

2021 Delta Electronics ESG Report

Delta attains WELL Health-Safety Rating for six of its green buildings with outstanding health and safety conditions, leading the high-tech industry in Taiwan in achieving the most prominent global rating for buildings.



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About the ESG Report

Delta celebrated its 50th anniversary in 2021 amid the risks and opportunities of global climate change. Delta adopted the slogan "Influencing 50, Embracing 50" and continued our energy conservation and carbon reduction efforts in daily operations. We actively followed international sustainability initiatives and succeeded in attaining the Science-Based Targets (SBTs) ahead of schedule after only four years of implementation. We also accumulated experience and results which helped Delta meet the challenges of the global renewable electricity initiative RE100 with greater confidence. We are committed to using 100% renewable electricity and attaining carbon neutrality in all global operations by 2030. In the second half of the year, Delta signed long-term green power purchase agreements (PPAs) with two renewable electricity suppliers in Taiwan, which will provide approximately 27 million kWh of green electricity to Delta each year as we move toward our RE100 targets. Delta's hard work in environmental protection, energy conservation, and global warming mitigation in the past 50 years has helped us create Delta's sustainable development blueprint.

Delta passed and executed the SBTs in 2017 and used active energy conservation, self-generated solar energy, purchase of green electricity or certificates, and other long-term investments to reduce carbon emissions. Our carbon intensity fell by 71% in 2021 compared to 2014, which far exceeded our target of reducing carbon intensity by 56.6% by 2025. The use of renewable electricity in global operations also reached 55% and the results have created a solid foundation for Delta's transition to RE100. After attaining SBTs ahead of schedule, Delta actively supported the "Race to Zero" initiative and set the net zero target for limiting global warming to 1.5°C. We also initiated the internal carbon pricing (ICP) mechanism as a management tool for all units to set zero carbon emissions as their target and prepay an internal carbon price of US\$300 per ton. This mechanism helps us estimate the cost of carbon emissions and helps support energy and resource

management for our plants and RE100 projects, and for our acquisition of renewable electricity. It also encourages business units to invest in negative carbon technologies and more advanced low-carbon innovations to uncover more low-carbon business opportunities.

Delta's global operations span five continents and the scale of operations creates challenges for attaining medium and long-term targets for RE100 before 2030. As there remains significant gaps between countries in their infrastructure and development of renewable electricity, Delta will closely monitor the degree of liberalization of green electricity markets and government regulations in different regions to assess renewable energy development strategies and solutions suitable for the area. In the major production sites, Delta will focus mainly on active energy conservation, self-generated solar energy, and construction of the Company's own power plants. We also set up a RE100 Committee and working groups for different regions to promote and attain all renewable electricity targets for all local Delta operations. Business units will actively develop all types of renewable energy applications and solutions and help power suppliers use renewable energy with greater efficiency. For instance, we can use energy storage systems with smart control of charging and discharging schedules to help customers increase the compatibility for electricity consumption and renewable energy power generation.

As we promote RE100 in the Company, Delta is also committed to leading the supply chain to meet international standards. We shall provide assistance and training and gradually enhance the resilience and capacity of the supply chain to respond to climate change risks. Delta has established a Supplier Climate Change Code of Conduct and provided professional training resources. We also actively encourage energy conservation, help suppliers implement carbon inventory, and require them to pass ISO 14064-1

Greenhouse Gas Inventory certification. We work with more than 90% of the Company's current tier 1 suppliers on climate change issues each year. We also participate in the calculation of the carbon footprint in the manufacturing process of dozens of customers in the CDP Supply Chain Project. We provide energy conservation technologies and carbon reduction benefits to reduce greenhouse gas emissions throughout the process. In 2021, eight major tech companies in Taiwan including Delta formed the Taiwan Climate Partnership and Delta's Chairman Yancey Hai serves as its first Chairman. By working with like-minded partners in the industry on this platform, we expand our influence in the industry and engage with international initiatives and organizations. We also support the low-carbon transformation of the supply chain and raising its competitiveness.

Delta has been committed to responding to climate change and mitigating global warming for many years. We started by implementing our own measures and gradually expanded to the ecosystem of the industry. Our hard work and results have received continuous recognition from major international sustainability indexes (e.g., DJSI and MSCI) and enhanced stakeholder support for Delta's business philosophy and sustainability actions. As we have done in every past year, Delta will continue to focus on corporate values of concern to stakeholders and the common goals of all mankind. We shall include them into our strategies and targets for corporate sustainable development, and we hope to cooperate with all employees and value chain partners to create business opportunities from amid the challenges.



Chief Sustainability Officer

ESG Report Scope and Reporting Period

| | |
|------------------|--|
| Reporting Period | January 1, 2021 to December 31, 2021 |
| Scope | Delta's global corporate operations, research and development centers, and major production sites (Please refer to the Appendix) |
| Other | The exchange rates for currencies of different countries are based on the posted rates of December 31, 2021. |

This Report is Verified and Assured by a Third Party

| | |
|--------------|---|
| Verification | The Company contracted SGS Taiwan to verify that this report conforms to the GRI Standards and AA1000 Type II core standards and a high level of scrutiny. Delta also obtained SGS assurance based on SASB Standards and the Attestation Statement is attached in the Appendix. |
| Assurance | The Company contracted PwC Taiwan to conduct a limited assurance engagement to confirm that the specific key performance information is provided in accordance with ISAE 3000. The assurance report for this ESG report is attached in the Appendix. |

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

A Word from the Management

The Founder

Climate change is an immense, unavoidable challenge for humanity, and countries across the world are taking action to attain the goal of net zero emissions before 2050. The Sixth Assessment Report (AR6) of the United Nations "Intergovernmental Panel on Climate Change" (IPCC) has reviewed the technologies known to mankind and how they can be employed to limit the global temperature increase to 1.5°C. Energy-efficient green buildings, which have been a hallmark of Delta's achievements for several years, were included in the report. The Y.S. Sun Green Building Research Center, a green building donated by Delta to National Cheng Kung University, reduced energy consumption by 65% compared to similar buildings when it was built. As the building has been in use for more than ten years, its energy conservation performance has increased to 86% according to the latest calculations, which demonstrates the carbon reduction effectiveness of green buildings.

Over Delta's 50 years of history, we have always upheld our corporate mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow". We have undergone countless transformations, from producing television components to power supplies for personal computers, from offering components to systems and solutions, and from developing information communication technology to energy technology. Due to our commitment to research and development, we have been able to identify innovative advanced applications from existing core power electronic technologies, which have been widely adopted in ICT, new energy power generation, high-speed rail, electric vehicles, industrial automation, and aviation and aerospace. Delta has used power conversion and control technologies to ensure the efficient use of energy and implement environmental protection and energy conservation.



Bruce Cheng

Founder and Honorary Chairman of Delta Group

In addition to developing efficient products and solutions, we also established the Delta Electronics Foundation in 1990, which has focused on talent cultivation for more than 30 years. Its reach has expanded from Delta's core competencies in energy conservation to energy education, green buildings, and smart manufacturing. The Foundation uses a wide variety of methods to encourage the public to pay attention to climate change. As we pursue industrial development, we must not forget to protect our natural resources and the natural environment. Twenty years ago, I learned about the energy conservation effects of green buildings from the book *Natural Capitalism*, and I resolved to build green buildings.

In 2004, I invited the architect who designed production plant buildings for Delta and employees of the Company's construction units and the Foundation to visit Germany and other countries to observe green buildings in operation. The trip helped me realize that green buildings are energy-efficient and environmentally-friendly, as well as good for the health of occupants. In 2005, we began the construction of our Tainan Plant as a green building. It was inaugurated in 2006 and was the first green building plant of Delta, and indeed, the first in Taiwan. Since then, we have built 30 green buildings and two certified green data centers. Our green buildings include plants, data centers, office buildings, and buildings donated to academic institutions. They demonstrate our resolve in taking action to promote energy conservation for buildings. The building automation solutions developed by Delta also use the Internet of Things (IoT), edge computing, and sensors to help reduce the energy consumption of buildings and increase energy conservation efficiency. These technologies mitigate the environmental impact of climate change.

The Foundation has participated in the United Nations Climate Change Conference since 2007, and has used research by think tanks, international cooperation, and exhibitions, as well as produced films, to increase people's awareness of the urgency of global warming. In recent years, the Foundation has expanded its scope from green buildings, sustainable cities, and low-carbon transportation, to ecological activities such as the protection of humpback whales and coral restoration. Since 2014, the Foundation has worked with the National Academy for Educational Research, K-12 Education Administration, and research centers of multiple disciplines to invite the best teachers to produce basic science courses, which are provided free for the use of students on the DeltaMOOCx online platform. During the height of the pandemic last year, the number of visits rose and exceeded 14 million views. DeltaMOOCx has helped support the academic aspirations of countless young students and helped mitigate the impact of the COVID-19 pandemic, which has interrupted the studies of more than 1.6 billion students across the world and exacerbated the inequality in education between cities and rural areas.

For the last half century, I have been dedicated to giving back to society and have encouraged our employees to support climate change mitigation and adaptation as they develop new products and solutions. For companies, mitigating climate change is more than a mere responsibility, for it is intertwined with business opportunities. I hope our partners in all sectors can pay close attention to global warming and take real action to attain the long-term goal of limiting global warming to 1.5°C. This will provide the next generation with a beautiful environment and a better tomorrow.

The Chairman and the CEO

Many countries made official declarations for net zero carbon emissions when the 26th United Nations Climate Change Conference (COP26), which was held in Glasgow, United Kingdom at the end of 2021, drew to a close. As energy conservation and carbon emissions reduction have become major global trends, Delta upholds the mission statement "To provide innovative, clean and energy-efficient solutions for a better tomorrow" and continues to offer innovative and energy-efficient products and services to seek solutions for climate change. Delta has committed to the RE100 initiative and aims to use 100% renewable electricity and attain carbon neutrality by 2030. Delta's ecological restoration and environmental education programs also encourage people to pay attention to water resources and the marine ecological environment, and work hard for the sustainability of the Earth.

Delta's business operations are closely integrated with sustainable development. The Company's Board of Directors actively participates in the formulation of sustainability strategies and their implementation in core businesses and daily operations through the ESG Committee led by the management team.

Climate actions are thus made an indispensable part of the business model. The Company adheres to its commitment to innovation and R&D to increase resource usage efficiency and improve the sustainability of its products. Delta also spares no effort in talent cultivation and participation in social welfare activities, winning recognition in major international ratings for environmental, social, and economic development.

Delta has been selected for the DJSI World Index for the 11th consecutive year and the DJSI Emerging Markets Index for the 9th consecutive year with the highest score in Global Electronic Equipment, Instruments and Components Industry category in six years. Delta was awarded the CDP climate change and water security leadership level as well as the supply chain engagement leadership A List. Delta was also listed as one of the "Best Taiwan Global Brands" for the 11th consecutive year and its brand value has increased for the 9th consecutive year to 395 MUSD in 2021.



Yancey Hai, Chairman of Delta Electronics (right), and Ping Cheng, Chief Executive Officer of Delta Electronics

Delta continues to invest in product R&D and technological innovation with R&D expenditures exceeding 8% in recent years. In terms of patent planning, Delta has always been committed to developing patents in power supply, industrial automation, and building automation technologies, and we have actively strengthened the development of electric vehicle, information and communication technology (ICT), and energy infrastructure. We continue to achieve breakthroughs and innovation and create greater value in the industry. As of the end of 2021, Delta has accumulated nearly 12,000 patents across the globe. Delta has been recognized by the professional analytics company Clarivate as a 2022 Top 100 Global Innovators™ with achievements that have surpassed those of major companies and research institutions, culminating in its first-time inclusion.

Delta implemented a total of 2,517 energy saving projects in plants across the globe from 2010 to 2021 with an estimated 314 million kWh of electricity saved, equivalent to a reduction of 245,000 tons of carbon emissions. Our high-efficiency energy-saving products have helped our global customers save 35.9 billion kWh of electricity. This is equivalent to reducing 19.01 million metric tons of carbon emissions. Starting from 2015, 11 types of products including electronic ballasts, server power, PV inverters, and EV DC chargers shipped by Delta have received ISAE 3000 assurance and the results demonstrate our effectiveness for helping customers reduce carbon emissions.

Delta is also committed to creating healthy buildings to provide employees and visitors with a healthy indoor environment as ESG best practices in corporate management. Six plants and office buildings including the Company's Taipei global headquarters building, Shanghai R&D center building, and our Americas headquarters building have obtained the WELL Health-Safety Rating (HSR). Delta was not only the first tech company in Taiwan to pass the review, but also the first company in Taiwan to apply for and receive the rating for several buildings across different countries. From 2006 to 2021, Delta has created 30

green plants and offices as well as green buildings donated to academic institutions, and two green data centers certified for their high efficiency. The certified 15 green plants and offices and five green buildings donated to academic institutions saved 18.09 million kWh of electricity in 2021, representing approximately 11,142 metric tons of CO₂e reduction.

The Delta Electronics Foundation continued to increase its influence at the United Nations Climate Change Conference (COP26), and organized peripheral meetings to exchange ideas with international opinion leaders on Delta's low-carbon transportation technologies and practical actions. Delta also assisted in the rebuilding of Namasia Minquan Elementary School in Kaohsiung in the wake of Typhoon Morakot, which received a LEED Zero Energy certificate. The elementary school became the first campus in Asia to receive LEED Zero Energy certification and was among the iconic case studies shared by the Foundation at COP26 peripheral meetings, which also supports the 1.5°C target of COP26. The marine environmental education films "The Birth" and "Life in the Coral Reefs" were played continuously at the venue used by the United Nations for official negotiations. We used powerful images of the marine ecology to support carbon emissions reduction and increase people's awareness of the impact of climate change on the marine environment.

In response to the arrival of the climate change era, Delta remains focused on energy conservation and incorporating climate change into its business strategies and sustainable development goals. The Company will continue to use innovative technologies to mitigate and adapt to climate change. Our founder Mr. Bruce Cheng has always believed that in addition to pursuing growth and profits, companies should focus their resources on developing products that contribute to humanity and society. Delta will continue to use our core power electronics technologies accumulated over half a century to create solutions for climate change. We shall also work with partners to achieve a sustainable future for the Earth.

1 Overview



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- 1.1 Delta Electronics Organizational Structure
 - 1.2 Sustainable Business Development
 - 1.3 Enhancing Brand Value



Overview

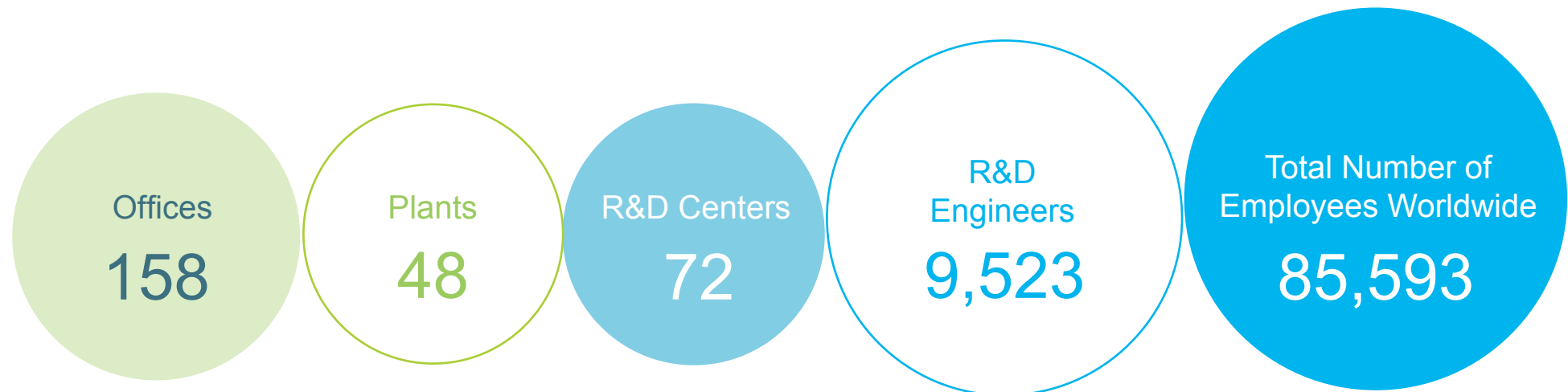
Established: 1971

2021 Delta Electronics, Inc. (DEI) revenue : 11,275 MUSD (NTD 314.671 billion)*

Delta is a leader in power supplies and thermal management solutions, as well as energy-saving and new energy solutions for customers across the world. Delta has integrated its software and hardware system products in recent years and focused on strategic markets such as industrial automation, building automation, energy infrastructure facilities, ICT infrastructure, and electric vehicles to create smart and energy-efficient solutions for customers. Delta is headquartered in Taipei, Taiwan, and has main sales offices throughout the world, including nearly 40 countries in Europe, Asia, America, and Africa.

With our corporate mission: "To provide innovative, clean and energy-efficient solutions for a better tomorrow", Delta has always paid close attention to climate change issues. Delta became the first in Taiwan as well as the 87th company globally to pass the compliance evaluation of the Science Based Targets initiative (SBTi) for carbon reduction.

Delta participates in activities of the following associations in Taiwan: Business Council for Sustainable Development of Taiwan (BCSD Taiwan), Center for Corporate Sustainability, Taiwan Corporate Governance Association (TCGA), Chinese Business Ethics Education Association, Association of Taiwan Listed Companies, Taiwan Optoelectronic Semiconductor Industry Association (TOSIA), Taiwan Electrical and Electronic Manufacturers' Association (TEEMA), and Taipei Computer Association (TCA). Delta and TCA also became joint founders of the "Taiwan Climate Partnership". In Mainland China, Delta is a member of associations such as the China Power Association, Chinese Association of Automation, China Communications Standards Association, and China Industry Energy Conservation and Clean Production Association. In Thailand, Delta is a member of the Electric Vehicle Association of Thailand and Thai IoT Association. In other regions, Delta is a member of the EV100 Initiative and RE100 of the Climate Group, International WELL Building Institute (IWBI), and U.S. Green Building Council (USGBC). We believe in fulfilling Delta's sustainability goals through sound corporate governance, balancing stakeholder interests, and supporting social progress.



* Please refer to the 2021 Delta Electronics, Inc. (DEI) Annual Report revenue boundary.

Global Operations

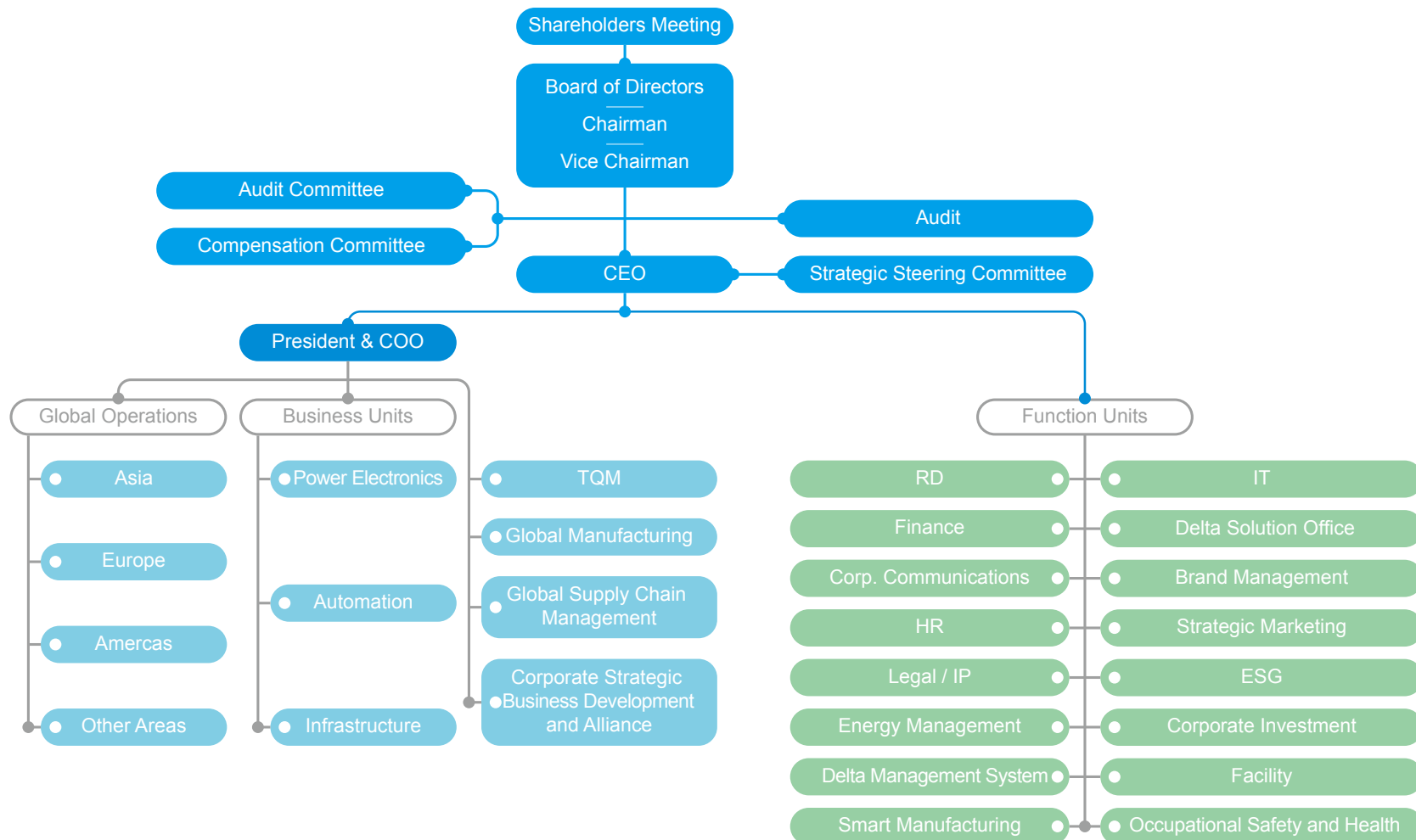
Delta has 158 sales offices, 48 plant sites, and 72 R&D centers, with over 9,000 R&D engineers throughout the world.

- Main Sales Offices
- Main Plant Sites
- Main R&D Centers



1.1 Delta Electronics Organizational Structure

Delta's corporate governance framework and highest governance unit is the Board of Directors. To strengthen corporate governance, Independent Directors are appointed in the Board of Directors and we have established functional committees such as the Compensation Committee and Audit Committee to improve the performance targets and compensation structure of Directors and managers of the Company. We implement effective internal controls and risk management to respond to potential crises and risks for the Company.



1.2 Sustainable Business Development

By leveraging our core competence in power electronics, Delta has developed innovative technologies in both hardware and software based on the needs of our clients. We provide innovative, clean, energy-efficient solutions and system integration services while striving to promote our brand and enhance our corporate image. According to statistics from 2012 to 2021, Delta has had 1,284 successfully completed cases all over the world. These projects have covered areas such as industrial automation and control systems, building automation, data center infrastructure, telecom power systems, intelligent monitoring & management systems, EV charging systems, and renewable energy. These projects have assisted clients in saving operations costs and improving their global competitiveness and helped reduce global warming.

1.2.1 High-Performance Product Development

Delta has divided its operations into three business categories based on its business continuity strategy. These are “Power and Electronics”, “Automation”, and “Infrastructure”, which account for 59%, 15%, and 26% of the revenue, respectively.

Delta maintains its leadership position in the ODM (Original Design Manufacturer) industry, and actively integrates product advantages with hardware and software technology. We focus on electric vehicles, smart manufacturing, smart green buildings, and energy storage and microgrid systems to provide customers with innovative, environmentally-friendly, and high-performance total solutions.

Business Scope of Delta's Three Major Business Categories



Power Electronics

- Components
- Power and Systems
- Fans and Thermal Management
- Automotive Electronics

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Automation

- Industrial Automation
- Building Automation



Infrastructure

- ICT Infrastructure
- Energy Infrastructure & Industrial Solutions
- Display Solutions

vivitek



Three Major Business Categories



Power Electronics

"Power Electronics" include: components, power and systems, fans and thermal management, and automotive electronics. Delta is a provider of power and thermal management solutions. We provide switching power supplies, DC fans, and passive components for renowned customers in the global ICT, consumer electronics, and industry sectors. Delta uses its core technologies for integrating electrical and electronic power systems to provide solutions and products for electric and power systems for electric vehicles and hybrid vehicles.



Automation

"Automation" includes industrial automation and building automation. Delta provides customers with industrial applications including food, textiles, lifting, elevators, rubber and plastics, printing and packaging, tool machines, and electronics in the industrial automation sector. Delta also integrates its automation technologies and abundant knowledge in the industry to actively advance toward smart manufacturing. Delta also uses IoT technologies to integrate equipment in buildings such as air-conditioning, lighting, energy, water supply and drainage, elevators, electricity, and security access systems to create flexible, scalable, and highly compatible building automation solutions.



Infrastructure

"Infrastructure" includes ICT infrastructure and energy infrastructure. In the ICT infrastructure facilities sector, Delta is a main global supplier of ICT power systems, data center infrastructure, and networking systems and provides customers across the world with energy-efficient and reliable solutions. Delta also provides energy infrastructure facilities for multiple sectors including renewable energy, electric vehicle charging, and energy storage systems to create sustainable cities with customers. Delta is also a professional manufacturer of video displays and projectors that are used in family theaters, surveillance centers, large-scale concert halls, outdoor displays, and exhibition halls. The scope of the infrastructure also includes industrial power supply, medical power supply, and medical and health equipment.

1.2.2 Global Success Stories in the Implementation of SDGs

Delta actively provides one-stop service solutions to customers around the world. As of 2021, we have successfully delivered 113 cases and actively developed high-performance products and solutions with significant benefits for our customers, such as reduced operating costs and enhanced global competitiveness.

Statistics of Delta's Success Stories with Seven Major Solutions

| Delta's Solutions | 2012-2021 | 2019 | 2020 | 2021 |
|---|--------------|------------|------------|------------|
| Data Centers | 419 | 71 | 58 | 29 |
| Display and Monitoring | 169 | 23 | 6 | 10 |
| Electric Vehicle Charging | 63 | 5 | 14 | 18 |
| Industrial Automation and Smart Manufacturing | 275 | 85 | 27 | 29 |
| Renewable Energy | 84 | 14 | 11 | 5 |
| Building Automation | 162 | 47 | 18 | 21 |
| Telecompower | 86 | 4 | 3 | 0 |
| Others | 26 | 7 | 1 | 1 |
| Total | 1,284 | 256 | 138 | 113 |

Case 1: Pingjhen Plant Electricity Ancillary Service Energy Storage Pilot System

The 5MW energy storage system set up by Delta at the Pingjhen Plant was officially connected to Taipower's Energy Trading Platform on November 1, 2021. Entering the electricity ancillary service market, it became a member of the "electricity sharing" scheme. It operates around the clock based on the most rigorous dReg0.25 dynamic regulation reserve and helps stabilize the national grid. Average executive rate after its inauguration is 95% to 100%, which fully satisfies Taipower's requirements for level 1 efficiency and performance. Delta is the first company in Taiwan to pass the capacity tests for Taipower's "dReg0.25, dReg0.5, and sReg", the three standards for different regulation reserve. The Pingjhen Plant system was also Delta's sixth MW-level large-scale energy storage system that was successfully connected to the grid for operations in Taiwan.



The 5MW energy storage system at Delta's Pingjhen Plant.

Case 2: First 5G Smart Factory in Guishan Industrial Zone, Taoyuan

Delta has implemented large-scale smart manufacturing plans for production sites of the Group since 2017. We have continued to set up and upgrade smart production lines and upgraded the production line for vector control variable-frequency drives in our Taoyuan Plant in 2021 to create a smart factory with a 5G environment. We introduced automatic insertion equipment, automated guided vehicle (AGV), autonomous mobile robots, and smart functions such as assembly training, operation support, visualization equipment control and management created with mixed reality (MR) and augmented reality (AR). The actual test data after the official launch increased the production value per person significantly by 69% and increased the production value of the entire production line by 75% in the preliminary stage.



The smart upgrades of Taoyuan Plant 1 involve smart logistics, smart assembly, smart equipment and smart analysis.

1.3 Enhancing Brand Value

Brand Positioning

Delta's brand emphasizes innovation and energy conservation and features a combination of product development and sustainability. As a provider of electronics, power, and energy management solutions faced with global climate and environmental changes, Delta continues to invest in product R&D and technological innovation to provide more efficient and more reliable energy-efficient solutions, and to create sustainable low-carbon cities.

Delta is committed to its mission: "To provide innovative, clean and energy-efficient solutions for a better tomorrow." This commitment is Delta's pledge to investors, customers, and employees. 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 products. Delta is dedicated to providing industry customers and consumers alike with a variety of products and services that support a smart, environmentally-friendly future.

"Influencing 50, Embracing 50" Corporate Sustainability Development

2021 was a brand-new milestone for Delta as we celebrated our 50th anniversary. Delta set its goals for "Influencing 50, Embracing 50" as inspiration and will continue innovation, energy conservation, and environmental protection to become a sustainable brand. For the last 50 years, we have successfully transitioned from a component supplier to a provider of system integration solutions, and we have become a leading global brand for industrial applications. In recent years, Delta has gradually expanded commercial applications to use its core electrical and electronic technologies to develop vehicle-mounted power control, power system, and charging facilities for electric vehicles. We also use IoT technologies to develop smart and healthy buildings and energy infrastructure solutions to create a sustainable smart city based on human needs.

In response to changing lifestyles in the post-pandemic world with continuous increases in the demand for ICT equipment and data centers for digital services, Delta has embraced its role as a leading supplier for telecom power supply and will provide green data center and energy-saving solutions for 5G developments. We hope that we can use the energy efficiency technologies we have developed in the past half century to work with partners in different sectors for even greater achievements in the next 50 years.



(From left to right) CEO Ping Cheng, Chairman Yancey Hai, Founder & Honorary Chairman Bruce Cheng and Chief Brand Officer Shan-shan Guo host the "Influencing 50, Embracing 50"-themed press conference to announce Delta's 50th anniversary celebration program.

Supporting Delta's Corporate Mission with "Sustainable Conservation and Nurturing Life"

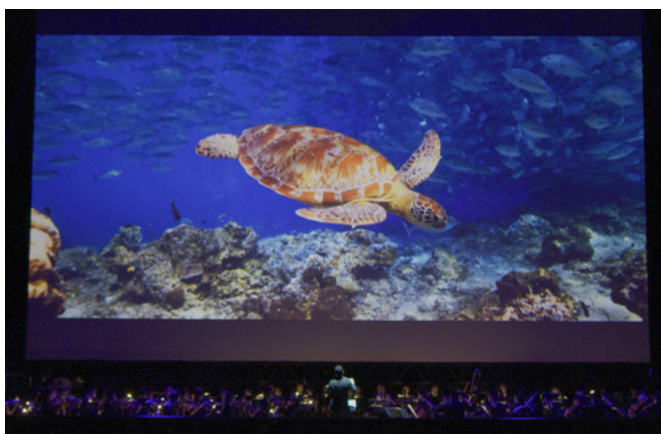
The Delta 50th Anniversary events focused on the theme of sustainable conservation and nurturing life. "Sustainable conservation" means we must cherish energy sources and it is the reason for Delta's continuous dedication to increasing energy efficiency. "Nurturing life" refers to the nurturing of life and the environment, and our commitment to the protection of water resources and the marine ecology. We organized the "Delta 50 Blue Planet II: Live in Concert" and played a collection from the epic ecology documentary "Blue Planet II" produced by the British Broadcasting Corporation (BBC). The show included an 80-person ensemble of the Taipei Philharmonic Orchestra and Chorus with music composed by the renowned movie soundtrack composer Hans Zimmer. The documentary was projected with Delta's ultra-high definition 8K DLP laser projector with a luminosity of 37,000 lumens on an 800-inch mega screen. It brought viewers to the underwater world and aimed to rekindle the public's awareness of the marine ecology as Delta celebrated its 50th

anniversary. In addition, we used recycled paper for the concert, including promotional materials, compiled statistics on carbon emissions, and purchased Gold Standard carbon credit to successfully create a concert with zero emissions, all to implement Delta's corporate mission of "To provide innovative, clean and energy-efficient solutions for a better tomorrow".

The Delta 50th Anniversary special exhibition was also organized at different offices across the globe. Employees as well as internal and external partners across the world looked back on Delta's 50-year history in the "Delta Newsroom" exhibition. They viewed the history and achievements in the past half century as well as the results of the Company's dedication to sustainable development and aspirations to create a better tomorrow.



The 'Delta 50th Anniversary Zero-carbon Concert' features BBC's world-renown 'Blue Planet II' to spark public awareness on the protection of marine ecology.



Through a giant 800-inch screen and state-of-the-art Delta 8K projector, amazing natural wonders are highlighted in breathtaking detail.



Delta's 50th Anniversary Exhibition introduces important moments, remarkable people and Delta's dedication to environmental protection.

Best Taiwan Global Brands

Delta has upheld its brand positioning and commitment to "Smarter. Greener. Together." implementing each from core competencies to product development. We aim to share technologies and innovation and integrate business operations with ESG.

Since 2011, Delta has been listed on Interbrand's brand valuation of the Best Taiwan Global Brands for 11 consecutive years. In 2021, Delta's brand value once again took a leap forward in its 9th year of continuous growth, rising 19% compared to that of 2020, and reaching 395 MUSD.



Delta has been honored as one of the Best Taiwan Global Brands for the 11th consecutive year, Ms. Shan-shan Guo, Delta's chief brand officer, takes a group photo with colleagues from the Brand Management Division.

Internal Brand Communication: Consolidating Employee Consensus

Delta has issued its Brand News Bi-Monthly for more than 10 years and continues to share Delta's branding practices and operations in different parts of the world. We launched the digital version of our bi-monthly newsletter a few years ago and have enhanced our video and social media connections. These creative measures enrich our employees' reading experience and allow us to share the achievements of the Delta brand to more external partners.

Delta's Brand Management and Human Resource Divisions work together to organize regular brand training courses on the development history of the Delta brand, brand positioning, and ESG sustainable development achievements. We help every employee understand the connection between Delta's core values and businesses and incorporate them into their DNA so that they become spokespersons for the Delta brand.

2

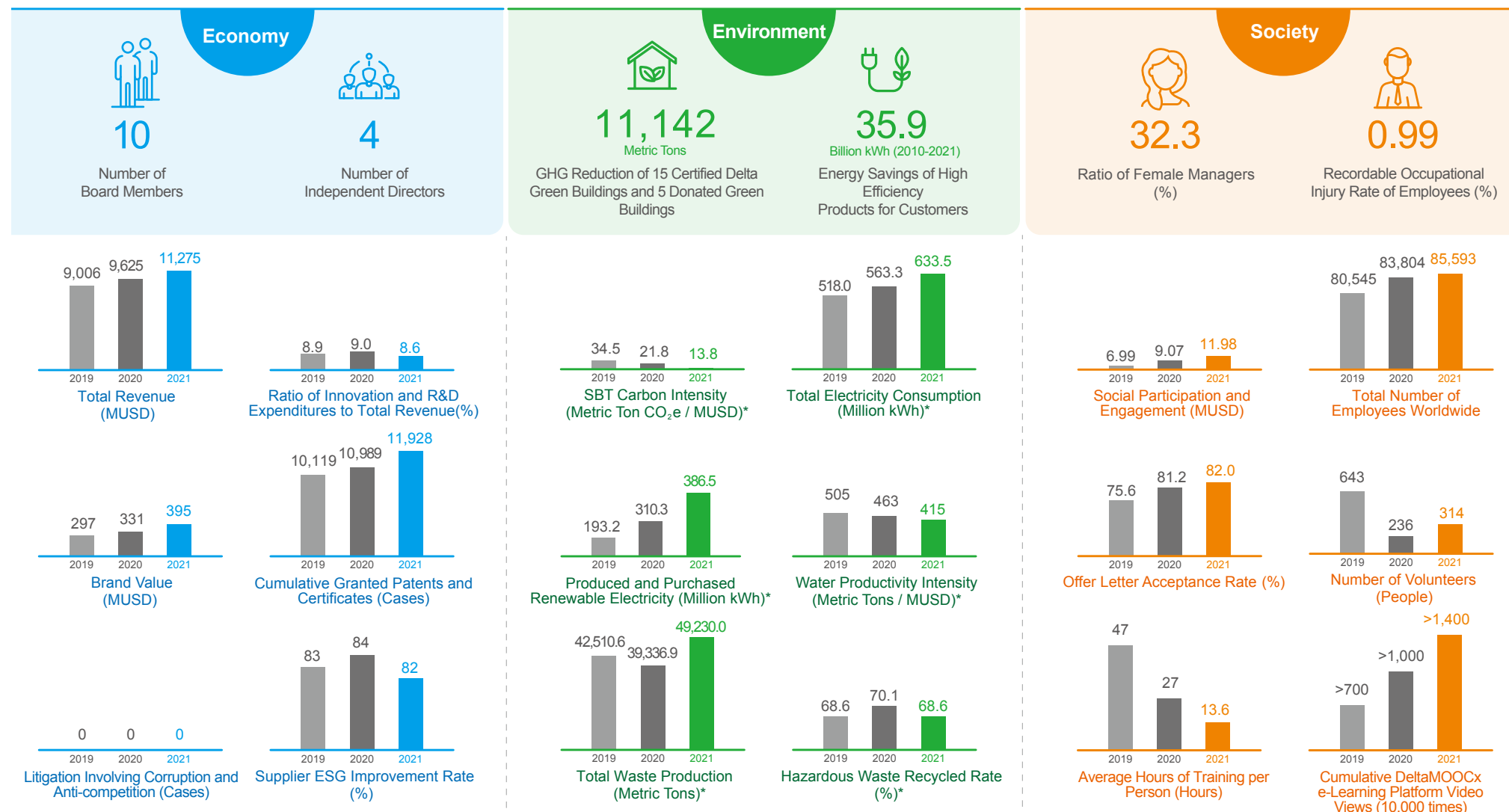
Sustainable Management



-
- 2.1 Sustainable Management
 - 2.2 Policies and Promotions
 - 2.3 Responding to Global Sustainable Development

2.1 Sustainable Management

2.1.1 Sustainable Key Performance



* Main production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China; DET plant 1, 3, 5, and 6; Taoyuan plant 1 and 2 in Taiwan; Cynotec Hsinchu plant in Taiwan and Huafeng plant in China are within the scope of the SBT commitment.

2.1.2 Awards and Recognition

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Dow Jones Sustainability Indices

- Listed in the Dow Jones Sustainability World Index for 11 consecutive years
- Highest overall score in the electronic equipment, instruments & components industry in the Dow Jones Sustainability Indices (DJSI) for 6 years
- Selected for the Dow Jones Sustainability Emerging Markets Index for 9 consecutive years
- Delta Electronics (Thailand) listed in the Dow Jones Sustainability World Index for the first time

Sustainability Award Gold Class 2021

S&P Global

Sustainability Yearbook Assessment

- Awarded Gold Class in the Sustainability Yearbook published by RobecoSAM for the 8th time



CDP

- Awarded the CDP Climate Change Leadership for the 5th time
- Included in the CDP water security and supply chain engagement A List in 2 consecutive years



Morgan Stanley Indexes

- Selected consecutively for the MSCI ACWI ESG Leaders Index
- Selected consecutively for the MSCI Emerging Markets ESG Leaders Index
- Selected consecutively for the MSCI Taiwan ESG Leaders Index



FTSE4Good Index Series

- Selected consecutively for the FTSE4Good Emerging Indexes
- Selected as a constituent of FTSE4Good TIP Taiwan ESG Index (Compiled by Taiwan Index Plus Corporation and FTSE Russell)



Institutional Shareholder Services (ISS) Enterprise Performance Evaluation

- Received "Best" rating in the evaluation



ESG100

- Selected in the Thaipat Institute ESG100 for the 7th consecutive year



Best Taiwan Global Brands

- Selected as one of the "Best Taiwan Global Brands" for the 11th consecutive year



ENERGY STAR Sustained Excellence Award

- Delta received the Energy Star Sustained Excellence Award for the 4th consecutive year
- Received the ENERGY STAR Partner of the Year for the 6th consecutive year



The Taiwan Corporate Sustainability Award

- Delta received 6 major awards in the Taiwan Corporate Sustainability Awards held by the Taiwan Institute for Sustainable Energy in 2021



British Chamber of Commerce in Taipei

- Delta received the first "Climate Champion" award Actions from the British Chamber of Commerce in Taipei in 2021



Awards for Foreign Companies in China

- Recognized as one of the top three companies in the electronics industry in the "2021 China Corporate Social Responsibility Development Index" for the 2nd consecutive year
- Ranked among the top ten foreign companies in the "China Corporate Social Responsibility Development Index" published by the Chinese Academy of Social Sciences for the 7th consecutive year.

- Received the 2021 Best Companies to Work for in Asia Award from HR Asia
- Received 5 major awards in the Thailand Energy Award presented by the Ministry of Energy of Thailand
- Received the 2021 "Excellence Award in Corporate Responsibility of the Year" and "Model Responsibility Enterprise of the Year" from "Southern Weekly"
- The case study "Delta Upholds Green Development as Vanguard for Low-Carbon Development" was selected as a "Paradigm Case Study for Green Low-Carbon Development" by the Ministry of Ecology and Environment of China, and Delta was the only electronics manufacturer to be selected.

2.2 Policies and Promotions

2.2.1 ESG Policy and Mission

Delta has upheld the mission statement "To provide innovative, clean and energy-efficient solutions for a better tomorrow" since its founding. We are also committed to the brand promise of "Smarter. Greener. Together." Delta expresses its commitment to promoting economic, environmental and social sustainable development in its various aspects of operation. These include providing energy-saving products and green solutions, improving corporate governance, taking stakeholders' benefits into account, protecting the environment, focusing on energy conservation education, promoting environmental education, and more. Along with the continuous development of sustainability topics, we also focus on the relationship between Delta's value chain and the environment and society. We actively play our role as an international corporate citizen based on our core competencies.

As an international corporate citizen, Delta supports international principles and standards including the Responsible Business Alliance Code of Conduct, Universal Declaration of Human Rights, International Labor Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

Delta's Board of Directors has clearly defined four major principles through the "Delta Corporate Social Responsibility Best Practice Principles" to fully secure ESG responsibilities: Implement corporate governance, develop a sustainable environment, safeguard public welfare, and enhance the disclosure of the Company's sustainability information.

Our Promise

- ✓ Maintain good corporate governance and adhere to business ethics
- ✓ Adhere to all laws and regulations
- ✓ Create company value and improve shareholders' rights
- ✓ Invest in innovative R&D, develop intellectual property rights, and do our best to improve technology for humanity's social and economic development, and sustainable development of the global environment
- ✓ Develop environmental protection and energy saving products and implement environmental protection as a way to reduce our impact on the environment
- ✓ Provide a safe and healthy work environment for employees, space for their full talents, and reasonable compensation and benefits
- ✓ Actively participate in environmental protection and energy conservation education, and encourage employees to participate in social welfare activities
- ✓ Promote the concept and practice of sustainability in Delta's supply chain and jointly pursue better performance

2.2.2 Sustainable Promotion of Organizations

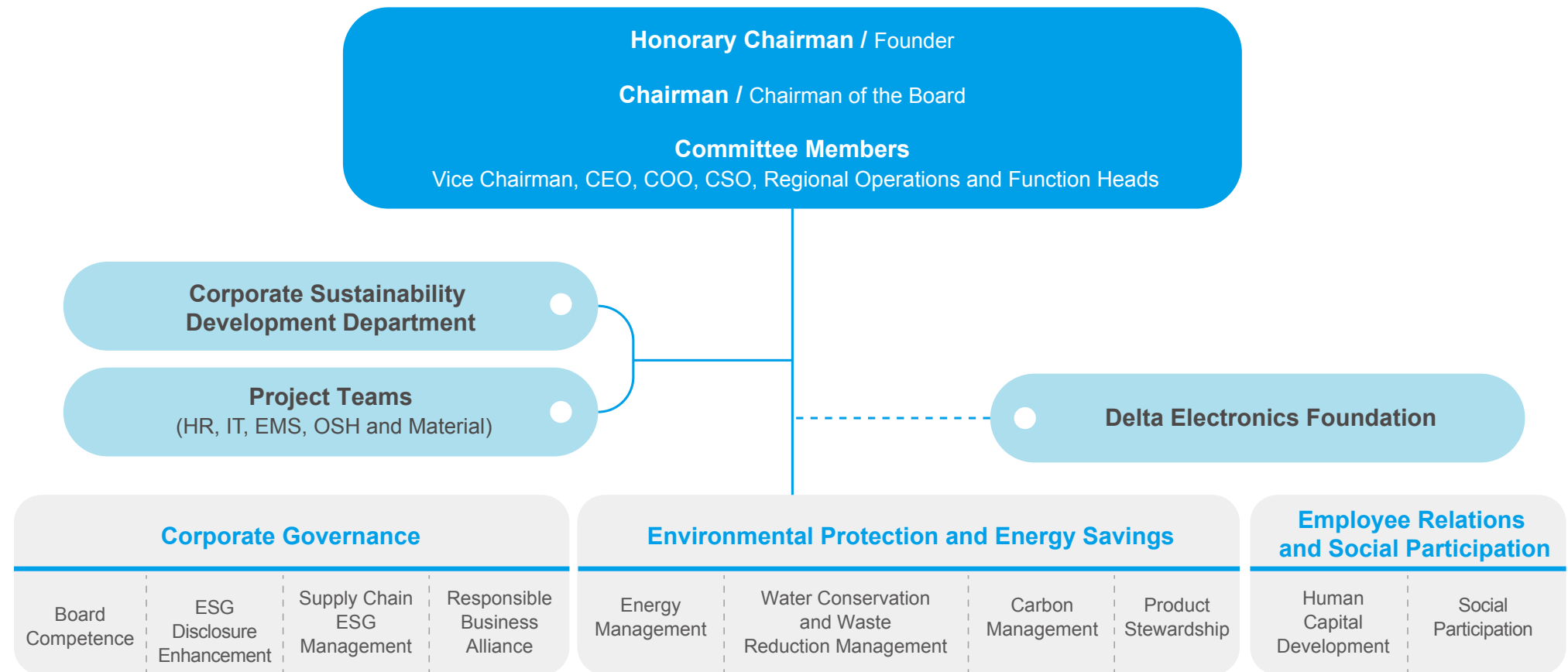
Delta's ESG Committee is its highest-ranking sustainable management organization. Since its founding in 2007, it has continuously transformed with sustainability development trends. Delta established the role of Chief Sustainability Officer (CSO) in 2019 to promote and intensify Delta's sustainable development.

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, CSO, and top regional operations and functional executives. The ESG Committee oversees staff organizations and execution units including project teams and the Corporate Sustainability Development Department*. Delta Electronics Foundation is also invited to attend meetings of the ESG Committee. The Corporate Sustainability Development Department serves as the secretariat which is responsible for analyzing international trends in sustainable development and understanding stakeholder expectations to identify material topics. It makes adjustments and mitigates possible impact of material topics such as climate change on operations and jointly plans application strategies and execution plans with various function subcommittees. It also drafts the ESG Report each year and submits it to the Delta ESG Committee for issuance.

The Committee oversees ten project teams that focus on three major aspects of sustainability goals including corporate governance, environmental protection and energy conservation, and employee relations and social participation. The "Responsible Business Alliance" project team was added in 2020. The project teams are composed of business groups, region directors, and department directors. They are responsible for formulating Delta's project plans, development tools, and procedures and they organize regular meetings to plan annual sustainability strategies, review the operations of the Group and various functional committees, and supervise the effectiveness of the execution. The results of the execution are reported to the Board of Directors each quarter.



Delta ESG Committee



* The "Corporate Sustainability Development Office" was renamed "Corporate Sustainability Development Department" in 2021

2.3 Responding to Global Sustainable Development

2.3.1 UN Sustainable Development Goals

The United Nations passed the Sustainable Development Goals (SDGs) in 2015, which set up 17 targets that are related to global sustainable development. The SDGs help Delta evaluate whether product development is in line with global demands and encourage us to think how to maximize the impact of our corporate mission of "To provide innovative, clean and energy-efficient solutions for a better tomorrow" and uncover opportunities. Delta's Corporate Sustainability Department is based on the company's core professional capabilities, reference international benchmark case analysis, and successful customer cases. The ESG Committee decided to focus on seven SDGs for the future direction of Delta's key development plans.

Delta Focuses on Seven SDGs



Quality Education

High quality education for all. Shaping the development of talent and improving knowledge. Delta is promoting education and life-long learning from four aspects: Promoting basic subject education; promoting environmental education such as energy, water resources, and green buildings; assisting in improving educational opportunities in developing countries; and establishing talent cultivation mechanisms within the company to move towards lifelong learning.



Affordable and Clean Energy

Constructing a reliable and sustainable clean energy system is one of the global priorities. Delta is dedicated to developing solar power generation systems and renewable energy solutions, and discovering new business models from them. Delta also provides affordable renewable energy solutions for low development areas to help more people obtain sustainable modern energy.



Industry/Innovation Infrastructure

Accelerating industrial innovation and assisting in the construction of resilient infrastructure are the best solutions for companies facing the dual pressures of climate change and sustainable development. Delta has implemented an internal incentive system to continuously accumulate innovative energy and provide diversified energy-saving solutions for global customers. Its applications include smart manufacturing and low-carbon transportation.



Sustainable Cities and Communities

As cities grow larger and populations become more concentrated, sustainable cities have become key to balancing human welfare and sustainable environmental and social development. Delta actively promotes green buildings and our green building solutions include building automation and energy infrastructure. We seek to build sustainable cities with stakeholders.



Responsible Consumption and Production

Sustainable consumption and production are the basis for sustainable business operations. Delta upholds its mission of "To provide innovative, clean and energy-efficient solutions for a better tomorrow". It has implemented sustainable consumption and production into daily operations through promoting green production measures and the promotion of green building factory management and the green operation concept.



Climate Action

Properly responding to climate change and its impact, and taking counter measures are a major challenge for the company's sustainable business strategy. Delta responds to climate-related risks by adaptation and mitigation, and continues to identify climate change opportunities. In addition, Delta uses "corporate self-motivated carbon reduction", "disclosure of climate change information", "participation in climate policy", "conversion to electric vehicles and expansion of charging facilities", and "promotion of 100% renewable energy" as strategies, and carries out actions from inside out.



Partnerships for the Goals

As global citizens, companies participate in global partnerships to help activate sustainable development. Delta participates in international conferences on climate change, provides its views on sustainable development to the international community and increases the opportunities for industrial communication. Delta further promotes global partnerships by taking action responding to the "We Mean Business" commitments.

Delta's Sustainable Development Strategy and Main Plans

Delta focuses on seven SDGs by analyzing the corresponding SDGs in each stage via the value chain: 4. Quality Education, 7. Affordable and Clean Energy, 9. Industry Innovation and infrastructure, 11. Sustainable Cities and Communities, 12. Responsible Consumption and Production, 13. Climate Action, and 17. Global Partnerships, for business opportunities that serve as the direction for future key development plans.

To facilitate sustainable development, Delta focuses on seven key SDGs to plan a sustainable development strategy and expand downward to various key aspects to formulate Delta's future strategy roadmap. We use international trend research and analysis and sustainable benchmark case studies in the industry to develop a framework for our sustainable development strategy. We also use core business analysis (company core value and business strategy plans) and sustainable trend analysis (international benchmarks and international sustainability trends) to integrate internal core business operations and external sustainability trends and produce Delta's 2030 sustainable development strategy and key measures. We have started to implement the following steps:

01

Strategies

Each strategy shall correspond to SDGs

02

Indicators and Targets

Each strategy shall expand downward to multiple indicators and short, medium, and long-term goals

03

Action Plans

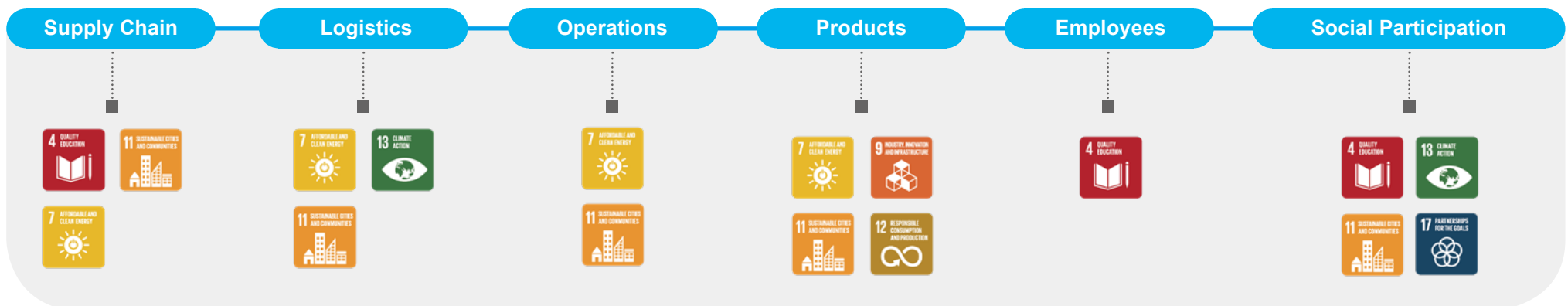
Several action plans shall be established for each indicator/target

04

Assigning Responsible Departments

Each strategy shall be assigned to responsible departments which shall take charge of different action plans

Corresponding SDGs of Value Chain Activities



2.3.2 International Sustainability Initiatives

Five Major Commitments for "We Mean Business"

Companies play a crucial role in sustainable development. Delta has long focused on the development of various international sustainability initiatives and identified topics that match Delta's ideals to make an active response and maximize the effects of company strategy. Climate change is an issue that Delta has focused on for a long time. Dealing with climate change has become an extension of Delta and our corporate social responsibility commitments. Delta was a leader in publishing the Delta Climate Action Plan in 2015. We signed the "We Mean Business" initiative promoted by the CDP and World Business Council for Sustainable Development (WBCSD), and committed to adopting a science-based carbon emissions reduction target, reporting climate change information in mainstream reports as a fiduciary duty, engaging in a responsible corporate climate policy, and conversion to electric vehicles and expansion of charging facilities. We also pledged to join the RE100 initiative (committed to using 100% renewable electricity) in 2021.

Progress of the Five Major Commitments for "We Mean Business"

| Initiative Topic | Delta's Strategic Direction | Milestones | Actions in 2021 |
|--|---|--|---|
| Commit to Adopting a Science-Based Emissions Reduction Target | Adopt a science-based target (SBT) for driving carbon emissions reduction | <ul style="list-style-type: none"> Became the first in Taiwan as well as the 87th company globally to pass the validation of the Science Based Targets initiative (SBTi) in 2017 Joined the Business Ambition for 1.5°C Campaign in 2021 | <ul style="list-style-type: none"> Attained SBTs for individual stages in four consecutive years starting from 2018 and ahead of schedule in 2021 (detailed in Chapter 5). |
| Commit to Reporting Climate Change Information in Mainstream Reports as a Fiduciary Duty | Promote climate-related financial information disclosure | <ul style="list-style-type: none"> Became a signatory and supporter of the Task Force on Climate-related Financial Disclosures (TCFD) in 2018 Adopted key strategies to develop Delta's climate-related methodology. Our main progress from 2018 to 2021 detailed in Chapter 5.2.1 | <ul style="list-style-type: none"> Assessed the medium to long-term impact of physical risks for climate change to renewable electricity generation in Taiwan |

| Initiative Topic | Delta's Strategic Direction | Milestones | Actions in 2021 |
|--|--|--|---|
| Commit to Responsible Corporate Engagement in Climate Policy | Provide advice to the government on green technology policies and pay attention to international climate policies | <ul style="list-style-type: none"> Assisted the Business Council for Sustainable Development of Taiwan (BCSD Taiwan) in drafting the Energy and Climate Policy White Paper in 2015 In 2018, Delta collaborated with the reputable think tank American Council for an Energy-Efficient Economy (ACEEE) and provided urban energy conservation recommendations | <ul style="list-style-type: none"> Delta and seven other major tech companies in Taiwan formed the Taiwan Climate Partnership to climate policies. Yancey Hai, chairman of Delta, serves as its first chairman. |
| Conversion to Electric Vehicles and Expansion of Charging Facilities | Delta has set a goal for installing electric vehicle charging facilities in major operation sites and to switch to using electric vehicles for company vehicles before 2030. ^{*2} | <ul style="list-style-type: none"> Delta joined the international initiative EV100 in 2018: EV100 is a global initiative launched by the Climate Group. Its goal is to bring together influential companies and government organizations to accelerate the transition to low-carbon transportation and ensure that the use of electric vehicles in transportation becomes the new norm before 2030. | <ul style="list-style-type: none"> Attained the targets for installing charging facilities in major operation buildings and all main production plants in Taiwan As a member of EV100, Delta and the Climate Group have jointly presented policy recommendations to key decision makers in the European Parliament, calling on the European Commission to uphold the "Fit for 55 Package" proposal, and strengthen its implementation in the transition to zero-emission vehicles. The proposal has been published on the website of the Climate Group: https://www.theclimategroup.org/our-work/publications/ev100-members-call-eu-ambition-road-transport |
| 100% Renewable Electricity | Achieve the 100% renewable electricity target by 2030 | <ul style="list-style-type: none"> Joined RE100 in 2021 | <ul style="list-style-type: none"> Established the Delta Global RE100 Committee Completed Delta's first power purchase agreement (PPA) |

*1 Takes 2014 as the base year and adopts the target of reaching a carbon reduction of 56.6% by 2025.

*2 Electric vehicles include pure electric vehicles, plug-in hybrid vehicles, and hydrogen vehicles.

Conversion to Electric Vehicles and Expansion of Charging Facilities

Delta joined the EV100 low-carbon transportation initiative in 2018 and became the first EV100 member that is a provider of energy infrastructure facilities for electric vehicles. Delta has worked with leading companies and organizations in sustainable development across the world to jointly support low-carbon transportation. Delta is committed to providing charging facilities at Delta's operation buildings and main production plants within the scope of its global energy management and converting company vehicles to plug-in hybrid vehicles, pure electric vehicles, and hydrogen vehicles before 2030. This will reduce carbon emissions from transportation and fulfill Delta's mission: "To provide innovative, clean and energy-efficient solutions for a better tomorrow."

As of 2021, Delta has installed charging facilities for electric vehicles in Delta's operation sites in 24 cities across the world including Taipei, Taoyuan, Zhongli, Hsinchu, Tainan, Shanghai, Wujiang, Dongguan, Wuhu, Daimon, Ako, Samutprakarn, Chachoengsao, Gurgaon, Hoofddorp, Eindhoven, Soest, Teningen, Bern, Dubnica nad Váhom, Warsaw, Fremont, Detroit, and Raleigh.



Delta's targets in the different stages of conversion to electric vehicles are as follows:

- Prioritize the purchase of electric vehicles for Delta's new company vehicles starting from 2020.
- All new vehicles purchased starting from 2025 must be electric vehicles.
- Replace all non-electric company vehicles with electric vehicles by 2028 and attain the EV100 commitment by 2030.

2.3.3 Participation in Associations

Delta participates in associations and various organizations to promote business, expand sectors of concern, meet business development conditions, meet regulatory requirements, enhance networking, cultivate talents, or demonstrate its leading position in the industry. Delta mainly joins organizations as a member or serves as a director or the chairperson in certain associations. As associations have their own goals and intentions, Delta's participation as a member of such associations does not mean that Delta agrees with all opinions of the associations. Delta has long focused on businesses and sectors including electronics and electrical machinery, automation, renewable energy, green building, healthy and smart buildings, electric vehicles, communication power supplies, leadership development, human resources, and corporate sustainability. Delta's total global expenditures for participation in associations in 2021 totaled approximately 281,000 USD and the list of associations is disclosed on the Company's official website.

3

Communication with Stakeholders



3.1 Stakeholder Communication and Response

3.2 Materiality Assessment







3.1 Stakeholder Communication and Response

Delta aims to be a global citizen committed to sustainable development and to valuing communication with stakeholders. We deeply understand that each stakeholder has a unique and pivotal role that influences how an organization can achieve its goals. We must engage in sincere communication with stakeholders to obtain feedback and opinions, revise our sustainable development practices whenever necessary, respond to the expectations of the public, and demonstrate our social impact. We have defined six major stakeholders pursuant to the AA1000 Stakeholder Engagement Standard (AA1000 SES). These include employees, investors, media, customers, suppliers, and communities (research institutes, NPOs, communities, and others). To ensure the establishment of effective communication with stakeholders, we target the four major goals of communication skills — to be received, to be understood, to be accepted, and to take action — to confirm whether effective communication and engagement can be achieved and explain Delta's progress and response for sustainable management.

Interactions with Stakeholders

| Communication Target | To be Received Communication Platform | To be Understood Issues of Concern | To be Accepted Response | To Get Action Actions |
|--|---|--|--|---|
|  Employees | <ul style="list-style-type: none"> 7 labor-management meetings (quarterly) 6 meetings of the Employee Welfare Committee (intermittently) Employee engagement survey (every 2 years) Employee satisfaction survey (annually) Delta corporate website (intermittently) Employee feedback mailbox (intermittently) Communication and work meetings of units and departments (intermittently) | <ul style="list-style-type: none"> Customer Relationship Management Innovation and R&D Human Rights | <ul style="list-style-type: none"> 343 cases of internal opinions were filed in Delta Taiwan in 2021 48 labor-management meetings and meetings of the Employee Welfare Committee | <ul style="list-style-type: none"> Maintain strict confidentiality of reported information and provide named and anonymous channels Communicate with employees through town hall meetings Use diverse communication channels to listen to employees' opinions Assign dedicated personnel to listen to employees' opinions and take related measures |
|  Investors | <ul style="list-style-type: none"> Delta ESG website & ESG Report (annually) Delta website & financial report (annually) Investor forum (intermittently) Annual shareholder meeting (annually) Institutional investor visits (intermittently) Investor services mailbox (intermittently) Meetings with institutional investors (intermittently) Institutional investors' conference (quarterly) | <ul style="list-style-type: none"> Customer Relationship Management Innovation and R&D Occupational Safety and Health Human Rights | <ul style="list-style-type: none"> External institutional investors' conference: 40 rounds Investor interviews: More than 600 rounds | <ul style="list-style-type: none"> Participate in institutional investors' ESG activities to learn about the awareness and expectations of investors and shareholders for ESG Provide investors with public and transparent operation information and help investors understand the Company's long-term strategies and outlook |

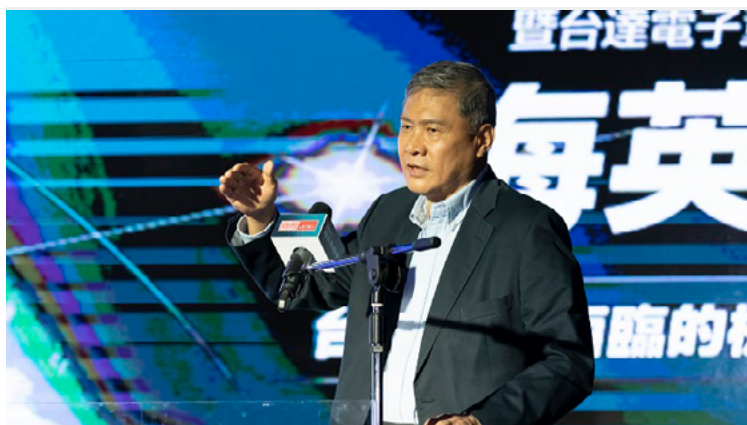
| Communication Target | To be Received Communication Platform | To be Understood Issues of Concern | To be Accepted Response | To Get Action Actions |
|---|--|---|--|--|
|  Media | <ul style="list-style-type: none"> • Press releases (intermittently) • Press conferences (intermittently) • Media interviews (intermittently) • Delta PR contact (intermittently) • Major activity participation (intermittently) • Social media (intermittently) | <ul style="list-style-type: none"> • Innovation and R&D • Supplier Sustainability Management • Climate Change • Carbon Reduction Management • Green Products | <ul style="list-style-type: none"> • Press releases: 164 releases • Videos published: 44 releases • Media interviews: 137 rounds • Social media: More than 65,000 fans on Facebook | <ul style="list-style-type: none"> • Use the Delta 50th Anniversary press conference, charity exhibitions and performances, and exclusive interviews to communicate our commitment to sustainable conservation and nurturing life as well as low-carbon smart applications of innovative energy-efficient technologies of the future. • Leverage ESG international ratings / certification / initiatives as well as summits, forums, and speeches to share the Company's ESG experience and achievements and climate policy. • Encourage the government, industries, and the public to adopt an international perspective and respond to climate change together. |
|  Customers | <ul style="list-style-type: none"> • Delta ESG website & ESG Report(annually) • Regular customer review meetings(annually) • Channel partner meetings and business platform (annually) • Customer satisfaction surveys (annually) • Brand News(every 2 months) • Customer audits(intermittently) • Delta website (intermittently) | <ul style="list-style-type: none"> • Customer Relationship Management • Innovation and R&D • Brand Image | <ul style="list-style-type: none"> • Customer QBR audits: 19 customers • Satisfaction score: 78 points | <ul style="list-style-type: none"> • Provide one-stop services and improve customer satisfaction • Comply with Responsible Business Alliance (RBA) regulations and implement labor, ethical, health and safety, environment, and management reviews |

| Communication Target | To be Received Communication Platform | To be Understood Issues of Concern | To be Accepted Response | To Get Action Actions |
|---|---|--|--|---|
|  Suppliers | <ul style="list-style-type: none"> Delta ESG website & ESG Report (annually) Supplier training program (at least annually) Supplier e-commerce system (monthly) Environmental Hazardous Substances Management Platform (monthly) Initiatives and concerted actions in response to climate change (intermittently) | <ul style="list-style-type: none"> Customer Relationship Management Occupational Safety and Health | <ul style="list-style-type: none"> 3 training programs for 250 participants from 114 suppliers in 2021 | <ul style="list-style-type: none"> Encourage suppliers to implement energy conservation and carbon emissions reduction and cooperate with them from support for basic GHG inventory to industrial energy conservation courses to achieve long-term plans for net zero emissions. Comply with the Code of Conduct for the supply chain, and use supplier ESG questionnaire surveys and conflict mineral surveys to identify high-risk suppliers to reduce the risks of the continuity of the supply chain. We use the results of the questionnaire to identify suppliers with potential for collaboration in ESG and prioritize them for assistance and collaboration. |
|  Communities (research institutes, NPOs, communities, and others) | <ul style="list-style-type: none"> Delta ESG website & ESG Report (annually) Website of Delta Electronics Foundation (intermittently) Energy volunteers and climate salons (intermittently) Low Carbon Life Blog and IC Broadcasting (regularly) Facebook and Peppo social media (intermittently) Online training courses for Green Collar Architects and energy management personnel (regularly) | <ul style="list-style-type: none"> Energy Management Climate Change Water Resource Management Green Products Social Engagement | <ul style="list-style-type: none"> 15 collaborating charity organizations 22,100 volunteer service beneficiaries 2.72 million views on social network media | <ul style="list-style-type: none"> Use the actual visits conducted for the WELL Health-Safety Rating and high-quality online training courses for LEED Zero to actively promote healthy and energy-saving buildings Launch the first online training courses for energy management personnel to cultivate industry energy management talents Assemble Delta employees to take part in coral reef restoration and creation of incubation sites for long-term monitoring of the disappearing biodiversity under warming conditions Create a real-time map for air pollution conditions in streets of Taipei City and New Taipei City and also work with elementary schools to set up campus air pollution monitoring and protect health in cities Use social media to communicate the latest energy and climate information and share sustainability practices |

Internal and External Communication on Sustainability Issues

Delta takes real actions to respond to the severe challenges of climate change. We became the first company in Taiwan to pass the certification for Science Based Targets (SBT) and we support international sustainability initiatives such as TCFD, EV100, and RE100. We also joined the Business Ambition for 1.5°C campaign in 2021 to actively implement our corporate mission of "To provide innovative, clean and energy-efficient solutions for a better tomorrow".

Delta is committed to implementing its responsibilities as a world-class corporate citizen in response to growing public concern for issues of climate change and net zero emissions. We have taken on the responsibility of sharing our experience in sustainability issues and communicating the importance of energy conservation and carbon emissions reduction to the public. Delta and the Corporate Sustainability Development Department attended more than 146 ESG communication events in 2021 and communicated sustainable development issues with the media, NGO / NPO, public / academic research institutions, business units, customers, and suppliers. We strengthened the awareness of the public and companies in regards to sustainability issues and increased Delta's business opportunities for sustainable development in energy conservation and carbon emissions reduction.



Yancey Hai, chairman of Delta, attended the "2021 Carbon Reduction Summit" organized by Business Weekly to share the latest International initiatives for net zero emissions.

External Communication on Sustainability Issues

| Recipients | Form of Communication | Communicating Sustainability Concerns | Frequency |
|---|--|---|-----------|
| Customers / Potential customers / Suppliers | <ul style="list-style-type: none"> Communication meetings Internal training | <ul style="list-style-type: none"> Actions in response to climate change RE100 roadmap Internal carbon pricing Sustainability rating experience | 14+ |
| NGO/NPO | <ul style="list-style-type: none"> Communication meetings Lectures Forums | <ul style="list-style-type: none"> Actions in response to climate change RE100 roadmap Sustainability rating experience | 37+ |
| Media | <ul style="list-style-type: none"> Interviews Forums Seminars Award ceremonies | <ul style="list-style-type: none"> Actions in response to climate change RE100 roadmap Internal carbon pricing Sustainability rating experience Energy conservation & carbon reduction success stories | 47+ |
| Investors /Rating institutes | <ul style="list-style-type: none"> Lectures Seminars Communication meetings Interviews | <ul style="list-style-type: none"> Actions in response to climate change RE100 roadmap Energy conservation & carbon reduction success stories | 30+ |



Jesse Chou, Delta's chief sustainability officer, gave a speech at the CommonWealth Economic Forum to share Delta's ESG experience and achievements.

3.2 Materiality Assessment

Only change can bring forth real impact and Delta explores challenges and opportunities for sustainability based on specific implementation of business operations. Delta regularly executes materiality assessment procedures to confirm and adjust sustainability issues and respond to the expectations and recommendations of stakeholders. We comply with the comprehensiveness, materiality, and integrity principles of GRI Standards to establish three major analysis steps including identification, analysis, and confirmation to verify the commitment of stakeholders for sustainability issues and the effect on Delta's operations, and identify material issues.

We establish long-term targets for sustainability and adopt internal key performance indicator (KPI) verification, sustainability ratings, international trends, and comparison with competitors for regular evaluations on the execution and effectiveness. We actively disclose the progress and effectiveness of Delta's 2025 long-term sustainability goals to Delta's stakeholders.

3.2.1 Methodology

Stage

01

Identification

In terms of the identification of sustainability issues, Delta starts with the factors that may affect the Company's sustainability including internal and external economic, environmental, and social risks and opportunities. Delta adopted international sustainability regulations and standards (GRI Standards, ISO 26000 Guidance on Social Responsibility, RBA Code of Conduct, and UN SDGs), and sustainability ratings (DJSI, CDP, and MSCI ESG Index), stakeholder expectations and communications, internal management objectives, and previously-disclosed sustainability information to compile and consolidate sustainability issues. During the pandemic in 2021, we temporarily suspended the meetings of experts from industry, the government, and academia, but we still recalibrated sustainability issues through communication with employees and stakeholders.

Compared to the sustainability issues of the previous year, we added one issue for "Diversity and Inclusion" based on Delta's sustainability actions and new trends. We implemented minor adjustments to the issues of "Climate Strategy", "Net Zero Commitment and Carbon Management", and "Innovative Products and Services". We consolidated "Human Rights and Labor Relations" and ultimately compiled a total of 23 sustainability issues related to operations.

6

Categories of Major Stakeholders

Communication Target

Employees, investors, media, customers, suppliers, communities (research institutes, NPOs, communities, and other related stakeholders) are the main targets of communication identified by Delta based on the AA1000 Stakeholder Engagement Standard for communicating Delta's sustainability actions.

23

Sustainability Issues

Sustainability Issues

To ensure the comprehensiveness of sustainable issues collected, we put together 23 sustainable issues based on ESG regulations/standards, sustainability initiatives, feedback from internal and external stakeholders, Delta's business strategy, and feedback from Delta executives.

Identification of Delta's Sustainability Issues

ESG Regulations/Standards

GRI

CDP

DJSI

International Initiatives

SDGs

RBA

SASB

Stakeholder's Feedback

Delta's Six Major Stakeholders

Operation Strategy

Delta Operation Objective

Sustainable Development Blueprint

Delta ESG Consensus Meeting

10 Financial Issues

- Corporate Governance
- Code of Conduct
- Risk Management
- Customer Relationship Management
- Innovative Products and Services
- Brand Image
- Supplier Sustainability Management
- Information Security Management
- Taxation
- Circular Economy

7 Environmental Issues

- Climate Strategy
- Net Zero Commitment and Carbon Management
- Energy Management
- Green Products
- Water Resource Management
- Waste Management
- Biodiversity

6 Social Issues

- Diversity and Inclusion*
- Social Participation
- Occupational Health and Safety
- Talent Development
- Talent Attraction and Retention
- Human Rights and Labor Relations

*New/Revised in 2022

Stage

02

Analysis

Delta implements the materiality analysis and identifies material issues based on the two major principles of "level of concern to stakeholders" and "impact on operations". We conducted surveys on 23 sustainable issues. For the survey on the "level of concern to stakeholders", we targeted six major types of stakeholders with the questionnaire survey for the purpose of collecting representative samples. For the assessment of the "impact on operations", we evaluated the level of impact of each issue on revenue growth, environmental sustainability, customer satisfaction, and best employer.

The ESG team members jointly completed the analysis of the impact. According to the results of the aforementioned analysis, we used the results of discussions and confirmation of the ESG Committee, external experts, and senior executives and elevated the importance of "net zero commitment and carbon management" and "talent recruitment and retention" mainly because Delta is committed to the use of 100% renewable electricity and carbon neutrality in all global operations by 2030. We also seek to attract global talents and cultivate key talents with high performance to create a solid foundation for Delta's continuous innovation and growth. We ultimately selected 14 material issues. Other issues were defined as Delta's potential sustainability issues which still play key roles in Delta's operations and we shall continue to disclose the effectiveness of our execution in the ESG Report.

2,043

Valid Questionnaires

Survey the Level of Concern

Delta used an online survey to collect information on the level of stakeholder interest in sustainability issues and recovered a total of 2,043 valid questionnaires including 339 from customers, 462 from suppliers, 122 from investors, 890 from employees, 92 from the media, and 138 from the community.

90

Senior Executives

Analyze Impact on Operations

We focused on four major factors including revenue growth, environmental sustainability, customer satisfaction, and best employer and evaluated the impact of sustainability issues on the operations of the Group. A total of 90 ESG team members and executives participated in the evaluation.

14

Material Sustainability Issues

Confirm Material Issues

Delta's internal ESG team members, external experts, and senior executives confirm the material issues based on the results of the survey on the level of concern and the analysis of the impact on operations before confirming 14 material sustainable issues and producing the materiality matrix. Compared to the previous year, we separated "Climate Strategy" and "Net Zero Commitment and Carbon Management" into two material issues.

Stage 03

Confirmation

We selected 14 material sustainability issues which were reported to the Board of Directors for resolution and identified their impact in the Delta value chain. We also referenced the GRI Standards and disclosed Delta's material topics. We follow the reporting requirements for collecting internal information, data, and management policies. In addition, we clearly defined the important meanings, strategies, management approach, and long-term goals of each material sustainability issue. We follow up on the degree of completion of annual targets and the effectiveness of execution for flexible adjustments of Delta's sustainable management. Delta also discloses the effectiveness of other potential sustainability issues of the current year in the ESG Report.

24

GRI Topics

Review Disclosed Contents

The 14 major sustainable issues that were identified will be matched with the 24 specific topics of the GRI Standards. The information disclosure boundary of Delta's value chain (supply chain management, operations, products, society) is then graphed based on these topics and used as the basis for reporting.

3

Major Axes of Long-Term Sustainability Goals

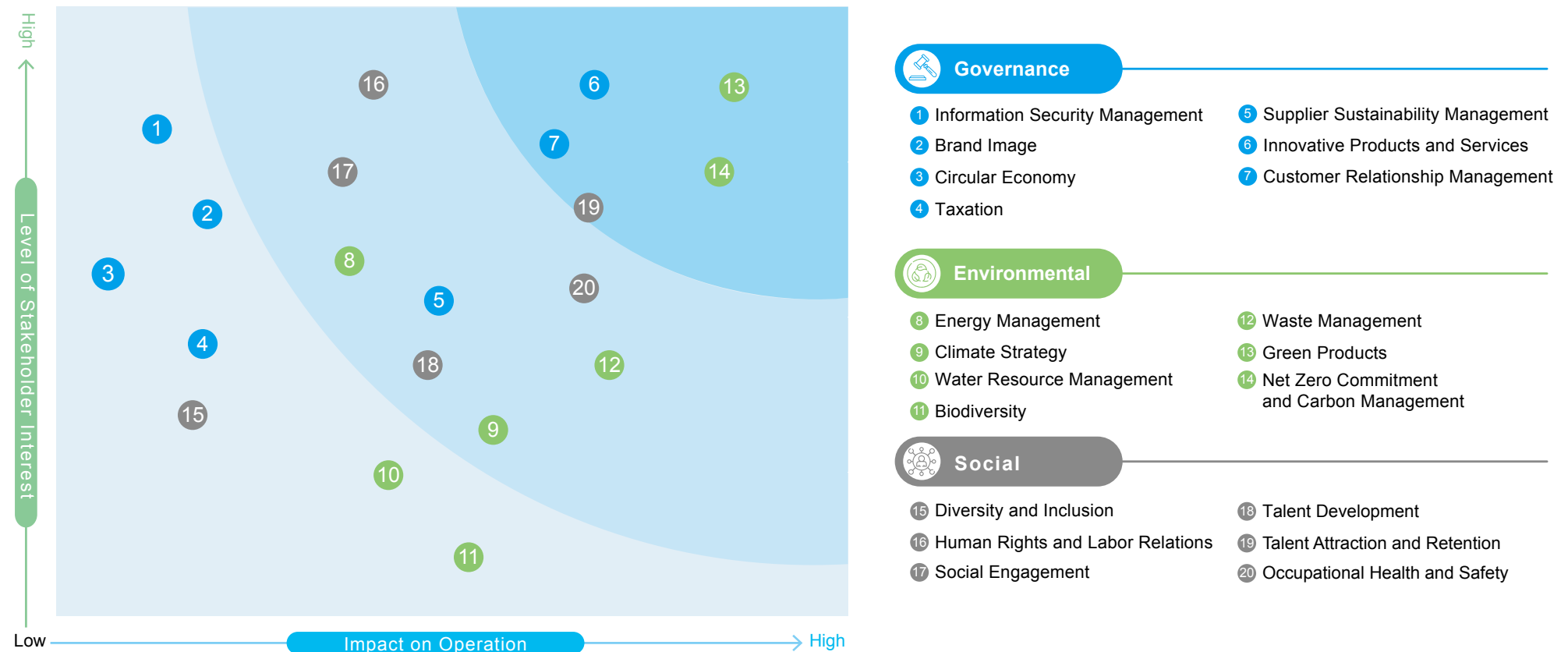
Formulate Long-Term Sustainability Goals

We formulated 3 major long-term goals based on the material issues to help Delta respond to the expectations of stakeholders in the implementation of sustainability plans and use them as the basis for internal performance evaluations on achievement status.

3.2.2 Results of the Analysis and Corresponding Section of the Value Chain

Out of 23 sustainable issues, 14 material issues were identified in the materiality assessment including innovative products and services, customer relationship management, supplier sustainability management, climate strategy, net zero commitment and carbon management, green products, energy management, water resource management, waste management, talent attraction and retention, social participation, talent development, occupational health and safety, and human rights and labor relations. In addition, we did not include general disclosures (corporate governance, risk management, and Code of Conduct) and results-oriented issues (compliance and financial performance) into the materiality matrix. However, the annual targets, implementation methodology, and results of materials issues involving company operations are disclosed in the Company's Annual Report or ESG Report. Non-material issues included information security management, brand image, taxation, circular economy, biodiversity, and diversity and inclusion.

2021 Material Sustainability Issues Matrix



Delta's Materiality Issues and Value Chain

| Aspect | Material Issues | "GRI Standard" Topic | Supply Chain | Operations | Products | Society | Corresponding Chapter |
|----------------------|---|--|--------------|------------|----------|---------|---|
| Economic Issues | Innovation and R&D | GRI 302: Energy | | ✓ | | | 4.3 Innovation |
| | Customer Relationship Management | GRI 418: Customer Privacy | | ✓ | ▲ | | 4.4 Customer Relationship Management |
| | Supplier Sustainability Management | GRI 204: Procurement Practices GRI 308: Supplier Environment Assessment GRI 414: Supplier Social Impact Assessment GRI 301: Materials | ▲ | | ▲ | | 4.5 Supplier Sustainability Management |
| Environmental Issues | Climate Strategy | GRI 201: Economic Performance | | ✓ | ▲ | ■ | 5.2 Climate Strategy |
| | Net Zero Commitment and Carbon Management | GRI 305: Emissions GRI 201: Economic Performance | ▲ | ✓ | ▲ | ■ | 5.3 Net Zero Commitment and Carbon Management |
| | Green Products | GRI 302: Energy | | ✓ | ▲ | ■ | 5.7 Green Products |
| | Energy Management | GRI 302: Energy | ▲ | ✓ | ▲ | | 5.4 Energy Management |
| | Water Resource Management | GRI 303: Water GRI 306: Waste | | ✓ | | | 5.5 Water Resource Management |
| | Waste Management | GRI 306: Waste | | ✓ | | | 5.6 Waste Management |
| Social Issues | Talent Attraction and Retention | GRI 201: Economic Performance GRI 401: Labor Relations GRI 405: Diversity and Equal Opportunity | | ✓ | | ■ | 6.2 Talent Attraction |
| | Social Engagement | GRI 203: Indirect Economic Impacts | | ✓ | | ■ | 6.6 Social Engagement |
| | Human Rights and Labor Relations | GRI 406: Non-discrimination GRI 408: Child Labor GRI 409: Forced or Compulsory Labor GRI 412: Human Rights Assessment | ▲ | ✓ | | | 6.4 Human Rights Protection |
| | Occupational Health and Safety | GRI 403: Occupational Health and Safety | | ✓ | | | 6.7 Occupational Health and Safety |
| | Talent Development | GRI 404: Training and Education | | ✓ | | | 6.3 Talent Learning Development |

✓ Direct impact ▲ Indirect impact ■ Business relations

4

Corporate Governance



-
- 4.1 Key Performance Indicators and Strategies
 - 4.2 Enhancing the Board of Directors' Functions
 - 4.3 Innovation
 - 4.4 Customer Relationship Management
 - 4.5 Supplier Sustainability Management
 - 4.6 Information System Safety and Management
 - 4.7 Personal Data Protection Management
 - 4.8 Comprehensive Information Disclosure and Shareholder Communication

4.1 Key Performance Indicators and Strategies

Market Value

> 25,215
MUSD

Delta Revenue

~ 11,275
MUSD

Brand Value

~ 395
MUSD

Ratio of R&D Investment to
Total Revenue

~ 8.6%

Cumulative Granted Patents and
Certificates

11,928

Tier 1 Supplier ESG
Survey Response Rate

~ 88%



Strategic Direction

■ Corporate governance:

A diverse and professional Board of Directors leads the overall development of the Company, and incorporates sound corporate governance practices to keep up with the times.

■ Innovation management:

Focus on enhancing the energy efficiency of core products and establish a lively and systematic culture of innovation to build capacity for innovation.

■ Customer relationship management:

Strengthen product functionality and service based on gap analysis of client satisfaction to increase client's trust in Delta's products.

■ Supplier ESG management:

Establish short and medium-term objectives, provide training resources to assist supplies in formulating specific measures with climate change management as the top priority, and continue promotion and implementation based on the tier and classification of suppliers.

| | Commitment | KPI | Performance | Short, Medium, and Long-Term Targets |
|--|---|---|--|--|
| <div><div>Innovative Products and Services</div></div> | "To provide innovative, clean and energy-efficient solutions for a better tomorrow" was adopted as the Company's mission to transform the capacity for innovation into high-quality products and solutions. | <div><div></div>Ratio of R&D Investment to Total Revenue</div> | <div><div></div>2021 Target: >8%; Actual: 8.6%<div>Achieved</div></div> | 2022: Target > 8% 2025: Target > 8% |
| | <div><div>Customer Relationship Management</div></div> | By integrating its core competency in power and electronics and developing advanced energy conservation technology, Delta provides cleaner, more effective, and more reliable thermal power solutions to conserve more energy for its customers. The Company also focuses on reducing resource consumption and greenhouse gas emissions to create more value for customers. | <div><div></div>Customer Satisfaction Score^{*1 *2}</div> | <div><div></div>2021 Target: 88% ; Actual: 78%</div> |
| <div><div></div>Ratio of Total Customers Using Online Services Solutions/Sales Platform^{*1}</div> | | | <div><div></div>2021 Target: 98% ; Actual: 98.1%<div>Achieved</div></div> | 2022: 98% 2025: 98% |
| <div><div></div>Ratio of Revenues Generated Online^{*1}</div> | | | <div><div></div>2021 Target: 99% ; Actual: 99.4%<div>Achieved</div></div> | 2022: 99% 2025: 99% |
| <div><div>Supplier Sustainability Management</div></div> | Delta views its suppliers as long-term partners and critical partners in our promotion of the sustainable development of the value chain. | <div><div></div>Tier 1 Supplier ESG Survey Response Rate</div> | <div><div></div>2021 Target: 80% ; Actual: 88%<div>Achieved</div><div></div>2019: 67%<div></div>2020: 73%</div> | 2025: 95% |
| | | <div><div></div>Supplier ESG Improvement Rate in Supplier Audit Based on RBA Principles</div> | <div><div></div>2021 Target: 80% ; Actual: 82%<div>Achieved</div><div></div>2020: 84%<div></div>2019: 83%</div> | 2025: 85% |
| | | <div><div></div>Cumulative Number of Suppliers that joined our ESG training program</div> | <div><div></div>2021 Target: 30 suppliers; Actual: 138 suppliers<div>Achieved</div><div></div>2020: 24 suppliers<div></div>2019: 8 suppliers</div> | 2025: 160 Suppliers |
| | | <div><div></div>Near-term Targets to reduce suppliers' GHG emissions</div> | <div><div></div>Launch in 2022</div> | Will be accordance with the SBT Net Zero Standard |

*1. Main targets of the survey consisted of customers who accounted for the top 80% of procurement from Delta in 2020

*2. The survey questions for each BG have been unified and the scoring standards were redefined starting from 2021.

Aligning with UN Sustainable Development Goals



Affordable and Clean Energy

- Utilized Delta's own solutions for its Ako Energy Park in Japan and developed an emerging business model that promotes the use of renewable energy.



Decent Work and Economic Growth

- Committed to contributing R&D innovations to establish a variety of incentive systems to improve innovation capabilities.
- Set up new manufacturing centers in India and provided reasonable salaries and a high-quality work environment.



Industry/innovation infrastructure

- Established the "Delta Innovation Award" and the Idea Bank to encourage individual and team innovation.



Reduced Inequalities

- Used supply chain ESG questionnaire for high risk identification and auditing to eliminate work place discrimination and ensure disabled people's rights.



Responsible Consumption and Production

- Used training and successful case studies to help the supply chain create environmental data inventory capabilities and increase operational efficiency.
- Delta provides suppliers that exhibit weaknesses with professional training and assistance to develop ESG capabilities and improve the resilience of the supply chain sustainability in procurement.



Climate Change

- Delta encourages its supply chain to disclose carbon, water, and waste management information and set reduction goals to respond to climate change and reduce the risks of broken supply chains.



Peace and Justice

- Promoted supply chain conflict minerals due diligence investigation to help eliminate inequality.
- Supported international corporate operation initiatives by promoting integrity and anti-corruption measures in internal corporate operations and supply chains.

4.2 Enhancing the Board of Directors' Functions

The Board of Directors of Delta Electronics consists of 10 seats for Directors, including six Directors and four Independent Directors with a term of three years. The Chairman leads the Board of Directors of the Company and strengthens the effectiveness of the operations of the Board with the diversity and professionalism of the members of the Board of Directors. The Chairman's aim is to implement a good Board governance system, improving supervisory functions, and enhancing management.

4.2.1 Board of Directors and Effectiveness

Diversity among Members of the Board

The overall configuration of Delta's Board of Director's selection is based on Delta Electronics' "Director's Election Rules" and "Corporate Governance Practices Code". To fulfill the Board's role in strategic guidance, members of the Company's Board of Directors have professional backgrounds and experience in control engineering, electrical engineering, management, law, and mass communication necessary for the Company's business operations. They provide strategic guidance to the Company's operations.

Professionalism of the Board Members

Delta conducts training for Board members each year to develop and improve the highest governing body's overall knowledge of economic, environmental, and social issues. In 2021, the Company offered courses to Directors that included "The Future of Trilateral Relations between Taiwan, the United States, and China in the Shattering and Rebuilding of the American Dream" and the "Functions and Responsibilities of Directors".

Enhancing the Effectiveness of Board Operations

The Company's Board of Directors passed the Regulations for Evaluating the Performance of the Board of Directors and it implements a performance evaluation of the Board of Directors, individual Directors, Audit Committee, and Compensation Committee each year. In addition, an external independent professional institution or a panel of external experts and scholars shall be appointed to conduct the Board Performance Evaluation at least once every three years. The Company shall record the results in the evaluation report based on the scoring standards for performance evaluation indicators and submit the results to the Board of Directors for review and improvements.

The Company has appointed an external professional and independent institution for the 2019 performance evaluation of the Board of Directors in 2020. The 2021 self-evaluation of the Board of Directors was also completed before the end of the first quarter of 2022. According to the self-evaluation of the Board of Directors, individual Directors, Audit Committee, and Compensation Committee, the overall performance was deemed as effective.

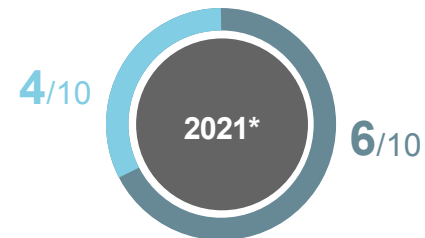
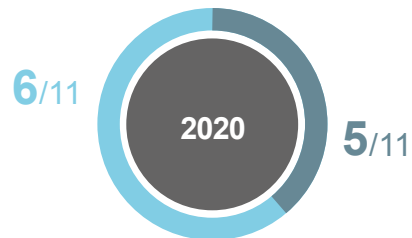


Composition and Structure of the Board of Directors

Composition of the Board of Directors

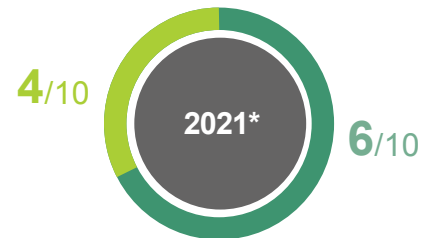
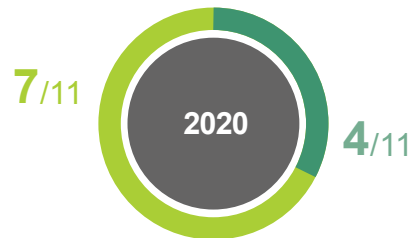
● Employee Directors

● Non-employee Directors



● Independent Directors

● Non-Independent Directors



Female Directors

0/11

2020

1/10

2021*

3/12

2022 Target

*As of 2021/12/31

Board of Directors

The Board of Directors of the Company is responsible for overseeing the attainment of the Company's operational goals, improving operational performance, and providing strategic guidance to the management team as the guiding principles for corporate sustainability. Board meetings are convened at least once every quarter to assess corporate business performance and discuss strategy topics and review ESG issues. This includes impacts, risks, and opportunities in relation to regulations, economics, environment, and society. Eight Board of Directors meetings were held in 2021, with an overall attendance rate of 100%.

Compensation Committee

- Delta created the Compensation Committee to facilitate the link between the compensation of Directors and managers and the corporate operations performance to decide the ratio of dividend distribution. The Committee gives compensation policy suggestions based on industry competition, corporate operations performance, and the market rate to construct a company-level compensation policy.
- Delta participates in industry and consulting companies' salary surveys and evaluates how fair Delta's compensation is compared to the current market.
- Two meetings were held in 2021, with an overall attendance rate of 100%.

Audit Committee

Key tasks the Audit Committee performed in 2021 included supervising the Company's financial statements, choosing accountants for their independence and performance, effectively implementing internal controls, ensuring that the Company follows relevant laws and regulations, and assessing possible and potential risks to the Company. Meetings of the Audit Committee are convened at least once every quarter and eight meetings were held in 2021, with an overall attendance rate of 100%.

Reports of Materials Issues to the Board of Directors

The Company's Board of Directors passed the "Delta Risk Management Policy" in 2020. The CEO or an individual designated by the CEO reports the Company's risk management operations to the Board of Directors once a year. The CEO (highest-ranking risk management executive) reported to the Board of Directors on October 28, 2021 on the implementation of risk management, including the results of the risk assessments. The CEO also explained the control and monitoring procedures for areas with higher risks. In addition, the CEO reported the response measures for the major risk events of the Group in 2021, including the shortage of materials caused by the COVID-19 epidemic, floods in Thailand, and the dual control system for energy consumption in China. The Company has established management policies for all possible risks and continues to minimize the possibility and impact of risks through internal management meetings and ad hoc reviews of specific issues.

4.2.2 Ethical Corporate Management

Ethical corporate management is a core value of Delta and is part of its corporate DNA. It is deeply rooted in Delta's corporate culture and systems. The Human Resources Division is responsible for implementation. The Human Resources Division and the Legal Affairs and Intellectual Property Division are jointly responsible for the establishment of the ethical corporate management policies and the Auditing Division is responsible for supervising its implementation. They ensure that the Company prevents unethical conduct, regularly reviews implementation results, and continues to make improvements for ensuring the implementation of ethical corporate management policies.

Regulations and Measures

- Prohibition on offering and acceptance of bribes
- Prohibition on making illegal political donations
- Prohibition on improper charitable donations or sponsorship
- Prohibition on offering or acceptance of unreasonable presents or hospitality, or other improper benefits
- Prohibition on infringement of intellectual property rights
- Prohibition on engaging in unfair competitive practices
- Prevention of damage to stakeholders in products or services



Establishment of Policies and Systems

Delta established the "Ethical Corporate Management Best Practice Principles" and the "Delta Group Code of Conduct" and disclosed them on the Company's website. The policies apply to all members of Delta Group including subsidiaries, board of director members, managers and employees. The Company established the "Ethical Corporate Management Risk Assessment and Prevention Regulations", "Management Measures of the Whistle-blowing System", and "Reward and Punishment Policy" to prevent unethical conduct. We also regularly review and revise the aforementioned regulations. The procurement contracts signed with suppliers include the Responsible Business Alliance (RBA) Code of Conduct, fair competition, and anti-trust.

Training and Communication



New employees are required to attend orientation training for ethical corporate management and the attendance rate is 100%. Employees take online retraining courses on ethical corporate management/ Code of Conduct each year. 79,943 employees worldwide completed the course in 2021 and the completion rate was 96.1%. The Company will add new training materials for non-English speaking countries in Europe and the Americas, and strengthen promoting of training and follow-up frequency to increase the completion rate of employees in Europe and the Americas. A total of 9,684 participants across the globe took part in 27 face-to-face and online courses on ethical corporate management. In addition, ethics and integrity have always been included in the evaluation of values and skills in employees' performance evaluations.



Whistleblowing and Protection

The Company provides a reporting channel for employees and stakeholders. If any illegal or dishonest behaviors are found, the whistleblower can choose to report to the supervisor, a dedicated mailbox, or to report anonymously. The Company maintains strict confidentiality of reported information to protect whistleblowers from retribution or inappropriate treatment, and any breach of confidentiality will be punished in accordance with the Company's regulations. Where a report is verified as true and its contribution generates significant economic benefits, the whistleblower may be rewarded based on actual contributions. In 2021, Delta did not have litigation or losses involving corporate governance, anti-corruption/bribery, or competition laws.

Evaluation and Prevention



To implement the Code of Conduct and avoid conflicts of interest, all new employees are required to report conflicts of interest on the first day of work. Current employees are reminded to report every year and 5,316 employees actively provided records of relatives and friends relations this year.

The Company has established risk management mechanisms for ethical corporate management. Each year, business and functional units conduct self-assessment of risks and 34 risk assessment tables were filled out this year (the completion rate was 100%). They are also required to implement management measures accordingly.

Online retraining courses on ethical corporate management / Code of Conduct : Global training records by region and employee category^{*1}

| | | Employee Type | | Management /Non-management | | | | Total |
|---------------------------------|----------------------------------|---|--|----------------------------|-----------|--------------|----------------|--------|
| | | Direct Labors (Including production line assistants) | Indirect Labors (Professional technical and management personnel) | Senior level | Mid-level | Junior level | Non-management | |
| Taiwan | Eligible Trainees | 3,183 | 8,614 | 248 | 1,162 | 42 | 10,345 | 11,797 |
| | Trainees that Completed Training | 3,138 | 8,406 | 239 | 1,132 | 42 | 10,131 | 11,544 |
| | Completion Rate | 98.6% | 97.6% | 96.4% | 97.4% | 100.0% | 97.9% | 97.9% |
| China | Eligible Trainees | 36,712 | 11,501 | 102 | 1,661 | 1,679 | 44,771 | 48,213 |
| | Trainees that Completed Training | 36,698 | 11,233 | 98 | 1,624 | 1,678 | 44,531 | 47,931 |
| | Completion Rate | 100.0% | 97.7% | 96.1% | 97.8% | 99.9% | 9.5% | 99.4% |
| Asia Pacific | Eligible Trainees | 15,305 | 4,413 | 53 | 583 | 373 | 18,709 | 19,718 |
| | Trainees that Completed Training | 14,552 | 4,131 | 39 | 529 | 363 | 17,752 | 18,683 |
| | Completion Rate | 95.1% | 93.6% | 73.6% | 90.7% | 97.3% | 94.9% | 94.8% |
| Europe, Africa, and Middle East | Eligible Trainees | 623 | 2,104 | 30 | 156 | 3 | 2,538 | 2,727 |
| | Trainees that Completed Training | 156 | 1,272 | 18 | 73 | 0 | 1,337 | 1,428 |
| | Completion Rate | 25.0% | 60.5% | 60.0% | 46.8% | 0.0% | 52.7% | 52.4% |
| Americas | Eligible Trainees | 68 | 666 | 30 | 90 | 1 | 613 | 734 |
| | Trainees that Completed Training | 7 | 350 | 11 | 43 | 0 | 303 | 357 |
| | Completion Rate | 10.3% | 52.6% | 36.7% | 47.8% | 0.0% | 49.4% | 48.6% |
| Total | Eligible Trainees | 55,891 | 27,298 | 463 | 3,652 | 2,098 | 76,976 | 83,189 |
| | Trainees that Completed Training | 54,551 | 25,392 | 405 | 3,401 | 2,083 | 74,054 | 79,943 |
| | Completion Rate | 97.6% | 93.0% | 87.5% | 93.1% | 99.3% | 96.2% | 96.1% |

*1. Global ethical corporate management / Code of Conduct course completion rate = for employees who reported for duty before the end of November of the current year who are still employed at the end of December, the number of trainees of relevant courses in the current year / the total number of employees who reported for duty before the end of November who are still employed at the end of December.

4.3 Innovation

4.3.1 Delta's Internal Innovation Mechanisms

To reward outstanding accomplishments and to cultivate a culture of innovation, Delta established the Delta Innovation Awards in 2008, with the management team serving as members of the judging committee. The annual awards are designed to encourage employee innovation across the globe as well as to reward exceptional innovation. The 14th Innovation Awards in 2021 included four grand prizes for "Intellectual Property Rights", "New Products," "Production," and "New Business Models and Processes." The "Intellectual Property Rights" award included "Outstanding Contribution Award", "Elite Designer Award", and "Excellent Patent Planning". These awards are presented to recognize individual and team development and to establish patent planning for commercial value. Competition in the Delta Innovation Awards was extremely intense and it demonstrated Delta's sustained commitment and capabilities for innovation across the world. In the final round, the judges decided to present the highest honors for innovation at Delta to 10 teams and 9 individuals. As of the end of 2021, 87 teams and 64 individual awards, and one Outstanding Contribution Award have been presented with over 2.96 MUSD in incentives.



At the 14th Delta Innovation Awards, the highest honors for innovation at Delta were presented to 10 teams and 9 individuals.

4.3.2 Intellectual Property Rights Applications

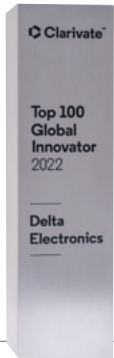
Innovation, R&D, and Patent Planning

Delta continues to invest in product R&D and technological innovation. The Company established 72 R&D Centers across the world with more than 9,500 R&D engineers. In recent years, we have invested more than 8% of total revenue in R&D and innovation. The investment reached 8.6% of total revenue in 2021 as the Company remained committed to creating innovative and energy-efficient solutions. In terms of patent planning, Delta has always been committed to developing patents in power supply, industrial automation, and building automation technologies, and we have actively strengthened the development of electric vehicle, information and communication, and energy infrastructure. We continue to achieve breakthroughs and innovation while respecting intellectual property rights to create greater value in the industry.

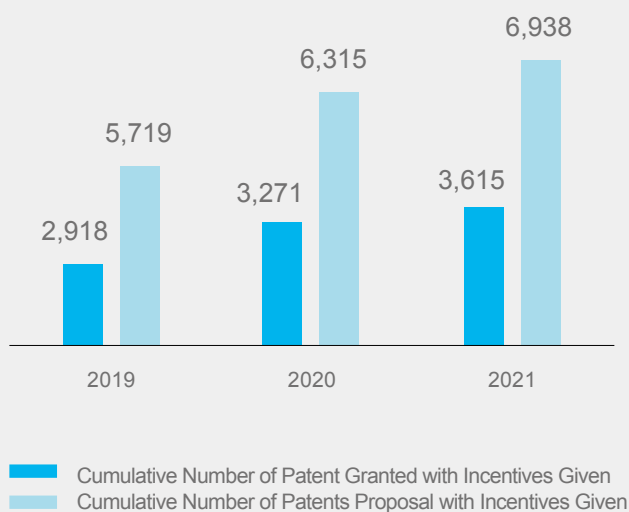
Patent Applications and Awards

To encourage employees to focus on R&D and proactively apply for patents from patent offices in Taiwan and other countries of the WTO, Delta has established Intellectual Property (IP) Patent Incentive System Procedures and assisted business units in compiling a risk map for IP rights. As of 2021, Delta has accumulated a total of 11,928 granted patents and certificates. Delta has been recognized by the professional analytics company Clarivate as one of the Top 100 Global Innovators™ for 2022 due to the impact of its patents and inventions.

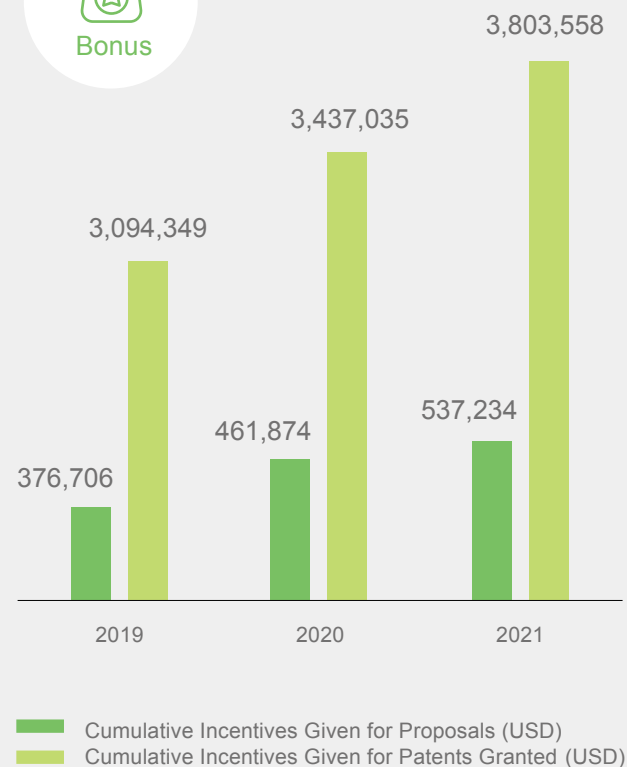
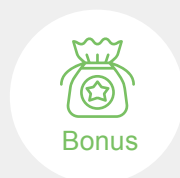
Top 100
Global Innovators™



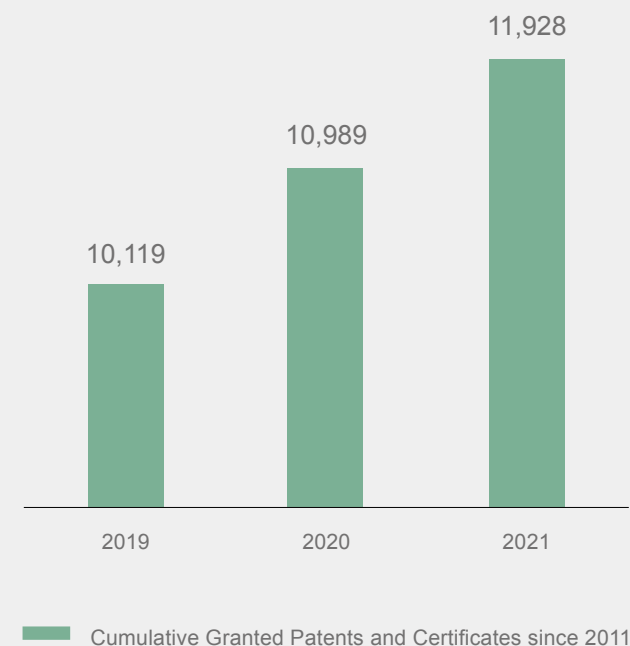
Total Number of Patents



Total Incentives Given



Total Number of Cumulative Granted Patents and Certificates



4.3.3 Open Innovation and the Latest Technology Exchanges

Delta Research Center was established in 2013 and headquartered in Taipei. We have set up R&D operations in Tainan, Wuhan, Singapore, and Hsinchu and we are committed to incorporating emerging technologies into actual applications. We use applications and feedback from the market to continue to optimize core technologies and create market value with technologies. We also actively collaborate with industries, government, academia, and research ecosystems to create an open innovation model and an ecosystem for mutual prosperity. The team actively uses data analysis and IoT technologies to improve Delta's internal manufacturing and operational efficiency, accelerate new product development, and increase product value and customer satisfaction.

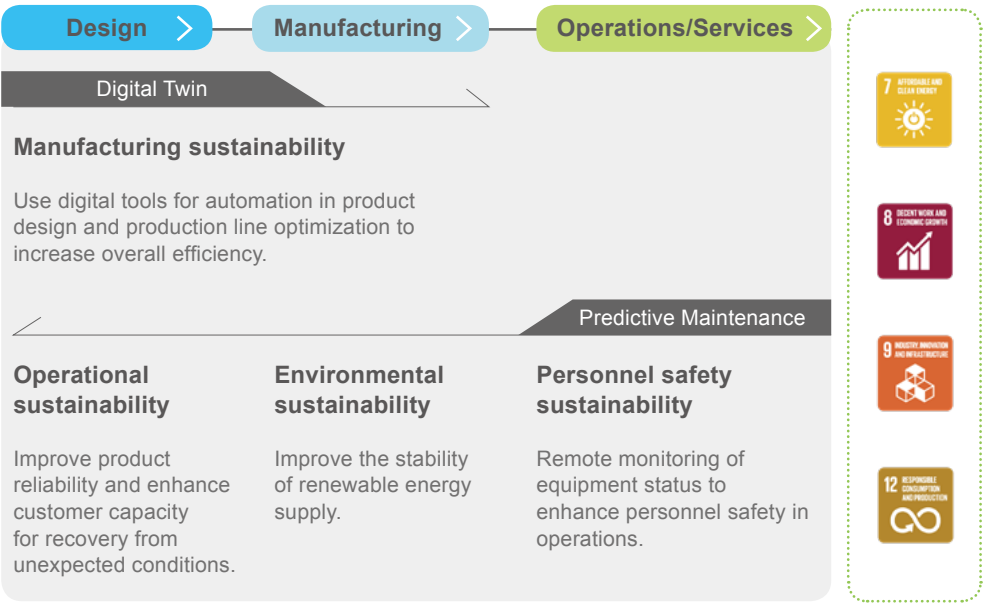
Improved Capacity for Production and Operations

- We use the Digital Twin technology to automate design and shorten product design time in the design phase of Delta's products. In the product manufacturing process, we use production line simulation to provide production line optimization strategies to reduce the need for labor and other resource and increase production capacity and utilization rate.

Increasing Product Value and Customer Satisfaction

- Help customers reduce operational risks: The data analysis team works with business units to improve the existing uninterruptible power supply (UPS) systems of semiconductor manufacturers in Taiwan and incorporates special predictive maintenance (PdM) for special projects to improve product reliability and ensure that customer operations can continue normally and minimize losses during unexpected power supply interruptions.
- Ensure the stable supply of renewable electricity: The team applies the aforementioned predictive maintenance to Delta's PV inverters to detect abnormalities early and provide early warning to improve the reliability of renewable energy power generation and overall system efficiency.
- Enhance personnel safety in operations: The team cooperates with major chemical manufacturers in Taiwan to provide data on large reactor equipment used for continuous production processes. Delta provides predictive maintenance data analysis so that personnel in charge can monitor and control equipment conditions remotely, reduce the number of entries to hazardous areas, and plan maintenance schedules for machinery more efficiently.

Tools for Open Innovation Case Studies and Expected Benefits



Delta Research Center organizes internal technology strategy meetings and shares its viewpoints in technology forums organized by external entities. It also communicates with external teams to discuss technical development. The Project Team created the "Artificial Intelligence Platform" with Hubei University of Technology and won the 2020 Team Award in the China Automation Industry Annual Conference 2021. Delta Intelligent Technology (Beijing) Co., Ltd. also represented Delta in editing the China National Standard "General Requirements for Predictive Maintenance of Intelligent Services".

4.4 Customer Relationship Management

4.4.1 Collaborative Development and Participation in Iconic Exhibitions

Delta uses efficient power management solutions, cooling system solutions, and green data center solutions to attract customers for the brand and jointly develop next-generation energy-saving products. For instance, Delta assisted Dell in the development of the 80 Plus titanium-grade server power supply (with an average efficiency level of 96%). Delta participated in Facebook's "Open Compute Project" for research in 227V power supply with 94.5% efficiency. Delta also participated in several international exhibitions such as the Hannover Messe, China International Industry Fair (CIIF), Consumer Electronics Show (CES), and COMPUTEX. We interact closely with customers to promote Delta's latest energy-efficient products, solutions, and innovative technologies and help customers enhance their competitiveness in the industry. Delta also fully utilizes the advantages of our green energy and energy-saving products for full system integration. Our environmental exhibitions and green buildings attract customers to come for consultation regarding energy-saving and carbon reduction business opportunities.

Delta's IoT-Based Smart Park launched at 2035 E-Mobility Taiwan to create innovative and energy-efficient smart mobility for the future

Delta participated in the first "2035 E-Mobility Taiwan" exhibition and adopted the theme of an "IoT-Based Smart Park" which used applications and settings to showcase related products and solutions for innovative and energy-efficient smart mobility. The exhibition area includes an actual vehicle frame to showcase Delta's electric vehicle power system, vehicle-mounted power management system, vehicle cooling fans and thermal management, and passive components used for vehicles. In addition, Delta also integrated renewable energy power generation and energy storage systems into more than one million electric vehicle charging equipment and products that it has shipped across the globe to build electric vehicle charging infrastructure capable of operating as a microgrid.



Delta's IoT-Based Smart Park was launched at 2035 E-Mobility Taiwan to create innovative and energy-efficient smart mobility for the future

Delta and partners join hands to create the first electric bus charging station in India

To support India's goal of achieving 100% electrification of transportation before 2030, the Government of Gujarat launched India's first electric bus project in Ahmedabad. Delta worked with its partner Charge+Zone to develop charging infrastructure solutions for the India market. Delta provided 11 high-power 150kW DC fast charging stations to charge the 40 electric buses operated by Ashok Leyland in the city, and facilitated the smooth operations of green public transportation services in Ahmedabad.



Delta in conjunction with Charge+Zone provided charging infrastructure in India

4.4.2 Improving Customer Relationship Management

Customer Satisfaction Survey

Delta has sought to achieve a deep understanding of customer requirements 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.

The customer satisfaction survey consisted of two components which are consolidated for analysis. They included the suppliers' Quarterly Business Review (QBR) with information actively provided by customers and the Delta Satisfaction Survey, which is a satisfaction

survey actively initiated by Delta when the customer has not rated their satisfaction. Delta continues improvements based on customer recommendations and Delta engineers are encouraged to communicate directly with customers. This allows engineers to understand customer issues at the product design phase, while also gaining an accurate understanding of end-market demands and exceeding customer expectations 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 organize annual customer satisfaction surveys and use the results of the evaluation and surveys as an important basis for improving customer relations. We analyze surveys for intensified interactions with customers to explore potential market

opportunities and improve product design to meet customer demands and build win-win cooperation. In the past, each business unit adopted the survey system it designed instead of a systematic universal questionnaire for the customer satisfaction survey.

To effectively maximize customer satisfaction and continuously improve the customer service management process, we focused on seven major components such as technology, quality, response, delivery, cost, service, and global ESG, and adopted an analysis process including questionnaire collection, system analysis, dashboard display, FA/CA/PA, and effect verification to develop and design the Customer Satisfaction Survey System for the entire Group. The main targets of the customer satisfaction survey consisted of customers who accounted for the top 80% of procurement from Delta in 2021. We distributed 462 questionnaires and recovered 277 copies with a recovery rate of 60%. Due to the impact of the COVID-19 epidemic in 2021, the coverage rate of the customer satisfaction survey this year was lower than the coverage rate in 2020.

We calculated the average customer satisfaction rate for 2021 as 78 points on the basis of the Quarterly Business Review (QBR) actively provided by customers and the aforementioned Delta Customer Satisfaction Survey. The average customer satisfaction rate of 2021 did not reach the target of 88 points mainly because the questions asked by the business units were unified and the scoring standards were redefined. The 100-point, 10-point, and 5-point systems of different business units were changed to a 5-point system. The major changes were first applied to Delta in 2021 and we will continue to follow up on the results.

Many new customers in new markets have appeared as Industry 4.0 progresses. There have been significant changes in customers' industry types and Delta has noted the potential of Internet and telecommunication customers. To collect feedback from these potential customers, we will change the customer satisfaction questionnaire from letters to an online customer satisfaction survey starting from the 4th quarter of 2021. The

customers that we have engaged in transactions in the current year will be included as targets of surveys. We seek to systematically expand the scope of the survey, explore the true causes of customer dissatisfaction, uncover potential demand, and identify more opportunities for providing services to customers.

Distributor and ASP Service ISO 9000 Quality Certification

Delta seeks to maximize customer satisfaction. To provide customers with consistent services, we ensure that both authorized service partners (ASPs) and authorized distributors have the same quality management capabilities as Delta. Delta started communicating the quality management policy to existing distributors and ASPs in 2020 to ensure that the services and operations of ASPs and distributors are consistent with Delta standards in order to provide customers with good service quality. In 2020, Delta implemented operation standard surveys based on ISO 9000 standards on existing distributors and Authorized Service Partners (ASPs). The results showed that 21% of the distributors and ASPs had obtained ISO 9000 certification and we aim to increase the compliance rate of ISO 9000 operation standard each year. For distributors that have not been certified, we established the Delta Operation Management Regulations in 2021 in accordance with ISO 9000 in response to the COVID-19 pandemic. Toward the end of 2021, we appointed TÜV Rheinland to provide online training for distributors and ASPs. Therefore, the compliance with ISO 9000 or the Delta Operation Management Regulations was 24.4%.

To attain the 2022 targets, Delta provided training to distributors and ASPs in India and Mainland China in the first half of 2022. We used the incentives and audit and evaluation systems for distributors to incentivize and encourage authorized distributors to meet ISO 9000 operation management standards, and we also implemented ISO 9000 Quality System Audit (QSA) on existing ASPs with the aim of reaching 30% by 2022.

Customer Communication Channels and Customer Service Knowledge Platform

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 business units have stipulated administrative mechanisms to process the issues appropriately. In Mainland China, for example, 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 2 hours and provide required services within 48 hours.

To provide customer service personnel with even more comprehensive professional capabilities, we have established a customer knowledge platform that accumulates technical product information, project opinions, accident analyses, and professional repair experience information, and have provided employees with reference exchanges. Realizing the strong market potential of Mainland China and India, Delta has 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 distribution partners across the world have become Delta's global market vanguard.

With our industrial automation products, we have over 1,500 distributors across five 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, Mainland 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. No material client grievances or complaints occurred in Delta in 2021.

Client Confidential Information Protection

To ensure effective customer information management through a single system, we implement strict authorization management and control strategies and procedures for customer access. We deployed related data loss prevention (DLP) software across the world and executed related measures required by ISO 27001. We obtained ISO 27001 Information Security Information Certification in 2021.

4.5 Supplier Sustainability Management

4.5.1 Overall Measures for Supplier Sustainability Management

Delta Supply Chain

Suppliers working with Delta are our most important strategic cooperation partners. In addition to providing customers with valuable products and services, we also focus on social and environmental values by actively fulfilling our corporate mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow" as we work toward creating a sustainable supply chain. Delta jointly bears social and environmental obligations with the supply chain on the basis of cooperation. Delta's suppliers include suppliers of materials/components, agents, and contractors. Their head offices are mainly located in Mainland China, the United States, and Taiwan. Their manufacturing sites are located in Mainland China, Taiwan, Thailand, and other countries.

Supply Chain ESG Committee

The Company established the Supply Chain ESG Committee to effectively implement sustainable management for the supply chain and integrate Delta's global procurement systems. The Committee is chaired by the Director of the Supply Chain Management Division and members are comprised of procurement managers of business groups. The Committee assigned an executive secretary to take charge of planning and implementing project activities and the Corporate Sustainability Development Department serves as the consulting team. The six major project categories include "amendment of rules/management regulations", "supplier evaluation", "procurement platform function enhancement", "waste reduction management", "communication and education", and "special issue management". We convene meetings of the Committee regularly to promote projects and review progress.



Supply Chain Management Procedures

Delta's supply chain management includes selection and recognition of new suppliers, continuous ESG risk management, and performance evaluation. The targets include suppliers of materials/components, agents, and contractors.

01

Selection and recognition of new suppliers

New material suppliers must have ISO 9001 certification and meet requirements for environmental management substances. We encourage suppliers to obtain ISO 14001 certification. Only companies that pass onsite audits for procurement, quality, technology, and hazardous substances can become official suppliers of Delta. Delta's procurement contracts include product liability and confidentiality clauses as well as the Supplier Code of Conduct, Responsible Business Alliance (RBA) Code of Conduct on environmental protection, conflict minerals, fair competition, and anti-trust.

02

Continuous ESG risk management

Delta continues to implement tiered management of suppliers. We use survey forms and documents for the first round of document audit to investigate potential risks of the supplier in labor, health and safety, environment, ethical conduct, and management systems, and evaluate the ESG risk ratings and ESG capability ratings. We also distribute the survey form for conflict minerals to complete our due diligence investigation for conflict minerals in the supply chain.

We use the risk map to identify high-risk suppliers. Delta uses systematic tracking, on-site audits, and requests for improvement based on the categories of high-risk issues and the level of urgency. Delta will make use of its extensive ESG experience to create training materials to be shared with critical suppliers.*

03

Performance evaluation

To incorporate ESG sustainability performance as incentives, Delta implements the Quarterly Business Review (QBR) for technology, quality, service, lead time, and cost, and selects the Most Valuable Partner (MVP) and Most Improved Partner (MIP) based on the suppliers' ESG risk rating and capabilities. We seek to use the influence of the Delta brand to power the continuous improvement of our supply chain. In 2021, Delta included suppliers' ESG compliance into the response (R) to the QBR and evaluated the incorporation of ESG scores into the evaluations for technology (T), quality (Q), delivery (D), or cost (C) to increase incentives.

04

Supplier engagement and long-term improvements

Delta started the Supply Chain Sustainability Partnership Program in 2021, which targeted long-term suppliers for interviews on the needs for energy-saving products. We also introduced Delta's energy-saving case studies and technologies, and provided Delta's energy-saving products and solutions that matched their needs to help suppliers perform energy conservation diagnoses and plan improvement projects such as energy management systems and intelligent energy-saving plant management systems. Delta aims to create a paradigm for energy conservation and promote the continuous improvement of the entire supply chain. For a certain semi-conductor manufacturing company, the investment totaled approximately 1,764 thousand USD and the annual electricity savings is approximately 14 million kWh, which reduced the electricity bill by approximately 1,152 thousand USD.

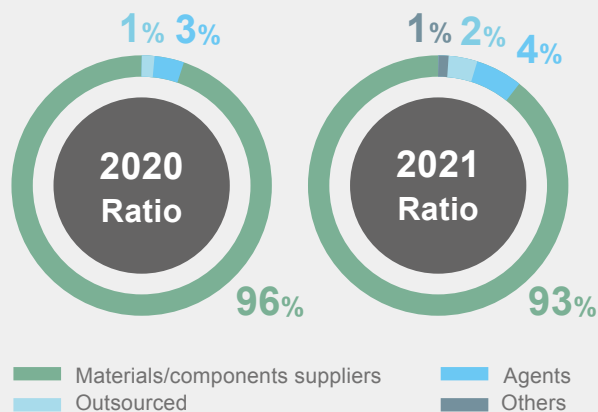
*High-volume suppliers, critical component suppliers, non-substitutable suppliers, and suppliers who provide materials for cross business groups are defined as critical suppliers.

4.5.2 Ratio of Localized Procurement and Materials

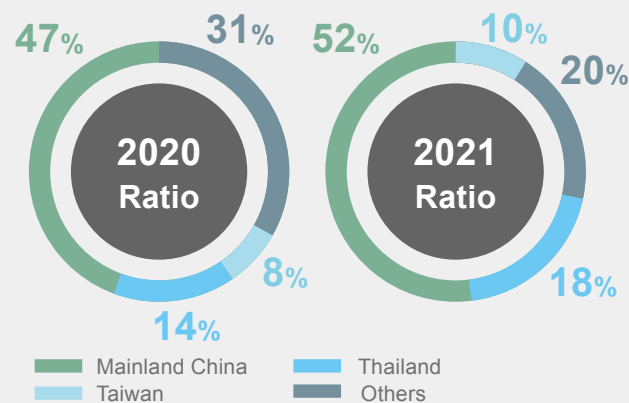
Localized Management

Delta's products and services cover three major areas including Power Electronics, Automation, and Infrastructure. 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 constitute the major proportion, accounting for 93% in 2021. There are three types of direct material suppliers: raw material/component suppliers, agents, and outsourced suppliers. In recent years, Delta has focused on R&D and innovation of core technology and products, and the Company has rapidly expanded its role as a solution provider through M&A and by integrating its own professional competencies. The scale of Delta's supply chain continues to expand. In addition, Delta continues to implement local procurement strategies and construct a green supply chain to build close relations with local partners, promote local social and economic development, and reduce carbon dioxide emissions produced in production and transportation. The percentages of global and local procurement of direct materials for major production sites in Mainland China, Taiwan, and Thailand are shown in the table below.

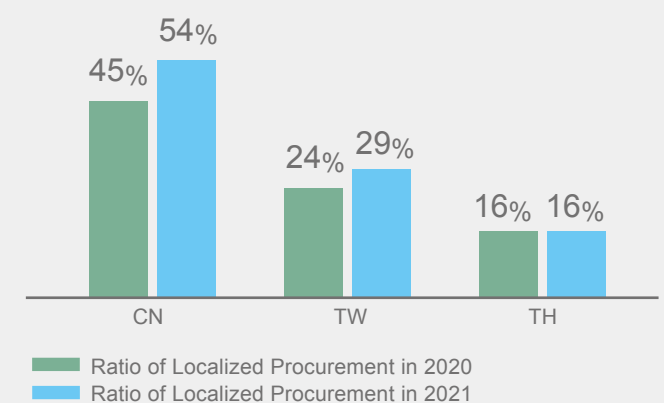
Procurement and Spending Ratio by Types



Procurement and Spending Ratio from Different Areas



Ratio of Localized Procurement and Spending



Materials Management

The main materials used by Delta include metals, plastics, chemicals, packaging or buffer packaging materials, and others. Based on the weight of procured materials in 2021, metal materials accounted for 68.2%, packaging materials accounted for 20.5%, plastic materials accounted for 9.6%, chemicals accounted for 1%, and other materials accounted for 0.7%.

Paper packaging materials with recycled pulp or recycled fiber accounted for 77.4% and those made with blended recycled fiber accounted for 31.5%. Among metal materials, 6.4% of the steel is recycled metal, which is used in the shaft of servo motors and silicon steel sheets.

4.5.3 Supplier ESG Risk Assessment and Due Diligence Research on Conflict Minerals

Supply Chain ESG Risks

Delta adopted the Responsible Business Alliance (RBA) Code of Conduct as the main framework and added climate change, labor, occupational health and safety, environment, ethics, and management systems based on its experience to promote the sustainable development of suppliers. We use the "Delta Supplier Code of Conduct" as an important guidance to encourage compliance by suppliers.

Delta uses the "Delta Supplier Annual ESG Management Survey" for management and risk assessment to learn about the suppliers' RBA implementation and possibilities for promoting sustainable development, and identify possible opportunities. The distribution targets were tier 1 suppliers with whom we have continuous transactions including product manufacturers, branch companies of manufacturers, external processing manufacturers, agents, and service companies.

The 2021 "Delta Supplier ESG Management Survey" included labor, occupational health and safety, environment, ethics, and management systems. We designed questionnaires based on the nature of suppliers, RBA high-risk issues, and subsequent management goals. We also provide the survey in traditional Chinese, simplified Chinese, and English. Delta's Supply Chain ESG Committee also organized webinars to communicate directly with suppliers and help them understand Delta's expectations, the importance of ESG, and the requirements of the questions.

Analysis and Results of the 2021 Questionnaire

The 2021 questionnaire included new carbon-related environmental issues, including questions regarding ISO certification for suppliers' greenhouse gas inventories and carbon footprint. We also surveyed the improvement measures taken by suppliers for non-compliance cases in each category. The overall response rate for ESG management in 2021 was 88%. According to the analysis results of suppliers with different ratings, 35% of the suppliers exhibited high levels of sustainability. It means that they have high risk management and ESG capabilities and are suitable for long-term partnerships for sustainability. However, 35% of the suppliers are classified as suppliers of concern - which have lower ESG and risk management capabilities. And among them, 92 suppliers are listed as high-risk suppliers. According to the resolution of the Supply Chain ESG Committee, high-risk suppliers are defined as suppliers of concern who have labor, environment, safety, or ethics-related violations but failed to propose mitigation or remediation actions, or fail to abide by Delta Suppliers CoC requirements on child labor, students workers, interns, migrant workers. In addition, 16% of the suppliers are classified as suppliers with high potential. It means that they have high risk management but require improvements in their ESG capabilities. They can thus be prioritized for mentoring resources later on.

We analyzed the performance of risk management across the categories and found that the average deficiency rate was higher in the labor category and lower in the ethics category. This shows that the high-risk issues mostly lie in the labor category for which 9% of the suppliers lost points. The issues included lack of related policies for human rights protection and overtime work hours. Delta will conduct follow-ups, audits, and request that suppliers implement correction plans. The suppliers who voluntarily introduced RBA VAP accounted for 8% of the effective questionnaires.

Delta's key supply chain ESG management issues and response measures

Integrity

All suppliers must sign and agree to comply with the Delta Supplier Code of Conduct or sign the Delta Integrity Declaration to become a qualified supplier.

Labor and human rights

Delta pays special attention to issues such as child labor, underage workers, migrant workers, overtime work, and violations of local labor regulations. We use questionnaires to learn about current conditions, track the progress of improvements with written documents, and use publicly available information to verify the authenticity of the information.

Environment

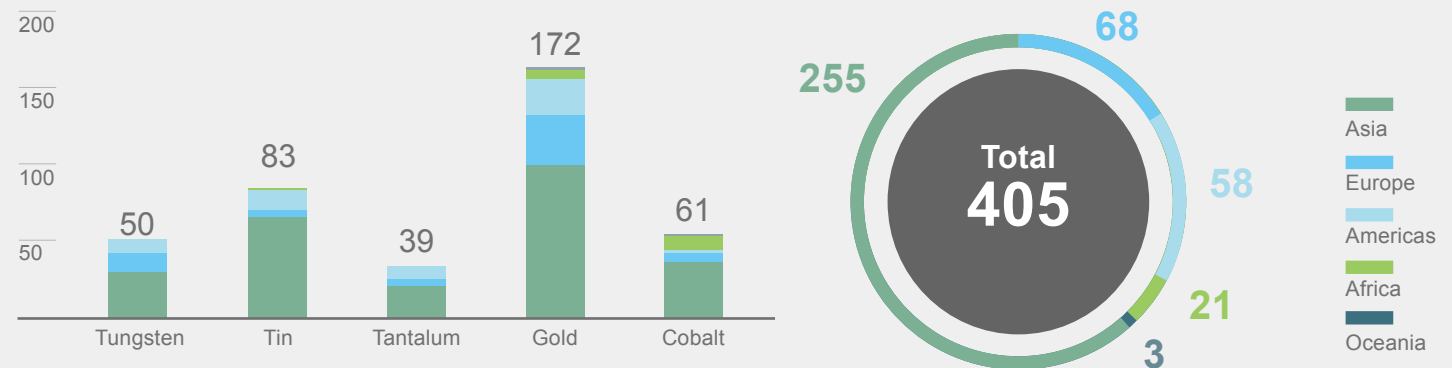
Delta pays special attention to climate change and greenhouse gas management issues. Starting in 2021, we encouraged all suppliers to provide information on greenhouse gas emissions and the percentage of renewable electricity. We will also require suppliers to provide data verified by a third party starting from 2022.

Conflict Minerals

The Responsible Minerals Initiative (RMI) research discovered that rebel groups in the Democratic Republic of Congo and neighboring countries in Central Africa use forced labor, child labor, and other illegal means to mine tantalum, tin, tungsten, gold, and cobalt, and sell them in exchange for weapons, thereby causing regional instability. Minerals obtained through illegal means are referred to as conflict minerals. Tantalum, tin, tungsten, gold, and cobalt are essential for the functions of electronic products. To avoid the use of conflict minerals obtained from illegal operations, we have established the Responsible Mineral Procurement Policy and the Due Diligence Investigation on Conflict Minerals of Suppliers. Delta also organized webinars to communicate directly with suppliers and help them understand Delta's targets for joint implementation. In the due diligence investigations of suppliers, we disclosed and required suppliers to gradually shift purchases of minerals to qualified refineries. Delta will continue to pay attention to the issue of mica, which has received more attention from stakeholders. We will continue to pay attention to the management measures for mica imposed by international organizations. However, as we are still formulating the investigation and management measures, they are not yet included in the scope of due diligence investigation.

We use the CMRT 6.01 and CRT 2.2 template for conversion into online questionnaires and the most recently updated list of refineries announced by RMI for the overall assessment. According to the investigation, Delta's supply chain sourced materials from 405 refineries in 2021, all the 405 refineries which were part of the most recently updated list of qualified refineries. According to the analysis, most of the qualified refineries are located in Asia while others are located in Europe.

Distribution of Qualified Refineries



4.5.4 Supplier Audit Based on RBA Principles

To lower ESG risks in the supply chain and to improve competitiveness, Delta began providing RBA audits and mentoring in 2012. RBA audit and mentoring are provided for high-risk critical suppliers. Key suppliers are selected based on the performance of materials in inventory, production processes, and overall user-end quality. We select key components and list suppliers that account for the top 80% of all purchases as key suppliers. In January each year, we make such choices based on the performance in quality, transaction volume, and environmental safety and health, or labor and ethics and designate suppliers for key audits and improvements in the current year. As of 2021, Delta completed audits for 121 key suppliers. Among the 50 key suppliers for which audits were completed in 2021, follow-up inspections were completed for 50 suppliers. The audit rate of key suppliers was 100%.

During Delta's supplier audits, a total of 1500 items were found in EHS requiring improvement. Most of them were in particular management systems and occupational health management. In terms of labor ethics, a total of 748 items requiring improvement were found, mostly for 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 that includes the case closure date and the person responsible for case closure. The suppliers were required to respond to Delta based on the follow-up format in Delta's Audit Improvement Report. Delta sets follow-up dates for verifying the suppliers' improvement conditions to ensure the continuous improvement of their ESG operations. In addition, Delta provides experience in introducing and promoting Delta's ESG Management System as reference for suppliers. The supplier improvement rate with mentoring provided by Delta was 82% in 2021.

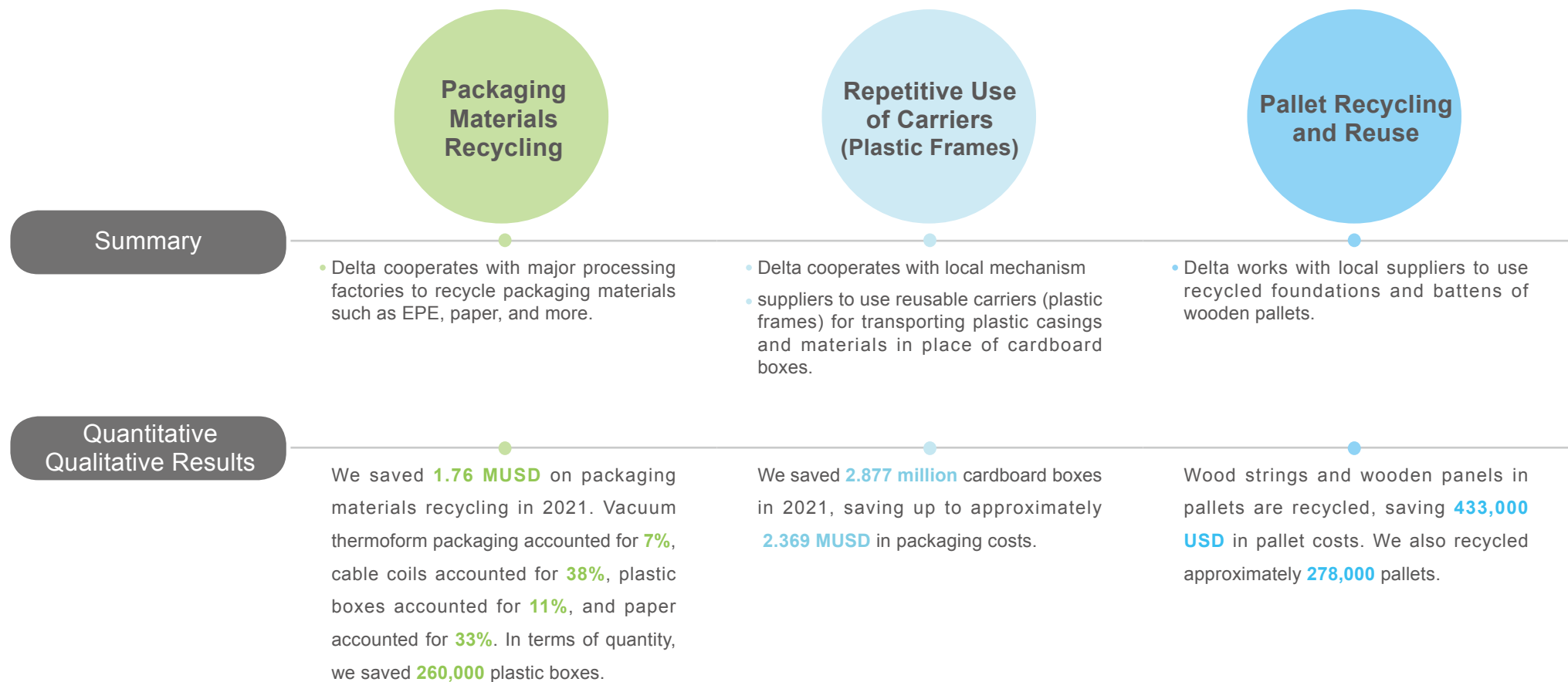
4.5.5 Supplier Training

Delta views its suppliers as long-term partners and critical partners in Delta's promotion of sustainable development. In addition to competitive quality, technology, delivery, and cost Delta also pays close attention to their performance in governance, environmental protection, and society, including actions taken in response to climate change. To help suppliers who have not yet conducted a GHG inventory measure their annual GHG emissions in accordance with ISO standards, Delta invited external consultants to provide a two-day GHG inventory training program, which was provided free of charge to Delta's tier 1 suppliers. The course on ISO 14064-1 Greenhouse Gas Inventory Standards included an analysis of the requirements and the terminology. We then introduced quantitative tools and inventory calculation formulas to show the GHG inventory process and matters of note with real case studies. We also provided information on the organizational structure of the report and the key points for verification. More than 200 supplier representatives attended the course. Delta will continue to organize related external education training programs to enhance the overall ESG capabilities in the supply chain.

Starting in 2022, Delta's suppliers will be required to measure their annual GHG emissions and provide the necessary product-based GHG data to meet Delta's requirements for information on product carbon footprint.

4.5.6 Supply Chain Environmental Performance

To fulfill our corporate commitment "To provide innovative, clean and energy efficient solutions for a better tomorrow," Delta continuously cooperates with suppliers to reduce carbon emissions. This not only lowers operational costs for both Delta and the supplier, but also increases the competitiveness of the entire supply chain.

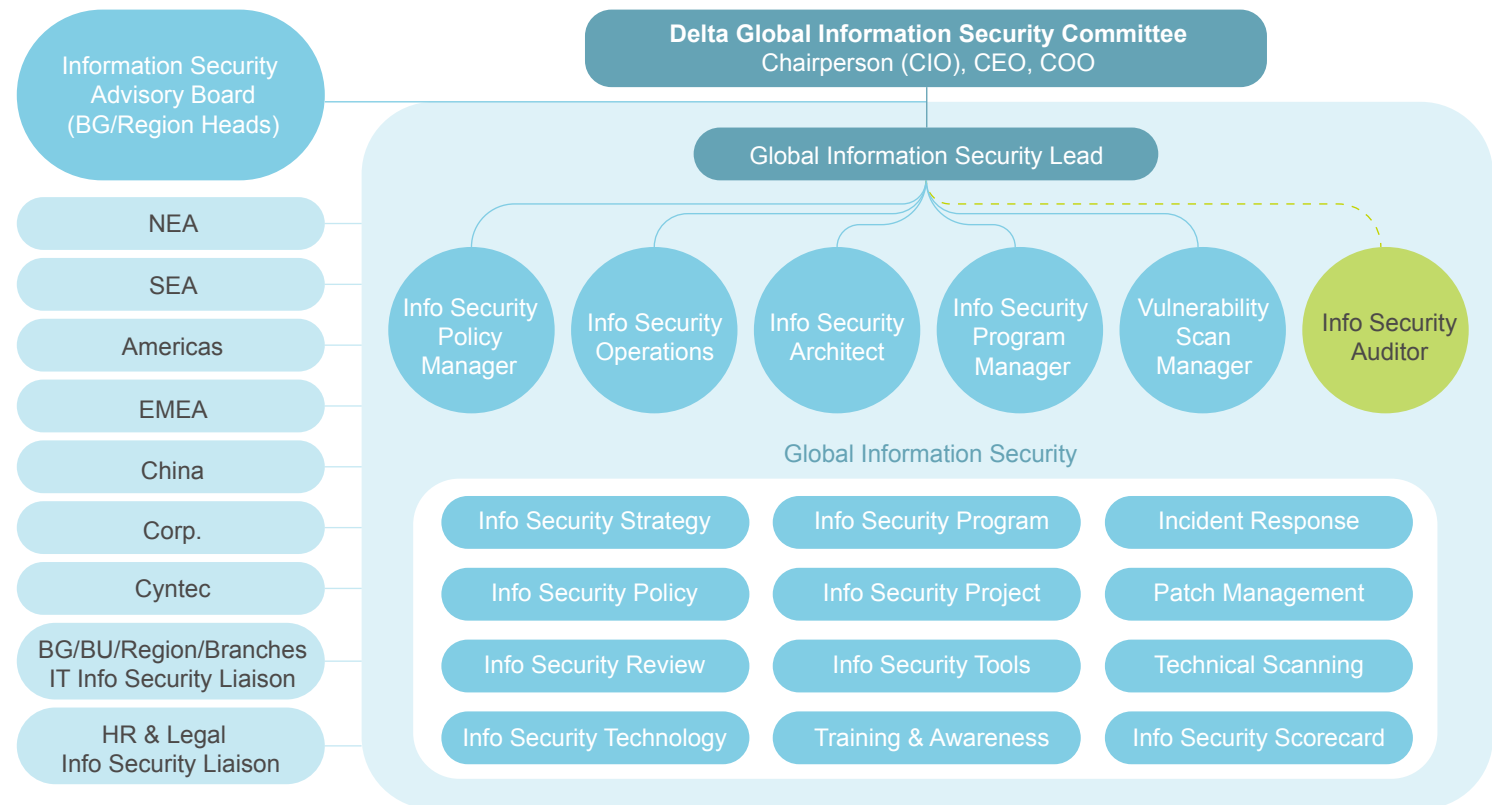


4.6 Information Security Management

Delta established an information security organization which is responsible for formulating information security policies to ensure the information security of Delta's IT infrastructure, information application systems, and products, and the data security of customers. Delta passed the regular review of the ISO 27001 information security certification in 2021 and introduced ISO 27701 Standards to enhance the security of personal data. In 2022, we will continue to enhance the protection of information infrastructure and application systems and implement data security and personal data protection mechanisms.

4.6.1 Information Security Organization

Delta's information security organization is shown in the figure below. The Chief Executive Officer, Chief Information Officer, Chief Information Security Officer, and Chief Operating Officer are responsible for supervision and review. They lead the Information Security Department of the IT Division which oversees information security policy management, information security operations, information security architecture, vulnerability management, information security risk management, and compliance audits. We also appointed information security officers in each region across the globe to ensure that information security policies and controls are implemented in Delta's business units.



4.6.2 Establishing Information Security Policy and Processing Procedures

The Information Security Team formulated Delta's Information Security Policy in accordance with requirements in the ISO 27001 international information security standards. It includes Information Device Usage Guidelines, Mobile Device Usage Principles, Password Usage Guidelines, Company Email Usage Guidelines, Internet Usage Guidelines, Information Handling Guidelines, Software Usage and Licensing Guidelines, Removable Computer Media Device Usage Principles, Visitor Security Guidelines, Anti-Virus and Data Leakage Prevention Software Deployment Principles, Remote Access Guidelines, Information Security Incident Management Guidelines, External Network Application Information Security Requirements, and Company Resource Usage Guidelines. Employees that violate the Information Security Policy shall be punished in accordance with the Delta Group Reward and Punishment Management Regulations, and the maximum punishment may be the termination of employment. The Information Security Team reviews the Information Security Policy every year, updates the contents based on the progression of information technology, and requires all employees to sign and comply with the contents.

Delta also organizes information security training for new employees to continuously enhance employees' information security awareness. All employees must complete the annual information security training and pass the test. In 2021, 79,728 participants completed the annual online and in-person information security training courses with 93% coverage rate. The IT Department issues monthly information security electronic newsletters to remind employees of the latest information security risks and zero-day vulnerability. It also set up a mailbox for information security issues. All employee mailboxes are equipped with a phishing email notification button, which allows the person in charge of operations to process information security issues and investigate phishing emails.

Information Security Incident Case Studies

In January 2022, certain information systems of Delta were attacked by hackers, which resulted in the inaccessibility of the Company's official website, office automation, and related systems. After detecting the anomaly, the information unit immediately notified the relevant units and activated information security response mechanisms. Delta also invited external information security experts to collaborate on incident management, stop the spread of the malware, and analyze and investigate the attack method. The Company quickly reviewed the affected systems and implemented system recovery. As a result of the IT unit's rapid response, the incident did not have a significant impact on the Company's overall operations. The Company also notified law enforcement agencies and made a material information announcement in accordance with the law.

Based on the preliminary incident analysis and results of investigations, we have concluded that the hackers used social engineering to obtain an account of an employee and launched the attack by hacking into the Company's computers through the network. In response to these risks, Delta's information security unit has enhanced information security training and social engineering exercises for all Delta employees across the globe. The IT team will enhance mail screening mechanisms and continue to upgrade network and system monitoring and security management to reduce information security risks and prevent the recurrence of similar hacker attacks.

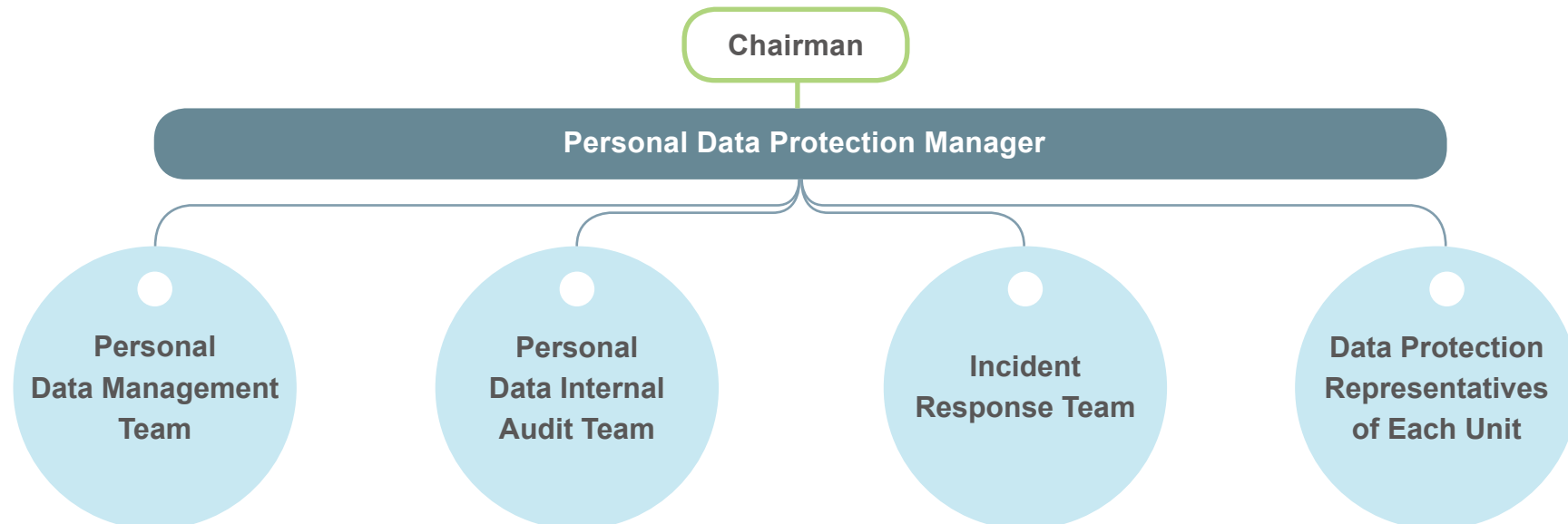
4.7 Personal Data Protection Management

The Company has introduced the ISO 27701 Privacy Information Management System since the end of 2020 and established the "Delta Group Personal Data Protection Management Policy", "Delta Group Privacy Policy", and other procedures for the protection and management of personal data. The Policies have been publicly disclosed on the Company's website. Delta established the "Personal Data and Privacy Protection Team" chaired by the CEO as the unit responsible for Personal Data Protection Management Policy, and definition of personal data management authorities and responsibilities. The team takes charge of the operations of the personal data protection management system, supervises each unit to regularly conduct annual personal data inventory, risk assessment, and internal audits, and plans training courses to enhance employees' awareness of personal data protection. In 2021, 1,662 participants attended personal data protection

courses. We have established a comprehensive personal data protection system to ensure all personal data is properly protected.

The Company upholds the rights of individuals for exercising their legal rights on personal data and accepts complaints. We also set up a contact unit to provide complaint channels. If the Company receives a complaint or discovers an incident involving personal data infringement, the Company shall notify authorities, process the infringement, and punish violators in accordance with the "Personal Data Incident Response Management Procedure". In 2021, there were no complaints arising as a result of infringements of customer privacy.

Organization Structure of the Personal Data and Privacy Protection Team



4.8 Comprehensive Information Disclosure and Shareholder Communication

Before the implementation of relevant legislation, Delta took the initiative and publicized our 6-month financial statements, which were certified by CPAs. At the same time, we immediately made public announcements on the Taiwan Stock Exchange, and included an Investors section on our website to provide documents such as the Chairperson's Report to the Shareholders, company 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 publishes taxation information in recent years on the Company's official website to explain how Delta pursues optimal taxation across the globe and protects shareholder equity while complying with laws and corporate governance policies and paying reasonable taxes to give back to society.

Delta hosts an Investors Conference each quarter, in which quarterly financial performance and operating conditions are announced and the Company's long-term strategic planning and future development are explained to investors and the media. We also provide simultaneous Chinese and English online streaming broadcast services on Delta's website. This makes it more convenient for all investors across the world to understand the Company's latest information in a timely manner. As Delta has a high ratio of foreign investors, we attach a great amount of importance to properly communicating with foreign investors. This is done through participation in various investor forums and conferences annually, 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 various stakeholders related to corporate operations, financial affairs, and corporate governance. At the same time, we fully cooperate with investors on their visits and welcome non-periodic visits from investor representatives to see our global manufacturing bases and exhibitions.

As the second year of the COVID-19 pandemic started in 2021, the global economy gradually recovered. However, the changes caused by the pandemic, the imbalances in the supply chain created by the economic recovery, labor shortages, and rising inflation in different countries have affected the market and investor confidence. Delta actively and continuously engaged investors in real-time with effective communication. We participated in 40 external institutional investors' conferences and more than 600 investor interview conferences in 2021.

Delta also actively communicated with corporate shareholders to respond to international corporate investors' focus on ESG issues. We also participated in multiple international conferences to learn about the latest international development trends and requirements of corporate shareholders including the composition of the Board of Directors, the Company's carbon emissions reduction targets, employee benefits, and ESG management for the sustainable supply chain. For years, Delta has won praise from international investors for its performance in communicating with shareholders.

5

Environmental Protection and Energy Savings



- 5.1 Key Performance Indicators and Strategies
- 5.2 Climate Strategy
- 5.3 Net Zero Commitment and Carbon Management
- 5.4 Energy Management
- 5.5 Water Resource Management
- 5.6 Waste Management
- 5.7 Green Products
- 5.8 Environmental Management
















5.1 Key Performance Indicators and Strategies

| | | |
|---|---|---|
| Energy-saving of high efficiency products for worldwide customers 35.9 billion kWh 2010-2021 | Energy-saving practices at global green buildings 16.34 million kWh | Use of renewable electricity at global business locations 55% |
| SBT decrease in plant carbon intensity (CI) 71% Compared to 2014 | Decrease in building EUI 5.8% Compared to 2020 | Reduction in electricity consumption of non-IT equipment 8.7% Compared to 2020 |
| Decrease in plant water productivity intensity (WPI) 8.2% Compared to 2020 | Waste diversion rate 99.5% | Environmental protection investment 20.3 MUSD |

Strategic Direction

- **Intensify development of environmentally-friendly products:** Continue to develop energy-saving products, green energy products and solutions.
- **Implement sustainable production:** Promote environmental management, set reduction goals, and reduce the impact of our production on the environment.
- **Promote renewable energy development:** Actively develop renewable energy solutions and increase the use ratio of renewable electricity.
- **Respond to climate change:** Recreate comprehensive climate change management based on the TCFD framework to manage risks and opportunities, and regularly disclose progress.
- **Energy management:** Practice environmental protection and energy conservation. All new production plants must implement green building designs, actively promote multiple energy-saving plans, and meet new conservation milestones.
- **Promote green building concepts:** Implement green buildings by applying Delta's energy-saving solutions.
- **Align with international sustainability trends:** Actively support international initiatives and achieve specific "We Mean Business" commitments.

| | Commitment | KPI | 2021 Targets and Performance | Short, Medium and Long-term Target |
|--|--|--|---|---|
| Climate Strategy | Participate in international initiatives and implement TCFD. | <ul style="list-style-type: none"> ✓ Include climate change issues in the quarterly reports of the Board of Directors ✓ Disclose climate information and Delta's progress based on the TCFD framework each year ✓ Continue to meet targets since 2018 | <ul style="list-style-type: none"> ■ Report the progress quarterly to the board and disclose climate information annually in mainstream reports <p>Achieved</p> | Reduce climate risks and expand business opportunities in the low-carbon market |
| Net Zero Commitment and Carbon Management | Respond to limiting global temperature increase within 1.5°C and meet net zero target by 2050. | <ul style="list-style-type: none"> ✓ SBT Scope 1 and Scope 2: Carbon intensity targets (tons CO₂e / production value in MUSD) | <ul style="list-style-type: none"> ■ Target : ↓ 38% ■ Actual : ↓ 71% (Market-based) <p>Achieved</p> <p>Baseline Year : 2014</p> | 2025 : ↓ 56.6% Baseline Year : 2014 2030 : Carbon Neutrality |
| | | <ul style="list-style-type: none"> ✓ SBT Scope 3: Average power efficiency of server power (%) | <ul style="list-style-type: none"> ■ Target : ↑ 1.2% ■ Actual : ↑ 0.5% <p>Baseline Year : 2016</p> | 2022 : ↑ 1.6% Baseline Year : 2016 |
| Energy Management | Delta has committed to the RE100 initiative and aims to use 100% renewable electricity by 2030 which are the first company in Taiwan's high-tech manufacturing industry. | <ul style="list-style-type: none"> ✓ The global renewable electricity percentage* <p>* RE% is 61% for our main production plants, and 58.7% for our overall production plants.</p> | <ul style="list-style-type: none"> ■ Target : > 45.7% ■ Actual : 55% <p>Achieved</p> | 2025 : 80% 2030 : 100% |

| | Commitment | KPI | 2021 Targets and Performance | Short, Medium and Long-term Target |
|--|---|--|---|---|
|  Water Resource Management | In response to climate change and to stabilize water supply, Delta is committed to reducing its overall water intensity by an additional 10% by 2025, using 2020 as the base year. |  Water Productivity Intensity (WPI) of overall production plants = water usage / production value in MUSD | ■ Target : ↓ 2% ■ Actual : ↓ 8.2%  Achieved Baseline Year : 2020 | 2022 : ↓ 4% 2025 : ↓ 10% Baseline Year : 2020 |
| | |  Water Consumption Intensity (WCI) of buildings = water usage / number of people | ■ Target : ↓ 2% ■ Actual : ↓ 21%  Achieved Baseline Year : 2020 | 2022 : ↓ 4% 2025 : ↓ 10% Baseline Year : 2020 |
|  Waste Management | To pursue the sustainable use of resources and avoid the depletion of the earth's resources, we will continue to improve the diversion rate of waste through reduction, reuse, and recycling to reduce our environmental impact. Delta pledges 100% waste diversion rate by 2025. |  Waste diversion rate | ■ Target : 92% ■ Actual : 99.5%  Achieved | 2022 : 94% 2025 : 100% |
|  Green Products | Delta continues to enhance product energy efficiency through technical innovation of products. We also mitigate environmental impact by introducing green designs in each phase of the product life cycle to facilitate product responsibility and green consumption. |  Product energy savings pass ISAE 3000 assurance | ■ Target : ≥11 types of products ■ Actual : 11 types of products  Achieved | Product energy savings continued to pass ISAE 3000 assurance |
| | |  No breach of legal regulations or standards for product/service provision and related usage | ■ Target : 0 ■ Actual : 0  Achieved | No breach of legal regulations or standards for product/service provision and related usage |

Aligning with UN Sustainable Development Goals and Key Implementation Measures



No Poverty

Assisted and worked with the United Nations Development Programme in 2017 by providing renewable energy solutions and enhancing energy accessibility in developing countries.

Corresponding material topics: Energy Management



Clean Water and Sanitation

Set water reduction goals and improved water resource usage efficiency. Developed green building and water-saving technology.

Corresponding material topics: Water Resource Management



Affordable and Clean Energy

Developed solar power systems, increased the popularization of renewable energy, and enhanced renewable electricity usage in our plants.

Corresponding material topics: Energy Management



Industry/innovation infrastructure

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

Corresponding material topics: Green Products



Sustainable Cities and Communities

Developed electric vehicle charging solutions and joined the EV100 initiative in 2018 to promote sustainable transportation. Developed green buildings to assist in sustainable urban development.

Corresponding material topics:

- Climate Strategy
- Net Zero Commitment and Carbon Management
- Energy Management



Responsible Consumption and Production

Implemented sustainable manufacturing to reduce plant impact on the community. Improved the efficiency of energy and raw materials usage. Implemented green design and green packaging.

Corresponding material topics:

- Energy Management
- Waste Management
- Green Products



Climate Change

Established and committed to a science-based target (SBT) of carbon reduction and joined the Business Ambition for 1.5°C Campaign to exert a wider positive influence. Committed to the fight against climate change and seizing related business opportunities.

Corresponding material topics:

- Climate Strategy
- Net Zero Commitment and Carbon Management



Life on Land

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

Corresponding material topics:

- Energy Management



Partnerships for the Goals

Assisted the Taiwan Business Council for Sustainable Development in compiling energy and climate policy white papers and called upon the local government to focus its attention on related policies. Responded to the five commitments behind We Mean Business* by committing to adopt a science-based emissions reduction target.

Corresponding material topics:

- Climate Strategy
- Net Zero Commitment and Carbon Management

Organizations such as the World Business Council for Sustainable Development (WBCSD), CDP, and The Climate Group proposed initiatives and invited enterprises across the world to join the We Mean Business Coalition and commit to taking actions to respond to climate change.

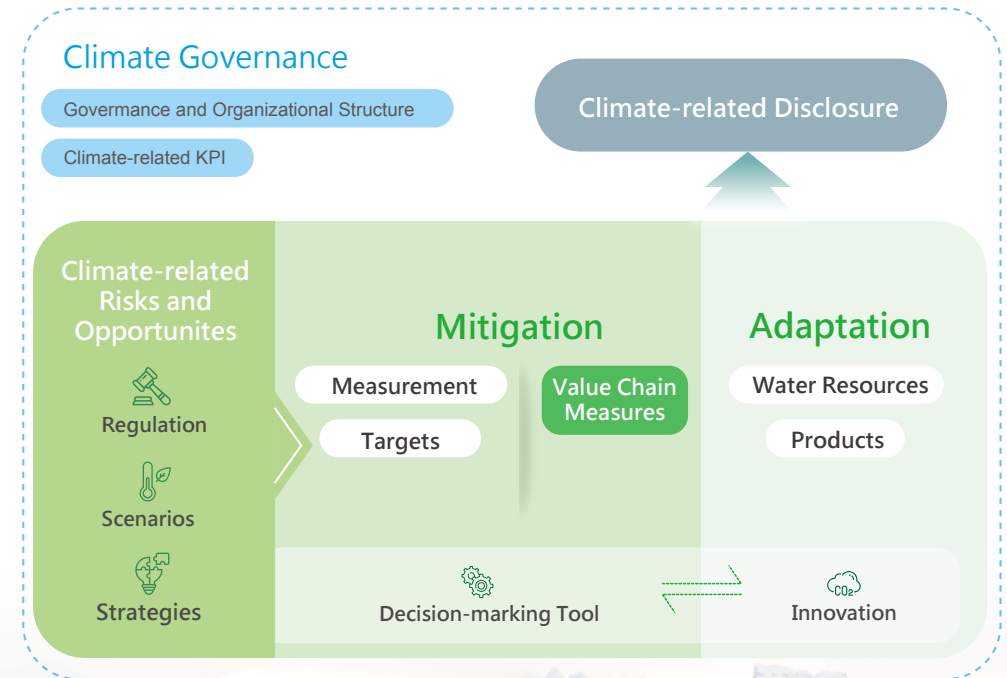
Link: <https://www.wemeanbusinesscoalition.org/companies/#region=Asia%20Pacific&country=Taiwan>

5.2 Climate Strategy


As a company with a long-term focus on climate change and energy efficiency as its core business, Delta has integrated climate change into its business strategy and sustainability goals. However, as global warming gradually impacts the global economy and climate change becomes a global risk, Delta is not only concerned about the direct and indirect impacts of climate change on human life, but also how to respond more proactively to the coming era of climate change.

Starting from 2004, Delta has focused on how to use green building to mitigate and adapt to climate change and has also conducted in-depth research on the impact of climate change since 2007. We actively communicate with Delta employees regarding the importance of climate change mitigation and increasing public awareness of climate change.

Delta's Climate Strategy is based mainly on climate governance with climate sensitivity, climate action with the courage for exploration, constantly updating carbon management mechanisms, and continuously embracing new energy conservation and carbon emissions reduction targets, which ensure the continuous implementation of our Climate Strategy. These measures coincide with the requirements of the TCFD framework and meet international development trends.



Key Achievements toward Climate Change Mitigation

|  Carbon Information Disclosure |  Greenhouse Gas and Energy Management |  Green Buildings / Plants |  Green Operation |
|---|--|--|--|
| <p>2010 • Product carbon footprint disclosure</p> <p>2014 • The only company in Greater China selected as CPLI (Carbon Performance Leadership Index) and CDLI (Carbon Disclosure Leadership Index) for the CDP (Carbon Disclosure Project)</p> <p>2015 • Selected as a constituent of the CDLI for 2 consecutive years</p> <p>2016 • Selected as CDP Climate Change Leadership Level A-</p> <p>2017 • Disclosed climate change information in the Financial Report based on the TCFD framework for the first time</p> <p>• Selected as CDP Climate Change Leadership Level A-</p> <p>2018 • Selected as CDP Climate Change Management Level</p> <p>2019 • Awarded the CDP Climate Change Leadership Level A-</p> <p>2020 • Awarded the CDP Climate Change and Water Security A List and Supplier Engagement Leader Level A</p> <p>2021 • Included in the CDP Climate Change and Water Security Leadership Level, and Supplier Engagement Leader Level A</p> | <p>2010 • Greenhouse Gas Inventory ISO 14064-1 certification</p> <p>2011 • ISO 50001 compliance certification Commitment to the three initiatives of We Mean Business</p> <p>• Completed GHG inventory of key suppliers</p> <p>2015 • Dongguan, Wujiang, Wuhu, Cyntec Hsinchu and Cyntec Huafeng plants achieved ISO 14064-1 certification</p> <p>2016 • 100% of Delta's main production plants have achieved ISO 14064-1 certification</p> <p>2017 • 100% of overall production plants (including Eltek) have achieved ISO 14064-1 certification</p> <p>2019 • 100% of overall production plants and main buildings in Taiwan have passed ISO 14064-1 certification</p> | <p>2011 • India Rudrapur Plant (LEED- INDIA Gold)</p> <p>2012 • Taoyuan R&D Center (EEWH Gold and LEED Gold)</p> <p>• India Gurgaon Plant (LEED- INDIA Platinum)</p> <p>2013 • Taipei Headquarters - Ruey Kuang Building (EEWH-RN Diamond)</p> <p>• Shanghai R&D Building (LEED Gold)</p> <p>2015 • America Headquarters (LEED Platinum)</p> <p>2016 • Beijing Office Building (LEED Silver)</p> <p>• Taoyuan Plant 5 (EEWH Gold and LEED Gold)</p> <p>• India Mumbai Building (LEED Platinum)</p> <p>• Taipei Headquarters - Ruey Kuang Building (LEED Platinum)</p> <p>2017 • EMEA Headquarters in the Netherlands (BREEAM Very Good)</p> <p>• Thailand Plant 5 (LEED Gold)</p> <p>• Shanghai R&D Building (LEED Platinum)</p> <p>2018 • Chungli R&D Building (LEED Gold)</p> <p>• Multi-purpose building in AKO Energy Park in Japan (LEED Gold)</p> <p>• Wujiang Data Center (LEED Gold)</p> <p>2019 • Green data center in Taipei Headquarters (LEED Platinum)</p> <p>2021 • Thailand Plant 7 (LEED Gold)</p> | <p>2014 • Reduced electricity intensity of main plants by 50% compared to 2009</p> <p>2015 • Expanded the scope of energy saving to new plants, buildings, and data centers</p> <p>• Committed to the We Mean Business initiative</p> <p>2017 • Submitted Delta's SBT and became the 87th company in the world to pass the SBTi compliance validation</p> <p>• Formally introduce Internal Carbon Pricing (ICP)</p> <p>2018 • Joined the EV100 Initiative</p> <p>• Became the world's first TCFD supporter for the technology manufacturing industry</p> <p>2020 • Completed climate change risks and opportunities assessment (comprehensive survey every 3 years)</p> <p>2021 • Joined the RE100 Initiative and pledged to attain RE100 and carbon neutrality by 2030</p> <p>• Met the 2025 Delta SBT targets ahead of schedule</p> <p>• Signed a long-term renewable electricity power purchase agreement with a wind power generation company, which was Delta's first green power transaction</p> <p>• Officially joined the Business Ambition for 1.5°C Campaign</p> |

5.2.1 Climate-related Financial Information Disclosure

The heads of central banks in various countries have started to pay close attention to the impact of climate change on the global economy since COP21 in 2015. The Financial Stability Board (FSB) instructed a working group to publish the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD Recommendations) in 2017 and it was updated in 2021.

Delta published its first Corporate Social Responsibility Report in 2005 to disclose the energy conservation and carbon emissions reduction achievements of its plants. We joined the "We Mean Business" initiative in 2015 and committed to reporting climate change information in mainstream reports as a fiduciary duty. Delta was also the first company to disclose the required information in its annual financial report since the publication of the TCFD Recommendations, and registered to become a TCFD supporter in February 2018. The main measures adopted by Delta that are based on the four TCFD elements included:

Governance

- Delta's Board of Directors takes climate change transformation risks and physical risks into account and develops medium- and long-term opportunities when making major decisions. More than half of the board members participate in key meetings of the Delta ESG Committee, energy efficiency management, water and waste reduction management, and renewable electricity. The Chief Sustainability Officer (CSO) reports the progress of climate change management to the Board on a quarterly basis and the Board makes decisions regarding major issues. In addition, as climate change mitigation has become one of the professional competencies of the Board, it also considers climate change risks and opportunities when making decisions on major mergers and acquisitions or the construction of new plants.
- The ESG Committee is Delta's highest-level climate change mitigation organization. It delegates management duties to units such as the Corporate Sustainability Development Department, Energy Management Service Department, Finance Division, Global Supply Chain Management Division, Human Resources Division, and Business Groups.
- Climate-related indicators linked to KPI.

Strategy

- Delta identifies risks and opportunities in accordance with corporate strategies, big data analysis on climate risks, research reports, and external evaluation and indicators.
- We adopt the 4Ts principle (tolerate, treat, transfer, and terminate) to inventory risk management response measures and have established a Business Continuity Plan (BCP) for key physical risks in climate change.
- We screen key indicators and use climate scenarios to analyze the impact on market size, costs, and overall strategies.

Risk Management

- We organize a major survey every three years and an annual review to gather information on the views of key global players to screen high risks of concern in the climate risk list.
- The evaluations include the possibility of impact, degree of impact, difficulty in quantification, and risk management principles.

Metrics and Targets

- We have continuously implemented internal energy conservation targets and promoted energy conservation plans for plants, office buildings, and data centers since 2009.
- In 2021, Delta pledged to use renewable energy for 100% of its electricity consumption for the RE100 global initiative.
- In 2021, Delta officially joined the Business Ambition for 1.5°C Campaign.

Delta Adopts TCFD Measures

By leveraging our core competence in power and electronics, Delta provides more than 10,000 products and solutions for the world. Our products span across three major business categories including power electronics, infrastructure, and automation. The Group maintains operations in different climate zones across major continents, and climate change is thus a major factor in Delta's sustainable development.

To support Delta's climate management based on the numerous issues in the TCFD framework, we have adopted the following key strategies to develop Delta's climate-related methodology. Detailed in Chapter 7.6 TCFD Practices Across the Four Core Elements:

Main Progress from 2018 to 2021

| Methodology Category | Strategy | Results |
|----------------------------------|--|---|
| Risk Identification | <ul style="list-style-type: none"> ■ Ensure that the viewpoints of all business groups and functional groups are included and gradually expand the geographical scope to reflect global viewpoints whenever possible. ■ Continue to optimize and improve risk management tools ■ Consider the information in the latest international research reports, TCFD Knowledge Hub, climate change and weather data of local government, local regulations, and local market reports. ■ The major risk categories encompass transformation risks such as policy and regulatory risks, technical risks, market risks, and reputation risks as well as immediate and long-term physical risks. | <ul style="list-style-type: none"> ■ In 2021, the geographic scope of the inventory already included Taiwan, Mainland China, Thailand, India, Eastern United States, and the Netherlands. All business groups and functional groups were included in each assessment. ■ Inclusion of climate change in the Company's risk management policy |
| Response to Climate Risks | <ul style="list-style-type: none"> ■ Continue to clarify the implementation and response measures for different types of climate risks and the degree of response, and establish SOPs whenever necessary. | <ul style="list-style-type: none"> ■ In response to the pandemic and the frequent occurrence of climate-related disasters, Delta has developed Business Continuity Plans (BCPs) for epidemics, floods, fires, and earthquakes with reference to international standards such as "ISO 14090: Adaptation to climate change — Principles, requirements and guidelines" and "ISO 22031: Business continuity management systems" to prevent interruptions in the Company's business operations and protect critical business operations from major failures or disasters. Delta has published the BCP files on its internal platform and will continue to improve the contents and scope of the BCP to promote the continuous implementation of BCP projects and enhance its capacity for sustainable operation management. |

| Methodology Category | Strategy | Results |
|---|---|---|
| Risk Impact Path and Monetization | <ul style="list-style-type: none"> ■ Overall assessment of the quantification and monetization level of 22 risks ■ We estimate the major climate-related risks, impact on operations, and financial impact for different types of major products, and study potential opportunities. ■ Corresponding financial indicators: Revenues, operating costs, net operating profit, operating expenses (management, sales, and R&D), and operating income. | <ul style="list-style-type: none"> ■ High-risk items that are more difficult to quantify such as "mandatory regulations for products and services", "increase in the severity of extreme weather events", and "changing rainfall patterns and severe weather patterns". ■ We have simulated the financial impact on UPS-related products and electric vehicle components based on the framework in the statement of comprehensive income. |
| Scenario Analysis | <ul style="list-style-type: none"> ■ We have selected climate scenarios for the most pressing transformation and physical risks for analysis and included quantification factors. ■ The results of the analysis have been incorporated into the internal decision-making process | <ul style="list-style-type: none"> ■ Completed the analysis of physical risks and transformation risks and opportunities under three scenarios. ■ Water shortage in production plants in Taiwan: BAU, RCP 2.6, RCP 8.5 ■ Impact of renewable power generation: RCP 2.6, RCP 4.5, RCP 6.0, RCP 8.5 ■ Business opportunities for Delta's energy storage solutions: BAU, Taiwan Nationally Determined Contributions (NDCs), and Beyond 2°C |
| Climate-related Product Classification | <ul style="list-style-type: none"> ■ We set the classification tree diagram for Delta's climate-related products based on their characteristics, method of application by customers, and the EU Taxonomy. It facilitates the internal management of the ratio of Delta's revenue that meets climate change trends and meets international green investment requirements. | <ul style="list-style-type: none"> ■ We classified products into stable products, adaptation products, and emerging products based on the impact of climate change. |

Major Risk 1

Increase in the Cost of Raw Materials



Type

Market Risks in transition risks

Description

Changes in policies and regulations due to climate change have caused complicated changes in raw material extraction, manufacturing, transportation, and overall supply and demand.

Impact Likelihood

Very likely

Level of Impact

Medium impact

Potential Path and Method of Impact

- We must increase the temperature tolerance, salt tolerance, or energy efficiency of raw materials and reset specifications
- It increases the uncertainties in the purchase of raw materials, cost of time, and cost of purchases
- Add more tests
- Changes in future repairs and warranty conditions or intervals
- Unstable weather and disasters increase the cost of shipping and increase the possibility of supply chain interruptions

Response to Risks **Treat** **Transfer**

- Formulate a supplier map based on the global climate risk database
- Specify main suppliers within a radius of specific areas
- Disperse supply chain interruption risks
- Optimize product designs / ensure a stable supply of raw materials
- Increase customer support for the Company and intent for forming partnerships

Financial Impact

As climate change affects multiple factors, its impact cannot be independently assessed

Potential Opportunities

Create new solutions, services, and business models based on the original product sales model

Major Risk 2

Renewable Energy Regulations



Type

Policy and regulatory risks in transition risks

Description

Delta's business operations have not yet been required by local governments to use renewable power. However, Delta has exceeded regulatory requirements and has made a voluntary corporate commitment in 2021 to comply with RE100 requirements in all global operations.

Impact Likelihood

Virtually certain

Level of Impact

Medium impact

Potential Path and Method of Impact

- Increase the cost of electricity purchases
- It increases the uncertainties in power supply and cost of time
- The characteristics of renewable power generation may affect the current operation model

Response to Risks **Tolerate** **Treat** **Transfer**

- Continue to monitor legislative changes in different countries
- Installation of the Company's solar power generation equipment
- Official activation of the RE100 Global Initiative in 2021

Financial Impact

The number is subject to change according to our latest strategies.

Potential Opportunities

Introduce renewable electricity ahead of schedule to obtain more purchase orders from customers who value sustainability. Accumulate experience in the use of Delta's energy storage system and renewable power components in the implementation process and develop business opportunities.

Major Risk 3

Increase in the Severity of Extreme Weather Events



Type

Immediate risks in physical risks

Description

Climate change has increased the severity of extreme weather events such as typhoons, floods, high temperature, heavy rainfall, droughts, wildfires, and landslides, and has increased the damage to businesses.

Impact Likelihood

Very likely

Level of Impact

Medium impact

Potential Path and Method of Impact

- The intensity of weather events has increased compared to previous years and existing facilities may not be able to immediately respond to such events
- Employee productivity and safety may be affected
- Increase in the cost of disaster prevention
- Production line interruption due to flooding and suspension of water supply
- Forest fires due to extreme temperatures can increase air pollutants and thus affect the efficiency of solar panels and reduce the output of our renewable energy generation due to increasing air pollutants

Response to Risks **Treat**

- Use the global database to learn about potential hazards at Delta's business locations
- Formulate plans in advance and execute backup mechanisms, including the maintenance of reasonable and safe material inventories in response to supply chain risks to mitigate production capacity shocks and maintain flexibility in product production plans
- Increase the sustainability of power supply in plants
- Implementation and exercises for the Business Continuity Plan (BCP)

Financial Impact

Precise estimates not yet available

Potential Opportunities

Continue to develop building automation technology in response to climate disasters

Major Risk 4

Changing Rainfall Patterns and Severe Weather Patterns



Type

Long-term risks in physical risks

Description

Changing weather patterns and rainfall patterns have created significant changes in established patterns and frequencies that are difficult to predict.

Impact Likelihood

Very likely

Level of Impact

Medium impact

Potential Path and Method of Impact

- Severe changes in weather that reduce the useful life of equipment and plants
- Impact on employee health, increase in mosquito-borne diseases, and challenges for employee commuting and business travel
- Unstable water supply from the tap water system
- Increased cost of uncertainties that increase pressure on cost management

Response to Risks **Tolerate** **Treat**

- Prioritize the response to severe water shortage events and make use of opportunities for climate change adaptation actions such as the early replacement of equipment with high water consumption within 5 years, plans and arrangements for backup water supply, and the establishment of a recycled water system within 5 to 10 years to reduce the demand for sub-grade water consumption

Financial Impact

Precise estimates not yet available

Potential Opportunities

Develop products for adapting to climate change

5.2.2 Risk Identification with International Databases

We used the online tools launched by the partnership between Global Facility for Disaster Reduction and Recovery (GFDRR) and the World Bank to gain a preliminary understanding of Delta's medium to long-term physical risks for major production sites over the next five years, five to ten years, and 11 or more years. The results showed that there may be many types of physical risks in the next five to ten years and most were associated with water resources. The results also reminded us of the possibility of wildfire, which was not among the risks we have monitored in the past and requires more attention.

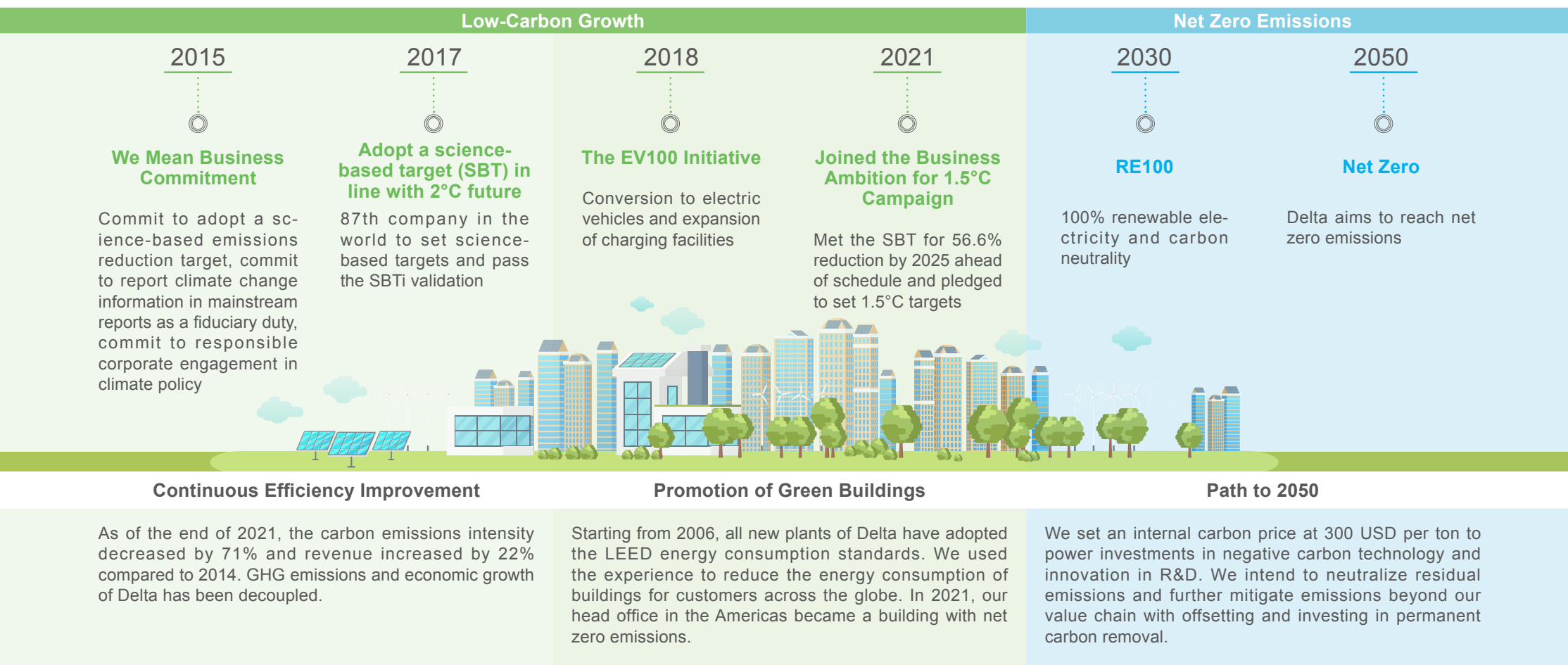
Short, Medium, and Long-term Physical Risks for Production Plants

| Delta main plant | In 5 years | | In 10 years | | In 11 years and beyond | |
|------------------|------------------|----------------|-----------------|------------------|------------------------|--------------|
| Taiwan | H Wildfire | H Landslide | H Urban flood | H Coastal flood | H Earthquake | L Volcano |
| | H Cyclone | H Extreme heat | H River flood | H Water scarcity | H Tsunami | |
| Suzhou | H Extreme heat | H Wildfire | H River flood | M Urban flood | H Tsunami | L Landslide |
| | | | H Coastal flood | M Water scarcity | L Earthquake | |
| | | | H Cyclone | | | |
| Dongguan | H Extreme heat | H Wildfire | H River flood | H Urban flood | L Landslide | L Earthquake |
| | | | H Coastal flood | M Water scarcity | M Tsunami | |
| | | | H Cyclone | | | |
| Wellgrow Plant | H Extreme heat | H Wildfire | H River flood | H Urban flood | L Earthquake | L Tsunami |
| | | | H Coastal flood | M Water scarcity | L Landslide | |
| | | | H Cyclone | | | |
| Bangpoo | H Extreme heat | H Wildfire | H Coastal flood | M River flood | L Earthquake | L Landslide |
| | | | H Cyclone | M Water scarcity | L Tsunami | |
| | | | H Urban flood | | | |
| India | H Earthquake | H Extreme heat | H River flood | H Coastal flood | L Volcano | M Tsunami |
| | H Landslide | H Wildfire | H Urban flood | H Cyclone | | |
| | H Water scarcity | | | | | |

H High M Medium L Low L Very Low

5.3 Net Zero Commitment and Carbon Management

Delta was a leader in publishing the Delta Climate Action Plan in 2015 as supporting the Paris Agreement. We signed the "We Mean Business" initiative and committed to adopting a science-based carbon emissions reduction target, reporting climate change information in mainstream reports as a fiduciary duty, engaging in a responsible corporate climate policy, and conversion to electric vehicles and expansion of charging facilities. In 2021, we also pledged to "use 100% renewable electricity" and joined the "Business Ambition for 1.5°C" Campaign to actively respond to the UN Race to Zero initiative to limit global temperature rise to 1.5°C before industrialization. We shall support the attainment of the long-term goal for net zero emissions before 2050.

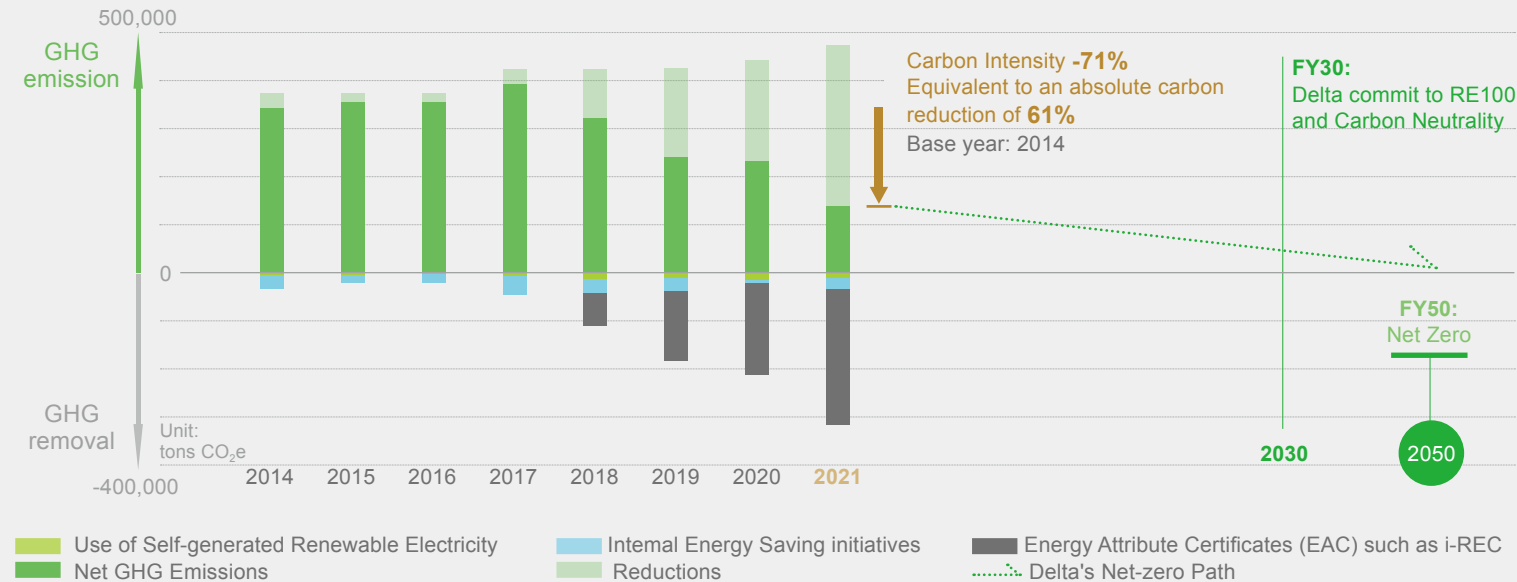


Achieved Delta's 2025 SBT Target ahead of Schedule

In 2015, Delta committed to setting Science-based Targets (SBT) by 2017 to further cement its greenhouse gas reduction efforts. Within two years, Delta not only became the first company in Taiwan, but also the 87th company globally to complete the implementation of its SBT, fully validated by the Science Based Targets initiative (SBTi). This entailed our commitment to reduce Delta's carbon intensity (CI) by 56.6% by 2025 compared to the baseline year of 2014. By executing a broad range of effective best practices across Delta, we achieved our SBT goal in 2021, four years earlier than expected. By 2021, the carbon intensity (CI) in Delta's main production plants^{*1} was 13.8 (tons CO₂e / production value in MUSD), which was 71% lower than in 2014.

In addition, our proactive reduction actions significantly reduced 61% absolute emissions by more than 7% on average per year, which exceeds the 4.2% reduction required by limiting global warming to 1.5°C indicated by science-based pathways. Delta achieved the target through actions such as energy conservation initiatives, self-generated solar power, the purchase of green electricity and the purchase of renewable energy certificates. This demonstrates Delta's determination and long-term commitment to fulfilling its SBT. In the following years, we will continue to promote and update our targets and align them to the new SBT net-zero guidance to help customers attain the highest carbon reduction standards and jointly promote growth in the low-carbon economy.

Delta's Achievement of Science-based Target for Carbon Reduction



- **Energy Conservation Plan**
↓ 28,277 tons CO₂e
- **Self-generated Solar Power at the Plants**
↓ 21,294 tons CO₂e
- **Purchase of Renewable Electricity (Wind Power)**
↓ 1,420 tons CO₂e
- **Purchase of Energy Attribute Certificates (for example, international Renewable Energy Certificates (iREC))**
↓ 282,241 tons CO₂e

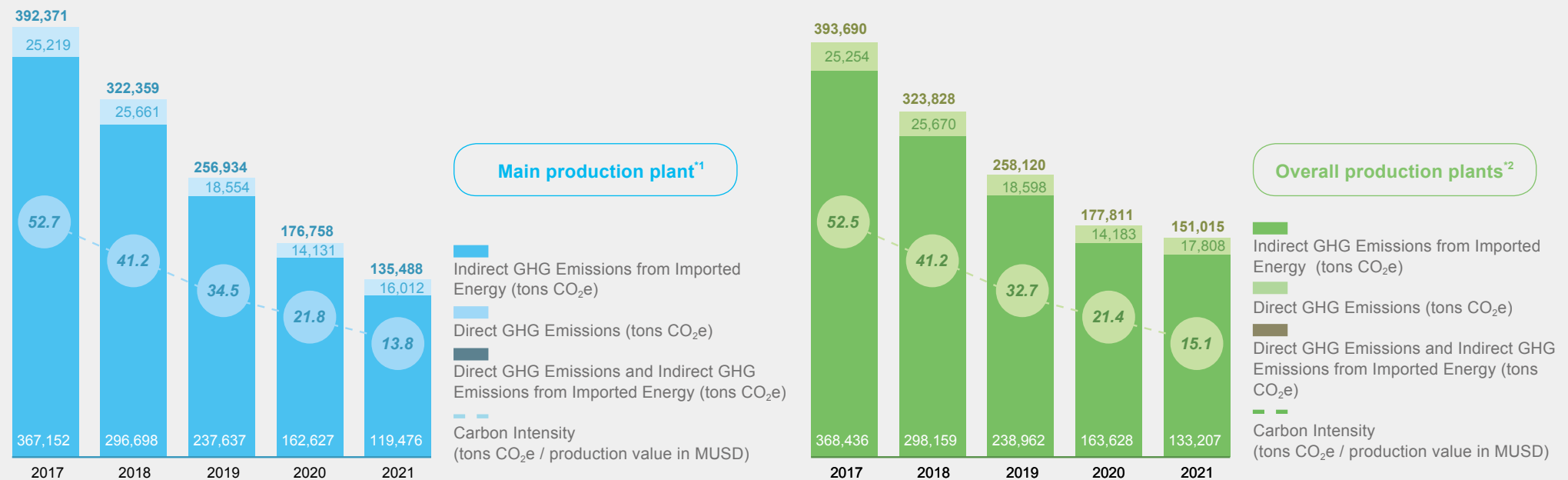
*1. Main production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China DET plant 1, 3, 5, and 6; Taoyuan plant 1 and 2 in Taiwan; Cytotec Hsinchu and Huafeng plants in Taiwan are within the scope of the SBT commitment.

Greenhouse Gas Inventory

Since 2007, Delta has participated in CDP to disclose the Group's greenhouse gas emissions. All Delta production plants have passed ISO 14064-1 certification. We will gradually expand the scope of certification to buildings and overseas operations. All buildings in Taiwan have completed the ISO 14064-1:2018 GHG inventory certification. For years, electricity use has been the main scope of Delta's greenhouse gas emissions, accounting for more than 95% for location-based and more than 88% for market-based respectively. Delta's greenhouse gas emissions reduction strategy is based primarily on plant energy management and adoption of green power.

Direct emissions and indirect greenhouse gas emissions of overall production plants in 2021 was 151,015 tons CO₂e (market-based), which was a 15% reduction compared to the previous year. The reduction was resulting from the additional 24% renewable electricity in 2021. We installed solar power generation equipment in the plants and signed Delta's first long-term renewable electricity purchase agreement with a wind power company. We also purchased 353,413 MWh International Renewable Energy Certificates (I-RECs) in China in 2021.

Greenhouse Gas Emissions (Market-based)



*1. Main production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China, DET plant 1, 3, 5 and 6 in Thailand; Taoyuan plant 1 and 2 in Taiwan; Cynotec Hsinchu in Taiwan and Huafeng plants in China are within the scope of the SBT commitment.

*2. Overall production plants include Delta's main plants and the US, Brazil and India production plants of Eltek acquired after 2015 (plants in the United States and India). In 2021, plants of Eltek in the United States and India were removed due to product line adjustments and we added Taoyuan Plant 5 and Pingjhen Plant.



Statistics of Greenhouse Gas Emissions in 2021

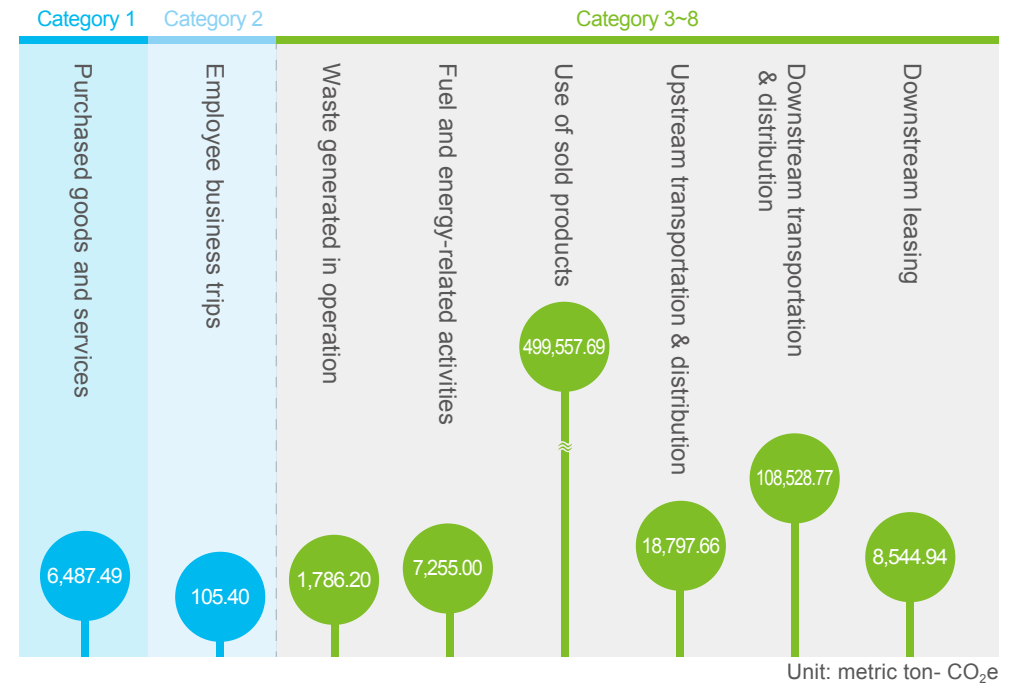
| | Main production plants | Overall production plants |
|------------------|------------------------|---------------------------|
| CO ₂ | 127,493.98 | 142,073.39 |
| CH ₄ | 5,490.01 | 5,582.77 |
| N ₂ O | 31.08 | 31.49 |
| HFCs | 1,936.47 | 2,791.32 |
| PFCs | 534.25 | 534.25 |
| SF ₆ | 1.76 | 1.76 |
| NF ₃ | 0 | 0 |
| Total | 135,488 | 151,015 |

Unit: metric ton- CO₂e

Other Indirect Emissions

Having adopted the GHG Protocol Evaluator Tool to identify the primary source of Delta's emissions in 2017, we complied with the standard materiality screening principles in the updated version of ISO 14064:2018 since 2020 to inventory the emissions of main production plants and obtain ISO 14064:2018 certification. Emissions from server power supplies had exceeded 70% of all Scope 3 emissions. These results were verified based on ISO 14064-1:2018 standards. To lower GHG emissions, Delta set up specific energy efficiency targets for server power supplies. We aim to lower other indirect emissions 20% by 2022 from the baseline year of 2016 through enhancing energy efficiency by 1.6%. In 2021, the average energy efficiency of server power supplies improved by 0.5% compared to the 2016 base year.

Other Indirect Greenhouse Gas (GHG) Emissions



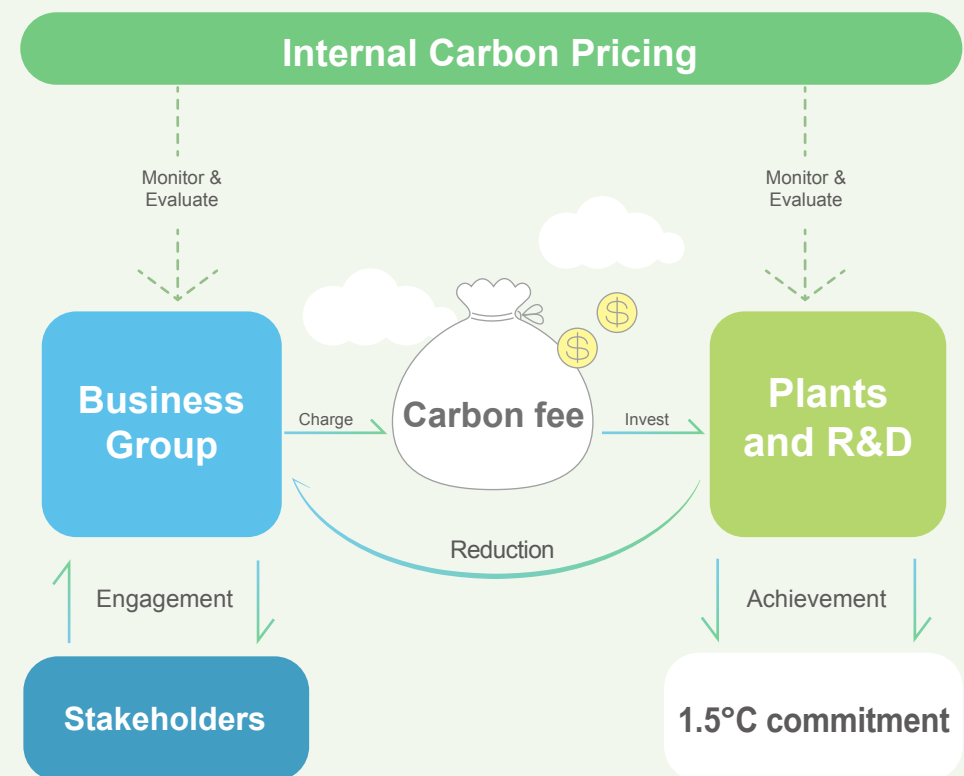
Delta's Internal Carbon Pricing

Delta has long focused on the trend for internal carbon pricing and has internalized the economic costs of carbon emissions from operating activities. Delta has set up internal carbon price since 2017 globally for carbon management. We update the internal carbon price annually, as it represents a strategic tool to assess the environmental benefit on our internal decarbonization efforts and to investments in low-carbon technologies and endeavors, as well as to serve as a risk management tool.

To enhance incentives for reducing carbon emissions and performance management, Delta introduced internal carbon fee mechanisms in 2021, setting its own internal carbon price at 300 USD per ton based on the internal and external carbon costs of our global production plants including regulatory penalties, emissions trading price, case studies of international benchmarking companies, as well as the company's investment in renewable energy solutions and green electricity purchase costs. The price was consistent with the expected carbon price for limiting global warming to within 1.5°C by 2030 as specified in the Sixth Assessment Report of the IPCC. The internal carbon pricing scheme was implemented after approval by the Board of Directors and the Sustainability Committee.

Funds generated through our internal carbon price initiative are used for actions that help us achieve Delta's RE100 and net zero goals, such as energy conservation and carbon emissions reduction projects, and investments in renewable electricity. Moreover, they are used to encourage research and development on carbon negative technologies and low-carbon product innovation. As we are continuously seeking business opportunities in low-carbon technologies, the internal carbon pricing mechanism serves as a positive incentive for decision making by business groups and the integration of carbon risk management.

Delta's Internal Carbon Price Implementation System



5.4 Energy Management

To increase industrial production capacity, expand production, reduce energy consumption in production, and improve economic efficiency, Delta's major global production plants have all passed third-party certification of the ISO 50001 energy management system. We have also developed the Energy Online system to provide real-time energy consumption and load analysis through methods such as energy planning, efficiency, consumption analysis, and equipment management. It optimizes equipment operations, enhances power consumption efficiency, and analyzes the current energy consumption of each system as the basis for evaluating energy-saving improvements and ensuring accurate control of energy costs.

5.4.1 Energy Consumption

Through the years, Delta's energy sources have been fossil fuels such as natural gas, diesel, petroleum, and liquid petroleum, as well as purchased electricity from major production sites in Taiwan, China, and Thailand. Fossil fuels are mainly used to power emergency power generators, lawn mowers, forklifts, and company vehicles, as well as ovens and stoves in dormitories and cafeterias.

In recent years, Delta has made significant changes to the ratio of its fossil fuel consumption. This is mostly because cleaner natural gas has gradually been adopted to replace diesel, and we have optimized the efficiency of boiler fuels to reduce consumption. However, the adoption of the dual control system for reducing electricity consumption in Mainland China has increased the use of diesel by emergency diesel generators. According to a GHG data analysis, purchased electricity was the main source of energy consumption of Delta's major production sites (about 95%).

Energy Consumption Statistics

Attribute : Input

Classification : Electricity and Energy^{*3}

| | Main Production Plants ^{*1} | | | | 2021 Overall Production Plants ^{*2} |
|--|--------------------------------------|---------|---------|---------|---|
| | 2018 | 2019 | 2020 | 2021 | |
| Purchased Electricity (MWh) | 486,614 | 494,728 | 537,958 | 600,321 | 627,674 |
| Total Non-Renewable Electricity ^{*4} (MWh) | 397,814 | 324,728 | 252,958 | 246,907 | 274,261 |
| Total Renewable Electricity ^{*5} (MWh) | 109,121 | 193,231 | 310,322 | 386,545 | 389,058 |
| Total Electricity Consumption (MWh) | 506,935 | 517,959 | 563,280 | 633,452 | 663,319 |
| Natural Gas (GJ) | 97,527 | 88,816 | 88,945 | 98,832 | 115,378 |
| Diesel (GJ) | 11,540 | 8,031 | 7,279 | 22,030 | 22,036 |
| Gasoline (GJ) | 8,877 | 3,371 | 5,128 | 4,234 | 4,234 |
| Liquefied Petroleum Gas (GJ) | 174,427 | 154,092 | 154,944 | 159,537 | 203,708 |
| Total Energy Consumption (GJ) | 292,371 | 254,310 | 256,296 | 284,633 | 345,356 |

*1. Main production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China DET plant 1, 3, 5, and 6; Taoyuan plant 1 and 2 in Taiwan; Cyntec Hsinchu and Huaifeng plants in Taiwan are within the scope of the SBT commitment.

*2. Overall production plants include Delta's main plants and the US, Brazil and India production plants of Eltek acquired after 2015 (plants in the United States and India). In 2021, the Eltek plants in the United States and India were removed due to product line adjustments and we added Taoyuan Plant 5 and Pingzhen Plant.

*3. Energy calorific value is calculated with a fixed value; natural gas: 9,000 kcal/m³, diesel: 10,200 kcal/kg, gasoline: 10,300 kcal/kg.

*4. Total Non-Renewable Electricity (MWh) = Purchased Non-Renewable Electricity - Unbundled energy attribute certificate (EACs)

*5. Total Renewable Electricity (MWh) = Self-generated and consumed renewable electricity + RE directly procured from RE generators (e.g. Power Purchase Agreement, PPA) + Unbundled energy attribute certificate (EACs)

Energy Conservation Performance of Delta's Energy Utilization

Overall Production Plant^{*1}

2021 EI was 63,155 kWh/MUSD for Delta's overall production plants.

2021 target: 4% reduction

2021 actual results: 5% reduction

Achieved

2025 target: 20% reduction in EI

Baseline year : 2020

Building^{*2}

The EUI of 12 buildings in 2021 was 111 kWh / m².

2021 target: 4% reduction

2021 actual results: 5.8% reduction

Achieved

2025 target: 20% reduction in EUI

Baseline year : 2020

Data Center^{*3}

The PUE was 1.30 for Delta's 4 data centers in 2021.

2021 target: 8% reduction

2021 actual results: 8.7% reduction

Achieved

2025 target: 37.5% reduction in PUE

Baseline year : 2020

The main reasons are as follows

- The electricity usage in 2021 had grown by 17.5% compared to 2020
- The production value in 2021 had grown by 23.7% compared to 2020
- International trade and policies influences led to re-planning of production layout
- Increase in electricity usage for new plants, production, air conditioning and air compressors

The main reasons are as follows

- The electricity usage in 2021 had decreased by 6.4% compared to 2020
- 0.6% reduction in area used in 2021 compared to 2020
- Addition of HVDC in laboratories
- Shortened the operating hours of chillers
- Replacement with high efficiency water pumps, inverters, and chillers

The main reasons are as follows

- The server room electricity usage in 2021 increased by 1% compared to 2020
- The IT equipment electricity usage in 2021 increased by 3% compared to 2020
- Installation of independent ventilation systems in data centers
- Chiller efficiency optimization
- Chiller maintenance

*1. Overall production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China, DET plant 1, 3, 5, and 6, and Taoyuan plant 1, plant 2, Plant 5, Pingzhen in Taiwan, Cyntec Hsinchu and Huafeng plants.

*2. 12 Buildings including Ruey Kuang, Yang Guang, Taoyuan Plant 3, Chungli R&D, Tainan 1&2, Dongguan R&D, Wujiang R&D, Shanghai R&D, Japan, DAF, and Soest.

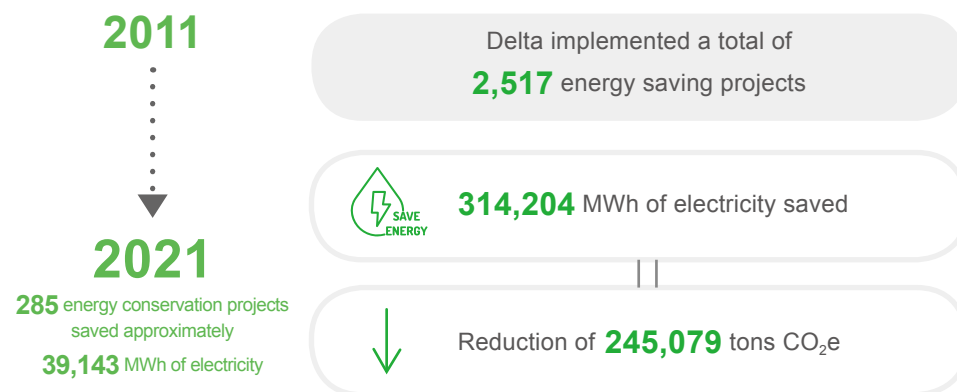
*3. Four data centers (Taipei Headquarters, Wujiang, DET, and American Headquarters).

5.4.2 Energy Conservation Projects

Established Delta Energy Online and Continuously Promoted Energy Conservation Projects

In 2011, Delta established a cross functional energy management committee, and an Energy-Saving Technology Team was further organized within the Committee. Over the years, the team has implemented various energy conservation and improvement measures for public facilities such as the sintering furnace, reflow furnace, wave soldering furnace and burn-in production plant. By coordinating firsthand experience with energy conservation from internal and external consultants, the team is able to implement these practices at all primary production plants around the world.

From 2011 to 2021, each primary production plant has continued to implement energy conservation and carbon reduction measures (see the table below). The company put 285 energy conservation projects into practice in 2021 and saved approximately 39,143 MWh of electricity, equivalent to approximately 28,277 tons CO₂e. Delta implemented a total of 2,517 energy saving projects from 2011 to 2021 with an estimated 314,204 MWh of electricity saved, equivalent to a reduction of 245,079 tons CO₂e.



Energy Saving Practices form 2011 to 2021

| No. | Energy Saving Subject | Statistical Item | 2021 | Cumulative 2011-2021* |
|-------|--------------------------------------|--------------------------------|--------|-----------------------|
| 1 | Air Conditioning Ventilation Systems | Cases | 67 | 563 |
| | | Electricity Savings (MWh) | 10,995 | 61,731 |
| | | Carbon Reduction (Metric tons) | 7,600 | 45,219 |
| 2 | Air Compressors | Cases | 25 | 228 |
| | | Electricity Savings (MWh) | 4,067 | 25,126 |
| | | Carbon Reduction (Metric tons) | 2,928 | 18,590 |
| 3 | Injection Molding Machines | Cases | 3 | 31 |
| | | Electricity Savings (MWh) | 586 | 15,572 |
| | | Carbon Reduction (Metric tons) | 349 | 13,332 |
| 4 | Lighting Systems | Cases | 23 | 187 |
| | | Electricity Savings (MWh) | 1,260 | 13,600 |
| | | Carbon Reduction (Metric tons) | 891 | 14,471 |
| 5 | Burn-in Recovery Systems | Cases | 10 | 130 |
| | | Electricity Savings (MWh) | 3,800 | 54,480 |
| | | Carbon Reduction (Metric tons) | 2,432 | 40,863 |
| 6 | Process Improvements | Cases | 116 | 895 |
| | | Electricity Savings (MWh) | 15,566 | 73,090 |
| | | Carbon Reduction (Metric tons) | 12,072 | 56,636 |
| 7 | Others (Management, etc.) | Cases | 41 | 483 |
| | | Electricity Savings (MWh) | 2,869 | 70,605 |
| | | Carbon Reduction (Metric tons) | 2,005 | 55,967 |
| Total | | Cases | 285 | 2,517 |
| | | Electricity Savings (MWh) | 39,143 | 314,204 |
| | | Carbon Reduction (Metric tons) | 28,277 | 245,079 |

* The electricity emission coefficients cited include the electricity emission coefficient of 0.502 kg CO₂e /kWh for Taiwan in 2020. The emission coefficients of Mainland China's regional power grid in 2019 were 0.7921 kg CO₂e /kWh in Eastern China, 0.8587 kg CO₂e /kWh in Central China, and 0.8042 kg CO₂e /kWh in Southern China; the electricity emission coefficient in Thailand in 2019 was 0.4999 kg of CO₂e /kWh.

5.4.3 Increase Applications of Renewable Electricity

Joined the RE100 Initiative

Delta announced in March 2021 that it had joined the RE100, a global renewable electricity initiative, and had pledged to achieve the goal of 100% renewable electricity and carbon neutrality by 2030 for all of Delta's global locations. We are the first company in Taiwan's high-tech manufacturing industry to commit to achieving the RE100 target by 2030.

Delta's operations are located across more than 30 countries on five continents and we will focus on independent energy conservation, self-generated power, and investment in renewable power plants. We use power purchase agreements (PPA) for the direct purchase of renewable electricity, green electricity products, and unbundled energy attribute certificates (unbundled EACs) for certain operations to meet the commitment targets.

In the case of Taiwan, we have signed long-term renewable electricity power purchase agreements with TCC Green Energy Corporation and Foxwell Power Co., Ltd. in 2021 for the purchase of 19 million kWh and 8 million kWh of land-based wind power each year. The power supply officially began in November 2021 and is expected to reduce carbon emissions by more than 271,000 tons to attain net zero emissions.

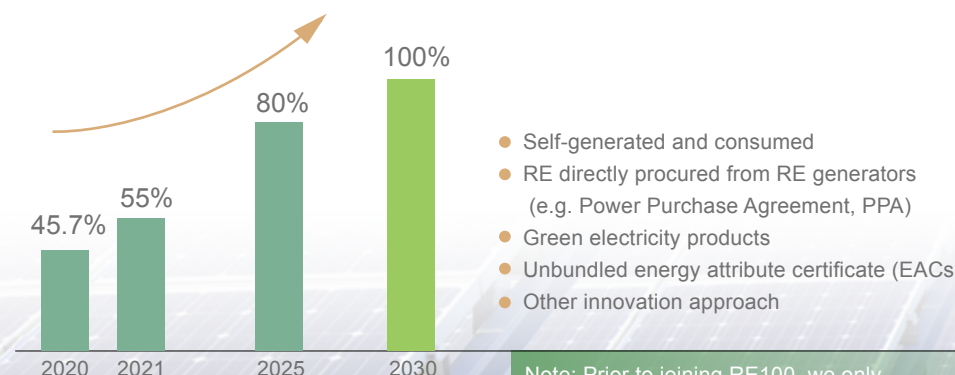
Delta officially established the Delta Global RE100 Committee in 2021 with the Chairman, Vice Chairman, CEO, COO, and CSO as the main members who oversee eight working groups. Each working group is led by the president of regional operations, who establishes a regional promotion organization to expand to all locations. It is responsible for the promotion and attainment of renewable electricity targets for all locations in each region.

The percentage of renewable electricity targets achieved has been officially incorporated as performance indicators of the highest-ranking manager of each region in 2021, and will become effective starting from 2022.

The Corporate Sustainability Development Department serves as the secretariat and takes charge of coordination, identification of challenges and opportunities, and coordination with the RE100 organization. Delta Global RE100 Committee reviews the strategy and progress of the renewable electricity plans across the globe every six months and the Board of Directors oversees the progress.

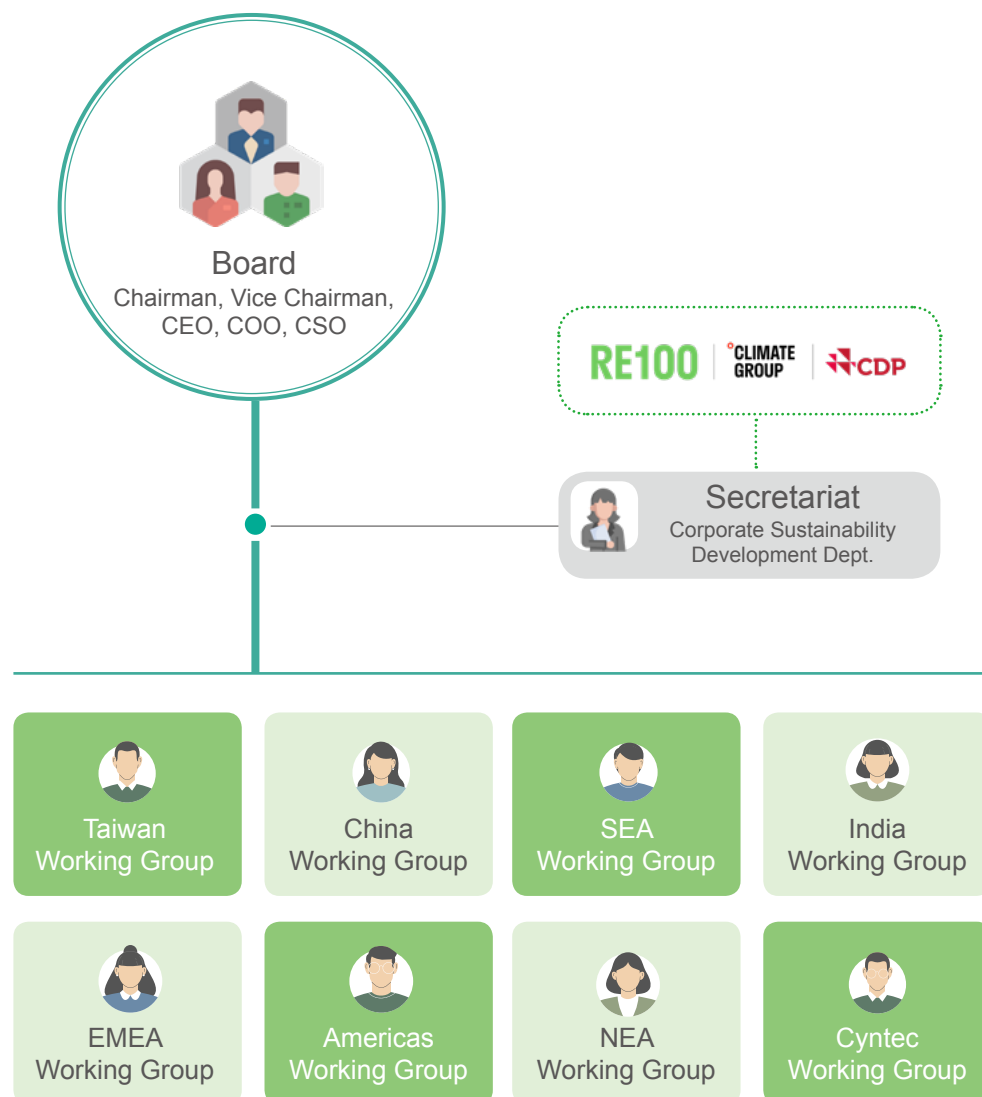
Delta committed to RE100 initiative in 2021

Percentage of Renewable Electricity at Delta's Global Locations



Note: Prior to joining RE100, we only quantified and disclosed the percentage of renewable electricity of main production plants.

Delta Global RE100 Committee



Delta's Renewable Electricity Promotion History

- 2014** • Dongguan, Wujiang and Wuhu Plants in Mainland China have partaken in the "Golden Sun Demonstration Engineering" project, in which solar power generation systems were established at the plants.
- 2016** • Taoyuan Plant 2, Cyntec Huateng and Huafeng Plant (hereinafter referred to collectively as Cyntec Huafeng Plant) established solar power generation systems at the plants.
- 2017** • Chenzhou Plant in Mainland China established solar power generation systems.
- 2018** •
 - Wujiang and Wuhu Plants in Mainland China expanded their solar power generation systems.
 - Purchased International Renewable Energy Certificates (I-RECs) in Mainland China.
- 2019** • 10% of the contracted capacity of renewable electricity has been installed in Taiwan.
- 2020** •
 - Dongguan and Wujiang in Mainland China, DET, American Headquarters, Soest in Germany have all completed the installation of solar power systems.
 - Negotiated long-term Renewable Electricity Power Purchase Agreements (PPAs) in Taiwan.
- 2021** •
 - Became a RE100 Gold Member.
 - Established the Delta Global RE100 Committee.
 - Formulated a roadmap for 2021 to 2030 and established targets for each phase and ultimate goals.
 - Completed Delta's first global strategy meeting for RE100.
 - Completed Delta's first renewable electricity transaction.

Overall Progress in 2021

In 2021, the total electricity consumption for Delta's global operations was 755,722 MWh. Delta operations across the globe generated 31,069 MWh of electricity from solar energy, purchased 13,117 MWh of PPA and green electricity products, and purchased 373,793 MWh of unbundled Energy Attribute Certificates (mainly iREC) accepted by RE100. As a result, renewable electricity accounted for approximately 55% of the electricity consumption for Delta's global operations.

RE100 has global operations as its scope. In terms of the procurement methods, green electricity from unbundled energy attribute certificates accounted for 49%, self-generated and consumed renewable electricity accounted for 4%, green electricity products accounted for 1%, and renewable electricity directly procured from renewable electricity generators (e.g., PPAs) accounted for 1%.

Note 1: Total electricity consumption of our main production plants was 633,453 MWh (Renewable: 386,545 MWh (61%) - including PPA (0.4%), self-generated and consumed (4.8%), and unbundled iREC (55.8%))

Note 2: Total electricity consumption of our overall production plants was 663,319 MWh (Renewable: 389,058 MWh (58.7%) - including PPA (0.7%), self-generated and consumed (4.7%), and unbundled iREC (53.3%))

5.4.4 Promotion of Energy Conservation by Green Buildings

Since the construction of Delta's first green building at the Southern Taiwan Science Park in 2006, Delta has actively promised all future new Delta plants and offices shall implement green building concepts. In 2021, Thailand Plant 7 passed LEED Gold certification and in 2022, Taichung Plant 1 passed EEWB Diamond Grade certification. As of the end of March 2022, Delta has built and donated 30 green buildings and 2 green data centers around the world.

Delta continues to expand products and energy-efficient solutions in green buildings and has received certification from the US Green Building Council (LEED), the UK Building Research Establishment (BRE), BREEAM, Ecology, Energy-Saving, Waste Reduction, and Health (EEWH) system in Taiwan, and the Green Building Evaluation Standards in China. With the inauguration of green buildings, Delta has incorporated diverse greening into plant areas, ecological ponds, and other environmentally-friendly designs with positive benefits for biodiversity.

Delta has also joined the narrative at the United Nations Climate Change Conference, sponsored green building design contests, organized green building exhibitions, published books such as "Build Green Buildings with Delta", and released micro films to promote green buildings.

Delta has autonomously set comparison standards based on the EUI (kWh/m²) of local building standards each year. We calculate the energy savings of green buildings including 15 plants and office buildings as well as 5 green buildings donated to academic institutions in reference to the ISAE 3000 Assurance standard. In 2021, Delta's global certified green plants and buildings collectively saved, in total, 16.34 million kWh of electricity* and reduced carbon emissions by approximately 10,261 tons CO₂e. (Please refer to Chapter 6.6.1 for the energy savings from the 5 donated green buildings)

In addition, Delta uses the power usage effectiveness (PUE) of data centers as a baseline to evaluate the electricity savings. In 2021, Delta's certified green plants and buildings collectively saved, in total, 32,391 kWh of electricity and reduced carbon emissions by approximately 16.26 tons CO₂e.

*Refer to page 90 and 91 for the literature on the EUI calculation methodology used for Delta's green buildings. The items below were excluded for the calculation of the building EUI: Electricity consumption in the laboratories (Ruey Kuang Building of Taipei Headquarters, Taoyuan R&D Center, Taoyuan Plant 5, Tainan Plant Phase II, Tainan Plant Phase I, Shanghai R&D Building, and Chungli R&D Center), electricity consumption in the production process (Taoyuan Plant 5), and electricity consumption of data centers (Ruey Kuang Building of Taipei Headquarters and American Headquarters) and indoor parking lots (for applicable buildings).



Energy-saving Solutions Adopted by Delta Green Buildings and Their Benefits



EMEA Headquarters

(Inaugurated in 2017)

BREEAM Very Good

- 2021 EUI: 119 < EUI Baseline: 133.17^{*7}
- Highest energy savings rate to date: 65% (Compared to non-residential buildings)

Shanghai R&D Building

(Inaugurated in 2011)

LEED Platinum (Building Renovation)
(WELL HSR)

- 2021 EUI: 51 < EUI Baseline: 81.5^{*3}
- Highest energy savings rate to date: 49% (Compared to large-scale civil buildings)

Beijing Office Building

(Inaugurated in 2012)

LEED Silver

- 2021 EUI: 35 < EUI Baseline: 124^{*4}
- Highest energy savings rate to date: 73% (Compared to traditional offices)

Wujiang IT Data Center

(Inaugurated in 2014)

LEED V4 ID + C Gold

- 2021 PUE: 1.29
- Highest energy savings rate to date: 57% (compared to 2015)
- Electricity savings: 206,690 kWh

India Rudrapur Plant

(Inaugurated in 2008)

LEED-India Gold

- 2021 EUI: 64 < EUI Baseline: 210^{*5}
- Highest energy savings rate to date: 76% (Compared to traditional commercial buildings)

India Gurgaon Plant

(Inaugurated in 2011)

LEED-India Platinum

- 2021 EUI: 84 < EUI Baseline: 210^{*5}
- Highest energy savings rate to date: 60% (Compared to traditional commercial buildings)

India Mumbai Office Building

(Inaugurated in 2015)

LEED Platinum

- 2021 EUI: 62 < EUI Baseline: 210^{*5}
- Highest energy savings rate to date: 77% (Compared to traditional commercial buildings)

DET Plant 5

(Inaugurated in 1990)

LEED Gold

- 2021 EUI: 706 > EUI Baseline: 640^{*8}
- Highest energy savings rate to date: 23% (Compared to pre-renovation plant)

*1. <Bureau of Energy, Ministry of Economic Affairs> 2020 Energy Audit Annual Report for Non-Productive Industries (p.28): 152.6 kWh/m² (Office buildings, parking lots not included)

*2. <Architecture and Building Research Institute, Ministry of the Interior> 2019 Green Building Evaluation Manual of the Architecture and Building Research Institute of Ministry of the Interior-Basic Version (p.180): 154 kWh/m² (Air-conditioned general factory operation area)

*3. <Shanghai Municipal Commission of Housing, Urban-Rural Development and Measurement>2020 Shanghai Government Office Building and Large Public Building Energy Consumption Monitoring and Analysis Report (P.19): 81.5 kWh/m² (Office buildings, parking lots not included)

*4. <The Energy Foundation> Study on Energy Conservation Potential and Promotion Mechanism for Civil Buildings in Beijing (P.25): 124 kWh/m² (Office buildings, parking lots not included)

Multi-purpose Building in AKO Energy Park in Japan

(Inaugurated in 2017)

LEED Gold

- 2021 EUI: 106 < EUI Baseline: 165.57^{*9}
- Highest energy savings rate to date: 50% (Compared to green building application documents)

America Headquarters

(Inaugurated in 2015)

LEED Platinum

CBE Annual Livable Buildings Award (WELL HSR)

- 2021 EUI: 0 < EUI Baseline: 166.8^{*6}
- Highest energy savings rate to date: 100%^{*10} (Compared to traditional offices)

Taipei Headquarters - Ruey Kuang Building

(Inaugurated in 1999)

EEWH-RN Diamond

LEED Platinum (Building Renovation) (WELL HSR)

- 2021 EUI: 76 < EUI Baseline: 152.6^{*1}
- Highest energy savings rate to date: 58% (Compared to traditional offices)

Taoyuan R&D Center

(Inaugurated in 2011)

LEED Gold, EEWL Gold (WELL HSR)

- 2021 EUI: 83 < EUI Baseline: 152.6^{*1}
- Highest energy savings rate to date: 53% (Compared to traditional offices)

Taoyuan Plant 5

(Inaugurated in 2015)

LEED Gold, EEWL Gold

- 2021 EUI: 138 < EUI Baseline: 154^{*2}
- Highest energy savings rate to date: 19% (Compared to traditional offices)

Chungli R&D Center

(Inaugurated in 2017)

LEED Gold

- 2021 EUI: 91 < EUI Baseline: 152.6^{*1}
- Highest energy savings rate to date: 45% (Compared to office buildings)

Delta Headquarters IT Data Center

(Inaugurated in 2014)

LEED V4 ID + C Platinum (first in the world)

- 2021 PUE: 1.30
- Highest energy savings rate to date: 23.5% (compared to 2015)
- Electricity savings: 137,076 kWh

Tainan Plant Phase I

(Inaugurated in 2006)

EEWH Diamond (WELL HSR)

- 2021 EUI: 96 < EUI Baseline: 152.6^{*1}
- Highest energy saving rate to date: 38% (Compared to traditional offices)

Tainan Plant Phase II

(Inaugurated in 2013)

EEWH Diamond

- 2021 EUI: 58 < EUI Baseline: 152.6^{*1}
- Highest energy saving rate to date: 65% (Compared to office buildings)

*5. <UN and Indian Bureau of Energy Efficiency> Energy Efficiency Improvements in Commercial Buildings (P.14): 210 kWh/m² (Commercial buildings, parking lots not included)

*6. <ENERGY STAR> Technical Reference of the 2018 U.S. Energy Use Intensity by Property Type (P.4): 166.88 kWh/m² after conversion (Office buildings)

*7. <European Commission> European Commission Buildings Database: 133.17 kWh/m² (Netherlands 2014 nonresidential buildings)

*8. <LEED 2009 for Existing Buildings Operations and Maintenance Rating System> DET Plant 5 Green Building Application (According to the LEED 2009 for Existing Buildings Operations and Maintenance)- Baseline year 2010-2012 average EUI: 640 kWh/m²

*9. AKO green building application documents (according to LEED v4 commercial interiors, retail, hospitality minimum energy performance simulation requirements) simulation baseline value: 165.57 kWh/m²

*10. The American Headquarters was designed to have net zero energy consumption. It is equipped with 1.1MW of self-generated and consumed renewable energy and the electricity consumption dropped in 2021 as employees mostly worked from home due to the pandemic. The self-generated and consumed renewable energy exceeded the purchased gray energy consumption in 2021 and therefore the EUI = 0.

5.5 Water Resource Management

5.5.1 Identification of Water Risks and Response Measures

Establishing Risk Assessment Mechanisms

Delta continues to strengthen operation management and risk identification to achieve sustainable cooperation with partners in the value chain and conduct in-depth analyses of the risks of supply chain interruptions caused by the risks of droughts derived from climate change.

Delta uses the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI) to identify the risks of Delta's supply chain and overall production plants. We scored each risk based on the risk elements and the final results were used as the basis for Delta's internal decision making. We formulated corresponding measures to ensure adequate response capabilities, make adjustments before risks arise, and implement sustainable management of water resources. Delta shall continue to use the assessment methodology for high-risk plants and plan suitable measures for adaptation.

| | | High | Medium High | Medium | Low Medium | Low |
|--|---|------|-------------|--------|------------|-------|
| Supply Chain | | | | | | |
| Entities at Risk | Risk Factors | | | | | |
| Tier 1 suppliers with whom we have continuous transactions in 2021 | <ul style="list-style-type: none"> Hazards: Use the tools of the World Resources Institute (WRI) for hazard classification Exposure: Rating based on the amount of purchases made from suppliers Vulnerability: Determined by the industry characteristics (sensitivity to water usage) of the supply chain | 0.5% | 14.6% | 56.5% | 10.2% | 18.2% |
| Production Plants | | | | | | |
| Entities at Risk | Risk Factors | | | | | |
| Taoyuan Plant 1, Taoyuan Plant 2, Taoyuan Plant 5, Pingzhen Plant, Dongguan, Wujiang, Wuhu, Chenzhou, Delta Thailand 1, Delta Thailand 3, Delta Thailand 5, Delta Thailand 6, Cytotec Hsinchu, and Cytotec Huafeng | <ul style="list-style-type: none"> Hazards: Use the tools of the World Resources Institute (WRI) for classification Dependency: Classification based on the water consumption and standard deviation of the plant in previous years Severe: Classification based on the production value and standard deviation of the plant in previous years Probability: Past flooding/droughts are used as the criteria | 0.0% | 12.5% | 31.3% | 18.7% | 37.5% |

Water Risk Adaptation and Response

Supply Chain

- Delta shall share the water conservation experience of Delta's own plants and green buildings with suppliers in high-risks areas to plan for climate change mitigation and adaptation.
- Delta shall evaluate suppliers' water resource management and short, medium, and long-term response strategies based on the feedback in the questionnaire to strengthen the sustainability of the value chain and enhance the Company's influence in achieving corporate sustainability.

Production Plants

- According to the weighted score, Cyntec Huafeng and Delta Thailand 1 are classified as plants at risk. We proposed related water conservation measures to reduce water consumption demand.
- With regard to direct operations, Delta has established its own water conservation targets and evaluated the current conditions and future water shortage risks according to RCP 2.6 (2°C warming) and RCP 8.5 (Business as Usual, BAU) scenarios of IPCC AR4 to enhance regional water resource resilience and achieve sustainability in water consumption. The risk values derived from the analysis are used as the basis for financial impact estimates.
- Delta shall continue to use the assessment methodology for high-risk plants and plan suitable measures for adaptation. In addition to reducing the impact of floods, these measures will also increase the number of days for sustained operations.
- Increase wastewater treatment and recycling: Reduce dependency on tap water.
- Delta evaluated individual risks of the sources of water resources for formulating corresponding measures to ensure adequate response capabilities and to make the most resilient adjustments before risks arise, in order to implement sustainable management of water resources.

5.5.2 Consumption and Effectiveness of Water Resources

Implementing Water Resources Management

Delta is keenly aware of the connections between water safety and the welfare of people and industries. The issues have been extended from the environment to human rights and economic development. Among the 17 Sustainable Development Goals of the United Nations, SDG 6 "Clean Water and Sanitation" aims to ensure availability and sustainable management of water and sanitation for all.

Clean Water for Consumption

In terms of drinking water and water supply for the kitchen in each plant, tap water must be filtered through a filtration system and UV light to ensure that the quality of drinking water meets local legal standards.

Effectiveness/Results

Drinking water is tested at least once each quarter. We also commission third-party water quality inspection units to test for bacteria such as E. coli.

Smart Monitoring

Delta completed a water meter installation in production plants and buildings and combined them with the Delta Energy Online system to monitor water consumption.

Effectiveness/Results

Each plant monitors and regularly reviews water consumption efficiency to reduce unnecessary waste.



Improving Efficiency

Delta actively increases water consumption efficiency at the process end and increases output under the same water consumption conditions to reduce the risks of water resources in different industries.

Effectiveness/Results

Delta has introduced 80 water conservation solutions in plants and buildings in 2021 which reduced 165.8 million liters of water consumption.

Pollution Reduction

Sewage treatment and wastewater treatment in plants effectively help to reduce the negative impact on the environment.

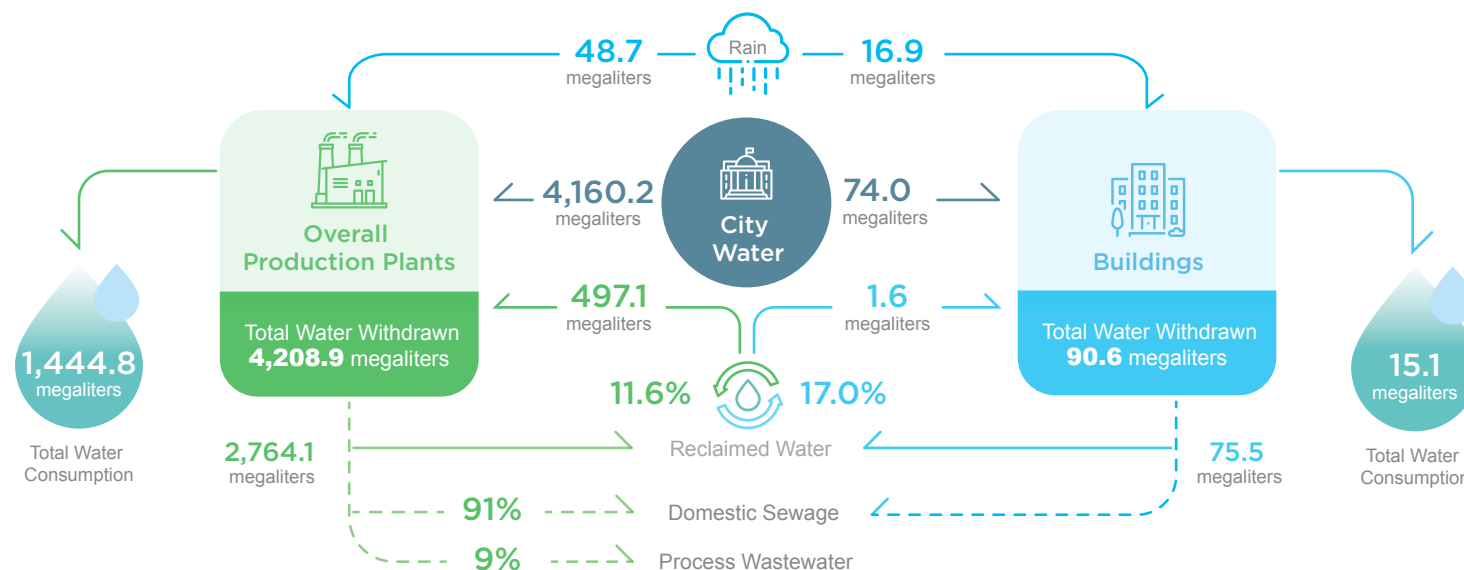
Effectiveness/Results

Delta regularly appoints third-party institutions to test the waste (sewage) water quality to ensure that no material impact is posed to the surrounding environment from receiving water.

Promoting Water Conservation and the Use of Recycled Water

The sources of water of Delta's overall production plants^{*1} consist mostly of tap water (99.0%) which is mainly used in cooling towers, restaurants, and daily general sanitation for cleaning bathrooms. In 2021, Delta's total volume of water withdrawn for overall production plants was 4,208.9 ML (rainwater reuse 48.7 ML). Total water consumption was 1,444.8 ML and water discharge was 2,764.1 ML (91% general sewage and 9% process wastewater). Total volume of water recycled was^{*2} 546.1 ML and the recycled water usage rate was^{*3} 11.6%. The total volume of water withdrawn for buildings^{*4} was 90.6 ML (rainwater reuse 16.9 ML). Total water consumption was 15.1 ML and water discharge was 75.5 ML. Total volume of water recycled was 18.5 ML and the recycled water usage rate was 17%.

A total of 80 new solutions for production sites and buildings were implemented in 2021, including: rainwater retention and reuse, condensate recycling, outlet pressure control, and equipment adjustment and improvement, saving a total of 165.8 ML of water consumption.



Overall Production Plants

2021 Water productivity intensity (WPI) was 416 metric ton/ MUSD for Delta's overall production plants. The main reasons are as follows:

- Added a wastewater recycling system for the fish pond
- Used treated rainwater to replenish water for the cooling tower
- Optimized the cleaning water replacement frequency

Buildings

The WCI of 7 buildings in 2021 was 17.3 metric tons / number of people, a decrease of 21% compared to 2020 mainly due to the following reasons:

- Fish pond filtering system updated to reduce water replacement frequency
- Increased efficiency in wastewater treatment and recycling
- Recycled concentrate discharge from the pure water system

*1. Overall production plants: Dongguan, Wujiang, Wuhu, and Chenzhou Plants in Mainland China; DET plant 1, 3, 5, and 6, and Taoyuan Plant 1, Taoyuan Plant 2, Taoyuan Plant 5, and Pingzhen Plant in Taiwan; Cyntec Hsinchu and Huafeng Plants.

*2. Total water recycled = reclaimed water + rainwater

*3. Recycled water recycling rate = total water recycled / (total water withdrawn + reclaimed water)

*4. Seven buildings including Ruey Kuang, Yang Guang, Taoyuan Plant 3, Chungli RD, Tainan 1 & 2, and Shanghai Technology Development; excluding Dongguan Technology Development, Wujiang Technology Development, Japan, USA, and Germany.

Wastewater Management

All waste (sewage) water from Delta's overall production sites and buildings is either properly treated by suitable wastewater treatment facilities, or directly discharged to waste (sewage) water plants designated by the local management center. For sites where no flow meter is installed, the sewage discharge is estimated to be 80% of the water consumption; while wastewater discharge of Taoyuan Plant 5, Pingzhen Plant, Cyntec Hsinchu, and Cyntec Huafeng is calculated by actual monitoring and inspecting discharge volume.

The quality of discharge across all plants is in compliance with current legal regulations, and we regularly test the waste (sewage) water quality to ensure that no material impact is posed on the surrounding environment from receiving water. No material leakage or overflow occurred at any production plant in 2021.

Water Discharge by Quality and Destination

| | Production Plants | Discharges (ML) | Concentration of effluent (mg/L) | | | Processing unit | Receiving water |
|--------|-------------------|-----------------|----------------------------------|---------------------------|------------------------|--|-------------------|
| | | | Total suspended solids | Biochemical oxygen demand | Chemical oxygen demand | | |
| Taiwan | Taoyuan Plant 5 | 1.0 | 9.7 | 75.3 | 143.0 | Guishan Industrial Park Wastewater Treatment Company | Nankan River |
| | Pingzhen | 0.6 | 4.0 | <1.0 | 25.5 | Treatment within the plant | Dakengque River |
| | Cyntec Hsinchu | 214.2 | 5.6 | 33.4 | 67.2 | Hsinchu Science Park Wastewater Treatment Company | Keyaxi River |
| China | Cyntec Huafeng | 29.4 | 48.6 | 52.4 | 160.9 | Yundong Wastewater Processing Company | Wusongjiang River |

5.6 Waste Management

5.6.1 Enhancing Circular Recycling and Reuse

Introduction of International Certification and Methodology

Delta introduced UL 2799 zero waste landfill certification at Delta's Dongguan plant in 2019 and we have continued to improve waste monitoring, recycling, and reduction. We worked with suppliers on projects to gradually increase the resource recycling rate and expand the implementation to plants across the globe. In 2021, Delta's production sites in Dongguan, Wujiang, and Thailand obtained UL 2799 Platinum certification by attaining a 100% conversion rate for waste. We shall continue to pursue the goal of zero waste landfill for all Delta operations.



Delta's production sites in Dongguan (left) and Wujiang, China, obtained UL 2799 Platinum certification by attaining a 100% conversion rate for waste in 2021.

Developing Recyclable and Renewable Building Materials

To recycle waste and increase the value of waste for the circular economy, Delta used building materials made from recycled circuit boards in 2020. These were used in Delta's green plant areas and certain parts of the exterior walls of the Taoyuan Biomass Energy Center which was inaugurated in 2022. Scrap circuit board material from Delta's production process was used for this project. As this contains approximately 50% glass fiber which can be used for producing building materials such as wood-plastic composites, the glass fiber in the waste circuit boards was converted into building materials instead of

disposed of by means of incineration. In the treatment process, every ton of waste circuit boards reduced emissions by approximately 0.3 tons CO₂e. As 35%-50% of materials used for the production of each piece of the wood-plastic composites consisted of recycled glass fiber from circuit boards, the use of such materials also reduced emissions by approximately 1.17 tons CO₂e for every ton of newly excavated materials.

The recycled building materials were exhibited in the TASS 2021 "Asia Sustainable Supply & Circular Economy Conference and Exhibition". More than 500 visitors from industry, government, academia, and research institutions visited the exhibition and discussed opportunities for future cross-industry collaboration with the designer of the building materials.

Circular Economy Opportunity Identification Workshop



The circular economy business model can be integrated into the life cycle of existing products to create a wide variety of opportunities. To help business groups identify potential opportunities for promoting a circular economy, Delta organized a "Circular Economy Opportunity Identification Workshop" in 2021 and invited business groups to identify nearly 20 products with potential in the circular economy.

Future plans include the introduction of recycled materials, modular design, and product as a service. We plan to form a consensus among business groups to create the "Delta Circular Economy Strategy Blueprint" in 2022 to meet international trends, exceed customer expectations, promote Delta's circular economy, and advance toward the goal of net zero emissions.

5.6.2 Waste Output and Effectiveness

Implementing Waste Management

Delta established the "Water Conservation and Waste Reduction Management Committee" in 2016. To achieve sustainable use of resources and ensure proper handling of waste, the Committee analyzed the sources and types of waste output, and identified potential for reuse by combining respective internal and external resources. Delta continues to promote waste reduction measures, and a total of 64 waste reduction projects were implemented at overall production plants and buildings in 2021, including: recycling of packaging materials, adjustments of parameters to reduce the use of solvents, and sludge moisture content reduction, which resulted in a total of 3,986 metric tons of waste production savings.

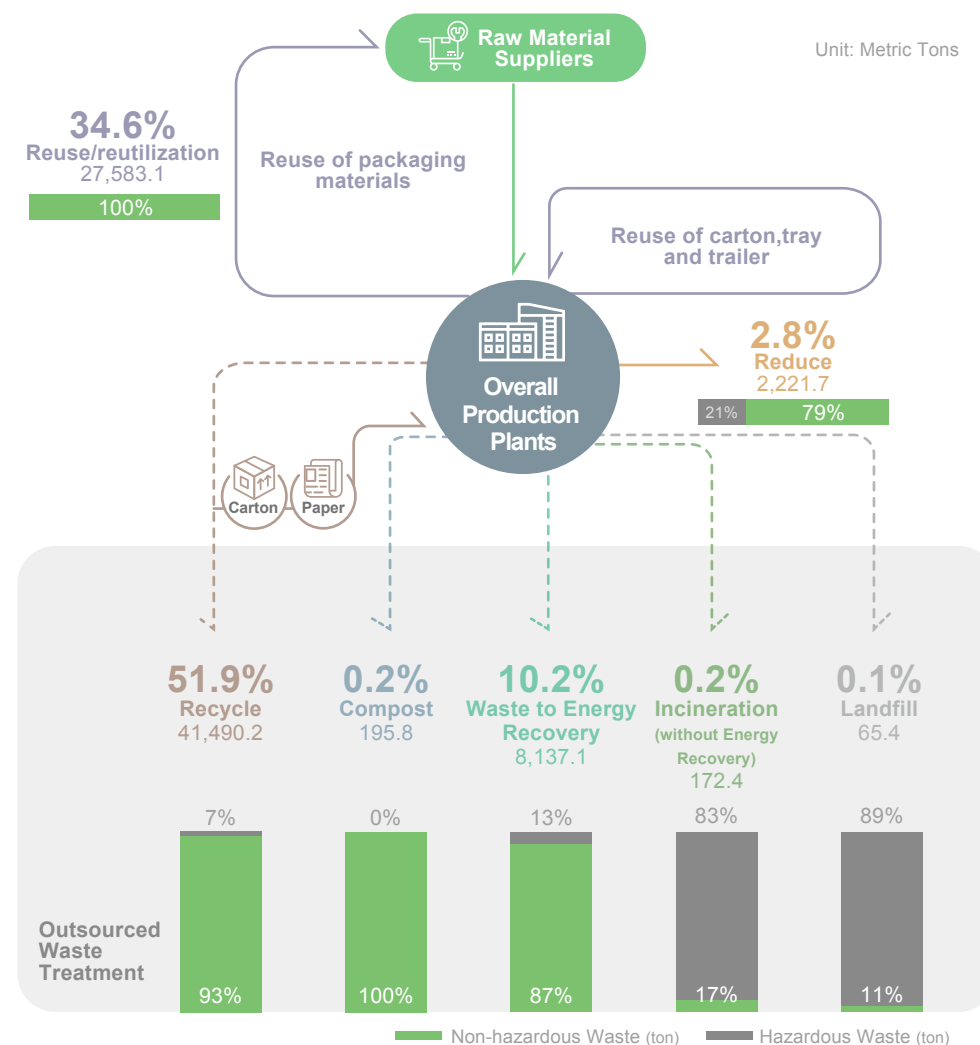
The data on Delta's waste production was entered by the plants in the internal sustainability platform at regular intervals and placed under the centralized management of the system. The plants retain the weighing records and government report data for reference. The management units of the plant track the vehicles of the institutions responsible for disposal and perform audits from time to time. Statistically, the total weight of waste at overall production plants processed by qualified disposal institutions was approximately 50,060.9 tons in 2021, of which, non-hazardous waste accounted for 46,042.2 metric tons (92%), and hazardous waste accounted for 4,018.7 metric tons (8%).

Value Chain Waste Reduction Results

Delta's waste reduction starts with its own improvements and it collaborates with the value chain to facilitate effective use of waste and reduce the production of waste. Delta plants have quantified value chain collaboration and overall effectiveness. The total amount of waste generated was 79,865.7 tons, and the total amount of all waste diverted was 79,466.3 tons, with a diversion rate^{**} of 99.5%. Waste reduction reduced processing expenses by approximately 4.651 MUSD and the income from waste recycling totaled 9.495 MUSD.

^{**}Waste diversion rate = reuse + reduction + recycling + waste energy recovery + anaerobic digestion + biofuel + composting) / total weight of waste generated; of which, the percentage of waste energy recovery must be less than 10%.

Value Chain Waste Flow Chart of All Delta Plants



5.7 Green Products

Based on our vision for energy conservation and environmental protection, Delta is committed to continuously enhancing product energy efficiency and active development of renewable energy solutions through the technical innovations of products. We also mitigate environmental impact by introducing green designs in each phase of the product life cycle to facilitate product responsibility and green consumption.

All Delta products comply with international safety standards or international environmental regulations (e.g., EU directives including RoHS, WEEE, REACH, and China RoHS).

We also assist clients' green marketing needs to display environmental certification information such as Taiwan Green and Eco Label, US ENERGY STAR, and 80 PLUS on our products as required by our customers.

We provide high-efficiency energy-efficient products and cooperate with global customers to fulfill the vision of energy-saving and low-carbon society.

5.7.1 Green Design

Life Cycle Assessment

Life Cycle Assessment (LCA) is a systematic analysis method for environmental impact caused at each phase: from raw material acquisition, manufacturing and assembly, transportation and distribution, and use, to recycling and end of life. To reduce the impact of products on the environment, Delta conducts full-scale LCA and Screening LCA on respective product according to the international standard ISO 14040/44, and introduces green design at each phase.

Product carbon footprint is the best example of Streamlined LCA (SLCA) in action. Delta has a large variety of products, and for this reason, we calculate our carbon footprint at various stages. Delta established a 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 the selection of low carbon emission materials. The knowledge and experience involved is then transferred abroad for use by Delta's other production plants.

Since 2010, Delta has selected several representative products to perform product carbon footprint research, and has completed the carbon footprint inventory and acquired PAS 2050 certification for products such as notebook external power supply units (Adaptor), DC fans (DC fan) and PV inverters, and has continued to carry out self-inventory of the PocketCell mobile power pack products. Since 2016, ISO 14067 carbon footprint verification has been completed for products such as high-efficiency rectifier modules TPS, 3900W and 1200W switching power supply units and electric vehicle on-board chargers year by year, going further into green and low carbon design.

By summarizing the results of several products' LCA, it shows that the environmental impact from the "use phase" of Delta's core products is currently most significant during their entire life cycle, while "raw material acquisition" comes in second.

Delta strives to continuously improve the energy efficiency of its products to reduce the environmental impact of the use phase. The ESG Committee has resolved to continue the integration of the existing international carbon emission factor database into the raw material BOM list, establish green design rules for low-carbon products, as well as make an ongoing commitment to continuously improve product energy efficiency to reduce users' carbon emissions.

Strategies for Lowering the Environmental Impact of Products

Delta actively employs the following strategies to reduce the potential environmental impact during each phase of the product life cycle.



Raw Material Acquisition



Manufacturing and Assembly



Transportation and Distribution



Use



Recycling and End of life

Reduction Goals and Localized Management

Delta has built a green supply chain. At its main production sites in Mainland China, Taiwan, and Thailand, Delta promotes the inventory and disclosure of supply chain carbon, water, and waste management to effectively respond to climate change, encourages greenhouse gas reduction in the supply chain, and reduces the carbon footprint of raw materials in order to respond to climate change.

Energy Conservation Plan for Carbon Reduction

Delta's plants promote various energy-saving measures to continuously reduce carbon emissions in the manufacturing and assembly phase of products. The company put 285 energy conservation projects into practice in 2021 and saved approximately **39,143** MWh of electricity, equivalent to approximately **28,277** metric tons CO₂e emissions. Delta implemented a total of **2,517** energy saving projects from 2011 to 2021 with an estimated **314,204** MWh of electricity saved, equivalent to a reduction of **245,079** metric tons CO₂e.

Adoption of Green Packaging Materials

Delta employs green packaging materials for all of our products, using corrugated paper, cardboard, paper, and wooden boxes, all in line with our transportation process needs. The packaging materials can be recycled and reused. For instance, paper packaging materials with recycled pulp or recycled fiber accounted for **55%** and those made with blended recycled fiber accounted for **15.6%** in 2021.

Enhancing the Energy Efficiency of Products

The continued improvement in energy efficiency in our products is a concrete expression of Delta's enterprise mission: "To provide innovative, clean and energy-efficient solutions for a better tomorrow". As of now, Delta's power management products have achieved as much as **90%** energy efficiency, such as our telecom power supplies with up to **98%** efficiency, PV inverters with a peak conversion efficiency of **99.2%**, and DC-DC converters for vehicles with **96%** efficiency. Delta once again received the Energy Star Sustained Excellence Award in 2021 and we have received the ENERGY STAR Partner of the Year's Outstanding Sustainability Award for six consecutive years due to our products' superior energy efficiency and contribution to the reduction of greenhouse gas emissions.

Design for Ease of Product Dismantling and Recycling

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

5.7.2 Hazardous Substance Policy and Material Management

Since 2002, Delta has established the Delta Environmental Hazardous Substance Management Policy and Regulations. Delta's product design to manufacturing process, including the components, process chemicals, jigs, and packaging materials that make up Delta's products, are all included in the management system in order to achieve the most comprehensive management. It is Delta's responsibility and contribution as a global citizen to insist on producing excellent products that meet green regulations and enhance performance.



Monitoring Legislative Changes

In line with Delta's diverse product development, Delta continues to pay attention to various regulations related to hazardous substances, such as the "Restriction of Hazardous Substances in Electrical and Electronic Equipment Directive" (RoHS), which is the main regulation for electronic products in the European Union; the European Union's "Registration, Evaluation, Authorization and Restriction of Chemicals" (REACH); "Persistent Organic Pollutants Regulations" (POP); the automotive industry's mainstream "Global Automotive Declarable Substance List" (GADSL); the Safe Drinking Water and Toxic Enforcement Act of the United States, also known as "California Proposition 65" (Prop 65); the "Toxic Substances Control Act" (TSCA) list of the U.S. Environmental Protection Agency; and Japan's "Chemical Substances Control Law" (CSCL).

We pay advance attention to these regulations, and at least one year before the implementation of the regulation, we incorporate it into our management standard and implement the introduction.



Delta's Hazardous Substance Management System

Our main production plants are certified with IECQ QC080000 Hazardous Substance Process Management System, ensuring that Delta's hazardous substance management standards are consistently enforced throughout the supply chain. Delta has a complete internal Hazardous Substance Control Process, from material evaluation, material number application, to production material number management, all of which goes through Product Lifecycle Management (PLM) for the management of material number specifications, graphic documentation, and confirmation of classification (halogen-free, automotive, RoHS).

We use the Delta EC Suppliers exchange platform as an interface to publish the latest hazardous substance management regulations. We will then subsequently obtain a declaration based on the material number and conduct new supplier evaluations based on the same management regulations.

We currently impose restrictions on more than 500 hazardous substances in approximately 13 categories including heavy metals, flame retardants, plasticizers, and persistent organic pollutants.



Implementation

When there are significant adjustments to external laws and regulations or Delta's policies, the Delta Environmental Hazardous Substance Management Policy and Regulations content will be discussed across business groups to reissue the regulations and confirm the schedule. The frequency of adjustment is about once a year.

Under management regulations, each plant has established detailed control procedures, including material recognition, testing requirements, report specifications, and declaration requirements. Each plant has a dedicated staff responsible for handling quality abnormalities and preparing environmental management material implementation plans.

We have also incorporated supplier-end management and audits into the management scope by integrating VQA (Vendor Quality Assurance) supplier audits with incoming material inspection and sampling, parts engineering units, and materials units to establish a complete hazardous materials management system.



Disclosure of Hazardous Substances

The composition of electronic products is complex, and the major concerns of customers are the Substances of Very High Concern (SVHC) under EU REACH and RoHS exclusion-related statements.

Take power supplies as an example, there are mainly 17 hazardous substances in Delta's electronic products, including resin materials and additives, metal surfaces, electrical contact alloys, electrolyte additives, ceramic material additives, flame retardant, such as antimony trioxide, boric acid, and siloxane.

In addition to disclosing hazardous substances in response to customer demand, Delta has also begun to compile data on all of Delta's hazardous substance management indicators in response to investor expectations. For example, in 2021, all products in the power supply business group can comply with the IEC 62474 Material Declaration for Products of and for the Electrotechnical Industry.

Progress on the Response to the Latest Legislation

The United States Toxic Substances Control Act (TSCA) included 5 new persistent bioaccumulative toxic substances (PBTs) and Delta has completed the inventory and management of raw materials. We eliminated all materials that contain Isopropylated Phosphate (3:1) (PIP 3:1) by the end of 2021 to achieve early compliance.

The United States Model Toxics in Packaging Legislation (TPCH) imposed regulatory requirements for hazardous substances in packaging materials and included additional restrictions on the use of plasticizers and FPAS. The regulation was also incorporated into the existing management regulations for implementation.

Canada's Prohibition of Certain Toxic Substances Regulations, 2012 (PCTSR) is expected to add restrictions on two common flame retardants, Dechlorane Plus (DP) and decabromodiphenyl ethane (DBDPE). The impact would be immense. Although the promulgation of the legislation was delayed, Delta has performed an inventory of the materials ahead of schedule and is prepared to complete the transition in the shortest time possible.

Delta's Phase-out Program for Hazardous Substances

For the past 20 years, Delta has been eliminating hazardous components that do not comply with regulations, and has been actively reviewing the materials used. In 2007, we established the Delta Halogen-Free Standard to ensure that Delta's products comply with market trends and regulatory requirements for the use of halogenated substances.

Targets and progress for flame retardants and plasticizers

Delta also continues to carry out more control and evaluations of flame retardants and plasticizers for continuous optimization. For example, phosphorus-based flame retardants were used in the past to replace brominated flame retardants to achieve the halogen-free

goal (chlorine and bromine). But several phosphorus-based flame retardants were later found to be more biotoxic, so they were phased out again, while a number of phosphorus-based flame retardants and plasticizers with higher biotoxicity have been banned. The phasing out is expected to be completed by 2023 to be above the regulatory requirements.

Our ultimate goal is to achieve seamless conversion and we continued to incorporate halogen-free replacements in 2021. Delta continues to phase out TECP, TCCP, and other highly toxic flame retardants. More than half of the business groups have completely phased out phosphorus-based flame retardant.

Targets and progress for chlorinated organic solvents

In 2021, chlorinated organic solvents, which contain CMR Level 1 regulated ingredients in the cleaning agent, have been phased out from some Delta business groups. They were expected to be fully phased out by 2023 but the material inventory and phase-out schedule were completed ahead of schedule by the end of 2021.

The material inventory and phase-out schedule were completed ahead of time by the end of 2021. Production plants in Taiwan, Mainland China, and Thailand no longer use cleaning agents which contain CMR Level 1 ingredients.

Rare metals

Delta uses rare metals for certain elements of its electronic components, particularly rare metals defined by SASB such as cobalt, gallium, graphite, tantalum, and palladium. In response to the issue of the scarcity of metals, Delta conducts regular inventories and evaluates the feasibility of product use in the circular economy to manage the use of rare metals.

5.7.3 Eco-labels and Eco-declarations

Type I . Eco-labels

Type I Eco-labels conform to the specification standards of organizations or governments, and have been verified by third parties. Trademarks are easily identified by clients and consumers. Delta's Type I Eco-labels include the following:



Taiwan Green Mark

44 projector products have obtained the Taiwan Green Mark



Taiwan Energy Label

80 products have obtained the Taiwan Energy Label (including indoor lighting, road lighting, bathroom exhaust fans)



China Environmental Labelling

64 products were certified by China CEC*



ENERGY STAR Most Efficient Products

89 energy saving ventilation fan products were awarded the ENERGY STAR's Most Efficient Products



80 PLUS Certification

405 power supply products were certified by 80 PLUS

* These do not include phased-out products

Type II . Environmental Declarations

Data collected from Streamlined Life Cycle Assessments (SLCA) of several of our products shows that the environmental impact from the use phase of Delta's core products is most significant during their actual lifecycle. We therefore implement product environmental information disclosure while improving product energy efficiency, and integrate this with the ISO 14021 Self-Declared Environmental Claims and the ISO 14025 Environmental Product Declaration (EPD).

Delta launched the "EnergE" program for telecom power supply in 2010 and assigns different ratings based on product performance in energy efficiency. These include a green label for 95% to 96%, gold label for 96% to 97%, and purple label for efficiency higher than 97% to help customers distinguish between products.

EnergE Product Label Examples



Efficiency **> 97%**



Efficiency **96% ~ 97%**



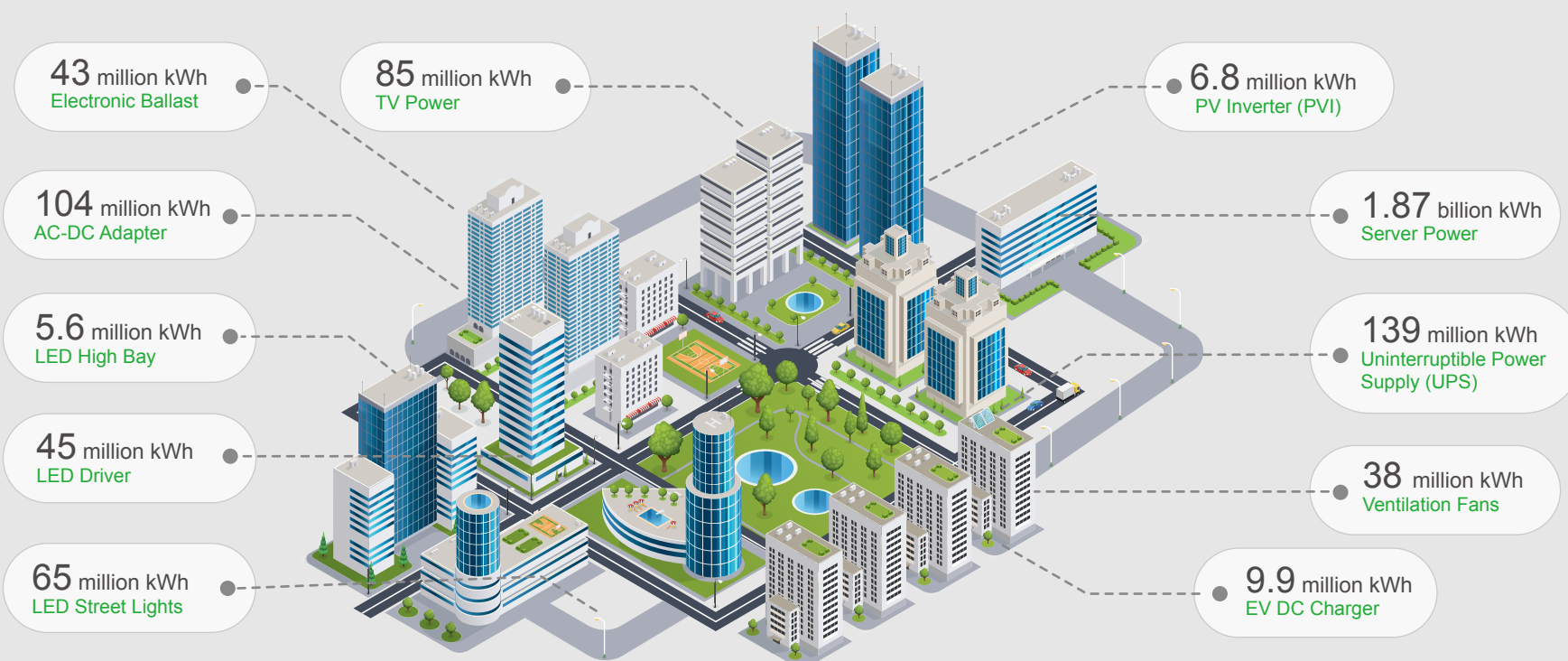
Efficiency **95% ~ 96%**

5.7.4 Energy Saving Benefits of Products

Delta continues to enhance product energy efficiency and to develop integrated green energy products, energy-saving products and solutions, which help clients conserve more energy and achieve even higher cost-effective performance. Based on the shipment of power supplies, direct-current fans, uninterruptible power supplies, variable-frequency drives, LED lamps, electrical ballasts, PV inverters, and direct-current EV chargers from Mainland China, Taiwan, and Thailand between 2010 and 2021, Delta's high efficiency products saved customers an estimated 35.9 billion kWh of electricity and reduced carbon emissions by 19.01 million tons CO₂e.

In 2021, Delta's products saved, in total, 2.41 billion kWh of electricity and reduced carbon emissions by approximately 1.21 million tons CO₂e. In 2015, Delta was the first in the industry to introduce product energy-saving calculations into ISAE 3000 assurance. Since then, Delta has added product items each year and accomplished assurance of ISAE 3000 product energy conservation for 11 products by 2021.

Eleven types of products have been assured by ISAE 3000 in 2021





Assurance starting in

2019

• LED Driver

By comparing the efficiency of Delta LED driver to that of EU eco-design requirements for light sources and separate control gears^{*1}, for the shipments of the Delta OBM and 1 EU major customer in 2021, annual energy savings was 45 million kWh.

2018

• Uninterruptible Power Supply (UPS)

By comparing the efficiency of Delta uninterruptible power supply (UPS) to that of EU Code of Code on Energy Efficiency and Quality of AC Uninterruptible power supply systems (EU UPS CoC Version 2.0, 2021), for the shipments of the main UPS models^{*2} in 2021, annual energy savings was 139 million kWh.

• TV Power

By comparing the efficiency of Delta Open frame TV power to that of the minimum energy efficiency required by customer's specifications, for shipments of the 18 main Open frame TV power models^{*3} in 2021, annual energy savings was 85 million kWh.

*1. Laying down eco-design requirements for light sources and separate control gears pursuant to Directive 2009/125/EC of the European Parliament and of the Council and repealing Commission Regulations (EC) No 244/2009, (EC) No 245/2009 and (EU) No 1194/2012.

*2. Main product models and series are the single-phase UPS models which contains "RT" in the part number, and the three-phase UPS models which contains "DH", "NH", "HP", "HH", "DS" and "DM" in the part number.

*3. Main product models and series are AP-P321AM B, AP-P397AM-1 A, AP-P410BM B, AP-P484AMB, AP-P239AM A, AP-P239AM B, AP-P265AM B, AP-P313AM B, AP-P341AM C, AP-P410BMC, AP-P412BM B, AP-P419AM A, AP-P484BM B, AP-P525AM A, AP-P242AM B, AP-P340AMA, AP-P341AM B, AP-P484AM A. The minimum energy efficiency requirement of customer specifications mentioned above is 80%.

2017

• PV Inverter (PVI)

By comparing the efficiency of Delta PV Inverter (PVI) to the minimum average efficiency 97.5%^{*4} of the ENERGY STAR Market and Industry Scoping Report, for the shipments of three phase PVI models^{*5} to North America and main sales countries of Europe^{*6} in 2021, annual energy savings was 6.8 million kWh.

• EV DC Charger

By comparing the efficiency of Delta EV DC Charger to the minimum efficiency 90% regulated by CHAdeMo, for the shipments of EV DC Charger in 2021, annual energy savings was 9.9 million kWh.

• LED High Bay

Assuming that end-users installed Delta LED high bays to replace Metal Halide high bays, and by comparing the efficiency of Delta LED high bays to the minimum efficiency requirements for the procurement of Metal Halide high bays (Distribution: Direct, LER: Closed) issued by the United States Department of Energy, for the shipments of LED high bays in 2021, annual energy savings was 5.6 million kWh.

2016

• 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 2021, annual energy savings was 65 million kWh.

• Server Power

By comparing the efficiency of Delta Server Power to that of 80 Plus Bronze requirements, for the shipments of 12 major customers in 2021, annual energy savings was 1.87 billion kWh.

• Ventilating Fans

By comparing the efficiency 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 2021, annual energy savings was 38 million kWh.

• AC-DC Adapter

By comparing the efficiency of Delta AC-DC adapters to that of EU eco-design requirements for External Power Supplies (EU 2019/1782), for shipments of the 55 main AC-DC Adapter models^{*7} in 2021, annual energy savings was 104 million kWh.

2015

• Electronic Ballasts

Assuming that end-users replace existing Magnetic Ballasts with Electronic Ballasts, for shipments of Delta Electronic Ballast for Fluorescent Lamps to 6 major customers in 2021, annual energy savings for end-users was 43 million kWh.

*4. ENERGY STAR Market and Industry Scoping Report.

*5. Three phase product models and series are M125HV、M125HV_110、M125HV_111、M36U_122、M42U_121、M42U_122、M60U_121、M60U_122、M80U_121、M80U_122、M88H_121、M88H_122、RPI M10A、RPI M15A、RPI M15A_220、PI M20A、RPI M20A_220、RPI M30A_230、RPI M50A_12s、RPI M50A_260、RPI M6A、RPI M70A、RPI M8A、RPI M30A_120.

*6. Main sales countries in Europe are Germany、France、Switzerland and Luxembourg. US states of shipments to North America are Arkansas、Arizona、California、Colorado、Maryland、Minnesota、Missouri、New York、Tennessee、Wisconsin.

*7. Main product models are ADP-45AG BA、ADP-45BG BA、ADP-45BG BC、ADP-45DG BB、ADP-45EG AB、ADP-45EG BB、ADP-45FE FA、ADP-45FE FC、ADP-45FE FD、ADP-45HG BA、ADP-45KE BA、ADP-45ZE BE、ADP-65AE BA、ADP-65AE BB、ADP-65CE BA、ADP-65CE BC、ADP-65DE BA、ADP-65DW Z2M、ADP-65KE BA、ADP-65KE BB、ADP-65ME BA、ADP-65TH KB、ADP-65XD AB、ADP-65XD BB、ADP-65XD BF、ADP-65YD BA、ADP-90DE BA、ADP-90DE BC、ADP-90FE DA、ADP-90LD DD、ADP-90LD FA、ADP-90LE BA、ADP-90WH KB、ADP-100FR AE、ADP-110EB BA、ADP-120CR AE、ADP-120MH TE、ADP-120VH BB、ADP-120WH BA、ADP-120WH BB、ADP-120WH BF、ADP-180MB DB、ADP-180MB DD、ADP-180MB KA、ADP-180TB BA、ADP-180TB FR、ADP-180TB HA、ADP-180TB HB、ADP-240AB DB、ADP-240CB BA、ADP-240CB BB、ADP-240EB BA、ADP-240EB BC、ADP-240EB BD、ADP-240GB BA.

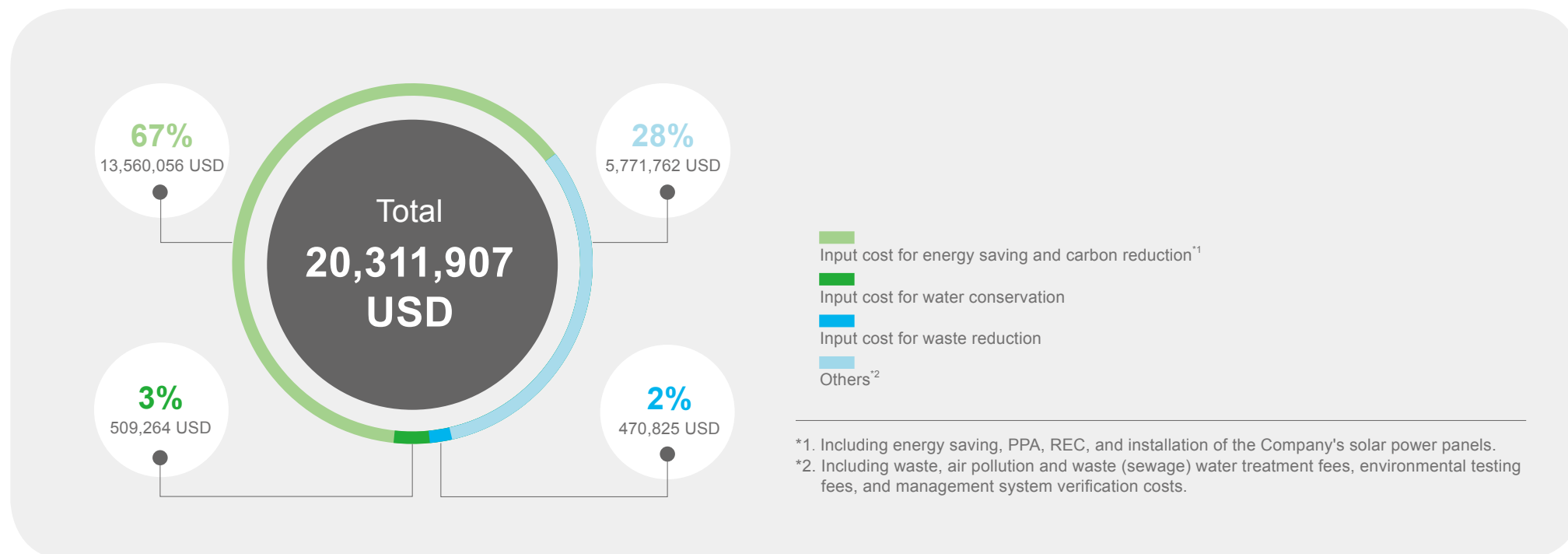
5.8 Environmental Management

Delta upholds its business philosophy of "To provide innovative, clean and energy-efficient solutions for a better tomorrow". All main production plants across the globe have passed third-party certification of the ISO 14001 Environmental Management System and promote environmentally-friendly performance management.

5.8.1 Compliance with Environmental Protection Regulations

Delta completed improvements of pipelines and added exhaust gas treatment facilities in 2021 after being fined approximately 120,000 USD for a violation of air pollution regulations by Cyntec Huafeng in the same year. Except for the Pingzhen Plant, the main plants of Delta are all located at industrial parks, or science parks, or local industrial development zones, and we are taking further actions to minimize the impact on the local ecosystem and environment of our daily operations. We also ensure that we cause no significant negative effects or impact on biodiversity.

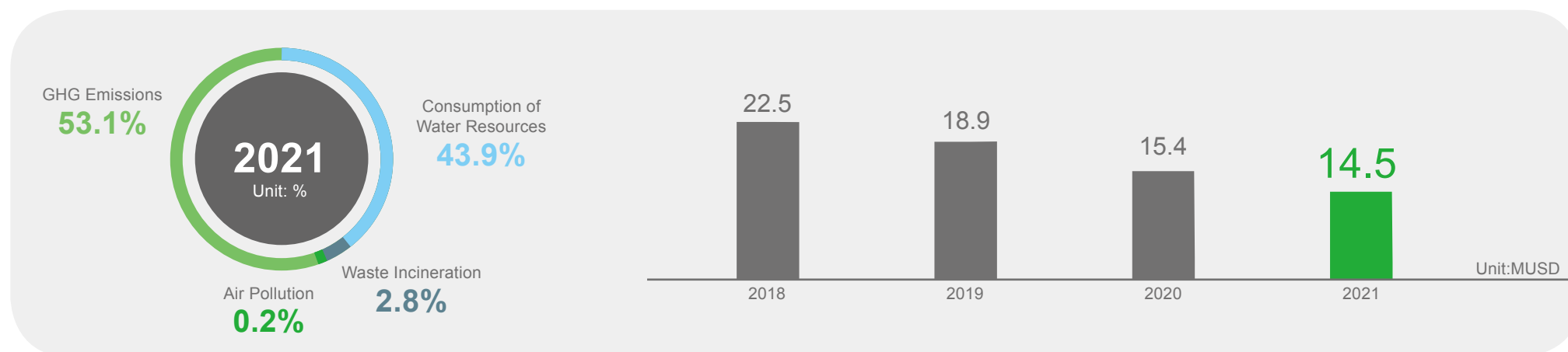
5.8.2 Environmental Protection Expenditures



5.8.3 Environmental Profit and Loss

Delta recognizes the importance of environmental capital and we have continued to conduct environmental profit and loss (EP&L) assessment to analyze and to further monetize the environmental impact of Delta's production activities. The Impact pathway was adopted for the impact value assessment of Delta's four main types of environmental capital, which are: greenhouse gases, air pollution, water consumption, and waste incineration.

Environmental Profit and Loss



5.8.4 Air Pollution Prevention and Management

All of Delta's plants have obtained emission permits in compliance with local environmental regulations and used the best available treatment technologies for each pollutant type to ensure that environmental loads around the plants are minimized. In addition, gas monitoring is regularly scheduled at discharge outfalls of the plants. Currently, air pollutants generated by Delta include Volatile Organic Compounds (VOCs), Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and particulate matter (PM).

The total VOCs in 2021 were calculated based on data from monitoring reports and operation time. The total emissions amount declared for VOCs in overall production plants was 308.9 metric tons. The VOCs mainly came from escaped asphalt (filled in electronic ballast) during the heating process, and volatile organic solvents (such as fluxes and isopropyl alcohol) and others. Nitrogen oxides and sulfur oxides came from testing or the emergency use of generators at plants, or from hot water furnaces in dormitories and kitchens, and both were in minute quantities.

6

Employee Relations and Social Participation



- 6.1 Key Performance Indicators
- 6.2 Talent Attraction
- 6.3 Talent Learning Development
- 6.4 Human Rights Protection
- 6.5 LOHAS Workplace
- 6.6 Social Engagement
- 6.7 Occupational Safety and Health

6.1 Key Performance Indicators

Number of All Employees

85,593

people

Ratio of Female Managers

32.3%

Average Monthly Voluntary
Turnover Rate of All Employees

3.0%

Ratio of Managers and Above with
3 Hours of Lectures^{*1}

90.1%

Ratio of Unduplicated Individual Users
of the Online Learning Platform

34.3%

Social Engagement Expenditures

11.98

MUSD

Number of Volunteers

314

people

Cumulative DeltaMOOCx
e-learning Video Views^{*2}

> 14

million views

Electricity Savings of
Donated Green Buildings

1.75

million kWh

Lost-Time Injury Frequency Rate (LTIFR)^{*3}

0.99

*1. Achievement rate of lecture requirements for managers = number of employees ranked managers or above who have completed one e-learning course or 3 hours of lecture by the end of the year / number of employees ranked managers or above at the end of the year.

*2. Cumulative from 2015.

*3. Lost-Time Injury Frequency Rate (LTIFR) = (recordable number of occupational injuries + recordable number of occupational illnesses) / total work hours * 1,000,000.

Strategic Direction

■ Talent Attraction

Promote talent solutions for the arrival of the post-pandemic era and integrate a complete range of resources from industry, government, and academia to create online and offline virtual and physical recruitment activities to attract talents from across the world.

Use the motto "Keep exploring the sustainable development of your future at Delta" as the core value of employer branding. Provide a high-quality work environment and competitive salary and benefits and provide talents with a career path and environment for sustainable development to attract and retain high-quality talents.

■ Talent Learning Development

Continue to identify and develop key talents and use diverse talent development programs to strengthen the organization.

Develop a full range of online courses for all employees worldwide to learn from anywhere at any time.

■ Human Rights Protection

Ensure that employees understand their rights and the Company's Human Rights Policy.

Commit to setting up a friendly and equitable workplace environment and providing care and benefits superior to statutory requirements.

■ Social Engagement

Focus on the core value of "sustainable conservation, net zero emissions, and nurturing marine life" and continue to develop projects for "energy conservation and climate education", "popularizing green buildings and low-carbon transportation", and "talent development". Use research, courses, activities and communication to promote the low-carbon transformation of industries, buildings, and transportation, and increase public awareness of the importance of biodiversity.

■ Occupational Health and Safety

Establish the ISO 45001 Management System for all major plants across the globe and implement preventive safety and health management.



| | Commitment | KPI | 2021 Target and Performance | Medium and Long-Term Targets |
|------------------------------------|---|--|--|---|
| Talent Attraction | Create a high-quality work environment and improve the employer's brand. | ✔ Offer letter acceptance rate ^{*1} | ■ Target: 77% ■ Actual: 82% Achieved | ■ 2022: 78% ■ 2023: 79% ■ 2027: 82% |
| Talent Learning Development | Provide a diverse range of learning resources to ensure that employees have the capabilities and skills for completing their work. Establish a comprehensive system and become the benchmark in the market. Work with global partners to improve the capabilities of talents. | ✔ Employees ranked manager and above with 3 hours of lectures ^{*2} | ■ Target: 85% ■ Actual: 90.1% Achieved | ■ 2022: 90% ■ 2023: 90% |
| | | ✔ Ratio of individual users of the online learning platform ^{*3} | ■ Target: 30% ■ Actual: 34.3% Achieved | ■ 2022: 40% ■ 2023: 50% |
| Human Rights Protection | Abide by the following principles of human rights in accordance with the Delta Human Rights and Employee Policy: a. Responsible Business Alliance Code of Conduct b. Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the International Labour Organization c. OECD Guidelines for Multinational Enterprises d. United Nations Universal Declaration of Human Rights and Global Compact | ✔ All employees' completion rate of human rights related courses ^{*4} | ■ Target: 87% ■ Actual: 96.1% Achieved | ■ 2022: 90% ■ 2023: 92% |

| | Commitment | KPI | 2021 Target and Performance | Medium and Long-Term Targets |
|--------------------------------|--|---|---|--|
| Social Engagement | Monitor major issues and climate trends of the globe and continuously adjust strategies to meet the requirements for knowledge and actions across the world. Continue to invest resources in environmental protection, energy conservation, carbon emissions reduction, and education. | ✓ Cumulative DeltaMOOCx e-learning video views | ■ Target: 11 million ■ Actual: 14 million Achieved | ■ 2022: 14.5 million ■ 2023: 15 million ■ 2024: 15.5 million |
| | | ✓ Delta Electronics Foundation cumulative views on social network media | ■ Target: 10 million ■ Actual: 12.16 million Achieved | ■ 2022: 12.5 million ■ 2023: 13 million ■ 2024: 14 million |
| Occupational Health and Safety | Pay attention to the safety and health of the work environment of workers and commit to creating a safe and healthy workplace | ✓ Lost-Time Injury Frequency Rate (LTIFR) ^{*5} | ■ Target: 0.95 ■ Actual: 0.99 | ■ 2022: 0.95 |

*1. Offer letter acceptance rate = (number of people who accepted offers for Professional, Technical and Management Units Personnel openings worldwide) / (number of issued offers).

*2. Achievement rate of lecture requirements for managers = number of employees ranked managers or above who have completed one e-learning course or 3 hours of lecture by the end of the year / number of employees ranked managers or above at the end of the year

*3. Ratio of individual users of the online learning platform = number of individual users of the year / number of employees of the year.

*4. Global human rights course completion rate = for employees who reported for duty before the end of November of the current year who are still employed at the end of December, the number of trainees of human rights courses (RBA / infringement in the workplace) in the current year / the total number of employees who reported for duty before the end of November who are still employed at the end of December.

*5. Lost-Time Injury Frequency Rate (LTIFR) = (recordable number of occupational injuries + recordable number of occupational illnesses) / total work hours * 1,000,000.

Aligning with UN Sustainable Development Goals



No Poverty

- Participate in the Hope of Pearl Program to provide talented students in Mainland China with education opportunities.
- Support the Northern Thailand Project, which offers under-privileged people learning opportunities to increase their incomes.



Good Health and Well-being

- Implement occupational safety & health management in practice and ensure the safety of the workplace.
- Provide physical and mental consultation and promote the physical and mental well-being of employees



Quality Education

- Continue to develop the DeltaMOOCx online learning platform and high-quality education to ensure that students who are unable to attend courses in schools can continue their studies during the epidemic. Provide incentives for talents to study abroad in disciplines related to the environment.
- Provide necessary and diversified learning resources to ensure that employees have the capabilities for completing their work.
- Launch the first online training courses for energy management personnel to cultivate industry energy management talents. Help industry proceed with green transformation and achieve the goal of net zero emissions.



Gender Equality

- Promote gender equality measures to prevent sexual violence.
- Participate in related women's programs of the International Labour Organization and help female employees acquire skills for responding to future work in Industry 4.0.



Affordable and Clean Energy

- Sponsor the Delta Cup International Solar Building Design Competition since 2006 to encourage young designers to incorporate renewable energy in their designs.



Decent Work and Economic Growth

- Establish the ISO 45001 Management System for all major plants across the globe and implement preventive safety and health management
- Provide courses on the Code of Conduct of the Responsible Business Alliance and Delta to improve all employees' knowledge of sustainable development.
- Continue to use internal e-learning platforms to provide training for enhancing human rights standards.



Industry/innovation infrastructure

- Use cooperation between the industry, government, and academia to provide digital video and audio tools and actual experience to help students connect to the workplace seamlessly.
- Protect equal employment opportunities and provide diverse employment opportunities by launching comprehensive online and offline recruitment channels across the world and encourage talent retention by reinforcing long-term incentive measures.
- Ensure the presence of a talent pool for succession and the Company's stable operations



Reduced Inequalities

- Create a real-time map for air pollution conditions of the streets of Taipei City and New Taipei City and work with elementary schools to set up campus air pollution monitoring and protect health in cities.



Climate Change

- Use actual visits conducted for the WELL Health-Safety Rating and high-quality online training courses for LEED Zero to actively promote healthy and energy-saving buildings.
- Made donations to build the Delta Sunshine General Lecture Hall for Dazhai High School. Fuse modern education ideals with low-carbon building technologies to create a new form of campus space and use experience and education to spread low-carbon ideals.



Climate Change

- Assemble Delta employees to take part in coral reef restoration and creation of incubation sites, long-term monitoring, and documentaries on marine protection to save the disappearing biodiversity under warming conditions.



Peace and Justice

- Implement human rights management practices to prohibit forced and child labor.



Partnerships For The Goals

- Use social media to communicate the latest energy and climate information and participate in the United Nations Climate Change Conference for sustainability practices.

6.2 Talent Attraction

6.2.1 Staffing Diversity and Inclusion

In the post-pandemic era, Delta uses digital recruiting channels and adopts a flexible recruiting strategy to convert the original face-to-face recruiting system to a strategy of talent infusion via integrated virtual and real channels. We established a diverse, inclusive and friendly workplace, provide competitive salaries, and develop learning plans. We also regularly conduct the Employee Engagement Survey and related enhancement measures to increase the employee retention rate and develop closer employee relations.

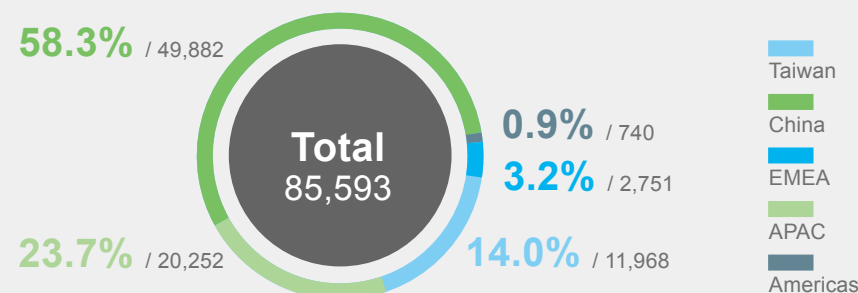
Delta hires local employees in all of its plants and operation sites across the world, and pay attention to the employment opportunities of disadvantaged groups in Delta. As of year-end 2021, Delta directly hires 85,593 employees worldwide in total, including 27,618 Professional, Technical and Management Units personnel, 57,975 operators (including production line assistants). In addition, there are 2,570 workers who are not directly-hired employees^{*1}. Due to the expansion of the manufacturing capacity in Thailand and India in the Asia Pacific, the number of employees increased by 3,307 persons (the growth rate was 19.5%) compared to 2020. The increase in this region was the highest in Delta; it was followed by the increase in the number of employees in EMEA of 225 persons compared to 2020 (the growth rate was 8.9%) and the increase in the number of employees in Taiwan of 460 persons (the growth rate was 4.0%).

Due to factors including the nature of the technology industry and the employment market, most of Delta's management level and technical personnel are males. Nevertheless,

the male to female ratio in our overall manpower is relatively balanced, and we have adopted the direction of staffing diversity as our sustainability strategy. The ratio of female employees among all employees continued to increase to approximately 48.3%, which was a 1.5% increase compared to 2020. Males account for 51.7% of all employees.

As of the end of 2021, we had 1,466 employees with disabilities, which was an increase of 520 employees with disabilities compared to 2020. The main reason was the change in the recruiting policy in Mainland China which increased the number of positions suitable for employees with disabilities and enhanced measures^{*2} for supporting them. Employees of minorities^{*3} accounted for 2,236 persons.

Ratio of Employees by Region^{*4}



*1. In global operation sites, as of the end of the year, the approximately estimated number of workers who are not directly-hired employees includes 993 dispatched employees, 1,567 onsite employees of contractors and suppliers, 10 internships who are not in official internship programs, etc.

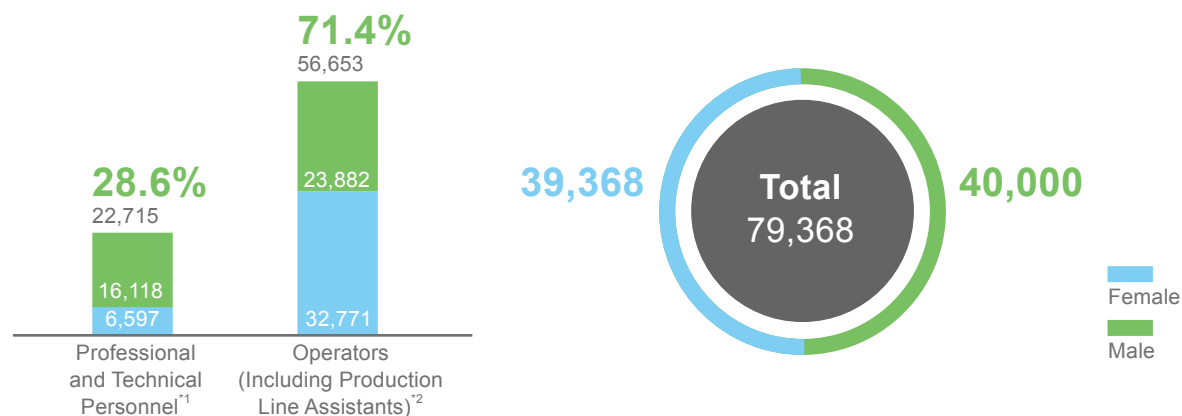
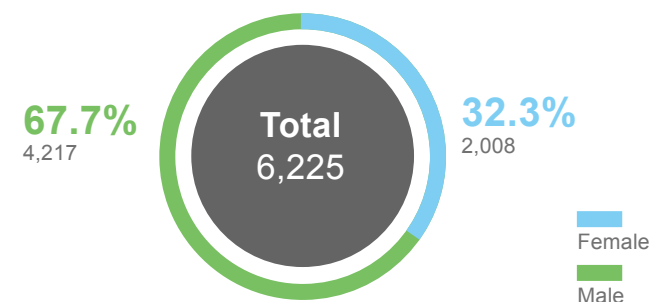
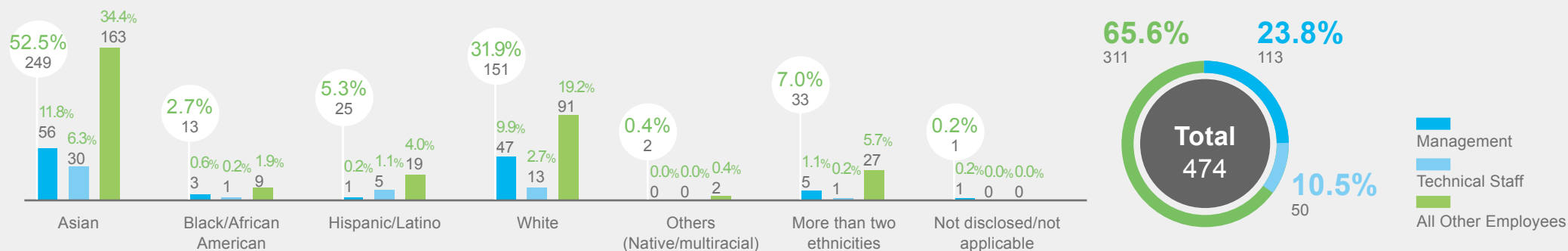
*2. Please refer to the description of support measures in 6.4.2.

*3. Definition of minorities:

- Taiwan: Indigenous peoples of Taiwan totaling 93 persons;
- Mainland China: Non-Han ethnic Chinese peoples totaling 1,821 persons;
- Americas: Native Hawaiian or other Pacific Islander (not Hispanic or Latino), American Indian or Native Alaskan (not Hispanic or Latino), Asian (not Hispanic or Latino), Hispanic or Latino, Black or African American (not Hispanic or Latino) ethnicities totaling 322 persons.

*4. The number of employees in Taiwan includes Delta-hired employees of Delta (Taiwan) and subsidiary Cyntec (Taiwan). The APAC region refers to regions in Asia except Taiwan and Mainland China, including the operation sites in countries of Southeast Asia and Northeast Asia.

Gender Distribution of Non-managerial Personnel

Gender Distribution of Managerial Personnel^{*3}Distribution and Ratio of Employees in the United States by Race / Ethnicity^{*4}

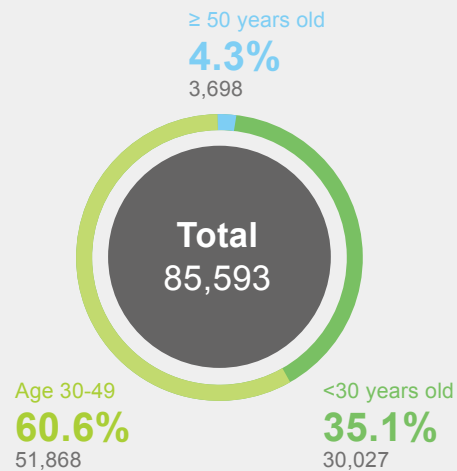
*1. Definitions of Professional and Technical personnel: The administrators or engineers who are directly related to production activities such as quality management administrators, materials management administrators, R&D engineers, sales and marketing specialists, human resources administrators, etc.

*2. Operators (including production line assistants) are defined as: Employees directly related to production activities such as system assembly personnel, quality check personnel, warehouse management personnel, production technicians, etc.

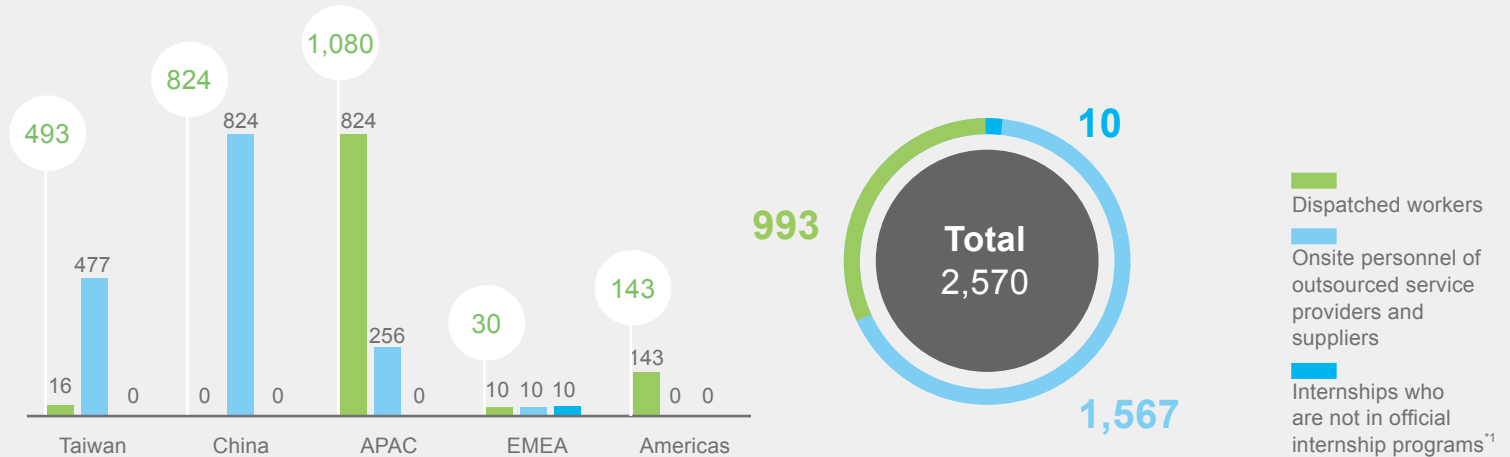
*3. Managerial roles are defined as the supervisors who are responsible for the leadership and management of subordinates.

*4. This table discloses the distribution and ratio of employees in the United States by race/ethnicity in accordance with the SASB Standards. The management is defined in accordance with the EEO-1 Job Classification Guide and include executive/senior level officials and managers and non-executive (senior) management. Technical Staff includes employees categorized in the 15-0000 group (Computer and Mathematical Occupations) or 17-0000 group (Architecture and Engineering Occupations) of the U.S. Bureau of Labor Statistics' 2018 Standard Occupational Classification System. All other employees includes those employees who are not classified as management or technical staff. The "race/ethnicity of employees in the United States" shall be disclosed in accordance with the classification guide in the EEO-1 Survey and include: Asian, Black/African American, Hispanic/Latino, White, Others(Native/Multiracial), more than two ethnicities, or not disclosed/not applicable.

Age Distribution



Distribution of Workers Who are not Directly-hired Employees

Average Monthly New Recruit and New Hire Rate: All Employees by Region, Gender, and Age ^{*2 *3}

| Gender | Age | Taiwan | | China | | APAC | | EMEA | | Americas | | Total | |
|-----------------|-------------------|------------|---------|------------|---------|------------|---------|------------|---------|------------|------|------------|---------|
| | | Head Count | Rate | Head Count | Rate | Head Count | Rate | Head Count | Rate | Head Count | Rate | Head Count | Rate |
| Female | Over 50 years old | 1 | < 0.05% | 0 | 0.0% | < 0.5 | < 0.05% | 1 | < 0.05% | 0 | 0.0% | 2 | < 0.05% |
| | 30 to 49 | 47 | 0.4% | 577 | 1.1% | 176 | 1.0% | 6 | 0.2% | 1 | 0.1% | 807 | 1.0% |
| | Below 30 | 23 | 0.2% | 483 | 1.0% | 429 | 2.3% | 3 | 0.1% | 2 | 0.3% | 940 | 1.1% |
| Male | Over 50 years old | 2 | < 0.05% | 1 | < 0.05% | < 0.5 | < 0.05% | 3 | 0.1% | 1 | 0.1% | 7 | < 0.05% |
| | 30 to 49 | 67 | 0.6% | 794 | 1.6% | 41 | 0.2% | 12 | 0.5% | 3 | 0.4% | 917 | 1.1% |
| | Below 30 | 38 | 0.3% | 1,080 | 2.1% | 85 | 0.5% | 7 | 0.3% | 3 | 0.4% | 1,213 | 1.4% |
| Monthly average | | 178 | 1.5% | 2,935 | 5.8% | 731 | 3.9% | 32 | 1.2% | 10 | 1.3% | 3,886 | 4.6% |

*1. Interns who are not in official internship programs are generally short-term workers during winter and summer vacation.

The turnover rate at Delta in recent years is mainly due to the manpower adjustments of operators and production line assistants as well as natural turnover due to environmental factors, and has consisted mainly of employees in Mainland China. The manpower adjustments are a result of Delta's accelerated upgrade of smart production lines in recent years.

Delta recruited talents with the necessary skills for smart manufacturing and automation operations to replace the natural manpower turnover and increase the value of output per capita and value of output per unit area. Delta will continue to track and increase the ratio of diversity groups and disadvantaged groups in the manpower structure to create a sustainable and innovative culture.

Average Monthly Resigned Employees and Turnover Rate: All Employees by Region, Gender, and Age ^{*2 *4}

| Gender | Age | Taiwan | | China | | APAC | | EMEA | | Americas | | Total | |
|-----------------|-------------------|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|
| | | Head Count | Rate | Head Count | Rate | Head Count | Rate | Head Count | Rate | Head Count | Rate | Head Count | Rate |
| Female | Over 50 years old | 1 | < 0.05% | 2 | < 0.05% | 2 | < 0.05% | 2 | 0.1% | < 0.5 | < 0.05% | 7 | < 0.05% |
| | 30 to 49 | 29 | 0.3% | 415 | 0.8% | 39 | 0.2% | 3 | 0.1% | 2 | 0.3% | 488 | 0.6% |
| | Below 30 | 15 | 0.1% | 394 | 0.8% | 105 | 0.6% | 1 | < 0.05% | 1 | 0.1% | 516 | 0.6% |
| Male | Over 50 years old | 2 | < 0.05% | 3 | < 0.05% | 2 | < 0.05% | 3 | 0.1% | 1 | 0.1% | 11 | < 0.05% |
| | 30 to 49 | 43 | 0.4% | 552 | 1.1% | 18 | 0.1% | 7 | 0.3% | 2 | 0.3% | 622 | 0.7% |
| | Below 30 | 19 | 0.2% | 873 | 1.7% | 27 | 0.2% | 2 | 0.1% | 4 | 0.5% | 925 | 1.1% |
| Monthly average | | 109 | 0.9% | 2,239 | 4.4% | 193 | 1.0% | 18 | 0.7% | 10 | 1.3% | 2,569 | 3.0% |

*2. The calculations of total new recruits and turnover are based on the average monthly number of employees, which is the total annual number of employees in each value divided by 12 and rounded to the nearest integer, excluding the following non-voluntary turnover such as employees who terminate their employment with Delta due to retirement, severance or dismissal in accordance with laws, and the expiration of employment contract or internship program; or Operators (including production line assistants) who have left and not stayed with the Company for more than 30 days since they first joined, or Professional, Technical and Management Units personnel who have left and not stayed with the Company for more than 90 days since they first joined.

*3. Average monthly percentage of new employees = average monthly number of new employees / average number of employees in the year. The average number of employees in the year is defined as (head count at the beginning of the period + headcount at the end of the period)/2. The headcount at the beginning of the period is the head count at the end of previous period (previous year), and is revised based on new plants and changes.

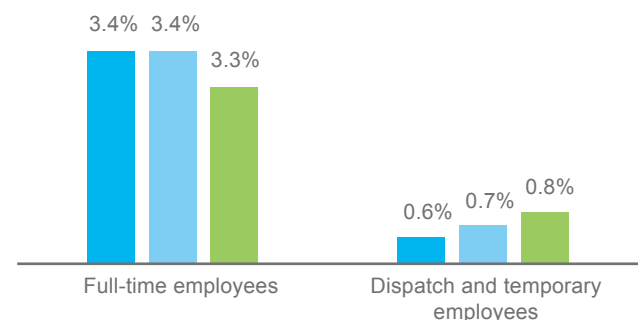
*4. Average monthly turnover rate = average monthly turnover / average number of employees in the year. The average number of employees in the year is defined as (headcount at the beginning of the period + headcount at the end of the period)/2. The headcount at the beginning of the period is the headcount at the end of previous period (previous year), and is revised based on new plants and changes. The number of turnover employees do not include "non-voluntary turnover", which include employees who terminate their employment due to retirement, severance or dismissal in accordance with laws, and expiration of employment contract or internship program.

The main environmental factors for natural turnover include the difficulties for employees in main operation sites in Mainland China to obtain household registration at the place of work, which in turn affects their marriage and childrearing plans. The narrowing gap between urban and rural areas in Mainland China narrows each year has encouraged people to return to their home towns for work. The local labor force of male workers under the age of 30 has shifted from "cross-province movement" to "intra-province movement". In addition, the rise of the gig economy, aging population, and post-pandemic worker shortages across the world also pose critical challenges.

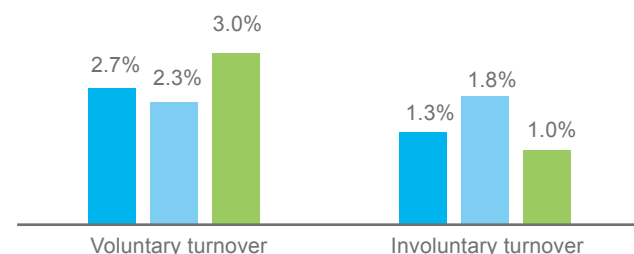
To implement improvements, Delta actively adopts various response measures including review of talent pipeline preparation, enhancement of internal career development opportunities, increase in compensation competitiveness, improvement of the internal workplace and cohesiveness, improvement of the employer brand, and launch of employee caring measures for different sites of operations to attain the sustainability goals for staffing diversity and inclusion.

Analysis of the Turnover Rate in the Past Three Years

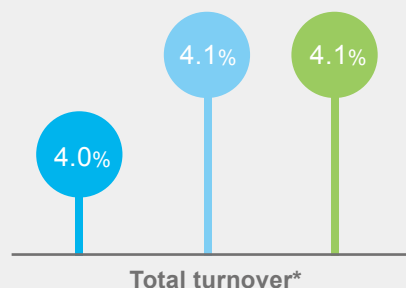
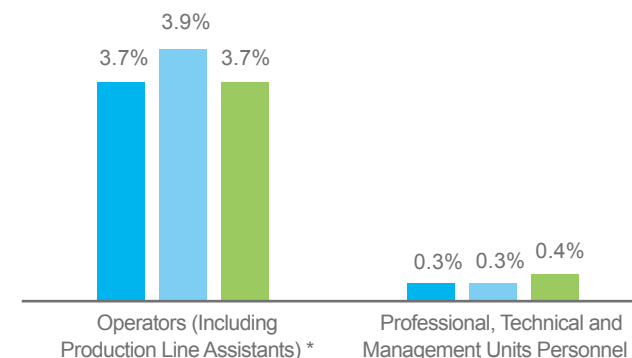
Employment Category



Turnover Category



Direct/Indirect Category



■ Average monthly turnover rate in 2019 ■ Average monthly turnover rate in 2020 ■ Average monthly turnover rate in 2021

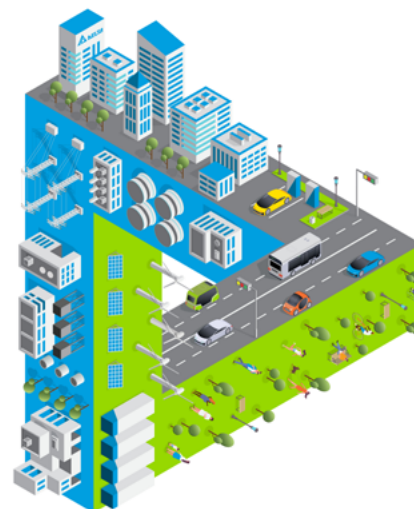
* The scope of statistics of the total turnover is the employees directly hired by Delta and does not include those who have left and not stayed with the Company for a certain number of days. Employees who have not stayed with the Company for a certain number of days are defined as Operators (including production line assistants) who have left and not stayed with the Company for more than 30 days since they first joined, or Professional, Technical and Management Units personnel who have left and not stayed with the Company for more than 90 days since they first joined.

6.2.2 Global Synergy for Attracting International Talents

Delta promoted talent solutions for the post-pandemic era and integrated resources of the industry, government, and academia to organize recruitment activities that integrate virtual and real channels and create a high-quality work environment and competitive salary and benefits which increased the global offer letter acceptance rate* to 82% in 2021, which was higher than that of the previous year.

Integrated Virtual and Real Flexible Recruitment Strategies

- We focused on the sustainable development of talents, enhanced employer branding, and launched a brand-new global recruitment program titled "Keep exploring the sustainable development of your future at Delta" and "R&D Yourself — Self-development at Delta" to promote global employer branding. We also used social media to expand our reach and the target audience. As a result, the number of visitors on fan pages increased from the previous year (33% increase on Facebook and 20% increase on LinkedIn).
- Plants in Taiwan established five Master of Industry Programs with National Cheng Kung University, National Tsing Hua University, and National Taiwan University of Science and Technology and provided scholarships and prioritized hiring opportunities for students with outstanding performance. In addition, the tripartite cooperation between plants in Taiwan and Thailand and National Cheng Kung University, titled the NCKU-Butterfly Program, held a professional industry forum in Taiwan. Plants in Taiwan and Thailand have provided several internship opportunities and provided internship opportunities for students from Cheng Kung University. Plants in India established the University Reserve Cadre Class and recruited 126 employees to ensure that talents are cultivated in key business office regions. Operations in Taiwan, India, and Thailand set up a task force to speed up the expansion of plants in India. Taiwan plants recruited a sizable team to go to Thailand for six months of training before sending them to work in plants in India to ensure the smooth transfer and adoption of manufacturing technologies and experience.



Keep Exploring

Are you seeking sustainable development, both for your career and the environment?

In the past 50 years, Delta has been protecting the environment by developing innovative technologies, while also supporting our team members' holistic self-development.

To do that, we offer rotations on different teams and opportunities to work overseas, meaning you're free to discover infinite pathways as we build a smarter, greener future, together.

With Delta, you'll explore endless possibilities!



*Refer to the "offer letter acceptance rate" in 7.3.

Integrated Online and Offline Simulated Workplace Experience

Delta continues to use digital multimedia technologies to simulate the workplace environment and enhance employer branding:

- **Promotional videos for a diverse range of jobs:** We created core media materials based on job introductions and produced videos in different formats for key positions such as electronics, software, mechanical engineering, and procurement management such as the "Four Steps for Procurement" which have accumulated more than 22,000 views. They have created more dialogue and connections to help students or interviewees learn about Delta's related information more rapidly.
- **Virtual and real dual-track internship program:** We had a total of 141 global interns. In response to the impact of the epidemic. We use digital tools to create work platforms that integrate virtual and real channels so that interns can still experience internship life remotely. Plants in Taiwan and Thailand continue to organize in-person internships and created the first "Cross-Border Intern Pen Pal Project" to help interns in different countries communicate with each other across borders, expand international perspectives, and enhance their language skills. In addition, we also organized the online "Expert Talk" and invited mid-level and senior executives to explain the development prospects of business units, products, and technologies, and help interns gain more in-depth knowledge of Delta. After the end of the internship program, the willingness of interns in Taiwan to join Delta was rated 4.6 points (out of 5).
- **Focus on brand activities:** We used Facebook, LinkedIn, WeChat, TikTok, and YouTube for external communication and use electronic newsletters for internal marketing to create a shared internal and external experience. By using themes such as job changes after the New Year, graduation, pre-hiring for early birds, and work and life balance with internal recommendation mechanisms, the ratio of new Professional, Technical and Management Units personnel recruited through internal recommendation channels reached 22.2%, which was approximately 10% higher compared to the previous year.

Build upon R&D Capacities and Create an Ecosystem for Talents

Delta established joint R&D centers for artificial intelligence, smart manufacturing, electric vehicles, energy storage, and information and communication technologies with renowned domestic universities to expand innovation and increase R&D capacity. In 2021, Delta worked with more than 30 professors and 140 graduate students in 31 research programs. We have invested an average of more than each year to create an environment similar to that of the industry on campus staffed by Delta personnel. The environment ensures that industrial and academic developments are on the same track and the R&D centers also serve as internship sites for students on campus to help students grasp key competitiveness for the future. The programs included the Joint R&D Center established by Delta and National Taiwan University of Science and Technology, which received subsidies of the AIR Center (Academia-Industry Research Center) Project of the Ministry of Science and Technology.

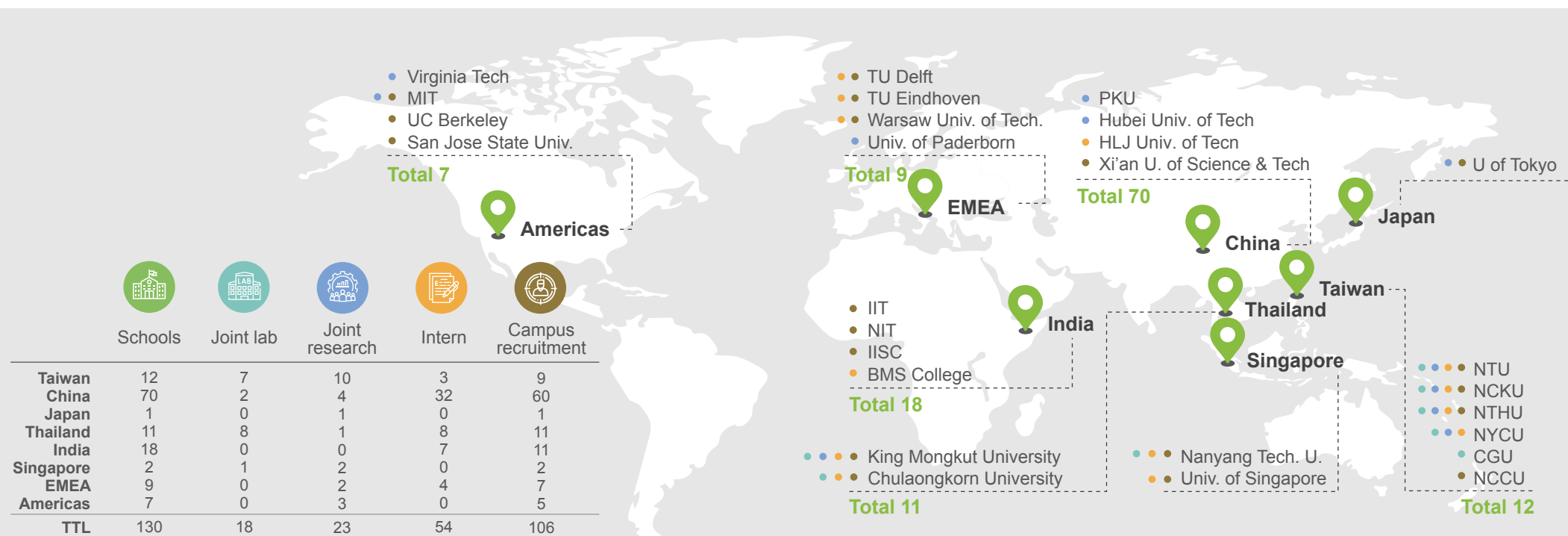
Delta also provided R&D scholarships, overseas internship opportunities, and favorable salary offers for talents to attract students with high potential to join the R&D Center. We create Master of Industry Programs with different schools to train students with industrial and academic projects of the R&D Center. In 2021, Delta and National Cheng Kung University set up the "Academy of Innovative Semiconductor and Sustainable Manufacturing" and plan to invest NT\$10 million each year (equivalent to 36.15 thousand USD*) for 12 consecutive years to train key talents for smart manufacturing in the Academy.



Overview of Joint R&D Centers Established with Top Universities:

| Industry-academia program | Partner institution | Partner department | Target candidates | Resources committed | Partnership overview |
|---------------------------|---|--|---|--|--|
| Joint R&D center | <ul style="list-style-type: none"> National Taiwan University, National Tsing Hua University, National Cheng Kung University, National Taiwan University of Science and Technology, National Taipei University of Technology | <ul style="list-style-type: none"> Department of Electrical Engineering, Department of Computer Science and Information Engineering, Department of Mechanical Engineering | <ul style="list-style-type: none"> Undergraduate students, Graduate students, Students of Master of Industry Program | <ul style="list-style-type: none"> Investment of NT\$100 million (equivalent to 3.615 MUSD) into the R&D partnerships each year Investment of NT\$300,000 (equivalent to 10,000 USD) for each of the 15 students of the Master of Industry Program | We conduct joint research on related R&D topics with professors and students. We also recruit students of the Master of Industry Program and provide them with R&D scholarships. |

Institutions in Delta's Global Industry-Academia Collaboration



Create an Employer Brand with Multiple Global Honors

Delta received multiple awards across the world in 2021 as a result of our continuous investments in employer branding, and the most iconic awards are listed below:

- ★ Selected for the DJSI World Index for the 11th consecutive year and the DJSI Emerging Markets Index for the 9th consecutive year with a perfect score in the Global Electronic Equipment, Instruments and Components Industry category for social development, including a perfect score for "talent capital development" and the highest score for "talent attraction and retention."
- ★ Rated among the "Top 30 Most Attractive Employers - Engineering & IT" in Taiwan by the renowned international employer brand research organization "Universum".
- ★ Received the "LinkedIn Top Talent Team Award" from LinkedIn, the global social media platform of professionals.
- ★ Received two Gold Awards for "Asia Recruitment Award – Best Graduate Recruitment Program/Best Internship Program" from "Human Resources Online", the authoritative human resource institution in Asia.
- ★ Constituent of the Taiwan High Compensation 100 Index.
- ★ Received the "HR Asia Awards — Best Company to Work for in Asia" from Business Media International, Asia's leading tech business-to-business publisher.
- ★ Outstanding Management Award from China Harvard Business Review.
- ★ Received the "Model Employer in China Award" presented by the Chinese human resources service provider "51 Job".
- ★ Received the "2021ai Quality Workplace Model Enterprise Award" organized by People's Daily Shanghai, CIIC Shanghai, and CIIC Guanaitong for the second consecutive year.
- ★ Selected for the "Top 100 Most Desirable Companies Among the Young Generation" organized by "Cheers" Magazine for 10 consecutive years and improved ranking to 11th from 2020.
- ★ Selected as one of the Top 10 "Most Desirable Companies Among Graduates" in the survey organized by the "yes123 Job Bank" of Taiwan.

Precision Recruitment 2.0 with Smart and Upgraded Processes

Delta developed its own smart recruitment system to rapidly screen large quantities of resumes and reduce the time required for recruitment. We increased the resume screening's precision this year and expanded it for use in other roles. The results at this stage are as follows:

Increased recruitment efficiency

With process integration, form optimization, and process streamlining, the average number of days required for recruitment for each position (from the recruitment approval to the issuance of acceptance letters) was reduced from 46 days before the introduction of the system to 25 days in 2021.

System expansion applications

We used algorithms and trained resume screening modules which were expanded from 10 to 19 job categories. We also continued to increase the precision of resume screening. According to data from the latest models after the adjustment, the overall resume recommendation accuracy rate increased to 49%.

6.2.3 Competitive Employee Compensation and Benefits

Overall Remuneration Superior to Standards in the Tech Industry

Delta offers competitive compensation structures to recruit and retain high-quality talents. We also incentivize employee performance and adopt reasonable connections between the Company's business performance and employee salaries, and implement dynamic adjustments based on talent requirements as well as supply and demand.

Performance and Compensation of the Senior Management Team

The salary structure of senior managers is highly correlated to the Company's performance. The Company determines the managers' salary proposals in accordance with the Company's performance indicators and submits the proposals to the Remuneration Committee for review and to the Board of Directors for resolution. In 2021, we included the achievement rate of the RE100 initiative as a performance indicator for the top executives in each region, and it accounted for 5% of the total score. The ESG indicators of the Chairman's performance indicators included DJSI, CDP, MSCI ESG with a weight of 15% and RE100 Initiative achievement rate with a weight of 15%. The results will be reviewed by the end of 2022. The CEO's total compensation was approximately 2,134,014 USD. The ratio of the annual salary of the CEO and the median salary of all employees^{*1} except CEO of 12,234 USD is approximately 174 to 1.

Long-term Retention Plans for Key R&D Talents

The Company has adopted special retention measures for key R&D personnel around the world based on local market conditions. The Shanghai R&D and Sales Teams provided a salary structure adjustment in 2021 for employees ranked specialists and above by changing parts of the variable salary to fixed salary and offering special retention incentives. Operations in India and Europe also offer retention incentives for key R&D personnel to maintain the competitiveness of salaries.

Increasing Salaries in Manufacturing Plants

In April 2021, Delta implemented annual salary adjustments based on the performance of all employees, with 6% to 8% in plants in Mainland China and 3% to 5% in the other plants. Besides fixed monthly wages/salaries, employees in Taiwan are eligible for three major bonuses including year-end bonuses, performance-based bonuses, and profit-sharing. To retain employees with outstanding performance and recruit talents, promote organizational expansion, and enhance transformation and technology improvements, the Company provided a salary structure adjustment in 2021 for employees ranked specialists and above by changing parts of the variable salary to fixed salary and providing salary adjustments based on their performance for the year. The average increase was 9% to 15%.

Production plants in Dongguan, Wujiang, Wuhu, and Chenzhou provided a salary structure adjustment in 2021 for OPs, converted quarterly and annual bonuses to monthly salaries, and increased the subsidies for evening shifts. In addition, the basic salaries of production plants in Dongguan, Wujiang, Wuhu, and Chenzhou are superior to those required by local regulations.



*1. All employees' annual salaries refer to the actual salary amount for the current year paid to all employees, and include the basic monthly salary, fixed cash remuneration, bonuses, and cash dividends.

Flexible Benefits for Foreign Assignments Make Assignments More Attractive

In response to the continuous expansion of the organization across the globe, the Company implements the following global manpower development and employee assignment measures:



We review the allowances and benefits for employees assigned overseas to ensure that they meet market rates. We provide overseas assignment subsidies and subsidies for transportation and accommodations as well as education subsidies for their children in certain regions and countries to increase employees' willingness to take overseas assignments, facilitate the movement of talents, and help employees assigned overseas to work without worries.



We provide employees and their family members with comprehensive group insurance and 24-hour international medical assistance services.

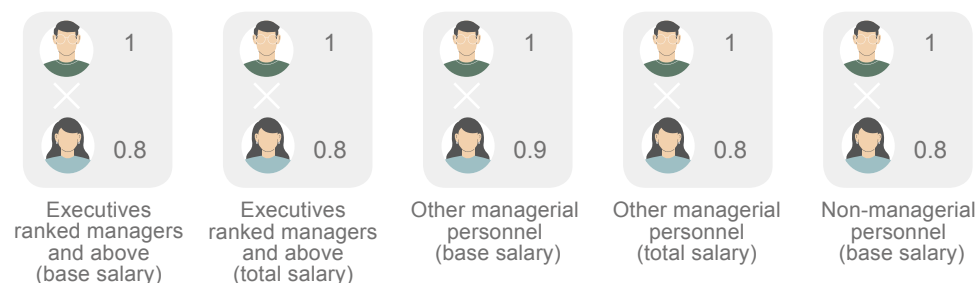


We increased the hardship allowances for areas with lower living standards. We increased the allowances for assigning employees from plants in Mainland China to India, and increased the allowances for assigning mid-level managers from Taiwan to Mainland China. We also increased insurance coverage for employees assigned to plants in Thailand.

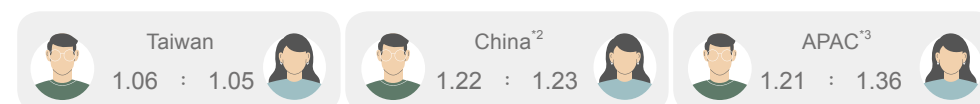


As risks of the COVID-19 epidemic rose, we further increased the allowances for employees assigned to plants in India to support employees' relocation across borders despite pandemic risks.

Annual Remuneration Ratio across the Globe by Gender



Comparisons of Salaries of Operators (Including Production Line Assistants)^{*1} and Local Minimum Wages in Major Manufacturing Sites across the World



Male and Female Ratios of Average Annual Salary^{*4} in Major Manufacturing Sites Worldwide



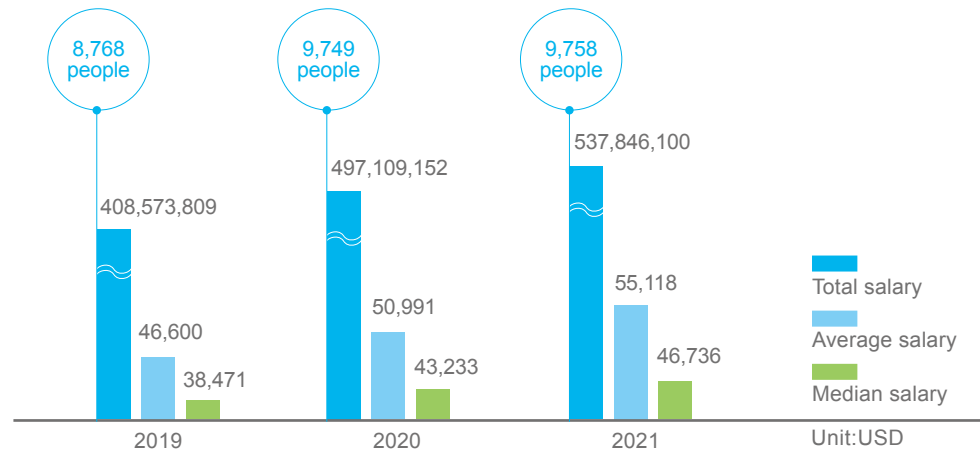
*1. The salary of OPs (including production line assistants) is defined as "average monthly salary of Delta OPs (including production line assistants) in the region."

*2. The minimum wage in Mainland China is different for each province and city. Therefore, the average minimum wage for male and female OPs is used as the basis for calculation.

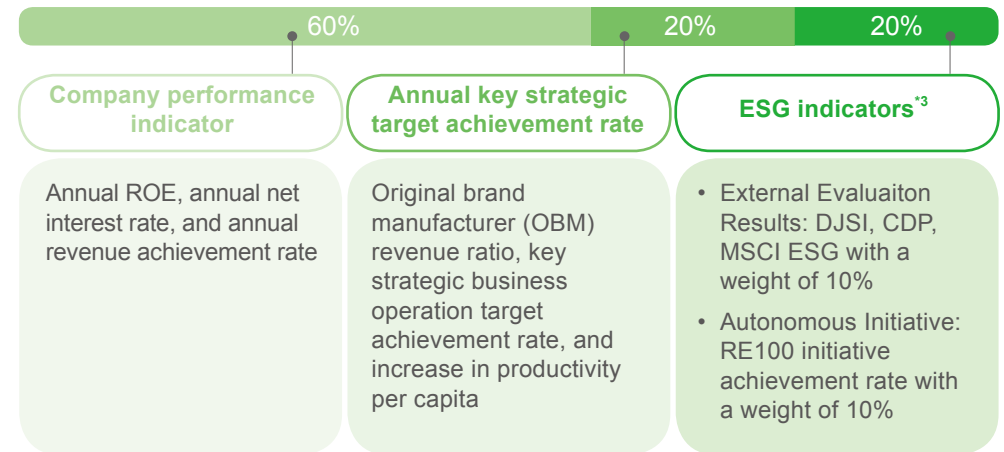
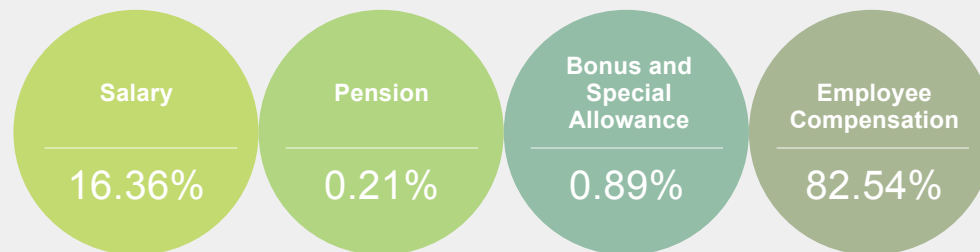
*3. The manufacturing sites of APAC(Asia Pacific) region includes the plants in India and Thailand.

*4. The employees' annual salaries include the basic monthly salary, fixed cash remuneration, bonuses, and cash dividends.

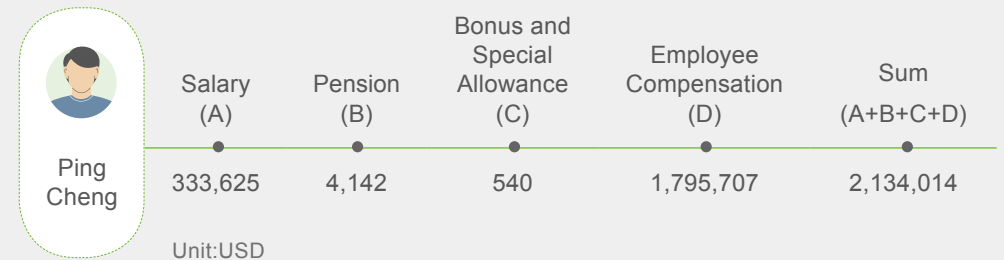
*5. The manufacturing sites of APAC (Asia Pacific) region includes the plants in India and Thailand.

Salaries for Full-Time Employees in Taiwan^{*1,2} Who are not in a Management Position

Senior Management Performance Evaluation Considerations of 2022

Remuneration of President and Vice President^{*4}

CEO's Individual Remuneration in 2021



*1. Full-time employees who are not in a management position: All employees minus managerial officers, directors who serve concurrently as employees, employees of overseas branches, and employees on reduced hours.

*2. The information is disclosed in accordance with the "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies" promulgated by the Taiwan Stock Exchange. The information was audited by PwC Taiwan.

*3. The ESG indicators stated in the above table applies to the Vice Chairman, CEO and COO. The ESG indicators of the Chairman's performance indicators include DJSI, CDP, MSCI ESG with a weight of 15% and RE100 initiative achievement rate with a weight of 15%.

*4. The statistic scope is the remuneration of the Chairman, Vice Chairman, CEO and Vice President of the Business Strategy Administrators Committee at the end of 2021. Committee members are Yancey Hai^{*5}, Mark Ko, Ping Cheng and Simon Chang. The percentages were calculated with the sums of the 4 persons' each remuneration items divided by the total amounts of each items.

*5. Mr. Yancey Hai completed his retirement on July 30, 2021 and changed his status to a non-employee. The disclosed amount was Mr. Yancey Hai's remuneration amount up to the date of his retirement.

Benefit Plans Superior to Legal Requirements

Delta provides a diverse and flexible benefits system for employees to achieve balance between work and life, focus on their work, and stay on the job for long-term development. The measures implemented in business locations that are superior to regulations are specified in the table below.

Measures Superior to Regulatory Requirements

Taiwan

Manufacturing plant / Taiwan

| | |
|---------------------------------------|---|
| Travel leave | Employees also enjoy an additional 7 days of leave arranged by the Company. Parts of the 7 days of leave are paid holidays for which the Company provides travel subsidies. |
| Paid sick leave/personal leave | Those above specified ranks enjoy 30 days of paid sick leave and 14 days of paid personal leave. |
| Health examinations | Employees older than 50 (inclusive) receive one general health examination once every year and other employees receive one health examination every two years paid by the Company. Those above specified ranks enjoy high-level health examinations. |
| Group insurance | Employees and their spouses and children are provided with comprehensive group insurance paid by the Company. |
| Business travel insurance | Employees enjoy business travel insurance for business trips including travel insurance and travel inconvenience insurance. |
| Other benefits | The Company provides birthday gift money, marriage gift money, childbirth subsidies, and funeral subsidies. |

China

Manufacturing plant / R&D and sales operations

| | |
|--|--|
| Commercial insurance | The Company provides comprehensive commercial insurance coverage. |
| Reimbursement of medical expenses | Employees and their children may apply for reimbursement of certain medical expenses for items that are not reimbursed by medical insurance. |
| Employee health examinations | Regular health examination paid for by the Company every two years. |
| Other benefits | The Company provides travel subsidies, marriage and childbirth gift money, funeral subsidies, and hospitalization subsidies. |
| Manufacturing plant / Manufacturing plant | |
| Overtime pay | OPs on the production line receive more favorable overtime pay calculation than those specified in the Labor Standards Act. |
| Family reunion leave | Employees assigned overseas have 10 days of paid family reunion leave each year. |
| Paid annual leave | Employees who have worked at Delta for more than one year have 10 days of paid annual leave each year. |
| Paid sick leave/personal leave | Those above specified ranks enjoy 14 days of paid sick leave and 14 days of paid personal leave. |
| Male employee paternity leave | Male employees receive childbirth subsidies under social insurance and salary for paternity leave. |

Encouraging Long-term Retention through Long-term Incentive Measures

Delta Encourages Employees to Stay with the Company

- The Company established long-term incentives to retain key talents, encourage employees, and increase employee morale. We also calculate the number of shares allocated to employees based on the Company's business performance, employee performance, and the stock prices of the current year. We then convert the bonus to cash based on the stock price in the year of distribution.
- We plan diverse long-term talent retention measures and create an environment for long-term development. We also identify and track young recruits with potential through our talent management mechanism and pay attention to their development potential within our businesses. Delta also encourages employee participation through the annual Delta Innovation Awards to generate an innovative spirit within the Company.

Stable Pension Provision Plan

Plants in Taiwan process retirement applications and pension provision standards in accordance with the Labor Standard Act and Labor Pension Act. The Company appoints an actuary to submit an actuarial report on the labor pension preparatory fund each year and appropriates pension under the old system to the Trust Division of the Bank of Taiwan. After the launch of the new labor pension system, we allocate 6% of the employees' monthly salary to their personal pension account under the new system. Employees may apply for retirement once they meet legal retirement conditions. Pensions for overseas subsidiaries, branches, and affiliates use the defined benefit plan. Social security funds including pension and healthcare are filed each month in accordance with regulations of local governments.

6.3 Talent Learning Development

Delta has concentrated efforts on the digitalization of courses across the globe in recent years to ensure that learning is not interrupted by restrictions such as time, location, and the pandemic. Certain in-person courses were replaced by online courses. To ensure the effectiveness of online learning, the number of course hours was reduced, and the average training hours per person for the year also decreased.

Global Average Training Hours per Person, Total Hours, and Total Expenses in 2021^{*1}

| Classification | | Taiwan | China | APAC | EMEA | Americas |
|--|--|-------------------|-------|------|------|----------|
| Gender | Male | 12.5 | 15.0 | 8.7 | 7.3 | 6.7 |
| | Female | 6.1 | 16.9 | 8.3 | 7.7 | 6.0 |
| Employee Type | Operators (Including Production Line Assistants) | 2.6 | 15.7 | 7.8 | 8.6 | 1.2 |
| | Professional, Technical and Management Units Personnel | 13.2 | 15.7 | 11.1 | 7.1 | 7.2 |
| Managerial Non-managerial | Senior Level | 15.7 | 11.4 | 21.2 | 5.5 | 7.3 |
| | Mid-level | 18.1 | 14.2 | 11.6 | 7.8 | 12.9 |
| | Junior Level | 7.1 | 12.0 | 14.4 | 6.0 | 1.0 |
| | Non-management | 9.1 | 15.8 | 8.2 | 7.4 | 5.6 |
| Age | ≥ 50 Years Old | 9.2 | 7.4 | 7.5 | 4.9 | 8.3 |
| | Age 30-49 | 10.2 | 16.2 | 8.2 | 8.1 | 4.6 |
| | <30 Years Old | 9.6 | 15.3 | 8.6 | 10.9 | 7.4 |
| Global Total Training Hours | | 2,013,874.7 hours | | | | |
| Global Average Training Hours per Person ^{*2} | | 13.6 hours | | | | |
| Total Expenses | | 1,400,943 USD | | | | |

*1. The main components of the training fee are the teacher's hourly fees, education material fees, and lecturers and employees' travel fee for training. The fee does not include the cost of time for training across the globe. The total training cost is calculated based on the exchange rate of each currency to the US dollars defined internally on Dec 31, 2021.

*2. According to the global training records, global average training hours per person in 2021 = total training hours in 2021 (2,013,874.7 hours) / total number of individuals employed by Delta in 2021 (148,518 persons). Average training hours per person in each classification = total training hours in the classification / total number of individuals employed in the classification. For example, the average training hours for the male in Taiwan = total training hours of male in Taiwan (106,286.4 hours) / total number of males individuals employed (8,477 persons)

6.3.1 Pipeline Readiness and Transformation Drivers

Advanced Preparation of Global Organization and Management Mechanisms

To achieve 2030 business targets, Delta redesigned and published the organizational hierarchy, key positions, and performance evaluation mechanisms in 2021. In terms of organizational management, we have clearly defined the global organizational structure into five levels so that we have consistent standards for talent management and development in all regions. To accelerate company's growth, the Presidents of Business Groups focus on the development of new businesses for the future, and we added Vice Presidents of Business Groups under their jurisdiction to enhance current operations and management.

We have established peer performance evaluation mechanisms for managers of different departments to improve the overall efficiency of the organization and we ensure close connection between the results and compensation. We also upgraded operations in India to the sixth major region of operations for Delta to grasp market opportunities and assist the stable growth of the global supply chain.

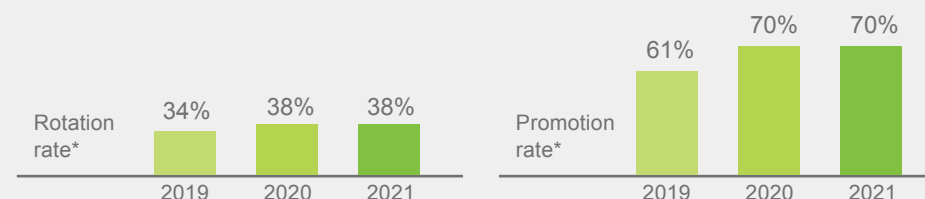
Selection of Solution Business Talents as Transformation Drivers

Solution business are important development strategies of the Company. This business model focuses on becoming business consultants for customers. Delta planned a 3-year development project and selected dozens of young talents across the globe in 2019. We organized related development activities for enhancing "interdisciplinary skills" and "sales and marketing skills". In 2021, we focused on enhancing our business sales negotiations and consultative sales capabilities through online exercises in business negotiations and experience sharing by senior employees across the globe to help our talents understand customers. The satisfaction rate of the activities was 4.5 points (out of 5). As of the end of 2021, 48% of the talents were rotated to solution business teams or promoted to managerial roles in related teams.

Continuous Development of the Pipeline Talents Readiness

The management and senior executives convene meetings of the Leadership Development Committee (LDC) once every six months for talent development plans and pipeline talents readiness review from the business strategy and enterprise development perspectives to facilitate rotations and overseas assignments and increase the talent readiness for key positions. The LDC model of the headquarters was successfully duplicated in Business Groups and regions that formed their own Talent Development Committee (TDC) to accelerate their talent readiness.

Key talent development status in the last 3 years



*The rotation and promotion rates are average values in the past 3 years

Open Recruitment and Selection of New Business Talents to Power Future Growth

New Business Development (NBD) has become one of the most important strategies for the growth of Delta. We developed the 3-year "NBD Leader Incubation Program" in 2021. The first round of the program is an open recruitment process with a 3-stage selection process, followed by training and development activities. The goal is to ensure that project talents can be rotated to NBD or promoted to managerial roles in the NBD team. During the open recruitment period, two online forums were held by the CEO, COO, and NBD executives, and more than 900 employees attended the forums. More than 200 employees have applied for the training program.

6.3.2 Key Learning Programs and Diverse Learning Resources

Focus on Leadership Professionalism, Sales & Marketing



Leadership

- Adjusted the leader quality to align with company's transformation strategy.
- Redesigned managerial training framework, 360-degree evaluation questionnaire, and performance evaluation of manager.
- Encouraged managers and above to record at least one e-learning course or lecture for 3 hours each year. The global achievement rate was 90.1% in 2021.



Professionalism

- We formed 11 Global Training Committees based on the job categories that are highly relevant to the Company's competitiveness based on Delta's requirements for transformation and the results of the 2020 Employee Engagement Survey. These include global supply chain, quality management, information management, human resources, power and electronics, software and firmware, mechanical engineering, business marketing, global manufacturing, finance, and legal affairs. Functional senior managers serve as global managers of individual job categories to define the professional functions of each job category and promote learning maps. We target 92% of employees to enhance competitiveness across the board.
- Defined 1,143 courses in 2021 and offered 238 hours of courses for 3,221 participants.
- Adopted the "Digital Twin" program as operations in different regions responded to the needs for digital transformation and automation development. For instance, we organized the FlexSim training from basics to actual operations in Thailand to enhance employees' skills. We also organized internal competitions and voted on best-practice projects to encourage employees to continue to enhance their system simulation skills.



Sales & Marketing

- Responded to the strategic direction of solution businesses as the Global Business Marketing Committee reviewed global resources and developed 28 common courses based on common competencies that must be strengthened in the sales process in each region.
- Established a sales enablement community in the Delta Management System (DMS) to help employees familiarize themselves with products in different fields and enhance their ability to provide effective solutions.
- We launched the Delta "Cloud Academy" online learning platform in Mainland China to provide online courses to employees as well as customers and channel partners. We launched 197 new courses in 2021 and added 12,597 registered users (424% growth) as well as 151,485 visits (14% growth).



Delta's comprehensive learning & development mechanism and practices won the following honors in 2021:

- Received the Best HR Team Award for Greater China for 2021.
- Received the Silver Award in the Brandon Hall Groups HCM Excellence Awards - Best Learning Team.
- Received the Silver Award in the Brandon Hall Groups HCM Excellence Awards - Best Use of Video for Learning.
- Received the Silver Award in the Brandon Hall Groups HCM Excellence Awards - Best Unique or Innovative Talent Management Program.
- Received the HRTech China - 2021 Employee Growth and Experience Award.
- Received the Thailand Best Employer Brand Award 2021 – Excellence in Training.

Delta provides diverse learning channels to enhance employees' knowledge and skills

Delta provides diverse learning channels. To support digital transformation, Delta actively promotes global online learning resources and continues to optimize the Delta Academy e-learning platform and DMS knowledge management platform.

In 2021, Delta Academy extended to five new areas, all of these efforts resulting in a 56% increase in the number of individual users of the platform compared to the previous year to 50,963 (34% of the number of employees in 2021) and accumulated 193,745 people completed the e-learning courses (87% increase compared to the previous year). Among the users, production line personnel accounted for 56% and non-production line personnel accounted for 44%. Delta Academy aims to support the needs for learning of different recipients. In 2021, e-learning courses for all fields progressed quickly and the quantity increased rapidly. We provided approximately 2,866 courses without repetitions (90% growth rate) and professional courses increased by 46% (approximately 400 courses) compared to the previous year.

In 2021, DMS focused on the establishment of department knowledge centers. It sorted the different phases of work, key activities, and knowledge points based on the knowledge management approach and applied the knowledge analysis and decision support tools to preserve key knowledge in a standardized and systematic manner. In terms of knowledge applications, we launched the Products & Solutions Library Beta and Sales Enablement v3.0 to provide employees with quick access to product and solution knowledge and cases. Overall, the number of users increased by 28% and the number of

communities reached 2,442 in 2021 with an increase of 35%. The 2021 KM Contest brings together employees' achievements in the areas of technology research, product design/development, manufacturing, and sales. It also helped similar departments learn from each other's experiences.

Delta Taiwan launched the unconventional Delta Book Club and Delta Podcast in response to the impact of the pandemic. The Delta Book Club activities are held online. Employees participating in the activities can take part in the introduction without having to complete the reading in advance. The overall satisfaction rate of the nine activities was 4.67 points (out of 5). The Delta Podcast is updated every week with content from four major themes including "Heartfelt Messages of Famous People, Time for Audiobooks, Kaleidoscope of Life, and Self-Growth". Delta incorporated learning into the program and connected it to training and employee relations. Employees responded enthusiastically and the shows were played 5,222 times totaling 2,001 hours. We also attracted 501 autonomous learners*.



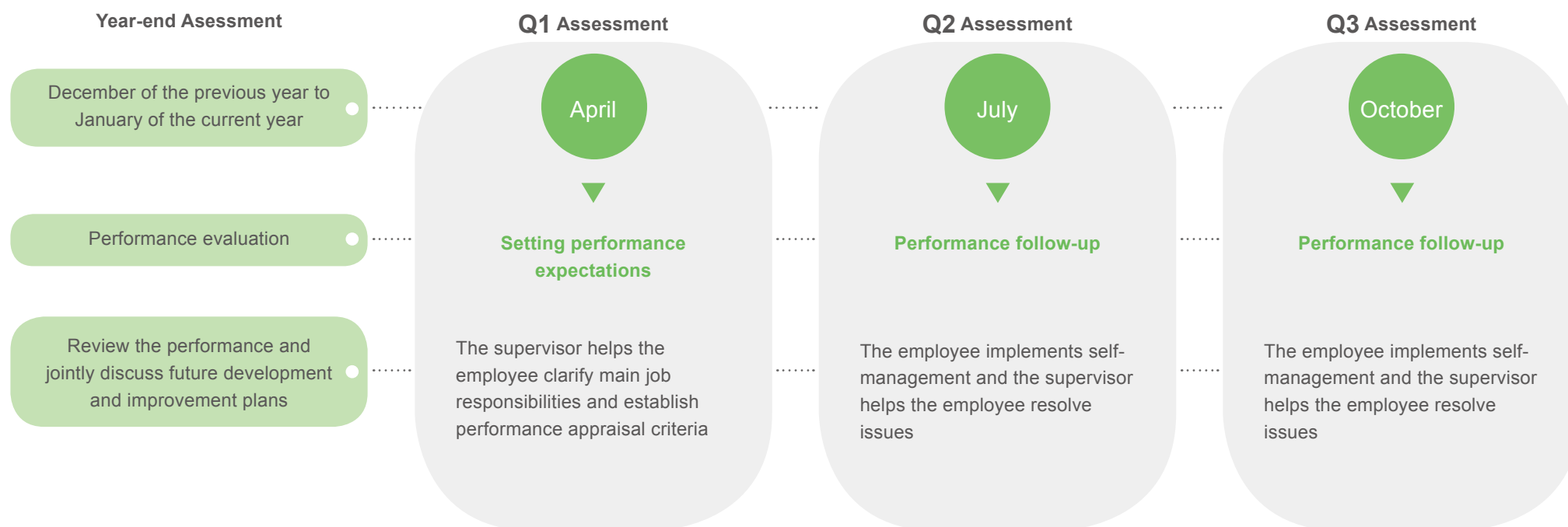
* Autonomous learners refer to users of the e-learning platforms who voluntarily take non-mandatory courses.

6.3.3 Performance Feedback and Development

Our performance management is based on annual and quarterly evaluations of individual performance indicators (IPI) as well as the shared values and competencies (CPI), which provide continuous feedback to ensure that targets are met. Employees can use the system to initiate or provide work evaluation at any time to request approval and recommendations from others through interactions. Supervisors can also conduct comprehensive evaluation and management of talents to promote a positive performance-based culture. All performance records serve as an important reference for employees'

training and career development accordingly. The Company arranges career development based on the skills and preparedness of employees and strengthens capabilities for control of business operations which in turn improves overall performance of the organization. Delta uses comprehensive performance management to closely integrate the goals of the organization and individuals with talent development, and jointly pursue performance improvements for the Company.

Performance Management Procedures for Delta Employees



6.3.4 Employee Engagement Survey Optimization Actions

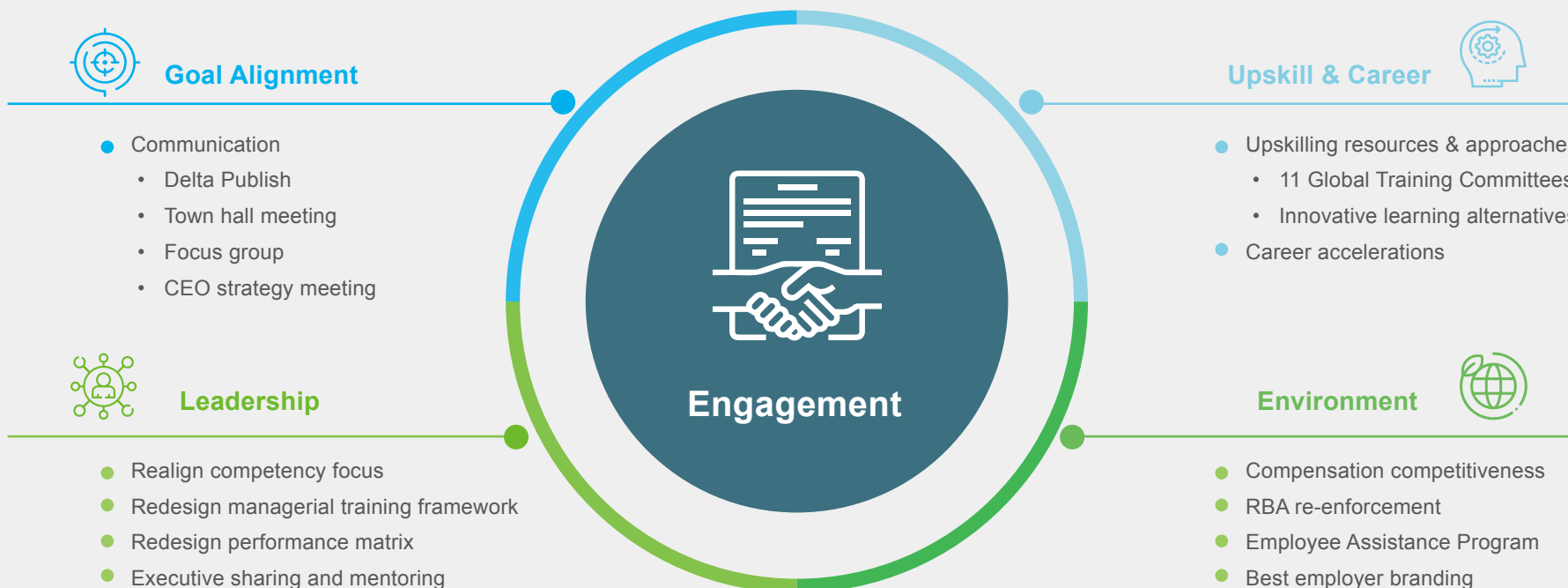
Delta organizes the Global Employee Engagement Survey once every two years and takes action plans based on the important issues in the survey results to increase employees' approval. We made significant progress based on the survey results in 2020 and we optimized resources for the company's future transformation in 2021 with four major strategies including strategic goal alignment, upskill and career support, leadership development, and work environment improvements to help employees continuously strengthen their skills and work together for the sustainable development of the Company.

The presidents of all regional operations and business groups have strengthened their communication with employees in accordance with this strategy. Since supervisors

are critical for employee engagement, Delta adjusted its Leader Quality and designed corresponding courses and connect performance results with requirements for supervisors. Delta Global Training Committee encouraged employees in different fields to enhance their professional skills.

Delta also designed key talent development programs to accelerate the development of employees of all levels. To optimize the work environment, Delta continues to strengthen and implement the RBA policy to create a zero-discrimination employment environment. Delta adjusted salary structure in 2021 and organized employee relationship activities to increase employees' solidarity and identity and create a better employer brand.

Action Plans for Improving the Employee Engagement Survey



6.4 Human Rights Protection

6.4.1 Human Rights Risk Identification and Assessment

Delta implements human rights risk identification each year and implements compliance self-examinations for plants and third-party assessments for identified human rights risks. We take mitigation and corrective measures and implement continuous improvements based on the results of risk assessment and internal and external audits to ensure risk management. Plants in Taiwan and China conduct internal reviews which mainly include the self-inspections of plants, HR reviews on-site, and employee interviews.

Human Rights Due Diligence Investigation and Mitigation Measures: Totally Six Operation Sites Having Mitigation Measures Respectively

| Revisit human right policies | | Identify parties concerned | Assess management risks | Take risk mitigation measures | Track improvement regularly |
|---|---|----------------------------|---|-------------------------------|-----------------------------|
| Topics of Concern | Targets and Actions | | Management and Mitigation Measures | | |
| Freely Chosen Employment and Prohibition on Forced Labor | <ul style="list-style-type: none"> ✓ Revisit the Human Rights Policy, Code of Conduct, and Recruitment and Hiring Management Regulations to allow freely chosen employment and prevent non-voluntary labor services ✓ Regulate and promote freedom of movement policies in the workplace ✓ Establish a policy for requiring zero payment from foreign migrant workers ✓ Prohibit the employment of child labor | | <ul style="list-style-type: none"> • Strengthen human rights management and provide free access to the work premises • Optimize recruitment procedures and ensure the signature of the employment agreement • Delta optimizes migrant worker hiring procedures and management matters and implements the zero-payment policy • Prohibit the employment of child labor and check the age documentation of new recruits • Reimburse the health examination fees to newly onboard employees | | |
| Wages and Benefits | <ul style="list-style-type: none"> ✓ Comply with all compensation laws, including minimum wage, overtime and mandated benefits. ✓ Ensure that workers are paid for overtime hours with a pay rate higher than the regular hourly rate. ✓ Wage deductions shall not be used as a disciplinary measure. ✓ Provide comprehensive payroll information for each payroll period. ✓ Hire temporary and dispatched workers and outsource labors in accordance with local laws. | | <ul style="list-style-type: none"> • According to the laws of certain regions, the salary of the resigned personnel must be paid within the day of the termination of the labor relationship • Pre-confirm employees' consent to the local social insurance payment base • Improve the accuracy of payroll statements and insurance processes | | |

| Topics of Concern | Targets and Actions | Management and Mitigation Measures |
|--|---|---|
| Staffing Diversity and Anti-discrimination | <ul style="list-style-type: none"> ✓ Respect religious freedom and establish application procedures for employees' religious venues ✓ During the process of M&A projects, actively identify whether the target company has human rights risks such as gender/racial/religious discrimination | <ul style="list-style-type: none"> • Hire more aboriginal employees and provide 3 days of annual festival leave which is better than the law • Update the process for employees to apply for religious venues • Care for the human rights of foreign migrant workers |
| Work Hour Management and Equal Pay for Equal Work | <ul style="list-style-type: none"> ✓ No difference in salary due to gender, age, race, etc. ✓ Implement appropriate working hours that account for the physical and mental health of employees, manage overtime work hours, and regularly promote the publicity of working hour regulations | <ul style="list-style-type: none"> • Improve the application process for revising the record of dismissal after employees leave the factories late for being delayed due to personal affairs • System alerts and control over overtime work hours and work days • Ensure reasonable manpower planning, work hour control and leave days scheduling • Develop motivation measures to encourage employees to increase work productivity |
| Freedom of Association | <ul style="list-style-type: none"> ✓ Create an environment with freedom of expression and communication and provide employees with the legal right to establish, join, or refuse to join any associations or group agreements | <ul style="list-style-type: none"> • Amend the RBA manual to clearly state that "all personnel have the right to freely join or organize labor unions, and labor unions may conduct collective negotiations with the company on behalf of their members" |
| Sexual Harassment Prevention and Unlawful Infringement in the Workplace | <ul style="list-style-type: none"> ✓ Headquarters issues written statement for workplace violence prevention ✓ Create a friendly workplace environment and set up sexual harassment grievance hotline, mailbox, and heartwarming delivery services ✓ Establish global whistleblowing management mechanisms ✓ Establish procedures for processing and investigating unlawful infringement in the performance of duties | <ul style="list-style-type: none"> • Produce online courses for sexual harassment prevention and track the training completion rate • Organize training for prevention of unlawful infringement and sexual harassment in the workplace • Amend Taiwan region's policy of the management of unlawful infringement and sexual harassment in the workplace, and regulate the settlement procedure for the cases in which the appeal committee has not been convened |

2021 Human Rights Management Achievements

| Employing Employees with Disabilities | Auditing Human Rights Standards of Global Sites | External Recognition (Equality, Diversity, and Inclusion) | Human Rights Policy Training |
|--|---|--|--|
| We employed 1,466 employees with disabilities worldwide including 93 employees in plants in Taiwan. We increased the number of such employees by 520 compared to 2020. | <ul style="list-style-type: none"> • 22 internal inspections • 106 external audits • Risk ratio^{*1} was approximately 2.6%. | Leading Inclusive Organizations ^{*2} ranked Delta in fifth place among Taiwanese companies. | 79,943 employees completed training globally^{*3} <ul style="list-style-type: none"> • 96.1% completion rate • 22,603 training hours. 11,544 employees completed training in Taiwan <ul style="list-style-type: none"> • 97.9% completion rate • 2,349 training hours. |

The Company complied with local labor regulations and related rules and there was no major violation of regulations in 2021. Among the Company's subsidiaries in Taiwan, there was one penalty for a violation of regulations on work hours and the penalty totaled NT\$20,000 (723 USD). Violation issue: The employee had extended working hours to handle personal affairs but the attendance record had not been corrected accordingly. The company has enhanced the publicity of overtime procedures. Whenever the employee postpones to punch off work not due to overtime reasons, he or she must simultaneously confirm and correct the off-duty time of the shift to avoid any further work hour issues.

6.4.2 Gender Equality and Care

Plants in Taiwan have established heartwarming and comfortable breastfeeding environments with five main venues to provide mothers with a friendly environment for breastfeeding. We set up a health education information center for career parents to integrate information on benefits and health, balance work and childcare, and thereby increase the retention rate. We provided maternity care for 133 employees and the consultation completion rate was 100%.

We established comprehensive policies for plants in Mainland China and ensured the protection of female employees to create a heartwarming and comfortable breastfeeding environment. We also organized flower arrangements, weaving, tea ceremony, and yoga classes as well as flash mob activities for Women's Day on March 8.

Plants in Mainland China uphold the human-oriented spirit and help provide care to people in need (employees with disabilities) participate in the auditions of Wujiang Disabled People's Performing Art Troupe. They have also organized sign language training courses to actively promote positive communication between employees with hearing disabilities. The communities made arrangements to accommodate people in need in dormitories together and the union invited external sign language teachers to provide online sign language courses. Wujiang Plant also worked with the Wujiang Disabled People's Performing Art Troupe to set up the stage for performances and implemented a series of friendly measures.

Plants in Mainland China provided special care and set up a system of compensation for employees who are ill, retired employees, personnel placed under observation during the pandemic, employees who worked during Chinese New Year, and other special employees.

*1. The risk ratio calculation was based on the methodology of the Dow Jones Sustainability Indices.

*2. Top APAC Companies Leading the Way in Inclusivity research report published by the professional organization Equality Group in the United Kingdom.

*3. The number of participants in the training included Cytotec employees.

Statistics for Parental Leave in Taiwan

| Statistical Item | Male | Female | Subtotal | <p>*1. Number of Delta Taiwan employees eligible for unpaid parental leave in 2021 (A): Employees who applied for maternal leave of more than 56 days and paternity leave for more than 1 day in the 3 years from January 1, 2019 to December 31, 2021.</p> <p>*2. Number of Delta Taiwan employees reinstated from unpaid parental leave in 2020 and working for no less than 1 year (F): Number of reinstated employees who continued to work no less than 1 year after reinstatement from parental leave in 2020.</p> |
|---|-------|--------|----------|--|
| Number of employees eligible for unpaid parental leave in 2021 (A) ^{*1} | 942 | 246 | 1,188 | |
| Number of employees applying for unpaid parental leave in 2021 (B) | 28 | 52 | 80 | |
| Number of employees expected to apply for reinstatement from unpaid parental leave in 2021 (C) | 14 | 51 | 65 | |
| Number of employees reinstated from unpaid parental leave in 2021 (D) | 8 | 41 | 49 | |
| Number of employees reinstated from unpaid parental leave in 2020 (E) | 9 | 44 | 53 | |
| Number of employees reinstated from unpaid parental leave in 2020 and working for no less than 1 year (F) ^{*2} | 6 | 42 | 48 | |
| Reinstatement Rate (D/C) | 57.1% | 80.4% | 75.4% | |
| Retention Rate (F/E) | 66.7% | 95.5% | 90.6% | |

Care for Foreign Migrant Workers

The plants in Taiwan responded to global manufacturing development and customer requirements and transferred the production lines of certain overseas plants back to Taiwan. Plants in Taiwan employ foreign migrant workers in response to manpower needs, and appointed dedicated personnel to take charge of all hiring processes and management to ensure compliance with international human rights and Responsible Business Alliance (RBA) regulations.

Achievements in Care for Foreign Migrant Workers

| Issue | Item | Results |
|------------------|--|--|
| Management Level | Foreign Migrant Worker Management Regulations | Optimization of migrant worker hiring procedures and management matters |
| | Implementation of the zero-payment policy | Migrant workers are not required to pay agency expenses or other hiring expenses |
| | Strengthen human rights management for dormitories | Free access to dormitories. No confiscation or custody of passports or licenses |

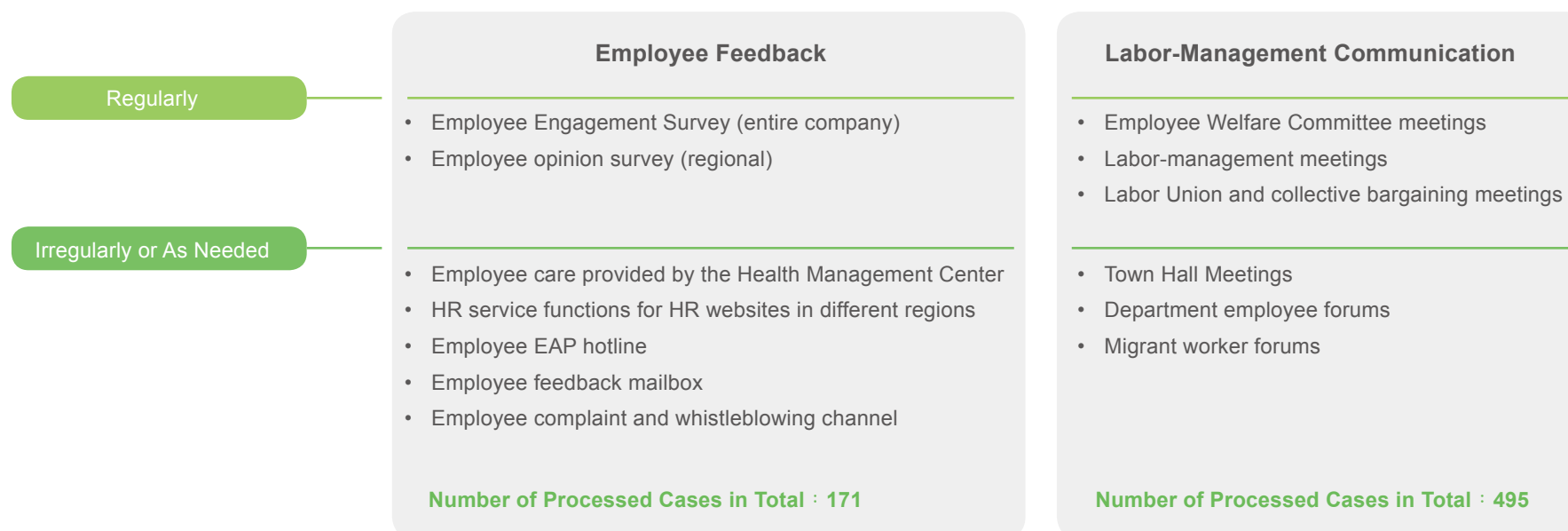
| Issue | Item | Results |
|--------------------------------------|--|---|
| Management Level | Respect religious freedom | Provide religious venues or information |
| | Provide training in their native languages | Provide regulations, instructions for operating instruments, and hazard labels in their native languages; Use of e-books and e-courses for training. |
| Benefits and Participation in Events | Employment completion bonuses and travel subsidies | Payment of return tickets to home countries and employment completion bonuses. Provide one week of travel leave and subsidies per year. |
| | Encourage participation in events | Provide clothing allowance, gifts, and transportation vehicles to encourage employee participation in the 50-year anniversary events to film videos and participate in ball games. |
| | Selection of model employees | Participate in outstanding migrant worker selection, selection as internal model employees, and presentation of commemorative medals and gifts. |
| General Care | Diverse communication channels | Convene quarterly seminars, provide company complaint mailbox and telephone, assign dedicated administration contact person, and appoint employee representatives to take part in labor-management meetings |
| | Health awareness campaigns | Provide information on health education, use Q&A activities with rewards to encourage participation, and organize annual health examinations for special operations with follow-up on anomalies. |
| | Special meals | We provide special meals and food products with the characteristics of migrant employees' home countries for purchases by all employees from time to time each month. Employees pay NT\$200 (7 USD) each month for three meals per day. |
| Healthy and Safe Environment | Public facilities in the dormitory | Set up prayer rooms, Buddhist temples, libraries, and fitness centers, and organize quarterly dormitory contest events to improve dormitory life quality. |
| | Related disease prevention measures for responding to COVID-19 | Provide masks, alcohol, and daily epidemic prevention examination table and separate crowds in both work areas and dormitories. Provide epidemic prevention rewards and provide paid vaccination leave. |

6.4.3 Employee Rights and Communication

Delta has always maintained open communication between labor and management and implements positive bilateral communication mechanisms. We have a 61.9% global collective bargaining agreement and labor union coverage rate. Employees who are not part of the labor union or those who are not included in the collective bargaining agreement as well as employees of business operations or subsidiaries without a labor union will be ensured their work conditions and the terms and clauses of employment in accordance with requirements in local regulations, employment contract, work rules, or labor-management communication channels.

In addition, Delta employees can voice their opinions through a diverse range of communication channels including regular labor-management meetings, Employee Welfare Committee meetings, employee representative seminars, the employee opinion mailbox, and communication meetings between employees and supervisors for plants in Mainland China. We use communication and interviews to listen to what employees care about and express care for their feelings. We also maintain strict confidentiality of the complaint information and promptly take related improvement measures. A total of 371 cases of internal opinions and 6 whistleblowing and grievance cases related to labor standards were filed in Taiwan in 2021. The Company rapidly addressed the issues and took related improvement measures.

Labor-management Communication Channels of Major Manufacturing Sites and the Number of Cases Processed



Statistical Consolidation on Employee Feedback in Major Manufacturing Sites*

| Communication Channel | Number of Feedback Cases | | | | Summary of Main Improvements in 2021 |
|--|--------------------------|------------|-----------|------------|---|
| | Taiwan ^{*1,2} | China | APAC | Total | |
| Union and Labor-Management Meetings | 42 | 8 | 1 | 51 | <ul style="list-style-type: none"> Taiwan: Replaced the employee meal/fruit supplier based on the employee meal satisfaction survey. Mainland China: Organized talent networking meetings for the Development Zone, distributed epidemic prevention supplies, and distributed gift packs for employees working during Chinese New Year. Thailand: Held various activities, such as employee seniority awards, 6S environment improvement competitions in the factory area, etc., to motivate employees and shorten the distance between employees and the company. |
| Employee Welfare Committee Meetings | 249 | 2 | 23 | 274 | <ul style="list-style-type: none"> Mainland China: Increased club activities each year to enrich employees' life after work. India: Activated MOA mobile payroll inquiry functions and increased meal allowances for employees |
| Local Employee and Migrant Worker Seminars | 21 | 139 | 10 | 170 | <ul style="list-style-type: none"> Taiwan: Organized migrant worker dormitory self-management contests, surveyed migrant workers' preferences for transfer to other plants/departments, review of the fairness of day and night shift rotations and coordination Mainland China: Changed access control from card swiping to facial recognition; provided smart machines for employees to process related documentation by themselves; activated MOA online inquiry functions and feedback platform for issues; set up internal vaccination sites and PCR test sites. Thailand: Improved the convenience of commuting, enhanced the quality of shuttle bus and shuttle route planning; resolved the problem of insufficient parking spaces for employees |
| Other Channels | 59 | 53 | 59 | 171 | <ul style="list-style-type: none"> Mainland China: Heartwarming support stations, WeChat official account, and enhanced maintenance and repairs of dormitory equipment Thailand: Established COVID-19 vaccination and Rapid antigen test stations, promoted welfare policies with podcasts India: Advanced deployment of the healthcare centers |
| Total | 371 | 202 | 93 | 666 | |

*1. The main manufacturing sites include Taiwan, mainland China and the Thailand and India factories in the Asia-Pacific region.

*2. Taiwan site contains Delta Taiwan and the subsidiary Cyntec Taiwan.

6.5 LOHAS Workplace

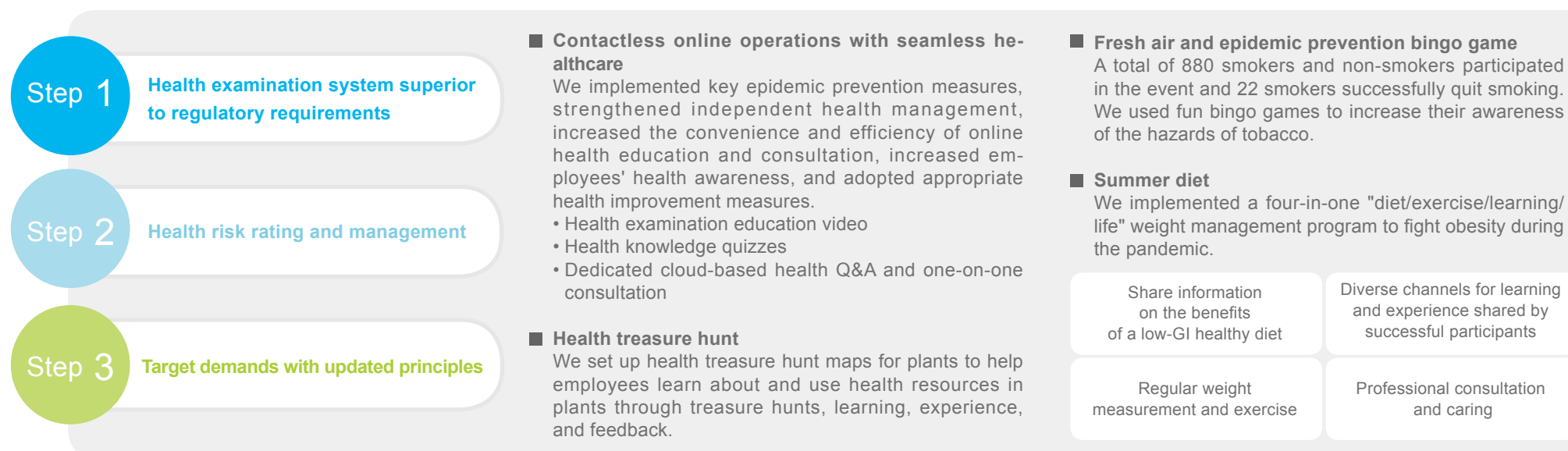
We use the "4S Happiness Plan" ("Say" for diversity communication, "Stay" for enhanced retention, "Strive" for tiered activities, and "Social Participation" to support charity) as the main strategy for consolidating employee support and actively strengthening employee health.

6.5.1 Comprehensive Health Management and Promotion

Delta uses the 3E concepts including EAP (Employee Assistance Program), ESG (Environment, Social, and Governance) and EVP (Employee Value Proposition) to build a friendly workplace through systematic health management. In addition to exercise and diet, we place even more emphasis on mental health. The Company supports the 2021 "Post-Pandemic New Workplace Life" promoted by the Health Promotion Administration to quickly implement and continuously adjust smart or cloud-based activities. Plants in Taiwan have received many awards in recent years including the "Health Paradigm Award" and "Health Management Award" for a healthy workplace, Sports Company Certification (2020 to 2023), AED Safe Workplaces Certification, and the "Sustainability Excellence Award" for the Chungli Plant in 2021.

Diverse Health Promotion Activities in Taiwan

We have implemented comprehensive and group-based enhanced care and created a 3-step approach for healthcare to strengthen employee health empowerment and self-management and build a healthy and happy workplace.



Delta's Health Promotion Approach - KAP Mode “Knowledge Attitude Practice”

We used "KAP - Knowledge Attitude Practice" as the basic concept for the design of activities, and planned health promotion activities in separate stages to support Delta's core values. We continued to promote low-carbon exercise and incorporate exercise into employees' lives. We also supported the government's New Life Epidemic Prevention initiative by organizing sporting events such as ball games, marathons, and cycling events. We met the needs of different groups, stimulated employee participation, and gradually expanded the scope of activities for employees to create clubs independently and expand the spirit of participation in sports.



6.5.2 Balancing Life and Work

In response to the COVID-19 pandemic, we enhanced the health and safety epidemic prevention network and organized online epidemic prevention seminars. We helped employees adapt to working from home and care for each other to overcome the impact of the epidemic and strengthen individuals and teams. Delta also promotes the "LOHAS Workplace" and "Sports Company" and has adopted the slogan "Influencing 50, Embracing 50" to consolidate teamwork and embrace future challenges as Delta celebrated its 50th anniversary in 2021.

Key Actions



Overcome Language Barriers

Dance for Delta

Use creative music and dances to connect regions across the globe and across national boundaries



Support Delta's core Values

Go for Delta

Use green energy transportation vehicles for relay/endurance events around the island



Strengthen the Connection
with Young People

Play for Delta

Use fun games and contests to strengthen the connection and identity between global employees, the brand, and products.



Create a Corporate Culture and
Strengthen Employee Approval

Delta Magic Carnival

LOHAS Carnival - Employees and family members gather together to increase corporate morale



Plants in Mainland China actively provide employees with a comfortable living environment and diverse activities including:

- Establishing clubs for tea ceremony, art, calligraphy, yoga, dance, and basketball.
- Setting up the One-Stop Employee Service Hall and Service Platform to provide employees with high-quality services and attained an employee satisfaction rate of 99.6%.
- Receiving First Place and Organization Awards in the Wujiang District Cultural and Art Dance Program Contest for 8 consecutive years
- Organizing employee cultural and sports contests from time to time and participating in 160 performances organized by the regional union federation.

6.5.3 Employee Social Engagement

We comply with requirements for the Sustainable Development Goals (SDGs), adhere to the ESG social responsibility ideals, and continue to support social innovation enterprises and care for disadvantaged groups.



City of Love increases care for communities in times of hardship

Donations to charitable causes decreased as a result of the pandemic. Delta encouraged employees to make donations to provide supplies to social welfare organizations and help them through difficulties. We collected 5,949 supply items and raised NT\$201,466.



Green procurement, charity, and environmental protection

Delta supports low-carbon initiatives and implements environmental sustainability. We won the second prize in the "Buying Power – New Product and Service of Social Innovation Purchase Reward Program" for the third consecutive year and implemented actions to support Taiwan's local social innovation enterprises.



Support for epidemic prevention

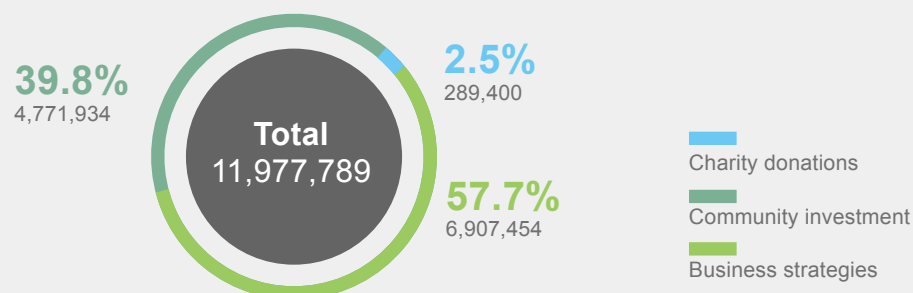
The outbreak of the epidemic in Taiwan struck Wanhua hard and employees purchased products from coffee shops and grocery sellers in Wanhua to help them through the difficult times during the epidemic. We donated the supplies we purchased to units on the front lines of epidemic prevention, including Wanhua Precinct and Wenshan First Precinct, to show our support.



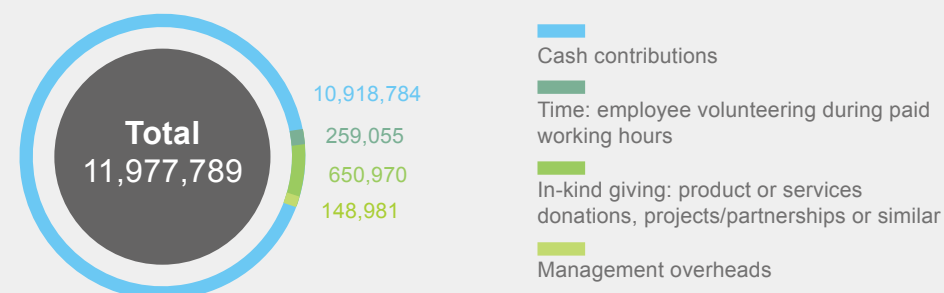
6.6 Social Engagement

In addition to providing quality products and services, Delta also actively participates in various activities that benefit society. We have achieved great results in popularizing green building and transportation, promoting science, energy education and climate action, and active talent cultivation. Delta invested approximately 11.98 MUSD in social engagement in 2021 and talent development accounted for the largest share with 71.2%. It was followed by expenditures for popularizing green building and transportation with 13.1%, expenditures for promoting science, energy education and climate action with 11.5%, and charitable donations with 4.3%*.

Charitable Activity Category



Charity Donation Category



6.6.1 Popularizing Green Buildings and Low-Carbon Transportation

Namasia Minquan Elementary School Certified as the First LEED Zero-Energy Consumption Campus in Asia

Delta assisted the rebuilding of Namasia Minquan Elementary School in Kaohsiung in the wake of Typhoon Morakot in 2009. We used many passive energy conservation designs based on local climate conditions and incorporated Delta's energy management system and energy storage equipment. We integrated energy generation, storage, and management functions to continue to decrease electricity consumption intensity despite exponential growth in the number of students, and successfully attained net zero energy consumption. It succeeded in obtaining the LEED Zero Energy certification from the U.S. Green Building Council (USGBC) in 2021 and became the first sustainable green building on campus with LEED Zero Energy certification in Asia.



Namasia Minquan Elementary School became the first campus in Asia to receive LEED Zero Energy certification

WELL and LEED ZERO Architecture Courses Support Both Energy Conservation and Health

Delta continued collaboration with the Taiwan Architecture & Building Center in WELL architecture course in 2021 and provided innovative courses with actual visits to certified sites. The courses helped attendees gain a deeper understanding of actual operations and design through actual visits to healthy buildings.

In addition, Delta worked with the U.S. Green Building Council and Taiwan Green Collar Association for the second year in organizing the "Climate Emergency LEED Zero-Carbon Building" online course to teach key knowledge for creating zero carbon, energy consumption, water consumption, and waste buildings. We also added courses on green finance and urban heat island effects and invited power management system experts from Delta to share information on applications of electric vehicles and energy storage in zero-carbon buildings. The two courses were attended by more than 1,200 participants.



Onsite visits of healthy buildings

Improving the Building Microclimate Database to Develop Local Building Energy Consumption Evaluation Tools

Delta's "Green BIM Microclimate Platform" integrated the environmental and climate open data of the Central Weather Bureau and Environmental Protection Administration as well as the environmental data from air boxes in different municipalities in 2021. We also used the local weather station data of the international building energy consumption evaluation tool "BETTER" to facilitate electricity and energy conservation analyses for existing buildings. In this program, we collaborated with New Taipei City Government and introduced climate services into the public building Shulin Arts Center. We closely monitored weather forecast data and comfort analyses based on the indoor temperature and humidity to increase the air-conditioning temperature settings of buildings and reduce energy consumption by more than 9%.

Real-time Map for Air Pollution Conditions in Streets of Taipei City and New Taipei City Help Promote the Electrification of Vehicles

The electrification of vehicles is a key step toward net zero emissions and addressing air pollution. Delta works with shared electric vehicle operators to create a mobile pollution monitoring network by installing fine suspended particulate PM2.5 and carbon monoxide sensors on electric taxis, which translates real-time data into easy-to-understand air pollution maps of urban streets. In the future, we hope to create a larger air quality maintenance zone in Taipei City and New Taipei City to accelerate the adoption of zero-pollution electric vehicles on roads and protect people's respiratory health.

Calculating Energy Savings from Donated Certified Green Buildings

Since 2009 Delta has donated five certified green buildings, including the Delta Building and Y.S. Sun Green Building Research Center at National Cheng Kung University (NCKU), the Delta Building at National Tsing Hua University (NTHU), Kuo-Ting Optoelectronics Building at National Central University (NCU), and Namasia Minquan Elementary School. In 2021, Delta Group's five donated green buildings reduced, in total, 1.75 million kWh of electricity and 881 tons of CO₂e emissions.

Namasia Minquan Elementary School passed LEED Zero Energy certification in 2021 mainly due to its passive energy conservation designs based on local climate conditions.

We made full use of the abundant insolation in the mountain area and incorporated Delta's energy management system and energy storage equipment. We integrated energy generation, storage, and management functions to increase the use of renewable energy and the resilience of the tribe in response to natural disasters.

The EUI of the Delta Building at National Tsing Hua University was higher because although Delta's energy management and monitoring system was incorporated into the laboratory, the air-conditioning system must operate around the clock during experiments, resulting in increased electricity consumption and reduced energy conservation effects.

Energy Saving Benefits of Delta's Donated Green Buildings

| Delta's Donated Green Buildings | | Green Building Certification | Energy Saving Performance ^{*1} |
|---------------------------------|--|--|--|
| Inaugurated in 2009 | The Delta Building at National Cheng Kung University (NCKU) | <ul style="list-style-type: none"> ✓ EEWB ✓ School Category | <ul style="list-style-type: none"> 2021 EUI: 65.13 Highest energy saving rate to date: 57% ^{*2} |
| Inaugurated in 2011 | Y.S. Sun Green Building Research Center at National Cheng Kung University (NCKU) | ✓ LEED Platinum Grade, EEWB Diamond Grade | <ul style="list-style-type: none"> 2021 EUI: 23.22 Highest energy saving rate to date: 85% ^{*2} |
| | Delta Building at National Tsing Hua University (NTHU) | ✓ EEWB Bronze Grade | <ul style="list-style-type: none"> 2021 EUI: 81.3 Highest energy saving rate to date: -3% ^{*3} |
| | The Kuo-Ting Optoelectronics Building at National Central University (NCU) | ✓ EEWB Bronze Grade | <ul style="list-style-type: none"> 2021 EUI: 23.14 Highest energy saving rate to date: 70% ^{*3} |
| Inaugurated in 2012 | The Delta Building at The Namasia Minquan Elementary School | <ul style="list-style-type: none"> ✓ LEED Zero Energy ✓ EEWB Diamond Grade | <ul style="list-style-type: none"> 2021 EUI: 0 Highest energy saving rate to date: 100% ^{*4} |

*1. EUI = electricity usage / floor area (kWh/m²) (deducted the electricity consumption for the lab and the area of the indoor parking lot).

*2. <Bureau of Energy, Ministry of Economic Affairs> 2020 Energy Audit Annual Report for Non-Productive Industries (page 28): 152.6 kWh/m² (office buildings, parking lots not included).

*3. <Bureau of Energy, Ministry of Economic Affairs> 2020 Energy Audit Annual Report for Non-Productive Industries (page 28): 78.8 kWh/m² (general university EUI, indoor parking lots not included).

*4. <Ministry of Economic Affairs and Ministry of Education> Energy Conservation Action Plan for Government Agencies and Schools (page 19) approved by the Executive Yuan in 2020 elementary school group 2 EUI: 24 kWh/m²

*5. A zero energy consumption design is adopted for the Namasia Minquan Elementary School. As it has adopted an e-learning model since May 2021 due to the COVID-19 pandemic, and only faculty and staff needed to work at school, the electricity consumption decreased. In addition, the self-generated renewable electricity exceeded the purchased gray electricity from the taipower company in 2021, so EUI = 0.

6.6.2 Promote Energy and Climate Education

Sustainable Conservation and Nurturing Life on Campus with Education for Children

Delta Electronics Foundation has developed long-term plans for training Delta volunteers. They help spread information on the latest environmental issues on campus and design course materials and hands-on experiments to help elementary school students learn about climate and natural science, and inspire them to explore the environment and gain new knowledge.

In 2021, Delta developed two major programs for volunteers including low-carbon energy and coral restoration. The former involves the establishment of an air quality monitoring map of Taiwan campuses in Minghu Elementary School in Neihu to identify the correlation between air quality and transportation vehicles during the morning and evening rush hours

around the campus. We also encouraged students to join us in setting up the sensors and performing data analyses. We promoted the use of low-carbon vehicles and zero idling of vehicle engines in pick-up and drop-off areas on campus.

In terms of coral restoration volunteers, Delta worked with professional marine conservation teams in Taiwan to support the restoration of coral reefs on the Northeast Coast. In the next 3 years, we will restore more than one thousand coral seedlings and train corporate diving volunteers for approximately 300 dives. They will help create a seeding site for more people to learn about marine ecology and pay attention to climate change and environmental issues.

| Volunteer Item | Energy Education | | Science Education | | Green Buildings | | Others* | | Total | |
|------------------------------|------------------|-------|-------------------|--------|-----------------|-------|---------|-------|--------|--------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Number of volunteers | 47 | 120 | 80 | 95 | 80 | 50 | 29 | 49 | 236 | 314 |
| Number of volunteer hours | 544 | 1,803 | 2,000 | 4,100 | 1,600 | 5,560 | 112 | 3,212 | 4,256 | 14,675 |
| Number of service recipients | 3,157 | 2,233 | 46,080 | 21,080 | 24,000 | 319 | 1,070 | 722 | 74,307 | 24,354 |
| Serviced schools and classes | 34 | 11 | 100 | 70 | 50 | 7 | 0 | 122 | 184 | 210 |



A course given by a low-carbon transportation energy volunteer

*These included biodiversity, climate change online learning, online courses for international children's rights

Continues to Influence Social Media and Create Public Good for Sustainability Issues

Delta continues to operate the "Low Carbon Life Blog" and the radio show "Climate Battle in Taiwan" on IC Broadcasting. We have also established the "Delta Energy and Climate Special Award" of the Tseng Hsu-Pai Journalism Award to communicate new information on environmental protection.

The blog articles in 2021 were included as education materials by several textbook publishers and the sustainability platforms of senior high schools and universities. We accumulated 5.47 million views of the blog post articles and 12.16 million views for posts on social network media. The "Climate Battle in Taiwan" radio program closely followed current affairs and focused on four main themes including ocean warming, climate law,

post-pandemic recovery, and climate science and follow up on COP26 results. We invited all stakeholders to provide an in-depth analysis, and over 41,000 people listened to the program in 2021. It ranked 4th on Apple Podcast.

In addition, we also started a long-term collaboration with the Tseng Hsu-Pai Journalism Award to set up the "Delta Energy and Climate Special Award" to encourage journalists to cover sustainability issues. The award-winning reports in 2021 covered diverse issues such as coral bleaching, energy transformation, citizen power plants, and new concepts for resolving tree shortages.

8K Marine Environmental Protection Documentary Increases Public Awareness of Climate Change

To help more people understand the impact of global warming on the marine environment, Delta launched charity screening events in collaboration with the documentary "Whale Island" and added Delta's ultra-high definition 8K documentary video "Swimming with Humpback Whales" to the same screening. It documents the songs, jumps, and biological behavior of the ocean's rare humpback whales. The film helps people learn more about the life of humpback whales and their biological function for carbon fixation. The Foundation invited a professional 8K filming crew to visit Palau, a paradigm in marine ecological protection, to record the vibrant growth of coral reef in the ecology. The results were presented in the brand-new 8K marine environmental documentary "Life in the Coral Reefs" that encourages the public to care about marine protection issues.



Charity Premiere of "Whale Island"

Climate and Sustainability Networks Place Delta's Green Achievements onto the International Stage

Delta actively expands networks and cooperation with important climate energy think tanks at home and abroad to create synergy for lasting practical climate operations and research. In 2021, Delta Electronics Foundation published the results of the corporate foundation's sustainability actions in the Sustainability Research & Innovation Congress, and exchanged ideas with stakeholders in global climate research.

Delta also participated in the 26th United Nations Climate Change Conference (COP26) and organized a side event of the UN official negotiations to share Delta's low-carbon transportation technologies and practical actions with international opinion leaders from Virginia Tech, UN-Habitat, Technical University of Berlin, Local Governments for Sustainability (ICLEI), and others to help cities achieve energy conservation and net zero emissions.

The marine environmental education film "The Birth" and "Life in the Coral Reefs" were played continuously in the venue used by the United Nations for official negotiations. Our aim was to increase people's awareness of the impact of climate change on the marine environment by presenting amazing images of the marine ecology at this international forum for carbon emissions reduction.



Delta Electronics Foundation organized peripheral meetings at COP26

Practical Training Courses for Energy Management Personnel in the Industry

Taiwan's industries have increased their demand for energy conservation to respond to the transition to net zero emissions by 2050 and meet the requirements of the Carbon Border Adjustment Mechanism and green supply chain.

In 2021, Delta worked with the Chinese National Federation of Industries in organizing the "Energy Management Professional Course" and created the first course in the industry to combine theory with actual operations, and online courses with in-person visits. We also issued certificates for the completion of training and certificates for energy management personnel. In 2021, we organized two sessions of training courses for energy management personnel which were attended by nearly 700 participants.



Group photo of attendees of practical training courses for energy conservation management personnel

Climate Salons and Forums for Promoting Sustainable Conservation and Nurturing Life

After the publication of the physics and science-based knowledge by working group 1 (WG1) of the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) in 2021, the Foundation immediately organized an online climate salon to analyze the latest climate science data published by the United Nations. We also invited domestic experts and academics to share information on local climate trends, and provided Chinese translations of summaries for decision-makers.

The four online forums organized by the Foundation for "sustainable conservation and nurturing life" focused on air pollution solutions, smart grid solutions, coral restoration actions, and 30×30: A Blueprint for Ocean Protection. We communicated climate change solutions in easy-to-understand language, and the five online live broadcasts were viewed by tens of thousands of viewers.

Promoting Green Buildings

To actively promote reusable energy including solar power and green building technology, Delta has sponsored the "Delta Cup International Solar Building Design Competition" since 2006. This competition has since become a contest for international green building design brands.

The theme of the 2021 Delta Cup focused on incorporating low-carbon, green, and sustainable ideas into communities. We adopted the integration of onsite construction and concept designs for the first time in the "Sunshine and Low-Carbon Community" contest. We selected the low-carbon community in Dongga Village, Qinglong Township, Bange County, Tibet as the topic of the onsite construction contest and set up the first conceptual design contest based on the topic "zero-carbon community". We received 149 eligible entries for the contests. After three rounds of intensive debate, the judging panel of 10 top domestic and foreign academics and experts led by the Academician Cui Kai awarded two first prizes, four second prizes, and eight third prizes.

"Sinking Streets and Houses" received first prize for onsite construction, and "Back to the Original" submitted by Xiamen University received first prize for conceptual design. "Sinking Streets and Houses" actively embraced the characteristics of the local

climate in the design and architecture. The internal and external commercial streets were intricately designed to harness the utilization of solar energy. The work will be later incorporated into a detailed design and implemented in construction. "Back to the Original" was a creative endeavor that integrated vertical farming and architecture in an urban environment to create a zero-carbon technology system with energy supply, water cycle, greening, and transportation.

As of 2021, the contest has received entries from 9,345 teams across the globe and received 1,873 eligible entries. After the detailed design, five of the winning works have been constructed to help make the designers' dreams come true.

First Conceptual Design Contest Sparked Creativity and Imagination

Delta Cup created its first conceptual design contest in 2021 with the aim of overcoming spatial restrictions and inspiring the creativity of participants. The entries submitted came from all over the world and covered a diverse range of topics. There were many works demonstrating outstanding creativity and craftsmanship.

"Dancing with Sea" focused on global warming issues in Jakarta, a city threatened by rising sea levels. It made use of bamboo materials for creating modules for production and living quarters, explored the creation of zero carbon communities on the sea, and received second prize for conceptual design. "Mega Community: Sea of Melody" explored the architecture of low-carbon communities during the pandemic. It used the Y-shape for the assembly of basic structures and overcame the traditional model of enclosed energy consumption so that community residents can access more sunlight and functional resources. It received the third prize for conceptual design.



Winning entry for conceptual design: "Dancing with Sea", North China University of Science and Technology



Winning entry for conceptual design: "Megastructure Community: Sea of Melody", Gao Yang Workshop, United Design Group (Wuhan) Co., Ltd.



"Sinking Streets and Houses" received first prize for onsite construction



"Back to the Original" by Xiamen University received first prize for conceptual design

Supporting Energy Conservation and Science Education

In 2000, Delta set up the "Delta Power Electronics Science and Education Development Program" and "Delta Scholar Program". Delta has sponsored this innovative research in power and electronics at ten top universities, including Tsinghua University, for the past 20 consecutive years.

The "2021 Delta Power and Electronics New Technology Seminar" hosted by Delta and organized by Xi'an Jiaotong University took place at Suzhou, Wujiang in May 2021. Due to the impact of the pandemic, the seminar was convened by video conferencing with participants in Suzhou, Taipei, and Virginia, USA. Experts, professors, and students from more than ten top universities for power and electronics as well as more than 400 representatives of cross-strait businesses jointly explored many hot topics such as advanced power transmission systems, wide-bandgap semiconductors, offshore wind power, and microgrids for promoting the development and applications of power electronics technologies in industries such as aviation, navigation, transportation, power systems, and smart manufacturing.

In 2021, we selected one recipient of the Delta Greentech Scholar Award and two recipients of the Delta Greentech Young Scholar Award. We sponsored five key projects and ten young scholar science research projects. We provided 59 grants of the Delta Scholarship, one grant of the Cai Xuansan Scholarship, and one grant of the Chen Boshi Scholarship.

At the 20th anniversary of the two science education programs, we organized a celebratory cocktail party in both online and offline format and invited the commissioners of the two science education programs, leaders of academic institutions, and distinguished graduates to raise their glasses in celebration. In addition to the party, we also organized an exhibition at the venue to display the key science and research breakthroughs of the ten universities in power and electronics. The documentary "Countless Stars" celebrating the anniversary of the two science education programs, premiered during the seminar.

The film tells the story of the hard work of the power and electronics professionals and their struggle to pass on power and electronics technologies for widespread adoption in the fields of information and communication, industrial automation, transportation electrification, power systems, new energy, and aerospace. The guests paid tribute to all the experts and academics who have dedicated their life to power and electronics with their applause.

As of 2021, Delta has sponsored 302 innovative research projects in power and electronics as well as electronic power transmission disciplines, provided grants to 41 outstanding science research projects, granted the honorary title of Delta Greentech Scholar to 32 professors and the title of Delta Greentech Young Scholars to 22 young scholars, sponsored 20 Delta Visiting Scholars, and granted scholarships to 1,300 outstanding graduate students.



Industry experts expressed their support for the two science education programs in the "Countless Stars" video



Professor Fred Lee, Member of the National Academy of Engineering of the United States, Foreign Academician of the Chinese Academy of Engineering, and director of the two science education programs: The 10 institutions in attendance at the seminar are the 10 institutions we have selected as the best in power and electronics in China. All new developments from all over the world can be seen here.



Professor Chen Jian of Huazhong University of Science and Technology and Member of the Implementation Committee of the Delta Scholar Award Program: Delta's sponsorship has made tremendous contributions to technological advancements in China. It has not only nurtured top talents, but has also played a historic role in the development of technology in China.



Bruce Cheng, Founder and Honorary Chairman of Delta: The 20th year of Delta's science education program is by no means the end, it is but the beginning of the next stage. Delta will do its best to continue to support science and education.



A cocktail party celebrating the 20th anniversary of the two science education programs was held by video conference at four locations.



More than 400 guests viewed the premiere of the documentary "Countless Stars" that celebrated the 20th anniversary of the two science education programs.



Group photo of Mr. Cheng, Professor Lee, and recipients of the Delta Scholarship taken via video conference.

6.6.3 Talent Cultivation

DeltaMOOCx Online Learning Platform Continued Operations during the Pandemic

DeltaMOOCx is a free online learning course platform designed by Delta for regular high schools, engineering high schools, as well as automation programs in universities. It focuses on technical training and has designed a series of industrial automation courses in line with trends in the industry to reduce the gap between academic studies and industrial applications in Taiwan. It also extends courses to basic science education for high school and vocational high school to help students connect with tertiary education. The number of viewers of the courses exceeded 14 million in 2021. Due to the impact of the COVID-19 pandemic, the Minister of Education also promoted the DeltaMOOCx courses to help students continue their education during the pandemic.

Train Professional Talents and Give back to Society

Delta sponsors long-term scholarships to cultivate outstanding talents for society. The "Chinese Education in Northern Thailand" project is now in its 16th year and six students with outstanding performance received the scholarship in 2021. We have provided scholarships to a total of 130 students. We use the "Delta Environmental Scholarship" and "Delta Corporate Environmental Ethics Grant" to encourage young leaders and scholars to study environmental issues abroad. We have helped train hundreds of graduate students and scholars. In addition, the Foundation also provides civil servants with scholarships for overseas studies and we have helped train more than 50 outstanding civil servants.

Astronomy and Popular Science Book

50 Talks about the Stars: Explore the Universe

Delta entered a cross-sector collaboration with the Graduate Institute of Astronomy of National Central University in the publication of the book 50 Talks about the Stars to help readers in Taiwan learn more about astronomy. The contents included 50 lectures on astronomy. The book received recommendation in Costco stores in late September and three accompanying popular science videos were viewed more than 2,600 times on social media. Delta also continued to organize the "Young Astronomer Lectureship" during the pandemic with 10 online astronomy and popular science seminars which attracted 480 participants.



Cover of the book < 50 Talks about the Stars >

6.7 Occupational Safety and Health

6.7.1 Occupational Health and Safety

Providing employees with a safe and healthy workplace is one of Delta's most fundamental obligations as a corporate citizen. The Company's main production plants in Taiwan and Mainland China and the Thailand Plant comply with the P-D-C-A strategy for the Occupational Safety and Health Management System to systematically promote occupational safety and health management tasks. Regions and plants with ISO 45001 certification: Taiwan: Taoyuan Plant 1,2,3, and 5, Chungli Plant 1,2, and RD Plant, Pingzhen Plant, Tainan Plant 1, and Cyntec in Hsinchu. Mainland China: Dongguan Plant, Wujiang Plant, Chenzhou Plant, Wuhu Plant, and Huafeng Plant; DET Plant 1,2,5, and 6 in Thailand; Taoyuan Plant 1,2,3, and 5, Tainan Plant 1, and Pingzhen Plant also passed CNS 45001 certification and obtained the TOSHMS certification.

We set up safety and health management units in all plants and appointed professional personnel to take charge of safety and health management planning, implementation, supervision, and audits. Delta has established industrial safety departments in production-oriented plants in Mainland China and Thailand which report directly to the highest-ranking local supervisor. In R&D and administration-oriented units in Taiwan, an occupational safety and health management department reports directly to the Chief Executive Officer. All plants follow requirements of local regulations for labor and management to jointly form the Occupational Safety and Health Committee which convenes regular meetings to review, coordinate, and propose recommendations for safety and health management.

Key Discussions of Delta's Regional Occupational Safety and Health Management Committees in 2021*

Taiwan (Delta & Cyntec)

Key Discussion Topics

- ✓ COVID-19 disease prevention
- ✓ Procurement safety and health management
- ✓ Fire safety management

Percentage of Total Employees : 43%

China (Delta & Cyntec)

Key Discussion Topics

- ✓ New equipment safety evaluations
- ✓ Contractor safety management
- ✓ Working at heights safety management

Percentage of Total Employees : 27%

Thailand

Key Discussion Topics

- ✓ COVID-19 disease prevention

Percentage of Total Employees : 33%

Supplementary Description

Number of employee representatives: 97 people
Number of committee members: 223 people

Number of employee representatives: 71 people
Number of committee members: 260 people

Number of employee representatives: 271 people
Number of committee members: 817 people

*The scope in Taiwan included all plants in Taiwan and Cyntec Hsinchu Plant. The scope in Mainland China included all plants in Mainland China and Cyntec China. The scope in Thailand included all plants in Thailand.

Risk Assessment and Management

To effectively prevent the occurrence of occupational hazards, the Company has established safety and health hazard identification and assessment procedures for risks and opportunities to identify potential hazardous factors of the work environment, process, activities, products, and services. We identify potential hazards, assess their risks, specify unacceptable risk levels, and prioritize engineering control measures for unacceptable risks. We identify and assess risks of contractor personnel and discuss operational risks and control measures in construction meetings or toolbox meetings.

In terms of the procurement of new equipment and process upgrades, we manage changes, implement pre-purchase safety evaluations, and increase safety measures for mechanical equipment. We also select low-hazard chemicals to replace high-hazard chemicals and adopt source control measures to ensure personnel and plant safety and health. We implement regular hazard identification and risk assessment for work procedures and control unacceptable risks. The responsible units must file applications for operations with higher risks and levels of hazards, and the operations can only be carried out with the approval of related units.

To ensure safe operations of power equipment and facilities, our manufacturing plants regularly use an infrared thermal imaging camera to undertake non-blackout inspections for early detection of any abnormalities and rapid response with effective improvement measures.



Occupational Health and Safety Assessment

The plants shall conduct automatic inspections and self-inspections in accordance with government regulations and the Company's operation standards to ensure the safety of employees and plants. Safety and health management department personnel shall carry out routine occupational safety assessments and inspections. They must also perform sampling inspections on contractors' operational safety. Plants in each region shall promote inter-industry health and safety inspection activities. Inspectors include safety and health management department employees of other plants, factory occupational safety and health personnel, and departmental occupational safety and health promotion employees.

Through the observational learning of cross-industry inter-inspector activities, factory personnel safety and health management exchanges and interaction were improved as were manufacturing plant audits. Specific main production plants shall include inspection results in the safety and health evaluation activity. The units with the most improvement shall receive commendations and bonuses as well as rewards for the implementation personnel to encourage improvements in how employees practice safety and health management in their work.

Management of Hazardous Chemical Substances and Workplace Monitoring

To prevent the use of hazardous substances from affecting employee health, plants must prioritize the use of low-hazard chemicals and set up regional ventilation equipment to effectively remove hazardous gases. If the plants need to purchase new chemicals or replace chemicals used in the manufacturing process, they must follow plant management procedures for implementing changes. The plants must conduct risk assessments for hazard ratings for the use of such chemicals and obtain approval from related units before the chemicals can be used in the plant.

We use personal respiratory protection equipment that meets the requirements of local laws and regulations based on the conditions of the use of chemicals. For processes with a higher risk of respiratory protection hazards, we implement corresponding air tightness

tests to ensure their effectiveness. If a plant has employees of other nationalities, the plant translates information on the hazardous chemicals into the language used by the employees to ensure that all workers understand related hazards.

Our respective plants, pursuant to practical operational hazardous situations and regulatory requirements, regularly appoint monitoring institutions to implement workplace monitoring to control the dispersion of hazardous factors in the workplace. Delta then uses the results of these tests to carry out onsite improvements, thereby lowering the occurrence of workplace illnesses.

The main chemical hazards in Delta's plants are organic solvents. We focus our monitoring on tin oxide, isopropanol, acetone, carbon dioxide, and others. Our physical monitoring focuses on noise, light, high temperature, and more. A few personnel in certain plant areas carry out radioactive operations. We work to prevent employee workplace 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 the checks are used for tiered management. Please refer to 6.5.1 Comprehensive Health Management and Promotion for special hazard health examination and management.

Training and Communication

To improve workers' safety and health knowledge and abilities to respond to emergencies, we hold safety and health education training in accordance with regulatory requirements and use emails and bulletin boards to post or organize safety knowledge Q&A. Increasing employees' ability to identify hazards in the work environment and improving their knowledge of safety, health, disaster prevention and response, prevent the occurrence of occupational hazards.

In 2021, Delta Taiwan, Mainland China, and Thailand (including the subsidiary Cyntec) implemented workplace safety and health training for new recruits and current employees. Course contents included hazardous chemicals, machinery and equipment operations,

electrical safety, and respiratory protection, emergency response and fire drills for licensed employees required by regulations (e.g., first aid personnel, forklift operators, fixed crane operators, and organic solvent operations supervisors), and personnel safety training for the introduction of new equipment or new technologies. We recorded a total of 276,000 participants for related internal (external) on-the-job training who registered with more than 862,000 hours of training. Courses are conducted in local languages or the languages used by non-native employees. We also administered post-training tests to evaluate the effectiveness of the training.

We established safety, health, and environmental protection regulations for contractors to enhance safety and management of contractors in plants. We require contractors to abide by occupational health and safety laws and Delta's regulations. Contractor personnel who intend to enter Delta plants must receive the necessary occupational safety and health training, pass tests, and sign the hazard notice before they can enter the plants for operations. Contractor personnel in Taiwan, Dongguan, Wujiang, and Thailand Plants have recorded more than 14,000 hours of safety training.



Occupational Accident Management

To ensure rapid response of related units in the event of an occupational accident, the Company has established accident notification and processing procedures for employees and workers in plant areas under Delta jurisdiction.

In the event of a near miss, occupational injury, or occupational disease, Delta must implement first aid, reporting, investigations, and improvement measures for each incident, as well as their root cause. All improvement measures must be horizontally expanded to prevent the recurrence of similar incidents. If employees who have returned to work after an occupational injury or occupational disease still have concerns regarding occupational injuries or occupational illnesses in the workplace, they may address the concerns with employees of the Occupational Safety and Health Department of each plant at any time. The Company prioritizes the safety and health of employees above all and continues to implement corresponding improvement measures to ensure the safety and health of employees.

Delta's occupational hazard statistics are calculated based on the definitions in the Occupational Safety and Health Act and indicators of critical disabling injuries published by the Global Reporting Initiative (GRI). Delta employees recorded more than 240 million work hours in 2021. The statistics of occupational injuries and illnesses in Delta operations in different regions are specified in the table below: The Company recorded 0 occupational illness-induced deaths and recordable occupational illnesses in 2021. The occupational injury-induced death rate was 0.004; the severe occupational injury rate was 0.004; the recordable occupational injury rate was 0.99, which did not meet the target Lost-Time Injury Frequency Rate (LTIFR) of 0.95 for 2021. The incidence rate of recordable occupational injuries was higher for men. In terms of injury type, they consisted mainly of clamping or coiling injuries.

To prevent the hazards of such mechanical injuries, plants shall implement equipment source management, install safety devices when purchasing machinery, and list them as routine inspection items. The death of an employee due to an occupational accident occurred in a plant in Mainland China when the employee fell from working at height. To prevent similar accidents from recurring, the plant adopted management measures

including the appointment of professional contractors to use elevated work vehicles or scaffolding for operations at a height of more than 2 meters. It also strengthened contractor management and assigned dedicated personnel to lock the work ladders used by employees in the plant to ensure management.

The occupational injury-induced death rate of other workers was 0.145; the severe occupational injury rate was 0; the Lost-Time Injury Frequency Rate (LTIFR) was 2.31. The death of a contractor employee occurred in a plant in Mainland China when the contractor employee was crushed by a manual forklift that fell from the back of a truck. To prevent similar accidents from recurring, we added contractor safety evaluation mechanisms, required safety training for contractors' onsite personnel, and established operational guidelines and safety supervision requirements.

The reason for the failure to meet the target Lost-Time Injury Frequency Rate (LTIFR) of employees this year was mainly the safety incidents involving movement in the plants, such as falling or running into glass when moving in the plant. In 2022, we are using education materials to actively increase employees' safety awareness. In terms of software, we will enhance the integrity of the plant risk assessment and identification methodology, implement it in all plants, and add digital education materials to remind employees to exercise caution. In terms of hardware, we will strengthen improvements of unsafe environments and encourage management units to improve the supervision and inspections of hardware facilities to reduce the occurrence rate of non-work-related injuries such as falling and collisions.

According to analyses, the increase in the Lost-Time Injury Frequency Rate (LTIFR) of other workers was mainly attributed to the lack of awareness of safety and health requirements on the part of the contractors, who failed to identify the work hazards prior to work and prevent the occurrence of accidents. We shall implement improvements with three strategies in 2022 to require contractors to perform hazardous risk identification and assessment before operations and enhance related training in safety and health training programs. We will also strengthen the onsite supervision and inspections by management units.

Statistics of Occupational Injuries and Illnesses in 2021^{*1,2,3}

| | | Major Production Sites | | | Operations Sites and R&D Center | | | Total |
|---|---|------------------------|-------|----------|---------------------------------|-------|---------------|-------|
| | | Taiwan | China | Thailand | Taiwan | China | Other Regions | |
| Personnel | Occupational injury-induced death rate | 0 | 0.007 | 0 | 0 | 0 | 0 | 0.004 |
| | Severe occupational injury rate | 0 | 0 | 0 | 0 | 0 | 0.07 | 0.004 |
| | Lost-Time Injury Frequency Rate (LTIFR) | 3.11 | 0.51 | 1.63 | 0.99 | 0.00 | 2.84 | 0.99 |
| | Occupational disease-induced death rate | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Recordable occupational disease rate | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other workers (Contractors) ^{*4} | Occupational injury-induced death rate | 0 | 0.44 | 0 | 0 | 0 | 0 | 0.14 |
| | Severe occupational injury rate | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Lost-Time Injury Frequency Rate (LTIFR) | 4.22 | 0.44 | 0 | 0.88 | 0 | 4.65 | 2.31 |
| | Occupational disease-induced death rate | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Recordable occupational disease rate | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

*1. Total work hours including overtime work hours.

*2. The recordable occupational injuries do not include traffic accidents during commutes

*3. The occurrence rate is accurate to two digits after the decimal point and the third digit is rounded off unconditionally.

*4. Other workers (Contractors): All workers who are non-employees but whose work and/or workplace is controlled by the organization such as security personnel, catering service personnel, and cleaning personnel.

Formula

Lost-Time Injury Frequency Rate (LTIFR)=
(recordable number of occupational injuries + recordable number of occupational illnesses)/total work hours * 1,000,000.

Occupational injury-induced death rate =
number of deaths caused by occupational injuries/total hours worked * 1,000,000

Severe occupational injury rate = number
of severe occupational injuries/total hours
worked * 1,000,000

Recordable occupational injury rate
= recordable number of occupational
injuries/total work hours * 1,000,000

Occupational disease-induced death
rate = number of deaths caused by
occupational illnesses/total hours worked
* 1,000,000

Recordable occupational illness rate
= recordable number of occupational
illnesses/total work hours * 1,000,000

Appendix



- 7.1 Screening Criteria of Reporting Boundaries
- 7.2 Environmental Data
- 7.3 Social Data
- 7.4 Index of GRI Standards Indicators and SASB Index
- 7.5 Summary of Information Assured (ISAE 3000)
- 7.6 TCFD Practices Across the Four Core Elements
- 7.7 TNFD Practices Across the Four Core Elements
- 7.8 External Assurance Statement and Report

7.1 Screening Criteria of Reporting Boundaries

The scope of reporting boundaries includes Delta Electronics, Inc., its subsidiaries, and its affiliated companies' operations that are $\geq 50\%$ owned by Delta Electronics, Inc. listed in the consolidated financial statements of Delta Electronics 2021 annual report. Considering the realities of fact and actual managerial requirements, operations, R&D and overall production sites stated in the report are fully listed as follows:

Operations Sites and R&D Center

Taiwan

Delta Electronics, Inc. (Taipei HQ, Taoyuan R&D Center, Chungli R&D Building, Chungli Plant 5, Tainan Branch), Cyntec Co., Ltd.

Mainland China

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

Other overseas regions

Deltronics (Netherlands) B.V.

Delta Electronics (Japan), Inc.

Delta Electronics Int'l (Singapore) Pte. Ltd.

Delta Electronics (Americas) Ltd.

Eltek AS

Overall Production Plants

Taiwan

Delta Electronics, Inc. (Taoyuan Plant 1, Taoyuan Plant 2, Taoyuan Plant 5, Pingjhen Plant), Cyntec Co., Ltd.

Mainland China

Dongguan: Delta Electronics (Dongguan) Inc., Delta Networks (Dongguan) Inc.

Wujiang: Delta Greentech (Jiang Su) Co., Ltd., Wu Jiang Huafeng Electronic Technology Co., Ltd., Suzhou Erda Medical Equipment Co., Ltd.

Wuhu: Delta Greentech (Wuhu) Co., Ltd., Huafeng Electronics (Wuhu) Co., Ltd.

Chenzhou: Delta Electronics (Chenzhou) Inc., Chenzhou Delta Technology Co., Ltd.

Thailand

Delta Electronics (Thailand) Public Co., Ltd.

7.2 Environmental Data

| | Category | Item | Main Production Plant ^{*1} | | Overall Production Plant ^{*2} | | | |
|--------|----------------------|--|-------------------------------------|-----------|--|-----------|-----------|--------------------|
| | | | 2020 | 2021 | 2018 | 2019 | 2020 | 2021 ^{*3} |
| Input | Energy ^{*4} | Purchased Non-RE (GJ) | 1,936,649 | 2,161,156 | 1,761,642 | 1,802,005 | 1,944,925 | 2,259,626 |
| | | Self-generated Solar Power (GJ) | 91,159 | 109,092 | 73,156 | 83,632 | 91,159 | 111,846 |
| | | Purchased Renewable Electricity Sources (GJ) | - | 10,180 | - | - | - | 16,475 |
| | | Natural Gas (GJ) | 88,945 | 98,832 | 97,531 | 89,329 | 89,522 | 115,378 |
| | | Diesel (GJ) | 7,279 | 22,030 | 11,665 | 8,162 | 7,321 | 22,036 |
| | | Gasoline (GJ) | 5,128 | 4,234 | 9,304 | 3,371 | 5,128 | 4,234 |
| | | Liquid Petroleum Gas (GJ) | 154,944 | 159,537 | 174,427 | 154,092 | 154,944 | 203,708 |
| | Water Resources | Tap Water (Megaliters) | 3,745.5 | 4,103.5 | 4,206.9 | 3,753.2 | 3,751.5 | 4,160.2 |
| | | Rainwater (Megaliters) | 37.1 | 30.0 | 24.2 | 37.1 | 37.1 | 48.7 |
| | | Total Water Withdrawal (Megaliters) | 3,782.6 | 4,133.5 | 4,231.1 | 3,790.3 | 3,788.6 | 4,208.9 |
| | | Water Productivity Intensity (Metric ton/MUSD) | 463.0 | 415.0 | 535.1 | 499.0 | 453.0 | 416.0 |
| | | Total Water Recycled (Megaliters) | 508.7 | 525.0 | 159.6 | 430.9 | 508.7 | 546.1 |
| | | Recycled Water Usage Rate (%) | 12.0% | 11.3% | 3.7% | 10.3% | 11.9% | 11.6% |
| Output | GHG Emissions | Scope 1 (Metric ton- CO ₂ e) | 14,131 | 16,012 | 25,670 | 18,598 | 14,183 | 17,808 |
| | | Scope 2 (Metric ton- CO ₂ e) Market-based | 162,627 | 119,476 | 298,159 | 238,962 | 163,628 | 133,207 |
| | | Scope 1 + Scope 2 (Metric ton- CO ₂ e) Market-based | 176,758 | 135,488 | 323,828 | 258,120 | 177,811 | 151,015 |
| | | Scope 2 (Metric ton- CO ₂ e) Location-based | 389,867 | 401,717 | 368,436 | 378,648 | 390,868 | 415,448 |
| | | Scope 1 + Scope 2 (Metric ton- CO ₂ e) Location-based | 403,998 | 417,729 | 323,828 | 397,246 | 405,051 | 433,256 |
| | | Carbon Intensity (Metric ton- CO ₂ e/MUSD) | 21.8 | 13.8 | 41.2 | 32.7 | 21.4 | 15.1 |

Output

| Category | Item | Main Production Plant ^{*1} | | Overall Production Plant ^{*2} | | | |
|---------------------|---|-------------------------------------|----------|--|----------|----------|--------------------|
| | | 2020 | 2021 | 2018 | 2019 | 2020 | 2021 ^{*3} |
| Water Discharge | Domestic Sewage (Megaliters) | 2,303.3 | 2,485.4 | 3,214.2 | 2,470.6 | 2,303.4 | 2,514.7 |
| | Process Wastewater (Megaliters) | 216.9 | 247.7 | 213.7 | 186.7 | 216.9 | 249.4 |
| | Total Water Discharge (Megaliters) | 2,520.2 | 2,733.1 | 3,427.9 | 2,657.3 | 2,520.3 | 2,764.1 |
| Water Consumption | Water Consumption (Megaliters) | 1,262.4 | 1,400.4 | 803.2 | 1,133.0 | 1,268.3 | 1,444.8 |
| Non-hazardous Waste | Incineration without Energy Recovery (Metric Ton) | 13.6 | 12.8 | 21.8 | 33.9 | 13.6 | 29.1 |
| | Landfill (Metric Ton) | 305.1 | 6.8 | 3,003.4 | 481.4 | 366.4 | 7.3 |
| | Waste to Energy Recovery (Metric Ton) | 7,297.8 | 6,979.8 | 6,075.6 | 6,737.8 | 7,297.8 | 7,074.2 |
| | Compost (Metric Ton) | 0.0 | 182.6 | 457.8 | 694.5 | 0.0 | 195.8 |
| | Recycling (Metric Ton) | 28,051.4 | 38,437.4 | 29,944.0 | 31,295.4 | 28,081.9 | 38,735.8 |
| | Subtotal (Metric Ton) | 35,667.9 | 45,619.4 | 39,502.6 | 39,243.0 | 35,759.7 | 46,042.2 |
| Hazardous Waste | Incineration without Energy Recovery (Metric Ton) | 231.0 | 143.3 | 258.6 | 383.2 | 231.0 | 143.3 |
| | Landfill (Metric Ton) | 36.7 | 58.1 | 134.3 | 39.2 | 36.7 | 58.1 |
| | Waste to Energy Recovery (Metric Ton) | 828.4 | 1,060.1 | 1,295.9 | 634.3 | 828.4 | 1,062.9 |
| | Recycling (Metric Ton) | 2,572.9 | 2,754.4 | 1,555.3 | 2,344.4 | 2,591.2 | 2,754.4 |
| | Subtotal (Metric Ton) | 3,669.0 | 4,015.9 | 3,244.1 | 3,401.1 | 3,687.3 | 4,018.7 |
| Waste | Total Waste Generation (Metric Ton) | 39,336.9 | 49,230.0 | 42,746.7 | 42,644.1 | 39,447.0 | 50,060.9 |
| | Hazardous Waste Recycled Rate (%) | 70.1% | 68.6% | 47.9% | 68.9% | 70.3% | 68.5% |
| Air pollution | Volatile Organic Compounds (Metric ton) | 135.9 | 294.4 | 110.5 | 128.2 | 135.9 | 308.9 |

*1. Main production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China; DET plant 1, 3, 5, and 6; Taoyuan plant 1 and 2 in Taiwan; Cytotec Hsinchu plant in Taiwan and Huafeng plant in China are within the scope of the SBT commitment.

*2. Overall production plants include Delta's main plants and the US, Brazil and India production plants of Eltek acquired after 2015 (plants in the United States and India).

*3. In 2021, the Eltek plants in the United States and India were removed due to product line adjustments and we added Taoyuan Plant 5 and Pingjhen Plant.

*4. Energy calorific value is calculated with a fixed value; natural gas: 9,000 kcal/m³, diesel: 10,200 kcal/kg, gasoline: 10,300 kcal/kg.

7.3 Social Data

| Category | Item | 2018 | 2019 | 2020 | 2021 |
|--------------------------------|---|--------|--------|--------|--------|
| Education | Average hours of training per person (hours) ^{**1} | 48 | 47 | 27.2 | 13.6 |
| | Energy education/science education/green building/biodiversity Number of volunteers (persons) | 383 | 643 | 236 | 314 |
| Employees Worldwide | Total number of employees worldwide (persons) | 86,101 | 80,545 | 83,804 | 85,593 |
| Talent Attraction | Offer letter acceptance rate (%) | - | 75.6 | 81.2 | 82.0 |
| | Percentage of vacancies filled by internal employees (%) ^{**2} | 21.0 | 23.6 | 27.8 | 16.8 |
| Human Rights Protection | Retention rate of reinstated employees after parental leave (%) | 81.6 | 93.0 | 97.8 | 90.6 |
| | Global humans rights course completion rate (%) | n.a. | n.a. | 85.2 | 96.1 |
| Social Engagement | Social engagement expenses (MUSD) | 9.53 | 6.99 | 9.07 | 11.89 |
| Occupational Health and Safety | Lost-Time Injury Frequency Rate (LTIFR) of employee (%) | 1.07 | 0.91 | 0.96 | 0.99 |
| | Lost-Time Injury Frequency Rate (LTIFR) of contractors (%) | 0 | 0 | 0 | 2.31 |
| Diversity and Inclusion | Percentage of female employees in the company (%) | 45.1 | 44.9 | 46.8 | 48.3 |
| | Percentage of female employees in all management positions (%) ^{**2} | 32.1 | 29.8 | 32.8 | 32.3 |
| | Percentage of female employees in entry-level management positions (%) | 44.6 | 50.5 | 57.8 | 56.7 |
| | Percentage of female employees in highest management positions (%) | 12.1 | 12.2 | 13.2 | 13.8 |
| | Percentage of female employees in revenue-generating positions (%) | 21.2 | 18.7 | 20.1 | 20.5 |
| | Percentage of female employees in STEM positions(%) | 22.2 | 21.7 | 21.9 | 21.8 |
| | Percentage of employees with physical disabilities in the company(%) | 0.5 | 0.7 | 1.1 | 1.7 |
| | Percentage of employees from ethnic minorities in the company (%) | 2.7 | 2.6 | 2.9 | 2.6 |

| Category | Item | 2018 | 2019 | 2020 | 2021 |
|---|---|--|------|------|------|
| Engagement Survey Response | Total engagement score of all employees ^{*2} | 75 | 75 | 91 | 91 |
| | Coverage rate ^{*3} | 26.8 | 26.8 | 64.3 | 64.3 |
| | Response rate ^{*2} | 59 | 59 | 92 | 92 |
| Engagement Score: Employee Category ^{*4} | Senior executives | 90 | 90 | 96 | 96 |
| | Mid-level managers | 82 | 82 | 91 | 91 |
| | Entry-level managers | 79 | 79 | 88 | 88 |
| | General employees | 74 | 74 | 88 | 88 |
| | Operators | - | - | 93 | 93 |
| Engagement Score: Gender | Male | | | 90 | 90 |
| | Female | | | 92 | 92 |
| Engagement Score: Age | 61 or older | | | 89 | 89 |
| | 51 - 60 | No detailed classification in past years | | 94 | 94 |
| | 41 - 50 | | | 93 | 93 |
| | 31 - 40 | | | 92 | 92 |
| | 30 or younger | | | 89 | 89 |

*1. The denominator for calculating the global average hours of training per person prior to 2019 (inclusive) was "number of employees in service as of the end of the year". The denominator for calculating the global average hours of training per person starting from 2020 was revised to "total number of individuals employed by Delta in the year". The average hours of training per person thus became significantly lower. Delta has concentrated efforts on digitalization of courses across the globe in 2021 to ensure that learning is not interrupted by restrictions such as time, location, and the pandemic. A significant number of in-person courses were replaced by online courses. To ensure the effectiveness of online learning, the number of course hours was reduced, and the global average hours of training per person decreased again.

*2. Definition of the percentage of vacancies filled by internal employees starting from 2021: (Number of vacancies filled by internal transfers + number of employees promoted to management positions) / (number of internal and external vacancies + number of employees promoted to management positions) in the current year.

*3. The total engagement score of indirect labor in the 2020 engagement survey was 89 points (the response rate was 83%) and the total engagement score of direct labor was 93 points (the response rate was 99%). The overall total score was 91 points. Delta plans a global employee engagement survey every two years. The Company therefore continued to implement improvement actions in 2019 and 2021 based on the results of the survey in 2018 and 2020.

*4. The survey was distributed to indirect labor in 2018 and 2019, and direct labor in China was included in 2020. The coverage rate therefore increased. The 2020 survey coverage rate is calculated as all employees who received the questionnaire / total number of employees across the globe, i.e., 53,886/83,804=64.3%.

*5. Classification of employee ranking in the engagement survey: Senior executives refer to those ranked as Director or above, mid-level managers refer to those ranked Senior Deputy Manager or above, Senior Chief Engineers, Senior Section Chiefs, Chief Engineers, and Chief Specialists.

7.4 Index of GRI Standards Indicators and SASB Index

The structure of this report follows the Global Reporting Initiative's (GRI) "GRI Sustainability Reporting Standards (2016)" (GRI Standards), GRI 303 (2018), GRI 403 (2018), and GRI 207 (2019). We also referenced the SASB Electrical Electronic Equipment Standard (2018) and Hardware Standard (2018).

GRI

| Disclosure Number | Index Name | Related Chapters | Page | Remark |
|---|--|---|-----------------|--|
| GRI 102 General Disclosures (Core) | | | | |
| 102-1 | Name of the organization | 1. Overview | 8-9 | - |
| 102-2 | Activities, brands, products, and services | 1. Overview | 8-9 | - |
| 102-3 | Location of headquarters | 1. Overview | 8-9 | - |
| 102-4 | Location of operations | 1. Overview | 8-9 | - |
| 102-5 | Ownership and legal form | 1. Overview | 8-9 | Delta is a publicly listed company in Taiwan |
| 102-6 | Markets served | 1. Overview | 8-9 | - |
| 102-7 | Scale of the organization | 1. Overview | 8-9 | - |
| 102-8 | Information on employees and other workers | 1. Overview, 6.2 Talent Attraction | 8-9, 116-120 | - |
| 102-9 | Supply chain | 4.5.2 Ratio of Localized Procurement and Materials | 57 | - |
| 102-10 | Significant changes to the organization and its supply chain | - | - | No significant change |
| 102-11 | Precautionary principle or approach | 4.2.1 Board of Directors and Effectiveness, 4.8 Comprehensive Information Disclosure and Shareholder Communication | 43-45 65 | - |
| 102-12 | External initiatives | 2.3 Responding to Global Sustainable Development | 24-25 | - |
| 102-13 | Membership of associations | 1. Overview, 2.3.3 Participation in Associations | 8-9, 28 | - |
| 102-14 | Statement from senior decision-maker | A Word from the Management | 3-4 | - |
| 102-16 | Values, principles, standards, and norms of behavior | 2.2.1 ESG Policy and Mission 6.4 Human Rights Protection | 21 136-142 | - |
| 102-18 | Governance structure | 1.1 Delta Electronics Organizational Structure | 10 | - |
| 102-40 | List of stakeholder groups | 3 Communication with Stakeholders | 29-38 | - |
| 102-41 | Collective bargaining agreements | 6.4 Human Rights Protection | 136-142 | - |

| Disclosure Number | Index Name | Related Chapters | Page | Remark |
|---|---|--|---------|--|
| 102-42 | Identifying and selecting stakeholders | 3 Communication with Stakeholders | 29-38 | - |
| 102-43 | Approach to stakeholder engagement | 3.1 Stakeholder Communication and Response | 30-33 | - |
| 102-44 | Key topics and concerns raised | 3.1 Stakeholder Communication and Response | 30-33 | - |
| 102-45 | Entities included in the consolidated financial statements | 7.1 Screening Criteria of Reporting Boundaries | 164 | Some entities included in the consolidated financial statements are not included in the ESG report |
| 102-46 | Defining report content and topic boundaries | About the ESG Report | 1-2 | - |
| 102-47 | List of material topics | 3 Communication with Stakeholders | 30-33 | - |
| 102-48 | Restatements of information | - | - | No significant change |
| 102-49 | Changes in reporting | - | - | No significant change |
| 102-50 | Reporting period | About the ESG Report | 1-2 | - |
| 102-51 | Date of most recent report | About the ESG Report | 1-2 | - |
| 102-52 | Reporting cycle | About the ESG Report | 1-2 | - |
| 102-53 | Contact point for questions regarding the report | About the ESG Report | 1-2 | - |
| 102-54 | Claims of reporting in accordance with the GRI Standards | About the ESG Report | 1-2 | - |
| 102-55 | GRI content index | 7.4 Index of GRI Standards Indicators and SASB Index | 169-180 | - |
| 102-56 | External assurance | About the ESG Report | 1-2 | - |
| GRI 102 General Disclosures (Non-Core) | | | | |
| 102-15 | Key impacts, risks, and opportunities | 3.2 Materiality Assessment | 34-38 | - |
| 102-17 | Mechanisms for advice and concerns about ethics | 6.4 Human Rights Protection | 136-142 | - |
| 102-19 | Delegating authority | 2.2.2 Sustainable Promotion of Organizations | 22-23 | - |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics | 2.2.2 Sustainable Promotion of Organizations | 22-23 | - |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics | 3.1 Stakeholder Communication and Response | 30-33 | - |
| 102-23 | Chair of the highest governance body | 4.2 Enhancing the Board of Directors' Functions | 43-47 | - |
| 102-24 | Nominating and selecting the highest governance body | 4.2 Enhancing the Board of Directors' Functions | 43-47 | - |
| 102-25 | Conflicts of interest | 4.2 Enhancing the Board of Directors' Functions | 43-47 | - |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy | 4.2 Enhancing the Board of Directors' Functions | 43-47 | - |
| 102-27 | Collective knowledge of highest governance body | 4.2 Enhancing the Board of Directors' Functions | 43-47 | - |
| 102-28 | Evaluating the highest governance body's performance | 4.2 Enhancing the Board of Directors' Functions | 43-47 | - |

| Disclosure Number | Index Name | Related Chapters | Page | Remark |
|------------------------------------|--|--|---------|---|
| 102-29 | Identifying and managing economic, environmental, and social impacts | 3.2 Materiality Assessment | 34-38 | - |
| 102-30 | Effectiveness of risk management processes | 3.2 Materiality Assessment | 34-38 | - |
| 102-31 | Review of economic, environmental, and social topics | 3.2 Materiality Assessment | 34-38 | - |
| 102-32 | Highest governance body’s role in sustainability reporting | 2.2.2 Sustainable Promotion of Organizations | 22-23 | - |
| 102-33 | Communicating critical concerns | 3.2 Materiality Assessment | 34-38 | - |
| 102-34 | Nature and total number of critical concerns | 3.2 Materiality Assessment | 34-38 | - |
| 102-35 | Remuneration policies | 6.2.3 Competitive Employee Compensation and Benefits | 125-129 | - |
| 102-36 | Process for determining remuneration | 4.2 Enhancing the Board of Directors’ Functions | 43-47 | - |
| 102-38 | Annual total compensation ratio | 6.2.3 Competitive Employee Compensation and Benefits | 125-129 | - |
| GRI 201 Economic Performance* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 1. Overview | 8-9 | - |
| | | 3.2 Materiality Assessment | 34-38 | |
| | | 7.1 Screening Criteria of Reporting Boundaries | 164 | |
| 103-2 | The management approach and its components | 4.4 Customer Relationship Management | 51-54 | - |
| | | 5.2 Climate Strategy | 71-78 | |
| | | 5.3 Net Zero Commitment and Carbon Management | 79-83 | |
| 103-3 | Evaluation of the management approach | 4.4 Customer Relationship Management | 51-54 | - |
| | | 5.2 Climate Strategy | 71-78 | |
| | | 5.3 Net Zero Commitment and Carbon Management | 79-83 | |
| 201-1 | Direct economic value generated and distributed | - | - | Please refer to Delta Electronics, Inc. 2020 Annual Report P.10 |
| 201-2 | Financial implications and other risks and opportunities due to climate change | 5.2 Climate Strategy | 71-78 | |
| | | 5.3 Net Zero Commitment and Carbon Management | 79-83 | |
| GRI 203 Indirect Economic Impacts* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 1. Overview | 8-9 | - |
| | | 3.2 Materiality Assessment | 34-38 | |
| | | 7.1 Screening Criteria of Reporting Boundaries | 164 | |
| 103-2 | The management approach and its components | 6.6 Social Engagement | 147-157 | - |
| 103-3 | Evaluation of the management approach | 6.6 Social Engagement | 147-157 | - |

| Disclosure Number | Index Name | Related Chapters | Page | Remark |
|--|---|--|---------|--|
| 203-1 | Infrastructure investments and services supported | 6.6 Social Engagement | 147-157 | - |
| GRI 204 Procurement Practices* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment | 34-38 | - |
| | | 4.5.1 Overall Measures for Supplier Sustainability Management | 55-56 | |
| | | 7.1 Screening Criteria of Reporting Boundaries | 164 | |
| 103-2 | The management approach and its components | 4.5.1 Overall Measures for Supplier Sustainability Management | 55-56 | - |
| 103-3 | Evaluation of the management approach | 4.5.2 Ratio of Localized Procurement and Materials | 57 | - |
| 204-1 | Proportion of spending on local suppliers | 4.5.2 Ratio of Localized Procurement and Materials | 57 | - |
| GRI 205 Anti-corruption | | | | |
| 205-2 | Communication and training about anti-corruption policies and procedures | 4.2.2 Ethical Corporate Management | 46-47 | - |
| GRI 206 Anti-competitive Behavior | | | | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | - | - | No anti-competitive behavior nor anti-trust and monopoly practice occurred during the year |
| GRI 207 Tax | | | | |
| 207-1 | Approach to tax | 4.8 Comprehensive Information Disclosure and Shareholder Communication | 65 | - |
| GRI 301 Materials* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment | 34-38 | - |
| | | 4.5.1 Overall Measures for Supplier Sustainability Management | 55-56 | |
| | | 7.1 Screening Criteria of Reporting Boundaries | 164 | |
| 103-2 | The management approach and its components | 4.5.1 Overall Measures for Supplier Sustainability Management | 55-56 | - |
| 103-3 | Evaluation of the management approach | 4.5.2 Ratio of Localized Procurement and Materials | 57 | - |
| 301-1 | Materials used by weight or volume | 4.5.2 Ratio of Localized Procurement and Materials | 57 | No material records were available to calculate the proportion of recycled materials used |

| Disclosure Number | Index Name | Related Chapters | Page | Remark |
|---------------------------|--|---|---------|--------|
| GRI 302 Energy* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment | 34-38 | - |
| | | 5.4 Energy Management | 84-91 | |
| | | 7.1 Screening Criteria of Reporting Boundaries | 164 | |
| 103-2 | The management approach and its components | 5.4 Energy Management | 84-91 | - |
| 103-3 | Evaluation of the management approach | 5.4 Energy Management | 84-91 | - |
| 302-1 | Energy consumption within the organization | 5.4.1 Energy Consumption | 84-86 | - |
| | | 7.3 Social Data | 167-168 | |
| 302-2 | Energy consumption outside of the organization | 5.7.4 Energy Saving Benefits of Products | 104-106 | - |
| 302-3 | Energy intensity | 5.4 Energy Management | 84-91 | - |
| 302-4 | Reduction of energy consumption | 5.4.2 Energy Conservation Projects | 86 | - |
| 302-5 | Reductions in energy requirements of products and services | 5.7.4 Energy Saving Benefits of Products | 104-106 | - |
| GRI 303 Water* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment | 34-38 | - |
| | | 5.5 Water Resource Management | 92-96 | |
| | | 7.1 Screening Criteria of Reporting Boundaries | 164 | |
| 103-2 | The management approach and its components | 5.5 Water Resource Management | 92-96 | - |
| 103-3 | Evaluation of the management approach | 5.5 Water Resource Management | 92-96 | - |
| 303-1 | Interactions with water as a shared resource | 5.5.1 Identification of Water Risks and Response Measures | 92-93 | - |
| 303-2 | Management of water discharge-related impacts | 5.5.2 Consumption and Effectiveness of Water Resources | 94-96 | - |
| 303-3 | Water withdrawal | 5.5.2 Consumption and Effectiveness of Water Resources | 94-96 | - |
| 303-4 | Water discharge | 5.5.2 Consumption and Effectiveness of Water Resources | 94-96 | - |
| 303-5 | Water consumption | 5.5.2 Consumption and Effectiveness of Water Resources | 94-96 | - |
| GRI 305 Emissions* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment | 34-38 | - |
| | | 5.2 Climate Strategy | 71-78 | |
| | | 5.3 Net Zero Commitment and Carbon Management | 79-83 | |
| | | 7.1 Screening Criteria of Reporting Boundaries | 164 | |

| Disclosure Number | Index Name | Related Chapters | Page | Remark |
|---|---|---|-------|---|
| 103-2 | The management approach and its components | 5.2 Climate Strategy | 71-78 | - |
| | | 5.3 Net Zero Commitment and Carbon Management | 79-83 | |
| 103-3 | Evaluation of the management approach | 5.2 Climate Strategy | 71-78 | - |
| | | 5.3 Net Zero Commitment and Carbon Management | 79-83 | |
| 305-1 | Direct (Scope 1) GHG emissions | 5.3 Net Zero Commitment and Carbon Management | 79-83 | - |
| 305-2 | Energy indirect (Scope 2) GHG emissions | 5.3 Net Zero Commitment and Carbon Management | 79-83 | - |
| 305-3 | Other indirect (Scope 3) GHG emissions | 5.3 Net Zero Commitment and Carbon Management | 79-83 | - |
| 305-4 | GHG emissions intensity | 5.3 Net Zero Commitment and Carbon Management | 79-83 | - |
| 305-5 | Reduction of GHG emissions | 5.3 Net Zero Commitment and Carbon Management | 79-83 | - |
| 305-7 | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | 5.8.4 Air Pollution Prevention and Management | 108 | - |
| GRI 306 Effluents and Waste* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment; 5.6 Waste Management | 34-38 | - |
| | | 7.1 Screening Criteria of Reporting Boundaries | 164 | |
| 103-2 | The management approach and its components | 5.6 Waste Management | 97-98 | - |
| 103-3 | Evaluation of the management approach | 5.6 Waste Management | 97-98 | - |
| 306-2 | Waste by type and disposal method | 5.6.2 Waste Output and Effectiveness | 98 | - |
| 306-3 | Significant spills | 5.5.2 Consumption and Effectiveness of Water Resources | 96 | - |
| GRI 307 Environmental Compliance | | | | |
| 307-1 | Non-compliance with environmental laws and regulations | 5.8.1 Compliance with Environmental Protection Regulations | 107 | No penalty of violation of environmental regulations from 2017 to 2020. |
| GRI 308 Supplier Environmental Assessment* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment | 34-38 | - |
| | | 4.5.1 Overall Measures for Supplier Sustainability Management | 55-56 | |
| | | 7.1 Screening Criteria of Reporting Boundaries | 164 | |

| Disclosure Number | Index Name | Related Chapters | Page | Remark |
|--|--|--|---------|--------|
| 103-2 | The management approach and its components | 4.5.1 Overall Measures for Supplier Sustainability Management | 55-56 | - |
| 103-3 | Evaluation of the management approach | 4.5.1 Overall Measures for Supplier Sustainability Management | 55-56 | - |
| 308-1 | New suppliers that were screened using environmental criteria | 4.5.1 Overall Measures for Supplier Sustainability Management | 55-56 | - |
| 308-2 | Negative environmental impacts in the CPC and actions taken | 4.5.3 Supplier ESG Risk Assessment and Due Diligence Research on Conflict Minerals | 58-59 | - |
| GRI 401 Employment* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment; | 34-38 | - |
| | | 6.2 Talent Attraction; | 116-129 | |
| | | 7.1 Screening Criteria of Reporting Boundaries | 164 | |
| 103-2 | The management approach and its components | 6.2 Talent Attraction | 116-129 | - |
| 103-3 | Evaluation of the management approach | 6.2 Talent Attraction | 116-129 | - |
| | | 6.5 LOHAS Workplace | 143-146 | |
| 401-1 | New employee hires and employee turnover | 6.2.1 Staffing Diversity and Inclusion | 116-120 | - |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 6.2.3 Competitive Employee Compensation and Benefits | 125-129 | - |
| | | 6.5 LOHAS Workplace | 143-146 | |
| 401-3 | Parental leave | 6.4.1 Human Rights Risk Identification and Assessment | 139 | - |
| GRI 403 Occupational Health and Safety* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment | 34-38 | - |
| | | 6.7 Occupational Safety and Health | 158-162 | |
| | | 7.1 Screening Criteria of Reporting Boundaries | 164 | |
| 103-2 | The management approach and its components | 6.5.1 Comprehensive Health Management and Promotion | 143-144 | - |
| | | 6.7 Occupational Safety and Health | 158-162 | |
| 103-3 | Evaluation of the management approach | 6.5.1 Comprehensive Health Management and Promotion | 143-144 | - |
| | | 6.7 Occupational Safety and Health | 158-162 | |
| 403-1 | Occupational health and safety management system | 6.7 Occupational Safety and Health | 158-162 | - |
| 403-2 | Hazard identification, risk assessment, and incident investigation | 6.7 Occupational Safety and Health | 158-162 | - |
| 403-3 | Occupational health services | 6.5.1 Comprehensive Health Management and Promotion | 143-144 | - |

| Disclosure Number | Index Name | Related Chapters | Page | Remark |
|---|---|---|---------------------------|--|
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | 6.7 Occupational Safety and Health | 158-162 | - |
| 403-5 | Worker training on occupational health and safety | 6.7 Occupational Safety and Health | 160 | - |
| 403-6 | Promotion of worker health | 6.5.1 Comprehensive Health Management and Promotion | 143-144 | - |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 6.7 Occupational Safety and Health | 158-162 | - |
| 403-8 | Workers covered by an occupational health and safety management system | 6.7 Occupational Safety and Health | 158-162 | - |
| 403-9 | Work-related injuries | 6.7 Occupational Safety and Health | 161-162 | - |
| 403-10 | Work-related ill health | 6.7 Occupational Safety and Health | 161-162 | - |
| GRI 404 Training and Education | | | | |
| 404-1 | Average hours of training per year per employee | 6.3 Talent Learning Development | 130 | - |
| GRI 405 Diversity and Equal Opportunity* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment; 6.2 Talent Attraction; 7.1 Screening Criteria of Reporting Boundaries | 34-38, 116-129, 164 | - |
| 103-2 | The management approach and its components | 6.2 Talent Attraction | 116-129 | - |
| 103-3 | Evaluation of the management approach | 6.2 Talent Attraction; 6.5 LOHAS Workplace | 116-129, 143-146 | - |
| 405-1 | Diversity of governance bodies and employees | 6.2.1 Staffing Diversity and Inclusion | 116-120 | Please refer to Delta Electronics, Inc. 2020 Annual Report P.55,82 |
| GRI 406 Non-discrimination* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment 6.4 Human Rights Protection 7.1 Screening Criteria of Reporting Boundaries | 34-38 136-142 164 | - |
| 103-2 | The management approach and its components | 6.4 Human Rights Protection | 136-142 | - |
| 103-3 | Evaluation of the management approach | 6.4 Human Rights Protection | 136-142 | - |
| 406-1 | Incidents of discrimination and corrective actions taken | - | | No discrimination incident occurred |
| GRI 408 Child Labor* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment 4.5 Supplier Sustainability Management 6.4 Human Rights Protection | 34-38 55-61 136-142 | - |

| Disclosure Number | Index Name | Related Chapters | Page | Remark |
|-------------------------------------|--|--|---------|--------|
| 103-2 | The management approach and its components | 4.5 Supplier Sustainability Management | 55-61 | - |
| | | 6.4 Human Rights Protection | 136-142 | |
| 103-3 | Evaluation of the management approach | 4.5 Supplier Sustainability Management | 55-61 | - |
| | | 6.4 Human Rights Protection | 136-142 | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | 4.5.3 Supplier ESG Risk Assessment and Due Diligence Research on Conflict Minerals | 58-59 | - |
| | | 6.4.1 Human Rights Risk Identification and Assessment | 141-142 | |
| GRI 409 Forced or Compulsory Labor* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment | 34-38 | - |
| | | 4.5 Supplier Sustainability Management | 55-61 | |
| 103-2 | The management approach and its components | 4.5 Supplier Sustainability Management | 55-61 | - |
| 103-3 | Evaluation of the management approach | 4.5 Supplier Sustainability Management | 55-61 | - |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 4.5.3 Supplier ESG Risk Assessment and Due Diligence Research on Conflict Minerals | 58-59 | - |
| | | 6.4.1 Human Rights Risk Identification and Assessment | 141-142 | |
| GRI 412 Human Rights Assessment* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment | 34-38 | - |
| | | 4.5 Supplier Sustainability Management | 55-61 | |
| | | 6.4 Human Rights Protection | 136-142 | |
| 103-2 | The management approach and its components | 4.5 Supplier Sustainability Management | 55-61 | - |
| | | 6.4 Human Rights Protection | 136-142 | |
| 103-3 | Evaluation of the management approach | 4.5 Supplier Sustainability Management | 55-61 | - |
| | | 6.4 Human Rights Protection | 136-142 | |
| 412-1 | Operations that have been subject to human rights reviews or impact assessments | 4.5.2 Ratio of Localized Procurement and Materials | 57 | - |
| | | 6.4 Human Rights Protection | 136-142 | |
| 412-2 | Employee training on human rights policies or procedures | 6.4.1 Human Rights Risk Identification and Assessment | 141-142 | - |
| GRI 414 Supplier Social Assessment* | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment | 34-38 | - |
| | | 4.5.1 Overall Measures for Supplier Sustainability Management | 55-56 | |
| | | 7.1 Screening Criteria of Reporting Boundaries | 164 | |

| Disclosure Number | Index Name | Related Chapters | Page | Remark |
|---|--|---|---------|--|
| 103-2 | The management approach and its components | 4.5.1 Overall Measures for Supplier Sustainability Management | 55-56 | - |
| 103-3 | Evaluation of the management approach | 4.5.1 Overall Measures for Supplier Sustainability Management | 55-56 | - |
| 414-1 | New suppliers that were screened using social criteria | 4.5.2 Ratio of Localized Procurement and Materials | 57 | - |
| GRI 415 Public Policy | | | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Materiality Assessment | 34-38 | - |
| | | 4.4 Customer Relationship Management | 51-52 | |
| | | 4.6 Information System Safety and Management | 62-63 | |
| 103-2 | The management approach and its components | 4.4 Customer Relationship Management | 51-52 | - |
| | | 4.6 Information System Safety and Management | 62-63 | |
| 103-3 | Evaluation of the management approach | 4.4 Customer Relationship Management | 51-52 | - |
| | | 4.6 Information System Safety and Management | 62-63 | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | - | - | No lawsuits or fines regarding customer privacy occurred in 2020 |
| GRI 419 Socioeconomic Compliance | | | | |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | 6.4.1 Human Rights Risk Identification and Assessment | 141-142 | - |

* Marked as material issues

SASB

| Theme | Calculation Index | No. | Measurement Unit | Corresponding GRI & Delta's Response |
|------------------------------|---|------------------------------|-----------------------|---|
| Supply Chain Management | Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities | TC-HW-430a.1 | % | The suppliers who voluntarily introduced RBA VAP accounted for 8% of the effective questionnaires. (a) $8\% \times 88\% = 7.04\%$ (b) No high-risk facilities (The suppliers who voluntarily introduced RBA VAP did not have a score lower than 65 points) |
| | Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances | TC-HW-430a.2 | Rate | 4.5.4 Supplier Audit Based on RBA Principles for key suppliers (a) The supplier improvement rate with mentoring provided by Delta was 82% in 2021 |
| Procurement of Materials | Description of the management of risks associated with the use of critical materials | TC-HW-440a.1 RT-EE-440a.1 | Na | 5.7.2 Hazardous Substance Policy and Management |
| | Description of policies and practices for prevention of: (1) corruption and bribery, and (2) anti-competitive behavior | RT-EE-510a.1 | Na | 4.2.2 Ethical Corporate Management |
| Business Ethics | Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption | RT-EE-510a.2 | Reporting Currency | 0 USD (4.2.2 Ethical Corporate Management) |
| | Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations | RT-EE-510a.3 | Reporting Currency | 0 USD (4.2.2 Ethical Corporate Management) |
| Product Information Security | Description of approach to identifying and addressing data security risks in products | TC-HW-230a.1 | Na | Delta began the gradual introduction of its Information Security Management System (ISMS) in 2016. The scope encompasses the DNI New Product Introduction (NPI) of the ICTBG, IT data centers, Internet, and enterprise resource planning (ERP). We also obtained ISO 27001: 2013 international standard certification through inspections conducted by an independent verification institution in 2018. We led the industry in becoming the first company to adopt both NPI and IT certification for new products. |

| Theme | Calculation Index | No. | Measurement Unit | Corresponding GRI & Delta's Response |
|------------------------------|--|------------------------------|--------------------|---|
| Product Safety | Number of recalls issued, total units recalled | RT-EE-250a.1 | Number | 4.4.2 Improve customer relationship management |
| | Total amount of monetary losses as a result of legal proceedings associated with product safety | RT-EE-250a.2 | Reporting currency | 4.4.2 Improve customer relationship management |
| Product Lifecycle Management | Percentage of products by revenue that contain IEC 62474 declarable substances | TC-HW-410a.1 RT-EE-410a.1 | % | We selected the Power Supply Business Group for an evaluation based on "revenue from products of the Power Supply Business Group compliant with IEC 62474 / revenue from products of Power Supply Business Group in 2021" and found that all products complied with IEC 62474 requirements. Please refer to 5.7.2 Hazardous Substance Policy and Management for related management policies |
| | Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent | TC-HW-410a.2 | % | Most Delta products are sold to other businesses and the EPEAT product categories do not apply. Therefore, Delta is not responsible for applying for certification and does not compile statistical data. |
| | Percentage of eligible products, by revenue, meeting ENERGY STAR criteria | TC-HW-410a.3 | % | The compliance of Delta's UPS products is calculated based on "UPS product revenue with ENERGY STAR certification shipped to the US market by OBM in 2021 / overall product revenue shipped to the US market by OBM in 2021" and 75% of products met requirements for ENERGY STAR certification. |
| | Percentage of eligible products, by revenue, that meet ENERGY STAR criteria | RT-EE-410a.2 | | The compliance of Delta ventilation fans is calculated based on "Ventilating fan product revenue with ENERGY STAR certification in 2021 / overall ventilating fan product revenue in 2021" and 76.9% of the product revenue met requirements for ENERGY STAR certification. |
| | Weight of end-of-life products and e-waste recovered, percentage recycled | TC-HW-410a.4 | Tons, % | As most Delta products are sold to other businesses, collecting information in the current stage remains difficult. |
| | | | % by Revenue | As most Delta products are sold to other businesses, collecting information in the current stage remains difficult. |
| | Revenue from renewable energy-related and energy efficiency-related products | RT-EE-410a.3 | Reporting Currency | 5.7.4 Energy Saving Benefits of Products |

| Theme | Calculation Index | No. | Measurement Unit | Corresponding GRI & Delta's Response |
|--------------------------------------|--|----------------------------|------------------------------------|---|
| Energy Management | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable | RT-EE-130a.1 | Gigajoules (GJ), Percentage (%) | 7.2 Environmental Data (1) Total energy consumption was 2,284,104 GJ (2) Grid electricity totaled 910,649 GJ, which accounted for 39.9% of total energy consumption (3) Renewable energy accounted for 49% |
| | Amount of hazardous waste generated, percentage recycled | RT-EE-150a.1 | Metric tons (t), Percentage (%) | 5.5.1 Enhance Circular Recycling and Reuse 7.2 Environmental Data Main Production Plants: 4,015.9 tons with 68.6% recycled Overall Production Plants: 4,018.7 tons with 68.5% recycled |
| Hazardous Waste Management | Number and aggregate quantity of reportable spills, quantity recovered | RT-EE-150a.2 | Number, Kilograms (kg) | 5.7.1 Compliance with Environmental Protection Regulations |
| | Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees | TC-HW-330a.1 | % | 6.2.1 Recruitment Diversity and Inclusion |
| Employee Diversity and Inclusiveness | Number of units produced by product category | TC-HW-000.A RT-EE-000.A | Number | Trade secret not disclosed |
| | Area of manufacturing facilities | TC-HW-000.B | Square feet (ft²) | Trade secret not disclosed |
| | Percentage of production from owned facilities | TC-HW-000.C | Percentage (%) | Trade secret not disclosed |
| | Number of units produced by product category | RT-EE-000.A | Number | Trade secret not disclosed |
| | Number of employees | RT-EE-000.B | Number | 6.2.1 Recruitment Diversity and Inclusion |

7.5 Summary of Information Assured (ISAE 3000)

| Assured Item | Information Assured | Page | Reporting Criteria |
|---|---|------|--|
| Electronic ballast annual energy savings in 2021 | Assuming that end-users replace existing Magnetic Ballasts with Electronic Ballasts, for shipments of Delta Electronic Ballast for Fluorescent Lamps to 6 major customers in 2021, annual energy savings for end-users was 43 million kWh. | 106 | Annual Energy Savings (kWh) = $[\sum(A \times B) \times C] \div 1000 \times 8 \text{ (hr)} \times 365 \text{ (day)}$. 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 1/1/2021 to 12/31/2021. C: Energy Savings=10%. |
| Server power annual energy savings in 2021 | By comparing the efficiency of Delta Server Power to that of 80 Plus Bronze requirements, for the shipments of 12 major customers in 2021, annual energy savings was 1.87 billion kWh. | 106 | Annual Energy Savings (kWh) = $[\sum(A \times B \times C) \times D] \div 1000 \times 24 \text{ (hr)} \times 365 \text{ (day)}$. 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 1/1/2021 to 12/31/2021. D: Percentage of load=50%. |
| Ventilating fans annual energy savings in 2021 | By comparing the efficiency 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 2021, annual energy savings was 38 million kWh. | 106 | Annual Energy Savings (kWh) = $\sum(A \times B \times C) \div 1000 \times 1671 \text{ (hour/Year)}^{*1}$. A: Rated output power (W) of each Delta ventilating fan model B: Energy saving rate (the difference of efficiency 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 1/1/2021 to 12/31/2021. *1. Usage time of 1671 hours/year refers to Japanese Industrial Standards (JIS C 9921-2). |
| LED street lights annual energy savings in 2021 | Assuming that end-users installed Delta LED street lights to replace mercury street lights, for the shipments of LED street lights to Taiwan in 2021, annual energy savings was 65 million kWh. | 106 | Annual Energy Savings (kWh) = $\sum(A \times B) \times 12 \text{ (hr)} \times 365 \text{ (day)}$. 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 1/1/2021 to 12/31/2021. |

**AC-DC adapter
annual energy
savings in 2021**

By comparing the efficiency of Delta AC-DC adapters to that of EU eco-design requirements for External Power Supplies (EU 2019/1782), for shipments of the 55 main AC-DC Adapter models^{*1} in 2021, annual energy savings was 104 million kWh.

*1. Main product models are ADP-45AG BA、ADP-45BG BA、ADP-45BG BC、ADP-45DG BB、ADP-45EG AB、ADP-45EG BB、ADP-45FE FA、ADP-45FE FC、ADP-45FE FD、ADP-45HG BA、ADP-45KE BA、ADP-45ZE BE、ADP-65AE BA、ADP-65AE BB、ADP-65CE BA、ADP-65CE BC、ADP-65DE BA、ADP-65DW Z2M、ADP-65KE BA、ADP-65KE BB、ADP-65ME BA、ADP-65TH KB、ADP-65XD AB、ADP-65XD BB、ADP-65XD BF、ADP-65YD BA、ADP-90DE BA、ADP-90DE BC、ADP-90FE DA、ADP-90LD DD、ADP-90LD FA、ADP-90LE BA、ADP-90WH KB、ADP-100FR AE、ADP-110EB BA、ADP-120CR AE、ADP-120MH TE、ADP-120VH BB、ADP-120WH BA、ADP-120WH BB、ADP-120WH BF、ADP-180MB DB、ADP-180MB DD、ADP-180MB KA、ADP-180TB BA、ADP-180TB FR、ADP-180TB HA、ADP-180TB HB、ADP-240AB DB、ADP-240CB BA、ADP-240CB BB、ADP-240EB BA、ADP-240EB BC、ADP-240EB BD、ADP-240GB BA.

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Annual Energy Savings (kWh) = $\{[\sum(A \times B) \times C \times 39.9 \text{ (hr/week)} \times 52 \text{ (week)}] + [\sum(D \times B) \times 56.05 \text{ (hr/week)} \times 52 \text{ (week)}]^{*1}\} \div 1000$

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 1/1/2021 to 12/31/2021.

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 of 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 of the review study on commission regulation (EC) No. 278/2009 External Power Supplies.

**PV inverter (PVI)
annual energy
savings in 2021**

By comparing the efficiency of Delta PV Inverter (PVI) to the minimum average efficiency 97.5%^{*1} of the ENERGY STAR Market and Industry Scoping Report, for the shipments of three phase PVI models^{*2} to North America and main sales countries of Europe^{*3} in 2021, annual energy savings was 6.8 million kWh.

*1. ENERGY STAR Market and Industry Scoping Report

*2. Three phase product models and series are M125HV、M125HV_110、M125HV_111、M36U 122、M42U 121、M42U 122、M60U 121、M60U 122、M80U 121、M80U 122、M88H_121、M88H_122、RPI M10A、RPI M15A、RPI M15A_220、PI M20A、RPI M20A_220、RPI M30A_230、RPI M50A_12s、RPI M50A_260、RPI M6A、RPI M70A、RPI M8A、RPI_M30A_120.

*3. Main sales countries in Europe are Germany、France、Switzerland and Luxembourg. US states of shipments to North America are Arkansas、Arizona、California、Colorado、Maryland、Minnesota、Missouri、New York、Tennessee、Wisconsin.

106

Annual Energy Savings (kWh) = $\sum(A \times B \times C \times D \times T) \times 365 \text{ (day)} \div 1000$

A: Rated output power (W) of each Delta PVI model.

B: Power loss (W) difference between Delta PVI and the ENERGY STAR market investigation.

C: Percentage of load=100%.

D: Quantities of products of each model are exported from SAP shipment record from 1/1/2021 to 12/31/2021.

T: Usage time of various hours/day refers to NASA Daily solar radiation of the Delta PVI's shipping destination.

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| EV DC charger annual energy savings in 2021 | By comparing the efficiency of Delta EV DC Charger to the minimum efficiency 90% regulated by CHAdeMo, for the shipments of EV DC Charger in 2021, annual energy savings was 9.9 million kWh. | 106 | <p>Annual Energy Savings (kWh) = $\Sigma(A \times B \times C) \times D \times 8 \text{ (hr)} \times 365 \text{ (day)} \div 1000$</p> <p>A: Rated output power (W) of each Delta EV DC Charger model.</p> <p>B: Power loss (W) difference between Delta EV DC Charger and CHAdeMo requirements.</p> <p>C: Quantities of products of each model are exported from SAP shipment record from 1/1/2021 to 12/31/2021.</p> <p>D: Percentage of load=100%.</p> |
| LED high bay annual energy savings in 2021 | Assuming that end-users installed Delta LED high bays to replace Metal Halide high bays, and by comparing the efficiency of Delta LED high bays to the minimum efficiency requirements for the procurement of Metal Halide high bays (Distribution: Direct, LER: Closed) issued by the United States Department of Energy, for the shipments of LED high bays in 2021, annual energy savings was 5.6 million kWh. | 106 | <p>Annual Energy Savings (kWh) = $\Sigma[(A \div B) \times C] \times 12 \text{ (hr)} \times 260 \text{ (day)} \div 1000$</p> <p>A: Rated output power (W) of each Delta LED high bay model.</p> <p>B: The difference of efficiency between Delta LED high bay and United States Department of Energy's HID high bay requirements.</p> <p>C: Quantities of products of each model are exported from SAP shipment record from 1/1/2021 to 12/31/2021.</p> |
| Uninterruptible power supply system (UPS) annual energy savings in 2021 | By comparing the efficiency of Delta uninterruptible power supply (UPS) to that of EU Code of Code on Energy Efficiency and Quality of AC Uninterruptible power supply systems (EU UPS CoC Version 2.0, 2021), for the shipments of the main UPS models ^{*1} in 2021, annual energy savings was 139 million kWh. | 105 | <p>Annual Energy Savings (kWh) = $\Sigma[(A \times B) \times C] \times 24 \text{ (hr)} \times 365 \text{ (day)} \div 1000$</p> <p>A: Rated output power (W) of each Delta UPS model.</p> <p>B: On charge mode, time-weighted average power loss (W) difference between Delta UPS product and EU CoC requirements at corresponding efficiency on different load mode.</p> <p>C: Quantities of products of each model are exported from SAP shipment record from 1/1/2021 to 12/31/2021.</p> |
| TV power (TVP) annual energy savings in 2021 | By comparing the efficiency of Delta Open frame TV power to that of the minimum energy efficiency required by customer's specifications, for shipments of the 18 main Open frame TV power models ^{*1} in 2021, annual energy savings was 85 million kWh. | 105 | <p>Annual Energy Savings (kWh) = $\{ [\Sigma(A \times B) \times C \times 2.8 \text{ (hr)}] + [\Sigma(D \times B) \times 21.2 \text{ (hr)}] \} \div 1000 \times 365 \text{ (day)}$</p> <p>A: On charge mode, power loss (W) difference between Delta product and the customers' minimum efficiency specifications.</p> <p>B: Quantities of products of each model are exported from SAP shipment record from 1/1/2021 to 12/31/2021.</p> <p>C: Load = load required for the customer's specifications for performance.</p> <p>D: On no load mode, power loss (W) difference between Delta product and the customer's minimum efficiency specifications.</p> <p>* 1. Usage time refers to the result of AMERICAN TIME USE SURVEY.</p> |

*1. Main product models and series are the single-phase UPS models which contains "RT" in the part number, and the three-phase UPS models which contains "DH", "NH", "HP", "HH", "DS" and "DM" in the part number.

*1. Main product models and series are AP-P321AM B, AP-P397AM-1 A, AP-P410BM B, AP-P484AM B, AP-P239AM A, AP-P239AM B, AP-P265AM B, AP-P313AM B, AP-P341AM C, AP-P410BM C, AP-P412BM B, AP-P419AM A, AP-P484BM B, AP-P525AM A, AP-P242AM B, AP-P340AM A, AP-P341AM B, AP-P484AM A. The minimum energy efficiency requirement of customer specifications mentioned above is 80%.

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| LED driver annual energy savings in 2021 | <p>By comparing the efficiency of Delta LED driver to that of EU eco-design requirements for light sources and separate control gears^{*1}, for the shipments of the Delta OBM and 1 EU major customer in 2021, annual energy savings was 45 million kWh.</p> <p>*1. laying down eco-design requirements for light sources and separate control gears pursuant to Directive 2009/125/EC of the European Parliament and of the Council and repealing Commission Regulations (EC) No 244/2009, (EC) No 245/2009 and (EU) No 1194/2012.</p> | 105 | <p>Annual Energy Savings (kWh)= $\Sigma(A \times B \times C) \times D \times 8(\text{hr}) \times 365(\text{day}) \div 1000$</p> <p>A: Rated output power (W) of each Delta LED driver model</p> <p>B: Power loss (W) difference between Delta LED driver and the EU requirements.</p> <p>C: Quantities of products of each model are exported from SAP shipment record from 1/1/2021 to 12/31/2021</p> <p>D: Percentage of load=100%.</p> |
| Electricity Intensity in 2021 | <p>2021 EI was 63,155 kWh/MUSD for Delta's overall production plants.</p> | 85 | <p>Delta's overall production plants include China (Dongguan, Wujiang, Wuhu, Chenzhou and Cyntec in Huafeng), Taiwan (Taoyuan Plant 1, Taoyuan Plant 2, Taoyuan Plant 5, Pingzhen and Cyntec in Hsinchu) and DET (plants 1, 3, 5 & 6).</p> <p>Electricity intensity = [Annual electricity usage (kWh) - electricity usage (kWh) of excluded areas] / Production value (million USD).</p> <p>Annual electricity usage refers to purchased electricity not including self-generated solar power.</p> |
| Data center power usage effectiveness in 2021 (Power Usage Effectiveness, PUE) | <p>The PUE was 1.30 for Delta's 4 data centers in 2021.</p> | 85 | <p>Global average= average PUE of four Delta data centers (Taiwan Headquarters, Wujiang, DET Plant 5 and American Headquarters)</p> <p>PUE is calculated with methodology provided by The Green Grid as follows:</p> <p>PUE= Total Data Center Energy (kWh) /IT Equipment Energy (kWh)</p> <p>IT equipment energy includes the energy associated with all of the IT equipment (e.g., compute, storage, and network equipment) along with supplemental equipment (e.g., KVM switches, monitors, and workstations/laptops used to monitor or otherwise control the data center).</p> <p>Total data center energy includes all IT equipment energy as described above plus everything that supports the IT equipment using energy, such as:</p> <p>A: Power delivery components, including UPS systems, switchgear, generators, power distribution units (PDUs), batteries, and distribution losses external to the IT equipment</p> <p>B: Cooling system components, such as chillers, cooling towers, pumps, computer room air handling units (CRAHs), computer room air conditioning units (CRACs), and direct expansion air handler (DX) units</p> <p>C: Other miscellaneous component loads, such as data center lighting</p> |

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| Electricity savings of green plants and buildings in 2021 | <p>In 2021, Delta's global certified green plants and buildings collectively saved, in total, 16.34 million kWh of electricity.</p> | <p>89</p> | <p>The fifteen green factory/office buildings are the following: Taipei Headquarters , Taoyuan R&D Center, Tainan Plant Phase II, Tainan Plant Phase I, India Rudrapur Plant, India Gurgaon Plant, Shanghai R&D Center , American Headquarters, Taoyuan Plant 5, Beijing Office Building, India Mumbai Office Building, DET 5, EMEA Headquarters, Chungli R&D Center and Japan Ako Energy Park.</p> <p>Electricity savings (kWh) = (EUI in literature cited – Actual EUI of green buildings) * Floor area of green buildings</p> <p>EUI = Annual Electricity usage (kWh)/Floor area (m2). Annual electricity usage refers to purchased electricity not including self-generated solar power. Floor area is based on area as of December 31, 2021.</p> |
| Electricity savings of donated green buildings in 2021 | <p>In 2021, Delta Group's five donated green buildings reduced, in total, 1.75 million kWh of electricity.</p> | <p>149</p> | <p>The five donated green buildings are the following: the Delta Building and the Y. S. Sun Green Building Research Center at National Cheng Kung University (NCKU), the Kuo-Ting Optoelectronics Building at National Central University (NCU), the Delta Building at National Tsing Hua University (NTHU), as well as the Namasia Minquan Elementary School.</p> <p>Electricity savings (kWh) = (EUI in literature cited – Actual EUI of green buildings) * Floor area of green buildings</p> <p>EUI = Annual Electricity usage (kWh)/Floor area (m2). Annual electricity usage does not include self-generated solar power. Floor area is based on area as of December 31, 2021.</p> |
| Water productivity intensity (WPI) in 2021 | <p>2021 Water productivity intensity (WPI) was 416 metric ton/MUSD for Delta's overall production plants.</p> | <p>95</p> | <p>Delta's overall production plants include China (Dongguan, Wujiang, Wuhu, Chenzhou and Cyntec in Huafeng), Taiwan (Taoyuan Plant 1, Taoyuan Plant 2, Taoyuan Plant 5, Pingzhen Plant, Cyntec in Hsinchu) and DET 1, 3, 5, 6. Statistics are exported from tap water bills.</p> <p>Water productivity intensity = [Annual purchased water usage (metric ton)/ Production value (million USD)]</p> |

7.6 TCFD Practices Across the Four Core Elements

Task Force on Climate-related Financial Disclosures (TCFD)

Since the publication of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2017, Delta took the lead in disclosing information on climate governance, strategies, risk management, and key indicators according to the four elements of TCFD.

| Governance | |
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| Guiding Principles | Implementation |
| Board's Oversight of Climate Related Risks and Opportunities | <ul style="list-style-type: none"> The Delta ESG Committee (the "ESG Committee") under the Board of Directors is the highest-level supervision unit for climate risk and opportunity within Delta, with Mr. Bruce Cheng, founder and honorary chairman of Delta, as the honorary chairperson and Mr. Yancey Hai, Chairman of Delta, as the chairperson. The ESG Committee is composed of board members including the vice chairman, CEO and COO as well as CSO and top executives from regional and functional management. Most members of the Board of Directors have been paying attention to climate change and have a full understanding of the significance and effects of climate change. When considering major investment resolutions, including the low-carbon sustainability of investments, the construction of green buildings, solar energy plants, and green energy investment, the Board of Directors is able to take climate change issues into consideration. |
| Management's Role in Assessing and Managing Climate-related Risks and Opportunities | <ul style="list-style-type: none"> Climate change covers a wide range of topics and impacts, with each responsible unit at Delta playing different roles. They can facilitate the implementation of measures through communication and exchange of information at quarterly ESG Committee meetings. The Corporate Sustainability Development Department under the ESG Committee is responsible for monitoring international climate change trends, coordinating projects related to climate change, compiling relevant data indicators, establishing an operational framework, organizing education and training on climate change, inviting heads of different functions and business groups to keep the management updated on climate-related issues. The Energy Conservation Service Department is responsible for providing comprehensive energy efficiency improvement services to enhance the energy efficiency of utilities, data centers, buildings, and factories. The Energy Management Committee under the Delta ESG Committee holds meetings quarterly and is responsible for promoting energy conservation at Delta's global factories, green buildings, and server rooms, as well as the introduction of global renewable energy. Each business group is responsible for the research and development of a variety of energy-saving related products and solutions, and is committed to improving the energy efficiency of its products and developing products and services that contribute to the mitigation and adaptation of climate change. In strategic development meetings held on an annual basis, business and functional groups report important trends and set strategic directions for business groups and targets for Delta. The meetings above are led by the management team with Board members participating. The CSO reports to the Board of Directors on trends relating to climate change on a quarterly basis, as well as Delta's climate management progress, including important trends, key data, disclosure effectiveness, external assessment results, and the overall performance of energy and carbon reduction. Delta introduces an internal carbon pricing and carbon fee system to encourage, track, and promote investments in and the development of innovative technologies for renewable energy, energy conservation, and carbon reduction. |

Strategy

Guiding Principles

Implementation

Climate-related Risks and Opportunities the Organization Has Identified over the Short, Medium, and Long Term

With reference to its internal carbon reduction targets, Delta has defined the short-term as three years, the mid-term as three to five years, and the long-term as more than five years.

(1) Climate-related risks

- Carbon taxes and related taxes, uncertainty surrounding regulation and policies, increased cost of raw materials, voluntary agreements, and renewable energy regulation.
- Medium-term risk: Shifts in consumer preferences to low-carbon products, customers change supplier selection criteria, requirements for decreasing greenhouse indirect emissions from water and waste reduction, increased severity of extreme weather events such as cyclones and floods, costs to transition to lower emissions technology, mandates on and regulation of existing products and services, rising mean temperatures, international sector agreements, changes in precipitation patterns and extreme variability in weather patterns, customers' changing product specification requirements.
- Long-term risk: Substitution of existing products and services with lower emissions options, rising sea levels, emission reduction requirements to suppliers.

(2) Climate-related opportunities

- Short-term: Adoption of more efficient production and distribution processes, introduction of the UL2799 Zero to Landfill policy, deployment of renewable power, provision of climate-related regulation and policy advice, use of new technologies, response to changes in consumer preferences, and new market partnerships.
- Medium-term: Provision of climate-related regulation and policy advice, participation in the carbon trading market, shift to decentralized energy generation, development or expansion of low-carbon products and services, development of climate adaptation and insurance solutions, and diversification of businesses.
- Long-term: Adoption of building automation technologies to enhance the energy efficiency of buildings and their ability to adapt to climate change, reduction in the use of water resources, R&D and innovation of new products and services, and resource substitution and diversification.

Impact of Climate-related Risks and Opportunities on the Organization's Businesses, Strategy, and Financial Planning

- Delta's identified climate risks and opportunities range from products and services, supply chains, adaptation and mitigation activities, R&D, investment, operations to other relevant aspects, and the probability of occurrence and degree of impact for each assessed risk and opportunity.
- In 2018, Delta introduced a monetization and scenario analysis project, which further analyzes the impact caused by operating costs and revenues, capital expenditures, and distributions to understand the financial impact on its business and develop responding strategies.

Resilience of the Organization's Strategy, Taking into Consideration Different Climate-related Scenarios, Including a 2°C or Lower Scenario

- In 2017, Delta adopted and implemented SBTs based on the International Energy Agency (IEA)'s Energy Technology Perspective (ETP) 2°C Scenario (2DS) used in the Sectoral Decarbonization Approach (SDA). Through various means such as energy conservation, utilization of self-generated solar energy, and purchase of green power or renewable energy certificates, Delta has surpassed its original target of a 56.6% reduction in carbon intensity by 2025 in 2021.
- Delta uses different climate scenarios, i.e., nationally determined conditions (NDC) and Beyond 2°C, to simulate business opportunities for energy storage-related products. The results show that by 2025, Delta's internal strategies for energy storage solutions are consistent with those under the NDC scenario. However, we expect a net revenue growth opportunity of around two times compared to the baseline if the policy environment for the Beyond 2°C Scenario (B2DS) takes shape.

Risk Management

Guiding Principles

Implementation

Organization's Processes for Identifying and Assessing Climate- related Risks

- The Board of Directors has instructed the ESG Committee to manage and monitor climate-related issues. Based on the climate change research report, risk assessment report, stakeholders' voices, and with reference to ESG issues, the ESG Committee has identified transformation risks and physical risks according to the proposed risk structure, analyzed the impact arising from policies and regulations, technology, markets, corporate reputation, and extreme and chronic climate events.
- Delta conducts a major survey every three years and re-assesses the results annually to confirm the reasonableness and ensure that the results are in line with current circumstances. Delta selects high-risk projects and matches them with corresponding opportunities based on their short-term, medium-term and long-term goals, as well as possibility and impact. At the same time, to evaluate the feasibility of quantification, quantitative feasibility has been added to the third aspect since 2020.
- Delta also uses a global database to identify in detail the types of physical risks that important locations may face and the potential impacts arising therefrom.

Organization's Processes for Managing Climate- related Risks

- If the overall score of a climate risk event falls in the high attention category, an approach based on "mitigation" and "adaptation" will be adopted.
 - (1) Mitigation: To actively promote the construction of renewable energy, energy conservation, green buildings, and increase energy efficiency to reduce Delta's dependence on energy.
 - (2) Adaptation: To develop renewable and other alternative clean energy, formulate corporate sustainable operation plans related to climate risks, and analyze and seize on impacts arising from climate change to come up with corresponding strategies, as well as provide customers with integrated solutions and assist them in adapting to climate change.

How to Process for Identifying, Assessing, and Managing Climate-related Risks are Integrated into the Organization's Overall Risk Management

- Climate change is one of the official issues of Delta Group's risk management and is included in the overall risk management. Due to the special nature of climate change, the Board of Directors has also delegated the ESG Committee to be responsible for identifying and managing climate risks and opportunities and implementing corresponding measures and solutions.

Metrics and Targets

Guiding Principles

Implementation

Disclose Scope 1, Scope 2, and if Appropriate Scope 3 Greenhouse Gas (GHG) Emissions, and the Related Risks

- According to the GHG Protocol, Delta has conducted greenhouse gas inventories of direct GHG emissions and indirect GHG emissions from imported energy and verified the amount based on the ISO 14064-1 greenhouse gases inventory standards.
- With reference to GHG Protocol Scope 3, Delta conducts GHG inventories of Scope 3, which include purchased goods and services, business travel, use of sales products, upstream and downstream transportation and distribution, and waste management, and obtains the ISO 14064-1 GHG verification report. The results of previous annual inventories are published in Chapter 5.3 Net Zero Commitment and Carbon Management.

The Targets Used by the Organization to Manage Climate-related Risks and Opportunities and Performance against Targets

- The indicators adopted by Delta for assessing climate-related risks include science-based carbon reduction achievements, Energy Intensity (EI) of factories, Energy Use Intensity (EUI) of R&D/office buildings, Power Usage Effectiveness (PUE) of data centers, the overall EI (factories, R&D/office buildings, and data centers), waste intensity, and water productivity intensity.
- At the beginning of 2021, Delta committed to reaching 100% renewable electricity usage by 2030. Since then, the percentage of renewable energy usage has become a new indicator. Delta will implement measures in relation to energy conservation and transformation of renewable energy with its internal carbon pricing system.
- Science-based Target: Met the 2025 Delta SBT targets ahead of schedule and officially joined the Business Ambition for 1.5°C Campaign in 2025.

7.7 TNFD Practices Across the Four Core Elements

Task Force on Nature-related Financial Disclosures (TNFD)

The initiative of the Taskforce on Nature-related Financial Disclosures (TNFD) was announced in July 2020, and released its first beta version of the framework in 2022. In 2022, Delta has explored the TNFD framework, and disclosed nature and biodiversity related information according to the four elements of TNFD.

Nature's four realms include land, oceans, freshwater and atmosphere. The TNFD considers five main drivers of nature change: climate change; resource exploitation; land and sea use change; pollution; and invasive alien species.

| Governance | |
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| Guiding Principles | Implementation |
| The board's oversight of nature-related risks and opportunities. | The Delta ESG Committee (the "ESG Committee") under the Board of Directors is the highest-level supervision unit for nature-related risks and opportunities within Delta. Mr. Bruce Cheng, founder and honorary chairman of Delta, is the committee's honorary chairperson and Mr. Yancey Hai, chairman of Delta, is the chairperson. The ESG Committee is composed of board members including the vice chairman, CEO and COO as well as the CSO and top executives from regional and functional management. |
| Management's role in assessing and managing nature-related risks and opportunities. | The Corporate Sustainability Development Department under the ESG Committee is currently responsible for accessing the development of Nature-related frameworks and methodologies such as TNFD, SBTN, EP&L, and others. The Supply Chain ESG Committee is taking the role of driving our suppliers to reduce their dependency and impact on key elements of natural capital. However, to manage various nature-related risks and opportunities, various roles such as facility engineering, human resources, R&D, and business groups are expected to be involved in the future. |

Strategy

Guiding Principles

Implementation

The nature-related risks and opportunities the organization has identified over the short, medium, and long term.

Aligned with the overall risk structure and definition, Delta has defined the short-term as three years, the mid-term as three to five years, and the long-term as more than five years.

Nature-related risks

- i. Short-term: Using renewable electricity can contribute to the loss of biodiversity and the disruption of habitat function and integrity
- ii. Medium-term: Water shortages that occur and impact us through our non-tier1 and tier 1 suppliers; water shortages that occur within our own operation sites
- iii. Long-term:
 - a. Ecosystem services degradation
 - b. Supply chain disruption caused by raw materials
 - c. Employees' health and mental state derived from the loss of biodiversity
 - d. The backlash from the community or even other stakeholders if our activities affect the stability of the ecosystem.

Nature-related opportunities

Under discussion

The impact of nature-related risks and opportunities on the organization's businesses, strategy, and financial planning.

We are in the process of identifying suitable tools to analyze possible impacts by natural-related risks and opportunities on the ecosystem, our own operations, upstream activities (tier1 and tier 2 suppliers), downstream activities, and clients.

Based on the weight of procured materials in 2021, metal materials accounted for 68.2%, packaging materials accounted for 20.5%, plastic materials accounted for 9.6%, chemicals accounted for 1%, and other materials accounted for 0.7%.

According to a report from PWC, the Electronics Industry's gross value added is 100% low dependency on nature, but still has a "hidden dependency" since nearly 40% of our supply chain has a medium dependency on nature, causing an impact on prices, channels, and quantity of raw materials acquired.

The resilience of the organization's strategy, taking into consideration different climate and nature-related scenarios.

Under discussion

The organization's interactions with low integrity ecosystems, high importance ecosystems or areas of water stress.

- i. Own operations: None of our operations sites are located within or adjacent to globally or nationally important biodiversity areas.
- ii. Non-tier 1 and tier 1 suppliers: We plan to begin assessments at their locations through tools or platforms such as ENCORE, GloBio, iNaturalist, biodiversity networks, and Map services from the National Land Surveying and Mapping Center to identify their spatial relationship with low integrity/high importance ecosystems.
- iii. According to our survey, by using the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI), four suppliers fall into the extreme-high water risk category.

Risk Management

Guiding Principles

Implementation

The organization's processes for identifying and assessing nature-related risks.

- i. Location analysis using land-use map: The current results show that none of our activities are near sites containing globally or nationally important biodiversity.
- ii. We plan to use the LEAP approach to identify the overall nature-related risks and opportunities starting from 2023.

The organization's processes for managing nature-related risks.

- i. Avoidance: set up a biodiversity policy which commits our own operations and supply chain to avoid operational activities near sites containing globally or nationally important biodiversity.
- ii. Minimization:
 - a. Site level: adopt green building standards which comprehensively consider energy, greenhouse gas, water, waste, and biodiversity-related criteria.
 - b. Product level: Develop new products and business models that require fewer natural resources and pose lower pressure on the ecosystem.
 - c. Value-chain level: Include nature-related risks as categories in our due-diligent tools and annual ESG survey sheets.
- iii. Restoration and enhancement: Fulfill the biodiversity criteria listed in the green building standards; build partnerships with our supply chain to reduce the negative impact on the ecosystem of raw material sourcing activity by sharing knowledge and evaluating the methods of acquiring materials.
- iv. Offset: Research the methodologies with experts and develop our process of assessing the feasibility of natural-based solutions such as non-deforestation and preserving biodiversity, by investing in permanent carbon removal and Natural Climate Solutions (NCS) credits.
- v. Additional conservation actions: Partner up with professional marine conservation teams to restore coral reefs and increase biodiversity and sustain the ecosystem.

Processes for identifying, assessing, and managing nature-related risks are integrated into the organization's overall risk management.

Under discussion

Metrics and Targets

Guiding Principles

Implementation

The metrics used by the organization to assess nature-related risks and opportunities in line with its strategy and risk management process.

- i. % of purchased printing papers with labels or certificates that prove non-deforestation
- ii. No beef provided in cafeterias
- iii. No. of coral restoration planted and survived – which fulfilled the health standard by the CORAL HEALTH CHART
- iv. Overall biodiversity scorecard

Details are under discussion and analysis.

Describe the targets used by the organization to manage nature-related risks and opportunities and performance against targets.

- i. We aim to only purchase non-deforestation certified printing paper by 2025
- ii. We aim to restore 28 coral species and plant more than 1,000 coral fragments propagate by 2023
- iii. We plan to reach a Net Positive Impact (NPI) target in 2050 and is currently under discussion. The overall biodiversity score considers populations of specific target species, area, connectivity, integrity of ecosystems, and credits from Natural Climate Solutions (NCS).

7.8 External Assurance Statement and Report

SGS Assurance Statement - GRI Standards & AA1000



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE DELTA ELECTRONICS, INC.'s ESG REPORT FOR 2021

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 ESG Report for 2021 (hereinafter referred to as the ESG Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during on-site verification in the period of 3 March 2022 to 12 April 2022. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all DELTA's Stakeholders.

RESPONSIBILITIES

The information in the DELTA's ESG Report of 2021 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of DELTA. SGS has not been involved in the preparation of any of the material included in the Report.

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.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options and Level of Assurance

| | |
|----|---|
| A. | SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000) |
| B. | AA1000ASv3 Type 2 High Level (AA1000AP Evaluation plus evaluation of Specified Performance Information) |

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Select specific reporting criteria included in the contract

Reporting Criteria Options

1. GRI Standards (Core)
2. AA1000 Accountability Principles (2018)
3. SASB

TWUPP5008 Issue 2201

- Evaluation of content veracity of the sustainability performance information based on the materiality determination at a high level of scrutiny for DELTA and moderate level of scrutiny for subsidiaries and applicable aspect boundaries outside of the organization covered by this report.
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018); and
- Evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.
- Evaluate of the report against the SASB Disclosures and Metrics included in the TECHNOLOGY & COMMUNICATIONS SECTOR- HARDWARE INDUSTRY STANDARD, VERSION 2018-10 and RESOURCE TRANSFORMATION SECTOR- ELECTRICAL & ELECTRONIC EQUIPMENT INDUSTRY STANDARD, VERSION 2018-10 and conducted alongside an evaluation of accuracy assurance at moderate level of scrutiny.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts and Task Force on Climate-related Financial Disclosures (TCFD) has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

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

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 20000, ISO 20121, ISO 50001, SA8000, RBA, 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 specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) 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, shareholders, suppliers, media, communities, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, DELTA may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

Materiality

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

Responsiveness

DELTA has established policy and strategy statements in this report which respond to the material topics and to its stakeholders in a timely and transparent manner.

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Impact

DELTA has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, DELTA's ESG Report of 2021, is adequately in line with the GRI Standards in accordance with Core Option. The material topics 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 topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions of DELTA's involvement with the impacts for each material topic (103-1). More descriptions of how DELTA manage each material topics and the statement of the purpose of the management approach (103-2) and any related adjustments to the management approach (103-3).

SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

DELTA has referenced with SASB's Standard, TECHNOLOGY & COMMUNICATIONS SECTOR- HARDWARE INDUSTRY STANDARD, VERSION 2018-10 and RESOURCE TRANSFORMATION SECTOR- ELECTRICAL & ELECTRONIC EQUIPMENT INDUSTRY STANDARD, VERSION 2018-10 to disclose information of material topics that are vital for enterprise value creation. The reporting boundary is the same as DELTA's ESG report. DELTA used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. DELTA has determined which disclosure topics and associated metrics are financially material to its business and has illustrated appropriately in the content index. By using both GRI and SASB standards together, the efficiency of communication and the identification of material issues are substantially increased during the whole reporting preparation process. Besides, it is best practice to implement a gap analysis and comparison of reported issues and benchmark within or across sectors in next reporting.

Signed:
For and on behalf of SGS Taiwan Ltd.

David Huang
Senior Director
Taipei, Taiwan
06 June, 2022
www.sgs.com



AA1000
Licensed Report
000-B/V3-BQ40J

TWUPP5008 Issue 2201

ISAE 3000 Limited Assurance Report



Independent Limited Assurance Report

PWCM22000061

To Delta Electronics, Inc.

We have been engaged by Delta Electronics, Inc. ("the Company") to perform assurance procedures on the sustainability performance information identified by the Company and reported in the 2021 Delta Electronics ESG Report (hereinafter referred to as the "ESG Report"), and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The sustainability performance information identified by the Company (hereinafter referred to as the "Subject Matter Information") and the respective applicable criteria are stated in the "Summary of Subject Matter Assured" on page 182-186 of the ESG Report.

Management's Responsibilities

The Management of the Company is responsible for the preparation of the sustainability performance information disclosed in the ESG Report in accordance with the respective applicable criteria, and for such internal control as management determines is necessary to enable the preparation of the sustainability performance information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance work on the Subject Matter Information disclosed in the ESG Report in accordance with International Standard on Assurance Engagements 3000, issued by the International Auditing and Assurance Standards Board, to identify whether any amendment is required of the Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria, and issue a limited assurance report.

We conducted our assurance work in accordance with the aforementioned standards including identifying the areas where there may be risks of material misstatement of the Subject Matter Information, and designing and performing procedures to address the identified areas. 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.

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
110208臺北市信義區基隆路一段333號27樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
T: +886 (2) 2729 6666, F: +886 (2) 2729 6686, www.pwc.tw



The extent of the assurance work we performed were based on the identified risk areas and determined materiality, and given the circumstances of the engagement, we designed and performed the following procedures:

- Made inquiries of the persons responsible for the Subject Matter Information to understand the processes, information systems (if any), and the relevant internal controls relating to the preparation of the aforementioned information to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed selective testing including inquiry, observation, inspection, and reperformance to obtain evidence for limited assurance.

We do not provide any assurance on the ESG Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Compliance of Independence and Quality Control Requirement

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Statement of International Standard on Quality Control 1 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.

Inherent Limitations

Certain Subject Matter 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 the evidence we have obtained, we are not aware of any amendment that is required of Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria.



Other Matter

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

Li, Yi-Huah
Partner

For and on behalf of PricewaterhouseCoopers, Taiwan
July 11, 2022

