiwan Green Mark as well as other 47 products that have achieved the Taiwan Energy Lable, including interior lighting, street lighting and bathroom ventilating fans. In addition, 66 Delta ventilation fans have obtained the ENERGY STAR Most Efficient Product certification as of 2016. Furthermore, 266 items of our power supply products have obtained the 80 Plus certification.



projector products have obtained the Taiwan Green Mark



products have obtained the Taiwan Energy Label



66

ventilation fans have obtained the ENERGY STAR Most Efficient Product certification



power supply products have obtained 80 Plus certification



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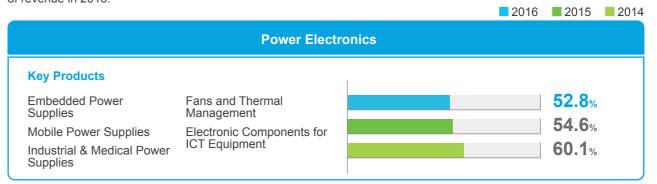
Type II Environmental Declarations

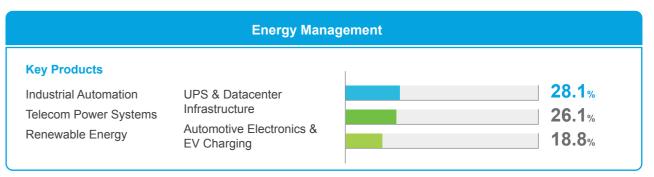
Data collected from Streamlined Life Cycle Assessments (SLCA) in several of our products shows that the environmental impact from the use of Delta's core products is most significant during their actual lifecycle. We therefore implement product environmental information disclosure and integrate this with the ISO 14021 Product Environmental Labels and Declarations and the ISO 14025 Environmental Product Declaration (EPD). In 2010, we launched the "EnergE" program for rectifiers which offers a energy savings calculator on the product webpage to help customers understand the cost and energy conservation benefits they can achieve by using Delta rectifiers 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 EnergE labels to our Rectifier product catalogs and products with energy efficiency of over 95%, 96%, and 97% to allow easy identification by customers. The following product models are currently available under this program: DPR850, DPR2000, DPR2900, DPR4000, and DPR6000.

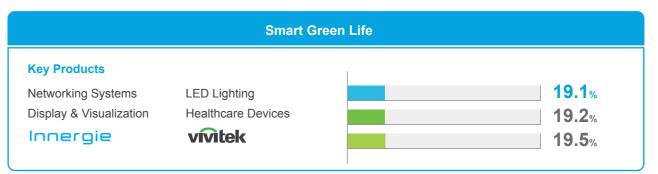
EnergE Product Label EnergE DPR2900; efficiency>97% EnergE DPR6000; efficiency 96%~97% EnergE DPR4000; efficiency 95%~96%

5.4.5 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 revenuepercentage for each category for 2013-2016 is shown below. Compared to 2014, Energy Management accounted for a larger percentage of revenue in 2016.









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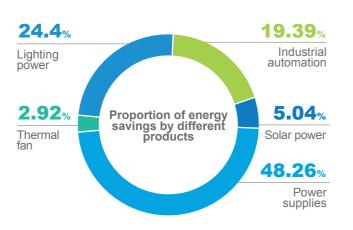
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Delta constantly improves the energy efficiency of its products, and develops new green energy/ energy-saving products and solutions to help customers save energy and achieve better cost efficiency. Based of the quantities of our power supplies, DC fans, UPSs, ballasts, variable frequency drives, PV inverters and other products were shipped between 2010 and 2016 from Taiwan, China and Thailand plants, Delta's high-efficiency products have helped customers save almost 20.8 billion kWh of electricity, equivalent to a reduction of nearly 11.07*26 million tons CO2e. In 2016, Delta's products helped customers save almost 3.5*26 billion kWh of electricity, equivalent to a reduction of approximately 1.87*27 million tons CO2e. Around 46.4% energy savings have been assured by ISAE3000.

The proportions of energy savings by different product types between 2010~2016 are shown below:



In 2016

5 type of products' energy savings have been assured by ISAE3000

Electronic Ballast

Compared to magnetic ballasts, electronic ballasts can increase lamps efficiency and decrease power consumption because of their high frequency operation. Assuming that end-users replace existing Magnetic Ballasts with Electronic Ballasts, for the shipments of Delta Electronic Ballast for Fluorescent Lamps to 8 major customers in 2016,

annual energy savings for end-users was

180 million kWh

Ventilation Fans

Power consumption reduction through the integration of highly efficient DC motor designs. By comparing the efficacy of Delta ventilating fans to that of USA Energy Star or Taiwan Energy Label requirements, for shipments of products that have been certified by the USA Energy Star or Taiwan Energy Label in 2016.

annual energy savings was

20 million kWh

Server Power

By comparing the efficiency of Delta Server Power to that of 80 Plus Bronze requirements, for the shipments to 10 major customers in 2016,

annual energy savings was

1.32 billion kWh

LED Street Lights

Assuming that end-users installed Delta LED street lights to replace mercury street lights, for the shipments of LED street lights to Taiwan in 2016,

annual energy savings was

84 million kW

AC-DC Adapters

By comparing the efficiency of Delta AC-DC adapter to that of Code of Conduct External Power Supplies (EC No.278/2009 stage 2), for the shipments of the 4^{*28} main AC-DC Adapter models in 2016,

annual energy savings was

21 millior

nillion kWh

^{*26:} The estimate is based only on energy-saving products in 2016. The estimation method is as follows:

a. Power supplies and DC fan products: the calculation is based on efficiency improvements compared to 2015, 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. PV cells: the calculation is based on total product capacity to estimate the electricity generated under normal conditions.

^{*27:} 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 0.528kg / kWh.

^{*28: 4} models are ADP-45FE BA, ADP-65HB HCA, ADP-90ZD BA, and ADP-120MH TA



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Delta not only maintains its leadership position in the ODM field, but we are also actively expanding our Delta Smart Manufacturing (DSM) solutions business. With the integration of Delta products, hardware and software technologies, we provide several energy-saving, comfortable, and convenient complete solutions.

Delta provides total solutions to customers around the world. Between 2012 and 2016, we have delivered about 469 success cases, with significant benefits for our customers in regards to reduced energy/production costs, improved productivity and increased competitiveness.

7 Main global success cases from 2012 to 2016

Delta's solution	2012~2016	2014	2015	2016
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.	95	14	26	29
Building solutions Delta's Building Automation Solutions combine renewable energy systems, building energy systems, real-time surveillance systems, power source operation systems, lighting management systems, HVAC ventilation systems, elevator energy-saving systems, among which HVAC management systems and elevator electricity regeneration systems can save over 30% energy on average.	17	3	3	8
Datacenter solutions Delta's InfraSuite Data Center Solutions possess the following advantages: Modularization, high manageability, flexible integration, high efficiency, high reliability. It also provides the following integrated technologies required for the basic infrastructure of data centers: UPS, power allocation, environmental monitoring, and precision air conditioning, to achieve energy conservation of more than 25%.	180	54	59	44
EV Charging Solutions Delta'sEV Charging Solutions are capable of supporting the explosive growth in electric vehicles around the world. Our high efficiency EV Charging Solutions have been deployed in Europe, USA, Taiwan, Thailand, China and others.	17	1	2	4
Telecom Power 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 power systems.	44	1	16	21
Renewable Energy Solutions Delta integrates its own PV inverters with energy efficiency of up to 98.8% and other key components to enable solar PV systems in a wide range of applications. We also offer our own wind power converters and energy storage technology to support other green energy installations.	36	3	9	12
Display and Monitoring Solutions Delta employs high-end projection technology to project images for clients in the fields of environmental protection, sports, technology, and culture and creativity. We also enable display and monitoring through our video walls and distributive video control systems.	80	17	20	24
Total	469	93	135	142



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Renewable Energy success cases

Delta Completes First Proprietary Solar Plant in Ako City, Japan with distributed power generation system that produces extra-high voltage.

Delta's first proprietary solar plant — "Delta Ako Energy-Saving Park"was completed and in operation by 2016. Located in mountains of Ako City, Hyogo, Japana, this solar power plant covers an area of 96,000 meters squared and has a 4.6MW capacity. The plant is generating up to 5.5 million kWh of electricity anually. The Delta Ako Energy Park uses 17,256 solar modules and 185 units of Delta's RPI-M series string PV medium-size solar inverters in addition to implementing distributed power structure, a structure rarely seen in Japan.

All of the power generated at "Delta Ako Energy-Saving Park" are given back to power companies thus creating a new business operation model. The completion of "Delta Ako Energy-Saving Park" not only marks an important milestone for Delta Management's business direction, but also provides new possibilities when it comes to clean energy sources for our environments.

Crescent Dunes Solar Energy Project - Nevada, USA

Delta Group provided a solution for Solar Reserve's Crescent Dunes Solar Energy Project, the world's largest concentrating solar power plant with integrated molten salt energy storage, located in Nevada, USA. This solution plan will annually generate around 500 million kWh and produce enough power to fulfill the needs of 75,000 local households. Thus reducing amounts to 280000 tons of CO2 emission.

This project utilizes a total of 10,347 large-sized sun-homing mirrors. The core technology involves Delta's automated sun-homing System which separately controls every mirror according to the altitude of the sun and the positioning of the mirror. The goal is to reflect sunlight to the 540 feet tall generator tower receptor.

Delta has fully proven our products and system technology are capable of creating high performance Solar Power generators. This is a local accomplishment regarding Delta's energy-saving mission, to contribute to the renewable energy and protecting earth.

Delta's solution assists United Nations Development Program (UNDP) in providing renewable energy for 104 of Zimbabwe's hospitals.

Delta has signed a ^FSolar for Health a agreement with the United Nations Development Program (UNDP) for the supply, installation, service and monitoring of complete solar photovoltaic (PV) systems for 104 hospitals in Zimbabwe. These modular solar PV solutions, adaptable to different requirements and utilizes Delta's bidirectional power module Rectiverter to provide 104 remote hospitals with a stable power source and air conditioning for medical supplies. This project is expected to be completed by 2017.

[®] Solar for Health agreement proposed by United Nations Development Program (UNDP), is a project which supports African, Arabian and Central Asian hospital organizations to achieve UN's Sustainable Development Goals (SDGs). Delta is committed to CSR, and [®] Solar for Health a fully shows our determination and sense of responsibility for our society. As Delta emphasized in 2015 COP21 conference, Delta is capable of changing the public's life for the better.

Future Plans

- Expand the scope of product lifespan environmental impact analysis to incrementally find energy savings and green design opportunities that help us increase our proportion of green products.
- Further improve product energy efficiency and help customers all around the world enhance energy efficiency in their own platforms.
- · Bring the green circular economy concept into all products, extend product life cycles, and optimize product recycling mechanisms.





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Global Turnover Rate

Declined 18 %

compared to 2015

Per capita Training Hours

~ **29** hours

2016

Number of Volunteer Services

> 370,000 person-time

2016

Post-Parental Leave Retention Rate

Increased 5 pps

compared to 2015

Severity of Disabling Injuries (SR)

~ 6

2016

Frequency of Disabling Injuries (FR)

~ 0.45

2016

DeltaMOOCx e-Learning

>670,000 video views

2015/3 calculated from platform

Electricity Savings of Donated Green Buildings

~ 0.66 million kWh

compared to annual electricity consumption per square meter benchmark

Main Endeavors

- Integrated E-learning face-to-face learning programs for diversified development of employee professional skills
- Long-term strategic motivational development of employees
- Employee care measures to encourage talent retention
- · Multi-dimensional promotion of green buildings
- Intergrated face to face E-learning programs for diversified development of employee professional skills

3 GOOD HEALTH



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Echoes the UN Sustainable Development Goals



Alignment with

SDGs



Partnerships for the Goals

Annual participation in climate change COP conferences, promoting sustainability initiatives and influencing government energy policies

Developed Delta 21@COP21 exhibition series to display the potential of green buildings



Peace and Justice Strong institutions

Implemented EICC management practices to prohibit forced and child labor



Life on Land

Supported the Delta Environmental Forum project to promote ecological conservation through ecological environmental environmental laws

Climate Action

Promoted energy and climate education to increase national climate awareness

Created climate change adaptation model for Namasia Elementary School



Sustainable Cities and Communities

Renovated a middle school hall to preserve its cultural heritage



Held the Delta Cup, a solar power architectural design competition to promote development of energy-efficient homes in China



Reduced Inequalities

Implemented gender equality policies and measures to ensure workplace equity of female employees



Participated in the Search for Pearls Program, providing talented students in China with education opportunities Supported the Northern Thailand Project, which provides underprivileged people with learning opportunities increases to their economic income economic income.



Good Health and Well-Being

Implemented occupational safety and health management to ensure work environment safety and promote the physical and mental health of employees



Quality Education

Developed the DeltaMOOCx learning platform project to promote fundamental science education

Promoted life-long learning of sustainable development practices through low-carbon life blog, energy schools, and energy volunteers

Gender Equality

Promoted gender equality measures to prevent sexual violence



Decent Work and Economic Growth

Established the Delta Corporate University program to develop our employees' skills and assist in the development of their potential

Adopted equal employment principles, prohibiting any forms of discrimination



Industry Innovation and Infrastructure

Long-term promotion of power electronics education development project to cultivate professional talent and innovation

Held the Delta Cross-Straits University Automation Design Competition to encourage technology innovation







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6.2.1 Global Employee Composition

Delta has corporate operations and R&D centers all around the world, with diverse employee talent in all of positions. For example, in our office in Taiwan offices, we have employees from the USA, Italy, Germany, Japan, India, Indonesia, and Malaysia. In Thailand, our one production facility has over 17 nationalities.



^{*29 : (1)} Regular employee: Employees outside of non-regular employees Non-regular employee: hourly, part-time, and recruitment staff (2) The figures do not include the 7,898 people in our global workforce of non-regular employees (e.g. dispatchers)

^{*30 :} Direct employees not directly engaged in production-related work, including managers, administrative staff, the business department, R&D and technical support personnel.

^{*31 :} Managers: High-level managers, including those above administrators



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History of localization trends



*32 Native: indicates that the manager is from the home country of the given area.

6.2.2 Employee Policy

Delta is committed to offer employees an environment that allows them to develop to their full capacity. we have long complied with local regulations worldwide and are devoted to meeting internal labor and human rights standards. These include the Electronic Industry Citizenship Coalition (EICC) Code of Conduct, the Universal Declaration of Human Rights, International Labor Office Tripartite Declaration of Principles, and the OECD Guidelines for Multinational Enterprises. These standards are then used as guidelines in the formulation of our employee policies. For example, in the "employment freedom" policy, we strictly prohibit forced and/or child labor and require all work to be voluntary. Under reasonable and timely notice, workers are given the right to leave their position should that be their will.

Currently, Delta's locations in Taiwan, China, Northeast Asia, Southeast Asia, Europe, the Americas America fall under an equal scope for human rights reviews and impact assessments. In addition to the above mentioned global standards, Delta's locations across the world also focus on the following employee management standards:

Equality

Delta clearly explains and displays employee policies to newly hired staff. Our policies stipulate that our "equal opportunity employment" standard requires that all employee appointments to positions, hiring, training, rewards, promotion, termination, retirement, or other employment conditions will occur regardless of race, religion, skin color, nationality, age, gender, sexual orientation, old age, disability, or other situations protected under the law.



Delta places great importance on diversity

Pursuing a Healthy and Safe Work Environment

As a world-class sustainable enterprise, Delta is committed to the global promotion of green buildings, and as April of 2017, we have built 24 green buildings across the world, including Delta's plants and donated buildings to academic tutions. For example, the offices of our Fremont, USA headquarters are a LEED-platinum-certified green building.

Our major plants in Thailand and China utilize a comprehensive EICC inspection system in the implantation of our training system. We have also provided newly hired staff with proper guidance that familiarizes them with relevant EICC labor and human rights. In Taiwan, we utilize our e-learning platform to train newly hired employees and help them understand relevant norms and policies.



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Creating Harmonious Employee Relations

Delta hires all employees in strict accordance with relevant laws and regulations. All candidates are provided with equal opportunities and are treated equally. The company makes "recruitment and interviewing skills" training a required training course for all of our managers across the world. This will ensure that managers have the capabilities to competently interview and hire applicants based on the fairness and equality principle, and not factor in the applicant's gender, race, disability, skin color, religious beliefs, or other differences. Moreover, in order to maintain worker harmony Delta also continuously promotes labor relations courses to make management procedures to be conducted in a reasonable manner.

Caring for Female Employee

Delta's management provides female workers with proper care in accordance with local regulations. For example, our Taiwan region conducts management techniques in accordance with the Act of Gender Equality in Employment. Pursuant to that act, we provide employee families with vaccinations, and in the event of serious illnesses or injuries, we register for "Family Care Leave" to assist and protect the families of our employees. In addition, Delta gives standard employees paid sick leave in accordance with the law, allowing our employees to live a long, happy life without worrying about future health concerns.

By continuously improving female employees "Maternal Health Care" measures, Delta provides pregnant employees with exclusive scooter and car parking spots. We also have our professional nurses and doctors from our health care facilities provide prenatal and postnatal health education instructions to alleviate any physical or mental stress. In Thailand, we provide employees with better health benefits than stipulated in local regulations. This allows our female employees to be truly healthy and well taken care of.

Employee Grievances Channel and Handling Mechanism

Delta effectively curbs workplace violence and sexual harassment through the creation of the "The Sexual Harassment Prevention and Workplace Violence Prevention Appeals Board ." This provides Delta employees with a channel to make complaints and provide feedback to the company. If a complaint of violence and/or sexual harassment has been raised, a small team of 5-7 people will be sent to assess the situation. They will then investigate and conduct interviews to confirm the events with related parties. Should the investigation be determined to be true, it will be dealt with accordingly.

The Sexual Harassment Prevention and Workplace Violence Prevention Appeals Board is also responsible for providing immediate referrals to victims for physical and mental healthcare resources. The committee also carries out improvement of relevant company units. Not only do they work to remedy the situation surrounding the incident and create more active management measures, in our commitment to making a healthy and equal workplace.

In 2016, Delta was in full compliance with the Company Act, Securities and Exchange Act, and relevant environmental protection statutory regulations. In addition, the competent authorities determined that our company's overtime-reporting mechanism and employee attendance situation do not comply with the Labor Standards Act. A total of four incidents were sanctioned by the relevant authorities, described below:

2016/05/30 Taoyuan R&D Center

Found in violation of Article 32 (2) of the Labor Standards Act, "The extension of working hours referred to in the preceding paragraph, combined with the regular working hours shall not exceed twelve hours a day."

Improvement Methods

Supplementary short-term labor was used by management as well as enhancing employee working efficiency

2016/12/06 Taoyuan Plant

Found in violation of Article 32 (2) of the Labor Standards Act, "The total number of overtime shall not exceed forty-six hours a month."

Improvement Methods

The system for counting employee monthly overtime hours automatically sends out a reminder after exceeding 40 hours. After 46 hours, the system will automatically lock down.

2016/06/02 Cyntec Hsinchu Plant

Found in violation of Article 32 (2) of the Labor Standards Act, "The total number of overtime shall not exceed forty-six hours a month."

Improvement Methods

Added shift-based employees to improve on-site management assessment.

2016/12/09 Tainan Plant

Found in violation of Article 24 of the Labor Standards Act, stating,"An employer shall pay worker overtime wages using the following basis:

- 1. When the overtime work does not exceed two hours, the worker shall be paid, in addition to the regular hourly wage, at least an additional one-third of the regular hourly rate.
- 2. When the overtime work is over two hours, but the total overtime work does not exceed four hours, the worker shall be paid, in addition to the regular hourly wage, at least an additional two-thirds of the regular hourly rate." as well as Article 30(6), which states that "Employers shall prepare and keep worker attendance records for five years."

Improvement Methods

Utilizing swipe card system or online attendance record to provide overtime payment in accordance to the law.



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Inclusion of Diverse Cultures

We pay attention to multiculturalism and cross-border cooperation, and welcome adiverse set of opinions and feedback from our employees. As such, many of our projects in the company are conducted through cooperation of multinational teams, creating synergistic competitive advantages. For example, in our key talent development projects, team members are made up of elite talents. Even though they are from a number of office locations, they communicate using our community platform, video tools, and in-person training activities.

In addition, Delta pays full respect to local cultures. Not only do we bring the world's most progressive concepts and management practices to other regions, but also before our Taiwanese employees take on assignments, they must first undergo a cross-cultural adaptation and learning ability assessment. That way they actively learn about local customs and circumstances.



Diverse and multinational talent development project

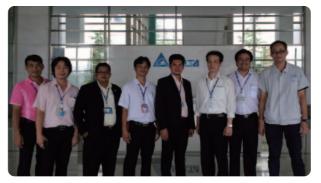
6.2.3 Labor and Management Communication

Our employee policy commitment is to respect the freedom of association and the right to organize labor unions for all employees. We have established communication channels for employees in accordance with local laws. Delta has major production sites in China

and Thailand and has signed collective contracts with the respective labor unions. Within these contracts, they stipulate the company must provide labor safety and health provisions to ensure the safety and health of employees. In Taiwan, labor issues are addressed through labor meetings, welfare committee meetings, and staff discussions. In 2016, a total of 4 labor meetings regarding Taiwan's factories were held, in addition to 4 meetings regarding Welfare Committee. These meetings were held to address employee issues as well as promote labor harmony, comprehensive discussions of employee benefit plans and information exchanges. Employee representatives conveyed the recommendations and viewpoints of their colleagues. We were then able to reach a consensus with the Company via discussion.

Labor and Management Negotiation Systems

Delta Taiwan has also negotiated the stipulation of "Labor Meeting Committee Implementation Policies" to organize related activities. In our factories in China, the establishment of trade unions, workers congress, and management exchanges required different forms of employee representation. The total number of employees covered by Delta's collective bargaining agreement totals 69,845 people (8,243 Taiwanese people, 53,116 Chinese people, and 8,486 Thai people), making up 86% of Delta's workforce.



Thailand Trade Union visits our factory in China

Employee Feedback Channels

In Taiwan, Delta has an employee suggestion box, convenes regular labor meetings, meal committee meetings, and welfare committee meetings, to maintain open channels of communication. Through this employee care window, we collate employee's suggestions and feedback, which is then transferred to management, as basis for adjusting company policies and improvements. As China's facilities are larger, the various factories have developed a wide variety of communication channels in response to local conditions and needs.



Operations team "Employee Communication Meeting" meet with US employees for face-to-face communication

If corporate operations undergo major changes, Delta will notify affected employees in accordance with relevant local laws and the collective contract signed by the local workers union. Not only will we provide an appropriate amount of advanced notice, we will also provide relevant support measures. These include helping employees transfer to other departments, recommend outside job opportunities and provide relevant labor information, as well as relevant criteria required to apply for government subsidies. For example, in contrast to Taiwan's Labor Standards Act regulations, the company informs staff 10 to 30 days in advance. In Shanghai, China, according to the content of the collective union contract, the union and staff must be informed 30 days in advance and then follow up with a labor adjustment plan, procedures, and the economic compensation standards as passed by the workers congress. They will then be reported to China's Ministry of Labor for implementation.



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6.2.4 Remuneration and Benefits

Link between Performance and Reward

After years of effort Delta's performance management system has been implemented in its offices around the world, with a 100% coverage rate. Every year, Delta assesses the contribution and capability of employees according to the performance management system, and, fairly distributes the rewards and oversees promotions, so that each employee can find a role which best suits them.

At the end of each year, indirect labor hold two-way discussions with their supervisors on the implementation of next year's plans based on the annual targets and performance indicators. After which they engage in the complete process of performance evaluation for the specific year. Due to differences in production lines and manufacturing technology, direct labor performance evaluation varies from plant to plant. However, the distribution of bonuses regarding employment performance all comply with global performance management standards.

Employees' Welfare Activities

Delta prepares the employees' welfare budget based on the data provided by each employee's welfare committee. In Taiwan, for example, the annual cost for employee benefits in 2016 was US\$1,952,365 (an increase of 19% over 2015). Every quarter, the welfare committee is required to report employee activities for the next quarter, and at the end of the year, a review is done on operational effectiveness of the current year to sustain and enrich the employees' welfare activities.

In China, Delta uses the employees' benefits fund as payment for incentives, company sport events, company club events, birthday gifts, employees' canteen, holiday gifts, and more. In Thailand, Delta holds outings, New Year parties, Father's Day/Mother's Day celebrations, sports days and other related welfare activities.

All-around care for employees on overseas assignment

In our guidelines for overseas deployment of employees, we clearly formulate caring measures as follows: Upon arrival to the destination, deployed personnel are given a complete orientation so that they accommodate quickly to the local culture and working environment. In addition, the local dedicated staff offers assistance in arranging accommodations, childrens' education and job searching for their spouses.

Diversified Meal Selection

Delta takes pride in its human resource management and for this reason, employee's meals at the company are of great importance. There is a comfortable dining environment at every plant site around the globe and employee canteens also grant employees with a subsidy. Our canteens have been praised by the media for their diverse choice of dishes.

Due to the emphasis on cultural diversity and integration, Delta continues to promote refining of culture. For example, after the Thai trade union paid our Chinese plant site a visit, renovations were conducted to improve not only the canteen facility, but also the menu by adding Chinese-style dishes to meet the diverse needs of employees.

Retirement Scheme

Application for retirement and pensions for employees in Taiwan is granted according to the "Labor Standards Act" and the "Labor Pension Statutes". All procedures comply with promulgated regulations and payments are transferred to The Bank of Taiwan or the employee's designated pension accounts.

Delta Family Day

To promote a good working environment and encourage exercise, all of Delta' offices hold regular Family Day activities. For example, the "45th Anniversary and 2016 Employees' LOHAS Day" held in Taiwan, was well received by employees. Through parent-child activities and Family Days, each Delta office provides an opportunity for employees to interact with each other and their families. These activities contribute to employee morale and loyalty to the corporation.



45th Anniversary & Delta Family Day in Taiwan



Beijing Delta Family Day visiting the "Delta Green Building Exhibition"



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Parental Leave Without Pay, Reinstatement, & Retention Rates

Post-Parental Leave Retention Rate

2016 Performance

2016 Target: 80%

86%

2017 Target: 82.5% 2020 Target: 87.5%

Statistics for parental leave without pay *33	Male	Female	Sub-total
A Number of employees qualified for parental leave in 2016	745	253	998
B Number of employees applying for parental leave without pay in 2016	4	22	26
Number of people expected to apply for parental leave without pay and reinstatement in 2016	5	33	38
Number of employees applying for parental leave without pay and reinstatement in 2016	2	21	23
Number of employees reinstated after parental leave in 2015	7	37	44
F Number of employees reinstated after parental leave in 2015 and working for not less than one year (retention)	4	34	38
G Reinstatement rate	40%	64%	61%
H Retention rate	57%	92%	86%

A Great Place to Work

Delta is committed to creating a happy, friendly workplace for all its employees. With global concerted efforts, we have obtained the following results in 2016



Awarded "Happy Mothers' Workplace with Quality Nursery" Thailand



Awarded "Mothers' Relay Station" by Suzhou Federation of Trade Unions

Reward and Incentive System

To encourage career longevity and give praise to outstanding performance, Delta holds regular employee award ceremonies. To emphasize their importance, Delta often invites high-ranking officers to present the awards and share their experience and ideas, so that staff may fully enjoy a harmonious and warm working atmosphere.



Founder Bruce Cheng with senior staff at an award ceremony

^{*33. (1)} The figures above are for Delta Taiwan.

⁽²⁾ Definition for A: Number of employees who applied for maternity leave (Female) or paternity leave (Male) during the 3-year period of 2014/01/01-2016/12/31. Formula for G: D/C*100%; formula for H: F/E*100%. (3) The retention rate after parental leave without pay increased by 5% in 2016 over 2015.



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6.2.5 Talent Attraction & Retention





Commitments

Our profitability has been rated above the average of the overall Taiwanese industry. With stable operating performance, we have continued to allocate a certain percentage of profits for employee bonuses. In addition to a fixed monthly salary, our employees get three bonuses including a year-end bonus, a performance bonus and a profit-sharing bonus. Since our remunerations are better than that of others in the same industry, we have been listed in the "Taiwan HC 100 Index" by the TWSE for three consecutive years. This indicates that our salary and benefits have been highly competitive and that we are committed to recruiting quality, talented individuals.

Delta puts great emphasis on the training and retention of talents. Delta provides a variety of communication channels, a caring workplace and a friendly environment that encourages employee retention. Should an employee apply for resignation, Delta will arrange an interview to fully understand why he/her has made such decision and to encourage them to stay. Our global total resignation rate was 28% in 2016, a decrease of 18% compared to 2015.

Global turnover rate

2016 Performance

28%

2016 Target : 40%

2017 Target: 37.5%

2020 Target : 35%

Key Initiatives for the Alignment with SDGs

As a multinational corporation, Delta provides a platform to give cross-domain talents a chance to interact and exchange ideas and share experiences with each other. We actively encourage employees to seek innovation and profound teamwork. Furthermore, we are constantly improving our technology to attract the industries higher talent. Employees are given the opportunity to bring their strengths to play, and plan a clear path for career development. This positive cycle encourages employees to make contributions and rewards them for their contributions. Delta seeks to retain talent, and allow employees to discover their own self-motivation. In addition, thanks to an all-around caring system, our employees are more likely to identity strongly with the Company. This promotes cohesion and loyalty within our organization.

Long-term Incentive Measures

To encourage employees to learn and grow, Delta has strategically combined the organization's key virtues with long-term incentive measures. For example, in response to the company's globalization strategy, Delta has provided dormitories for staff on overseas deployment, and encouraged them to take their families with them by offering transportation / scholarship subsidies. In China and Thailand, Delta provides subsidies for employees to engage in continuous education, so as to strengthen knowledge and skills that in turn contribute to the development of the organization. To encourage continuous innovation in the organization, Delta holds a global "Delta Innovation Award" every year, with a jury composed of management teams, which offers excellent bonuses and evaluation of outstanding innovation proposals.

Childcare Support

Delta not only encourages employees to have children, but also provides them with childcare related support. For example, in Wujiang, Wuhu, and Thailand, we provide employees' children with scholarships. The Wuhu Plant went even further, providing an "Angels Care Center", which invites professional counselors to provide summer vacation homework .

Holidays for Employees to Strike a Balance between Life and Work

To show our appreciation for our employees' daily efforts, we were the first in Taiwan to create a "Golden Travel Week". This holiday was created with the intent of allowing employees to spend a week every year visiting relatives and friends, volunteering, or participating in employee group travels, at their discretion. In addition, the Company actively creates uninterrupted holidays and organizes long-holiday travel excursions. In mainland China, for example, before the May 1st and October 1st holidays, we arrange coaches from Shanghai and Wujiang to visit different tourist attractions, for the convenience of our employees and that provides relaxing group travel!

Leisure

To emphasize the importance of the balance between an employee's health and their work, Delta's welfare committees regularly hold various themed activities, so that employees can experience a warm caring workplace and can take pride in being a part of Delta.

Superior Working Environment

Delta provides local employees with a superior working environment to encourage long-term development of talented individuals.



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Total Global Headcount of new entrants and Resignations

		New Re	ecruits ^{*34}	Turno	ver ^{*34}	
		Headcount	Rate	Headcount	Rate	Average number of employees
Area						
	Taiwan	1,395	18%	563	7%	7,938
Admin/	Northeast Asia	44	20%	12	5%	222
R&D	Europe	271	8%	209	6%	3,294
centers	Americas	86	10%	58	6%	897
	Sub-total	1,796	15%	842	7%	12,351
Major	China	27,196	46%	21,727	37%	59,367
plant	Southeast Asia	726	7%	527	5%	10,378
sites	Sub-total	27,922	40%	22,254	32%	69,745
Gende	r					
Male		18,322	41%	13,512	30%	44,678
Female	.	11,396	30%	9,584	26%	37,418
Age						
<30		23,344	52%	17,742	40%	44,857
30-50		6,309	18%	5,271	15%	35,142
>50		65	3%	83	4 %	2,097
Total						
		29,718	36%	23,096	28%	82,096

Future plans

Delta values the contribution of our employees as well as a balance between their leisure activities and their work-life. In the future, we wish to strengthen relevant benefits, so that they can obtain positive body-mind balance after work and enhance the value to their careers.

^{*34 : (1)}The rate for newcomers: newcomers/yearly average number of employees in 2016; the number of newcomers in the system as of 2016/12/31 and passed the 3-month probation period. (2)The rate for previous workers: previous employee/yearly average number of employees in 2016; the number of previous employees output from system as of 2016/12/31 (excluding non-voluntary previous employees) and passed the 3-month probation period.

⁽³⁾Non-voluntary: Employees leaving because of retirement, dismissal by law, rescindment of contract, or closure of internship.

⁽⁴⁾ Average number of employees: (number of employees at the beginning of the period + number of employees at the end of the period)/2.



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6.2.6 Human Resources Development







Commitments

Delta truly believes that "talent is a company's most important asset". We are fully committed to employee training and talent incubation. Our high ranking officers have personally demonstrated the importance of talent development. After years of efforts, Delta has established a complete employee development system. This allows us to continuously cultivate talent and strengthen our ability to respond to future changes in addition to making ground-breaking innovations. This grants Delta an overall competitive advantage.

Per capita Training Hours

2016 Performance

29_{hours}

2016 Target: 29hours

2017 Target: 29hours

2020 Target : 29hours

—— Key Initiatives for the Alignment with SDGs

Corporate Culture Heritage

To strengthen management consensus and experience transfer, Delta often asks senior management to speak out to operation teams and employees. Through direct communication and sharing of the corporate vision, we adjust our corporate culture and thus establish the direction in which our strategic development shall proceed. In 2016, the HR team borrowed the "TED Talk" approach, and invited three high-ranking officers to give "Delta Talks" via webcam to all of our units around the world. Their concise but inspiring talks received acclaim from colleagues around the world. There are multiple channels within Delta that allow cultural communication and information transfer, so everyone at Delta keeps up-to-date with our latest developments.



Management idea sharing through "Delta Talk"

Encouragement for Employees to Participate in Charity Events

As a role model and a benchmark for green enterprises, Delta actively participates in energy education and charity activities. Delta has spread its green business philosophy to different corners of society through our employee's efforts. For every public welfare event, Delta invites its employees and their families to join the ranks of volunteers and participate of their own accord. Delta allows employees to take "Charity Leave" so that they can engage in volunteer work without feeling pressure from the workplace.



Founder Bruce Cheng leads employees to commit to environmental protection



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The Delta Corporate Institute

In China, Delta formally established the Delta Corporate Institute in 2012, which won recognition as "China's best business university" in 2014. According to its training content, the institute is divided into a technical college, a management college, and an advanced studies college. It is devoted to improving our talent cultivation system through analysis of job positions and employee capabilities to promote the personal career development of our employees.

Management & Professional Training

Delta has continued to refine its employees' working capabilities through its well rounded training system. Internally, we have designed learning programs catering two career paths: "Management" and "Professional" respectively. Globally, we have provided 18 compulsory courses in management so that colleagues in different countries or areas can communicate and cooperate using the same management language and approach. In Taiwan, for example, we continue to work with top universities within the country and invite experts and professors in various fields to conduct keynote speeches and courses. We also introduce external learning resources into our corporation and carry out plant management training annually to enhance the management capabilities of our supervisors.



Our China power systems sales team joined a training program in Yunnan

In 2016, Delta strengthened its investment in learning development, with a total global expenditure of US\$4,420,867 on education and training (excluding implicit costs such as the development of digital learning platforms), which was an increase of 79% over 2015. The investment in learning development is an important driver for Delta to promote strategic intellectual property, innovation, R&D, and business development We favor a learning environment that allows employees to be free from limitations and obtain satisfaction from different types of development, according to their individual needs. The numbers of learning employees in relation to learning hours are as follows:*35

	Total Hours	Headcount	Average
Male	1,465,857	44,243	33
Female	825,627	36,062	23
Direct Employees	1,739,928	55,664	31
Indirect Employees	551,556	54,641	22
Sub-total	2,291,484	80,305	29

^{*35.} The employees in the Americas are not included in the above statistics for the lack of TMS system that distinguishes the learning hours for employees of different regions and others.



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Team Building

After 45 years of efforts, Delta has achieved substantial results in several domains. The synergy between our global work force are an important factor in creating a competitive advantage. In our globalized operations, close integration of various types of expertise in different locations is essential for team cooperation. Delta lists "teamwork" as a core value, so team building is incorporated into the design of a variety of training activities.

E-Learning Resource

To provide employees with a learning environment that promotes self-motivated learning, Delta has built a set of e-learning platforms. By logging into the Delta's intranet network, they are able to conduct online digital learning. In Taiwan, the number of employees using this learning tool totaled 702 in 2016, an increase of 279% over 2015. Our plant sites also use external learning platforms such as Coursera, edX, and YouTube.

By using the Internet as a learning resource, Delta and a group of outstanding teachers from top universities have jointly set up "DeltaMOOCx" in the hope of using digital learning to eliminate the gap between urban and rural areas, narrow the gap between learning and application, and improve learning efficiency and the cultivation of talent.



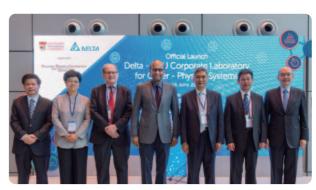
Delta E-learning platform

Cooperation with Academia

To actively prepare and cultivate talented personnel, Delta has cooperated with many universities both in Taiwan and abroad to offer programs such as winter and summer internships, on-the-job training plans, cooperative education, cooperative laboratory facilities, and more. We hope that in the near future, we can develop intellectual talent by cooperating closely with these universities.



Delta Automation Cup "Finding Smart Automation Experts" attracted competition from many universities in Taiwan, China and Hong Kong



Delta-NTU Corporate Laboratory for Cyber-Physical Systems jointly established

In line of our corporate mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow", Delta's strategies and business plans have always aimed at creating a sustainable environment for plant Earth. Our talent development strategy has also revolved around our corporation's sustainable operations. Delta has worked to cultivate future talent through our "Future Leadership Development Program", which was designed in accordance with the company's future organization strategies. This program allows Delta to coordinate the proper management teams required over the mid- to long-term. The program includes the wisdom and experience of senior management, as well as new media for technology development that promotes cross-domain exchanges that strengthen diverse development mechanisms. Delta built a complete functional system and actively collaborates with external consultants to pursue globally consistent management courses that integrate our values and languages.

Future Plans

In its existing training development framework, Delta is diversifying and expanding its learning resources. We are dedicated to the use of internal talent, so that personal knowledge and potential can be effectively applied within the organization's operations. Delta continues to pursue a transparent and smooth promotion channel, and to increase diversified opportunities for the development of high-potential talent.



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6.2.7 Occupational Safety and Health

Occupational health and safety 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 2016 in major areas.

Taiwan

Key discussion topics

- Respirator preservation project implementation and adaptation qualitative testing
- 2. Electrical safety
- 3. Traffic safety

Percentage of total employees

51%

Supplementary description

of employee representatives: 78 of committee members: 153

China

Key discussion topics

- 1. Newly implemented equipment safety evaluation
- 2. Accident prevention and operation safety
- 3. Fire-fighting safety improvement

Percentage of total employees No applicable requirements

-Thailand-

Key discussion topics

- Occupational Health and Safety Assessment System internal audits results
- 2. Monthly OSH committee meeting progress regeneration

Percentage of total employees

health and safety educational training, periodic work environment assessments, and strengthened information exchange, to effectively reduce health and safety accident rates. In addition, a monthly cross-industry health and safety meeting occurs so that various industry administrators can carry out evaluations of employee and subcontractor's irregularities. The results are used as reference to for improvements and to prevent recurrences. In 2016, the Taoyuan Plant 1 and the Taoyuan City Government cooperated to participate in the Ministry of Labor's "Subsidization of Local Governments to Promote Small and Medium-sized Enterprises Work Environment Counseling Improvement Plan" We were invited to cooperate in creating the small and medium-sized subcontractors' "Delta Safety and Health Family", where we worked together to hold a series of workplace health and safety activities



Delta Safety and Health Family participate in Taoyuan City, "2016 year of labor interest competition propaganda" activities

Occupational health and safety management system

Delta's major plants in Taiwan, China, and Thailand received the OHSAS 18001 certification, while Delta's Taoyuan and Tainan factories simultaneously received the CNS 15506 certification and obtained the TOSHMS certification. Moreover, these same facilities received the Ministry of Labor Occupational Health and Safety Assessment System performance certification for 3 years. In consideration of multiple management topics, the two aspects of environmental protection and workplace safety & health have been gradually integrated into one through the manufacturing sectors environmental management systems and Occupational Health and Safety Assessment System. Delta' Chinese manufacturing locations use the frequency of disabling injuries (FR) and severity of disabling injuries (SR) as major benchmarks in its health and safety management. It also stipulates that the annual objectives for manufacturing areas and other regions use practical experience from energy source management, health and safety assessments,



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Occupational health and safety assessment

Each manufacturing center complies with government regulations and our own standard operating procedures and uses them to carry out autonomous safety and health inspections. Before new manufacturing facilities are used, they must first meet all the safety inspection standards that utilize energy source management techniques to prevent and reduce accident occurrences. Industrial safety and health management department personnel carries out routine occupational safety assessments and audits, and each department promotes inter-industry health and safety audit activities. Auditors include safety and health management department employees, factory work environment safety personnel, and departmental work environment safety promotion employees. Through cross-industry inter-auditor activities observational learning, there was improved factory personnel safety and health management exchanges and interaction. This improved manufacturing site audits. The most improved departments and locations received commendations and bonuses, which further encourage improvements in how employees conduct safety and health management practices in their work. Moreover, every year Taiwan carries out safety audits of its major Chinese manufacturing centers and requires departments that have had incidents to conduct root cause analyses and improvements. An auditor then carries out follow-up audits to check on the results of those improvements. We also periodically carry out infrared imager power outage tests to ensure the safe operation of our electrical equipment and the early discovery of any potential issues.

Safety, health & emergency response

To improve employee work safety and health knowledge, we held safety and health educational training, sent emails, and utilized bulletin boards to instill work safety concepts in our workforce. In 2016, Delta Taiwan, China, and Thailand, as well as Delta's Group subsidiary Cyntec, implemented workplace safety and health training, emergency response and fire-fighting training, as well as consultant training for new and working employees alike. A total of 274,000 people participated with 588,000 hours of training, ensuring personnel safety and reduced losses with disaster readiness.

Occupational health and safety information transfer

For the sake of strengthening occupational health and safety transfers, Delta's industrial areas periodically hold seminars regarding the Company's health and safety. We also utilize the company's internal website, to issue quarterly occupational safety electronic newsletters, and hold monthly work place safety and environmental protection activities. Prompt work health and safety information is sent to employees while simultaneously collecting suggestions and feedback from our staff. We hope that by creating a two-way, barrier free channel of communication, we will enhance employee workplace safety awareness and participation. This will simultaneously improve the health and safety of our employees.

Work environment monitoring

Our respective locations, pursuant to practical operational hazardous situations and regulatory requirements, regularly implement chemical and physical work environment monitoring to control hazardous factors in the work environment. We then use the results of these tests to carry out onsite improvements, thereby lowering the occurrence of workplace illnesses. The main chemical hazards in our primary Taiwan and China manufacturing centers are organic solvents. As such, we focus our monitoring tests on isopropanol, acetone, tolene, and carbon dioxide. Our physical monitoring focuses on noise, light, and respirated particulates. Moreover, we work to prevent employee work environment exposure to hazardous elements and their causes according to local statutory regulations. As such, operators that handle hazardous materials undergo special health checks and the results of those health check ratings are used to improve our healthcare management.



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Employee Body and Mind Health promoting

Body and Mind Care Facilities

All of Delta' manufacturing facilities across the globe have medical treatment locations that provide employees with medical and mental health care. As such, our employees' psychological health is a primary concern. For example, in Wujiang's "Care Station", there is a licensed psychological care personnel. In many of our locations, we not only have permanent medical care facilities, but also libraries, employee movie theaters, pool rooms, social clubs, employee service centers, chat rooms, stress relief rooms, and psychological management areas, all of which promote the physical and mental health of our company's employees.

Health Promotion Activities

We promote the health of our employees at every Delta location through health lectures, weight loss activities, and physical fitness competitions. Our employee health programs also exceed legal standards. We have appropriate healthcare programs based on our employees' age and fitness. For example, in 2016 in Taiwan, we held a total of 43 physical and mental health promotion activities, with 4,457 participants.

Workplace Safety and Health Management Performance

In 2016, Delta compiled F.R. and S.R. at main locations in Taiwan, China, and Thailand, excluding China's regional operations and R&D centers, as below. The main types of injuries suffered in Taiwan and China's manufacturing centers were mechanical related. Men made up 60% of those injured and women 40%. In 2016 health and safety management objectives at Delta's manufacturing center in China were F.R <0.3 and S.R <4. Our actual rate was F.R. = 0.22 and S.R = 4.

	Taiwan	China	Thailand	Cyntec (China)	Total
Disab	oling Injury Freque	ncy Rate (DIFR)			
male	0.59	0.28	0.73	1.89	0.57
Female	1.13	0.14	0.34	0.99	0.35
Total	0.78	0.22	0.40	1.49	0.45
Disak	oling Injury Severit	y Rate (DISR)			
male	0	7	8	27	9
Female	7	1	1	12	3
Total	3	4	2	21	6

In 2016, Delta's Taoyuan Factory received the "Taoyuan City Government Safe Work Environment Award". The Wujiang sector of the Delta Greentech (Jiangsu) Co., Ltd. received the "Suzhou City Safe Manufacturing Supervisory Management Bureau's Occupational Health Infrastructure Demonstration Honors", Delta Greentech's videos received a level-three safety assessment from the Suzhou Safety Bureau, the Wuhu factory received the Safe Production Supervision and Administration Bureau of Wuhu Economic and Technology Development Zone's "Meeting Evaluation Status of Occupational Hazards". Huateng received the "Wujiang Safety Supervision Advanced Manufacturing Individual Award" In 2016, Delta' main global manufacturing centers had no employee occupational illnesses, contractor/employee injuries, or other unfortunate work-related events



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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 2016. Delta's social contributions reached an estimated NT\$290 million, of which 45% went to cooperation with academic research projects such as power electronics science and education development programs, and R&D cooperation with MIT; 47% was allocated to programs such as the DeltaMOOCx online learning platform, National Museum of Natural Science's "Physical World" Exhibition, and energy monitoring systems for campuses demonstration project; 8% went towards charitable donations such as relief donations following an earthquake in Ludong, Yunnan

Research Programs with Academic Institutions

such as power electronics science and education development programs, and R&D cooperation with MIT

Delta's social contributions estimated:*36 million

Community Participation

47%

Such as the DeltaMOOCx online learning platform, National Museum of Natural Science's"Physical World" Exhibition, and energy monitoring systems for campuses demonstration project

Charitable Donations

Such as relief donations following an earthquake in Ludong, Yunnan

6.3.1 Green Building Promotion

Delta Green Building Exhibition - Global Tour (Since 2015~)



Paris - Grand Palais



Beijing - Academy of Arts & Design,



Taipei - Huashan 1914 Creative Park

^{*36.} The social contribution amount does not include administrative expenses, estimated at NT\$20 million.



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December 2015 | Paris - Grand Palais

Taiwan gained the world's attention when Delta attended the COP 21 Summit and shared its ten-year carbon reduction experience through the creation of green buildings.

Read Delta Group's 2015 CSR Report for further details.

June 2016 | Beijing - Academy of Arts & Design, Tsinghua University

A dialog between architecture and culture: Bringing art to the exhibition and showing the beauty of green building technology.

From Paris to Beijing, Delta went further by combining its international energy conservation experience with local practices, echoing China's goal to reduce carbon dioxide output to 60-65% of its 2005 emissions per GDP. During the 13 days of the exhibition, Delta received over 10,000 visitors with visits from over 100 media outlets.



At the Beijing "Green Building Exhibition" Delta displayed its 22 green buildingsand shared its worldwide practical energy conservation experience.

The Beijing exhibition combined culture, environmental protection and architecture. The exhibition's highlights included elements of Wu Guanzhong's painting "Pink Wall, Black Tiles" which inspired the design of Wu Jiangdi's "Vertical Village" green residence. The project used traditional "rammed earth walls" which are a special feature of the homes of Qinghai farmers and herders. The exhibition included classic works of calligraphy, such as: "If I could have a mansion with ten million rooms, it would be a great shelter for all the world's scholars to be together in joy", which expressed the original intention Delta's founder to take care of students.

The exhibition specifically showed green building applications for city residential buildings, and farm village buildings, as well as case studies for eco-friendly campuses. The exhibition succeeded in attracting in attracting awareness to green building techniques and practices.

>For further details click here

September 2016 | Taipei City - Huashan 1914 Creative Park

The theme "Flower, Insect, and Stone" highlighted the natural essence of green buildings



The Delta Green Building Exhibitionat Taipei's Huashan 1914 Creative Park used the concepts of "flower", "insects", and "stone" to communicate the many aspects of green building design

UDN News reported that over the course of 28 days this "Poetic Exhibition" attracted nearly 40,000 visitors and was covered in nearly 80 media reports. The "Flower Shape" of the Namasia District's Min Chuan Elementary School green campus represented the shape of mandala flowers in full bloom. Cleverly integrated skylights in the roof brought a soft, indirect light source to the area. The wooden structure and semi-transparent wall designworked in tandem to give visitors a truly immersive experience. The "Insect Neighborhood"-theme green building, housing the Sun Yun-SuanGreen Building Research Center of the National Cheng Kung University, emphasized the sophisticated environmentally-friendly space for all living things present at the actual site. The small ladybug flying over the pond symbolized friendliness and respect for all living things. The "MasonryEaves" of Delta Electronics' Tainan Plant I elegantly combinednatural resources and energy-saving technology. On the right side of the building, there is a portico to channel the rain and protect visitors to the building, all with a design that easily coexists with the environment.

>For further details click here



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Published a new book on Delta's green building story (2016)

With stories and 12 short videos of the 20 green buildings built in 10 years and insights from relevant participants

Delta and Global Views Monthly magazine jointly published a new book that tells the story of Delta's green buildings journey. The book covers Delta's construction of 20-plus green buildings around the world over the past decade, and shows how Delta has accumulated experience in regards to both the building process and energy conservation. The chapters are further expanded upon with 12 short videos that present the leadership and expert perspectives of Delta Electronics' managers, well-known scholars, and architects, while showing viewers the process behind green building design and its respect for nature through beautiful imagery.

>For further details click here

"Small Cabin x Smart Retrofit" Design Workshop (2016)

Light recycling projector workstation stimulates green ideas in young students

During Delta's Green Building Exhibition at Huashan Park, enrollment was open for Delta Electronics Foundation's "Small Cabin x Smart Retrofit" Design Workshop to students from all of the country's senior high schools, vocational schools, colleges, and universities. When combined with the current electricity billing policy, it utilized Delta's energy storage system to store 5 kWh power during night time off-peak hours, a creative and innovative service. At the end of the competition, Fu Jen Catholic University's "Good morning, Ladies Team" and their project "Let's split off! Seed!" won the approval of the judges. The design turns a small room into an environmental protection toy capsule vending machine. This winning design team cooperated with Delta to set up their project in the Huashan Park of the Zhongxiao area.





The new book describes Delta's creation process and energy conservation experience of its 20+ green buildings.



Top management from Delta and Global Views magazine together at the book launch event.



Fu Jen Catholic University's project "Let's split off! Seed!" was the winner



The public experiences the giant environmental gashapon machine



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Green Building Lectures (2016)

Green homes - creating comfortable, energy-saving homes

During the Delta Green Building Exhibition in Huashan, the Delta Foundation also held green building lectures and invited green home residents to share their DIY personal living environments. These included reporter Aling Lin's "Green Renovation Guide for Old Houses" and the Taiwan Green Fitness Association's General Director Jih-jerChiou's "Energy Efficiency Retrofits for Homes". Not an empty seat was in sight for these two lectures. which attracted over 220 participants.

Involvement of Ludian, Yunnan Province (China) earthquake related education design (2016)

Building "Dazhai Middle School", a safe green school building in Qiaojia county

After the earthquake in Ludian, Yunnan Province, China, the Delta Group committed to the donation of RMB 5 million to help with rebuilding and recovery. Delta Electronics utilized past experience in helping post-disaster recovery and joined forces with the China Construction Technology Consulting Company in recognition of its professional design capabilities. Together, we created a comfortable, safe, and comprehensive green school building for Dazhai Middle School, that allows teachers and students alike to experience all the benefits of a green building. The building conveys the concepts of environmental protection and energy conservation.

Elevator power energy regeneration technology application seminar (Since 2016~)

Delta's Elevator Energy RegenerationSystems promoted asenergy-saving standard

In October of last year, Delta Electronics was invited to participate in the Taiwan Energy Bureau's "Elevator Energy Regeneration Device Energy-Saving Technology Application Seminar" to share results. Delta promoted energy regeneration devices that may be listed as a future mandatory energy efficiency standard.

To provide a clear basis for Taiwan's Smart Building Plan design, in 2003, the Ministry of the Interior's Architecture and Building Research Institute (ABRI) developed a smart building evaluation system. New buildings that conform to the system standards can apply for the "Intelligent Building Label". The ABRI also offers a Smart Building Improvement Work Plan Award. The energy management division encourages projects with energy-saving elevator drives and other energy-saving technologies and renewable energy equipment. The bureau also sponsors local governments, military units, public hospitals, libraries, national colleges and universities, and middle schools in system integration applications of energy-saving elevator drives, and requires manufacturers to provide a three-year warranty.

Delta Cup International Solar Building Design Competition (Since 2005 ~)

"Sunshine and Care for the Elderly" focuses on aging and background

The 2017 "Sunshine and Care for the Elderly" competition chooses among eco-maintenance service center designs from Xi'an, Shaanxi, Fujian Province, and Quanzhou, China. The competition hopesto optimize building design methods by integrating appropriate renewable energy technologies, such as solar power, toassist elderly people in leading a safe, healthy, comfortable, and green life.

The effects from thesix Solar Building Design Competitions are becoming increasingly palpable. The competition has gradually become a platform for industry wisdom sharing, new energy application services, winning work practices, innovative talent training, and the spread of low-carbon concepts. This competition has had over 90 participating countries, 5,537 teams, and has received 1,032 submissions.

>For further details click here



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Workshop for Green Architects (Since 2009 ~)

Professional courses to train green building and green design talents.

The Delta Electronics Foundation and the Taiwan Green Collar Association continuously promote the "Workshop for Green Architects". By the end of 2016, there were a total of 13 green collar architect courses with basic entry level classes as well as intermediate to advanced classes with a total of 380 participants.

- >Workshop for the Green Architects
 >Delta Electronics Foundation official website
- Building Carbon Footprint Assessment (Since 2013 ~)

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

The Delta Electronics Foundation and the Low Carbon Building Alliance (LCBA) promote the Taiwan building carbon footprint Product Category Rule (PCR) System. The carbon footprint evaluation system uses software analysis and has provided comprehensive training and certified talent. Engineering consultants and research institutions have received the "Building Carbon Footprint Assessment LCBA-AP" certification. To date, people with the certification have created 129 original designs in the fields of architectural design, and construction engineering. These designs include the New Taipei City Library, New Taipei City's social housing, Taoyuan collective residences, Crown Yi Building No. 10, Zhongde and 11 other buildings. In addition to lowering a building's environmental impact, it saves a great amount on building energy costs. The certification has set new indicators for sustainable development in Taiwan.

Delta's Donated Green Buildings

Delta Group's five donated green buildings saved, in total, 0.66 million kWh of electricity.

Over the past 11 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 2016 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 EVALUTION MANUAL for BUILDING RENOVATION (2012 version) published by Minister of Interior*37, In 2016, Delta's five donated green buildings saved, in total, 0.66 million kWh of electricity, and 352 ton CO2e emissions were reduced. In 2017. Delta will refer the new EUI: 163.1 kWh/m2year (office building), 80.2 kWh/m2year (colleges) published by Bureau of Energy, Ministry of Economics Affairs, R.O.C. (Taiwan) in December 2016, and new EUI: 17 kWh/m2year published by The Government and School Project in November 2014.

Low-level office building (The Delta Building and the Magic School of Green Technologies at National Cheng Kung University and the Kuo-Ting Optoelectronic Building at National Central University): 125 kWh/m2/year (parking lot not included), College school building (The Delta Building at National Tsing Hua University): 83 kWh/m2/year (parking lot not included), Elementary school building (The Namasia Ming Chuan Elementary School): 26 kWh/m2/year (parking lot not included)

6.3.2 Promoting Energy and Climate Education

Delta Volunteers (Since 2006~)

Service diversification - Thailand's first training for energy education volunteers



China-Beijing Green Building Exhibition, volunteers' passion leads the public



Thailand-First instructor energy education volunteer localization

^{*37. &}lt;Minister of Interior, R.O.C.(Taiwan)>GREEN BUILDING EVALUTION MANUAL for BUILDING RENOVATION (EEWH-RN), 2012 edition, Page 15: EUI for each type building. EUI Standard used to calculate electricity savings in 2016:



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In 2016, Delta's diverse volunteer services included energy education. The "Delta Green Building Exhibition" had volunteer guides for factory green buildings and donated green buildings. The total number of energy education volunteers in Taiwan, China, and Thailand was 407, with their total service hours reaching 3,469*38, serving over 37,000 people.

Our energy education volunteer services in China are widely recognized by external counterparties. In December last year, volunteer services won five stars in the Caoluzhen Red Cross Volunteer Workstation project service star rating. In May 2016, they won the "Excellent Volunteer Service in the New Pudong Area 2015" award. In April, they won an award from the New Pudong Area Volunteer Association's third Board of Directors meeting.

Our Thailand volunteer training was held for the first time in 2016. Taiwan's energy teaching materials were used for the development of Thailand's local energy lesson plans. In addition, factory workers were recruited to the workshop, where they trained 40 Thailand energy volunteer lecturers to later teach in local primary schools. In the future, they will work to establish a local service network and create localized lesson plans.

DeltaScholar Program on Environmental Law (Since 2011 ~)

The sixth "DeltaEnvironmental Law Forum" in Beijing was on the construction of an "Ecological Culture" and legal environmental protection, which created a vibrant forum.

In 2016, the Delta Environmental Law Forum was held in Beijing, convening 80 scholars and graduate students in environmental law, environmental information law, and energy law, to examine the theme of "Creating an Ecological Culture and Greening of the Law". At the forum, the honorary title of "Delta Scholar Program on Environmental Law" was given to Professor Huang Xisheng. Professor Yu Wenxuan and Associate Professor Du Hui received the "Delta Environmental Law Young Scholar Award".

The papers for the 2015 Delta Environmental Law Forum were collated by the China University of Political Science and Law into the book: "Research on Environmental Information Legal System in the Context of an Ecological Culture", and was published in September 2016.

	Volunteers			Service hours			of people that received service			
Taiwan	China	Thailand	Taiwan	China	Thailand	Taiwan	China	Thailand		
			Energy	education vo	olunteer					
85	282	40	904	1,172	320	2,400	3,000	1,244		
	"Greer	n Building - D	elta Electron	ics Green Bu	ilding Exhibi	t" Guide volu	inteers			
20	20	N/A	184	613	N/A	10,000	15,000	N/A		
	Green building guide volunteers									
95	N/A	N/A	276	N/A	N/A	5,520	N/A	N/A		

*38. The monetary value of the service hoursestimated at NT\$ 0.93 million.

Low Carbon Life Blog (Since 2007 ~)

10-year-old, high-quality climate multimedia platform exceeds 4.5 million readers

The Delta Electronics Foundation's long-running "Low Carbon Life Blog" promotes and publicizes environmental ideas. As of 2016, the Low Carbon Life blog has had more than 60 professions contribute their expertise and reports. The blog has over 1,100 entries and has a readership surpassing 4.5 million. Articles have been reprinted by a number of media outlets, including UDN News, Green Buildings Magazine, TechNews, and the Apple Daily, and it has put out joint articles with Oranje Express and the Taiwan Environmental Information Center.

>For further details click here

IC Broadcasting - Climate Battle in Taiwan (Since 2010 ~)

Systemized tracking of the impact of the Paris Accords and analysis of the latest environmental, energy, and climate change topics

In 2016, a show by the IC Broadcasting Company covered the systemized tracking of the Paris Accord's impacts by inviting government and academic officials to give an incisive analysis on a variety of topics. These included the follow-up effects of the Paris Accord, carbon financing and climate financing, the electronics industry revolution and electricity billing issues, green building exhibitions and building energy conservation, time electricity pricing and demand responses, energy for poor homes and environmental subsidies, left-leaning viewpoints on climate justice, green energy social enterprise industry trends, school campus lunch nutrition issues, plastic particles and ocean risks, and more.

>For further details click here



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3D Low-Carbon Mobile Cinema (Since 2011 ~)

Delta Electronics' high-quality displaytechnology for anoutdoor theater

In 2011, the Delta Electronics Foundation, the National Taiwan Science Education Center, and the Science and Technology Committee (now the Ministry of Science and Technology) joined together to build the country's first "3D Low-Carbon Mobile Cinema". The trailer tours Taiwan campuses, showing 3D and HDmovies on environmental protection that promote the ideas of low-carbon lifestyles, energy saving, and environmental protection to expand environmental education to each and every primary school. As of 2011, a total of 68 schools have been visited across the country and have received 283,046 visitors.

Delta Energy School Program (Since 2009 ~)

Selected the "2016 National Environmental Education Achievements" and the "Elementary and Middle School Energy Science and Technology Education Promotion in Schools"

The Delta Electronics Foundation has long promoted the "Delta Energy School Program" and developed appropriate local energy teaching materials for use in national elementary schools in the Delta Energy Education Program (DEEP). As of 2016, the program had met with 360 elementary schools. Moreover, DEEP was award the "2016 National Environmental Education Achievements" and the "Elementary and Middle School Energy Science and Technology Education Promoted in Schools" by the Ministry of Education The Ministry of the Interior's research institute's school teachers began research on green building study classes, utilizing Delta Electronics' DEEP case studies. A total of 60 campus leaders underwent training.

>For further details click here

Sponsorship for the Tseng Hsu-Pai Journalism Awardand establishing the "Delta Energy and Climate SpecialAward" (Since 2013 ~)

Addressing Taiwan society's concerns with energy issues and climate disaster

The fourth Hsu-Pai Tseng News Award's "Delta Electronics Energy and Climate Special Award" received 41 submissions. Awards went to works that combined the energy concerns of the Taiwanese society in regards to climate disasters:

News and Magazines/ Global Views Monthly "740,000 barrels of nuclear waste with nowhere to go" Television / CTV "Extreme testing, the next Wulai" Broadcasting/ Radio Taiwan International "Do the winds bring electricity?"

>For further details click here

Climate Think Tank Research (Since 2010 ~)

Namasia Min Chuan Elementary School Assessment indicators for the building of a disaster prevention campus

Delta's donated green building for Kaohsiung county's Namasia Min Chuan Elementary School was selected in 2015 as the Ministry of Education's disaster prevention elementary school seed campus. The Foundation also sponsored scholars of the Namasia Min Chuan Elementary School green building to present it as an example for future disaster relief. They publicly commented on 35 public elementary and middle schools and analyzed results to help introduce improvements to the program. Their recommendations will serve to continuously improve the Ministry of Education's disaster prevention program. In September 2016, Ming Chuan University Professor Jieh-Jiuh Wang's research results were published in the article "Research on Campus Disaster Management" in the International Journal of Disaster Risk Reduction. The results found that the Namasia Min Chuan Elementary School's disaster prevention rating had reached 81.5%

Information source: CEPS - Conference Proceedings - Disaster Prevention Campus Lifecycle Assessment System



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6.3.3 Talent Cultivation

DeltaMOOCx online learning platform (Since 2014 ~)

Placing technical education as the core of development so as to maximizes a teacher's influence on students.

Video views of DeltaMOOCx

2016 Actual

670,000 viewers

2016 Target: 300,000 viewers 2017 Target: 1Million viewers

2020 Target: 5Million viewers



DeltaMOOCx Online Learning Platform



Adaptive curriculum press conference

The DeltaMOOCx online learning platform was specially designed by the Delta Electronics Foundation for high schools, engineering and natural science high schools as well as technical universities. Its fundamental science course design is geared towards the development of high school curriculum. Fundamental science course designs work in tandem with senior high school development. The Ministry of Education's K-12 Education Administration recommended the best centers and teachers and the National Academy for Education Research reviewed textbook contents. The platform serves the public interest and is offered free of charge.

Different from Taiwan's other learning platforms, DeltaMOOCx's chose initially to focus on vocational education as its development core. The platform opened not only with science courses, but also with the teachings of industry trends combined with industrial automation courses. This gives students a stable knowledge foundation that is directly beneficial to their higher education. The platform also extends to high school, improving their foundation for sciences, including math, physics, chemistry, biology, and electronics.

In January 2016, DeltaMOOCx collaborated with the Ministry of Education's Common Senior High School Curriculum Math Resource Center to roll out free, online math exam details. This helps students understand the concepts behind math problems and their solutions, thus enhancing their mathematics ability. In addition to online courses, the platform also adopts the SPOC interactive learning method in the hopes of moving from class modules to creating a counterbalance with an equal, improved learning environment. In addition to students, Delta Electronics also has in-company engineers enrolled in automation courses to apply their knowledge.

Since DeltaMOOCx began in May of 2015, it has reached 126 schools across the country, among which there are 52 high schools and colleges that have joinedthe program. As of the end of 2016, the platform had registered 19,093 people, and is providing 2,282 educational videos, with views exceeding 670,000.

>For further details click here

Delta Advanced Automation Contest (Since 2014 ~)

65 teams from across the Strait and Thailand compete for "Smart Manufacturing Talents"



The 3rdDelta Advanced Automation Contest was themed "Seeking Smart Manufacturing Talents". Delta's founder, Mr. Bruce Cheng, personally attended the contest to cheer the teams on.

The Third "Delta Advanced Automation Contest" was themed "Seeking Smart Manufacturing Talents". The Taipei University of Science and Technology's "A License to Protect" and Xiamen University's "Cloud Map" teams had a firm grasp of the essence of smart manufacturing. By effectively integrating Delta's automated products, they created custom designs for a "commemorative tag smart laser engraving machine" and an "Industry 4.0 custom laser engraving machine". From among 65 teams, these stand outs won the "Smart Manufacturing Talents" grand prize.

>For further details click here



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Delta Power Electronics Science and Education Development Program / Delta Scholar Program (Since 2000~)

The 2016 Delta Electronics Power Electronics New Technology Conference focused on energy conservation and new energy technology development

In 2016, senior experts and more than 300 students and staff of China's 10 key power electronics colleges and universities explored the topics of micro-grids, wind power, grid-connectedsolar photovoltaic systems, battery management systems and other hot topics. They also investigated domestic and international power electronics and advanced technology applications in the power transmission field. The conference promoted the education project's funding of 12 scientific research projects. The project awarded Beijing Jiaotong University Professor Jiang Jiuchun with the honorary "Delta Greentech Scholar" title. Professor Xinke Wu and Professor Pei Xuejun were also awarded the "Delta Greentech Young Scholar Award."

>For further details click here

Pearl Retrieval Program (Since 2008 ~)

Rewarding excellent, disadvantaged students with three years of living expenses in high school

The Delta Electronics Foundation's long-running Delta Pearl Class as of today has funded 4 schools and 8 classes. Thus, the first class of Hefei's 168 middle schools had 33 Pearl Program graduates. In 2016, 100% of the graduates went to top national universities, including Fudan University, Shanghai Jiaotong University, and Sun Yat-sen University (China) and received excellent grades.

>For further details click here

Delta Environmental Scholarship (Since 2005~)

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

Please see the Delta Electronics Foundation website:

- >Delta/Chevening Scholarship
- >Delta Netherlands Scholarship
- >Corporate Environmental Ethics Grant

Chinese Education in Northern Thailand (Since 2001 ~)

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

>For further details click here

Social Contribution Projects in 2016 Sorted According to Focus:

Green Building Promotion	
"Delta Green Building Exhibition" global tour	2015~
New book on Delta's green building story published	2016~
"Small Cabin x Smart Retrofit" Design Workshop	2016
Green building lectures	2016
Delta Cup International Solar Building Design Competition	2005~
Ludian, Yunnan Province (China) Earthquake Disaster Building - Donated Qiaojia County Dazhai Middle School School Building	2016~
Workshop for Green Architects	2009~
Building Carbon Footprint Assessment	2013~
Green Building Visits	2014~

Promotion of Energy and Climate Education Delta Volunteers 2006~ 2011~ Delta Scholar Program on Environmental Law 2007~ Low Carbon Life Blog 2010~ IC Broadcasting - Climate Battle in Taiwan Sponsorship for the Tseng Hsu-pai Journalism Award 2013~ and establishing the "Delta Energy and Climate Special Climate Think Tank Research 2010~ 3D Low-Carbon Mobile Cinema 2011~ Delta Energy School Program 2009~

Talent Cultivation	
DeltaMOOCx Online Learning Platform	2014~
Delta Advanced Automation Contest	2014~
Delta Power Electronics Science and Education Development Program / Delta Scholar Program	2000~
Pearl Retrieval Program	2008~
Delta Environmental Scholarship	2005~
Chinese Education in Northern Thailand	2001~



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7.1 Screening Criteria of Reporting Boundaries



2016 Delta CSR Report Appendix

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:

Taiwan



R&D Centers

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

China

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

Deltronics (Netherlands) B.V.

Delta Electronics Int'l (Singapore) Pte.Ltd.; Delta Electronics (Japan), Inc.; Delta Products Corporation; Eltek AS

Delta Electronics Inc. (Taoyuan 1st Plant and 2nd Plant); Delta Networks Inc., DelBio Inc., Cyntec Co., Ltd.

Taiwan



China

Major Production

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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CSR Report Disclosure Dimensions to Corresponding six SDGs which Delta Focus on

Disclosed in this reporPlanne

O Planned to disclosed in the future

				Internal	Border		External Border		Corresponding
Туре		Dimension	GRI G4 indicator	Production	R&D	Supplier	Distributor / Custome	Community	SDGs
	Operations Management	Economic performance	EC1-EC2	•	•				7 STEERED BO
	Risk Management	Risk assessment &management	Other	•	•	•			
	Innovative Research & Development	Innovative R&D momentum	Other	•	•				9 HOLDER INVOCATION AND AND AND AND AND AND AND AND AND AND
	Brand Management	Brand value	SO3		•				
	Code of Conduct	Anti-corruption	S07	•	•	•			
Covernance	Code of Conduct	Anti-competition	PR1-PR2						
Governance	Customer Relationship Management	Customer Health & Safety	EC9		•				
		Procurement Practices	EN32-EN33	•		•			12 EUROSEE ECONOMICIOS
		Supplier environmental assessment	LA14-LA15	•		•			
	Supplier Management	Supplier labor practices assessment	HR10-HR11	•		•			
	Supplier Wariagement	Supplier labor practices assessment	SO9-SO10	•		•			
		Supplier labor practices assessment	Other	•		•			
		Survey of conflicting minerals production		•		•	•		
		Greenhouse gas emissions	EN15-16, EN18-19	•		0			13 mars
	Climate Change (Greenhouse Gas Reduction)	Environmental impacts of traffic and transportation	EN30	•		•			
		Remission and regulation of climate change	Other	•	•	•		•	13 new
		Quantity of raw materials used		•					12 sprosec codersis consistion
Environment	Green Operation (Energy and Resource Management)	Energy consumption (factory energy-savingbenefits, product energy-saving benefits)	EN1-EN2	•		•			12 Months
	,	Polluted water and waste	EN3, EN5-7	•		•			
		Green-saving benefitsat green factories	EN22-EN24	•	•		•	•	
	Water Resource	Water resources	Other	•		•			
	Management	Water shortage risk identification	EN8-EN10 Other	•		•			13 anex



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				Internal	Border		External Border	-	Corresponding
Type	Topic	Dimension	GRI G4 indicator	Production	R&D	Supplier	Distributor / Custome	Community	SDGs
	Environmental Policy /	Compliance with environmental protection laws and regulations	EN29	•		•	datama		
	Management System	Mechanism for filing complaints regarding environmental issues	EN34	•					
		Related environmental matters	Other	•		•	•		
Environment	Product Liability	Products and services	EN27-EN28						
	Froduct Liability	Labeling of products and services	PR3-PR5		•				
		Compliance with product laws and regulations	PR9		•				
		Successful examples of products and services	Other		•		•		7 SITURABLE AND PROPERTY AND PR
		Employer-employee relationship	LA1-LA3	•					
	Labor-Capital Relationship and	Labor-management relations	LA4	•	•				
	Compensation Benefits	Diversification and equal opportunities for employees	LA12	•	•				
		Mechanism for filing complaints about practical labor issues	LA16	•	•				
		Non-discrimination	HR3	•		•			
		Childlabor	HR5	•	•	•			
	Human Rights of Workers	forced labor	HR6	•	•	•			
Society		Assessment (EICC, internal audit)	HR9	•	•	•			17 MARKICANIF
Coolety		Mechanism for filing complaints about human rights practices	HR12	•	•				
	Talent Development and Educational Training	Training and education	LA9-LA11	•					4 HADOWN
	Occupational Safety and Health	Occupational health and safety	LA5-LA8	•	•	•			
		Regulatory compliance	SO8	•	•				
		Mechanism for filing complaints about social impact issues	SO11	0	0			•	
	Social Participation	Deepened environmental and energy education	Other		•			•	4 BARY 13 CERRY 13 CERRY 1
	Social Fallicipation	Awakened public awareness of climate change	Other		•			•	13 days
		Promotion of green building	Other		•	0	0	•	7 utranscan
		Actively incubating talent	Other		•	•		•	4 BANY



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7.2 Index of GRI G4 Indicators



General Standard Disclosures

Category	Indicators		Section	Page	Note	External Assurance
	G4 - 1	Statement from the most senior decision-maker of the organization	A Word from the Management	3		
Strategy and Analysis	G4 - 2	Key impacts, risks, and opportunities.	A Word from the Management Proactive Response to Climate Change Green Operation Carbon Management	3 46 49 52		
	G4 - 3	Report the name of the organization.	Delta Group Overview	6		
	G4 - 4	Report the primary brands, products, and services.	Delta Group Overview	6		
	G4 - 5	Report the location of the organization's headquarters.	Delta Group Overview	6		
	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	6		
	G4 - 7	Report the nature of ownership and legal form	Delta Group Overview	6		
	G4 - 8	Report the markets served	Delta Group Overview	6		
	G4 - 9	Report the scale of the organization,	Delta Group Overview	6		
	G4 - 10	Report the total number of employees by employment contract and gender.	Employee Composition	70		
Strategic Analysis	G4 - 11	Report the percentage of total employees covered by collective bargaining agreements.	Employee Communication	73		
	G4 - 12	Describe the organization's supply chain	Supplier Chain CSR Management	36		
	G4 -13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Delta Electronics Organizational Structure	7		
	G4 - 14	Report whether and how the precautionary approach or principle is addressed by the organization.	A Word from the Management	3		
	G4 -15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Delta Group Overview CSR Commitment Supports International Business Governance Initiatives	6 14 16		
	G4 - 16	List memberships of associations(such as industry associations) and national or international advocacy organizations in which the organization participates.	Delta Group Overview Supports International Business Governance Initiatives	6 16		
Identified Material	G4 - 17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	Appendix Appendix		a.Please refer to 2016 Annual Report. b.Yes. Please refer to this report (note).	
Aspects and Boundaries	G4 - 18	Explain the process for defining the report content and the Aspect Boundaries.	Appendix	93		
Doundalles	G4 - 19	List all the material Aspects identified in the process for defining report content	Appendix	93		



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Category	Indicators		Section	Page	Note	External Assurance
	G4 -20	For each material Aspect, report the Aspect Boundary within the organization	Appendix	93		Assurance
Identified	G4 -21	For each material Aspect, report the Aspect Boundary outside the organization	Appendix	93		
Material Aspects	G4 -22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Appendix	93	N/A	
and Boundaries	G4 -23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Appendix	93		
	G4 -24	Provide a list of stakeholder groups engaged by the organization	Communication with Stakeholders	18		
	G4 -25	Report the basis for identification and selection of stakeholders with whom to engage.	Communication with Stakeholders	18		
Stakeholder Engagement	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	18		
	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.	Communication with Stakeholders	18		
		Report the stakeholder groups that raised each of the key topics and concerns.				
	G4 -28	Reporting period (such as fiscal or calendar year) for information provided	About this Report	2		
Report Profile	G4 -29	Date of most recent previous report (if any).	About this Report	93	June 30, 2016	
	G4 -30	Reporting cycle (such as annual, biennial).	About this Report	2		
	G4 -31	Provide the contact point for questions regarding the report or its contents.	About this Report	93		
	G4 -32	Report the "in accordance" option that the organization has chosen.	Index of GRI G4 Indicators	96		
	G4 -33	External assurance for the report.	Third Party Assurance Letter	104		
	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	15 28		
	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	15		
	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	15		
Governance	G4 -37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	Communication with Stakeholders	18		
Oovernance	G4 -38	Report the composition of the highest governance body and its committees.	Board Competency	28		
	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	28		
	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	28		
	G4 -41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed.	In support of international Initiatives	16		
	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	15		



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Category	Indicators		Section	Page	Note	External Assurance
	G4 -43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	In support of international Initiatives	28		
	G4 -45	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.	CSR Organization	15		
	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.	Board Competency	15		
	G4 -47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	CSR Organization	28		
Governance	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	15		
	G4 -49	Report the process for communicating critical concerns to the highest governance body.	Board Competency	15		
	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	15		
	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	28 74		
	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.	Communication with Stakeholders Board Competency Remuneration and Benefits	18 28 74		
	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	14 71		
Ethics and Integrity	G4 -57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as help lines or advice lines.	Implementing Risk Management	29		
	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	in support of international initiatives	16		
		hotlines.	Communication with Stakeholders	18		

Specific Standard Disclosures

Category	Dimension	Indicators	Section	Page	Note	External Assurance
Ecol	Economic	Management Direction	A Word from the Management Accumulate Innovative Momentum Accrued Innovation Skills Enhancing Brand Value Social Contribution	3 30 32 84		
Economic	Performance	G4-EC1 Direct economic value generated and distributed.	Delta Group Overview Social Contributions	6 84	Please refer to 2016 Annual Report "Income Statement".	
		G4-EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.	Climate Change Risk Analysis Climate Change Opportunities	48 48		



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Category	egory Dimension Indicators		Section	Page	Note	External Assurance
Economic	Procurement	Management Direction	Strengthening Green Supply Chain CSR Management	36		
Economic	Practices	G4-EC9 Coverage of the organization's defined benefit plan obligations.	Strengthening Green Supply Chain CSR Management	36		
		Management Direction	Materials Management	37		
	Materials	G4-EN1 Materials used by weight or volume.	Materials Management	37		
		G4-EN2 Percentage of materials used that are recycled input materials	Energy/Resource Recycling and Renewable Energy	60		
		Management Direction	Energy Management	54		
	Energy	G4-EN3 Energy consumption within the organization.	Environmental Information Energy Management	49 54		
		G4-EN5 Energy intensity	Energy Management	54		
		G4-EN6 Reduction of energy consumption	Energy Management	54		
		G4-EN7 Reductions in energy requirements of products and services	Green Production	59		
		Management Direction	Water Resource Management	57		
	Water	G4-EN8 Total water withdrawal by source	Water Resource Management	57		
Environmental		G4-EN10 Water sources significantly affected by withdrawal of water.	Water Resource Management Energy/Resource Recycling and Renewable Energy	57 60		
	Emission	Management Direction	Carbon Management	52		
		G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1).	Environmental Information Carbon Management	49 52		
		G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2).	Environmental Information Carbon Management	49 52		
		G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3).	Environmental Information Carbon Management	49 52		
		G4-EN18 Greenhouse gas (GHG) emissions intensity.	Carbon Management	52		
		G4-EN19 Reduction of greenhouse gas (GHG) emissions.	Carbon Management	52		
		Management Direction	Pollution Prevention	58		
	Effluent Sand	G4-EN22 Total water discharge by quality and destination.	Pollution Prevention	58		
	Waste	G4-EN23 Total weight of waste by type and disposal method.	Environment Information Pollution Prevention	49 58		
		G4-EN24 Total number and volume of significant spills.	Pollution Prevention	58		



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	Products and	Management Direction	Green Production	59		
	Services	G4-EN27 Extent of impact mitigation of environmental impacts of products and services.	Green Production	59		
			Environment Friendly Indications Environment Declaration	62		
	Compliance	G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Reducing Environmental Impact from Our Operations	60	"Heavy fines" is defined as more than NT\$ 1 million	
Environmental		Management Direction	Environment Information Carbon Management Product Carbon Footprint	49 52 61		
	Transport	G4-EN30 Significant environmental impacts cause by transporting products, goods and materials in addition to transporting members of the workforce.	CSR Organization Carbon Management Product Carbon Footprint	15 52 61		
	Environment Costs	G4-EN31 For the environmental sustainability of the relevant	Energy Management	54		
	Supplier Environmental Assessment	Management Direction	Strengthening Green Supply Chain CSR Management	36		
		G4-EN32 Percentage of new suppliers that were screened using the environmental criteria	Strengthening Green Supply Chain CSR Management	36		
		G4-EN33 Significant actual and potential negative environmental impacts in the supply chain.	Strengthening Green Supply Chain CSR Management	36		
	Environmental Grievance Mechanisms	Management Direction	Reducing Environmental Impact from Our Operations Product/Service Green Innovations	60 63		
		G4-EN34 Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	Reducing Environmental Impact from Our Operations Product/Service Green Innovations	60 63	N/A	
		Management Direction	Global Employee Composition	70		
	Employment	G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region.	Global Employee Composition	70		
	Linployment	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	74		
		G4-LA3 Return to work and retention rates after parental leave, by gender.	Remuneration and Benefits	74		
Social	Labor Relations	Management Direction	Global Employee Composition	70		
Labor Practices and Decent	Management	G4-LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	Global Employee Composition	70		
Work		Management Direction	Occupational Health and Safety	81		
		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 Health and Safety	81		
	Occupational Safety and Health	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 Health and Safety	81		
		G4-LA7 Workers with high incidence or high risk of diseases related to their occupation.	Occupational Health and Safety	81		
		G4-LA8 Health and safety topics covered in formal agreements with trade unions.	Labor and Management Communication	73		



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Category	Dimension	Indicators	Section	Page	Note	External Assurance
		Management Direction	Human Resources	78		
	Training & Education	Average hours of training per year per employee by gender, and by employee category.	Human Resources	78		
		G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	Remuneration and Benefits	74		
		Management Direction	Employment Policy	71		
Social	Diversity and Equal Opportunity	G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other diversity indicators.	Clobal Employee Composition	70		
Labor Practices and Decent Work		Management Direction	Strengthening Green Supply Chain CSR Management	36		
	Supplier Assessment for Labor Practices	G4-LA14 Percentage of new suppliers that were screened using labor practices criteria.				
	Labor Fractices	G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	Strengthening Green Supply Chain CSR Management	36		
	Labor Practices Grievance Mechanisms	ievance Employe		16 73		
	IVIECTIATIISTIIS	G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	Employee Communication	73		
	Non-discriminati	Management Direction	Employee Policy	71		
	on	G4-HR3 Total number of incidents of discrimination and corrective actions taken.	Employee Policy	71		
	Child Labor	Management Direction	Employee Policy	71		
		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.	Employee Policy	71		
	Forced or	Management Direction	Employee Policy	71		
Social Human Rights	Compulsory Labor	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.	Employee Policy	71		
3		Management Direction	Employee Policy	71		
	Assessment	G4-HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	Employee Policy	71		
	Supplier Human	Management Direction	Strengthening Green Supply Chain CSR Management	36		
	Rights	G4-HR10 Percentage of new suppliers that were screened using human rights criteria.	Strengthening Green Supply Chain CSR	36		
	Assessment	G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken.	Strengthening Green Supply Chain CSR Management	36		
	Human Rights	Management Direction	Employee Policy	71		
	Grievance Mechanisms	G4-HR12 Number of grievances about human rights impacts filed addressed, and resolved through formal grievance mechanisms	Employee Policy	71		
		Management Direction	In support of international Initiatives	16		
Social	Anti-corruption	G4-S03 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.		65	Cover ratio of EICC factory audits and internal execution assessment is 100%, no major violations of corruption in 2016	



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		Management Direction	In support of international Initiatives	16			
	Anti-corruption	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 2016.		
	Compliance	Management Direction	In support of international Initiatives Employee Policy	16 71			
Social		G4-S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		72	Delta was punished on 4 occasions by competent authorities for violating the labor laws in 2016.		
		Management Direction	Strengthening Green Supply Chain CSR Management	No punishment for involvement of anti-competitive behavior, anti-trust and monopolistic behavior in 2016. 16 71 Delta was punished on 4 occasions by competent authorities for violating the			
	Supplier	G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society.	Strengthening Green Supply Chain CSR Management				
		G4-SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken.	Strengthening Green Supply Chain CSR Management	36			
	Assessment for Impacts on	Management Direction	In support of international Initiatives	16			
	Society	G4-SO11 Number of society related grievances that were filed, addressed and resolved through formal grievance mechanisms.	Board Competency	es 16 28 NA 59			
		Management Direction	Green Production	59			
	Customer Health and	G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Green Production	59			
	Safety	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 Production	59			
		Management Direction	Eco-labels and Eco-declarations	62			
Social Product Responsibility	Product and Service	G4-PR3 Type of product and service information required by the organization's product and service labeling. In addition to the percentage of significant.	Eco-labels and Eco-declarations				
Responsibility	Labeling	G4-PR4 Total number of breaches regarding regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	ntary eling, Green Production 59				
		G4-PR5 Results of surveys measuring customer satisfaction.	Exceeding Customer Expectations	35			
	Draduct and	Management Direction	Green Production	59			
	Product and Service Labeling	G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Green Production	59			

Category	ategory Indicators Section		Page
	Risk Evaluation and Management	Implementation of Risk Management	29
	Technical R&D and Pursuit of Innovation	Perseverance in Technical R&D and Pursuit of Innovation	30
Others	Brand Value	Enhancing Brand Value	32
0111010	Conflict Minerals Survey	Conflict Minerals Survey	38
	Mitigation and Adaptation of Climate Change	Proactive Response to Climate Change	46
	Benefits of Green Buildings/Factories	Green Buildings/Factories	49

Category	Indicators	Section	Page
	Water Shortage Risks Identification	Water Resource Management	57
	Environment-related Substances	Strengthening Green Supply Chain CSR Management	36
0.11	Cabotanooo	Green Design	61
Others	Products & Solutions Success Stories	Global Success Stories	8
	Environmental and Energy Education Environmental and Energy Education	Environmental and Energy Education	88
	Talent Cultivation	Talent Cultivation	91



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7.3 Summary of Information Assured (ISAE3000)



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No.	Assured Item	Information Assured	Page	Reporting Criteria
Pro	oduct Energy-S	aving		
1	Electronic ballast annual energy savings in 2016	Assuming that end-users replace existing Magnetic Ballasts with Electronic Ballasts, for the shipments of Delta Electronic Ballast for Fluorescent Lamps to 8 major customers in 2016, annual energy savings for end-users was 180 million kWh.	64	Annual Energy Savings (kWh) = $[\Sigma(A\times B)\times C]$ +1000 × 8 (hr) × 365 (day). A: Maximum input voltage (W) of different models of Electronic Ballast installed in the compatible Fluorescent Lamp based on the data from customer's product brochure. B: Quantities of products of each model are exported from SAP shipment record from 1/1/2016 to 12/31/2016. C: Energy Savings=10%.
2	Server power annual energy savings in 2016	By comparing the efficiency of Delta Server Power to that of 80 Plus Bronze requirements, for the shipments to 10 major customers in 2016, annual energy savings was 1.32 billion kWh.	64	Annual Energy Savings (kWh) = [\(\Sigma(A\times B\times C)\times D]\) \(\display 1000\times 24\) (hr)\(\times 365\)(day). A: Rated output power (W) of each Delta server power model B: At the 50% load condition, power loss (W) difference between Delta server power and 80 Plus Bronze requirements. C: Quantities of products of each model are exported from SAP shipment record from 1/1/2016 to 12/31/2016. D: Percentage of load=50%
3	Ventilating Fans annual energy savings in 2016	By comparing the efficacy of Delta ventilating fans to that of USA Energy Star or Taiwan Energy Label requirements, for the shipments of products that have been certified by the USA Energy Star or Taiwan Energy Label in 2016, annual energy savings was 20 million kWh.	64	Annual Energy Savings (kWh) = $\Sigma(A\times B\times C)$ ÷1000×1671 (hour/Year) *1. A: Rated output power (W) of each Delta ventilating fan model B: Energy saving rate (the difference of efficacy between Delta ventilating fan and USA Energy Star/Taiwan Energy Label requirements divided by that of USA Energy Star/Taiwan Energy Label requirements). C: Quantities of products of each model are exported from SAP shipment record from 1/1/2016 to 12/31/2016. *1: Usage time of 1671 hours/year refers to Japanese Industrial Standards (JIS C 9921-2)
4	LED street lights annual energy savings in 2016	Assuming that end-user installed Delta LED street lights to replace mercury street lights, for the shipments of LED street lights to Taiwan in 2016, annual energy savings was 84 million kWh.	64	Annual Energy Savings (kWh) = $\Sigma(A \times B) \times 12$ (hr)×365 (day). A: Power consumption (W) difference between LED street lights and theoretical replaced mercury street lights B: Quantities of products of each model are exported from SAP shipment record from 2016/1/1~2016/12/31
5	AC-DC Adapter annual energy savings in 2016	By comparing the efficiency of Delta AC-DC adapter to that of Code of Conduct External Power Supplies (EC No. 278/2009 stage 2), for the shipments of the 4 *27main AC-DC Adapter models in 2016, annual energy savings was 21 million kWh. *27: 4 models are ADP-45FE BA, ADP-65HB HCA, ADP-90ZD BA, and ADP-120MH TA.	64	Annual Energy Savings (KWh) = { $[\Sigma(A\times B)\times C\times 39.9 \text{ (hr/week)}\times 52 \text{ (week)}]+[\Sigma(D\times B)\times 56.05 \text{ (hr/week)}\times 52 \text{ (week)}]*1} \div 1000$ A: On charge mode, power loss (W) difference between Delta product and EU requirements at corresponding average efficiency. B: Quantities of products of each model are exported from SAP shipment record from 1/1/2016 to 12/31/2016 C: Percentage of load=56% (Refer to (EC) No 278/2009 analysis report * 2) D: On no load mode, power loss (W) difference between Delta product and EU requirements * 1: Usage time refers to Page 22, Additional assessment in the frame if the review study on commission regulation (EC) No. 278/2009 External Power Supplies. * 2: Percent loading of 56% refers to Page 21, Additional assessment in the frame if the review study on commission regulation (EC) No. 278/2009 External Power Supplies.
Pla	ant El (Electricit	y Intensity)		
6	Electricity intensity in 2016	In 2016, the electricity intensity of Delta's major operations sites was 66,859 kWh/MUSD.	55	Major global operation sites include China (Dongguan, Wujiang, Wuhu, Chenzhou and Cyntec in Huafeng), Taiwan (Taoyuan Plant 1, Taoyuan Plant 2, Cyntec in Hsinchu) and Thailand (plants 1, 5 & 6). Electricity intensity = [Annual electricity usage (kWh)-electricity usage (kWh)] of excluded areas/Production value (million
Gr	een Buildings E	inergy-Saving		USD).
7	Electricity savings of green factory/office buildings in 2016	Delta Group's eleven certified green factory/office buildings saved, in total, 14.54 million kWh of electricity in 2016.	50	The eleven 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, Shanghai R&D Center, Delta US Headquarters, Taoyuan Plant 5, Beijing Office Building, India Mumbai Office Building. Electricity savings (kWh) = (EUI in literature cited – Actual EUI of green buildings) × Floor area of green buildings per building permit, building drawings or building maintenance bill. EUI = Total electricity usage (kWh)/Floor area (m²).
				*: 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: the calculation of floor area for Shanghai R&D Center does not exclude the area of the parking lot).
8	Electricity savings of donated green buildings in 2016	In 2016, Delta Group's five donated green buildings saved, in total, 0.66 million kWh of electricity.	88	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 (m²). *: Floor area does not include the floor area of indoor parking spaces.

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7.4 Third Party Assurance Letter



7 4 1 SGS Assurance Statement- GRI G4 & AA1000



ASSURANCE STATEMENT

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

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Delta Electronics, Inc. (hereinafter referred to as Delta) to conduct an independent assurance of the Corporate Social Responsibility Report for 2016(hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report.

The information in the Delta's CSR Report of 2016 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of 2016. SGS has not been involved in the preparation of any of the material included in Delta's CSR Report of 2016. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all Delta's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (2013) for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured using our protocols for:

- · evaluation of content veracity at a high level of scrutiny for Delta and moderate level of scrutiny for subsidiaries, joint ventures, and applicable aspect boundaries outside of the organization covered by
- · AA1000 Assurance Standard (2008) Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008); and
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Guidelines (G4 2013).

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents. CSR committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

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The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Delta, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

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

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within Delta's CSR Report of 2016 verified is accurate, reliable and provides a fair and balanced representation of Delta sustainability activities in 01/01/2016 to 12/31/2016.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting. In our opinion, the contents of the report meet the requirements of GRI G4 Core Option and AA1000 Assurance Standard (2008) Type 2, High level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

Delta has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, Delta may proactively consider having more actively and direct two-ways involvement of stakeholders during future engagement.

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

Responsiveness

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

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (G4 2013) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, Delta's CSR Report of 2016, is adequately in line with the GRI G4 Core Option. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material aspects and boundaries, and stakeholder engagement, G4-17 to G4-27, are correctly located in content index and report.

General Standard Disclosures

Disclosure on G4-51, G4-54 and G4-55 may be considered in future reports.

Specific Standard Disclosures

Disclosures on Management Approach components for other material aspects, such as goals and targets, may be further enhanced in next report.



Taipei, Taiwan 8th June, 2017 WWW.SGS.COM

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7.4.2 ISAE3000 Limited Assurance Report



Independent Limited Assurance Report

PWCM17000030

To Delta Electronics, Inc.

We have been engaged by the management of Delta Electronics, Inc. (hereinafter referred to as the "Company") to perform assurance procedures on the selected sustainability performance information reported in the 2016 Delta Group CSR Report (hereinafter referred to as the "CSR Report"), and issue a limited assurance report based on the result of our work performed.

Subject matter assured and reporting criteria

The sustainability performance information selected by the Company (hereinafter referred to as the "Selected Information") and their respective reporting criteria are stated in the "Summary of information Assured (ISAE3000)" on page 104 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 the respective 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 being materially misstated.

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 amendment is required in order for the selected information, in all material aspects, to be in accordance with the respective reporting criteria, 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.

Compliance of independence and ethical principles and Quality control requirement

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 behavior.

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

資融聯合會計師事務所 PricewaterhouseCoopers, Taiwan 11012 報北市信義區議時第一局333第27億/27, 333, Keelung Road, Sec. 1, Xinyi Dist., Taipei City 11012, Taiwan T. +886 (2) 2759 6666, F. +886 (2) 2757 6371, www.purc.com/tw



Summary of work performed

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

- Read the CSR Report;
- Inquire with 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; and
- Based on the understanding and evaluation above, perform analytical review procedures on the sustainability performance information. If deemed necessary, perform selective testing to obtain evidence for 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 in order to draw our limited assurance 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 we performed a reasonable assurance engagement.

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 we have performed and evidence we have obtained, we are not aware of any material amendments that need to be made to the assessment of Selected Information referred to in the second paragraph for them to be in accordance with respective reporting criteria."

Other Matter

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

Pricewaterhouse Coopers, Taiwan

June 19, 2017

