

2023 Delta Electronics ESG Report

Empower Sustainable Future

A world progressing energy efficiency to drive environmental responsibility.



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About the Report

Delta has been committed to responding to climate change and mitigating global warming for more than 50 years since its founding. In recent years, we started implementing our own measures and expanded to the ecosystem of the industry. Our hard work and results have continuously received recognition from major international sustainability indexes (e.g., DJSI and MSCI) and enhanced our stakeholders' support for Delta's business philosophy and sustainability actions. In 2023, in terms of external communication, Delta officially incorporated our climate transformation plan into the procedure manual for shareholders' meetings and institutional investors' conferences. Internally, we completed carbon inventories for 15 categories in Scope 3 to identify the focus of future carbon reduction and lay the foundations for Scope 3 carbon reduction actions. We will work more closely with our value chain partners to move towards the SBT net-zero goal in 2050.

Delta actively implements climate change governance. The achievement rate of the renewable electricity initiative RE100 has been included in the official performance indicators of senior executives. In 2023, the renewable electricity usage rate in global operations reached 76%. Delta also continues to create business opportunities in support of RE100, including using Delta's energy storage system to adjust supply and demand and increase the RE ratio, and selling renewable electricity certificates of self-built solar power plants in Japan. In response to Taiwan's renewable electricity market and the global 24/7 carbon free energy trend, Delta has developed a power matching software to optimize the matching of renewable electricity and procurement decisions.

Starting from 2021, Delta has set the internal carbon pricing (ICP) at US\$300 per metric ton, introduced an internal carbon fee mechanism, and applied it to energy conservation and carbon reduction projects and renewable electricity. We also encourage investments in negative-carbon technologies and low-carbon innovations to reduce carbon emissions in all global operations. Since the introduction of this mechanism, Delta's global operations have adopted internal carbon fees to expand their own solar installed capacity. The Wujiang Plant in Mainland China has also built a 15 MWh energy storage power station, which was inaugurated with DeltaGrid® energy management solutions. Business units

also developed the renewable energy matching program and this innovative energy solution effectively monitors, manages, and regulates energy distribution to improve efficiency and reliability. In 2023, Delta implemented a total of 410 energy-saving projects, which was more aggressive compared with the 285 projects in the period before the ICP management mechanism was introduced in 2021. We saved more than 48 million kWh, which was equivalent to reducing carbon emissions by more than 36,000 metric tons.

Through the joint efforts of all employees, Delta's total carbon emissions in Scope 1+2 (market based) in 2023 have been lower than the baseline year of 2021 with a 39% reduction. We achieved the SBT net-zero phased goal for two consecutive years, which demonstrated the substantial benefits of the ICP mechanism for energy conservation and carbon reduction. Delta attended the COP28 United Nations Climate Change Conference at the end of 2023 and joined hands with international heavyweight climate organizations to hold peripheral meetings for sharing Delta's internal carbon pricing and net-zero building experience with the aim of expanding our influence in the transition to net-zero.

Delta also continues to implement carbon reduction based on its core energy-saving technologies and develops net-zero business opportunities including low-carbon transportation, microgrids, and green buildings to reduce carbon emissions. The high-efficiency products shipped by Delta from 2010 to 2023 saved customers an estimated 45.5 billion kWh of electricity, which is equivalent to reducing carbon emissions for the Earth by nearly 23.84 million tons. In 2023, we also calculated the avoided emissions of products based on the WBCSD methodology for the first time, and the result was 13.78 million metric tons CO₂e. From 2006 to 2023, Delta built 34 green buildings and 2 certified green data centers across the globe. In 2023, Delta's 20 certified green factory/office buildings and 5 donated campus buildings saved 43.26 million kWh of electricity and 22,694 tons of CO₂e.

To attain the medium and long-term objectives of reducing Scope 3 carbon emissions, Delta helps thousands of our suppliers save energy and reduce carbon emissions. We

adopted the three major strategies of sustainable procurement, localized management, and value chain carbon footprint reduction to create a Green Low-carbon Supply Chain. Delta requires suppliers to obtain third-party verification statements for all greenhouse gas inventory data before Q4 of 2025, and provides tier 1 suppliers with free training programs on the ISO 14064-1 greenhouse gas inventory standard. By 2023, more than 250 suppliers have provided verification statements. We also organized courses on net-zero carbon emissions and basic concepts of energy management in the same year with the participation of more than 1,200 supplier representatives. Delta co-founded the "Taiwan Climate Partnership" with seven other Taiwanese technology leaders. We hope to combine the strength of partners to integrate resources, promote carbon reduction from the ICT supply chain, and communicate extensively with international organizations to lead the low-carbon transformation of the tech industry.

In terms of biodiversity, Delta became a Forum member of the Taskforce on Nature-related Financial Disclosures (TNFD), completed the first biodiversity risk assessment of Delta sites, and became one of the first Early Adopters worldwide in January 2024. The Delta Electronics Foundation joined forces with the National Museum of Marine Science & Technology to build the first zero-carbon coral conservation center in Asia in the Bay Resource Conservation Area, Keelung with the aim of restoring over 10,000 corals within three years. In March 2024, Delta announced a partnership with the Mote Marine Laboratory & Aquarium in the United States to create a restoration and rescue mechanism for coral bleaching and help Taiwan connect with the international community.

In pursuit of the long-term goal of SBT net-zero, Delta promotes climate transformation and carbon management mechanisms. We have consolidated the efforts of all employees in the process to help Delta effectively respond to the impact of climate change and future international regulations and trends. We also continue to stand firm and maintain our resilience to take real actions towards the net-zero goal and expand green business opportunities amid the climate crisis.

Chief Sustainability Officer

ESG Report Scope and Reporting Period

Reporting Period

January 1, 2023 to December 31, 2023

Scope

Considering the realities of information disclosure and actual managerial requirements, the scope of the data is consistent with the scope of the financial and annual reports. Any adjustment of the scope of data shall be specified in the Report.

The subsidiaries included in the consolidated financial statements for which the Company retains more than 50% of shares shall be included in the scope of the ESG Report.

Others

The exchange rates for currencies of different countries are based on the posted rates on December 31, 2023.

Publication of the Report

The Sustainability Report is published on a yearly basis
Publication date: August 1, 2024

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 AA1000AS v3 Type II core standards with high-level assurance. Delta obtained SGS assurance based on SASB Standards and the Assurance 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.

The preparation, verification, and assurance of this Report have been approved by the Board of Directors.

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

A Word from the Management

The Founder

In 1988, the United Nations "Intergovernmental Panel on Climate Change" (IPCC) was established. This global organization comprising over 2,000 scientists from more than 110 countries publishes a report on climate change every five to seven years. After the publication of the Fifth Assessment Report (AR5) in 2014, it soon published two special reports titled "Global Warming of 1.5°C" and "Climate Change and Land" in 2018 and 2019 respectively. In the reports, scientists warn people that more than a quarter of the earth's land is subject to human-induced degradation and humans must change the way they use land to respond to climate change.

On March 20, 2023, the IPCC released the Sixth Assessment Report "AR6 Synthesis Report: Climate Change 2023." It integrated the findings of three working group reports and three special reports since 2018. Co-authored by the world's top climate scientists, it provides a credible assessment of the current climate change emergency and response methods.

The AR6 report points out that the use of fossil fuels and excessive consumption of energy and natural resources over the past century have caused a continuous rise in global temperatures, which has directly led to more frequent and intense extreme climate events. In addition, if water resources and food problems are compounded by unfavorable factors such as global epidemics or war, the natural environment and the world's population will be plunged into more severe disasters—even into an existential crisis for the whole of mankind.

In 2018, the IPCC emphasized the need to limit global warming within 1.5°C. At that time, it was considered an unprecedented challenge. Six years later, the challenge has become even more severe. The speed and scale of carbon reduction efforts carried out by governments or businesses so far appear to be insufficient to combat climate change.

Delta was founded in 1971. After the global energy crisis of the 1970s, Delta expanded from the production of components for TV sets into power and energy solutions in the 1980s. We fully understand the severity of the depletion of natural resources, environmental pollution, and ecological problems caused by technological progress and industrial development. Delta has therefore paid close attention to environmental and energy issues from a very early stage. We have used our



Bruce Cheng
 Founder and Honorary Chairman of Delta Group

core power electronic technologies as the basis for continuous innovation to create better and more energy-efficient products and solutions for the next generation.

With our employees' long-term commitment to environmental protection and technological innovation, the efficiency of Delta's power products has continuously improved each year and exceeded 90%. Based on our calculations, the high-efficiency products shipped by Delta from 2010 to 2023 have saved customers an estimated 45.5 billion kWh of electricity, which is equivalent to reducing carbon emissions for the Earth by nearly 23.84 million tons.

Delta upholds the mission statement "To provide innovative, clean and energy-efficient solutions for a better tomorrow." In 2017, Delta established Science-Based Carbon Reduction Targets (SBTs) and in 2021, we joined RE100, a global renewable electricity initiative. We have pledged to achieve the goal of 100% renewable electricity and carbon neutrality by 2030 for all of Delta's global operation sites, and achieve net-zero greenhouse gas emissions by 2050. Driven by internal carbon pricing and other carbon reduction mechanisms, 76% of the electricity used by Delta's global operation sites came from renewable electricity in 2023. Using the power of technological innovation, we are committed to pursuing business growth while achieving sustainable development.

Meanwhile, as buildings account for 30% to 40% of the overall global energy consumption, energy conservation and emission reduction for buildings has become critical for attaining carbon neutrality and net-zero emissions. Delta uses core technologies to develop smart energy-saving solutions for buildings to create an environmentally-friendly living

environment that meets user demands and supports their health. Since Delta built its first green building factory in 2005 and inaugurated the factory in 2006, it has built 34 green buildings around the world, including self-built factories and buildings donated to academic institutions as well as two certified high-efficiency green building data centers.

Delta is also actively engaged in biodiversity. In 2023, Delta became a member of the Taskforce on Nature-related Financial Disclosures (TNFD) and completed its first biodiversity risk assessment at Delta sites; in January 2024, Delta became one of the world's first early adopters. Since 2021, the Delta Foundation has been collaborating with the National Museum of Marine Science and Technology, formally investing in coral restoration projects. In 2023, we jointly established the "Chaojing Coral Conservation Center," aiming to restore over 10,000 coral colonies within three years. Notably, leveraging Delta's expertise in industrial and building automation, we integrated intelligent aquaculture and environmental management. The Center intends to create a suitable and energy-efficient greenhouse for coral growth. Afterwards, grown corals with heat-resistant genes will be selected and transplanted into the Chaojing Bay Resource Conservation Area, through the continuous use of technology to mitigate the environmental impacts of climate change.

In response to the threats of intense competition and climate change for global industries, we encourage everyone to embrace the concept of sustainability, and adopt a practical and determined approach to continuously surpass prior achievements, use innovative technologies for energy conservation and carbon reduction, and at the same time, promote the continued and stable growth of business.

The Chairman and the CEO

In the past year, the global economic environment has been filled with opportunities and challenges, including pressure from global inflation and rising interest rates to the international turmoil caused by regional armed conflicts. In such a changing environment, Delta has always maintained a sound strategy and focused on the Company's sustainable development and stable profits. In 2023, Delta's revenue increased by 4.4% compared with the previous year and our Scope 1+2 carbon emissions (market based) have been reduced by 39% compared with the baseline year of 2021. We achieved the SBT net-zero phased goal for two consecutive years, and continued to decouple revenue growth from carbon emissions.

With the hard work of all employees and continuous investments in innovation and R&D, Delta was selected for Best Taiwan Global Brands for the 13th consecutive year. In 2023, the Company's brand value exceeded US\$540 million, a significant increase of 28% from the previous year, reaching an all-time high. Delta has also been selected for the Dow Jones Sustainability Indices (DJSI) for 13 consecutive years, received double A list ratings by CDP for the third time for substantial contributions to climate change and water security issues, and was named Supplier Engagement Leader for the 7th consecutive year. Delta Headquarters has also introduced the ISO 37001 international anti-bribery management system and received certification by the end of 2023. It will also gradually promote the anti-corruption and anti-bribery mechanisms to business units, regions, and acquired subsidiaries.



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

Delta promotes sustainability with technology and investments in innovation, and R&D has reached 9% of revenue. We specialize in fields including power electronics, infrastructure, automation, and mobility (a business category newly added in 2024). We have 73 R&D Centers across the globe and more than 12,000 R&D engineers to develop patent assets in R&D and manufacturing bases as well as main markets. As of the end of 2023, Delta has accumulated more than 16,000 patents across the globe. Delta was selected by Clarivate as one of their Top 100 Global Innovators™ for the third time with international recognition for innovation capacity and global patent development.

* On May 30, 2024, Mr. Ping Cheng was officially elected as Delta's new Chairman of the Board and takes over as Chairman and CEO. Mr. Yancey Hai, Delta's former Chairman, will continue serve as a director after stepping down as Chairman.

In the power electronics business, Delta is taking the lead in providing 18kW high-power rack-mounted power systems and cooling solutions with an energy conversion efficiency of up to 97.5%, providing energy-saving, efficient, and stable power for data center servers, network communication equipment and AI servers. We have also developed a DC power converter with ultra-high power density and energy conversion efficiency of up to 98.3% to meet the needs of high instantaneous power for advanced processors (such as AI GPUs). In the field of automation, Delta is helping customers in the energy-intensive metallurgical industry introduce Delta's VTScada system, which not only improves overall productivity, but also reduces natural gas consumption by about one-third to transition to efficient and sustainable production. In the field of infrastructure, Delta's 350kW DC ultra-fast charging facilities, with an output current of up to 540A and a power conversion efficiency of 96%, can add approximately 250-300 kilometers of range to electric vehicles in 10 minutes. It fully demonstrates Delta's leading technology and long-term commitment to supporting low-carbon transportation.

In addition, Delta's Wujiang Plant 5 has utilized our technologies of building automation solutions, energy-efficient lighting, and energy storage systems. Along with upgrading plant equipment and integrating the use of renewable energy, the plant has achieved net-zero carbon emissions across the entire plant. It thus succeeded in obtaining both "Zero-Carbon Factory" and "Carbon Neutral" certifications and became the first "Five-Star Zero Carbon Factory" in the electronics manufacturing industry in Jiangsu Province of Mainland China, demonstrating Delta's joint achievements in low-carbon manufacturing and green buildings. In the future, Delta will expand the carbon reduction experience in this case across the board and continue to build more low-carbon smart factories around the world. On the social front, Delta invested 13.42 MUSD in social engagement in 2023 and talent development accounted for the largest share with over 55%. We also used joint global talent cultivation to accelerate and strengthen the professional and inter-disciplinary learning capabilities of employees in relevant positions. In 2023, as 1 of the 12 Global Training Committees, we established the ESG Training Committee. To support employees starting families, relieve

the stress of childcare for working parents of Delta, and increase the national birthrate, Delta Headquarters expanded child care subsidies in October 2022 to those aged 0-6, with a maximum subsidy of 12,300 USD per child. As of the end of 2023, a total of 3,143 Delta babies have benefited with a total expenditure of approximately 5.4 MUSD. Delta succeeded in creating a high-quality work environment and received the second "Best Companies to Work for in Asia Award" from HR Asia.

Delta participated in the United Nations Climate Change Conference (COP) onsite for the 16th consecutive time and joined hands with international business organizations and climate opinion leaders at COP28 to hold peripheral meetings in the Blue Zone, the formal conference and negotiation space. Delta showed how its internal carbon pricing can be implemented with management mechanisms to help companies reduce emissions. Delta also shared its experience in net-zero buildings and social empowerment in the "Building Pavilion" of the negotiation area. The Delta Electronics Foundation and the National Museum of Marine Science & Technology established the "Tidal Coral Conservation Center," leveraging Delta's industrial and building automation expertise to integrate smart breeding and environmental management and create a suitable and energy-saving greenhouse for coral growth. Heat-resistant corals are then selected and transplanted into the tidal conservation area where we plan to restore more than 10,000 corals within three years.

In this rapidly changing era, Delta upholds the mission statement "To provide innovative, clean and energy-efficient solutions for a better tomorrow." We continue to strengthen our core competitiveness, invest in the development of efficient and energy-saving power supply products and systems, and work towards the sustainable development of the Company and the environment. In response to net-zero developments, as we pursue growth in profits, we will also work with customers and industry partners to reduce carbon emissions, jointly expand energy-saving business opportunities during the climate crisis, and create sustainable value.

1

Overview

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



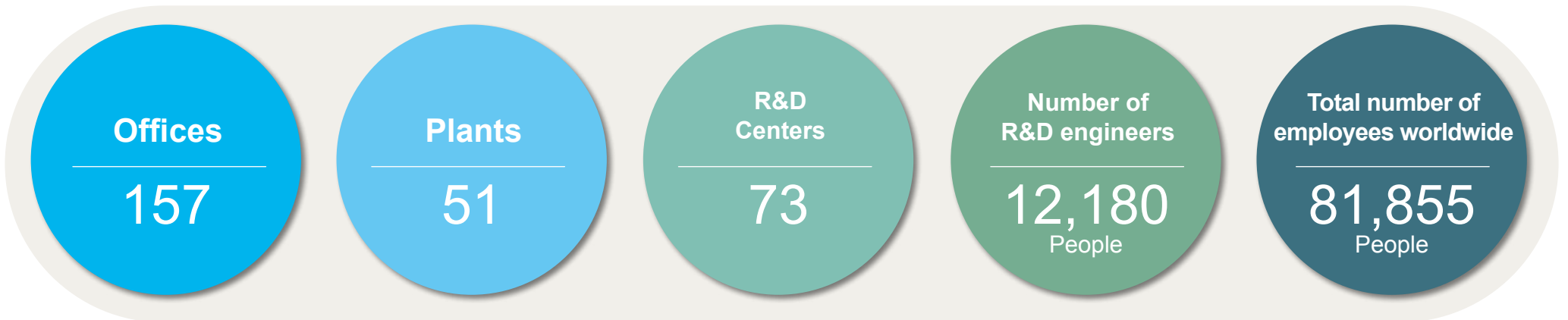
Overview

Established: 1971

2023 Delta Electronics, Inc. (DEI) revenue: 13,067 MUSD (NTD 401.227 billion) *1

Delta is a leader in power supplies and thermal management solutions, as well as energy-saving and new energy solutions, with 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.

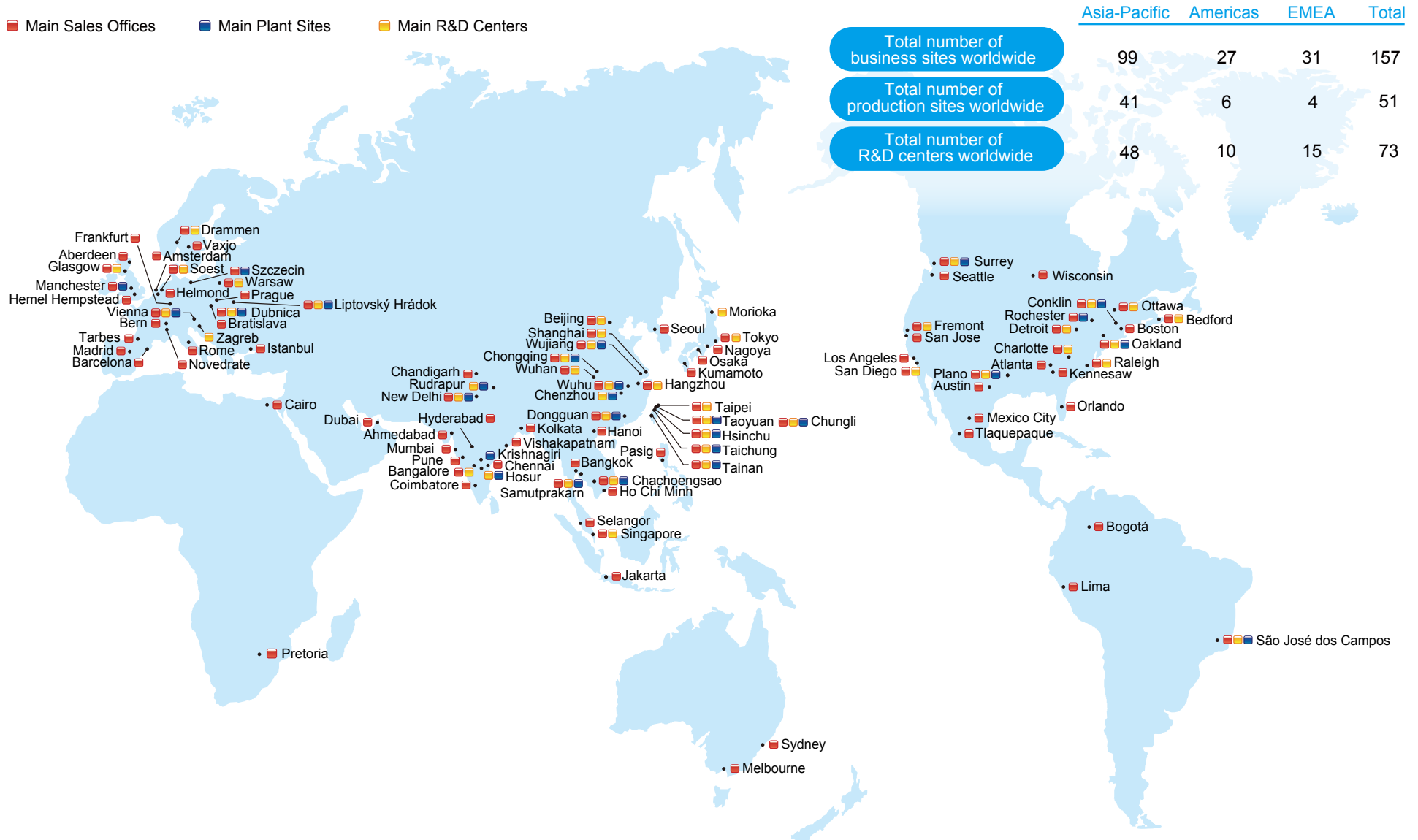
With our corporate mission: "To provide innovative, clean and energy-efficient solutions for a better tomorrow", Delta has always paid close attention to climate change issues and established a long-term strategy with the target of attaining net-zero emissions in global operations by 2050. We became the first high-tech hardware equipment company in Asia and the 125th company in the world to pass the review for "net-zero science-based targets".



*1 The above data were calculated as of December 31, 2023

Global Operations

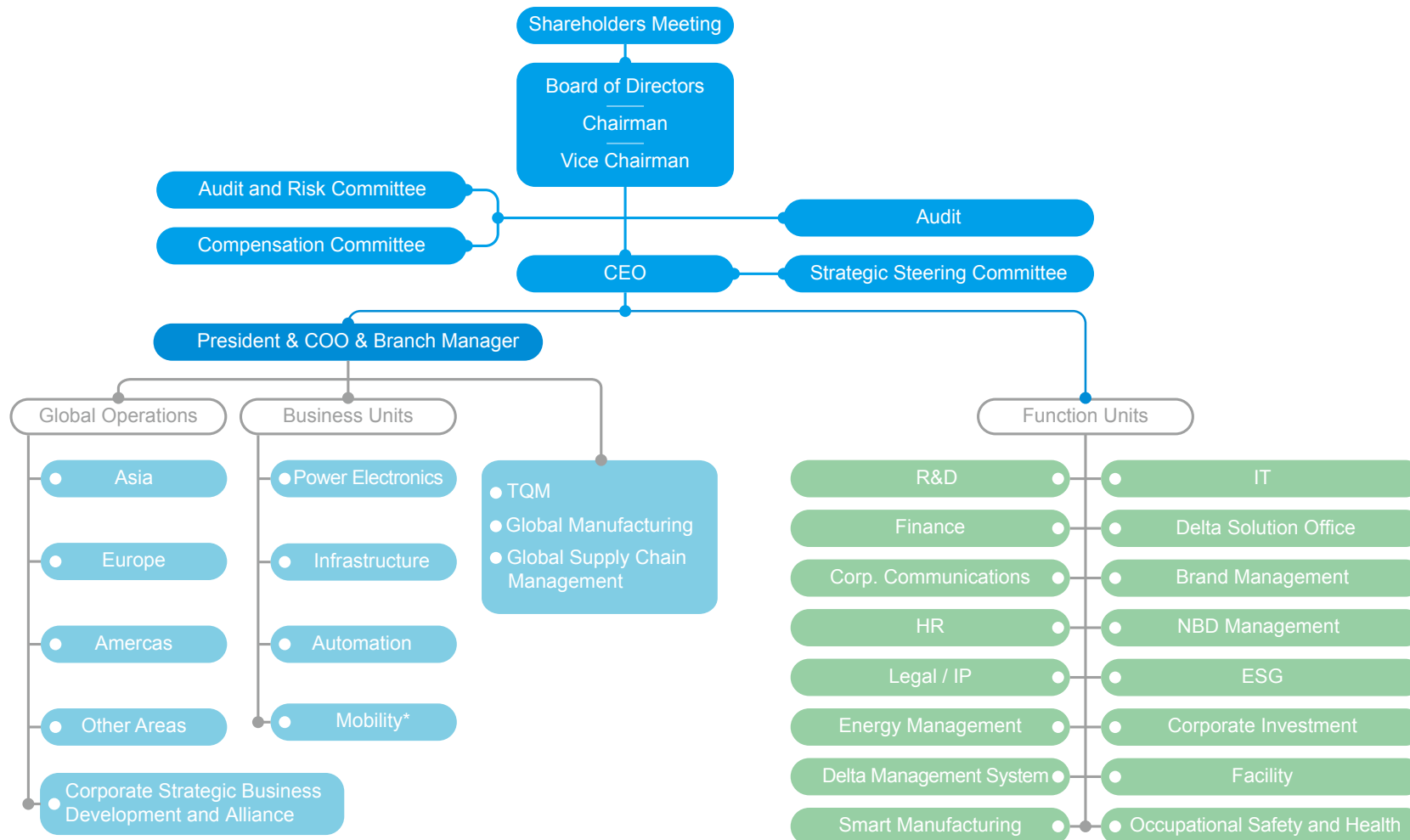
Delta's operations are located across the world and include 157 offices, 51 production sites, and 73 R&D centers with more than 10,000 R&D engineers.



*1 Please refer to the 2023 Delta Electronics, Inc. (DEI) annual report revenue boundary. As shown in the English version of the Annual Report, the consolidated financial data expressed in NTD was converted into USD based on the exchange rate of NTD 30.705 to 1.00 USD on December 31, 2023 for the reference of readers.

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 the Audit and Risk Committee to improve the performance targets and compensation structure for Directors and managers of the Company. We implement effective internal controls and risk management to respond to potential crises and risks for the Company.



*A fourth business category "Mobility" was added on January 1, 2024.

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, and energy-efficient solutions and system integration services while striving to promote our brand and enhance our corporate image. According to statistics from 2012 to 2023, Delta has had 1,512 successfully completed cases all over the world. These projects have covered areas such as industrial automation and smart manufacturing, building automation, data center infrastructure, telecom power systems, intelligent monitoring & management systems, electric charging systems, and renewable energy. These projects have assisted clients in saving operations costs and improving their global competitiveness, and have helped reduce global warming.

1.2.1 High-Performance Product Development

Delta had divided its operations into three business categories based on its business continuity strategy. These include "Power Electronics", "Automation", and "Infrastructure", which account for 62%, 13%, and 25% of revenue, respectively. As the Company continues to expand operations, a fourth business category, "Mobility", was added on January 1, 2024. 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 Categories



Power Electronics

- Components
- Power and Systems
- Fans and Thermal Management



Mobility

- EV Powertrain Systems



Automation

- Industrial Automation
- Building Automation



Infrastructure

- ICT Infrastructure
- Energy Infrastructure
- Display Systems

Delta's Four Major Business Categories

Power Electronics

"Power Electronics" include components, power and system, fans and thermal management, and Innergie, a consumer electronics brand for charging products. 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.

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, machine tools, 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, elevator, electricity, and security access systems to create flexible, scalable, and highly compatible building automation solutions.

Mobility

"Mobility" covers EV powertrain system assemblies, and its main products and solutions include EV power electronics, traction motors, motor drives, and all-in-one (X-in-1) system products.

Infrastructure

"Infrastructure" includes ICT infrastructure facilities, energy infrastructure facilities, and Vivitek, a projection technology brand. In the ICT infrastructure facilities sector, Delta is a major 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 2023, we have delivered 119 successful cases and actively developed high-performance products and solutions with significant benefits for our customers in regards to reduced operating costs, while enhancing customers' global competitiveness.

Statistics of Delta's Success Stories with Seven Major Solutions

| Delta's Solutions | 2012-2023 | 2021 | 2022 | 2023 |
|---|--------------|------------|------------|------------|
| Data Centers | 448 | 29 | 15 | 14 |
| Display and Monitoring | 216 | 10 | 19 | 28 |
| Electric Vehicle Charging | 88 | 18 | 11 | 14 |
| Industrial Automation and Smart Manufacturing | 350 | 29 | 35 | 40 |
| Renewable Energy | 91 | 5 | 5 | 2 |
| Building Automation | 200 | 21 | 23 | 15 |
| Telecompower | 91 | 0 | 0 | 5 |
| Others | 28 | 1 | 1 | 1 |
| Total | 1,512 | 113 | 109 | 119 |

Delta Electric Vehicle Charging Solution Provides Services at the ASEAN Summit in Indonesia



The 43rd ASEAN Summit was held in Jakarta, Indonesia in 2023. Delta worked with Indonesian state-owned power company Perusahaan Listrik Negara (PLN), Hyundai Motor Indonesia, and BMW Indonesia to build 10 200kW DC Ultra Fast Chargers and 70 AC Mini Plus 7kW AC chargers in Jakarta for the summit. They provided charging services for more than 600 electric vehicles during the summit. Delta established long-term partnerships with PLN, PT Pertamina, and Hyundai Indonesia. Delta was also the main electric vehicle charging solution supplier at the 17th G20 Summit in 2022. The Company helps Southeast Asian countries in their transition to low-carbon transportation with its reliable green solutions.



Delta set up a total of 80 charging facilities in Jakarta, Indonesia for the 43rd ASEAN Summit

Delta's Wujiang Plant 5 Obtains Dual Zero-Carbon Factory and Carbon Neutral Certifications



Delta's Wujiang Plant 5 used Delta's own energy management platform to manage, analyze, and optimize energy consumption. It also used industrial control products to carry out technical transformation and implemented many energy-saving and carbon-reduction measures including: setting up PV inverters in the plant and purchasing green electricity, reducing greenhouse gas emissions in the plant, using the "Delta Energy Online" system to effectively manage energy and carbon emissions, and reducing the carbon footprint of products. It received the Five-Star Zero Carbon Factory (Type I) certification from TÜV Rheinland and obtained PAS 2060 Carbon Neutrality Certification, becoming the first zero-carbon factory in the electronics manufacturing industry in Jiangsu Province, China.



Delta's Wujiang Plant 5 obtained the China Energy Conservation Association's "Five-Star Zero Carbon Factory" and PAS 2060 Carbon Neutrality Certification.

Delta Industrial SCADA System Increases Efficiency of South African Metallurgical Plant



Smelting metals with extremely high melting points consumes a lot of energy. With the rise of environmental awareness, the metallurgical industry has gradually transitioned to sustainable operations with the active adoption of efficiency monitoring resources and the implementation of precise and efficient management. Bright Alloys, a metallurgical plant in South Africa, faced the challenge of transformation and established an efficient factory monitoring and management system with Delta's VTScada industrial SCADA system. It uses a visualization monitoring interface to control the furnace temperature remotely to prevent equipment overheating and damage, ensure personnel safety, and accurately operate the equipment. In just three weeks, it not only successfully increased the feeding accuracy, but also reduced natural gas consumption by one-third.



The metallurgical industry is characterized by high energy consumption, high risk, and capital intensity. It is in urgent need of a smart and low-carbon transformation.

1.3 Enhancing Brand Value

New brand value proposition — “Intelligent, Sustainable, Connecting”

Since Delta was founded in 1971, 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. Delta now provides closer support to users than ever before and is committed to creating people-oriented, intelligent, and energy-saving total solutions. Delta has extended its industrial brand to commercial brands and launched the new brand value proposition, ‘Realizing an Intelligent, Sustainable and Connecting World’, at key global exhibitions in 2023. Our business scope covers electric vehicle charging solutions, smart buildings, microgrids, and renewable energy. We hope to use technology to promote sustainable transformation, provide customers with smart and energy-saving products and services, connect the industrial ecosystem, and co-create value.

Brand Positioning

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



In 2023, Delta announced the new brand value proposition, ‘Realizing an Intelligent, Sustainable and Connecting World’



Delta unveiled its new brand value proposition in Taiwan at the COMPUTEX 2023 exhibition. Group photo of the CEO Ping Cheng (fourth from left in the front row) and Chief Brand Officer Shan-Shan Guo (third from left in the front row) and employees

Best Taiwan Global Brands

Delta announced 2010 as the Brand Inauguration Year, and applied innovation and a grander perspective to create an outstanding brand image, while supporting more sustainable corporate development. We continue to adapt to the changing world by embracing diversity and actively implementing our brand slogan of "Smarter. Greener. Together." "Smarter" represents Delta's core competencies in energy-saving technology and automation, and its continuous development of intelligent and efficient solutions. "Greener" represents Delta's corporate mission it has upheld since its founding. "Together" is Delta's business philosophy for establishing long-term partnerships with customers. Since 2011, Delta has been listed on Interbrand's brand valuation of the Best Taiwan Global Brands for 13 consecutive years with stable growth in brand value. In 2023, Delta's brand value increased to 544 MUSD, which was a significant increase of 28% compared to 2022 and a record-high growth rate.

Becoming an ESG Brand

In response to global green energy developments, Delta has actively expanded in data center power supply and cooling solutions, industrial automation, building automation, EV powertrain systems and charging solutions, and renewable energy based on its core technical capabilities in power management. Delta continues to develop innovative technologies to attain our zero carbon targets and become an ESG brand. In addition to improving product energy efficiency, and promoting energy-saving solutions and green buildings, Delta formulated long-term strategies and goals to achieve net-zero emissions in its global operations by 2050, and pledged to reduce Scope 1 and 2 carbon emissions by 90% compared to 2021 levels before 2030. We have reduced carbon emissions by 39% in 2023. Delta has also implemented an internal carbon pricing system and invested carbon fee funds in carbon reduction projects to encourage low-carbon innovation. Delta shared its experience with the world to reduce carbon emissions together at the COP28 UN Climate Change Conference in Dubai in December 2023.

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 we also encourage employees 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 sustainability actions. 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. We hope to work with internal and external partners and continue to enhance Delta's brand for the new era.



Delta was listed as one of the Best Taiwan Global Brands for the 13th consecutive year. Chief Brand Officer Ms. Shan-Shan Guo accepted the award on behalf of Delta.



Delta Chief Brand Officer and Vice Chairman of the Foundation Shan-Shan Guo (the second on the left) shared Delta's management experience in implementing internal carbon pricing at COP28

2

Sustainable Management

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

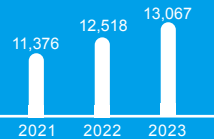
2.1 Sustainable Management

2.1.1 Sustainable Key Performance

ECONOMY

12

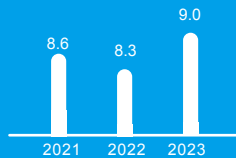
Number of Board Members



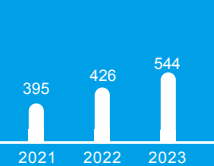
Total Revenue (MUSD)

5

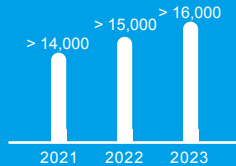
Number of Independent Directors



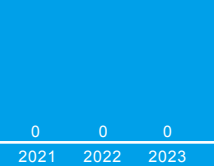
Ratio of Innovation and R&D Expenditures to Total Revenue (%)



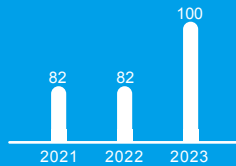
Brand Value (MUSD)



Cumulative Granted Patents and Certificates (Cases)



Litigation Involving Corruption and Anti-competition (Cases)



Supplier ESG Improvement Rate (%)

ENVIRONMENT

22,694

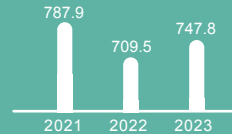
(Metric Tons CO₂e)
Equivalent Carbon Emissions Reduction of 20 Certified Delta Green Buildings and 5 Donated Green Buildings



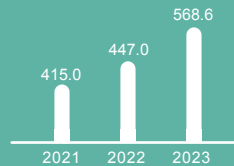
SBT Carbon Intensity (Metric Tons CO₂e/MUSD)

45.5

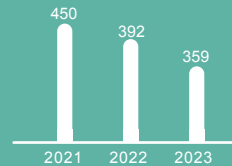
(Billion kWh / 2010-2023)
Energy Savings of High Efficiency Products for Customers



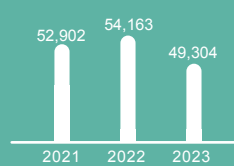
Electricity Consumption (Million kWh)



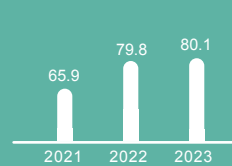
Produced and Purchased Renewable Electricity (Million kWh)



Water Productivity Intensity (Metric Tons / MUSD)



Total Waste Production (Metric Tons)

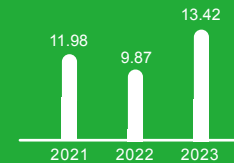


Hazardous Waste Recycled Rate (%)

SOCIETY

32

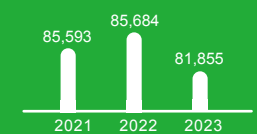
(%)
Ratio of Female Managers



Social Participation and Engagement (MUSD)

0.77

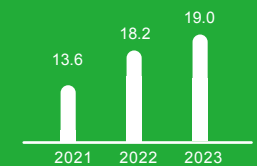
(%)
Recordable Occupational Injury Rate of Employees



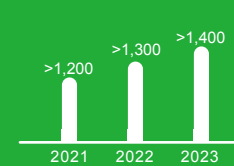
Total Number of Employees Worldwide



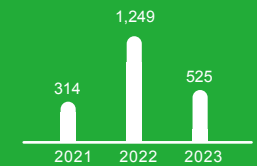
Offer Letter Acceptance Rate (%)



Average Hours of Training per Person (Hours)



Accumulate views on the main social media Facebook (10,000 times)



Number of Volunteers (People)

2.1.2 Awards and Recognition



Dow Jones Sustainability Indices

- Listed on the Dow Jones Sustainability World Index for 13 consecutive years
- Highest overall score in the electronic equipment, instruments & components industry in the Dow Jones Sustainability Indices (DJSI) for 7 years
- Listed in the Dow Jones Sustainability Emerging Markets Index for 11 consecutive years
- Delta Electronics (Thailand) was listed in the Dow Jones Sustainability World Index



CDP

- Awarded CDP Climate Change Leadership for the 8th time
- Included in the CDP Water Security A List (2020-2023)
- Included in the CDP Supplier Engagement Leader (2017-2023)



Morgan Stanley ESG Leaders 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 "Prime" rating in the evaluation



Best Taiwan Global Brands

- Selected as one of the "Best Taiwan Global Brands" for the 13th consecutive year



ENERGY STAR Sustained Excellence Award

- Received ENERGY STAR Sustained Excellence Award for the 6th consecutive year
- Received the ENERGY STAR Partner of the Year award for the 8th consecutive year



The Taiwan Corporate Sustainability Award

- Delta received 8 major awards at the Taiwan Corporate Sustainability Awards and the Global Corporate Sustainability Award held by the Taiwan Institute for Sustainability Energy in 2023



China's Top Runner for Industrial Carbon Peaking

- Received "China's Top Runner for Industrial Carbon Peaking" by the China Federation of Industrial Economics



Top 100 Global Innovators Award

- Selected by Clarivate among its Top 100 Global Innovators™ for three consecutive years

Others

- Ranked among the top 10 foreign companies in the "China Corporate Social Responsibility Development Index" published by the Chinese Academy of Social Sciences for the 9th consecutive year and selected as one of the outstanding case studies of 2023
- Received a five-star rating for CSR governance level from China Electronics Standardization Association for two consecutive years
- Received the 2023 "Excellence Award in Corporate Responsibility" and "Low-Carbon Innovator Award" from "Southern Weekly"
- Awarded the 2023 Low-Carbon Role Model by China Newsweek
- Received the 2023 Prime Minister Best Industry Award
- Received the Thaipat Institute Sustainability Disclosure Award
- Selected in the Thaipat Institute ESG100 for the 9th consecutive year

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, 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 sustainability initiatives, responsible business principles and standards including the 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 also complies with the Responsible Business Alliance Code of Conduct (RBA Code of Conduct) to implement our ESG policies and missions.

Delta's important policies are authorized for announcement by the Board of Directors to fulfill ESG responsibilities. The 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 corporate social responsibility information. Please refer to our official website.

OUR PROMISES

- 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-level sustainable management organization. Since its founding in 2007, the committee has continuously evolved with sustainability development trends. Delta established the role of Chief Sustainability Officer (CSO) in 2019 to promote and intensify Delta's 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. Mr. Yancey Hai resigned from the position of Chairman in May 2024, and Mr. Ping Cheng, the new Chairman, will take over as the Chair of the committee. The ESG Committee oversees regions ESG Committee, 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 carries out project management and promotion to address the possible impacts of material topics such as environment, social, and governance on operations and jointly plans application strategies and execution plans with various function subcommittees. Each year, it also drafts the ESG Report which is approved by the Board of Directors for issuance.

The Committee oversees 10 project teams that focus on three major aspects of ESG goals including corporate governance, environmental protection and energy savings, and employee relations and social participation. 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 of major projects.

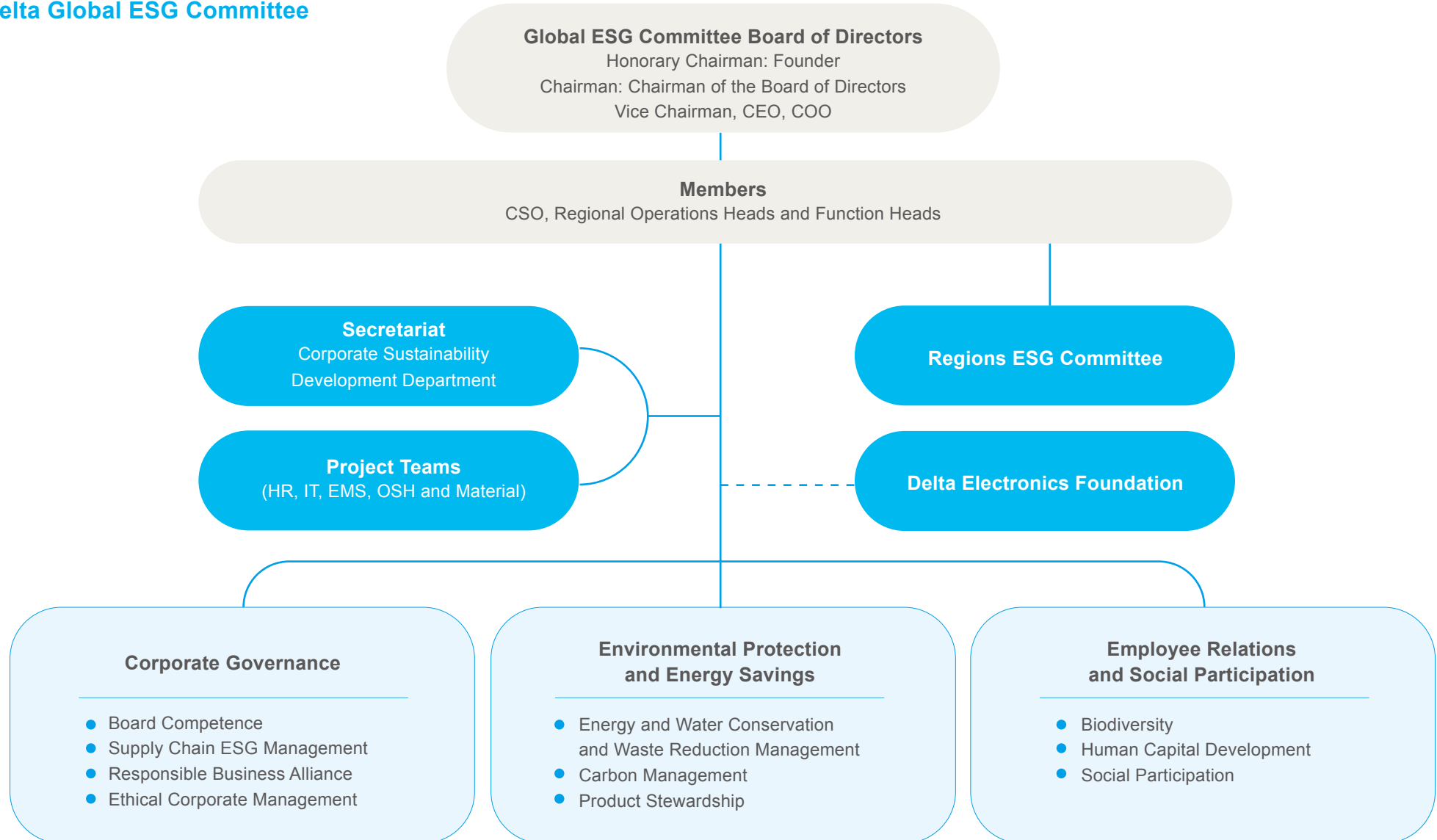


The CSO reports the implementation results and future work plans for sustainable development on behalf of the Company to the Board of Directors each quarter. The Committee held four meetings in 2023 and the proposals discussed included:

- (1) sustainable development topics and project progress reports
- (2) analysis of important international ratings
- (3) stakeholders and material issues
- (4) progress of international initiatives.

The Board of Directors oversees and supervises the progress of sustainable development strategies and projects and provides guidance.

Delta Global ESG Committee



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 "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, and references international benchmark case analysis and customer success cases. The ESG Committee decided to focus on 7 SDGs for the future direction of Delta's key development plans.

Delta Focuses on Seven SDGs



Quality Education

Delta is promoting education and life-long learning from 4 major 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.

- 6.3 Talent Attraction and Retention
- 6.4 Talent Sustainable Development
- 6.6 Social Engagement



Affordable and Clean Energy

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.

- 5.3 Energy Management
- 6.6 Social Engagement



Industry/Innovation Infrastructure

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.

- 4.3 Innovation
- 5.6 Green Products
- 6.3 Talent Attraction and Retention
- 6.4 Talent Sustainable Development
- 6.6 Social Engagement



Sustainable Cities and Communities

Delta actively promotes green buildings and our green building solutions include building automation and energy infrastructure. We seek to build sustainable cities with stakeholders.

- 5.2 Climate Strategy
- 5.3 Energy Management
- 5.6 Green Products
- 6.6 Social Engagement



Responsible Consumption and Production

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 by promoting green production measures, green building factory management and the green operation concept.

- 4.5 Supplier Sustainability Management
- 5.2 Climate Strategy
- 5.3 Energy Management
- 5.4 Water Resource Management
- 5.5 Resources Management
- 5.6 Green Products
- 5.7 Biodiversity
- 5.8 Environmental Management



Climate Action

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 takes action from inside out.

- 5.2 Climate Strategy
- 5.3 Energy Management
- 6.6 Social Engagement



Partnerships for the Goals

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.

- 2.3 Responding to Global Sustainable Development
- 4.4 Customer Relationship Management
- 5.2 Climate Strategy
- 5.3 Energy Management
- 5.7 Biodiversity
- 6.6 Social Engagement

2.3.2 International Sustainability Initiatives

Companies play a critical role in sustainable development. Delta has long focused on the development of various international sustainability initiatives and has identified climate change as a core issue that is consistent with Delta's ideal. Delta therefore regards climate change as an extension of the Company's sustainability commitments and actively participates in initiatives to maximize the effects of company strategy. Delta participates in important international initiatives, including the We Mean Business initiative, committing 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 response to the initiatives promoted by climate organizations, EV100 and RE100. Delta also continues its commitment to the SBTi's Net-Zero target and became a member of the TNFD Forum in the year 2023.

Progress of the Six Major Commitments

| Initiative Topic | Delta's Strategic Direction | Milestones | Actions in 2023 |
|--|---|--|---|
| Commit to adopt 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 Became a member of the Business Ambition for 1.5°C Campaign in 2021 Achieved carbon reduction targets for the current stage ahead of schedule in 2021 Became the first among high-tech hardware equipment manufacturers in Asia as well as the 125th company globally to pass the net-zero target validation of the Science Based Targets initiative (SBTi) in 2022 | <ul style="list-style-type: none"> Attained SBT 1.5°C net-zero with individual stages for two consecutive years in 2022 and 2023 (detailed in Chapter 5) |
| Commit to report 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 Continued to conduct climate scenario analyses and impact assessments for key topics starting from 2019 Developed the Delta Climate-related methodology and Taxonomy starting from 2021 | <ul style="list-style-type: none"> First-time disclosure of the product compliance ratio for revenue based on international standards such as the EU Taxonomy Completed the evaluation of business opportunities for Delta's ventilator and air quality solutions |

* Take 2021 as the base year and adopt the short-term target of reducing Scope 1+2 carbon emissions by 90% and reducing Scope 3 carbon emissions by 25% by 2030, and the long-term target of reducing Scope 1+2+3 carbon emissions by 90% by 2050.

| Initiative Topic | Delta's Strategic Direction | Milestones | Actions in 2023 |
|---|---|--|--|
| 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 Collaborated with the reputable think tank American Council for an Energy-Efficient Economy (ACEEE) and provided urban energy conservation recommendations in 2018 Delta and seven other major tech companies in Taiwan formed the Taiwan Climate Alliance, officially registered in 2022, to promote climate policies. Yancey Hai, Chairman of Delta, serves as its first Chairman | <ul style="list-style-type: none"> Provided policy advice to Japan and India through the Climate Group Invited to participate in several closed-door meetings to propose energy policy recommendations to Taiwan |
| Conversion to electric vehicles and expansion of charging facilities | Delta has set a goal for installing charging infrastructure for employees and customers in major operation sites and switching 100% of company vehicles up to 3.5t and 50% of vehicles between 3.5 and 7t to electric vehicles by 2030 | <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. Delta joined the international initiative ZEV Declaration during COP27 in 2022 and the Company took a significant step to welcome a transition to a climate-neutral transportation | <ul style="list-style-type: none"> Attained the targets for installing charging facilities at operations and production plants within the scope of its global energy management, and provided them for use by employees and visitors The internal carbon pricing system encourages and subsidizes global operation sites to install charging facilities and replace old ICE vehicles with electric vehicles |
| Promote 100% renewable electricity | <ul style="list-style-type: none"> While ensuring energy conservation, Delta prioritizes the use of self-generated and consumed renewable electricity and bundled renewable electricity Achieve the 100% renewable electricity target by 2030 | <ul style="list-style-type: none"> Joined RE100 in 2021 Starting from 2022, the achievement rate of the RE100 initiative is included as a performance indicator for top executives. Became the first to link ESG indicators to the remuneration of top executives In 2023, Delta's global operation sites completed dual verification for RE100 data (ISO 14064 verification & ISAE 3000 assurance) | <ul style="list-style-type: none"> Delta participated in international conferences, received the first invitation to serve as a speaker at the Climate Group's first summit in Asia, and became a company speaker at the RE100 closed-door meeting at Climate Week NYC In 2023, the use of renewable electricity at global operation sites reached 76%, which was higher than the annual target Improved data quality and introduced third-party dual verification for the first time |
| Commit to report nature and biodiversity information in mainstream reports as a fiduciary duty | <ul style="list-style-type: none"> Promote nature-related financial disclosure | <ul style="list-style-type: none"> Disclosed the corresponding information for the TNFD four pillars for the first time in the 2021 ESG Report | <ul style="list-style-type: none"> Completed the first biodiversity risk assessment Became a member of the TNFD Forum in 2023 and became a TNFD Early Adopter in 2024 |

Conversion to Electric Vehicles and Expansion of Charging Infrastructure

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 operations and production plants within the scope of

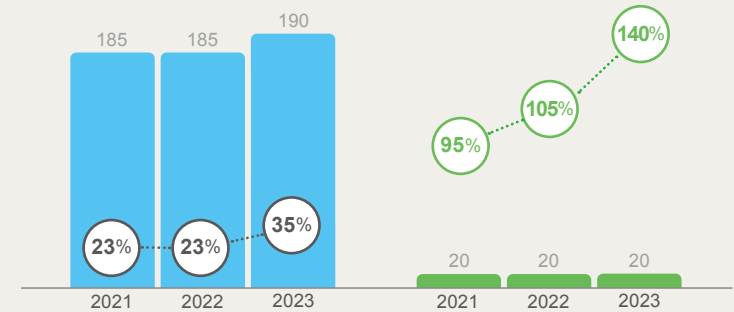
its global energy management and converting company vehicles to electric vehicles such as battery electric vehicles and hydrogen vehicles before 2030. This will reduce carbon emissions from transportation and fulfill Delta's mission: "To provide innovative, clean and energy-efficient solutions for a better tomorrow."

Delta's targets in the different stages of conversion to electric vehicles

- ✓ Prioritize the purchase of electric vehicles for Delta's new company vehicles starting from 2020.
- ✓ Only choose electric vehicles for new purchases starting from 2025.
- ✓ Replace all non-electric company vehicles (100% up to 3.5t, 50% 3.5t to 7t) by 2028 and attain the EV100 commitment by 2030.

EV100 progress

- Corporate vehicles already converted to EV¹ (%)
- Corporate vehicles covered by EV 100 fleet commitment
- Operation sites with charging already installed (%)
- Operation sites covered by EV100 workplace charging commitment²



*1. EV100 electric vehicles include plug-in hybrid electric vehicles (PHEV), battery electric vehicles (BEV), and hydrogen fuel cell electric vehicles (FCEV).

*2. Scope of EV100 commitment: Dongguan, Wujiang, Wuhu, and Chenzhou plants; DET plant 1, 3, 5, and 6; Taoyuan plant 1 and 2; Cynotec and Huafeng plants; Taipei HQ, Taoyuan R&D Center, Chungli Plant 5, Tainan Branch, Shanghai R&D, Japan Headquarters, Americas Headquarters, and Germany



To promote the transition towards low-carbon transportation, Delta has integrated "low-carbon transportation investments" into the scope of its internal carbon pricing (ICP) application. This move aims to support various operational sites by facilitating the installation of charging infrastructure and replacing old fuel-powered company vehicles with electric ones.

In addition to gradually phasing out fuel-based commercial vehicles, Delta is also exploring further ways to reduce carbon emissions in the transportation of goods. In 2023, the Dongguan and Chenzhou plants received ICP support and acquired two battery electric box trucks (with a range exceeding 150 kilometers) to pilot a scheme replacing traditional diesel trucks with electric alternatives.

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 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.

Our participation in associations in Taiwan includes: Business Council for Sustainable Development of Taiwan (BCSD Taiwan), Center for Corporate Sustainability, Taiwan Corporate Governance Association (TCGA), Taiwan Optoelectronic Semiconductor Industry Association (TOSIA), Taipei Computer Association (TCA), and Taiwan Climate Partnership (TCP). In Mainland China, Delta is a member of associations such as the China Power Association, China Communications Standards Association, and Shanghai Environment and Energy Exchange Carbon Neutral Action Alliance. In Thailand, Delta is a member of the Electric Vehicle Association of Thailand and Thai Photovoltaic Industries Association. In other overseas regions, Delta is a member of the EV100 Initiative and RE100 Initiative of the Climate Group, International WELL Building Institute (IWBI), and U.S. Green Building Council (USGBC). Delta's total global expenditures for participation in associations in 2023 totaled approximately 690,000 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
- 3.3 Management of Material Topic







3.1 Stakeholder Communication and Response


Delta aims to be a global citizen committed to sustainable development and values 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). They include employees, investors, media, customers, suppliers, and communities (research institutes, NPOs, communities, and other stakeholders). 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. These four goals help us 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 Take Action Actions |
|--|--|---|---|---|
|  <p>Employees</p> | <ul style="list-style-type: none"> Labor-management meetings (quarterly) Employee Welfare Committee (intermittently) Occupational Safety and Health Committee (quarterly) Occupational safety and health consultation meetings (annually) Employee engagement survey (every two years) Delta corporate website (intermittently) Employee feedback mailbox (intermittently) Communication and work meetings of units and departments (intermittently) | <ul style="list-style-type: none"> Innovative Products and Services Code of Conduct Occupational Safety and Health Human Rights and Labor Relations Customer Relationship Management | <ul style="list-style-type: none"> Internal opinions filed in production sites in 2023: 472 cases Labor management and welfare-related meetings: 91 rounds Occupational Safety and Health Committee meetings and occupational safety and health consultation meetings: 45 rounds | <ul style="list-style-type: none"> Organized the "Integrity and Human Rights Code of Conduct Policy" online course which included a variety of major compliance topics. 78,509 participants in Delta's global operations completed training and the completion rate was 97.2%. Provided diverse communication channels, assign dedicated personnel to listen to employees' opinions and take related measures, establish the whistleblower system, rigorously abide by regulations for reports and complaints as well as management of unlawful infringement in the workplace, protect fairness, respect, and safety needs of all employees, take appropriate preventive, corrective, and punitive measures, and protect the rights and privacy of the parties involved. Hold safety and health training or organize safety and health promotion activities to enhance the Company's culture of safety and health and employees' abilities to identify hazards in the work environment and their safety and health knowledge and concepts for disaster prevention and response. Established Global ESG Training Committee and planned learning maps with contents including general ESG theories, energy and resource management, net zero and carbon management, circular economy, and environmental sustainability topics to strengthen employees' ESG knowledge, skill, awareness and facilitate communication with stakeholders. Delta organizes the Delta Innovation Awards each year, with the management team serving as members of the judging committee. The awards encourage employee innovation across the globe as well as to reward exceptional innovation. |

| Communication Target | To Be Received Communication Platform | To Be Understood Issues of Concern | To Be Accepted Response | To Take Action Actions |
|---|---|--|--|--|
|  <p>Investors</p> | <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"> • Net-Zero Commitment and Carbon Management • Green Products • Brand Management • Circular Economy • Supplier Sustainability Management • Climate Strategy • Energy Management • Water Resource Management • Air Pollution Management | <ul style="list-style-type: none"> • External institutional investors' conference: 26 rounds | <ul style="list-style-type: none"> • Continued to actively engage investors in effective communication to explain the Company's financial and business information, as well as recent developments and future goals of ESG such as the Company's carbon reduction targets, supply chain management, remuneration of management, and corporate governance. Delta also provides feedback on investor opinions and expectations to the Company's management to facilitate positive bilateral communication. |
|  <p>Media</p> | <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"> • Energy management • Water Resource Management • Innovative Products and Services • Supplier Sustainability Management • Customer Relationship Management • Climate Strategy • Circular Economy • Waste Management • Occupational Safety and Health | <ul style="list-style-type: none"> • Press releases: 187 releases • Videos published: 32 releases • Media interviews: 250 rounds • Social media: More than 72,000 fans on Facebook | <ul style="list-style-type: none"> • Promoted the new brand value proposition, 'Realizing an Intelligent, Sustainable and Connecting World'. We organize global publicity activities to communicate Delta's commitment to using technology to promote sustainability and work with partners to create higher business value and a better quality of life. • Participated in ESG international initiatives as well as summits, forums, and speeches to share Delta's ESG experience and achievements and the Climate Policy and practices for attaining net-zero science-based targets. We encourage everyone to adopt an international perspective and respond to climate change together. |

| Communication Target | To Be Received Communication Platform | To Be Understood Issues of Concern | To Be Accepted Response | To Take Action Actions |
|---|---|--|--|---|
|  <p>Customers</p> | <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 Survey (annually) Brand News (every two months) Customer audits (intermittently) Delta website (intermittently) In-depth customer engagement meetings (intermittently) | <ul style="list-style-type: none"> Innovative Products and Services Customer Relationship Management Risk Management Information Security Management Supplier Sustainability Management Net-Zero Commitment and Carbon Management Code of Conduct Occupational Safety and Health | <ul style="list-style-type: none"> Customer satisfaction score questionnaire responses: 197customers Customer-requested CDP questionnaire responses: 56 customers Satisfaction score: 81.33 | <ul style="list-style-type: none"> Initiated a satisfaction survey to continue improvements if the customer has not rated their satisfaction. Identified 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. Conducted a customer satisfaction survey via email to uncover potential customer needs and identify opportunities to serve more customers. Promoted the Code of Conduct, complied with Responsible Business Alliance (RBA) regulations, and implemented labor, ethical, health and safety, environment, and management reviews. Share and communicate with important customers about Delta's strategies and practices in implementing ESG experience and performance, net-zero commitments, and carbon management, and jointly move towards the net-zero goal. |
|  <p>Suppliers</p> | <ul style="list-style-type: none"> Delta ESG website & ESG Report (annually) Supplier Training (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"> Supplier Sustainability Management Brand Management Code of Conduct Customer Relationship Management Innovative Products and Services Occupational Safety and Health | <ul style="list-style-type: none"> Supplier Code of Conduct compliance rate achieved 100%. Organized 2 training programs for 1,320 participants from suppliers | <ul style="list-style-type: none"> Encouraged suppliers to implement energy conservation and carbon emissions reduction and provided them with support for basic GHG inventory to industrial energy conservation courses to achieve long-term plans for net-zero emissions. Complied with the code of conduct for the supply chain, and used supplier ESG surveys and conflict mineral surveys to identify high-risk suppliers to reduce the risks to the continuity of the supply chain. Used the results of the questionnaire to identify suppliers with potential for collaboration in ESG and prioritize them for assistance and collaboration. Engaged key suppliers to pave the way for long-term innovation and alternative low-carbon materials. Working with suppliers to track Delta's raw material information and origin traceability paves the way for long-term innovation and low-carbon material replacement. |

| Communication Target | To Be Received Communication Platform | To Be Understood Issues of Concern | To Be Accepted Response | To Take Action Actions |
|--|--|---|---|--|
|  <p>Communities (research institutes, NPOs, communities, and other related stakeholders)</p> | <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 PeoPo social media (intermittently) • Online training courses for Green Collar Architects and energy management personnel (regularly) • Podcast "Green Technology Charging Station"(intermittently) | <ul style="list-style-type: none"> • Code of Conduct • Innovative Products and Services • Customer Relationship Management • Occupational Safety and Health • Human Rights and Labor Relations | <ul style="list-style-type: none"> • Number of collaborating charity organizations: 22 organizations • Number of volunteer service beneficiaries: A headcount of 21,600 people • Views on social network media: 13.23 million views • Number of podcast audiences: 19,624 views | <ul style="list-style-type: none"> • Cooperated with science and education institutions to establish a coral conservation center and train more Delta employees to participate in coral reef restoration. Organize Delta's touring marine life documentary screenings and exhibitions on the ecology to enhance public awareness of the importance of biodiversity. • Continued to offer courses on WELL healthy building standards and online courses for LEED Zero standards and energy conservation management personnel to help build society's capacity for carbon reduction and environmental management of healthy buildings. • Used weather forecasts to manage plant equipment with high energy consumption to achieve substantial carbon reduction. • Trained employees to carry out net zero building education programs in elementary schools near Delta plants to increase the environmental protection awareness of the next generation. • Used social media and media salons to communicate the latest energy and climate information and participate in the United Nations Climate Change Conference to share our success stories on internal carbon pricing. • Created a simple and understandable science popularization introduction to smart energy-saving technology in the form of a dialogue recording, providing a convenient learning channel for the general public. |

Expand the Influence of Sustainability Issues

Delta takes real action to respond to the critical 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, TNFD, EV100, and RE100. We passed the SBTi net-zero science-based target validation in 2022 to actively fulfill 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's Corporate Sustainability Development Department attended 192 internal and external ESG communication events in 2023 and communicated sustainable development issues with customers, suppliers, the media, investors, employees, NGO / NPO, and public / academic research institutions. We strengthened the awareness of the public and companies with regard to sustainability issues and increased Delta's business opportunities for sustainable development in energy conservation and carbon emissions reduction.

Communication and Sharing on Sustainability Issues

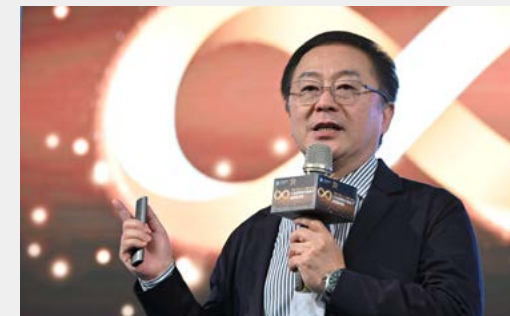
| Communication Target | Form of Communication | Communicating Sustainability Concerns |
|--|--|---|
| Customers | <ul style="list-style-type: none"> • Communication meetings • Internal training | |
| Suppliers | <ul style="list-style-type: none"> • Communication meetings • Internal training | <ul style="list-style-type: none"> • Actions in response to climate change, energy conservation and carbon emissions reduction |
| Media | <ul style="list-style-type: none"> • Interviews • Forums • Seminars • Award ceremonies | <ul style="list-style-type: none"> • RE100, SBT net-zero, and Scope 3 carbon reduction |
| Investors | <ul style="list-style-type: none"> • Interviews • Seminars • Communication meetings | <ul style="list-style-type: none"> • Internal carbon pricing (ICP) and low-carbon innovation |
| Employees | <ul style="list-style-type: none"> • Communication meetings • Internal training | |
| Communities (research institutes, NPOs, communities, and others) | <ul style="list-style-type: none"> • Communication meetings • Lectures • Seminars | <ul style="list-style-type: none"> • Sustainability talent cultivation |



Yancey Hai, Chairman of Delta, attended an annual ESG forum organized by a customer and gave a speech to hundreds of members of the industry and media on the topic of "Global net-zero developments and challenges for companies" in 2023.



Delta's Chief Executive Officer Ping Cheng shared Delta's carbon reduction experience and low-carbon technology under the theme "Empowering Technology Towards Net Zero for All" in 2023.



Delta's Chief Sustainability Officer Jesse Chou attended the "ITRI Net Zero Day" forum to share Delta's path to net-zero.

3.2 Materiality Assessment

Delta regularly executes materiality assessment every year to observe the changes in stakeholders' level of concern for ESG issues. We also gain insights on the impact, risks, and opportunities of sustainability trends on the Company's operations, and confirm and adjust the disclosure, action plans, and long-term goals for sustainability issues to meet stakeholders' expectations. We comply with the GRI Standards 2021 and have referenced the double materiality principle published in the European Sustainability Reporting Standards (ESRS) to establish three major analysis steps including identification, analysis, and confirmation to verify the level of concern stakeholders for sustainability issues and the impact of sustainability issues on Delta's operations. We also identify material sustainability issues based on the significant impact on the economy, environment, and people/human rights. 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 of the execution and effectiveness. We actively disclose the progress and effectiveness of Delta's long-term sustainability goals to Delta's stakeholders.

3.2.1 Methodology

Stage 01 | Identification of Sustainability Issues

Step 1

Identify the Communication Target

Employees, investors, media, customers, suppliers, community (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.

6 categories of major stakeholders

Step 2

Identify the Sustainability Issues

We have adopted international sustainability standards, ESG ratings, stakeholder expectations and communications, internal management objectives, and previously disclosed sustainability information, to compile and consolidate sustainability issues. Compared to the sustainability issues in the previous year, we have moved "Circular Economy" from economic issues to environmental issues and added "Air Pollution Management". Finally, we have compiled 24 sustainability issues related to Delta's operations.

24 sustainability issues

ESG Regulation/Standard

GRI CDP DJSI MSCI

International Initiatives

SDGs RBA SASB

Stakeholders' Feedback
Delta's Six Major Stakeholders

Operation Strategy
Delta Operation Objective

Sustainable Development Blueprint
Delta ESG Consensus Meeting

9 Economic Issues

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

9 Environmental Issues

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

6 Social Issues

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

Stage 02 | Analysis

Step 3 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 1,288 valid questionnaires including 465 from employees, 20 from investors, 21 from the media, 102 from customers, 263 from suppliers, and 417 from the community.

1,288 valid questionnaires

Step 4 Analyze the Impact on Operations

We focused on the 5 major factors including revenue growth, environmental sustainability, customer satisfaction, best employer, and financial impact (increased expenditures and impairment or discarding of assets) and evaluated the impact of sustainability issues on operations. A total of 97 global executives related to sustainability participated in the evaluation.

97 global executives related to sustainability participated

Step 5 Assess the Impact on Sustainability Development

In response to the impact on the economy, environment, and people/human rights, we have adopted the methodology in GRI 3 Material Topics and added the significance assessment of "an impact on sustainable development". We used the methodology of the Value Balancing Alliance (VBA) for assessing economic, environmental, and social impact, the "Impact-Weighted Accounts" research program of Harvard Business School, and the London Benchmarking Group (LBG) Model for measuring impact to determine the importance of topics based on the significance of their impact. We defined 12 positive impacts and 5 negative impacts and determined the significance of the impact of sustainability issues.

17 impacts

Step 6 Confirm Material Issues

Delta's internal ESG team, external experts, and senior executives reviewed the material issues based on the results of the survey on the level of concern, the analysis of the impact on operations, and assessment of the impact of sustainable development before confirming 17 material sustainable issues and producing the materiality matrix. Other issues were regarded as Delta's potential sustainability issues which also play critical roles in the operations of Delta. We shall continue to disclose the effectiveness of our execution in the ESG Report.

17 material sustainable issues

Delta's Sustainability Impact Assessment

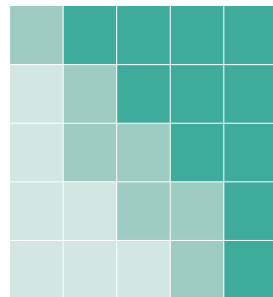
17 Impacts

| Impact | Positive | Negative |
|-------------------------|----------|----------|
| Economy | 4 | 1 |
| Environment | 2 | 2 |
| People/ Human Rights | 6 | 2 |

Source of Impact

- Value Balancing Alliance (VBA)
- "Impact-Weighted Accounts" Research Program of Harvard Business School
- London Benchmarking Group (LBG) Model
- Delta's Definitions

Likelihood



Severity = 1+2+3

- 1 Scale
- 2 Scope
- 3 Irremediability

12 Significant Impacts

- + Industrial Technology Development
 - + Create Upstream Revenue
 - + Social Welfare Supported by Taxation
 - + Increased Investor Financial Capital
 - + Environmental Benefits of Products
 - + Restoration of Important Habitats
 - + Provide Reasonable Employee Compensation
 - + Participation in International Initiatives
 - + Increased Employee Engagement
 - Greenhouse Gas Emissions
 - Consumption of Resources
 - Negative Impact on Human Rights
- + Positive Impact - Negative Impact

Extremely high

- Corporate Governance
- Net-Zero Commitment and Carbon Management

High

- Brand Management
- Customer Relationship Management
- Climate Strategy
- Green Products
- Code of Conduct
- Innovative Products and Services
- Energy Management
- Occupational Safety and Health
- Talent Attraction and Retention
- Human Rights and Labor Relations
- Supplier Sustainability Management
- Risk Management
- Circular Economy
- Air Pollution Management
- Talent Development

Significant



- Taxation
- Water Resource Management
- Waste Management
- Biodiversity
- Social Engagement



Define Positive and Negative Impacts

Analysis of the Significance of Impact

Sustainability Issues with Significant Impact

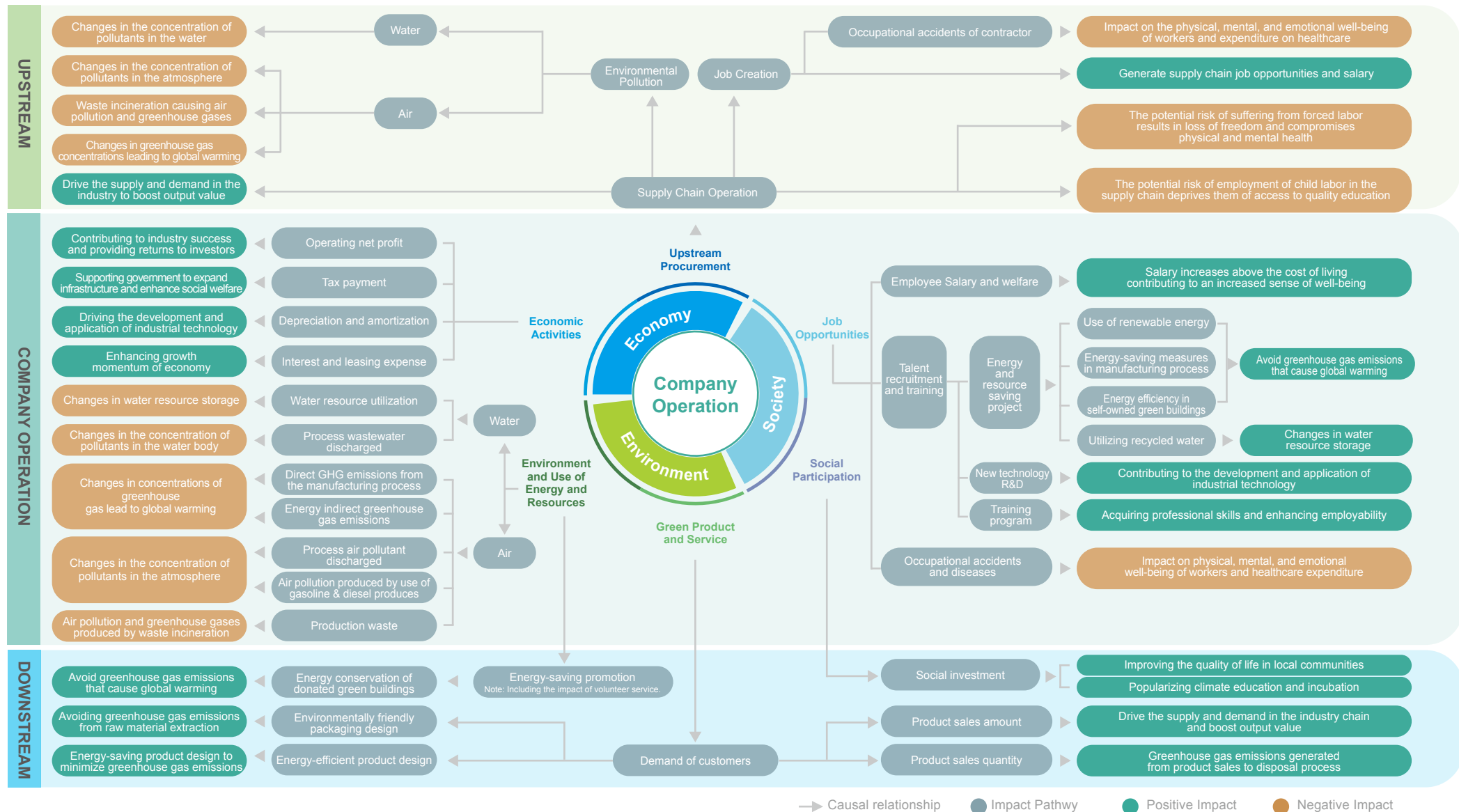
Delta's Sustainability Impact Assessment - Monetization

| Value Chain | Input/Output | Outcome | Impact | Impacted Stakeholders |
|---|---|---|---|--------------------------------|
|  Supply Chain | Upstream procurement | Drive the supply and demand in the industry to boost output value | Socio-economic development | Supply chain |
| | | Generate supply chain job opportunities and salary | Career opportunities and skills | External employees |
| | | Changes in greenhouse gas concentrations leading to global warming | Carbon social cost | Environment |
| | | Changes in the concentration of pollutants in the atmosphere | Human health, ecosystem | Environment, society |
| | | Changes in the concentration of pollutants in the water | Human health, ecosystem | Environment, society |
| | | Waste incineration causes air pollution and greenhouse gases | Carbon social cost, human health, ecosystems | Environment, society |
| | | The potential risk of employment of child labor in the supply chain deprives them of access to quality education | Future income loss | External employees and society |
| | | The potential risk of suffering from forced labor results in loss of freedom and compromises physical and mental health | Decline in quality of life, health loss | External employees and society |
| Occupational accidents of contractor | Impact on the physical, mental, and emotional well-being of workers and expenditure on healthcare | Quality of life and consumption of social resources | External employees and society | |
|  Company Operation | Employee salary and welfare | Salary increases above the cost of living contributing to an increased sense of well-being | Employment opportunities and purchasing power | Employees |
| | New technology research and development | Contributing to the development and application of industrial technology | Quality of life and industrial technological capabilities | Customers/End-users |
| | Depreciation and amortization | Driving the development and application of industrial technology | Industrial technological capabilities | Supply chain |
| | Interest and leasing expense | Enhancing the growth momentum of the economy | Quality of life and purchasing power | Supply chain |
| | Operating net profit | Contributing to industry success and providing returns to investors | Quality of life and purchasing power | Client/Shareholder/Investor |
| | Tax payment | Supporting government to expand infrastructure and enhance social welfare | Socioeconomic development | Society |
| | Direct greenhouse gas emissions from the manufacturing process | Changes in concentrations of greenhouse gas lead to global warming | Carbon social cost | Environment |
| Energy indirect greenhouse gas emissions | Changes in concentrations of greenhouse gas lead to global warming | Carbon social cost | Environment | |




| Value Chain | Input/Output | Outcome | Impact | Impacted Stakeholders |
|--|--|--|---|-----------------------|
|  Company Operation | The use of renewable energy | Avoid greenhouse gas emissions that cause global warming | Carbon social cost | Environment |
| | Energy-saving measures in the manufacturing process | Avoid greenhouse gas emissions that cause global warming | Carbon social cost | Environment |
| | Energy efficiency in self-owned green buildings | Avoid greenhouse gas emissions that cause global warming | Carbon social cost | Environment |
| | Water resource utilization | Changes in water resource storage | Human health and natural resource stock | Environment |
| | Utilizing recycled water | Changes in water resource storage | Human health and natural resource stock | Environment |
| | Process wastewater discharged | Changes in the concentration of pollutants in the water body | Human health, ecosystem | Environment |
| | Process air pollutant discharged | Changes in the concentration of pollutants in the atmosphere | Human health, ecosystem | Environment |
| | Air pollution produced by the use of gasoline and diesel produces | Changes in the concentration of pollutants in the atmosphere | Human health, ecosystem | Environment |
| | Production waste | Air pollution and greenhouse gases produced by waste incineration | Carbon social cost, human health, ecosystems | Environment |
| | Occupational accidents and diseases | Impact on the physical, mental, and emotional well-being of workers and healthcare expenditure | Quality of life and consumption of social resources | Employees and society |
| | Training hours and expenses | Training for acquiring professional skills and enhancing employability | Professional knowledge and skills | Employees and society |
| Social investment | Popularizing climate education and incubation | Local community relationships | Society | |
|  Products and services | Product sales amount | Drive the supply and demand in the industry chain and boost output value | Socioeconomic development | Customers/End-users |
| | Product sales quantity | Greenhouse gas emissions generated from product sales to disposal process | Carbon social cost | Environment |
| | Energy-efficient product design | Energy-saving product design to minimize greenhouse gas emissions | Carbon social cost | Environment |
| | Environmentally friendly packaging design | Avoiding greenhouse gas emissions from raw material extraction | Carbon social cost | Environment |
| | Energy conservation of green buildings | Avoid greenhouse gas emissions that cause global warming | Carbon social cost | Environment |

* Note: Methodological references include OECD input-output table (2018), EXIOBASE 2, UNICEF, Walk Free database, US EPA (2016), OECD (2012), CE Delft (2018), UK HSE (2017), VBA (2021), BASF (2018), VBA (2022), PwC UK (2015)

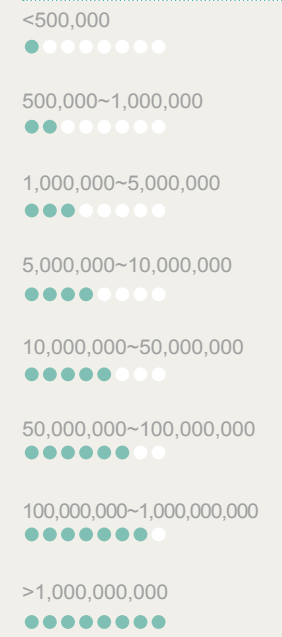
Sustainability Impact Pathways



Level of Sustainability Impact

| Value Chain | Impact Value | Impact Level | Trend *USD | Delta's Sustainability Issues | |
|--|---|---|--------------------|---|---------------------------------------|
|  <p>Supply Chain</p> | Procurement drives supply chain output value | ●●●●●●●● | ▼ | Supplier Sustainability Management | |
| | Salary of supply chain employees | ●●●●●●●● | ▼ | | |
| | Supply chain derived environmental footprint | ●●●●●●●● | ▼ | | |
| | The potential risk of suffering from forced labor results in loss of freedom and compromises physical and mental health | ●●●●●●●● | ▲ | Occupational Safety and Health | |
| | The potential risk of employment of child labor in the supply chain deprives them of access to quality education | ●●●●●●●● | ▼ | | |
| | The social cost of occupational incidents | ●●●●●●●● | ▼ | | |
|  <p>Corporate Operation</p> | Direct economic contribution | ●●●●●●●● | ▲ | Talent Attraction and Retention Innovative Products and Services Taxation | |
| | The social cost of greenhouse gas emissions | Direct and indirect GHG emissions | ●●●●●●●● | ▼ | Climate Strategy Energy Management |
| | | The use of renewable energy | ●●●●●●●● | ▲ | |
| | | Energy-saving measures in the manufacturing | ●●●●●●●● | ▼ | |
| | Energy saving benefits of green buildings | ●●●●●●●● | ▲ | Water Resource Management | |
| | The social cost of water resource consumption | Water resource utilization | ●●●●●●●● | | ▼ |
| | | Utilizing recycled water | ●●●●●●●● | | ▼ |
| | Social cost of wastewater discharge | ●●●●●●●● | ▲ | Waste Management | |
| | The social cost of air pollution | Process air pollutant discharged | ●●●●●●●● | | ▼ |
| | | Air pollution produced by the use of gasoline and diesel produces | ●●●●●●●● | | ▼ |
| | The social cost of waste disposal | ●●●●●●●● | ▼ | Occupational Safety and Health | |
| The social cost of occupational incidents | ●●●●●●●● | ▲ | | | |
| Future benefits of employees | ●●●●●●●● | ▼ | Talent Development | | |
| Social investment value | ●●●●●●●● | ▼ | Social Engagement | | |
|  <p>Products and services</p> | Product sales boost customer industry output value | ●●●●●●●● | ▲ | Customer Relationship Management | |
| | Carbon footprint derived from product sales | ●●●●●●●● | ▲ | Green Products, Innovative Products and Services | |
| | Energy-saving benefits of products | ●●●●●●●● | ▲ | | |
| | Environmental benefits of recycled materials | ●●●●●●●● | ▲ | Social Engagement | |
| | Energy saving benefits of green buildings | ●●●●●●●● | ▲ | | |

Impact Level (USD)



Through Delta's Sustainability Impact Assessment, we can identify the changes and impacts brought by our inputs and outputs on the lives and well-being of stakeholders, as well as the social value or costs derived from them. In 2023, Delta generated a positive impact metric around US\$57.7 billion in value and resulting in a negative social cost US\$934 million. In the supply chain, Delta's demand of procurement has driven a positive impact metric around US\$20.2 billion in value, while resulting in a negative social cost around US\$647 million. In Delta's operation, our activities have driven a positive impact metric around US\$10.2 billion in value, resulting in a negative social cost of US\$28 million. In addition, Delta's product sales have generated positive impact metrics around US\$27.2 billion in value, while resulting in a negative social cost of US\$259 million.

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

In 2023, out of 24 sustainability issues, 17 material issues were identified in the materiality assessment including the Code of Conduct, risk management, 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, talent development, occupational safety and health, human rights and labor relations, diversity and inclusion, and social engagement. Compared to the previous year, we added the Code of Conduct as a material issue. However, the issue is a part of the general disclosures for which the Company discloses implementation measures and results in the Company's Annual Report or ESG Report and does not set long-term targets. Non-material issues included corporate governance, brand management, information security system management, taxation, circular economy, air pollution management, and biodiversity.

Stage 03 | Confirmation

Step 7 Review Disclosed Contents

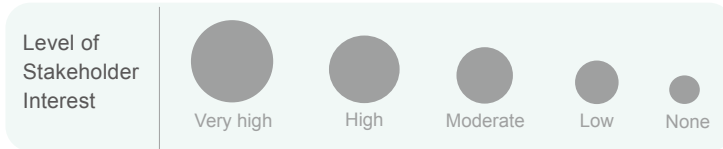
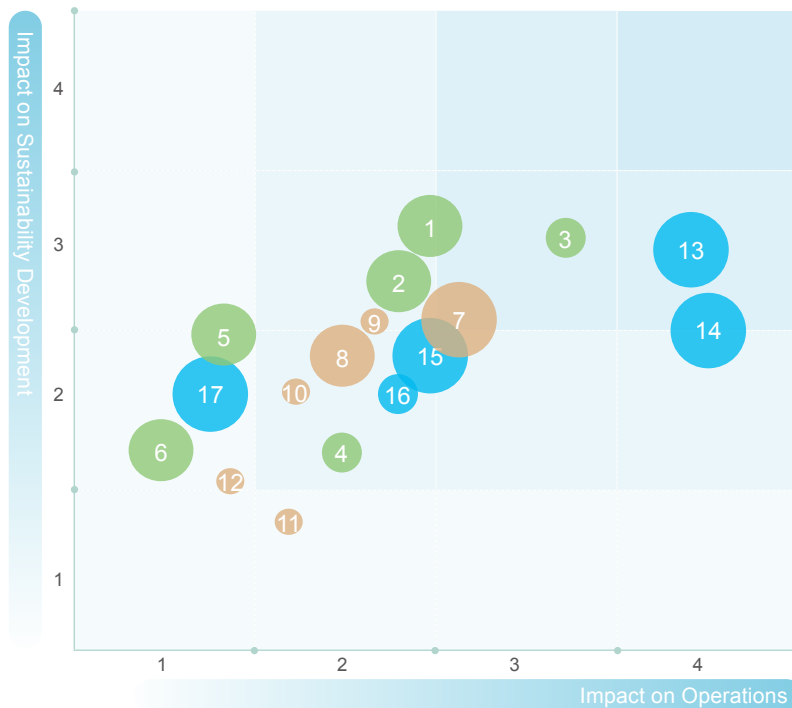
The 17 material sustainable issues that were identified and be reported to the Board of Directors and matched with the specific topics of the GRI Standards. The information disclosure boundary of Delta's value chain (supply chain management, operations, products, society) is then graphed based on these topics and used as the basis for reporting.

18 GRI topics

Step 8 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. We clearly defined the important meanings, strategies, management approaches, long-term goals, and significance 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 the Delta's sustainable management. Delta also discloses the effectiveness of other potential sustainability issues of the current year in the ESG Report.

3 major axes of long-term sustainability goals



| | | Impact on Operations of the Organization | Level of Stakeholder Interest | Impact on Sustainability | Rank |
|--------------------|---|--|-------------------------------|--------------------------|------|
| Environment | | | | | |
| 1 | Net-Zero Commitment and Carbon Management | ● | ●● | ●●● | 4 |
| 2 | Climate Strategy | ● | ●● | ●● | 6 |
| 3 | Green Products | ●● | ● | ●● | 6 |
| 4 | Waste Management | ● | ● | ● | 10 |
| 5 | Energy Management | | ●● | ●● | 12 |
| 6 | Water Resource Management | | ●● | ● | 14 |
| Social | | | | | |
| 7 | Occupational Safety and Health | ● | ●●● | ●● | 3 |
| 8 | Human Rights and Labor Relations | ● | ●● | ●● | 8 |
| 9 | Talent Attraction and Retention | ● | | ●● | 13 |
| 10 | Talent Development | ● | | ●● | 14 |
| 11 | Diversity and Inclusion | ● | | | 16 |
| 12 | Social Engagement | | | ● | 16 |
| Governance | | | | | |
| 13 | Customer Relationship Management | ●●● | ●●● | ●● | 1 |
| 14 | Innovative Products and Services | ●●● | ●●● | ●● | 2 |
| 15 | Code of Conduct | ● | ●●● | ●● | 4 |
| 16 | Risk Management | ● | ● | ●● | 9 |
| 17 | Supplier Sustainability Management | | ●●● | ●● | 11 |

Delta's Double Materiality

Impact on Operations




Impact on Sustainability

| | Revenue Growth | Financial Impact | Customer Satisfaction | Best Employer | Environmental Sustainability | Material Issues | Industrial Technology Development | Create Upstream Revenue | Tax Payment | Increased Investor Profitability | Environmental Benefits of Products | Preserve Earth's Resources | Reasonable Compensation | Participation in International Initiatives | Provide Comprehensive Employee Benefits | Supply Chain Human Rights | Consumption of Energy and Resources | GHG Emissions |
|----------------------|----------------|------------------|-----------------------|---------------|------------------------------|--|-----------------------------------|-------------------------|-------------|----------------------------------|------------------------------------|----------------------------|-------------------------|--|---|---------------------------|-------------------------------------|---------------|
| Economic Issues | | | ✓ | | | Code of Conduct | | | ✓ | ✓ | | | | | | ✓ | | |
| | | ✓ | | | | Risk Management | | | ✓ | ✓ | | | | | | | | |
| | ✓ | ✓ | ✓ | | | Innovative Products and Services | ✓ | ✓ | | | ✓ | | | | | | | |
| | ✓ | ✓ | ✓ | | | Customer Relationship Management | ✓ | ✓ | | ✓ | | | | ✓ | | | | |
| | | | | | | Supplier Sustainability Management | | ✓ | | | ✓ | | | | | | | |
| Environmental Issues | | | | | ✓ | Climate Strategy | | | | | | ✓ | | ✓ | | | ✓ | ✓ |
| | | | | | ✓ | Net-Zero Emissions and Carbon Management | | | | | ✓ | ✓ | | ✓ | | | ✓ | ✓ |
| | ✓ | | ✓ | | | Green Products | ✓ | ✓ | | | ✓ | ✓ | | | | | | ✓ |
| | | | | | | Energy Management | | | | | ✓ | ✓ | | | | | | |
| | | | | | | Water Resource Management | | | | | | | | | | | | ✓ |
| | | | | | ✓ | Waste Management | | | | | | | | | | | | ✓ |
| Social Issues | | | | ✓ | | Talent Attraction and Retention | | | | | | | ✓ | | ✓ | ✓ | | |
| | | | | ✓ | | Diversity and Inclusion | | | | | | | | | | | | |
| | | | | | | Social Engagement | | | ✓ | | | | | | | | | |
| | | | | ✓ | | Human Rights and Labor Relations | | | | | | | ✓ | | ✓ | ✓ | | |
| | | | | ✓ | | Occupational Safety and Health | | | | | | | ✓ | | ✓ | ✓ | | |
| | | | | ✓ | | Talent Development | | | | | | | ✓ | | ✓ | | | |

Financial Materiality

Impact Materiality

Delta's Materiality Issues and Value Chain




| Aspect | Material Issues | "GRI Standard" Topic | Supply Chain | Operations | Products | Society | Corresponding Chapter |
|---|---|--|--------------|------------|----------|---------|--|
|  Economic Issues | Code of Conduct | General Disclosures | ■ | ✓ | | | 4.2.2 Ethical Corporate Management |
| | Risk Management | General Disclosures | ■ | ✓ | ■ | ▲ | 4.7 Risk Management |
| | Innovative Products and Services | 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 Supply Chain Sustainability Management |
|  Environmental Issues | Climate Strategy | GRI 201: Economic Performance | | ✓ | ■ | ▲ | 5.2 Climate Strategy |
| | Net-Zero Emissions and Carbon Management | GRI 305: Emissions GRI 201: Economic Performance | ■ | ✓ | ■ | ▲ | 5.2 Climate Strategy |
| | Green Products | GRI 302: Energy | | ✓ | ■ | ▲ | 5.6 Green Products |
| | Energy Management | GRI 302: Energy | ■ | ✓ | ■ | | 5.3 Energy Management |
| | Water Resource Management | GRI 303: Water GRI 306: Waste | | ✓ | ■ | | 5.4 Water Resource Management |
| | Waste Management | GRI 306: Waste | ■ | ✓ | ■ | | 5.5 Resources Management |
|  Social Issues | Talent Attraction and Retention | GRI 201: Economic Performance GRI 401: Labor Relations GRI 405: Diversity and Equal Opportunity | | ✓ | | ▲ | 6.3 Talent Attraction & Retention |
| | Diversity and Inclusion | GRI 405: Diversity and Equal Opportunity | | ✓ | | | 6.2 Diversity, Equity and Inclusion |
| | Social Participation | 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 | ■ | ✓ | | | 6.5 Human Rights Protection |
| | Occupational Safety and Health | GRI 403: Occupational Safety and Health | | ✓ | | | 6.7 Occupational Health & Safety |
| | Talent Development | GRI 404: Training and Education | | ✓ | | | 6.4 Sustainable Development of Talents |

✓ Direct Impact ▲ Indirect Impact ■ Business Relations




3.3 Management of Material Topics












We formulated three major long-term goals based on the material issues to help Delta respond to the expectations of stakeholders in the implementation of ESG projects and effectively track and manage the actions and implementation results of material issues. The ESG Committee regularly oversees the results of the material topic projects and tracks the outcomes of action plans to mitigate risks. Based on the results of the analysis of material issues, any issue associated with Delta's risk factors are included in Delta's risk management procedures for risk assessment. If a project fails to reach its goals, we convene regular meetings for improvements and flexible adjustments. We learn from the experience and use it as a reference for the future implementation of sustainability management.









Three Major Long-term Sustainability Goals and Material Issues

| Economic Issues | Commitment | KPI | 2023 Target and Performance | Short, Medium, and Long-Term Targets | Impact | Action Plans |
|---|--|--|---|--|---|--|
|  Innovative Products and Services | "To provide innovative, clean and energy-efficient solutions for a better tomorrow" was adopted as the Company's mission to transform its capacity for innovation into high-quality products and solutions | ✓ Ratio of R&D Investment to Total Revenue | • Target: >8% • Actual: 9% Achieved | • 2024: >8% • 2030: >8% | External impact Products and R&D contribute to industrial technology development Internal impact Innovative corporate culture and R&D competitiveness | • Focus on enhancing the energy efficiency of core products and establish a lively and systematic culture of innovation to build capacity for innovation • Improve manufacturing and operational efficiency, accelerate new product development, and increase product value |
|  Customer Relationship Management | 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 | ✓ Customer Satisfaction Score | • Target: 80 • Actual: 81.33 Achieved | • 2025: 82 • 2027: 91 | External impact Good corporate image. Misuse of data will affect customer privacy and rights. Internal impact Stability of revenue and corporate image | • Communicate with customers to understand customer issues at the product design phase • Gain an accurate understanding of end-market demands and exceed customer expectations through consultations and recruiting experts from a variety of industries • Conduct customer satisfaction surveys through letters to understand the needs of potential customers and improve customer satisfaction year by year |
|  Supplier Sustainability Management | Delta views its suppliers as long-term, critical partners in its promotion of the sustainable development of the value chain | ✓ Tier 1 Supplier ESG Survey Response Rate ^{*1} ✓ Supplier ESG improvement rate in supplier audits based on RBA Principles ✓ Cumulative numbers of suppliers that joined our ESG Training program | • Target: 91% • Actual: 91% Achieved • Target: 85% • Actual: 100% Achieved • Target: 170 suppliers • Actual: 384 suppliers Achieved | • 2024: 93% • 2025: 95% • 2025: 100% • 2025: 450 suppliers and 600 participants | External impact Create value and development of upstream industries and increase the efficiency of the use of upstream resources Internal impact Reduce dependence on non-renewable resources, enhance product competitiveness | • Establish short and medium-term objectives, focus on climate change management as the top priority, and provide free training resources for greenhouse gas inventory, energy conservation, and carbon emissions reduction to global suppliers • Continue to communicate and implement the Code of Conduct based on the risk rating and classification of suppliers • Engage key suppliers for more intensified collaboration on sustainability and evaluate the opportunities for promoting low-carbon materials in the future |

*1. Main targets of the survey consisted of suppliers who accounted for the top 60-80% of procurement from Delta in 2022.

| Environmental Issues | Commitment | KPI | 2023 Target and Performance | Short, Medium, and Long-Term Targets | Impact | Action Plans |
|---|--|---|---|---|--|---|
|  <p>Climate Strategy</p> | Participation in international initiatives and implementation of TCFD | <ul style="list-style-type: none"> ✓ Inclusion of climate change issues in the quarterly reports of the Board of Directors ✓ Disclosure of climate information and Delta's progress based on the TCFD framework each year | <ul style="list-style-type: none"> Climate change information and progress are reported to the Board of Directors each quarter and the results are disclosed in the mainstream report each year Continuously meet targets since 2018 <p>Achieved</p> | Reduce climate risks and expand business opportunities in the low-carbon market | <p>External impact</p> Participation in international initiatives and activities to promote local industrial integration with international trends and standards | <ul style="list-style-type: none"> Respond to climate change: Recreate a comprehensive climate change management framework based on the TCFD framework to manage risks and opportunities and regularly disclose progress |
|  <p>Net-Zero Commitment and Carbon Management</p> | Respond to limiting global temperature increase within 1.5°C and meet net-zero targets by 2050 | <ul style="list-style-type: none"> ✓ SBT Scope 1 and Scope 2 absolute reduction (2021 as baseline year) ✓ SBT Scope 3 absolute reduction (2021 as baseline year) | <ul style="list-style-type: none"> Target: ↓ 20% Actual: ↓ 39.0% <p>Achieved</p> | <ul style="list-style-type: none"> 2024: ↓ 30% 2030: ↓ 90% and attain carbon neutrality | <p>External impact</p> Participation in international initiatives and activities to promote local industrial integration with international trends and standards and business activities that affect climate change | <ul style="list-style-type: none"> Align with international sustainability trends: Actively support international initiatives and attain specific achievements on the "We Mean Business" commitments and pass the SBTi Net Zero target review Launch of internal carbon pricing: Strengthen carbon reduction incentives and performance management, support carbon reduction projects, obtain renewable electricity, and invest in negative carbon technologies Initiate the Delta Scope 3 Working Group: Provide business group Scope 3 education and training, and gradually promote Scope 3 reduction |
|  <p>Energy Management</p> | Delta promotes its own energy conservation management to cultivate and accumulate energy-saving technology. We are committed to setting power consumption intensity targets and global renewable electricity targets | <ul style="list-style-type: none"> ✓ Attainment rate in the use of renewable electricity in global operations | <ul style="list-style-type: none"> Target: RE65 Actual: RE76 <p>Achieved</p> | <ul style="list-style-type: none"> 2025: RE80 2030: RE100 | <p>External impact</p> Business activities affect climate change as well as energy and resource consumption | <ul style="list-style-type: none"> Promote renewable energy development: Actively develop renewable energy solutions and increase the use ratio of renewable electricity Energy management: Implement environmental protection and energy conservation in practice. All new production plants must implement green building designs, actively promote multiple energy-saving plans, and meet new conservation milestones |








| Environmental Issues | Commitment | KPI | 2023 Target and Performance | Short, Medium, and Long-Term Targets | Impact | Action Plans | |
|--|---|---|---|--|---|--|---|
|   Water Resource Management | In response to climate change and to stabilize water supply, Delta is committed to reducing its overall water productivity intensity by an additional 10% by 2025, using 2020 as the baseline year |  Water productivity intensity (WPI) of production plants = water usage / production value in MUSD (2020 as baseline year) | <ul style="list-style-type: none"> Target: ↓ 6% Actual: ↓ 26.4% Achieved | <ul style="list-style-type: none"> 2024: ↓ 8% 2025: ↓ 10% | <p>External impact</p> Business activities affect climate change and resource consumption | <ul style="list-style-type: none"> Establish risk assessment mechanisms and reduce the impact of droughts and floods Establish management targets, implement water consumption monitoring, promote consumption reduction at the water source, and improve water recycling and reuse to implement sustainable management of water resources | |
| | |  Water consumption intensity (WCI) of buildings; WCI of buildings = water usage / number of people (2020 as baseline year) | <ul style="list-style-type: none"> Target: ↓ 6% Actual: ↓ 18% Achieved | <ul style="list-style-type: none"> 2024: ↓ 8% 2025: ↓ 10% | <p>Internal impact</p> Reduce the use of non-renewable resources | | |
|  Waste Management | In pursuit of sustainable use of resources and avoiding the depletion of resources on earth, we will continue to improve the conversion rate of waste through reduction, reuse, and recycling to reduce the environmental impact. Delta pledges a 100% waste diversion rate by 2025 in the overall production plants. |  Waste diversion rate of overall production plants | <ul style="list-style-type: none"> Target: 96% Actual: 99% Achieved | <ul style="list-style-type: none"> 2024: 98% 2025: 100% | <p>External impact</p> Business activities affect climate change and resource consumption | <p>Internal impact</p> Reduce the use of non-renewable resources and improve the environmental benefits and competitiveness of products | <ul style="list-style-type: none"> Promote environmental management, set reduction goals, and reduce the impact of production on the environment Promote the circular economy and introduce cyclical indicator evaluation methodologies |
|    Green Products | Delta continues to enhance product energy efficiency through technical innovations of products. We also mitigate environmental impact by introducing green designs in each phase of a product life cycle to facilitate product responsibility and green consumption |  Products passing ISAE 3000 assurance for energy savings and carbon emissions avoidance | <ul style="list-style-type: none"> Target: ≥10 products Actual: 10 products Achieved | <ul style="list-style-type: none"> Products continued to pass ISAE 3000 assurance for energy savings and carbon emissions avoidance | <p>External impact</p> Promote industrial technology development, business activities affect climate change, and resource consumption | <ul style="list-style-type: none"> Intensify development of environmentally-friendly products: Continue to develop energy-saving products and solutions | |
| | |  Any breach of legal regulations or standards for product/service provision and related usage | <ul style="list-style-type: none"> Target: 0 Actual: 0 Achieved | <ul style="list-style-type: none"> No breach of legal regulations or standards for product/service provision and related usage | <p>Internal impact</p> Increase the environmental benefits and competitiveness of products, stability of revenue, innovative corporate culture and R&D competitiveness | | |

| Social Issues | Commitment | KPI | 2023 Target and Performance | Short, Medium, and Long-Term Targets | Impact | Action Plans | |
|---|---|---|--|--|---|---|---|
|  Diversity, Equality and Inclusion | Open to diverse perspectives, respecting of differing opinions and inclusive of various backgrounds that offer unique contributions. |  Percentage of female employees in all management positions ¹ | <ul style="list-style-type: none"> Target: 32% Actual: 32% Achieved | <ul style="list-style-type: none"> 2024-2026: 32.3% | <p>External impact</p> Protect diverse values | <p>Internal impact</p> Diverse, inclusive, and equal workplace environment and corporate culture | <ul style="list-style-type: none"> Diverse and inclusive employee composition: The Company pays attention to the appointment of gender minorities, people with disabilities, and ethnic minorities. We track the implementation status each year and improve employee diversity Equal development support measures: We promote care and support measures for gender minorities, migrant workers, and other ethnic groups as well as working parents. We conduct regular reviews to ensure that there is no discrimination in the remuneration and employment opportunities on the basis of gender, race, age, religion, sexual orientation, or marital status and ensure that everyone in Delta enjoys the same rights Create an inclusive cultural environment in the workplace: Establish correct understanding through training and inclusive activities, promote connections and exchanges between different generations, cultures, and ethnic groups, and eliminate unconscious biases in the workplace |
|   Talent Attraction & Retention | We cultivate campus relationships across different regions and strengthen the research and development energy of teachers and students. We are also committed to providing competitive salaries and packages. |  Offer Acceptance Rate ² | <ul style="list-style-type: none"> Target: 80% Actual: 91% Achieved | <ul style="list-style-type: none"> 2024: 82% 2027: 84% | <p>External impact</p> Improved the quality of life of employees | <p>Internal impact</p> Improved and satisfied the quality of life of employees | <ul style="list-style-type: none"> Promote the strategic development of global talent recruitment. We cultivate campus relationships across different regions, strengthen the research and development energy of teachers and students, and provide diverse internship programs to cultivate future talents. We also use in-person and online recruitment and awareness campaigns to expand brand influence Continue to improve salary levels in manufacturing plants and provide long-term incentives to motivate employees and increase employee morale |
|   Sustainable Development of Talents | Promote strategic global talent recruitment and establish a comprehensive training system through diverse talent development plans and learning resources to enhance talent capabilities. |  Average hours of training per person ³ | <ul style="list-style-type: none"> Target: 18.5 hours Actual: 19.0 hours Achieved | <ul style="list-style-type: none"> 2024: 18.5 hours 2027: 19 hours | <p>External impact</p> Cultivation of professional talents in the industry | <p>Internal impact</p> Increase employees' professional competitiveness and increase satisfaction rate and employee morale | <ul style="list-style-type: none"> Institute a sustainable global mobility strategy and promotes policies to respond to the changes in the global market, achieve continuous globalization of business activities, effectively utilize the international workforce, promote talent diversity, expand the international horizons of high-potential employees, and cultivate international leadership Continue to identify and develop key talents and use diverse talent development programs and the Global Training Committee to strengthen the organization |

*1 Definitions of management roles: Those with leadership and management duties for the management of subordinates, including professional technical and management personnel among OPs (including production line assistants).

*2 Offer Acceptance Rate = Number of Accepted Job Offers/Total Number of Issued Job Offers

*3 Global training hours per capita = Total hours / Average number of employees throughout the year.

| Social Issues | Commitment | KPI | 2023 Target and Performance | Short, Medium, and Long-Term Targets | Impact | Action Plans |
|--|--|---|--|---|--|--|
|  <p>Human Rights and Labor Relations</p> | Compliance with international human rights principles and Delta's Human Rights Policy. |  Employee human rights risk survey coverage rate ^{*1} | <ul style="list-style-type: none"> Target: 100% Actual: 100% <p>Achieved</p> | <ul style="list-style-type: none"> 2024-2026: 100% | <p>Internal impact</p> <p>Labor rights violations</p> | <ul style="list-style-type: none"> Establish the "Delta Group Non-Discrimination and Anti-Harassment Policy", adopted a "zero tolerance" policy for all forms of discrimination and harassment, and established the whistleblower system. We rigorously abide by regulations for reports and complaints as well as management of unlawful infringement in the workplace, take appropriate preventive, corrective, and punitive measures, and protect the rights and privacy of the parties Organize human rights policy training every year and conducts employee human rights due diligence at least once every three years. The scope of coverage includes Delta's own operations and joint ventures. In 2023, we implemented due diligence and took remedial and mitigation measures based on the risk assessment results to continuously improve risk management |
|  <p>Social Engagement</p> | Delta monitors major issues and climate trends of the globe and continuously adjusts strategies to meet the requirements for knowledge and actions across the world. The Company also continues to invest resources in environmental protection, energy conservation, carbon emissions reduction, and education. |  Enhance influence in major social media: Accumulate views on the main social media Facebook | <ul style="list-style-type: none"> Target: 13.8 million Actual: 14.77 million <p>Achieved</p> | <ul style="list-style-type: none"> 2024: 15.9 million 2025: 17.1 million 2026: 18.3 million | <p>External impact</p> <p>Commit resources to enhance the environment or quality of life for the community or disadvantaged groups</p> <p>Internal impact</p> <p>Enhance the environment or quality of life for the community or disadvantaged</p> | <ul style="list-style-type: none"> Continue to develop projects for energy conservation and climate education, popularizing green buildings and low-carbon transportation, and talent development to promote the low-carbon transformation of industries, buildings, and transportation. We also take actions for coral reef restoration and marine protection |
|  <p>Occupational Safety and Health</p> | Pay attention to the safety and health of the work environment of employees and commit to creating a safe and healthy workplace |  Rate of recordable work-related injuries of employees ^{*2} | <ul style="list-style-type: none"> Target: 0.94 Actual: 0.77 <p>Achieved</p> | <ul style="list-style-type: none"> 2024: 0.60 | <p>External impact</p> <p>Damage corporate image or legal liabilities</p> <p>Internal impact</p> <p>Jeopardize employee safety and health, impact on business operations, and production interruptions</p> | <ul style="list-style-type: none"> Establish the ISO 45001 Management System for all major plants across the globe and implement preventive safety and health management |
| | |  Lost-time injury frequency rate of employees ^{*3} | <ul style="list-style-type: none"> New Actual: 0.60 | <ul style="list-style-type: none"> 2024: 0.48 | | |

*1 Global human rights risk investigation coverage rate = Number of companies that completed risk assessments / Number of companies within the scope of evaluation required by the Dow Jones Sustainability Index

*2 Employees Rate of recordable work-related injuries = Number of recordable work-related injuries / Number of hours worked * 1,000,000

*3 Employees Lost-time injury frequency rate (LTIFR)= Number of lost-time injuries / Number of hours worked * 1,000,000

4

Corporate Governance

- 4.1 Key Performance Indicators
- 4.2 Enhancing the Board of Directors' Functions
- 4.3 Innovation
- 4.4 Customer Relationship Management
- 4.5 Supply Chain Sustainability Management
- 4.6 Information Security
- 4.7 Risk Management



4.1 Key Performance Indicators

13,067

MUSD

Delta Revenue

544

MUSD

Brand Value

9%

Ratio of Innovation and R&D to Revenue

81.33

Customer Satisfaction Score

>16,000

Cumulative Granted Patents

91%

Tier 1 Supplier ESG Survey Response Rate

4.2 Enhancing the Board of Directors' Functions

The Chairman leads the Board of Directors of Delta. The members of the Board of Directors meet diversity requirements and have the expertise necessary for the development of the Company. We have established regulations such as the "Corporate Governance Best Practice Principles", "Rules and Procedures of the Meetings of Board of Directors", "Rules for Election of Directors", "Audit and Risk Committee Charter", "Rules Governing the Scope of Powers of Independent Directors" and "Rules of Performance Evaluation of the Board of Directors" to strengthen the effectiveness of the operations of the board and implement a good board governance system. The Company has established the Audit and Risk Committee and Compensation Committee under the jurisdiction of the Board of Directors. They consist of all Independent Directors of the Company that leverage professional division of work and their independence to assist the Board of Directors with decision making and actively implement corporate governance by strengthening supervision and management functions. Regarding cases of Director recusal, according to the "Rules and Procedures of the Meetings of Board of Directors" Article 15: "If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the

interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter." Please refer to page 37 and page 38 of the 2023 Annual Report for the recusal of Directors from proposals involving conflicts of interest in 2023. For more information on the number of shares and shareholding ratio of Directors in the Company's investees, please refer to page 96 and page 452 to page 463 of the 2023 Annual Report.

The 19th (2023) Board of Directors of Delta Electronics consists of 12 Directors including 5 Directors who are employees of the Company (Executive Directors), 2 Directors who are not employees of the Company (Non-Executive Directors), and 5 Independent Directors with a term of 3 years. The role of the Chairman is filled by a Non-Executive Director and is not the same person as, or a relative within the first degree of kinship with, the CEO, President, or COO. For more information, please refer to page 15 and page 24 of the 2023 Annual Report.



4.2.1 Board of Directors and Duties

Diversity among Members of the Board

"Rules for Election of Directors" and "Corporate Governance Best Practice Principles" clearly stipulate that when nominating and selecting the Company's directors, it should take into consideration the overall composition of the Board of Directors. The composition of the board of directors shall be determined by taking diversity into consideration, such as including different genders, ages, races, nationalities, cultures, professional backgrounds and working fields, etc. Meanwhile it is advised that the board members possess the knowledge, skills, and qualities needed to perform their duties in general, including business judgment, accounting and financial analysis ability, administrative management ability, crisis management ability, industry knowledge, international market perspective, leadership ability, and decision-making ability. Members of the Delta's Board of Directors have professional backgrounds and experience in international business administration, control engineering, electrical engineering, brand management, marketing communication, telecommunication, law, accounting, finance, corporate governance, etc. which are necessary for the Company's business operations to provide strategic guidance in the Company's operations. For more information, please refer to page 23 and page 24 of the 2023 Annual Report.

Professionalism of the Board Members

The members of Delta's Board of Directors possess professional experience in fields related to the Company's industry or active developments and are highly sensitive and quick to respond to risks and impacts. Delta Chairman Yancey Hai, Director Bruce CH Cheng, and four Executive Directors have served in management roles at Delta for more than 20 years. On May 30, 2024, Mr. Ping Cheng was officially elected as Delta's new Chairman of the Board and takes over as Chairman and CEO. Mr. Yancey Hai, Delta's former Chairman, will continue serve as a director after stepping down as Chairman. The Independent Director Mr. Ji-Ren Lee served as a deputy administrator in Yulon Motor. The Independent Director Mr. Shyue-Ching Lu has a bachelor's degree from the Department of Engineering Science of National Cheng Kung University and a PhD in electrical engineering from the University of Hawaii and had also served as the Chairman and CEO of Chunghwa Telecom and the director of the Department of Posts

and Telecommunications of the Ministry of Transportation and Communications. The Independent Director Mr. Jack J.T. Huang currently serves as a Special Advisor of the CEO of Yulon Group. Other Directors and Independent Directors also have professional skills necessary for the Company. For more information, please refer to page 19 to page 21 of the 2023 Annual Report.

Delta also conducts training for Board members each year to develop and improve its highest governing body's overall knowledge of economic, environmental, and social issues while continuing to improve the Board's risk management capabilities. Delta also refers to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" as it continues to promote and arrange training for directors (including independent directors) with courses that cover corporate governance topics such as finance, risk management, operations, business, accounting, and law, as well as corporate social responsibility. The Company arranges at least 6 hours of training courses for directors every year. New directors of listed companies are also encouraged to complete a 12-hour director training course in their first year. Delta's self-organized director training course in 2023 covers topics including "Corporate Strategy" and "Technology and Impacts of Modern Artificial Intelligence". Please refer to page 55 to page 56 of the 2023 Annual Report for details on the training status of all directors.

Enhancing the Effectiveness of Board Operations

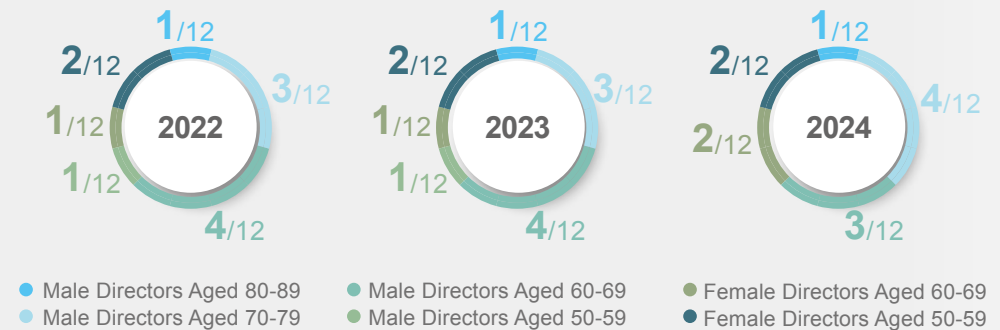
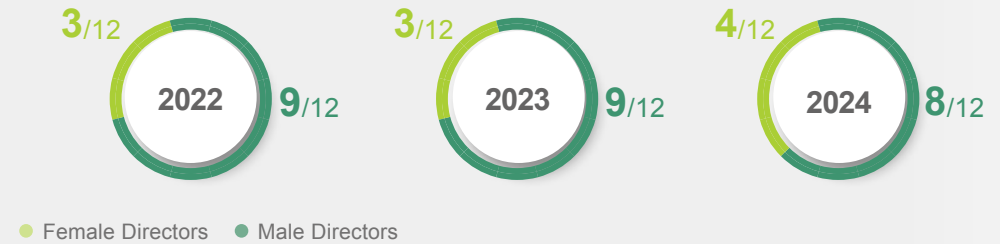
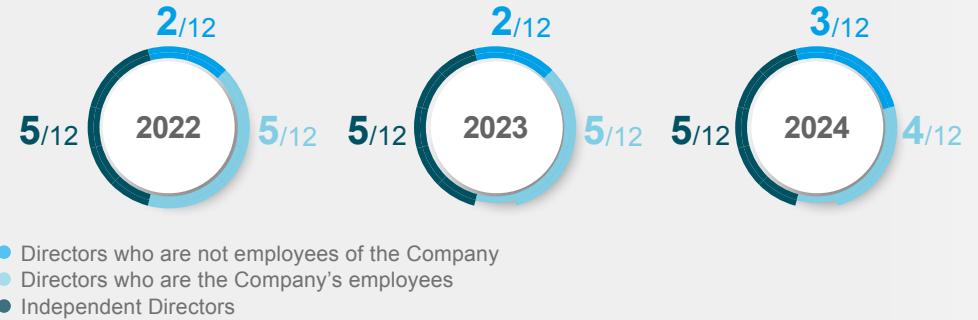
Delta's Board of Directors has approved the "Rules of Performance Evaluation of the Board of Directors" and implements the performance evaluation of the Board of Directors, individual Directors, Audit and Risk Committee, and Compensation Committee each year. In addition, an external independent professional institution or a panel of external experts and scholars shall be assigned to conduct the Board Performance Evaluation at least once every 3 years. The criteria for evaluating the performance of the Board of Directors includes five aspects, participation in matters related to duties of directors and

results of implementation, improvement in the quality of decision making by the Board of Directors, composition and structure of the Board of Directors, election of the directors and their continuing professional education, and internal control to be used to ensuring the effective operations of the Board of Directors and manage the risks and crises of the Company. Delta has assigned an external professional and independent institution for the 2022 performance evaluation of the Board of Directors and the evaluation results were reported to the Board of Directors in 2023. The 2023 self-evaluations of the Board of Directors, individual Directors, Audit and Risk Committee, and Compensation Committee were completed before the end of the first quarter of 2024. The overall performance of the Board of Directors was deemed as effective. For more information, please refer to page 38 and page 40 of the 2023 Annual Report.

The reports of issues to the Board of Directors encompass all aspects of ESG and the 65 issues reported in 2023 including reports on business operations, financial statements, internal audit reports, intellectual property management, information and communication security management, risk management, integrity management and implementation, board performance evaluation, and ESG related issues, including reports on communication with stakeholders, materiality analysis, transformation plans, the contents of the "2022 Delta Electronics ESG Report", Delta's greenhouse gas inventory plans and progress, COP27 UN Integrity Matters anti-greenwashing report, CDP analysis, ICP carbon fee budget, climate change supervision, and management organization. Relevant units communicated with the Board of Directors on the following major issues, including business plans, audit plans, financial statements (including earnings distribution), quarterly consolidated financial statements, distribution of employees' and directors' compensation, appointment of managers, recommendation on managers' compensation, mergers and acquisitions, issuance of corporate bonds, acquisition and sale of securities and real estate, group's shareholding restructuring, effectiveness of internal control systems, evaluation of the competence and independence of CPAs, amendments of corporate governance regulations, release from non-competition restriction on managers, release from non-competition restriction on Directors and Independent Directors, and convening of the annual general shareholders' meeting. For more information, please refer to the Company's material information posted on the Market Observation Post System or page 86 to page 90 of the 2023 Annual Report.

Composition and Structure of the Board of Directors

Composition of the Board of Directors



Board of Directors

Delta's Board of Directors 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. Six Board of Directors meetings were held in 2023 and the overall attendance rate was 96%.

Audit and Risk Committee

Key tasks performed by the Audit and Risk Committee this year included supervising the fair presentation of the Company's financial statements, the appointment and termination of CPAs and their independence and performance, the effectiveness of the Company's internal control, the Company's compliance with relevant laws and regulations and the Company's existing or potential risks. Meetings of the Audit and Risk Committee are convened at least once every quarter and six meetings were held in 2023, with an overall attendance rate of 97%.

Compensation Committee

Delta's Compensation Committee is responsible for formulating and regularly reviewing the policies, systems, standards and structures for performance evaluation and salary remuneration of directors and managers, as well as the regular evaluation and establishment of the remuneration of directors and managers. 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 also participates in industry and consulting companies' salary surveys and evaluates how Delta's compensation is fair with the current market. Regarding specific remuneration issues, Delta hires outside HR consultants for suggestions and solutions. Annual employee compensation amounts are determined after the Board of Directors agrees with the suggestions of the Shareholders Meeting and are published in the Company's annual reports. Four Compensation Committee meetings were held in 2023 and the overall attendance rate was 100%.

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. To integrate the resources of the departments more effectively, the Company referenced practices in the industry and set up the "Ethical Management Committee" as the dedicated unit for promoting ethical corporate management based on the resolution of the Board of Directors on October 27, 2022. The Ethical Management Committee reports the ethical corporate management policies and plans for preventing unethical conduct and the implementation status to the Board of Directors once each year. It ensures that the Company prevents unethical conduct, regularly reviews implementation results, and continues to make improvements for ensuring the implementation of ethical corporate management policies. Delta's CEO serves as the chair of the Ethical Management Committee and the General Counsel is responsible for leading the promotion group and members in the implementation of ethical corporate management plans and affairs.

After the establishment of the "Ethical Management Committee", it prioritized the introduction of ISO 37001 anti-bribery management system for Delta's Head Office in Taiwan (i.e., functional units with head office functions) and passed certification in 2023. The introduction of the ISO 37001 standards will continue to enhance the structure of ethical corporate management and optimize the system.

Establishment of Policies and Systems

Delta established the "Ethical Corporate Management Best Practice Principles" and "Delta Group Code of Conduct" to clarify the Company's policies and the code of conduct for employees. They are disclosed on the Company's website and apply to all members of Delta including subsidiaries, directors, managers, and employees. Delta established operating procedures and management regulations such as the "Ethical Corporate Management Risk Assessment and Prevention Regulations", "Whistleblower System Management Regulations", and "Management Regulations for Rewards and Penalties" to prevent unethical conduct. Through the process of introducing ISO 37001 standards, Delta will review and optimize the aforementioned procedures and regulations in accordance with ISO 37001 requirements. The procurement contracts signed with suppliers include the Delta Integrity Declaration, 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 refresher courses on ethical corporate management/Code of Conduct each year. In 2023, 78,509 employees worldwide completed the course and the completion rate was 97.2%, which was a small increase compared to the previous year. Delta's Directors also attend online courses on ethical corporate management / Code of Conduct each year with a training completion rate of 100%. The Company has started to introduce the ISO37001 standard in 2023 for Delta's Head Office in Taiwan (i.e., functional units with head office functions) to optimize Delta's anti-corruption and anti-bribery related management mechanisms. Starting from Q3 of 2023 when the system goes online, the Company requires all employees in each unit within the system to complete training on the overall mechanisms of the ISO37001 anti-bribery management system to enhance their understanding of anti-corruption and anti-bribery and prevent dishonest behavior. In addition, ethics and integrity have always been included in the evaluations of values and skills in employees' performance evaluation. Announcements on regulations regarding the avoidance of conflicting interests are issued every year, and employees are reminded to fill in a declaration form. In addition to conducting integrity management risk assessments for each unit every year, and in



response to the introduction of the ISO37001 standard, Delta plans to implement stronger control and training for employees assigned duties that are classified as medium and high risk in the corruption and bribery risk assessment to enhance their anti-corruption and anti-bribery awareness. Regarding suppliers, in addition to following the Responsible Business Alliance Code of Conduct as the framework in encouraging suppliers to practice sustainable development through major aspects such as labor, occupational health and safety, environment, ethics, and management systems, and using the “Delta Group Supplier Code of Conduct” as an important guideline in providing training material and the Delta Integrity Agreement for suppliers to sign, the Company will further provide a Delta Group Anti-Corruption and Anti-Bribery Policy for suppliers to read and comply with in accordance with the requirements of ISO37001 standards.

| | | Employee Category | | Management Roles / Non-management Roles | | | | Total |
|--------------|----------------------------------|--|---|---|-----------|--------------|----------------|--------|
| | | OP (including production line assistants) | Professional Technical and Management Units Personnel | Senior level | Mid-level | Junior level | Non-management | |
| Taiwan | Eligible Trainees | 2,988 | 11,841 | 294 | 1,429 | 184 | 12,922 | 14,829 |
| | Trainees that Completed Training | 2,942 | 11,356 | 267 | 1,352 | 174 | 12,505 | 14,298 |
| | Completion Rate | 98.5% | 95.9% | 90.8% | 94.6% | 94.6% | 96.8% | 96.4% |
| China | Eligible Trainees | 25,840 | 12,563 | 97 | 1,721 | 2,078 | 34,507 | 38,403 |
| | Trainees that Completed Training | 25,766 | 12,489 | 93 | 1,704 | 2,077 | 34,381 | 38,255 |
| | Completion Rate | 99.7% | 99.4% | 95.9% | 99.0% | 99.9% | 99.6% | 99.6% |
| Asia Pacific | Eligible Trainees | 17,357 | 6,127 | 61 | 710 | 480 | 22,233 | 23,484 |
| | Trainees that Completed Training | 17,171 | 5,817 | 46 | 660 | 478 | 21,804 | 22,988 |
| | Completion Rate | 98.9% | 94.9% | 75.4% | 93.0% | 99.6% | 98.1% | 97.9% |
| EMEA | Eligible Trainees | 670 | 2,379 | 37 | 241 | 13 | 2,758 | 3,049 |
| | Trainees that Completed Training | 305 | 1,923 | 28 | 205 | 9 | 1,986 | 2,228 |
| | Completion Rate | 45.5% | 80.8% | 75.7% | 85.1% | 69.2% | 72.0% | 73.1% |
| Americas | Eligible Trainees | 80 | 903 | 27 | 126 | 8 | 822 | 983 |
| | Trainees that Completed Training | 30 | 710 | 15 | 97 | 6 | 622 | 740 |
| | Completion Rate | 37.5% | 78.6% | 55.6% | 77.0% | 75.0% | 75.7% | 75.3% |
| Total | Eligible Trainees | 46,935 | 33,813 | 516 | 4,227 | 2,763 | 73,242 | 80,748 |
| | Trainees that Completed Training | 46,214 | 32,295 | 449 | 4,018 | 2,744 | 71,298 | 78,509 |
| | Completion Rate | 98.5% | 95.5% | 87.0% | 95.1% | 99.3% | 97.3% | 97.2% |

*1 Global ethical corporate management / Code of Conduct online course completion rate = 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



Whistleblowing and Protection

The Company provides a reporting channel. If any illegal or dishonest business practices are found, the whistleblower can choose to report to the supervisor a dedicated mailbox, file a named report or an anonymous report, or use other channels. 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. According to the Delta's Whistleblower System Management Regulations, where a report is verified as true and its contribution generates significant economic benefits, the whistleblower may be provided with a suitable amount of rewards based on local regulations. In 2023, 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, the Company requires all current employees to report conflicts of interest when they report for duty. Current employees are reminded to file reports every year and 3,182 employees actively completed the report in 2023.

Delta has also established risk management mechanisms for ethical corporate management. Each year, business and functional units conduct self-assessment of risks and 38 risk assessment tables were filled out in 2023 (the completion rate was 100%). They are also required to implement management measures accordingly.

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 16th Innovation Awards in 2023 included four grand prizes for "Intellectual Property Rights," "New Products," "Manufacturing," and "New Business Model & New Business Process." The "Intellectual Property Rights" award included "Elite Inventor" and "Quality IP Portfolio". 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, demonstrating 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 10 individuals, and the total prize money awarded was approximately 358,000 USD.



At the 16th Delta Innovation Awards, the highest honors for innovation at Delta were presented to 10 teams and 10 individuals.

4.3.2 Intellectual Property Rights Applications

Innovation, R&D, and Patent Planning

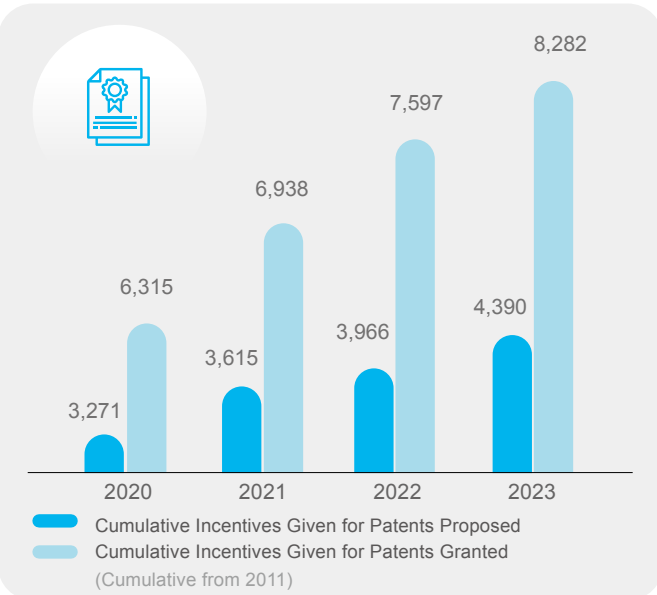
Delta promotes sustainability with technology and is committed to R&D and innovation in fields that include power and electronics, infrastructure, and automation. The Company established 73 R&D Centers across the world with more than 10,000 R&D engineers. In recent years, we have continuously invested at least 8% of total revenue to R&D and innovation. The investment reached 9% of total revenue in 2023 as the Company remained committed to creating innovative and energy-efficient solutions. In terms of intellectual property rights, Delta has maintained its long-term commitment to patents and assets in terms of R&D, manufacturing bases, and main markets to maintain its competitiveness.

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 the end of 2023, Delta has accumulated nearly 16,000 patents across the globe, of which 1,283 patents were approved in 2023, an increase of over 10% compared to 2022. Delta's patent planning focuses mainly on the United States, Mainland China, Taiwan, and Europe, and future patents will focus on areas like AI data centers, smart energy solutions, and electric vehicles. The accumulation of patents has made Delta one of Clarivate's Top 100 Global Innovators for three consecutive years, which shows that Delta's achievements in innovation have been recognized by international professional evaluations.



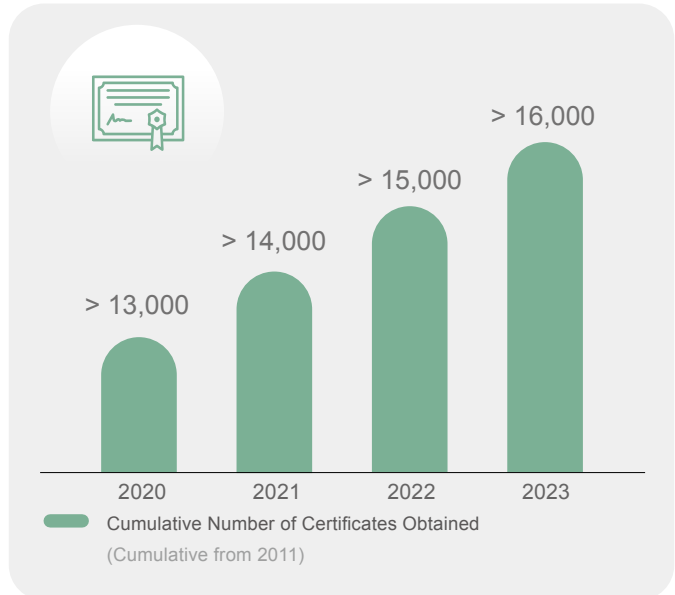
Total Number of Patents



Total Incentives Given



Number of Granted Patents



4.3.3 Open Innovation and the Latest Technology Exchanges

Established in 2013, The Delta Research Center (DRC) is based in Taipei, with additional research and development hubs in Hsinchu, Tainan, and Singapore. Committed to emerging technologies, advancing Delta's next-next generation products, and exploring new markets, DRC collaborates extensively with industries, governments, academia, and research institutes to foster open innovation ecosystems.

Utilizing data analysis, IoT, and information security technologies, DRC teams strive to support Delta's internal manufacturing and operation, accelerate new product development, and elevate product value and customer satisfaction.

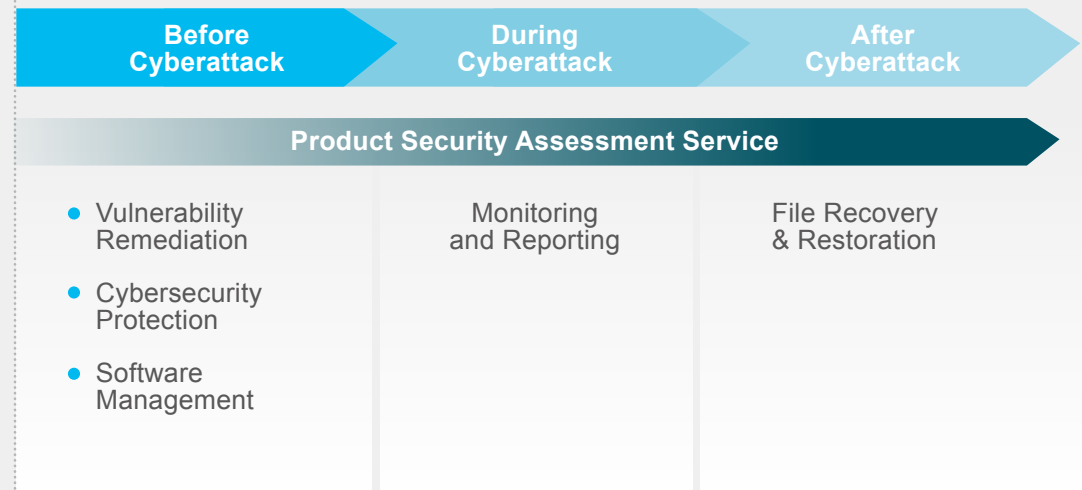
Improving Information Transparency and Operational Efficiency

- Enhancing Information Transparency:** By leveraging natural language AI framework technologies, DRC works together with internal operational units to enhance the employee training environment and facilitate better communication between the management and staff. Furthermore, by pioneering emerging technologies, DRC partners with business units to bolster communication channels and increase efficiency with clients.
- Improving Operational Efficiency:** Through collaboration with the internal administrative units within the company, DRC develops automated assistance tools to reduce manual, repetitive, and tedious tasks, thereby refining operational workflows and boosting efficiency.



Increasing Product Security Resilience

Mitigating the Impact of Cyberattacks on Enterprises: DRC endeavors to provide comprehensive product cybersecurity solutions before, during and after cyberattacks to mitigate risks. Collaborating with business units, DRC actively integrates product security specifications or standards during the product design phases and assess the cyberattack risks associated with products. In the event of attacks, DRC aims to provide appropriate tools to minimize the impact on enterprise data affected by ransomware, while diminishing losses caused by malicious software intrusion.



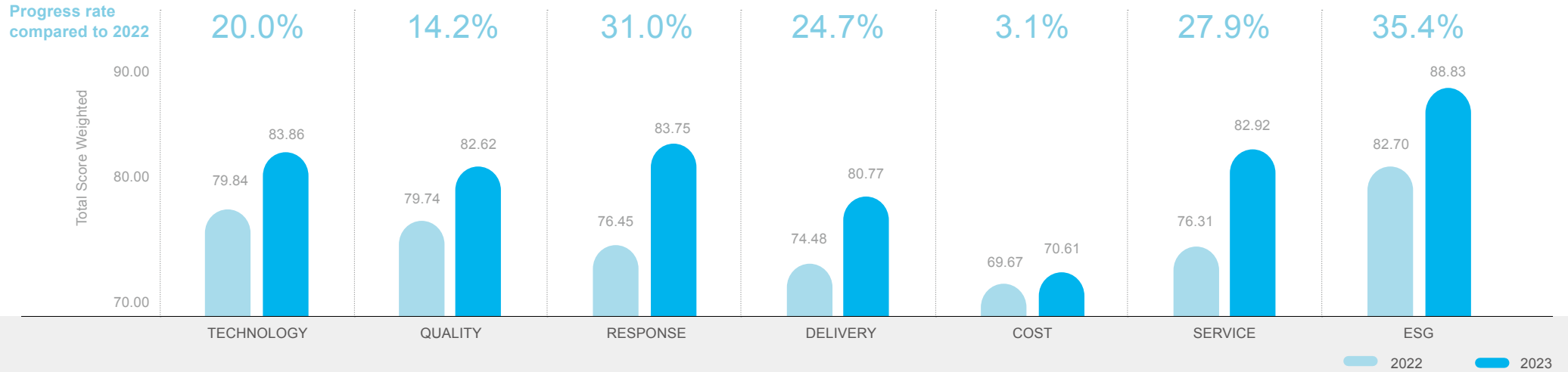
4.4 Customer Relationship Management

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. These included the 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 60%-80% of procurement from Delta in 2022. We distributed 414 questionnaires and recovered 197 copies with a recovery rate of 47.6%. After accounting for QBR, we received 244 responses out of 451 customers with a recovery rate of 54.1% and overall satisfaction rate of 84.7 points. According to the 80/20 rule, a few important customers contribute more than 80% of revenue. To pay more attention to the voices of these customers, the calculation and target of Delta and each department's customer satisfaction scores will be changed from an arithmetic average model to a revenue-based weighted average model starting from 2024. The arithmetic average of Delta's actual 2023 performance is 84.7 points, while the weighted average is 81.33 points, achieving the 2023 goal of 80 points.





The 2022 and 2023 weighted total and the weighted scores of the seven major components are as shown in the table above. Scores under every component in 2023 have improved compared to 2022, but the components with the smallest degree of improvement are cost and quality. These are areas that Delta can focus on improving.

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, Delta will continue to send mail for customer satisfaction surveys and uncover potential needs of customers in order to identify more opportunities for providing services and increase customers' satisfaction with Delta each year.

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 to communicate the ISO9000 quality management regulations 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 the same year, Delta also implemented operation standard surveys on ISO9000 standards for existing distributors and ASPs. The results showed that only 21% of the distributors and ASPs had obtained ISO9000 certification. To promote ISO9000 quality management regulations, Delta decided to provide ISO9000 training and appointed TÜV Rheinland in 2021 and 2022 to provide Delta distributors and ASPs with ISO9000 training. Therefore, the ratio of distributors and ASPs that participated in ISO9000 training or obtained ISO9000 certification increased to 31%, which met the 30% target set for 2022. Delta has distributors and ASPs across the globe that use different languages and have different work hours, Delta created the ISO9000 online e-learning courses in both Chinese and English in 2023 and plans to offer these courses to Delta Group distributors and ASPs in 2024 so that they can learn online from anywhere at any time.

4.5 Supply Chain Sustainability Management

4.5.1 Supply Chain ESG Committee and Execution Blueprint

Delta Supply Chain

As a leading company in the supply chain, Delta implements the company's core mission "To provide innovative, clean, and energy-efficient solutions for a better tomorrow" into all aspects of its supply chain management. Committed to providing customers with high-value products and services, Delta uses the Supplier Code of Conduct as the basis for dialog, collaborating with suppliers to establish sustainable development targets for energy conservation and carbon reduction, sustainable raw material procurement, and waste reduction. Delta actively supervises the implementation of these targets to mitigate the impact of climate change and practice sustainable supply chain management. Delta's suppliers include raw materials suppliers, component suppliers, distributors, and outsourced service providers. These suppliers are mainly located in Mainland China, the United States, and Taiwan, with production bases located across Mainland China, Taiwan, Thailand, and other countries.

Supply Chain ESG Committee

To strengthen the sustainable management of its supply chain, Delta has established a Supply Chain ESG Committee chaired by the director of the Supply Chain Management Division with members that include the procurement managers of business groups. An executive secretary, assigned to take charge of everyday operations and project implementation, regularly reports to the senior management team and the Board of Directors and there is consensus from top to bottom regarding all major ESG issues. Through regular meetings and KPI reports, the committee revises and updates short-, medium-, and long-term goals on a rolling basis to maintain flexible strategy adjustments.

The scope of the committee's work is divided into six core categories: policy / regulations/ management methods, "supplier evaluation and engagement", establishment of the supply chain ESG platform, "environmental performance improvement", "communication and disclosure", and "management of special issues". To fulfill Delta's commitment to sustainable development, we actively implement three major strategies: "supplier ESG risk management", "responsible manufacturing" and "green and low-carbon supply chain". We strengthen cooperation and communication with suppliers through ESG questionnaires, the establishment of a supplier ESG platform, and regular supplier conferences. We also make the effort to gradually improve and introduce a sustainable procurement system to further enhance and optimize the efficiency and effectiveness of supply chain management, ensuring that Delta suppliers implement sustainable practices.



4.5.2 Supply Chain Risk Management Procedures

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

Stage 1: Selection and Recognition of New Suppliers

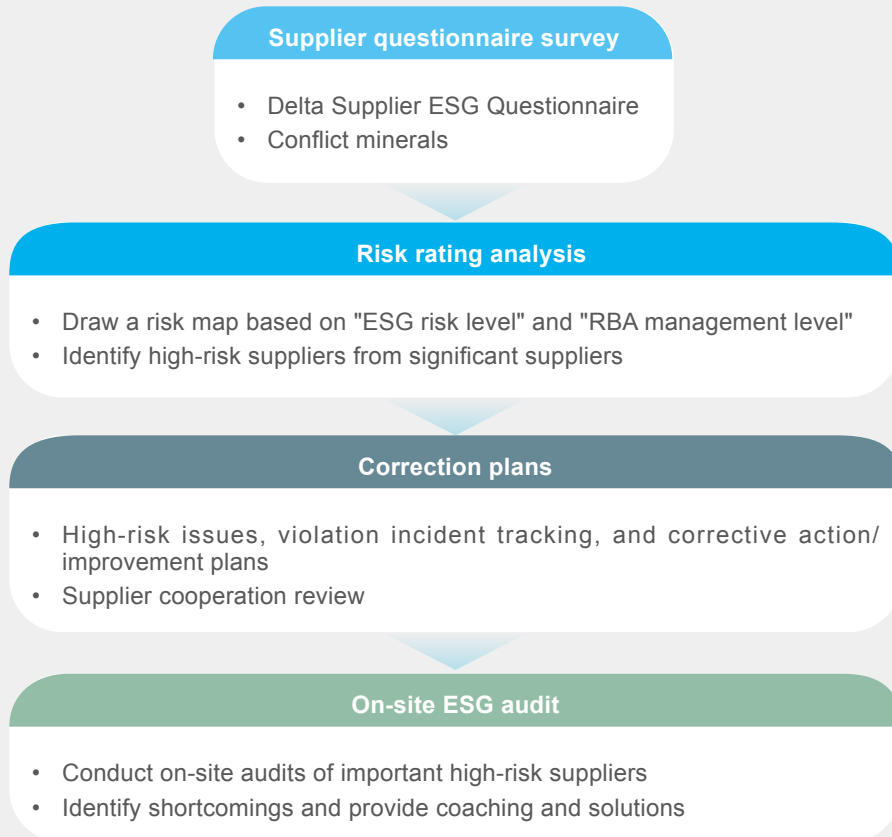
Delta has set clear selection criteria for suppliers. After reviewing their operations and sustainability conditions, only those who meet the selection criteria can become Delta suppliers. All suppliers must sign a procurement contract and a new supplier registration declaration, which contains clauses such as Supplier Code of Conduct, integrity commitment, environmental protection, conflict minerals, fair competition, and antitrust law. Presently, the signature rate in Taiwan, Mainland China, and Thailand has reached 100% as roll-out gradually continues in other regions.



| | Policy Commitment Documents | Management System Certification | Risk Assessment Review | Results |
|--------------------------|---|---|---|--|
| Required Items | <ul style="list-style-type: none"> Supplier Code of Conduct Integrity Agreement Environmental Protection Clauses | <ul style="list-style-type: none"> ISO 9001 Quality Management ISO 14064-1 Greenhouse Gas Inventory | <ol style="list-style-type: none"> Basic operating conditions: Procurement management, quality, technology Environmental Hazardous Substances Management Survey | Those who fail the risk assessment and management system review will be eliminated |
| Competitive Items | <ul style="list-style-type: none"> Declaration of Non-use Conflict Minerals | <ul style="list-style-type: none"> ISO 14001 Environmental Management ISO 45001 Occupational Safety and Health Management System ISO 50001 Energy Management | Sustainability audit: Labor, health and safety, environment, ethics, supplier management | Identify suppliers in order of priority |
| | Require 100% of suppliers to sign | Suppliers must meet the required items, with bonus points awarded for competitive items | | Determination of qualified suppliers |

Stage 2: Continuous ESG Risk Management

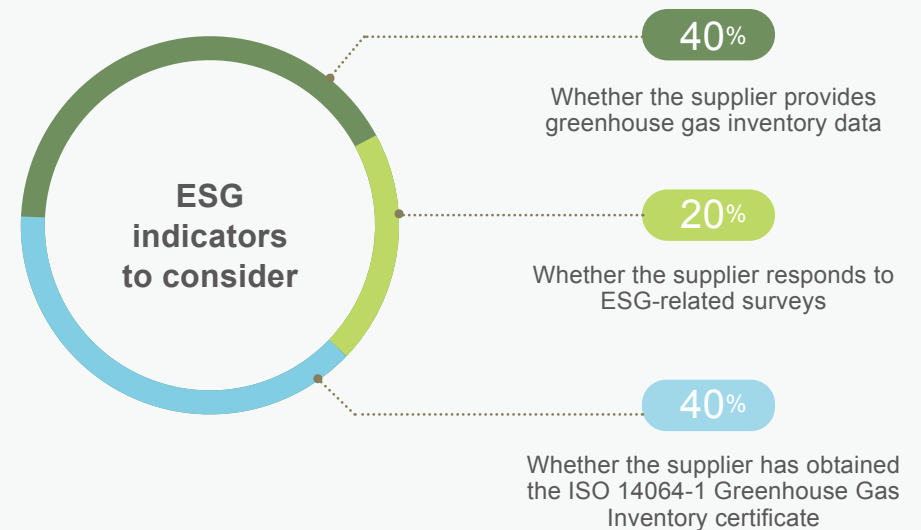
Every year, we carry out classified and tiered management for different supplier categories, including product manufacturers, branch companies of manufacturers, external processing manufacturers, distributors, and service companies, and issue surveys to tier 1 suppliers that have continuous transactions with Delta. We assess supplier risk levels by managing and analyzing questionnaires formulated based on RBA and the Delta Group Supplier Code of Conduct, carrying out follow-ups and on-site audits and issuing improvement requirements based on the results.



Stage 3: Performance Evaluation

When conducting our Quarterly Business Review (QBR), in addition to traditional factors like technology, quality, service, delivery time, and cost, Delta also considers suppliers' ESG risk and capabilities, which account for 10% of the score, as a key factor for order management and continuing cooperation. The ESG performance of suppliers affects their partnerships with Delta. For example, those with higher scores may receive more orders, while those with low scores may have their collaboration with Delta reduced or even terminated.

To encourage suppliers to take proactive ESG actions, Delta awards bonus points for excellent ESG practices, further promoting the sustainable development of the entire supply chain. Additionally, Delta gives out awards to the best performing vendors (MVP) and the most improved vendors (MIP) from its suppliers every year. This approach utilizes Delta's influence as a brand, not only recognizing suppliers with outstanding sustainability practices but also encouraging the entire supply chain to make continued improvements.



Stage 4: Supplier Engagement and Long-term Improvements

To promote the sustainable development of the supply chain, Delta evaluates the sustainability performance of its suppliers through questionnaires and on-site audits, actively participating in improving suppliers' environmental, social, and governance (ESG) growth. By providing "Supplier ESG Training Courses" and "Services and Product Solutions", Delta supports suppliers in improving sustainable performance, thereby promoting continuous improvement of the overall supply chain.



| Grade | Supplier Rating | Action Item | Review meeting |
|-------|------------------------------|--|----------------|
| A | Excellent (90-100) | Proactive supplier can increase procurement volume up to 20% according to demand | Quarterly |
| B | Good (80-89.9) | Qualified supplier maintain business relationship | Quarterly |
| C | Marginal (70-79.9) | Poor supplier - reduce procurement volume 1. Arrange supplier coaching program in conjunction with quarterly reviews 2. For suppliers with a C rating for two consecutive quarters, orders will be transferred and transactions will be terminated. 3. Suppliers rated C for three consecutive quarters will be listed as an unqualified supplier. | Quarterly |
| D | Poor (below 70) | Unqualified supplier 1. Orders transferred and transactions terminated 2. Suppliers given D rating for two consecutive quarters shall be disqualified as a Delta supplier. | Monthly Weekly |

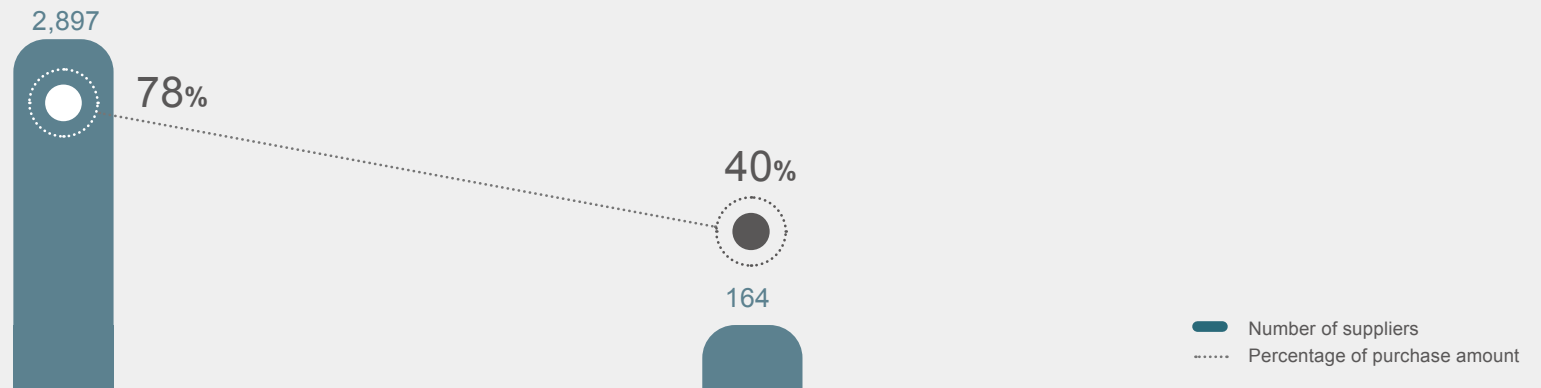
4.5.3 Supplier ESG Risk Assessment

Compliance with the Supplier Code of Conduct

Focusing on core sustainability issues, Delta continues to optimize the Delta Group Supplier Code of Conduct based on the Responsible Business Alliance Code of Conduct (RBA Code of Conduct), encouraging suppliers to practice sustainable development in six major aspects: climate change, labor, occupational health and safety, environment, ethics, and management systems. We use the "Delta Group Supplier Code of Conduct" as an important guideline, requiring all suppliers to comply with it in the procurement contract and encouraging suppliers to require their upstream suppliers to also adopt this code in their management.

Tiered Supplier Management

Each year Delta identifies significant suppliers and determines based on factors such as continuous transactions, transaction amount, types of service or material provided by the supplier, labor, environment, safety, and climate change performance. Special issues such as water risks and biodiversity risks are also included in the risk information by country and by industry. The total value of procurement from 164 significant suppliers in 2023 accounted for 40%. And the total number of significant suppliers in non Tier-1 was 1,156.



Tier 1 suppliers

- Annual purchase amount of over NT\$5 million
- Continuous transactions for more than one year
- Regulated conflict minerals are used in the processes or products.

Significant suppliers in Tier-1

- Provide key materials, technologies or key processes
- Single procurement source
- Manufacturers that account for the top 80% of transactions in major parts and materials
- Sustainability risk issue assessment

Annual Supplier ESG Questionnaire

The ESG questionnaire covers 7 major aspects, including labor, occupational health and safety, environment, ethics, and management systems. We designed the questionnaires based on suppliers' country of origin, industry type, and materials provided, as well as RBA high-risk issues and subsequent management goals. The questionnaires are provided in traditional Chinese, simplified Chinese, English, and Thai. The Supply Chain ESG Committee has also organized webinars to help suppliers understand Delta's expectations, the importance of ESG, and requirements of the questions.

Analysis and Results of the 2023 Questionnaire

To support Delta's SBTi and Sustainable Procurement targets, the 2023 questionnaire was adjusted according to RBA version 8.0, with added content on climate change and disclosure. This requires suppliers to clearly report carbon emission data and reduction targets, and also set specific carbon reduction goals. Additionally, in the major aspects of climate change and environmental management, new metrics were added to assess suppliers' practices in sustainable raw material procurement and usage, aimed at tracking progress towards Delta's Sustainable Procurement goals. In 2023, the proportion of suppliers^{*1} providing sustainable raw materials reached 95% (2023 target: 95%). The proportion of Delta products that contain recycled material suppliers was 47% (2023 target: 45%). Moving forward, we will align with the group's SBTi carbon reduction targets and set medium to long-term goals for the proportion of sustainable and recycled materials. The questionnaire also paid more attention to suppliers' establishment of various management systems, after collecting the questionnaire responses, we will conduct systematic review on key information and supporting evidence, such as third parties' certification. Delta collects data on suppliers' ESG performance and RBA management rating as an important basis for formulating future strategies.

91% of suppliers filled out the 2023 ESG management survey. According to the analysis results of suppliers with different ratings, 41% of the suppliers exhibited high levels of sustainability. This means that they have high risk management and ESG capabilities and are suitable for long-term partnerships for sustainability. 33% of the suppliers were regarded as suppliers of high concern, of which 373 were defined as high-risk suppliers. In terms of supplier categories, 352 were manufacturers, 2 were distributors, and 19 were outsourced service providers. In terms of regions, 80 were located in Taiwan, 202 were in Mainland China, and 91 were in other regions.

In addition, 16% of the suppliers are classified as suppliers with high potential. This means that they have high risk management capabilities but need to improve ESG capabilities, and can thus be prioritized for mentoring resources later on. No suppliers were identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment in 2023. According to the analysis of effective questionnaires, 6% of the suppliers voluntarily implement the RBA_VAP each year to conduct sustainability capability reviews and assessments, using this to improve their own sustainability practices.

Analysis of risk management performance across the categories found that the average deficiency rate was higher in the labor category and lower in the environment, ethics, and supply chain management categories. This shows that high-risk issues mostly lie in the labor category, for which 5.7% of suppliers lost points. Issues included lack of related policies for human rights protection and overtime hours. Delta will continue to conduct follow-ups and audits with requests for improvement plans.

*1. Sustainable raw material suppliers refer to those providing products to Delta that use renewable electricity, provide recycled materials, or are capable of accommodating the provision of recycled materials.

Conflict Minerals Management

In compliance with Delta's conflict minerals policy, 100% of manufacturers are required to sign a declaration

Conduct annual supply chain conflict mineral traceability surveys

Follow the RMI Active and Conformant Facilities List, requiring suppliers to remove unqualified refineries

Collaborate with third-party on-site audits to review suppliers' conflict minerals management mechanisms

Reveal refinery investigation results and publish and report them on Delta's website

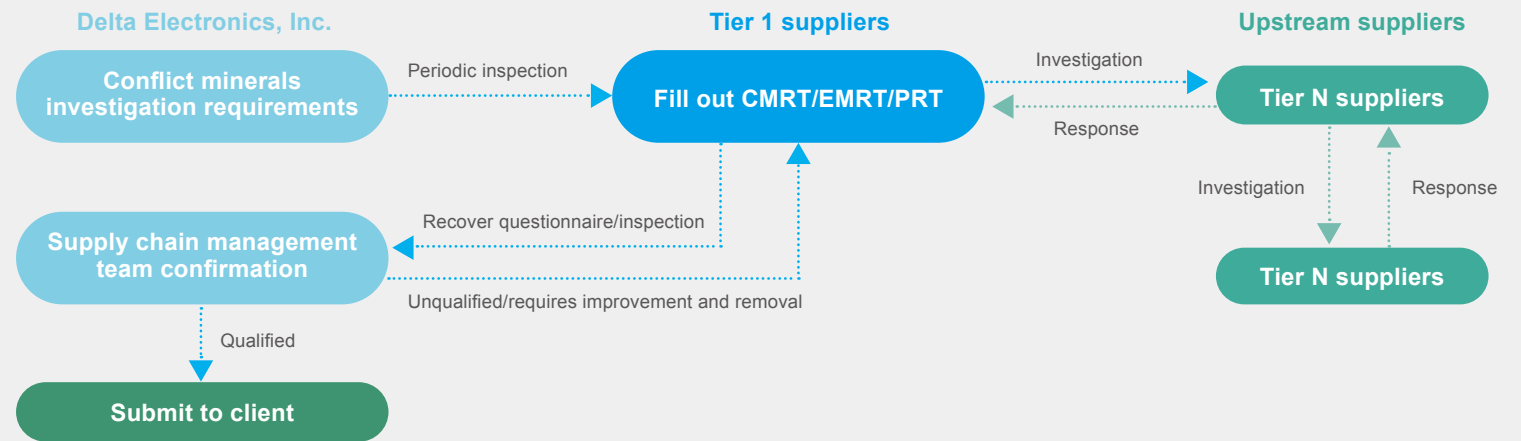
Establish and Announce Policies Regarding Conflict Minerals

Research conducted by the Responsible Minerals Initiative (RMI) discovered that the 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 tungsten, tin, tantalum, gold, cobalt, and mica, and sell them in exchange for weapons, thereby causing regional instability. Minerals obtained through illegal means are referred to as conflict minerals. Tungsten, tin, tantalum, gold, cobalt, and mica are essential for electronic products to function. 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. Please refer to the "Delta Group Policies Regarding Conflict Mineral" section of our website for more information.

Conduct Due Diligence Investigation

To ensure that no conflict minerals are used in Delta products, Delta conducted due diligence investigations using an online questionnaire converted from the CMRT 6.31, EMRT 1.2, and the latest PRT1.1 template released in 2023. We also strengthened communication and cooperation with suppliers through webinars to practice responsible manufacturing. Delta requires suppliers to disclose and purchase minerals from qualified refineries based on the latest list of valid and qualified refineries published by the Responsible Minerals Initiative (RMI). Delta includes mica, which has received more attention from stakeholders, in the scope of due diligence investigation.

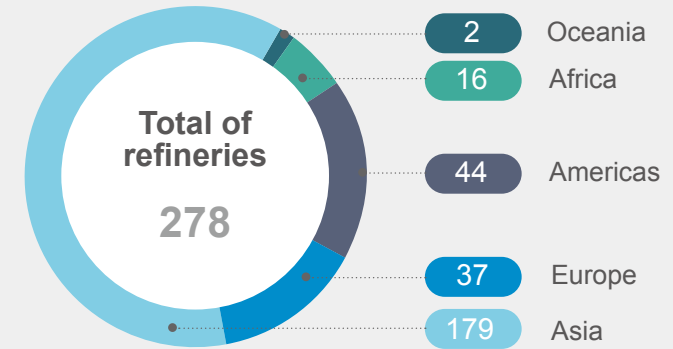
Conduct Due Diligence Investigation



According to the investigation, Delta's supply chain sourced materials from 278 refineries in 2023, of which all 278 were included in 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 Americas. For the complete disclosure report, please refer to the [Delta Responsible Minerals Report](#).

Number of refineries

| Gold | Tin | Cobalt | Tungsten | Tantalum | Mica | Total |
|------|-----|--------|----------|----------|------|------------|
| 92 | 67 | 49 | 32 | 34 | 4 | 278 |



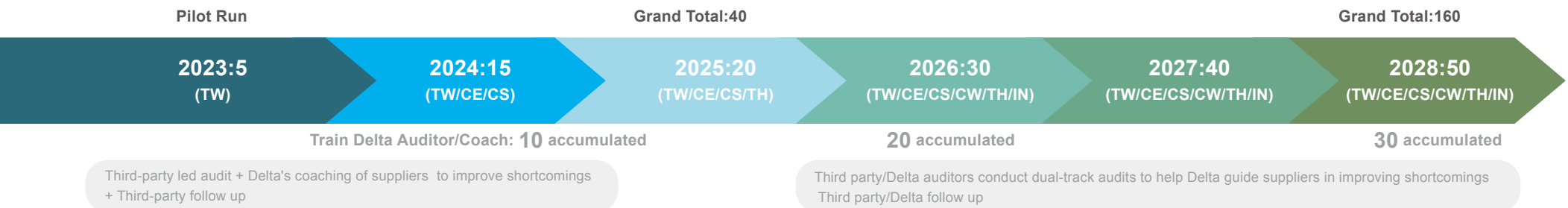
4.5.4 Supply Chain Audits and Coaching

Delta Audit/Coaching Team and Action Plan

Delta Group has begun to strengthen supply chain management and plans to increase the number of on-site audits each year to ensure that suppliers' actual ESG performance is consistent with their reports, thereby enhancing transparency and responsibility in the overall supply chain. To achieve this goal, Delta has launched a training program for auditors/coaching personnel, ensuring professionalism and consistency in auditing through standardized training. This is in line with that of official auditors and the establishment of a dedicated seed team focused on different management categories of the Delta's Supply Chain ESG Standards.

To ensure audit quality, Delta initially adopted a tripartite cooperation model, in which a third-party certification agency was responsible for conducting audits, while Delta's team participated in audit training and assisted in supplier coaching to strengthen the practical skills of internal auditors. Starting in 2025, Delta plans to implement a dual-track audit process conducted by both third-party and Delta auditors, gradually expanding the scope of on-site audits, and comprehensively promoting sustainable management of the supply chain.

The program was first launched in Taiwan, with on-site audits of five suppliers completed in 2023. Going forward, Delta plans to expand the auditing scope to suppliers' primary distribution areas such as Eastern and Southern China, as well as Thailand, India, and others, in an effort to continue promoting the sustainable development and improved management of the supply chain.

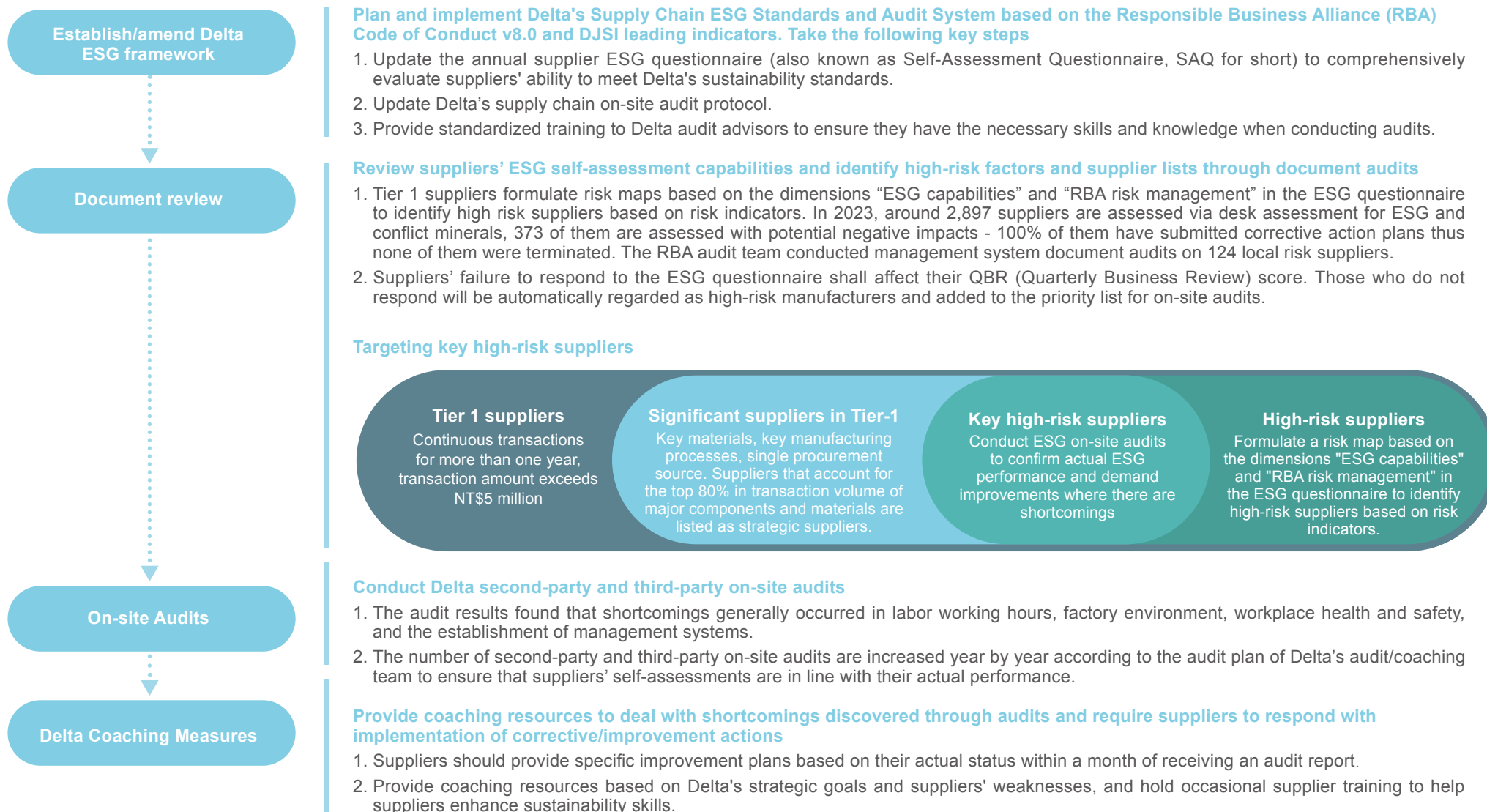


Third-party led audit + Delta's coaching of suppliers to improve shortcomings + Third-party follow up








Third party/Delta auditors conduct dual-track audits to help Delta guide suppliers in improving shortcomings Third party/Delta follow up

Annual Circular Program for On-site Audits

To reduce supply chain risks and improve the competitiveness of the overall supply chain, Delta has been promoting RBA audits and mentoring since 2012. Delta conducts RBA audits and mentors key high-risk suppliers and has established an annual circular program for on-site audits. Please refer to the diagram below:




Business opportunities, shortcomings, and improvement plans of key high-risk suppliers in 2023

| Category | Shortcomings found in audits | Supplier improvement plans |
|---|--|--|
|  Climate Change and Disclosure | <ul style="list-style-type: none"> • Lacks greenhouse gas quantification and reduction targets. • Fails to provide annual inspection certificates or public emissions data. • Lacks a climate change management framework and regular reporting mechanism to management. | <ul style="list-style-type: none"> ✓ Cooperate with training to establish an organizational greenhouse gas inventory plan and reduction targets ✓ Develop a climate change management plan, set goals, and regularly report progress to management |
|  Labor | <ul style="list-style-type: none"> • Employees pay placement fees out-of-pocket, violating the "zero payment" policy • Lack of a recruitment policy to ensure workers are exempt from paying recruitment fees • Failure to sign labor contracts with native employees | <ul style="list-style-type: none"> ✓ Ensure that all expenses incurred by employees as a result of their employment are paid by the employer ✓ All future employees will be required to sign a labor contract |
|  Health and Safety | <ul style="list-style-type: none"> • Failure to appoint an occupational safety and health manager • Failure to establish an "emergency reporting process" to notify Delta within 4 hours of an incident occurring. • Objects piled in front of emergency exits and power boxes. | <ul style="list-style-type: none"> ✓ Send employees to train and obtain occupational safety and health management certificates ✓ Modify management files and create forms and processes that meet Delta's needs ✓ Carry out factory-wide inspections to keep escape exits, operation areas, and power distribution areas clear. |
|  Environmental Protection | <ul style="list-style-type: none"> • Unclear waste sorting • Lack of boundary noise measurement records, compliance with regulations not confirmed | <ul style="list-style-type: none"> ✓ Develop strict waste sorting procedures and conduct regular supervision to confirm that waste is sorted properly ✓ Enhance border noise monitoring to comply with legal standards |
|  Ethics | <ul style="list-style-type: none"> • Lack of policies to protect the identity of whistleblowers • Failure to establish a labor and ethics management system with clear distribution of responsibilities • Gift policy and conflict of interest declaration process unclear in employee code of ethics | <ul style="list-style-type: none"> ✓ Establish a policy to protect the identity of whistleblowers and enhance employees' understanding of the policy through training ✓ Develop a labor and ethics management system in accordance with RBA guidelines and clearly designate the responsibilities of managers at all levels ✓ Update the employee code of ethics to set standards for gift acceptance and establish a process for reporting conflicts of interest |
|  Management System | <ul style="list-style-type: none"> • The factory conducts employee education and training, but not systematically • No corrective measures or record keeping mechanisms in place • Grievance procedures lack anonymity options and effective measures to prevent retaliation | <ul style="list-style-type: none"> ✓ Implement comprehensive management training programs and continually update training records to ensure employee participation ✓ Add or modify measures to prohibit retaliation against employees and include relevant training |
|  Supply Chain Management | <ul style="list-style-type: none"> • Failure to communicate RBA and Code of Conduct requirements to downstream suppliers • List of conflict minerals not updated to the latest version | <ul style="list-style-type: none"> ✓ Supervise and ensure that upstream suppliers comply with RBA and Delta's Code of Conduct ✓ Conduct a due diligence investigation on conflict minerals every year to produce and provide the latest report |


Through the practical experience of on-site audits and coaching, Delta has established a complete audit, coaching and improvement process. Going forward, Delta will continue to provide audit coaching services to high-risk suppliers in hopes of reducing the number of high-risk suppliers each year and improving together with downstream suppliers.

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




Integrity

All suppliers must sign and agree to comply with the Delta Group Supplier Code of Conduct and sign the Delta Integrity Agreement 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 progress of improvements with written documents, and use publicly available information to verify the authenticity of the information.



Climate Change and Environmental Disclosure

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. Additionally, it is mandated that vendors must provide organizational greenhouse gas inventory data starting from 2024 and obtain a third-party verification statement for greenhouse gas inventory data before 2025 Q4. We also assess the impact of suppliers' and Delta's operational activities on the environment, such as water resources, land, and biodiversity.

4.5.5 Green Low-Carbon Supply Chain

To achieve the 2030 short-term and 2050 long-term carbon reduction targets set by the Science Based Targets initiative (SBTi), Scope 3 reduction is the most impactful yet difficult part to implement. Therefore, Delta has adopted the three major strategies of "paving the way for sustainable procurement", "localized management", and "value chain carbon footprint reduction" to achieve the implementation of a Green Low-Carbon Supply Chain.

Paving the Way for Sustainable Procurement

Delta Group has developed a series of circular economy goals and solution pathways based on the product life cycle assessment (LCA) method by integrating the operating data and material information of its business units. To promote the sustainable use of raw materials, Delta has also set up raw material procurement strategies, namely "sustainable raw material traceability" and "promoting circular economy procurement", to promote the implementation of sustainable procurement and optimize overall value chain efficiency in order to contribute to the 2050 goal of net-zero emissions.

| | |
|---|---|
| Sustainable raw material traceability | Promoting circular economy procurement |
| <ul style="list-style-type: none"> • Use third-party verified raw materials • Avoid damaging biodiversity | <ul style="list-style-type: none"> • Use renewable/recycled materials • Use low-carbon materials • Waste reduction |

To strengthen the supply chain management skills of procurement personnel, Delta ensures the traceability and sustainability of raw materials and assesses the negative impacts its production process may have on the environment and society, fulfilling its commitment to environmental responsibility. Delta has developed a clear process to continuously track and evaluate raw materials and suppliers that are critical to the stable supply and quality of Delta's key products. In conjunction with the effort to inventory the carbon footprint and recycled materials of products, Delta also integrates circular economy and sustainable supply chain management into its annual training plan for procurement personnel, further deepening internal personnel's understanding and practical knowledge of sustainable purchasing. Approximately 290 participants attended training for procurement personnel in 2023.

Identification of Key Raw Materials

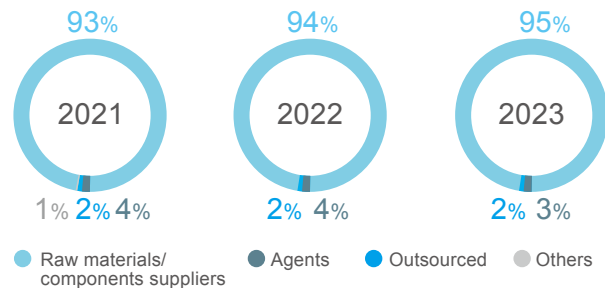
To promote the sustainable use of raw materials, Delta Group has implemented the following set of key raw material identification and management processes.

| | | | |
|---|--|--|---|
| <p>Establish sustainable procurement strategies</p> <p>Delta not only considers cost-effectiveness, but also comprehensively measures its energy saving and emission reduction potential and resource recycling rate based on the sustainability risk assessments conducted on raw materials. This evaluation process helps Delta establish priorities when using raw materials, thereby ensuring that the procurement strategy implements sustainable management.</p> | <p>Material information gathering</p> <p>Delta's businesses conduct statistical analysis on important procurement categories and high-volume materials, evaluate costs and environmental impacts, and focus on carbon reduction opportunities for high-carbon-emitting materials to improve procurement sustainability.</p> | <p>Traceability and sustainable procurement risk assessment</p> <p>Delta works with suppliers to ensure transparency in the sourcing of raw materials and to assess possible negative impacts on the environment and society during its extraction and production processes. This includes measuring sustainability factors such as carbon footprint, ecological protection, environmental pollution, and labor rights.</p> | <p>Sustainable use of raw materials</p> <p>Based on the results of sustainability risk assessments, raw materials that best meet Delta's needs at this stage are selected.</p> |
|---|--|--|---|

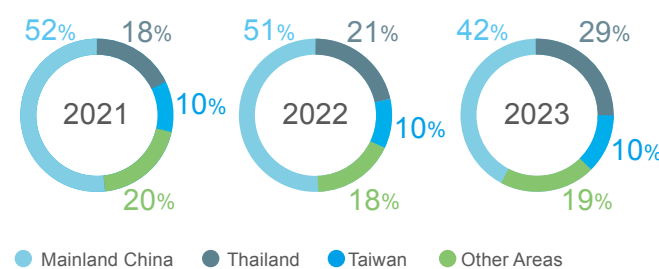
Localized Management

Delta's products and services cover four major areas, including Power Electronics, Transportation, 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 95% in 2023. There are three types of direct material suppliers: raw material/component suppliers, agents, and outsourced suppliers. In recent years, Delta has focused on the R&D and innovation of core technology and products, and the Company has rapidly expanded its role as a solutions 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 figures below.

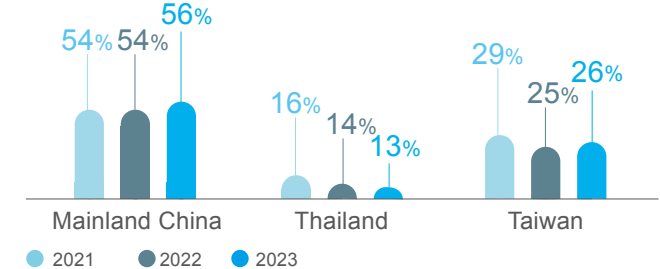
Percentage of Direct Procurement



Percentage of Global Procurement



Percentage of Local Procurement

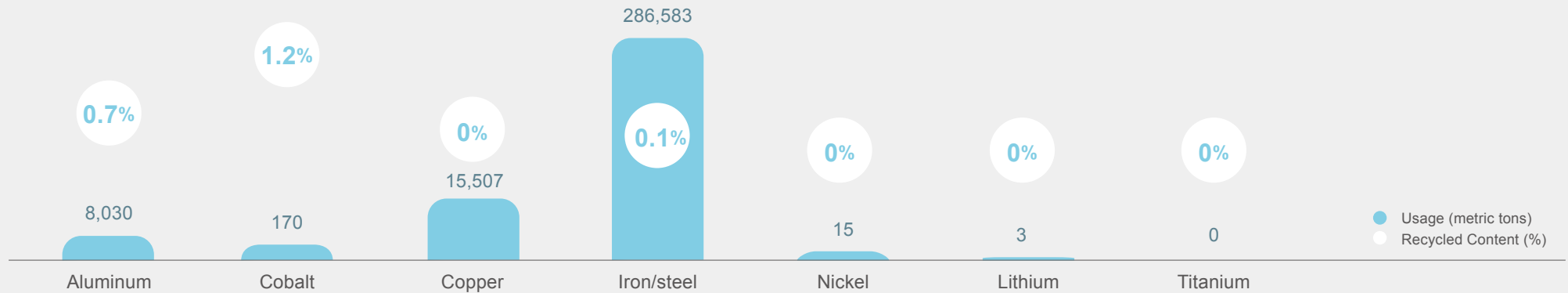


Materials Management

In response to global demands for sustainable corporate development, especially in the tracing and disclosure of raw materials, Delta Group uses circular economy inventory tools to systematically collect and manage data to continuously improve its environmental footprint. The following data summary shows our procurement distribution by weight across major material categories, as well as the share of renewable and recycled materials in our supply chain.

The main materials used by Delta include metals, plastics, chemicals, packaging or buffer packaging materials, and other materials. Based on the weight of procured materials in 2023, metal materials accounted for 73.4% (310,308 metric tons), packaging materials accounted for 16.8% (71,122 metric tons and 12.1% of material that is recycled), thermoplastic materials accounted for 8.9% (37,758 metric tons and 0.5% of material that is recycled), chemicals accounted for 0.8%, and other materials accounted for 0.1%.

Share of material used that is recycled



4.5.6 Value Chain Carbon Footprint Reduction

Delta's Supply Chain ESG Committee worked with business groups to fully launch the group's product carbon footprint pilot program in 2022, while the business groups also established product carbon footprint promotion teams. In the mid-term, the program will independently improve product carbon footprint promotion capabilities, launch a quantitative plan, and establish a response mechanism for customer product carbon footprint requirements. In the long-term, all important products will be included in Delta's product carbon footprint calculation system to help develop low-carbon products. Delta will also continue to negotiate, communicate and encourage value chain partners to accelerate product carbon footprint reduction actions in compliance with international trends, customer demand, and relevant regulations.

The key measures implemented were as follows:



Pay attention to the developments in international carbon border taxes, complete inventories and calculation of the carbon footprint of products based on international standards, and ensure that the methodology and data quality comply with the regulations.



Establish a product carbon footprint implementation team in Business Groups to strengthen product carbon footprint awareness and knowledge in all functional groups and facilitate the long-term development of low-carbon products.



Incorporate data from international carbon emission factor databases and set requirements for material suppliers to provide data on carbon emissions for continuous updates of Delta's carbon emissions database for materials.



Analyze product carbon footprint hot spots and opportunities for carbon reduction. Consider the use of circular business models, green product design, partnerships with low-carbon raw material suppliers, energy conservation and renewable power operation in plants, setup of green logistics, waste management, and others to plan carbon footprint reduction actions.

Supplier Sustainability Development

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.

Starting in 2022, Delta's suppliers are required to quantify their annual GHG emissions, establish stage by stage carbon reduction goals, and provide the necessary product-based GHG data to meet Delta's requirements for information on product carbon footprint. We also require suppliers to obtain third-party verification statements for GHG inventory data before Q4 of 2025.

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 relevant requirements and terminology. The course 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.

In addition to teaching organizational greenhouse gas inventory methodology, Delta also held basic courses on net-zero carbon emissions and energy management in 2023. The aim of these courses is to engage suppliers and professionals in carbon reduction efforts and deepen their understanding of the importance and benefits of conducting greenhouse gas inventory. More than 1,200 supplier representatives participated in courses this year. Delta vows to continue providing such external education and training and is committed to improving the overall environmental, social and governance (ESG) capabilities of our supply chain.

Compared with 2022, Delta suppliers have achieved significant progress in a number of management system standards, including the following:

| | 2022 | 2023 |
|--|------|-------|
| Number of companies with GHG inventory data (A, B type companies) | 521 | 532 |
| Ratio of companies with ISO 14064-1 (A, B type companies) | 8% | 15.6% |
| Number of companies making SBTi carbon reduction declarations(A, B type companies) | 113 | 149 |
| Ratio of environmental management system ISO 14001 certifications | 58% | 66.5% |
| Ratio of occupational health and safety management system ISO 45001 certifications | 30% | 37% |

* Type A companies are manufacturers, and type B companies are distributors.

4.5.7 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.



Packaging Materials Recycling

Partners / Major processing manufacturers

Recycle packaging materials such as EPE, paper, and more.

We saved **1.69** MUSD on packaging materials recycling in 2023, of which paper accounted for **60%**, and plastic accounted for **40%**. In terms of quantity, we saved **240,000** plastic plates, **11.46** million pieces of foam, and **640,000** cardboard boxes.



Repetitive Use of Carriers (Plastic Frames)

Partners / Local institutional component suppliers

Use reusable carriers (plastic frames) for transporting plastic casings and materials in place of cardboard boxes.

We saved **4.72** million cardboard boxes in 2023, saving up to approximately **8.27** MUSD in packaging costs.



Pallet Recycling and Reuse

Partners / Local suppliers

Recycled foundations and battens of wooden pallets.

Wood strings and wooden panels in pallets are recycled, saving **5.59** MUSD in pallet costs. We also recycled approximately **519,000** pallets.

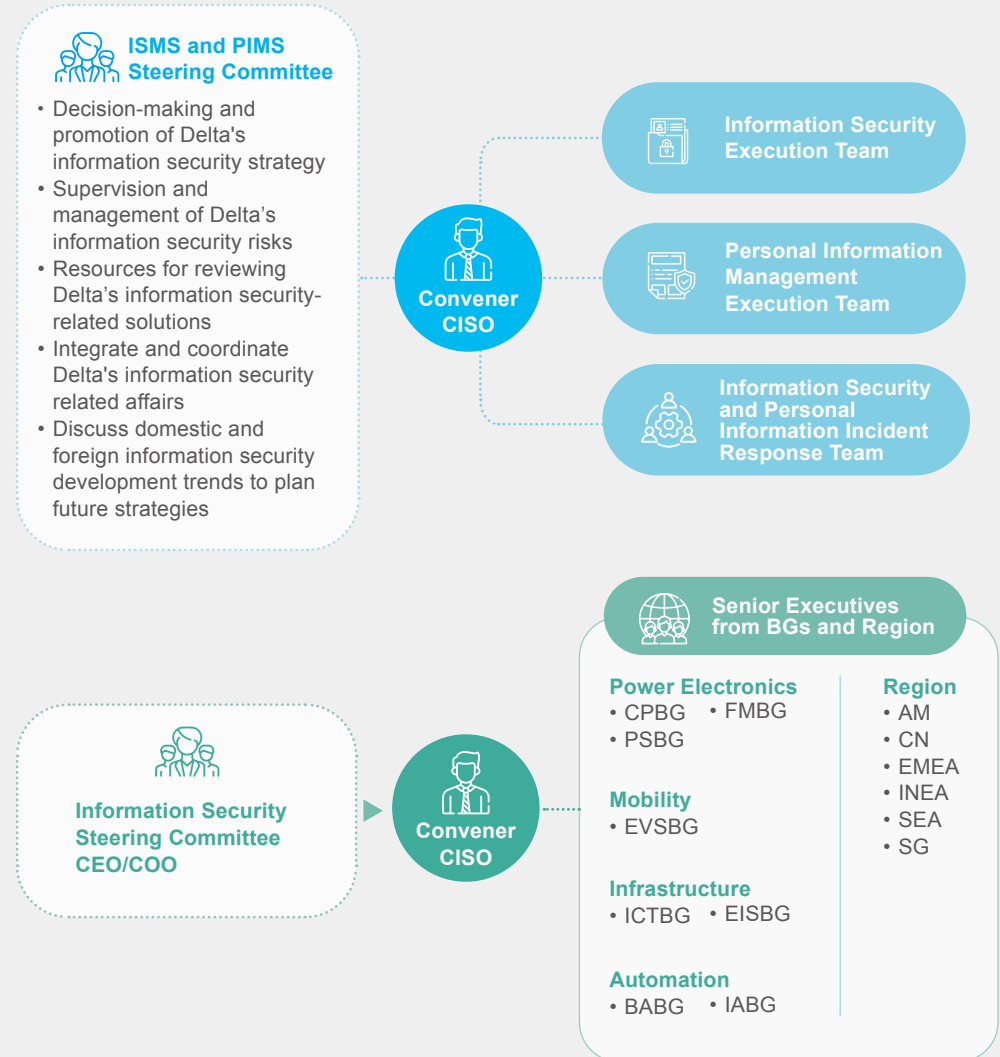
Quantitative/Qualitative Results

4.6 Information Security

Delta continues to improve its information security system and strengthen protections. The Company has established the “Information Security Steering Committee” to promote overall information security governance, set up consistent information security policies, and planned Delta Group's information security management system. Delta's Board of Directors is responsible for approving the group's information security policy and making decisions on major information security-related issues. All information security management policies must not only comply with domestic and foreign information security laws and regulations, but also actively expand the scope of application and certification areas of international information security standards, integrating information security into everyday operations. To fully fulfill its responsibility to protect and manage customer data, Delta established an “Information Security Execution Team” responsible for establishing information security management standards to ensure the security of the organization and relevant stakeholder data.

4.6.1 Information Security Organization

Delta has a Chief Information Security Officer (CISO), who is the highest-ranking person in charge of information security. The CISO is responsible for supervising the execution of company-wide information security operations, ensuring the effectiveness of information security risk management mechanisms, and regularly reporting the overall information security implementation status and effectiveness to the Board. Regarding information security and personal information management, Delta established the "ISMS and PIMS Steering Committee", which holds regular meetings every year to supervise the overall information security and personal information management status of Delta Group in order to effectively discuss and identify information security and personal information issues and related risks. To ensure that Delta Group's information security management can continue to operate effectively, and to properly protect business secrets and customer information, preventing their confidentiality, integrity, accuracy, and availability from being intentionally or negligently damaged by internal or external personnel, Delta established the “Information Security Steering Committee”. The Committee convenes regular meetings every quarter to discuss the information security issues and business needs of different regions and determine required resources and action plans. The Committee is chaired by the CEO, with CISO as the convener. The COO, senior executives from business groups around the world,



and regional senior executives are all committee members. In addition, in order to promote the effective promotion and implementation of information security operations within the group, Delta established the "Information Security Task Force" in 2023, with managers assigned by each business group to promote information security. In its bimonthly meetings, the task force not only discusses information security-related issues, but also promotes information security campaigns launched by the headquarters, thereby enhancing colleagues' information security awareness.

4.6.2 Information Security and Personal Information Protection Measures

Organizational Control

- ✔ Delta established the "Delta Group Information Security and Personal Information Protection Policy" as a guideline for the division of organizational rights and responsibilities regarding information security and personal information management, personnel training, and management of computer hardware and software, networks, and physical environments.
- ✔ Delta's main information systems and marketing business and supply chain processes in Europe have passed ISO/IEC 27001 certification and are annually reviewed by professional institutions recognized by international third-parties to ensure the continued validity of the certificates. Going forward, we will further extend our information security system to Delta Group's business units in regions around the world to reduce unknown information security risks and establish a safe and trustworthy information environment to protect the rights and interests of the Group and customers.
- ✔ To demonstrate its commitment and responsibility to create a secure privacy environment, Delta continues to maintain the validity of its ISO27701 International Privacy Information Management System certification, adopting a systematic approach to assess potential risks to ensure the confidentiality, integrity, and availability of private information. Delta obtained certification in 2022. The scope of the certification included human resources procedures, sales, marketing and supply chain procedures in Europe, and being certified proves Delta's strength and commitment to privacy protection and protecting the rights and interests of clients, employees, and relevant stakeholders.
- ✔ To ensure that information security management documents are consistent with actual operations and respond to the ever-evolving information technology, Delta added 5 new management measures and revised 9 procedural documents in 2023. They effectively reflect Delta's latest requirements and information security standards. Delta is committed to continuously improving its information security management standards and ensuring that its information systems and data are properly protected.



- ✔ Delta conducts overall information security checkups through the professional services of major international information security providers so that there are objective results from an impartial third-party that can serve as the basis for strengthening advanced information security.
- ✔ Delta is a member of TWCERT. TWCERT provides information on information security Threat Intelligence that can help Delta's information security team conduct relevant analysis and adopt appropriate protection measures to reduce the risks to which the company may be exposed.
- ✔ Delta incorporates privacy factors into group risk management, complies with the Personal Data Protection Act and related regulations, and has established a "Privacy Policy" along with relevant operating procedures, promoting the integration of information security and personal information management through management system design and implementation, privacy security risk assessment, strengthening physical security control, and internal audits.

Personnel Control

Information security training is regarded as a vital part of today's digital and information-based environment. Through adequate information security awareness training, employees can better understand the importance of information security and learn how to prevent and respond to various information security threats. This includes learning how to avoid common human errors and ensuring compliance with relevant regulations and standards. Employees with this information security awareness can greatly reduce security risks faced by the organization and improve the level of data and system protection, thereby ensuring that the organization's business operations are safe and reliable.

- ✔ Delta not only organizes information security training for new employees, but professional technical and management personnel must also complete annual information security training and pass the exam. In 2023, 38,818 participants completed the annual online and in-person information security training courses, resulting in a completion rate of 97%. The Information Security Department also issues occasional information security newsletters to remind employees of the latest information security risks and relevant matters that employees should pay attention. The Information Security Department also has a dedicated information security mailbox for employees to report information security issues upon detection.
- ✔ Delta regularly conducts personal information protection management and promotion to enhance employees' personal information protection awareness. All new employees sign the Personal Data Protection Management Policy and Notification of Collection, Processing and Use of Personal Data Statement. In 2023, Delta offered 17 personal information-related courses, and the number of participants increased by 38% compared to the previous year.
- ✔ In order to enhance employees' information security awareness, social engineering phishing email drills are conducted annually to employees around the world. Results of the drills are analyzed in order to continue improving the effectiveness of such drills. Additional awareness training will be conducted for employees who click on phishing emails twice in a row to increase their alertness to phishing emails. The emails are designed according to different regions, and divided into the following categories: promotional messages, time-sensitive, and current affairs-related. 48 phishing email drills were conducted in 2023. A total of 199,227 emails were sent, and the average click-through rate of all employees was lower than the target.
- ✔ Employees who violate the information security policy will be disciplined in accordance with Delta Group's Management Regulations for Rewards and Penalties, with the most severe penalty being dismissal. In 2023, 8 employees in Taiwan were penalized for violations of Delta Group's Information Security Policy, 2 of which were dismissed.

Technology Control

- ✔ Establish an anti-virus system and combine it with a multi-level information security monitoring mechanism to prevent computer virus intrusion risks.
- ✔ Introduce the SIEM (Security Information and Event Management) system and plan to deploy endpoint detection and response tools to improve the efficiency of information security threat detection and response.
- ✔ Upgrade firewalls to achieve network protection and segmentation to strengthen security control measures for critical basic services.
- ✔ Deploy SEG (Secure Email Gateway) to prevent hackers from sending phishing emails containing malicious programs or links.
- ✔ Delta conducts vulnerability scanning and management for application systems used in the company. We also promote more automated integration solutions to enhance information security resilience in response to digital transformation and cloud security.



Product Security Management

To ensure product Security and reliability, Delta has always committed to adopting the most advanced security measures and standards. In 2023, multiple business units successfully obtained product security-related certificates such as IEC 62443 or TISAX, ensuring that products are subject to appropriate product security control during R&D and manufacturing processes. In order to minimize product security risks, Delta established a Product Security Issue Response Team (Delta PSIRT) that is responsible for handling matters related to product security vulnerabilities reported to Delta. Delta PSIRT continues to be guided by international and industry practices, regulations and standards, strengthening product security vulnerability handling procedures and measures.

4.6.3 Information Security and Personal Information Incident Response

Delta has clearly established information security reporting and handling procedures for reporting and handling of information security incidents. Information security incidents are recorded and graded by the information security operations and management team. Relevant units need to eliminate and resolve information security incidents within the target processing time and conduct root cause analysis and take corrective measures after the incident is processed to prevent recurrences. In 2023, no information security incidents that caused losses to the company and customers occurred.

Delta also values and upholds the rights of individuals for exercising their legal rights on personal information and accepts complaints. We also provide contact information on the Company's website. If the Company receives a complaint or discovers an incident involving personal information infringement, the Company shall notify authorities, process the infringement, and punish perpetrators in accordance with the "Personal Data Incident Response Management Procedure". The Company has had no complaints caused by infringement of customer privacy for three consecutive years since 2021.

4.7 Risk Management

Delta has adopted a preventive policy for risk management. In addition to setting up a rigorous internal control system and assigning internal auditors to conduct audits at regular and irregular intervals, Delta has also set up committees and crisis management teams to implement risk management. Delta's Board of Directors passed the "Delta Group Risk Policy" in 2020 to specify the units responsible for various risk factors. The units use risk identification, risk assessment, risk control, risk monitoring, and communication management procedures to ascertain the scope of risks and take appropriate measures to ensure the adequate management of related risks. For crises involving several departments or plants, the CEO or personnel designated by the CEO are responsible for directing and coordinating the response.

Duties are as follows:



Board of Directors

The Board of Directors is the highest risk governance unit. It supervises the companies of the Group in compliance with laws and regulations and promotes and implements the Group's overall risk management.



Audit and Risk Committee

This committee is composed of all independent directors and assists the Board of Directors in supervising the implementation and effectiveness of risk management.



Risk Management Committee

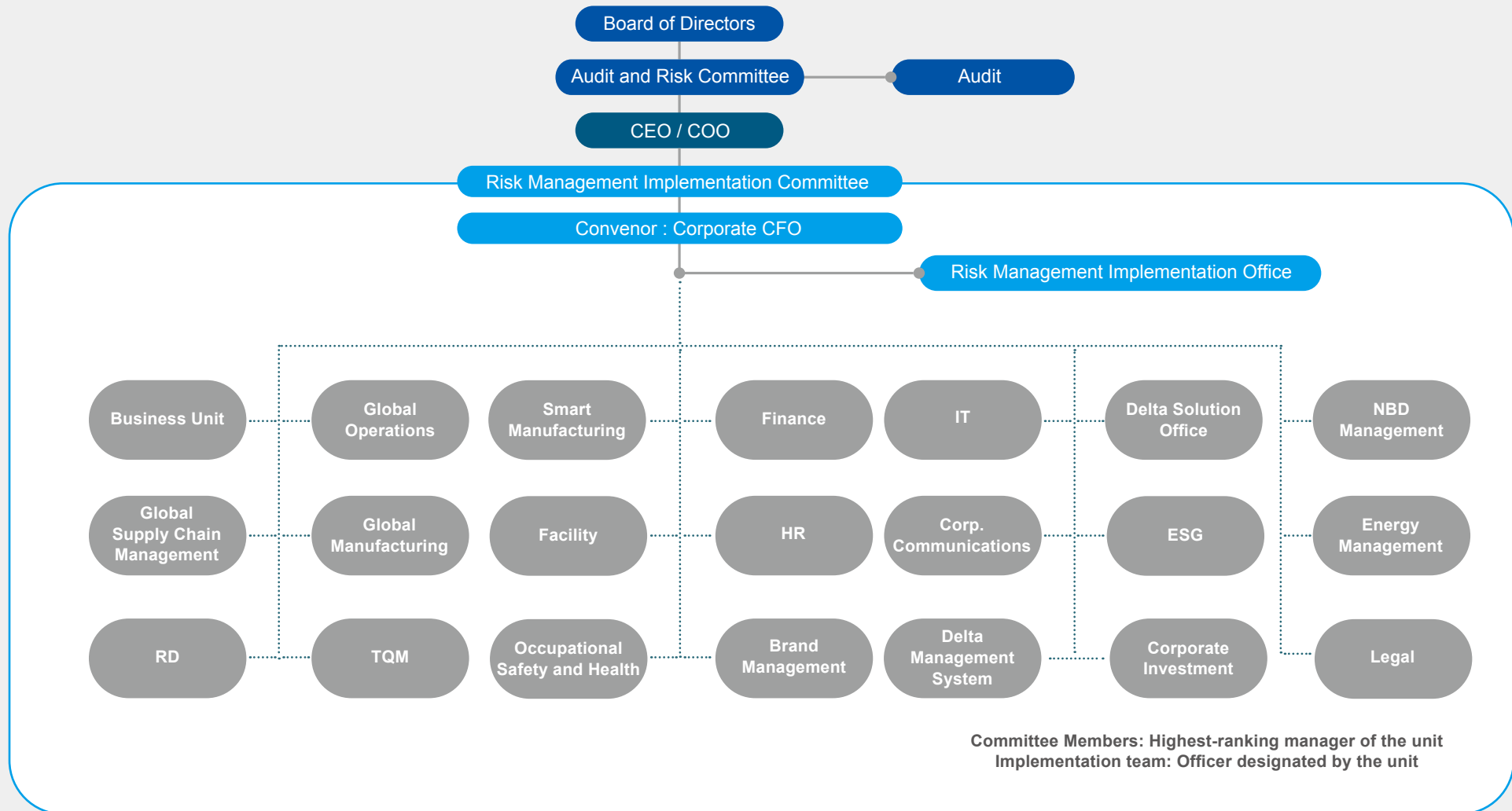
The Corporate Chief Financial Officer (CFO) presides over the operation of the risk management organization, is responsible for planning, executing, and supervising risk management-related matters, and coordinates cross-department risk management interactions and communication. The Risk Management Committee regularly compiles and submits the Company's Risk Management Implementation Status Report to the Audit and Risk Committee at least once a year. The Committee is composed of first-line risk management personnel, including the BG heads, function heads, and region heads. With the participation of different units, they ensure the timely and accurate communication of risk information and effective implementation of risk management. They also determine and advise how to respond to different kinds of risks based on changes in the external environment and internal strategies. In addition, each committee member assigns 1 to 2 members from each unit to serve as members of the risk management team to promote and implement risk management tasks.



Audits

The chief auditor is the highest-ranking manager of the Audit Department, which is under the jurisdiction of the Board of Directors. The chief auditor regularly reports to the Audit and Risk Committee and the Board of Directors, and is responsible for the audit and implementation of the internal control system.

Group Risk Management Organization Architecture and Procedures



Delta's risk management is implemented from the perspective of the entire group. We carry out activities such as identification, analysis, evaluation, supervision, and review of potential risks and use qualitative or quantitative management methods to reduce risks in the Group's operations to a manageable level within the risk appetite and risk tolerance. We also use the results as references for formulating business strategies to reasonably ensure the attainment of the Company's strategic goals, protect the Company's core values, and create opportunities. Delta conducts risk appetite assessments of key activities related to the attainment of strategic goals to determine the Company's risk tolerance for key activities, and identifies risks that affect key activities from different aspects. Business units must manage any identified emerging risk, such as geopolitical risks, and resources to manage such risk is allocated by the senior management. In addition, Delta regularly reviews risk exposure levels every year to assess the impact on the Company.



Risk Identification

The risks identified by Delta include strategy, business, financial, hazardous incident, and compliance risks.



Risk Assessment

The business, functional unit, and responsible regional units analyze and identify the risks within the Company's defined risk management scope. They analyze the likelihood of a risk event occurring and the degree of negative impact if it occurs, and multiply the results to gauge the impact of the risk on the Company. In the event of an incident that increases the Company's risk, they assess the potential increase in risk and response methods and review the possible response measures.



Risk Control and Monitoring

Delta's risk control and supervision include external audits and internal audits.

External audits

Delta appointed a global risk professional services firm to conduct an enterprise risk management maturity assessment in 2023. The review was divided into two stages, including system document review and supervisor interviews, and was evaluated against 20 indicators in five major areas.

Internal audits

- The risks in the routine operations of units are controlled and monitored by each unit.
- Risk assessments across departments or plants shall be implemented for crises involving several departments or plants. The CEO or personnel designated by the CEO are responsible for directing and coordinating the resources to identify feasible strategies for the identification to prevent crisis. They shall also formulate crisis management procedures and recovery plans based on different kinds of crisis incidents.
- The deficiencies found in the risk monitoring and control shall be reported through normal channels.



Risk Communication

The highest-ranking manager for risk management or his/her designated personnel shall report on the Company's risk management operations to the Board of Directors once a year.

Risk Awareness and Support Measures

According to Delta Group Management Measures of the Whistle-blowing System, employees who report violations or incidents that compromise the company's interest will be awarded minor merit and extra bonus. To promote risk management policies, Delta has taken the following measures to strengthen employees' awareness of risks and establish the risk and safety awareness of all employees:

Regular training programs

All employees are required to take general courses, including security management, information security, industrial safety, occupational safety, anti-bribery network management system, and others. The legal affairs department also provides professional courses such as intellectual property management training and patent training courses as well as antitrust and trust law courses to strengthen the risk awareness of first-line business units.

Risks are taken into consideration during the product development stage

R&D units search for possible intellectual property infringement issues during product design, and the Company also hires IP patent engineers to assist in confirmation.

2023 Risk Assessment Results



External audits

According to the overall assessment results of Marsh Ltd., Delta has outperformed the industry average and is in a stable phase of operations because:

- Delta Group has clear operating goals and strategies;
- The managers of each business unit have mature risk awareness and risk management experience; and,
- Senior executives have also formulated general strategies for geopolitical risks.



Internal self-assessment


In the results of the overall self-assessments in 2023, we identified 20 possible risks faced by each department of the Company when engaging in key operations, which included business strategy, business continuity, regulatory compliance, disaster prevention, goodwill maintenance, financial response, talent stability, and environment and energy. There are still high risks in business disruption, product recalls, and intellectual property rights management for business continuity. In response to business disruption, Delta has introduced ISO 22301 to reduce the impact on operations and improve business continuity. For product recalls, Delta has formulated Quality Alert Operation Guides and maintained sufficient liability insurance and insurance coverage. In terms of the management of intellectual property rights, Delta has appointed its General Counsel to serve as the management representative of the Taiwan Intellectual Property Management System (TIPS) to lead all departments in introducing TIPS to strengthen Delta's intellectual property management mechanisms.


Major Risk and Mitigating Actions in 2023

Geopolitical risks have triggered trade protection and increased political risks, which are expected to be medium-term risks. Delta's response measures are as follows:

- Develop additional suppliers, disperse manufacturing locations, and adjust supply chain strategies
- Product optimization
- Strengthen market monitoring and adjust geographic location of investment

Emerging Risks

| | Description | Impact | Mitigating actions |
|--|--|---|--|
|  <p>Failure of Technology Governance</p> | <p>The emerging technologies of the 4th Industrial Revolution pose great risks to economic development, given the speed and scale at which digital applications and systems can be deployed across the traditional border. How these technologies are harnessed and regulated to encourage innovation and accelerate growth plays a vital role in a business environment. Technology governance is important to a business's ability to survive and thrive in the future digital world while ensuring risks are identified and managed.</p> <p>Failure of technology governance is the lack of globally accepted frameworks, institutions or regulations for the use of critical digital networks and technology, as a result of different states or groups of states adopting incompatible digital infrastructure, protocols or standards. The technology areas it focuses on are Artificial Intelligence, Internet of Things, mobility, medical technology, drones and unmanned air systems, which are highly related to our business operations.</p> | <p>Automation is the key engine that we highly focus on. While technology governance is closely related to automation, impacts include:</p> <ol style="list-style-type: none"> 1. Long-term profit loss: Failure to monitor or identify the technology trend may impact Delta's long-term market share and revenue. 2. Business failure costs: Invalid product strategy and lack of internal control mechanism in the decision-making process may cause invalid investments such as stranded assets and wasted capital. 3. The limited or lack of regulation such as the AI, IoT cybersecurity breaches issue may affect our product development, and IP strategy. 4. Human capital development loss: Failure of technology governance could cause technological unemployment and wrong talent strategy. 5. Ethical disputes or litigious concerns: Fail to establish a robust approach to identify vulnerabilities may cause privacy ethics issues, misuse or unintended use of technology and data. 6. The liability and accountability issue may raise stakeholders' concerns. | <p>Reinforce and manage internally</p> <ol style="list-style-type: none"> Strengthen the technological competence of the board by structuring a board with technology professional backgrounds. Reinforce Intellectual Property management by establishing dedicated authority, including identifying market trends and avoiding future infringement. Regularly hold Strategic Steering Committee meetings to analyze technology-related topics to adjust and respond to rapid technological progress instantly. <p>Engage and leverage externally</p> <ol style="list-style-type: none"> Participate in technology and standard-related associations and engage policymaker. Become a member of associations to get access to the latest standards, participate in task forces, and latest specifications, and receive qualifications. Coordinate with public sector to exchange insights. Cooperate with customers, supply chain and academia for joint development and shared knowledge to stay ahead of the technology trend toward a commercial solution business. |

| | Description | Impact | Mitigating actions |
|---|--|--|--|
|  <p>Industry Trends Leading to Key Talent Shortages</p> | <p>Key talent shortage caused by industry trends is related to talent redistribution, Delta's global expansion and the industry's intense competition, which might pose a long-term risk to the company. First, the rise of AI technologies is gradually impacting the availability of the hardware talent market, leading to various challenges for businesses. As AI adoption accelerates, there's an increased demand for software development, data science, and machine learning roles, which might pull talent away from hardware-focused roles. This shift creates a scarcity of hardware engineers, affecting companies that rely on hardware innovation and maintenance. Certain regions may experience declining birth rates, presenting challenges in talent recruitment. Further, Delta is going to need more talent with cross-cultural and international experience to navigate diverse market challenges and opportunities as we expand globally.</p> <p>As Intense market competition drives businesses to seek innovation and efficiency, thus increasing demand for technical expertise and specialized skills.</p> <p>In the industry, there has been intense competition for talent among companies, leading to a shortage of skilled professional that affecting future talent availability. The shortage of key talents caused by changes in future industry trends is a risk that Delta is concerned about.</p> | <p>Delta is undergoing a transformation and large-scale global expansion, requiring outstanding R&D talent to ensure it continues to maintain an advantage in the industry.</p> <p>The impacts include:</p> <ol style="list-style-type: none"> 1. Long-term profit loss: The demand for key talent in various regions is significantly increasing due to Delta's global expansion strategy. A talent shortage will impact Delta's global expansion plans, slowing revenue growth. 2. Decline in R&D capacity: Insufficient supply of professional talent would affect recruitment progress, subsequently impacting product and solution development timelines. 3. Increased hiring costs: As the competition for talent intensifies, we might need to offer higher salaries and better benefits to attract and retain employees. 4. Strategic adjustments: Unable to keep up with market trends or talent competition in the industry, we may need to adjust our talent strategy direction to reduce reliance on scarce human resources. | <p>Global Talent Recruitment enhance talent acquisition through diverse channels</p> <ol style="list-style-type: none"> a. Global Elite Mingle International Talent Reserve Project: Recruiting talent globally and providing centralized training to support the rapid growth of overseas branches. b. Establishing Joint R&D Centers: Strengthening talent development through collaborative efforts, offering scholarship programs, and diverse internship opportunities to secure future talent. c. Enhancing employer branding: To increase the overall appeal and influence of the company. d. Join internationally renowned universities in Internship Programs: Encouraging the employment of foreign talent. <p>Retain key talent</p> <ol style="list-style-type: none"> a. Localized Retention Measures: Implementing tailored retention strategies for key R&D personnel worldwide, including offering retention bonuses, in accordance with local market conditions. b. Long-term Retention Strategies: Creating an environment conducive to long-term development, identifying and tracking high-potential young talent through talent management mechanisms, and fostering their potential within the organization. c. Global Rotation Programs: Providing opportunities for potential employees to gain experience in different regions, thereby expanding global R&D capacity. |

Violations of Laws

There were no cases of penalties for antitrust, product safety, corruption, conflicts of Interest, money laundering or insider trading in 2023, and no records of major environmental violations, labor violations, or major occupational disasters in 2022 and 2023.

Definition of major provision violation:

- Major labor violations are defined as cases involving fines of more than US\$330,000.
- Major environmental violations are defined as cases involving fines of more than US\$100,000.
- Major occupational accidents refer to cases that meet one of the following occupational accident conditions, including deaths, accidents involving three or more people, leaks of chemical substances such as ammonia, chlorine, hydrogen fluoride, phosgene, hydrogen sulfide, or sulfur dioxide, accidents involving one or workers who require hospitalization, and other accidents designated and announced by the central competent authority.

5

Environmental Protection and Energy Savings

- 5.1 Key Performance Indicators
- 5.2 Climate Strategy
- 5.3 Energy Management
- 5.4 Water Resource Management
- 5.5 Resources Management
- 5.6 Green Products
- 5.7 Biodiversity
- 5.8 Environmental Management



5.1 Key Performance Indicators

39.0%

Compared to 2021

Decrease in Scope 1 and Scope 2 Emissions

76%

Use of Renewable Electricity at Delta's Global Operation Sites

45.5

2010-2023

billion kWh

Energy-saving of High-efficiency Products for Worldwide Customers

41.62

million kWh

Energy Saving Practices at Global Green Building Plants

17.3%

Compared to 2020

Decrease in Plant EI

26.4%

Compared to 2020

Decrease in Plant WPI

7.4%

Compared to 2020

Decrease in Data Center PUE

99%

Waste Diversion Rate

78.52

MUSD

Environmental Protection Expenditures

5.2 Climate Strategy

As global warming gradually impacts the global economy and climate change becomes a global risk, the 2024 Global Risks Report published by the World Economic Forum (WEF) listed extreme weather events, critical change to Earth systems, and biodiversity loss and ecosystem collapse as the most severe long-term risks for the world.

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. Delta is not only concerned about the direct and indirect impacts of climate change on human life, but also about how to respond more proactively to the coming era of climate

change. Starting from 2004, Delta has been focusing on how to use green building to mitigate and adapt to climate change. Since 2007 Delta has conducted in-depth research on the impact of climate change. We actively communicated with Delta employees regarding the importance of climate change mitigation and increased public awareness of climate change. Delta set the 2°C science-based target (SBT) of carbon reduction and passed the SBTi review in 2017, and introduced an internal carbon fee mechanism in 2021. We formally committed ourselves to "promoting 100% renewable electricity" in 2021 as well as set a net-zero SBT of 1.5°C and passed the SBTi review in 2022.



Key Achievements for Climate Change Mitigation



Carbon Information Disclosure

- 2010 ● Product carbon footprint disclosure
Joined the Carbon Disclosure Project (now known as CDP)
- 2014 ● The only company in Greater China selected as CPLI (Carbon Performance Leadership Index) and CDLI (Carbon Disclosure Leadership Index) for CDP (Carbon Disclosure Project)
- 2015 ● Awarded as CDLI (Carbon Disclosure Leadership Index) of CDP for two consecutive years
- 2016 ● Awarded as CDP Climate Change Leadership Level A-
- 2017 ● Disclosed climate change information in the Financial Report based on the TCFD framework for the first time
Awarded as CDP Climate Change Leadership Level A- and Supplier Engagement Leadership Level
- 2018 ● Awarded in the CDP Climate Change Management Level and Supplier Engagement Leadership Level
- 2019 ● Awarded the CDP Climate Change Leadership Level A- and Supplier Engagement Leadership Level
- 2020 ● Awarded the CDP Climate Change and Water Security Leadership Level A and Supplier Engagement Leader
- 2021 ● Awarded the CDP Climate Change Leadership Level A-, Water Security A List, and Supplier Engagement Leader
- 2022 ● Awarded the CDP Climate Change and Water Security A List and Supplier Engagement Leader

All business groups completed the product carbon footprint trial program
- 2023 ● Awarded the CDP Climate Change and Water Security A List and Supplier Engagement Leader



Greenhouse Gas and Energy Management

- 2010 ● Greenhouse Gas Inventory ISO 14064-1 verification
- 2011 ● ISO 50001 compliance certification
- 2015 ● Dongguan, Wujiang, Wuhu, Cynotec Hsinchu and Cynotec Huafeng plants achieved ISO 14064-1 verification
- 2016 ● 100% of Delta's main production plants have achieved ISO 14064-1 verification
- 2017 ● 100% of Delta's overall production plants (including Eltek) have achieved ISO 14064-1 verification
- 2019 ● 100% of Delta's overall production plants and main buildings in Taiwan have passed ISO 14064-1 verification
- 2022 ● All global operation sites of Delta completed ISO 14064-1 inventory and verification



Green Buildings / Plants

- 2011 ● India Rudrapur Plant (LEED-India Gold)
- 2012 ● Taoyuan R&D Center (EEWH Gold and LEED Gold)
India Gurgaon Plant (LEED-India Platinum)
- 2013 ● Taipei Headquarters - Ruey Kuang Building (EEWH-RN Diamond)
Shanghai R&D Building (LEED Gold)
- 2015 ● America Headquarters (LEED Platinum)
- 2016 ● Beijing Office Building (LEED Silver)
Taoyuan Plant 5 (EEWH Gold and LEED Gold)
India Mumbai office Building (LEED Platinum)
Taipei Headquarters - Ruey Kuang Building (LEED Platinum)
- 2017 ● EMEA Headquarters (BREEAM Very Good)
DET Plant 5 (LEED Gold)
Shanghai R&D Building (LEED Platinum)
- 2018 ● Chungli R&D Building (LEED Gold)
Multi-purpose building in AKO Energy Park in Japan (LEED Gold)
Wujiang Data Center (LEED Gold)
- 2019 ● Green data center in Taipei Headquarters (LEED Platinum)
- 2021 ● DET Plant 7 (LEED Gold)
- 2022 ● Taichung Plant 1 (LEED Gold & EEWH Diamond)
Chungli Plant 5 (LEED Gold)
America Headquarters (LEED Zero-Energy Consumption Certification)
Office building in Helmond Automotive Campus, the Netherlands (LEED Gold)
- 2023 ● Taipei Headquarters - Ruey Kuang Building II (LEED Platinum, EEWH Diamond and Building Energy-Efficiency Rating System 1* Nearly Zero-emission Building Certification)
Tainan Plant 2 (LEED Gold)



Green Operations

- 2014 ● Reduced electricity intensity of main plants by 50% compared to 2009
Launched internal carbon pricing shadow price mechanism
- 2015 ● Expanded the scope of energy saving to new plants, buildings, and data centers
Committed to the We Mean Business initiative
- 2017 ● Submitted Delta's 2°C SBT and became the 87th company in the world to pass the SBTi compliance validation
Officially established consistent internal carbon pricing for global operations (shadow price)
- 2018 ● Joined the EV100 Initiative
Became the first technology manufacturer in the world to support TCFD, completing the initial assessment of climate risks and opportunities
- 2021 ● Joined RE100 and committed to using 100% renewable electricity by 2030
Met the 2025 Delta science-based target (SBT) ahead of schedule
Delta signed a long-term green power purchase agreement with a wind power generation company, which was Delta's first renewable energy transaction
Officially joined the "Business Ambition for 1.5°C Campaign"
Launched the internal carbon fee mechanism for all global operations
- 2022 ● Submitted Delta's Net-Zero SBT of 1.5°C and became the 125th company in the world to pass the SBTi compliance validation
- 2023 ● Achieved RE100 annual targets for 3 consecutive years
Introduced the ISAE 3000 assurance for the first time in 2023

5.2.1 Climate-Related Financial Information Disclosure (TCFD)

Delta implements climate change management and disclosure based on the four core elements of the Task Force on Climate-related Financial Disclosures (TCFD) including climate governance, strategy, risk management, and metrics and targets.

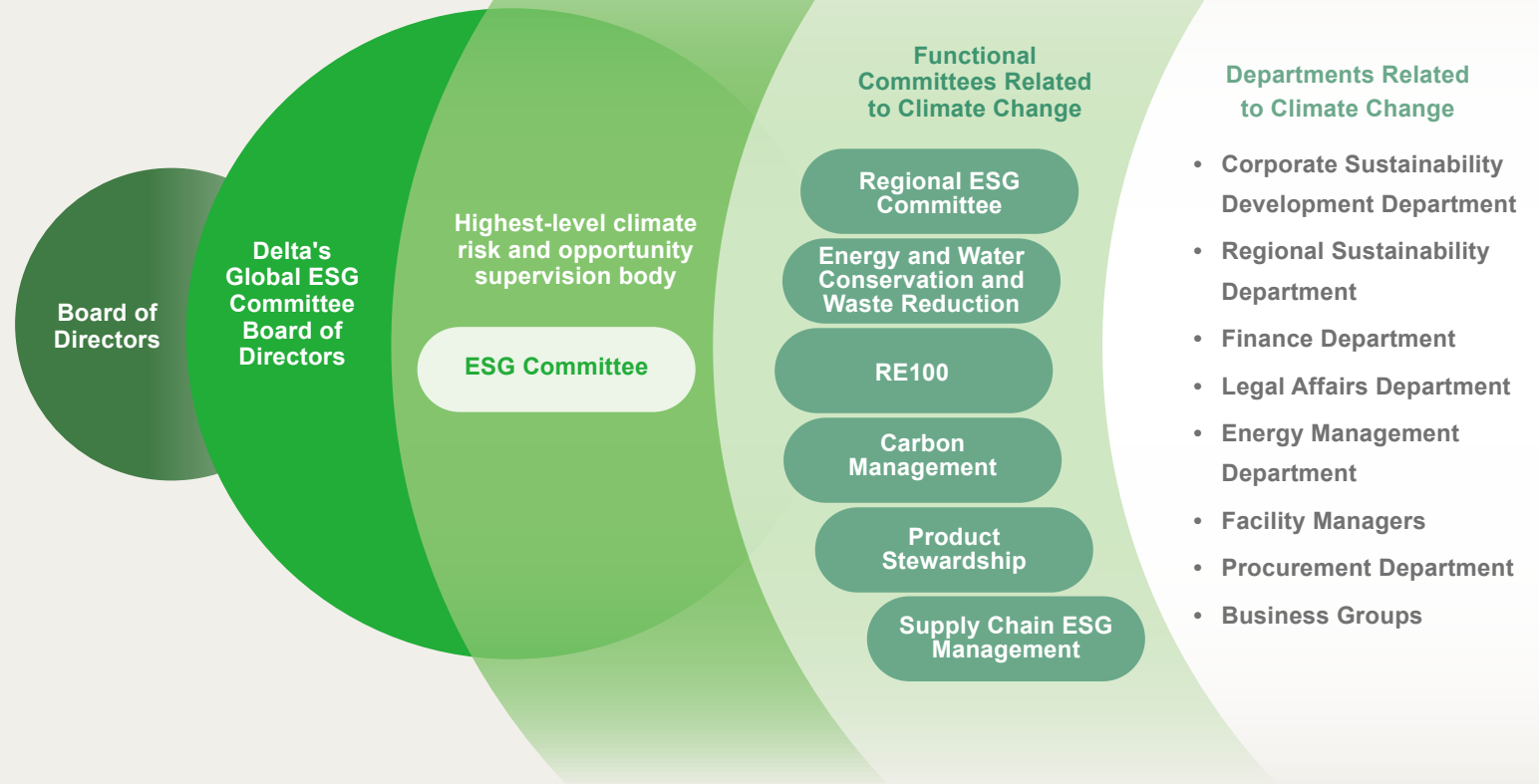
5.2.1.1 Governance

Board Oversight

The members of Delta's Board of Directors have participated in international events and monitored the latest climate change developments for many years. Climate change-related knowledge has been deeply embedded in the professional functions of the Board of Directors. They supervise issues including climate strategy, climate transformation plans, greenhouse gas inventory and reduction, internal carbon pricing and related budget and project implementation results. The Global ESG Committee Board of Directors at Delta, all members are part of the board and the executive team, is the highest-level internal oversight body for climate risks and opportunities. They actively participate in key meetings of related subcommittees focusing on management of energy efficiency, water conservation, and waste reduction, and renewable electricity. They directly oversee Delta's management of climate change risks and opportunities.

Management Role

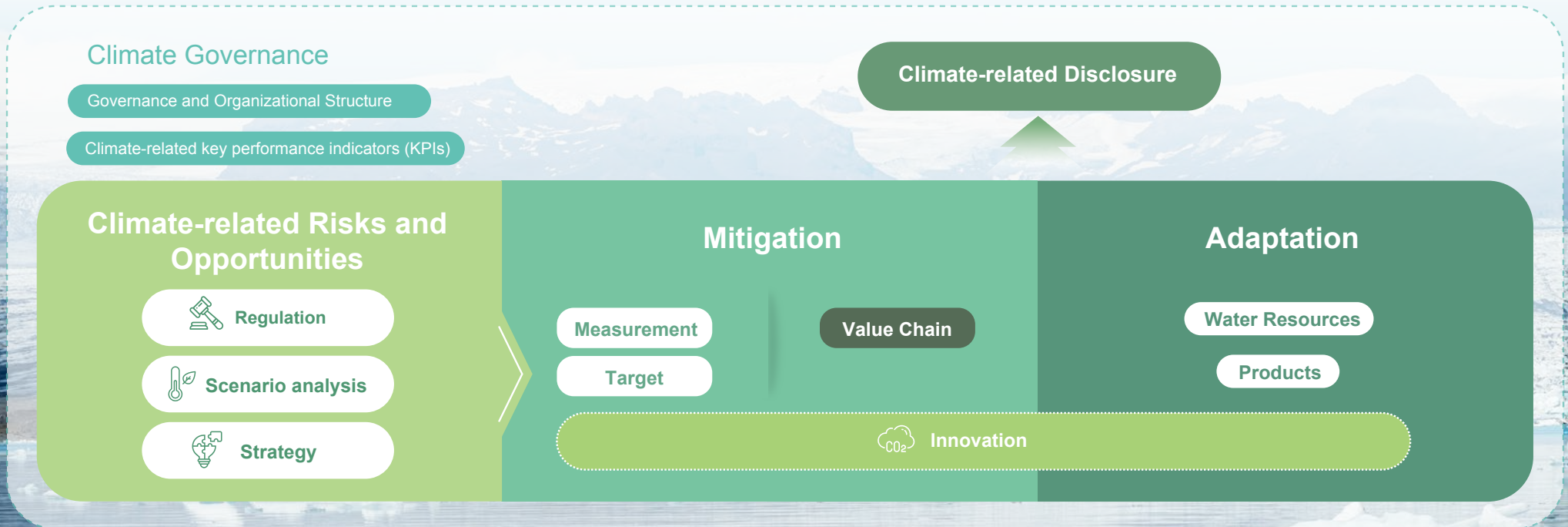
The Chief Sustainability Officer (CSO) reports developments in climate change and Delta's management of related climate actions to Delta's Board of Directors on a quarterly basis. The report includes important trends, key metrics, greenhouse gas reduction management, external evaluation results, and the overall implementation results of the energy and carbon management budget.



5.2.1.2 Strategy

Delta has set climate-related performance indicators with sound climate governance and organization, and actively takes real actions to fulfill its commitment to sustainability. We analyze the climate-related risks and opportunities based on the latest internal and external regulations, scenario analysis, and strategies, and implements management on the basis of "mitigation", "adaptation" and "Innovation". The mitigation measures include the measurement and the settings for commitments and objectives. We also strengthen actions to support the circular economy, renewable energy, and energy-saving products. In

terms of adaptation, we have focused on water resource management and the taxonomy of Delta's products for addressing climate change. Delta uses the TCFD and decision-making tools such as internal carbon pricing mechanisms to continue to encourage low-carbon innovation. We continuously uncover business opportunities through technologies to respond to climate change challenges and we regularly disclose our climate-related management results and performance.



5.2.1.3 Risk Management

Delta incorporates climate change factors into the group risk management and clarifies the scope of climate change risks through regular risk identification, assessment, control, monitoring, and communication management procedures. We manage climate issues, take charge of the identification of climate risks and opportunities, and manage the implementation of relevant countermeasures and programs under the TCFD framework. Based on the risk frameworks including the Climate Change Report, Risk Assessment Report, stakeholder feedback and issues of concern in the ESG evaluation, Delta has divided risks into Transition risks and physical risks and analyzed the impact of policy and regulations, technologies, markets, business reputation, and acute and chronic climate events.

Climate Risk Identification and Assessment Procedures

Delta organizes a major survey every three years and an annual review to gather information on the views of key global players. We also 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 to continue optimizing and improving risk management tools. Delta defined short-term plans as those within two years, medium-term plans as those between two and five years, and long-term plans as those above five years according to the internal carbon reduction objectives. Delta uses the likelihood of risk, degree of risk impact, degree of financial impact, risk preparedness, and risk management principles to screen high-risk items in the list of climate risks.



Risk Identification

The major risk categories encompass transformation risks such as policy and regulatory risks, technical risks, market risks, and reputation risks as well as acute and chronic physical risks.



Risk Assessment

Delta evaluates risks based on the possibility of the risk, degree of risk impact, degree of financial impact, risk preparedness, and risk management principles.



Risk Response

- Delta implements management through mitigation and adaptation for the items with high climate risks based on the overall risk rating.
- Continue to clarify the implementation and response measures for different types of climate risks and the degree of response, and establish SOPs whenever necessary.

Coverage of climate-related risks

Current and Emerging Regulation, Technology, Legal, Market, Reputational, Acute Physical and Chronic Physical Risk.

Coverage of the value chain

Own operations, upstream activities, and downstream activities or clients

Climate Risks and Opportunities

The scope of climate risks and opportunities identified by Delta includes upstream, own operations and downstream activities such as in products and services, supply chain, adaptation and mitigation activities, research and development, investment, and operations. We assess the probability of occurrence and the impact of events for each risk and opportunity. We analyzed the magnitude and the likelihood of the impact of 22 risk factors and ranked them according to the risk impact, and a material risk screening threshold was established to identify the risks of high concern about climate change to Delta. We launched a pilot program in 2018 to analyze the possible impact on operating costs and revenue as well as capital expenditures and allocations of different products to determine the possible financial impact of the event on the organization and develop response strategies. Delta also incorporated climate change factors into consideration, and focused on uninterruptible power supply (UPS) systems and EV key components to analyze the potential climate-related financial impact. For detailed climate risks disclosure, please refer to the [2023 Delta Electronics TCFD & TNFD Report](#).

Risks of High Concern to Delta

Cost of the transition to low-carbon technologies



Type
Transformation Risks - Technology Risks

Description
In response to global trends and customer demand for carbon reduction, Delta has invested in low-carbon technology transformation such as increasing the use of renewable energy, enhancing the capacity of power storage technologies, and improving the energy efficiency of production processes, which incur increased costs of research and development as well as applications.

Impact Likelihood
Virtually certain

Level of Impact
Moderate

Potential Path and Method of Impact

- Required purchase of low-carbon technology equipments
- Required sourcing of low-carbon materials
- Increased R&D costs
- Possible loss of customers during the transformation
- Insufficient investment in low-carbon technology and resources

Response to Risks

- Introduce internal carbon pricing mechanisms to accelerate internal carbon reduction actions
- Encourage investments in carbon-negative technologies and low-carbon innovations to uncover business opportunities
- Intensify R&D talent development and retention
- Continue to develop the circular economy and low-carbon materials

Financial Impact

Decreased revenue, increased expenditures, impact on assets or discarding

Potential Opportunities

- Continue to strengthen low-carbon technologies, reduce product carbon footprint, and increase product competitiveness
- Business opportunities and market development for energy storage solutions

Uncertainties in laws and policies



Type
Transformation Risks - Policy and Regulatory Risks

Description
The lack of regulatory measures may make it difficult for enterprises to obtain the necessary policy support. The impact of new regulations and policies may create uncertainties and make it impossible for enterprises to respond accordingly.

Impact Likelihood
Virtually certain

Level of Impact
Moderate

Potential Path and Method of Impact

- Increased risks of operational and product compliance due to uncertainties of domestic and foreign regulations
- Continuous increase in energy prices due to uncertainties in international energy policies
- Miscommunication between the Company and internal and external stakeholders may affect the Company's reputation.

Response to Risks

- Continue to monitor legislative changes in different countries
- Commit to responsible corporate engagement in climate policy and initiatives

Financial Impact

Decreased revenue, increased expenditures, impact on assets or discarding, increased liabilities, decreased capital, financing difficulties

Potential Opportunities

- Implement the RE100 commitment and net-zero commitment
- Engage in climate policy and initiatives and accelerate low-carbon transformation in industries

Carbon price, carbon tax and related regulations



Type
Transformation Risks - Policy and Regulatory Risks

Description
The governments of foreign countries and Taiwan have established related laws and regulations for carbon taxes and carbon fees, and set carbon reduction targets and carbon trading mechanisms. These measures increase the cost of carbon emissions for companies.

Impact Likelihood
Very likely

Level of Impact
Moderate

Potential Path and Method of Impact

- With the carbon border tax required by Europe and the U.S., Delta must calculate the carbon footprint of products and set reduction targets. Otherwise, it will increase operational costs and affect product profitability, and may prevent the sales of products on the international market.
- After Taiwan's Climate Change Response Act went into effect, carbon fees were levied in separate phases. If Delta is included in future carbon fee levies, it will incur additional carbon expenses, increasing its operating costs.

Response to Risks

- Continue to use the internal carbon pricing to accelerate internal carbon reduction and low-carbon innovations and applications
- Launch the product carbon footprint project and set active carbon reduction targets
- Set the classification tree diagram for Delta's climate-related products based on their characteristics, method of application by customers, and the EU Taxonomy

Financial Impact

Decreased revenue, increased expenditures, impact on assets or discarding

Potential Opportunities

- Continue to strengthen low-carbon technologies, reduce product carbon footprint, and increase product competitiveness

Domestic and international GHG reduction requirements



Type
Transformation Risks - Policy and Regulatory Risks

Description
Many countries have announced their carbon reduction commitments and formulated carbon reduction policies to support the international carbon reduction initiatives. They thus require enterprises to comply with greenhouse gas reduction policies and attain specific carbon reduction results.

Impact Likelihood
Very likely

Level of Impact
Moderate

Potential Path and Method of Impact

- It may affect the reputation of companies and the willingness of investors to invest
- Carbon reduction measures may lead to higher operating costs
- If suppliers are levied high carbon taxes or fines, the costs will be passed on to Delta

Response to Risks

- Continue to utilize the internal carbon pricing mechanism to accelerate internal carbon reduction and low-carbon innovations and applications
- Actively implement the RE100 commitment
- Enhance supplier sustainability management and collaboration with upstream/downstream industries

Financial Impact

Decreased revenue, increased expenditures, impact on assets or discarding, increased liabilities, decreased capital, financing difficulties

Potential Opportunities

- Develop innovative carbon reduction technologies for manufacturing processes, invest in carbon offsetting and permanent carbon removal, and expand low-carbon business opportunities
- Evaluate carbon trading
- Monitor the possibility of reduction outside the value chain

Customers change criteria for supplier selection



Type

Transformation Risks - Market Risks

Description

As the sustainability and environmental protection awareness of corporate customers increase, they may opt for suppliers that provide products for adapting to the new climate. The selection criteria for suppliers will thus change.

Impact Likelihood

Very likely

Level of Impact

Moderate

Potential Path and Method of Impact

- Failure to meet customers' supplier selection criteria may result in the loss of orders which would impact revenue and the Company's reputation.
- Customers impose increasingly stringent requirements for Delta's greenhouse gas reduction, which requires more energy-efficient and carbon-reducing production.

Response to Risks

- Set net-zero strategies, pathways, and targets and continuously manage carbon reduction performance
- Monitor customers' sustainability developments and incorporate them into Delta's product R&D strategies to actively respond to customers' demand

Financial Impact

Decreased revenue, increased expenditures, impact on assets or discarding, increased liabilities, decreased capital

Potential Opportunities

- Provide customers with innovative energy conservation solutions and services
- Enhance Delta's sustainability impact by participating in international evaluations and supporting international initiatives (SBTi, RE100, etc.)



* For detailed climate risk disclosure, please refer to the 2023 Delta Electronics TCFD & TNFD Report

Climate Risks Response Measures

In terms of responding to climate risks, Delta continues to clarify the implementation and response measures for different types of climate risks and the degree of response, and establishes SOPs whenever necessary. Delta implements management through mitigation and adaptation for the items with high climate risks based on the overall risk rating.

I. Mitigation

Actively reduce greenhouse gas emissions to slow down the rate or scale of climate change.

Energy Management

Build the Company's own renewable electricity equipment, energy conservation projects, and green buildings to enhance energy efficiency and reduce Delta's dependence on energy. Refer to Ch 5.3 Energy Management.

RE100

Delta strategically promotes renewable electricity at global operation sites by setting procurement priorities to reduce the emission generated from electricity consumption. Refer to Ch 5.3.2 RE100 International Initiative and Renewable Electricity Promotion.

II. Adaptation

Develop renewable and other alternative clean energy sources, and create a sustainable business plan for climate-related physical risks. Analyze and monitor the impact of climate change and develop strategies to provide customers with integrated solutions for helping them adapt to climate change.

Physical Risks Analysis

Conduct short-, medium- and long-term physical risk analysis of the impact of flooding, drought, and heatwaves on Delta's global sites and key suppliers to understand the possible impact.

Business Continuity Plan (BCP)

In response to the pandemic and the frequent occurrence of climate-related disasters, Delta has developed business continuity plans (BCPs) for epidemics, floods, fires, earthquakes, and typhoons 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.

III. Innovation

As the world needs technological innovation and breakthroughs to jointly move towards net-zero emissions, Delta focuses on forward-looking technological research and development, and encourages the development of more innovative low-carbon applications, products, and solutions to expand green business opportunities.

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 established a consistent internal carbon pricing management strategy for all global operations in 2017 and annually updates its internal carbon pricing based on carbon reduction developments as a strategic tool to help our internal decarbonization efforts, as well as to serve as a risk management tool.

To enhance incentives for reducing carbon emissions and performance management, Delta introduced carbon fee mechanisms in 2021 and set the internal carbon price at 300 USD per ton based on the internal and external carbon costs of our global production plants including regulatory penalties, carbon trading prices, case studies of benchmark international companies, and the Company's investment in renewable energy solutions and renewable 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. Delta implemented the rate after it was approved by the Board of Directors and the Sustainability Committee.

Delta's implementation system for its internal carbon pricing mechanisms collects carbon fees from business groups at a rate of 300 USD per metric ton. The fees are included in Delta's carbon fee fund. The carbon fee charged through the internal carbon pricing mechanism is reflected in the monthly management report and linked to the performance evaluation of the top executives of business groups to incentivize

investments in carbon reduction applications in global operation sites. The three major applications of Delta's internal carbon pricing include supporting the development of renewable electricity and renewable energy technology, energy and resource management, and low-carbon innovations and initiatives. We seek to uncover business opportunities in these technologies as reference for decision making by business groups and for the integration of carbon cost management. For example, the Renewable Energy Matching Program, developed with support from the carbon fund, addresses the challenge of matching renewable electricity while the business navigates the transition to a low-carbon future. This program can provide solutions for the optimal allocation of renewable electricity if the business is facing a grid-matched system. This program serves as one of the business opportunity cases developed through ICP. Delta allocated a total of 28.5 MUSD through the internal carbon pricing mechanism fund, including 4.6 MUSD for OPEX and 23.9 MUSD for CAPEX in 2023 to promote investment in renewable energy and energy technology development, energy and resource management, and low-carbon innovations and initiatives. Three major applications of Delta's internal carbon fee:

Development of renewable electricity and renewable energy technology

Energy and resource management

Low-carbon innovations and initiatives

* For detailed internal carbon pricing disclosure, please refer to Delta's Internal Carbon Pricing Report

Climate-related Product Classification

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 for meeting climate change trends and international green investment requirements. In 2019, based on the impact of climate change, we classified products into stable products (e.g., UPS products), adaptation products (e.g., fan products), and emerging products (e.g., EV key components). We continue to analyze the EU Taxonomy and to optimize the climate-related classification of Delta's products based on the published climate change mitigation and climate change adaptation standards.

Scenario Analysis

Delta identifies risks and opportunities in accordance with corporate strategies, big data on climate risks, research reports, and external ratings and indicators. We screen key indicators and use climate scenarios to analyze the impact on the market size, costs, and overall strategies. We have selected climate scenarios with the most pressing transition and physical risks for analysis, including quantification factors, and incorporated the results into the internal decision-making process. Scenario simulation analyses performed in recent years including transition risks for business opportunities for Delta's ventilator and air quality solutions, as well as business opportunities for Delta's energy storage solutions. The physical risks include the impact of external renewable power generation purchased by Delta, and the impact of water shortages on production plants in Taiwan. In 2023, we implemented a quantitative analysis for floods, droughts, and heat^{*1} for all Delta locations and key supplier locations to identify locations and specific types of physical risks in the short, medium, and long term under future climate scenarios.

Impacts of Floods, Droughts, and Heatwave on Delta's Operation Sites and Key Suppliers

Climate change has led to more frequent extreme weather events and changes in rainfall patterns. Flooding caused by short-term heavy rainfall may increase the chance of damage to plants or equipment, and affect operations or production. Changes in long-term rainfall patterns may also lead to less rainfall and droughts, increase water costs for plants or suppliers, and create risks of operational disruptions at plants or within the supply chain. In addition, the extreme high-temperature records set by the continuous rise in temperature and the increase in the number of hot days intensify the personal safety risks of workers working outdoors, and increase the chance of abnormal operation of outdoor equipment, which poses risks for operational disruptions. For detailed disclosure and more cases, please refer to the [2023 Delta Electronics TCFD & TNFD Report](#).

*1 Referring to definitions provided by official institutions or documents, such as the maximum consecutive dry days for drought risk or the Standardized Precipitation Index (SPI) for rainfall. For flood risk, the frequency, severity, and sea-level rise are considered. For heat risk, the definition of a heatwave by the World Meteorological Organization (WMO) is referenced; it will be referred to as "heatwave" in the following descriptions.

Delta's Global Operation Sites

We targeted Delta's global operation sites and conducted an inventory analysis of the risks of floods, droughts, and heatwave using two climate scenarios, SSP1-2.6 and SSP5-8.5. The analysis results show that heatwave poses the most significant physical risk to Delta's operation sites and the risks of floods and droughts also change over time with increased risk levels.

The results of the analysis in operation sites



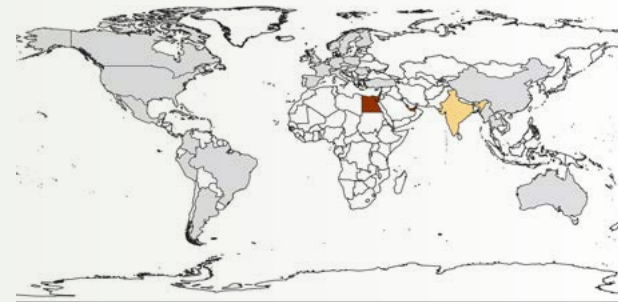
Continent Scenario Flooding Droughts Heatwave

| Continent | Scenario | Flooding | Droughts | Heatwave |
|---------------|----------|----------|----------|----------|
| Asia | SSP1-2.6 | 9.3% | 4.7% | 40.3% |
| | SSP5-8.5 | 10.1% | 2.3% | 51.2% |
| Europe | SSP1-2.6 | 0.0% | 0.0% | 57.1% |
| | SSP5-8.5 | 0.0% | 0.0% | 71.4% |
| Africa | SSP1-2.6 | 0.0% | 100.0% | 0.0% |
| | SSP5-8.5 | 0.0% | 100.0% | 0.0% |
| North America | SSP1-2.6 | 0.0% | 0.0% | 57.7% |
| | SSP5-8.5 | 3.8% | 7.7% | 69.2% |
| South America | SSP1-2.6 | 25.0% | 0.0% | 0.0% |
| | SSP5-8.5 | 25.0% | 0.0% | 25.0% |
| Oceania | SSP1-2.6 | 0.0% | 0.0% | 0.0% |
| | SSP5-8.5 | 0.0% | 0.0% | 33.3% |
| Total | SSP1-2.6 | 6.5% | 3.5% | 43.7% |
| | SSP5-8.5 | 7.5% | 3.0% | 55.8% |

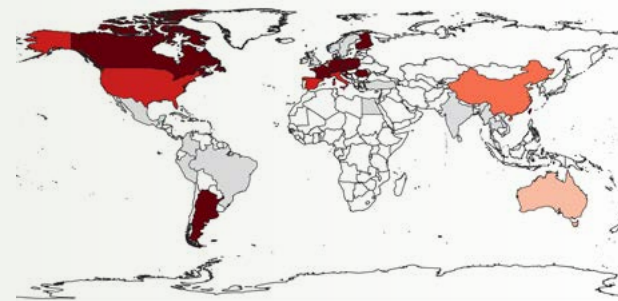
The results of long-term analysis based on the proportion of high-risk sites



Legend
Results of Flooding Risk
High Risk Low Risk No operation sites



Legend
Results of Drought Risk
High Risk Low Risk No operation sites



Legend
Results of Heat (Heatwave) Risk
High Risk Low Risk No operation sites

Flooding

SSP1-2.6: Short-term analysis results show that only a few of Delta's operation sites are located in areas with high risks of flooding. In medium and long-term analysis, the number of high-risk sites gradually increases. In the long term, about 13 sites are located in high-risk areas for flooding.

SSP5-8.5: Operation sites with high risk of flooding are mainly located in the coastal areas of Japan, Mainland China, and Southeast Asia, with a few located in the inland areas of Mainland China and South America. Many operation sites in Taiwan and East Asia have moderate risks of flooding, while locations in Europe and North America have no significant risks of flooding.

◀ Flooding risk of Delta's global operation sites under the long-term SSP5-8.5 scenario

Droughts

SSP1-2.6: The number of sites located in high-risk areas for droughts in the short and medium term is relatively low, while the number of sites located in areas with long-term high risks of droughts has increased to 7.

SSP5-8.5: High-risk droughts sites are mainly located in desert climate areas such as the inland areas of North America, North Africa, Arabia, and India. There are operation sites with moderate droughts risks in Southern Taiwan, inland areas of Mainland China, and Southeast Asia, while operation sites in other regions have no significant drought risks.

◀ Droughts risk of Delta's global operation sites under the long-term SSP5-8.5 scenario

Heatwave

Under both SSP1-2.6 and SSP5-8.5 scenarios, the proportion of operation sites located in high-risk areas increases rapidly over time. The increase in risks is most significant under the SSP5-8.5 scenario with half of operation sites exposed to the impact of rapid rise in temperature under long-term extreme scenarios. They are mainly located in Mainland China, Europe, and North America. The high temperature conditions in coastal areas may be regulated by sea temperature and there are fewer high-risk sites.

◀ Heatwave risk of Delta's global operation sites under the long-term SSP5-8.5 scenario

Delta's Global Key Suppliers

We conducted scenario analysis of physical climate risks of flooding, droughts, and heatwave for Delta's global key suppliers to assess the extent to which key supply chains may be impacted by future climate scenarios. The results are used as a reference for supply chain management. The selected key suppliers are mainly located in Mainland China, Southeast Asia, and India. Delta also has a few key suppliers in Africa and North America. The risk of heatwave is the most significant physical risk for key suppliers and the overall risk level has increased over the years.

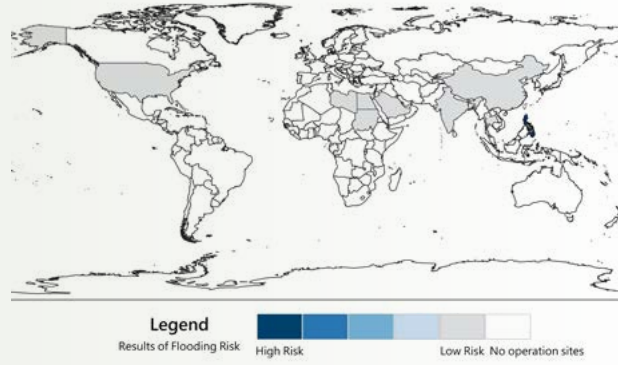
The results of the analysis in key suppliers



Continent Scenario Flooding Droughts Heatwave

| Scenario | Flooding | Droughts | Heatwave | |
|-------------|----------|----------|----------|-------|
| Short-term | SSP1-2.6 | 0.5% | 6.0% | 1.0% |
| | SSP5-8.5 | 0.5% | 5.5% | 3.0% |
| Medium-term | SSP1-2.6 | 1.5% | 6.0% | 8.0% |
| | SSP5-8.5 | 0.5% | 6.0% | 8.5% |
| Long-term | SSP1-2.6 | 1.5% | 6.0% | 9.5% |
| | SSP5-8.5 | 1.0% | 6.0% | 26.5% |

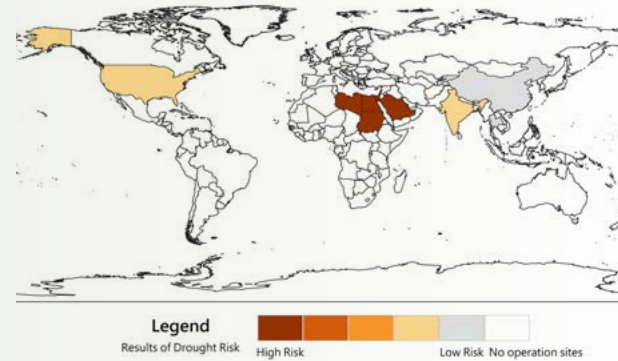
The results of long-term analysis based on the proportion of high-risk suppliers



Flooding

In each scenario in the short, medium, and long term, only a few key suppliers located in the coastal areas of Southeast Asia are affected by rising sea levels and changes in the frequency of extreme rainfall and are located in areas with high risks of flooding. Some suppliers in Mainland China and other parts of Southeast Asia are located in areas with moderate risks of flooding.

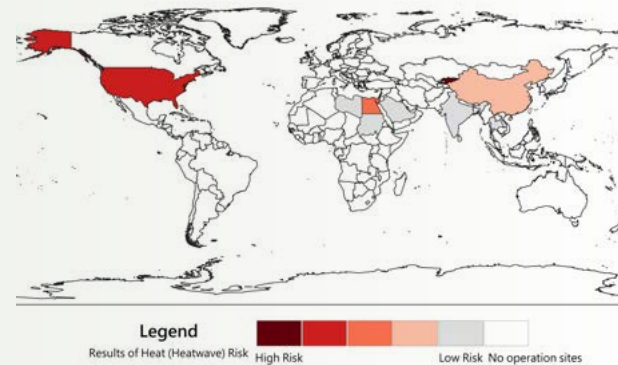
◀ Flooding risk of Delta's global key suppliers under the long-term SSP5-8.5 scenario



Droughts

There is no significant difference in the droughts risk analysis results of various scenarios in the short, medium, and long term. Key suppliers located in areas with high risks of droughts are mainly concentrated in deserts or dry areas, including India, Africa, the Middle East, and Western United States. A certain proportion of suppliers in Northeast China, Southeast Asia, and South Asia are also located in areas with risks of droughts.

◀ Drought risk of Delta's global key suppliers under the long-term SSP5-8.5 scenario



Heatwave

Under the long-term SSP5-8.5 scenario, 26% of suppliers are located in high-risk areas for heat waves, and they are mainly in Mainland China and North America. The proportion of suppliers located in high-risk areas also increased significantly compared with the SSP1-2.6 scenario, which shows that the risk level of heat waves intensifies significantly under more severe climate scenarios.

◀ Heatwave risk of Delta's global key suppliers under the long-term SSP5-8.5 scenario

5.2.1.4 Metrics and Targets

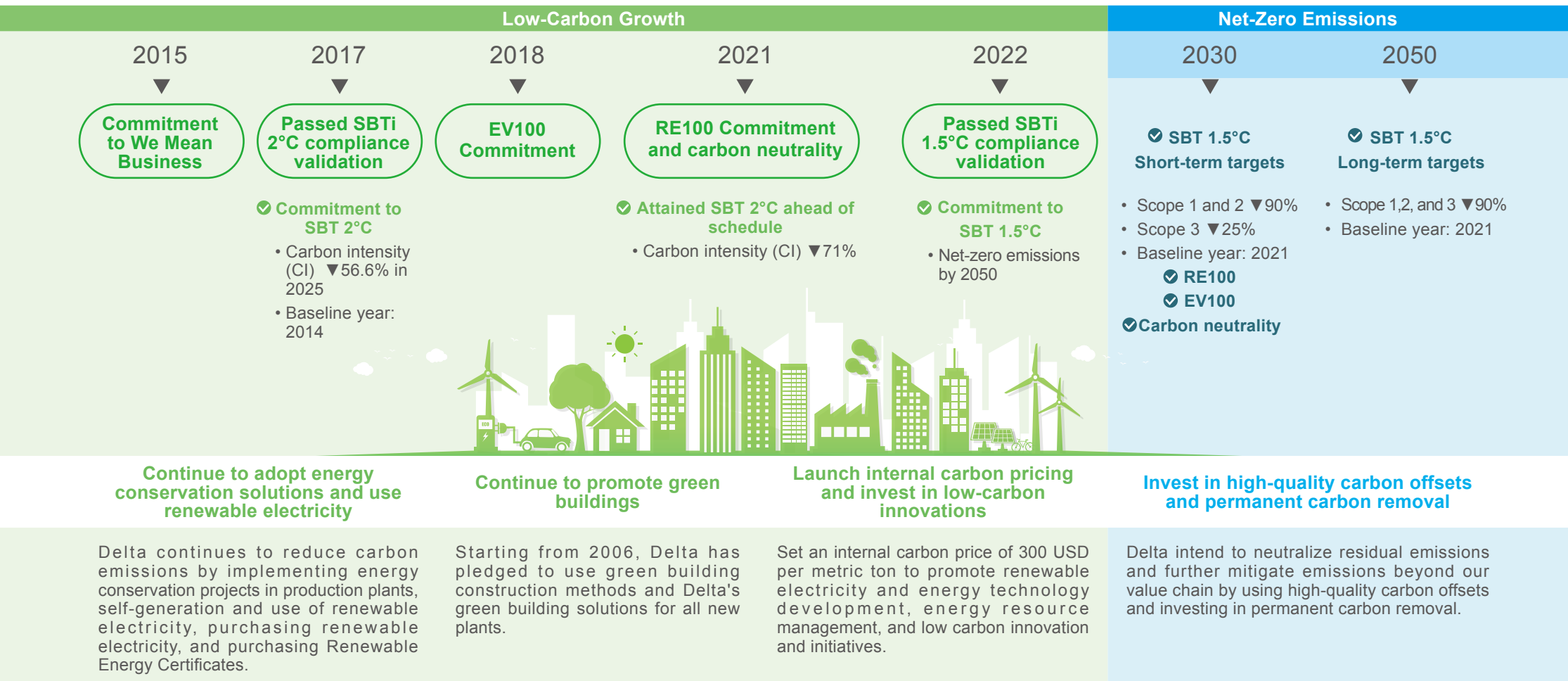
Delta has continuously implemented energy conservation, water conservation, and waste reduction solutions for internal energy conservation targets and targets set in foreign initiatives. In 2021, we pledged to attain the 2030 renewable energy targets for the RE100, and in 2022, we passed the net-zero target validation of the Science Based Targets initiative (SBTi).

| | Name or Type | Metrics and Targets | Corresponding Chapters/Sections in the Report |
|------------------|--|---|--|
| External Targets | SBTi: 2°C SBT | 56.6% reduction in carbon intensity of Scope 1 and 2 greenhouse gas emissions in 2025 compared to 2014 (attained targets ahead of schedule in 2021) | Ch 5.2.2 Net-Zero Commitment Ch 5.2.3 Greenhouse Gas Inventory and Management |
| | SBTi: Net-Zero SBT | 90% reduction in GHG emissions in Scope 1 and 2 by 2030 compared to 2021 and 25% reduction in Scope 3 compared to 2021 90% reduction in net-zero science-based targets in Scope 1, 2, and 3 by 2050 compared to 2021 | |
| | RE100 | 100% use of renewable electricity at global operation sites by 2030 | Ch 5.3.2 RE100 International Initiative and Renewable Electricity Promotion |
| | EV100 | Provide charging facilities at Delta's operations and main production plants within the scope of its global energy management, and convert company vehicles to zero-emission vehicles such as pure electric vehicles and hydrogen vehicles by 2030 | Ch 2.3.2 International Sustainability Initiatives |
| Internal Targets | Plant electricity consumption intensity (EI) | 2025 target: 20% reduction (2020 as baseline year) | Ch 5.3 Energy Management |
| | Building electricity consumption intensity | 2025 target: 20% reduction (2020 as baseline year) | |
| | Data center power usage effectiveness (PUE) | 2025 target: 37.5% reduction (2020 as baseline year) | |
| | Plant water consumption intensity (WPI) | 2025 target: 10% reduction (2020 as baseline year) | Ch 5.4.2 Consumption and Effectiveness of Water Resources |
| | Building water consumption intensity (WCI) | 2025 target: 10% reduction (2020 as baseline year) | |
| | Waste diversion rate in plants | 2025 target: 100% | Ch 5.5.2 Waste Output and Reduction Effectiveness |
| Others | Green buildings | Green building certification of plants and offices and electricity savings and carbon reduction of green buildings donated to academic institutions green, and pass ISAE 3000 assurance | Ch 5.3.3 Promotion of Energy Conservation by Green Buildings |
| | Electricity savings of high-efficiency products and avoidance of carbon emissions | The electricity saving and avoidance of carbon emissions Computer and networking power, ventilating fans, LED street lights, AC-DC adapters, EV DC chargers, LED high bay lights, UPS, TV Power, LED drivers, inverters, and pass ISAE 3000 ASSURANCE | Ch 5.6.4 Energy Saving Benefits and the Avoided Emissions of Products |

5.2.2 Net-Zero Commitment

Delta actively supports international initiatives. Since 2015, we have implemented the policies of the We Mean Business Coalition for "commit to adopt a science-based emissions reduction target", "commit to report climate change information in mainstream reports as a fiduciary duty", "commit to responsible corporate engagement in 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" action to actively respond to the United Nations Race to Zero initiative to limit the 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.

Delta's Net-Zero Commitment and Action Strategies



Delta's Net-Zero SBT

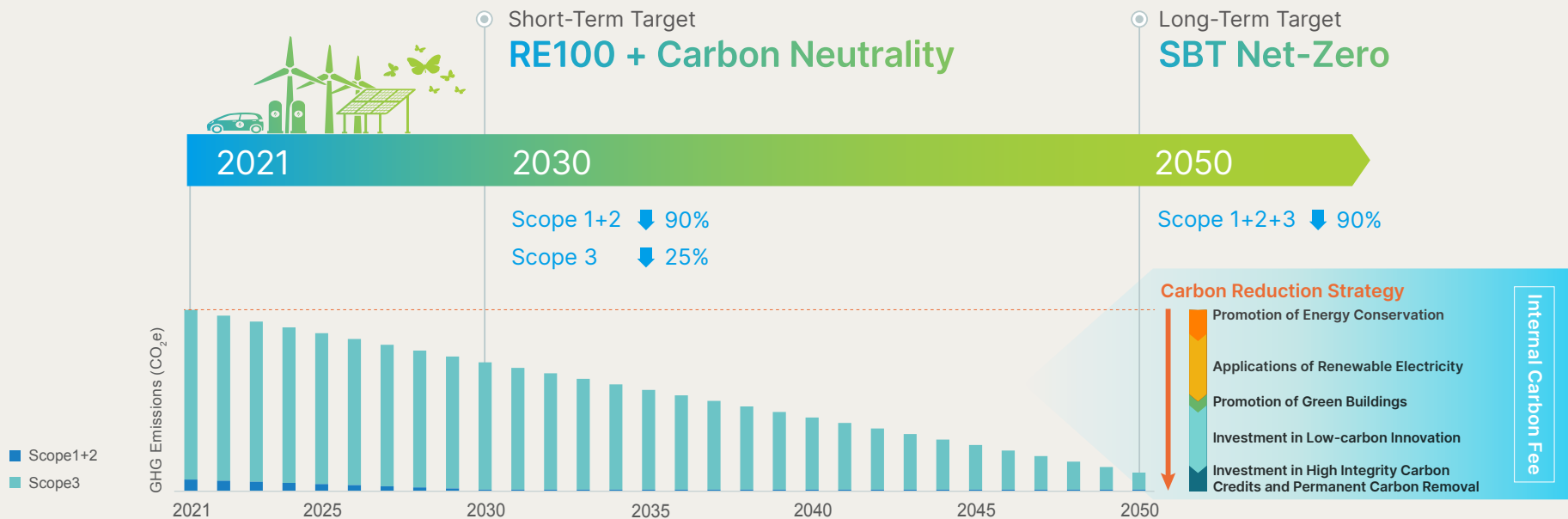
Delta met its science-based target (SBT) set in 2017 four years ahead of schedule in 2021. We continued to actively pursue a 1.5°C reduction pathway in 2022 in accordance with the Net-Zero Standard published by the Science Based Targets initiative (SBTi) at the end of 2021. We obtained the SBTi validation in the same year and became the first high-tech hardware equipment company in Asia and the 125th company globally to pass the review for net-zero science-based targets (Net-zero SBT).

We proposed the SBTs with 2021 as the baseline year for reducing absolute Scope 1 and Scope 2 (market-based) emissions by 90%, reducing absolute Scope 3 emissions by 25% by 2030, and attaining net-zero emissions by 2050. We also continue to implement

emission reduction measures for limiting global warming to 1.5°C to reduce carbon emissions in internal operations, empower the internal low-carbon transition, and develop innovative products and services.

Scope 1 and 2 emissions from Delta's global operation sites in 2023 decreased by 39% compared to the baseline year of 2021. Delta has attained SBT for each phase for two consecutive years, which demonstrates Delta's resolve and long-term commitment to attaining SBT and work with value chain partners to promote the growth of the low-carbon economy.

Delta's SBT carbon reduction pathway

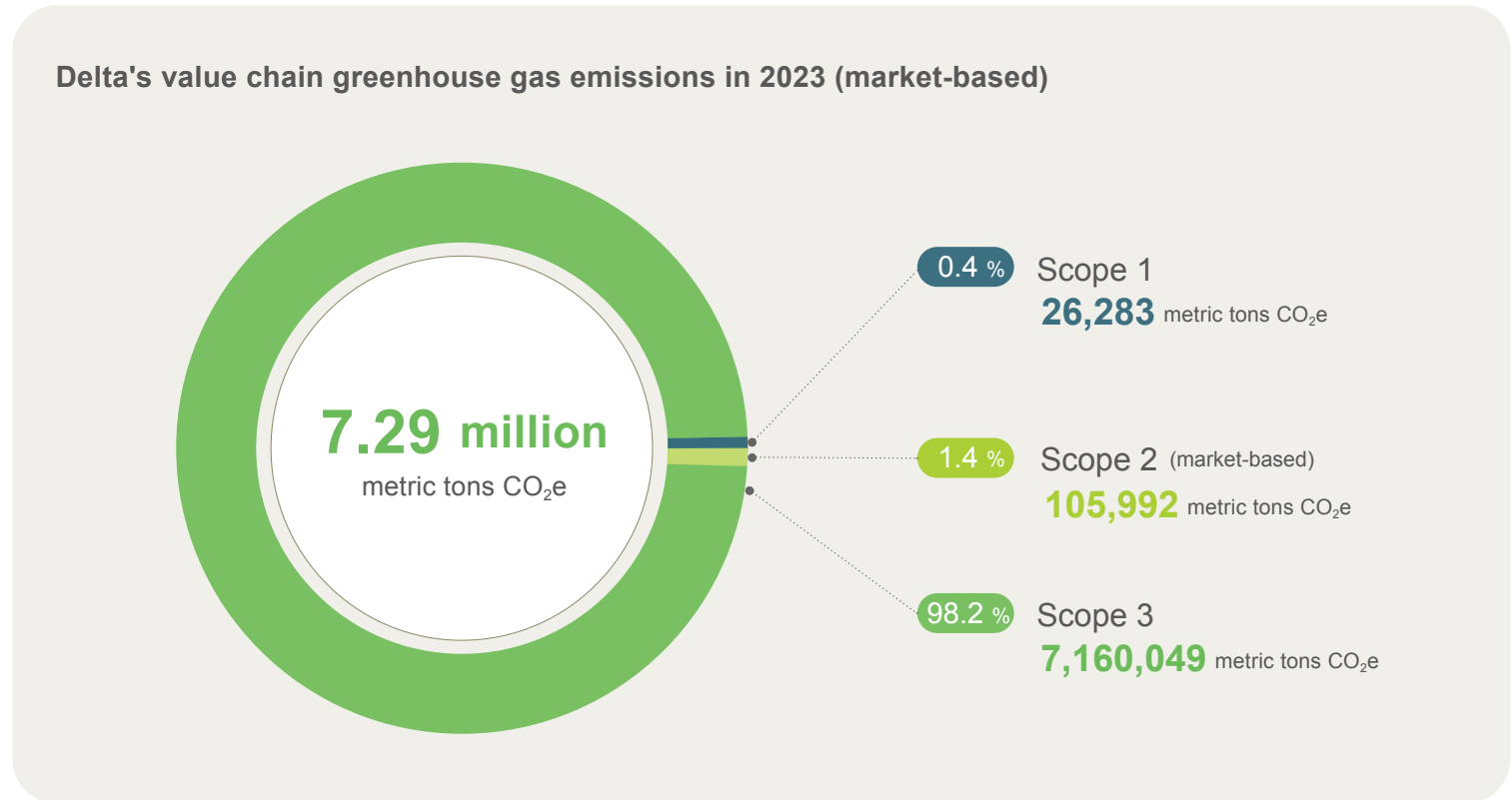


5.2.3 Greenhouse Gas Inventory and Management

Since 2010, Delta has participated in CDP to disclose the Group's greenhouse gas emissions. Delta overall production plants have passed ISO 14064-1 verification since 2017. We gradually expanded the scope of verification to buildings, overseas operations, and subsidiaries. Since 2022, all global operation sites have completed the ISO 14064-1:2018 GHG inventory verification.

GHG Emissions in the Value Chain

Delta's value chain greenhouse gas emissions include direct emissions related to Delta and indirect emissions from upstream and downstream sources. These include Scope 1 direct emissions, Scope 2 energy indirect emissions, and Scope 3 other indirect emissions. The greenhouse gas emissions from Delta's value chain in 2023 (market-based) were 7.29 million metric tons CO₂e. Scope 3 emissions accounted for 98.2%, Scope 1 and Scope 2 emissions accounted for approximately 0.4% and 1.4%, respectively. We will continue our carbon reduction measures in Scope 1 and 2 and expand our efforts to upstream and downstream of the value chain to actively discuss, communicate, and encourage value chain partners to join us on our path to 1.5°C reduction.



Direct Emissions and Energy Indirect Emissions (Scope 1 and 2)

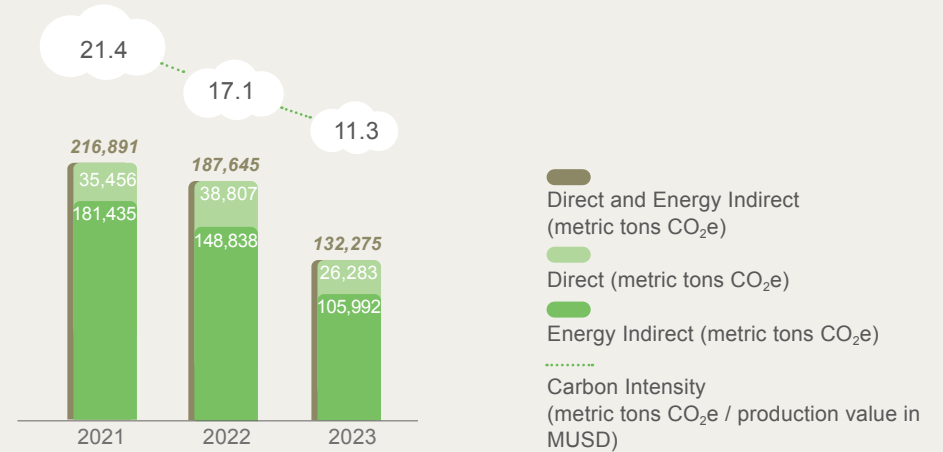
According to the results of greenhouse gas inventories in past years, Delta's Scope 1 and Scope 2 GHG emissions consisted mainly of Scope 2 emissions (accounting for 94.6% by location-based or 80.1% by market-based). Therefore, Delta's greenhouse gas emissions reduction strategy is based primarily on energy management and adoption of renewable electricity.

Direct emissions and indirect greenhouse gas emissions of Delta's global operation sites in 2023 was 132,275 metric tons CO₂e (market-based), which was a 29.5% reduction compared to the previous year and a 39.0% reduction compared to the baseline year of 2021. Our global operation sites can be divided into seven regions including Taiwan, Mainland China, Southeast Asia, Northeast Asia, India, Europe, the Middle East & Africa (EMEA), and the Americas. In market-based terms, Southeast Asia (approximately 35.4%), China (approximately 34.0%), and Taiwan (approximately 15.4%) are the main regions of Delta's GHG emissions. The reason for Delta's continuous attainment of SBT is the successful internal carbon fee mechanism launched in 2021, which has effectively empowered active internal carbon reduction. By continuously implementing energy-conservation projects and increasing the ratio of renewable electricity, we increased the use of renewable electricity in global operation sites to 76% in 2023.



Delta's LEED Gold-certified green building at the Automotive Campus in Helmond, the Netherlands.

Greenhouse gas emissions (market-based)



Greenhouse gas emissions in 2023 (market-based)

Unit: metric tons CO₂e

| | |
|------------------|----------------|
| CO ₂ | 119,454 |
| CH ₄ | 5,950 |
| N ₂ O | 133 |
| HFCs | 5,807 |
| PFCs | 718 |
| SF ₆ | 213 |
| NF ₃ | - |
| Total | 132,275 |

Other Indirect Emissions (Scope 3)

Since 2020, Delta has identified the significant emissions and calculated GHG emissions based on the requirements of ISO 14064-1:2018. We have also conducted an inventory of indirect GHG emissions in each category in accordance with the GHG protocol methodology. We completed the calculation for all categories for the first time in 2022. The total emissions from all categories of Scope 3 in 2023 were 7,160,049 metric tons CO₂e, up 2.8% from the previous year and an increase of 37.6% compared with the baseline year of 2021. It was mainly due to the increase in product sales in 2023. The main categories for Scope 3 are Category 11 use of sold products (approximately 57.8%) and Category 1 purchased goods & services (approximately 26.2%). In the future, Delta will continue to focus on reducing emissions in three key areas including low-carbon product development, low-carbon supply chain engagements, and low-carbon transportation.

Upstream activities



Category 1 **1,875** / **26.2%**
Purchased goods & services



Category 2 **446** / **6.2%**
Capital goods



Category 3 **37** / **0.5%**
Fuel- and energy-related activities



Category 4 **107** / **1.5%**
Upstream transportation & distribution



Category 5 **12** / **0.2%**
Waste generated in operations



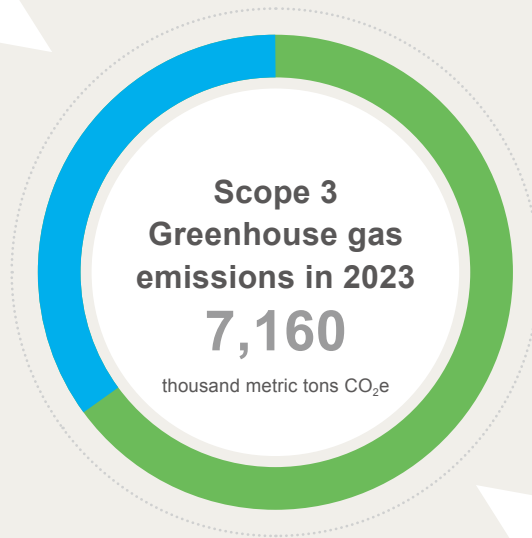
Category 6 **10** / **0.1%**
Business travel



Category 7 **58** / **0.8%**
Employee commuting



Category 8 **0.01** / **0.0%**
Upstream leased assets



Downstream activities



Category 9 **128** / **1.8%**
Downstream transportation & distribution



Category 10 **38** / **0.5%**
Processing of sold products



Category 11 **4,135** / **57.8%**
Use of sold products



Category 12 **182** / **2.6%**
End-of-life treatment of sold products



Category 13 **3** / **0.0%**
Downstream leased assets



Category 14 **Not applicable** / **-**
Franchises



Category 15 **129** / **1.8%**
Investments

thousand metric tons CO₂e

* Please refer to the Ch7.1 for the explanation of the calculation for each category in Scope 3.

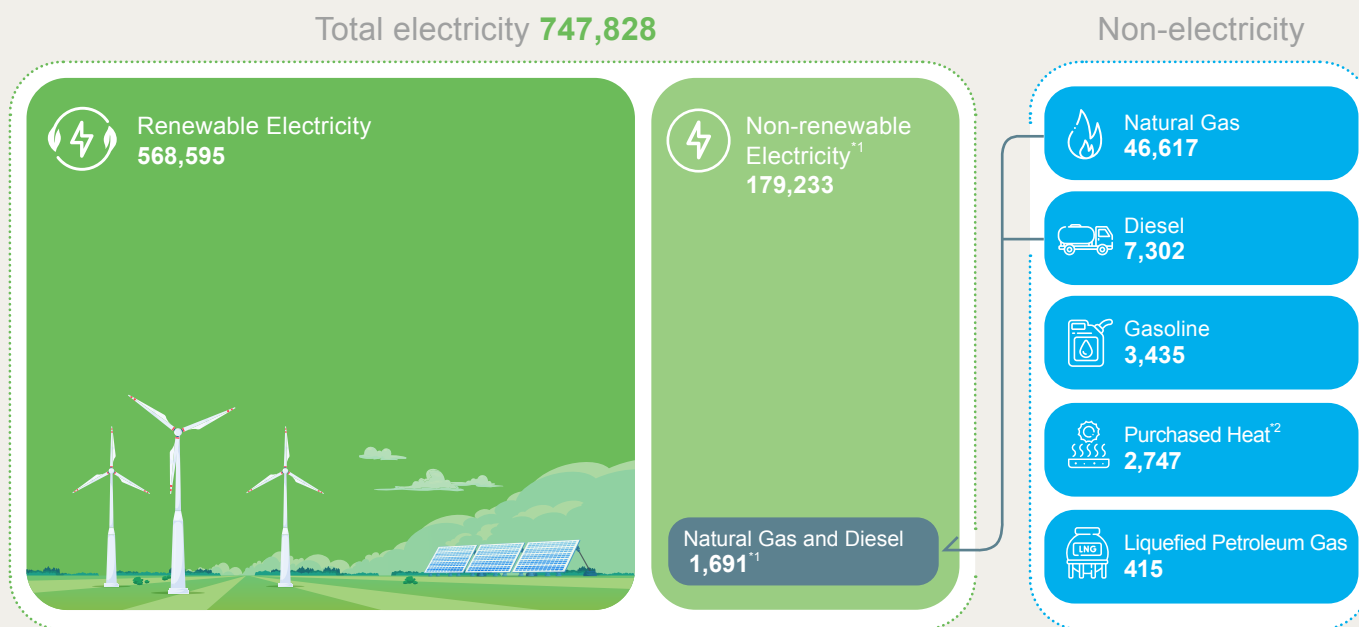
5.3 Energy Management

To increase industrial production capacity and expand production output, we are reducing energy consumption in production as we improve economic efficiency. Part of Delta's production plants are certified by third parties according to the ISO 50001 Energy Management System standard. We established the Energy Conservation Management Committee and the RE100 Committee in 2011 and 2021, respectively. These committees set performance indicators from voluntary energy conservation, use of renewable electricity, and green building energy conservation, and regularly review the results of energy conservation improvement plans and carbon reduction measures to reduce the impact of Delta's business operations on the environment. To raise awareness of energy consumption reduction, Delta provides training courses on energy efficiency management to our employees irregularly.

5.3.1 Energy Management and Performance

Unit: MWh

We developed the Delta Energy Online (EnOL) management system to provide real-time energy consumption and load analysis through methods such as energy planning, efficiency, consumption analysis, and equipment management. The EnOL system optimizes equipment operations and enhances power consumption efficiency as the basis for evaluating energy-saving improvements. Delta's energy consumption at global operation sites included electricity and fossil fuels (e.g., natural gas, diesel, gasoline, and liquid petroleum) and externally purchased heat. Electricity accounts for more than 90%. Fossil fuels are mainly used to power emergency power generators, lawn mowers, forklifts, company vehicles, as well as boilers in living areas (including dormitories and cafeterias).



*1. 1,691 MWh of self-generated non-renewable electricity was from partial natural gas and diesel.

*2. Purchased heat energy included 344.74 MWh from renewable fuels.

Energy Conservation Performance of Delta's Energy Utilization in 2023

Overall production plants^{*1}

The EI of the overall production plants in 2023 was 54,961¹² kWh / MUSD of production

2023 Target ▼12%
2023 Actual ▼17.3%

Achieved

2025 Target ▼20%

Baseline year: 2020

Building^{*3}

The EUI of 12 buildings in 2023 was 116 kWh / m²

2023 Target ▼12%
2023 Actual ▼2.1%

2025 Target ▼20%

Baseline year: 2020

Data Center^{*4}

The PUE of the 4 data centers in 2023 was 1.30

2023 Target ▼24%
2023 Actual ▼7.4%

2025 Target ▼37.5%

Baseline year: 2020

The main reasons are as follows:

- The electricity usage in 2023 had grown by 11% compared to 2020
- The production value in 2023 had grown by 35% compared to 2020
- Implemented energy conservation plans with the internal carbon pricing budget and expanded to them across production plants

The main reasons are as follows:

- The electricity usage in 2023 had increased by 1.3% compared to 2020
- 3.4% increase in area used in 2023 compared to 2020
- Continuous investment in R&D and increased laboratory capacity and manpower

The main reasons are as follows:

- The server room electricity usage in 2023 increased by 11% compared to 2020
- The IT equipment electricity usage in 2023 decreased by 13% compared to 2020
- Improvements addressed the mixed flow of hot and cold return air and reduced energy consumption
- Replacement of old air-side cooling equipment

*1 Overall production plants include Dongguan, Wujiang, Wuhu, and Chenzhou plants in China; DET plants 1, 3, 5, 6 and 7; Taoyuan plants 1, 2, and 5, as well as Pingzhen in Taiwan; Cyntec and Huafeng plants.

*2 The total electricity consumption does not include the self-generated and consumed renewable electricity from solar energy

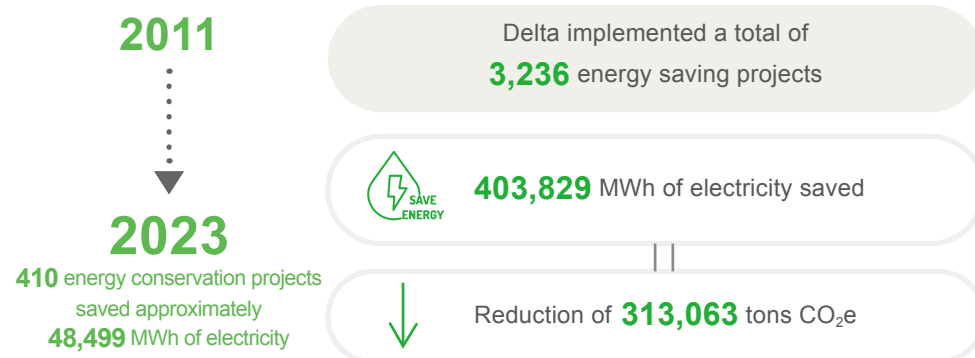
*3 12 Buildings including Taipei Headquarters - Ruey Kuang Building, Taipei Yang Guang Building, Taoyuan Plant 3, Chungli R&D Center, Tainan Branch Office Phase I & II, Shanghai Technology Development, Dongguan Technology Development, Wujiang Technology Development, and Japan Headquarters, Americas Headquarters.

*4 Delta has 4 data centers around the world, including Taipei Headquarters - Ruey Kuang Building, Wujiang, DET, and Americas Headquarters

Implementing the Internal Carbon Fee Mechanism and Continuing to Expand 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 regularly audited the energy consumption result to find more opportunities and it has implemented various energy conservation and improvement measures for public facilities. These audits serve as checkpoints, allowing Delta to evaluate its progress in reducing energy consumption. By coordinating firsthand experience with energy conservation from internal and external consultants, the team is able to implement these practices at all global operation sites. We started implementing the internal carbon fee mechanism in 2021 and encouraged global operation sites to apply for investment in carbon reduction plans to strengthen energy and resource management and low-carbon innovations. A portion of these investments is used for R&D initiatives aimed at developing new technologies to decrease energy consumption further.

From 2011 to 2023, Delta's global operation sites have continued to implement energy conservation and carbon reduction measures (see table on the right). The company put 410 energy conservation projects into practice in 2023 and saved approximately 48,499 thousand kWh of electricity, equivalent to approximately 36,297 metric tons CO₂e. Delta implemented a total of 3,236 energy saving projects from 2011 to 2023 with an estimated 403,829 thousand kWh of electricity saved, equivalent to a reduction of 313,063 metric tons CO₂e.



Statistics of Energy Conservation Projects from 2011 to 2023

| Energy Saving Subject | Statistical Item | 2023 | Cumulative 2011-2023 |
|--------------------------------------|---|--------|----------------------|
| Air Conditioning Ventilation Systems | Cases | 79 | 708 |
| | Electricity Savings per Year (MWh) | 9,740 | 79,938 |
| | Carbon Reduction per Year (metric tons) | 6,445 | 57,777 |
| Air Compressors | Cases | 37 | 290 |
| | Electricity Savings per Year (MWh) | 7,478 | 40,683 |
| | Carbon Reduction per Year (metric tons) | 5,668 | 30,512 |
| Injection Molding Machines | Cases | 3 | 37 |
| | Electricity Savings per Year (MWh) | 388 | 16,421 |
| | Carbon Reduction per Year (metric tons) | 328 | 14,025 |
| Lighting Systems | Cases | 32 | 255 |
| | Electricity Savings per Year (MWh) | 7,166 | 23,187 |
| | Carbon Reduction per Year (metric tons) | 5,382 | 21,749 |
| Burn-in Recovery Systems | Cases | 12 | 155 |
| | Electricity Savings per Year (MWh) | 3,604 | 61,072 |
| | Carbon Reduction per Year (metric tons) | 2,750 | 45,987 |
| Process Improvements | Cases | 215 | 1,251 |
| | Electricity Savings per Year (MWh) | 18,735 | 109,174 |
| | Carbon Reduction per Year (metric tons) | 14,690 | 84,938 |
| Other (Management, Innovation, etc.) | Cases | 32 | 540 |
| | Electricity Savings per Year (MWh) | 1,388 | 73,354 |
| | Carbon Reduction per Year (metric tons) | 1,034 | 58,074 |
| Total | Cases | 410 | 3,236 |
| | Electricity Savings per Year (MWh) | 48,499 | 403,829 |
| | Carbon Reduction per Year (metric tons) | 36,297 | 313,063 |

Electricity emission coefficient cited: The electricity emission coefficient in Taiwan was 0.495 kg CO₂e/kWh in 2022; 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.

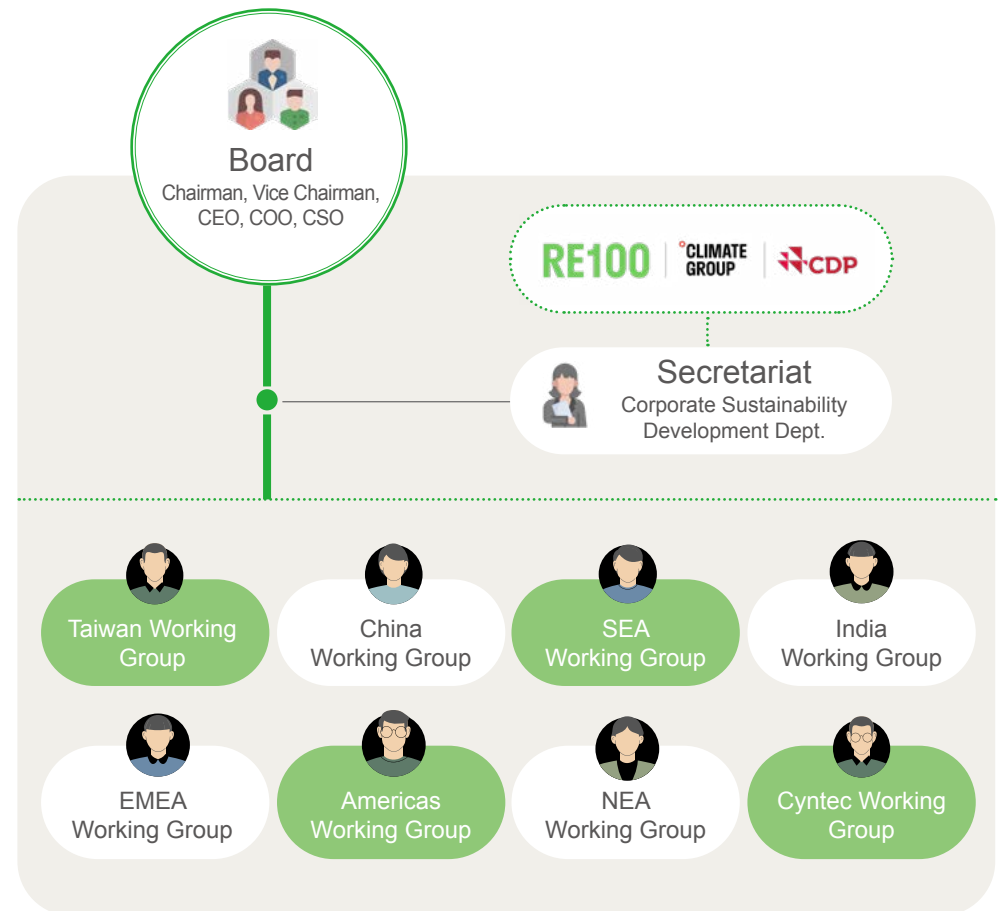
5.3.2 RE100 International Initiative and Renewable Electricity Promotion

Delta announced in 2021 that it had joined the global renewable electricity initiative RE100 as a Gold Member, and pledged to achieve the goal of 100% renewable electricity and carbon neutrality by 2030 for all of Delta's global operation sites. 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 8 working groups in more than 30 countries. Each working group is led by the president of regional operations, who establishes a regional promotion organization to expand management to all locations. The organization is responsible for the promotion and attainment of renewable electricity targets for all locations in each region.

Delta's global operation sites continued to promote renewable electricity in 2023. The sites studied and reviewed local renewable electricity regulations and policies, market trends, prices and costs, and the integrity of traceability information, and gradually consulted renewable electricity suppliers or electricity retailers. They also considered the long-term demand for renewable electricity and evaluated the benefits and feasibility of constructing or investing in renewable power plants. Each working group also identified bottlenecks for the usage ratio of renewable electricity in the process. They learned about the reasons for these bottlenecks and actively sought opportunities for improvement.

In 2022, the attainment rate of the use of renewable electricity was included for the first time as a performance indicator for the Chairman, CEO, and Region Heads of each working group and it now accounts for 5% to 15% of their total remuneration and incentives. To ensure data quality, Delta included electricity data statistics from global operation sites for the ISAE 3000 assurance for the first time in 2023. All renewable electricity sources and types must comply with the RE100 technical criteria, and obtain complete traceability information to prove the source and quantity.

Delta Global RE100 Committee

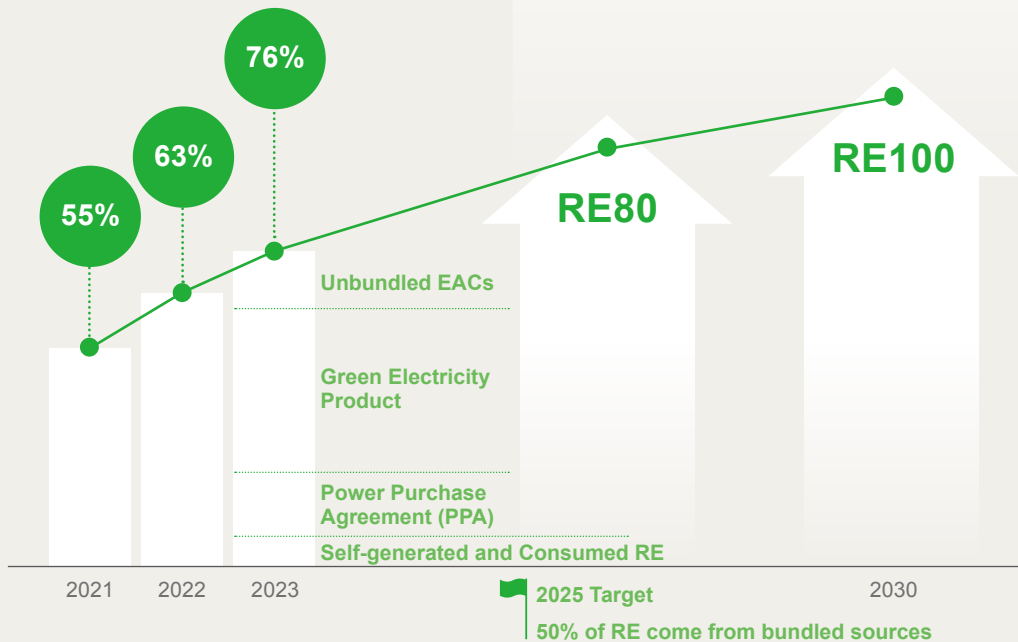


Delta's Progress of RE100

Delta will power its global operations with **100%** renewable electricity by 2030, with an interim target of **80%** by 2025.

The key measures implemented

- 1st Self-generated and Consumed RE as priority
- 2nd PPA and Green electricity product
- 3rd Unbundled EACs is only used for the last priority



Delta strategically promotes renewable electricity by setting procurement priorities. In terms of the methods for attaining the targets, Delta uses energy conservation as the basis for reducing electricity consumption and has adopted a strategy of self-generated and consumed renewable electricity as the highest priority. The second category is direct purchase of renewable electricity (e.g., power purchase agreements (PPAs) and green electricity products) with bundled renewable electricity and certificates. The third category is unbundled energy attribute certificates (unbundled EACs). In full compliance with the RE100 technical manual, Delta developed other categories of innovation to encourage innovative measures for increasing the percentage of renewable electricity use. The RE100 mechanisms are also partially linked to the internal carbon pricing system, with the target of increasing the percentage of bundled renewable electricity and certificates among sources of renewable electricity to over 50% by 2025. Delta aims to encourage all sites to prioritize the use of self-generated and consumed renewable electricity and bundled renewable electricity.

Overall Progress of Renewable Electricity in 2023

In 2023, the use of renewable electricity at Delta's global operation sites reached 76%, which exceeded the internal target of RE65. The global operation sites total electricity consumption was 747,828 thousand kWh, including 568,595 thousand kWh of renewable electricity. The sources of renewable electricity as a proportion of total electricity consumption included 34,484 thousand kWh (5%), from self-generated and consumed solar power, 103,999 thousand kWh (14%) from direct purchase of PPAs electricity, 250,450 thousand kWh (33%) from green electricity products, and 179,662 thousand kWh (24%) from unbundled EACs.

Delta aims to promote 100% renewable electricity at global operation sites by 2030 and actively participates in international conferences. In June 2023, Delta received the first invitation to serve as a speaker at the Climate Group's first summit in Asia. Delta shared how it utilized its core energy conservation technologies and carbon reduction solutions to actively implement energy conservation, carbon reduction and attain the targets of the RE100 and EV100 initiatives while creating numerous new business opportunities for energy management and electric vehicle solutions. In September 2023, Delta attended Climate Week NYC and was invited to serve as a company speaker at the RE100 closed-door meeting to share Delta's leading RE targets and implementation capabilities.



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

Negotiated long-term Renewable Electricity Power Purchase Agreements (PPAs) in Taiwan.

2021

- Became a RE100 Gold Member.
- Established the Delta Global RE100 Committee.
- Completed Delta's first renewable electricity transaction.

2022

The RE100 achievement rate was officially included as a performance indicator for Delta's top executives

2023

Introduced the ISAE 3000 assurance for the first time in 2023.

5.3.3 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 actively promised that all future new Delta plants and offices shall implement green building concepts. In 2023, Delta's Tainan Plant 2 passed LEED Gold and Taipei Ruey Kuang Building II passed LEED Platinum and EEWH Diamond Grade certification, Taipei Ruey Kuang Building II also became the first new building in Taiwan to receive the Nearly Zero-emission Building Certification. As of December 2023, Delta has built and donated 34 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 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 microfilms to promote green buildings.

Delta has autonomously established comparison standards based on the EUI (kWh/m²) of local building standards each year. We calculate energy savings of our green buildings including 20 plants and office buildings as well as 5 green buildings donated to academic institutions in reference to the ISAE 3000 Assurance standard. In 2023, Delta's global certified plants and offices and donated green buildings collectively saved 43.26 million kWh of electricity and reduced carbon emissions by approximately 22,694 metric tons CO₂e.

In addition, Delta uses the power usage effectiveness (PUE) of data centers as the baseline to evaluate the electricity savings every year. In 2023, Delta's certified that its green plants and buildings collectively saved, in total, 36,125 kWh of electricity and reduced carbon emissions by approximately 17.88 metric tons CO₂e.

* Refer to Appendix 7.5 Summary of information assured (ISAE 3000) 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 (Taipei Headquarters - Ruey Kuang Building, Taoyuan R&D Center, Taoyuan Plant 5, Chungli Plant 5, Chungli R&D Center, Taoyuan Plant, Tainan Branch Office Phase I & II, Tainan Plant 2 and Shanghai R&D Building), electricity consumption in the production process (Taoyuan Plant 5, Chungli Plant 5 and Tainan Plant 2), and electricity consumption of data centers (Taipei Headquarters - Ruey Kuang Building, Americas Headquarters and DET Plant 7), indoor parking lots, data centers, and the floor space of vacant areas.

Energy saving benefits of Delta's green buildings and data centers

Delta Headquarters IT Data Center
(Inaugurated in 2014)
LEED V4 ID + C Platinum (first in the world)
• 2023 PUE: 1.3
• Highest energy saving rate to date: 26.7% (Compared to 2015)

Taipei Headquarters - Ruey Kuang Building
(Inaugurated in 1999)
LEED Platinum
EEWH-RN Diamond
WELL Health-Safety Rating (HSR)
• 2023 EUI: 87 < EUI Baseline: 144.7
• Highest energy saving rate to date: 58% (Compared to traditional offices)

Taoyuan R&D Center (Inaugurated in 2011)
LEED Gold
EEWH Gold
WELL Health-Safety Rating (HSR)
• 2023 EUI: 86 < EUI Baseline: 144.7
• Highest energy saving rate to date: 53% (Compared to traditional offices)

Taichung Plant 1 (Inaugurated in 2021)
LEED Gold
EEWH Diamond
WELL Health-Safety Rating (HSR)
• 2023 EUI: 119 < EUI Baseline: 154
• Highest energy saving rate to date: 41% (Compared to air-conditioned general factory operation areas)

Taoyuan Plant 5 (Inaugurated in 2015)
LEED Gold
EEWH Gold
• 2023 EUI: 129 < EUI Baseline: 154
• Highest energy saving rate to date: 24% (Compared to air-conditioned general factory operation areas)

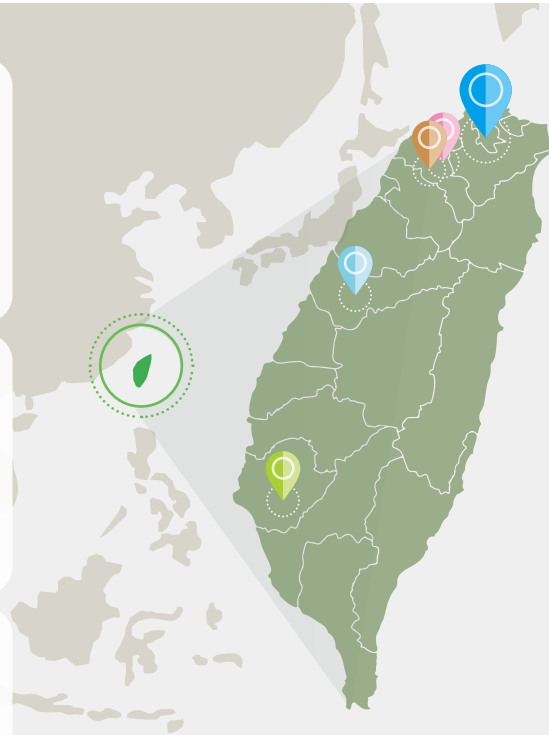
Tainan Plant Phase I (Inaugurated in 2006)
EEWH Diamond
WELL Health-Safety Rating (HSR)
• 2023 EUI: 92 < EUI Baseline: 144.7
• Highest energy saving rate to date: 38% (Compared to traditional offices)

Chungli R&D Center (Inaugurated in 2017)
LEED Gold
• 2023 EUI: 93 < EUI Baseline: 144.7
• Highest energy saving rate to date: 45% (Compared to office buildings)

Tainan Plant Phase II (Inaugurated in 2013)
EEWH Diamond
• 2023 EUI: 54 < EUI Baseline: 144.7
• Highest energy saving rate to date: 65% (Compared to traditional offices)

Chungli Plant 5 (Inaugurated in 2021)
LEED Gold
Smart Building Gold Level
• 2023 EUI: 102 < EUI Baseline: 154
• Highest energy saving rate to date: 68% (Compared to air-conditioned general factory operation areas)

Tainan Plant 2 (Inaugurated in 2021)
LEED Gold
• 2023 EUI: 71 < EUI Baseline: 154
• Highest energy saving rate to date: 54% (Compared to air-conditioned general factory operation areas)



Yun-Suan Sun Green Building Research Center at National Cheng Kung University (NCKU)
(Inaugurated in 2011)
LEED Platinum
EEWH Diamond
• 2023 EUI: 29.84
• Highest energy saving rate to date: 85% (Compared to traditional offices)

Delta Building at National Tsing Hua University (NTHU)
(Inaugurated in 2011)
EEWH Bronze (2011-2014)
• 2023 EUI: 74.14
• Highest energy saving rate to date: -3% (Compared to traditional university buildings)

The Kuo-Ting Optoelectronics Building at National Central University (NCU)
(Inaugurated in 2011)
EEWH Bronze
• 2023 EUI: 23
• Highest energy saving rate to date: 70% (Compared to traditional university buildings)

The Delta Building at The Namasia Minquan Elementary School
(Inaugurated in 2012)
LEED Zero-Energy Consumption
LEED Platinum
EEWH Diamond
• 2023 EUI: 0
• Highest energy saving rate to date: 100% (Compared to traditional elementary school buildings)

Energy saving benefits of Delta's donated green buildings

The Delta Building at National Cheng Kung University (NCKU)
(Inaugurated in 2009)
EEWH
School Category (2009-2012)
• 2023 EUI: 49.74
• Highest energy saving rate to date: 65% (Compared to traditional offices)

Americas Headquarters (Inaugurated in 2015)
LEED Zero-Energy Consumption ^{*10}
LEED Platinum
CBE Annual Livable Buildings Award
WELL Health-Safety Rating (HSR)

- 2023 EUI: 0 < EUI Baseline: 166.88
- Highest energy saving rate to date: 100% (Compared to traditional offices)^{*10}

India Rudrapur Plant (Inaugurated in 2008)
LEED-India Gold

- 2023 EUI: 65 < EUI Baseline: 178
- Highest energy saving rate to date: 76% (Compared to traditional commercial buildings)

India Gurgaon Plant (Inaugurated in 2011)
LEED-INDIA Platinum

- 2023 EUI: 92 < EUI Baseline: 178
- Highest energy saving rate to date: 60% (Compared to traditional commercial buildings)

India Mumbai office Building
(Inaugurated in 2015)
LEED Platinum

- 2023 EUI: 94 < EUI Baseline: 178
- Highest energy saving rate to date: 77% (Compared to traditional commercial buildings)

Multi-purpose building in AKO Energy Park in Japan
(Inaugurated in 2017)
LEED Gold

- 2023 EUI: 86 < EUI Baseline: 165.57
- Highest energy saving rate to date: 50% (Compared to green building application documents)

Beijing Office Building (Inaugurated in 2012)
LEED Silver

- 2023 EUI: 32 < EUI Baseline: 124
- Highest energy saving rate to date: 74% (Compared to traditional offices)

Wujiang IT Data Center (Inaugurated in 2014)
LEED V4 ID + C Gold

- 2023 PUE: 1.31
- Highest energy saving rate to date: 57% (Compared to 2015)
- Electricity savings: 215,762 kWh

Shanghai R&D Building (Inaugurated in 2011)
LEED Gold
WELL Health-Safety Rating (HSR)

- 2023 EUI: 51 < EUI Baseline: 76.1
- Highest energy saving rate to date: 49% (Compared to large-scale civil buildings)

DET Plant 5 (Inaugurated in 1990)
LEED Gold

- 2023 EUI: 704 > EUI Baseline: 640
- Highest energy saving rate to date: 23% (Compared to pre-renovation plant)

DET Plant 7 (Inaugurated in 2022)
LEED Gold

- 2023 EUI: 266 < EUI Baseline: 627
- Highest energy saving rate to date: 57% (Compared to green building application documents)

EMEA Headquarters (Inaugurated in 1987)
BREEAM Very Good

- 2023 EUI: 152 < EUI Baseline: 177.16
- Highest energy saving rate to date: 65% (Compared to non-residential buildings)

Building in Helmond Automotive Campus, the Netherlands (Inaugurated in 2022)
LEED Gold

- 2023 EUI: 65 < EUI Baseline: 76.1
- Highest energy saving rate to date: 56% (Compared to non-residential buildings)

*1 <Bureau of Energy, Ministry of Economic Affairs>2022 Energy Audit Annual Report for Non-Productive Industries (P.30): 144.7 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 and Urban-Rural Development>2022 Shanghai Government Office Building and Large Public Building Energy Consumption Monitoring and Analysis Report (P.14): 76.1 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).

*5 <UN and Indian Bureau of Energy Efficiency> 2016 Energy Efficiency Improvements in Commercial Buildings (P.3): 178 kWh/m² (Air-conditioned office 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 (2014 Netherlands nonresidential buildings) As the pandemic subsided and business transactions increased in Europe in 2022, the number of employees and total work hours increased, which resulted in higher electricity consumption.

*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 Americas Headquarters was designed to have net zero energy consumption. It is equipped with 1.1MW of self-generated, and the self-generated and consumed renewable energy exceeded the purchased gray energy consumption in 2021 and therefore the EUI = 0.

*11 <Bureau of Energy, Ministry of Economic Affairs>2021 Energy Audit Annual Report for Non-Productive Industries (p.28): 76.6 kWh/m² (general university EUI, indoor parking lots not included).

*12 <Ministry of Economic Affairs and Ministry of Education> Energy Conservation Action Plan for Government Agencies and Schools (p.19) approved by the Executive Yuan in 2021 elementary school group 2 EUI: 24 kWh/m².



*13 < LEED 2009 for Existing Buildings Operations and Maintenance Rating System> DET Plant 7 Green Building Application (According to the LEED 2009 for Existing Buildings Operations and Maintenance)-Baseline year 2010-2012 average EUI: 627 kWh/m².

5.4 Water Resource Management

5.4.1 Identification of Water Risks and Response Measures

Establish Risk Assessment Mechanisms

Water is an indispensable resource for the global economy. 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 droughts derived from climate change. Delta uses the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI) to identify the risks to Delta's supply chain and global operation sites. 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.

| Value Chain | Risk Factors | Extremely high | High | Medium-high | Medium-low | Low |
|--|--|--|-------|-------------|------------|-------|
|  <p>Supply Chain Entities at Risk Tier 1 suppliers with continuous transactions in 2023</p> | <p>Hazards: Use the tools of the WRI for hazard classification</p> <p>Exposure: Rating based on the amount of purchases made from suppliers</p> <p>Vulnerability: Determined by the industry characteristics (sensitivity to water usage) of the supply chain</p> | 22.8% | 5.5% | 11.4% | 37.7% | 22.6% |
|  <p>Global Operation Sites Entities at Risk Operation sites, production sites, and R&D centers</p> | <p>Hazards: Use the tools of the WRI for classification</p> <p>Dependency: Classification based on the water consumption and standard deviation of the operation site in previous years</p> <p>Severe: Classification based on the production value/number of employees and standard deviation of the operation site in previous years</p> <p>Probability: Past flooding/droughts are used as the criteria</p> | 20.5% | 13.6% | 8.5% | 30.7% | 26.7% |
| | | Total tap water withdrawal (ML) | | | | |
| | | 1,830.1 | 424.8 | 246.7 | 854.7 | 714.5 |

Water Risk Adaptation and Response



Supply Chain

- ✓ According to the weighted scores, supplier risks can be classified as high (1.3%), medium-high (3.4%), medium-low (9.0%), and low (86.3%).
- ✓ Delta shall share the water conservation experience from its own plants and green buildings with suppliers in high-risk areas 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.



Global Operation Sites

- ✓ According to the weighted score, DET Plant 1 and Plant 5 are classified as a plant at risk. We proposed related water conservation measures to reduce water consumption demand.
- ✓ Global operation sites have established their 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 scenarios of IPCC AR5 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.

5.4.2 Consumption and Effectiveness of Water Resources

Implementation of Water Resources Management

Delta is keenly aware of the connections between water safety and the welfare of the 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. Delta published the Water Resource Policy in 2023 to enhance the resilience of water management amid climate change and increase Delta's capacity for flexible adjustments in face of severe pressure on water resources in the future.

Clean Water for Consumption

In terms of the drinking water and water supply for the kitchen in each plant, tap water must be filtered through a filtration system and sterilized by 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 water meter installation in production plants and buildings and combined them with the Delta Energy Online monitoring 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. Delta provides training courses on water efficiency management and conservation to our employees irregularly.

Effectiveness/Results

Delta has introduced 21 water conservation solutions at global operation sites in 2023 which reduced 56.2 million liters of water consumption.

Pollution Reduction

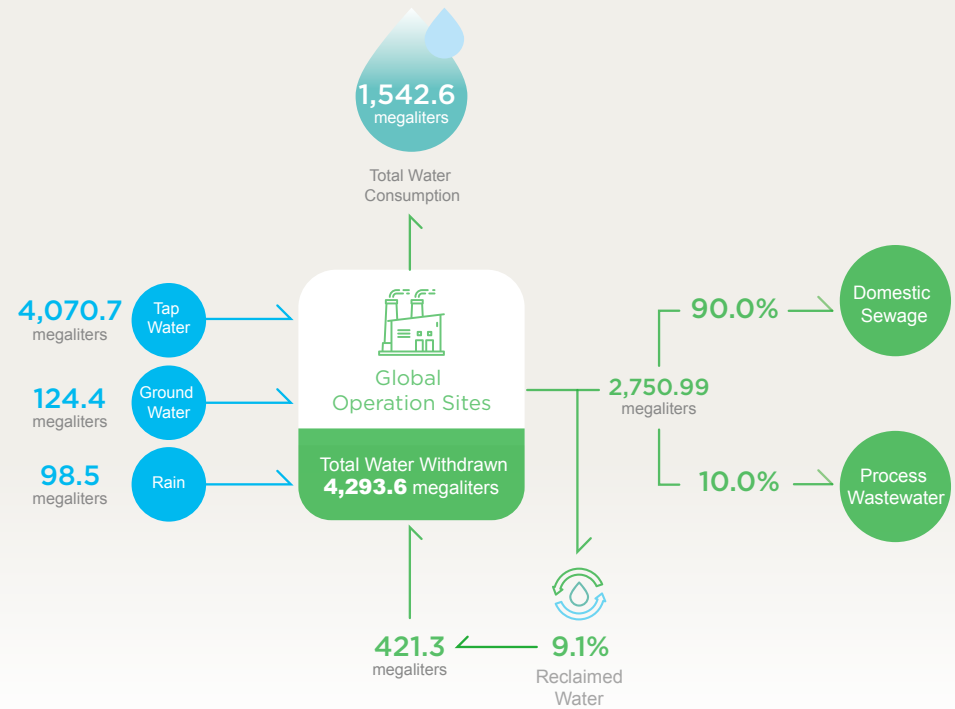
Sewage treatment and wastewater treatment in plants effectively help reduce the negative impact on the environment.

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.

Promotion of Water Conservation and Use of Recycled Water

Delta conducts comprehensive water use assessments to identify opportunities for water efficiency improvement. These assessments analyze water consumption and identify areas where water-saving measures can be implemented. The sources of water of Delta's global operation sites consist mostly of tap water (95%) which is mainly used in cooling towers, restaurants, and daily general sanitation for cleaning bathrooms. In 2023, Delta's total volume of water withdrawn for global operation sites was 4,293.6 ML (include groundwater 124.4 ML and rainwater reuse 98.5 ML). Total water consumption was 1,542.6 ML and water discharge was 2,750.99 ML (90.0% general sewage and 10.0% process wastewater). Total volume of water recycled^{*1} was 421.3 ML and recycled water usage rate^{*2} was 9.1%. Global operation sites implemented a total of 21 solutions in 2023, including: Cooling water tower packing replacement, development of integrated pre- and post-electroplating treatment machines, machine wastewater separation and recovery, and equipment adjustment and improvement, saving a total of 56.2 ML of water consumption.



Water Conservation Performance of Delta's Water Utilization in 2023

Overall Production Plants

In 2023, the overall production plants' WPI was 340 metric ton/MUSD of production, a decrease of 26.4% compared to 2020

Main reasons are as follows:

- Replacement of cooling water tower packing improves energy efficiency
- Recycling of concentrate discharge from the RO pure water system
- Development of integrated pre- and post-electroplating treatment machines

Buildings

The WCI of seven buildings^{*3} in 2023 was 18 metric tons / number of people / year, a decrease of 18% compared to 2020

Main reasons are as follows:

- Fish pond filtering system update reduced water replacement frequency
- Water conservation improvements were made for high-level water tanks in dormitories

*1 Total water recycled = (reclaimed water + rainwater).

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

*3 Seven buildings including Taipei Headquarters - Ruey Kuang Building, Taipei Yang Guang Building, Taoyuan Plant 3, Chungli R&D Center, Tainan Branch Office Phase I & II, Shanghai Technology Development, excluding Dongguan Technology Development, Wujiang Technology Development, Japan Headquarters, Americas Headquarters, and Germany.

Wastewater Management

All waste (sewage) water from Delta's global operation sites 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 and no relevant bills are available, the sewage discharge is estimated to be 80% of the water consumption; while wastewater discharge of Taoyuan Plant 5, Pingzhen Plant, Cyntec and Huafeng plants is calculated by actual monitoring and inspection of 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 all the treatment facilities are meeting wastewater quality requirements and no material impact is posed to the surrounding environment from receiving water. No material leakage or overflow occurred at any production plant in 2023.

Process 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 | 1.771 | 27.5 | 63.7 | 167 | Guishan Industrial Park Wastewater Treatment Company | Nankan River |
| | Pingzhen Plant | 3.1608 | 1.5 | 1 | 13.9 | Treatment within the plant | Dakengque River |
| | Cyntec Hsinchu Plant | 127.322 | 12.1 | 2 | 16.2 | Hsinchu Science Park Wastewater Treatment Company | Keyaxi River |
| | Cyntec Tainan Plant | 15.116 | 4.2 | 15 | 82.4 | Tainan Science Park Wastewater Treatment Company | Yanshuei River |
| China | Cyntec Huafeng Plant | 11.516 | 91 | 53.6 | 169 | Yundong Wastewater Processing Company | Wusongjiang River |
| | Cyntec Huateng Plant | 5.424 | 78 | 42.8 | 136 | Yundong Wastewater Processing Company | Wusongjiang River |
| | Cyntec Wuhu Plant | 112.131 | 38.5 | 39.1 | 145.3 | Zhujiqiao Wastewater Processing Company | Yangtze River |

5.5 Resource Management

5.5.1 Promoting the Circular Economy

Delta actively promotes the circular economy. To assist employees in selecting sustainable materials, reducing waste in daily operations, and capitalizing on the business opportunities presented by the circular economy model, Delta organized three training programs in 2023 for nearly 500 participants. We used the opportunity to introduce the cyclical indicator evaluation methodologies and encourage all business groups to conduct comprehensive inventory of circular economy indicators. Each business group has established an implementation team, and each indicator has a dedicated employee or unit responsible for the inventory.

In 2022, Delta formulated four major circular economy strategies, which include: design for circularity, circular sourcing and manufacturing, shifting from products to services, and product value recovery. We continued to implement the strategies in 2023 and inventoried 17 circular economy indicators in the product value chain of business units for the first time. The indicators included the usage ratio of renewable material, modular design, circular economy revenue, and product recycling, which are expected to be completed in 2024. We formulated management goals and implementation strategies related to the circular economy of business groups based on Delta's Scope 3 reduction pathway. We also formed a consensus for Delta's Circular Economy Plan to attain Delta's target for net-zero by 2050.

Delta participated in the "Taiwan Circular Economy Awards" for the first time in 2023. We promote energy and resource recycling with comprehensive management mechanisms. To attain the target for net-zero by 2050, we have set long-term goals for energy conservation, water conservation, and waste reduction. Delta's excellent results allowed Delta to stand out as it won the first prize "Paradigm of the Year" in amid fierce competition for the "Enterprise Award". We will continue to develop innovative products and services in the future. We will also formulate sustainable waste management and circular economy implementation and strategic directions for the value chain to achieve effective utilization of resources and promote circular economy business opportunities in upstream and downstream industries.



▲ Delta Circular Economy Plan Inventory Workshop



▲ Delta won the first prize "Paradigm of the Year" in the Taiwan Circular Economy Awards. Chief Sustainability Officer Jesse Chou received the award on behalf of the Company.

5.5.2 Waste Generation and Reduction Effectiveness

Implementation of Waste Management

Delta established the "Water Conservation and Waste Reduction Management Committee" in 2016. To promote sustainable resource use and proper waste management, the Committee analyzed waste sources and types, identifying key areas that could be integrated into projects to improve waste management performance, and combined internal and external resources to explore the potential for waste reuse. In 2019, we began to introduce the UL 2799 zero waste to landfill standard and we have gradually increased the number of certified plants each year. The production plants that have received certification so far include Dongguan Plant, Wujiang Plant, Cytotec Hsinchu Plant, and Cytotec Huafeng Plant. Three plants have obtained the highest rating of platinum. Delta will continue to improve the conversion rate of waste through reduction, reuse, and recycling to reduce environmental impact, pursue sustainable use of resources and prevent the depletion of Earth's resources.

The data on Delta's waste production were entered in the internal ESG data platform at regular intervals and placed under the centralized management of the system. We also retain the weighing records and government report data for reference. The management units track the vehicles of the institutions responsible for disposal and perform audits from time to time.

Statistically, the total weight of waste at global operation sites processed by qualified disposal institutions was approximately 49,304 metric tons in 2023, of which, nonhazardous waste accounted for 45,003 metric tons (91%), and hazardous waste accounted for 4,301 metric tons (9%)

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 in operations, including packaging material recycling, reduction of use in processes, and reuse of cartons, pallets, and trailers to attain reuse and reduction. The total amount of waste generated in the value chain activities of Delta's global operation sites totaled 66,626 metric tons. The total amount of all waste converted was 65,960 metric tons and the diversion rate^{*1} was 99%. The revenue from waste recycling totaled 21.8 MUSD.

Delta continued to promote waste reduction measures, and a total of 16 waste reduction projects were implemented at global operations in 2023, 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 450 metric tons of waste production savings and reduced processing expenses by approximately 0.92 MUSD.

Product Waste Recovery

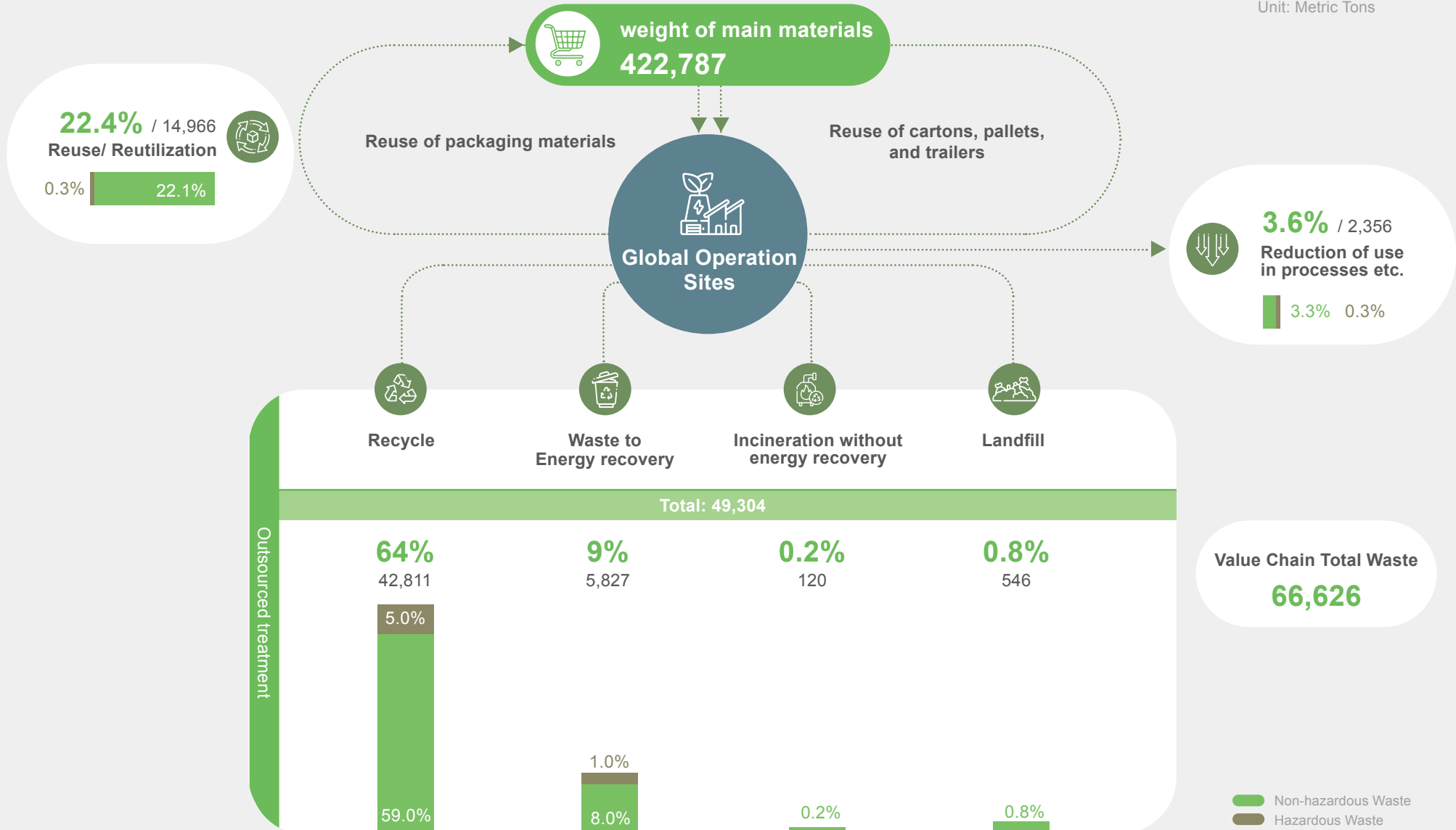
Delta's products are mainly sold to business partners in more than 70 countries on 7 continents. In 2023, Delta conducted a circular economy indicator inventory project to investigate the sales areas of products of each business unit and estimate the total weight of recycled waste products based on the e-waste recycling rate in the region. By leveraging the electronic waste recycling rates of these regions, they estimated the recycling rate of the products at disposal. According to the Global Transboundary E-waste Flows Monitor 2022^{*2} report by the United Nations, which provides statistics on electronic waste recycling rates across continents, it is estimated that approximately 15% of the weight of Delta's products sold in 2023 can be recycled or appropriately managed globally after disposal.

*1 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%.

*2 https://ewaste-monitor.info/wp-content/uploads/2022/06/Global-TBM_webversion_june_2_pages.pdf

Delta Value Chain Waste Flow Chart

Unit: Metric Tons



5.6 Green Products

5.6.1 Green Design

Life Cycle Assessment

Life cycle assessment (LCA) is a systematic analysis method for environmental impact caused in each phase of input and output from the acquisition of raw materials, manufacturing and assembly, transportation and distribution, and use to final disposal. In order to reduce the impact of products on the environment, Delta conducted full-scale LCA and Screening LCA on the environmental impact of respective products according to the international standards ISO 14040 and ISO 14044 in each phase, and introduced green design.

Since 2010, Delta has selected several representative products to perform product carbon footprint research based on the Life Cycle Assessment methodology in accordance with PAS 2050 and ISO 14067 standards. They included the carbon footprint inventory of notebook external power supply units (adapters), DC fans, PV inverters, high-efficiency rectifier modules, switching power supplies, and DC/DC modules for EV powertrains, for which third-party verification statements were obtained. 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 life cycle, while "acquisition of raw materials" comes in second.







Delta has a large variety of products, and for this reason, we calculate our carbon footprint in separate stages. In 2022, the Supply Chain ESG Committee assembled business group

for the comprehensive product carbon footprint system project and published the "Delta Group's Product Carbon Footprint Strategies". We expanded the product categories included in the inventory to adapters, power chokes, stators, DC fans, LED high bay, wireless APs, electric vehicle charger IC-CPDs, digital projectors, and integrated low-voltage DC brushless vehicle motors in accordance with ISO 14067 Product Carbon Footprint Standards. We also obtained third-party verification statements. We organized in-person training programs and online courses in 2023 to help employees understand product carbon footprints. We also compiled lessons learned from the carbon footprint inventory and shared inventory tools and resources through internal announcements to accelerate the internal product carbon footprint inventory.

We used the existing Delta Material Carbon Emission Database and would establish a product carbon footprint calculation methodology and introduce international carbon emission factor databases to create a platform of knowledge. We would analyze product carbon footprint hot spots and opportunities for carbon reduction, and use circular business models, green product design, partnerships with low-carbon raw material suppliers, voluntary energy conservation and renewable electricity operation in plants the setup of green logistics, waste management, and continuous engagement, communication and encouragement for value chain partners to jointly accelerate product carbon footprint reduction actions.

Continuous Reduction of the Environmental Impact of Products

Delta has upheld the mission statement "To provide innovative, clean and energy-efficient solutions for a better tomorrow" and has incorporated the spirit of green product design and circular design into the life cycle of products in the development process. We continue to develop and innovate energy-efficient products and solutions to provide efficient and reliable integration solutions and services for energy conservation. Our strategy includes allocating R&D resources to minimize waste. We continue to provide training programs for circular design, including the principles of making changes at the source, using waste as resources, maintaining high-value use, and considering pathways for the circular economy. We introduce strategies for circular design, choosing low-carbon materials, providing product access, extending product life, and creating product residual value to design products or services from a product life cycle perspective and increase the efficiency of resource consumption and reduce environmental impacts.

| Product Life Cycle Stage | Strategies for Reducing Environmental Impact of Products | More Information |
|--|---|--|
|  Product Design | <ul style="list-style-type: none"> Consider the full life cycle (raw materials/energy/water/waste) Modular design | |
|  Raw Materials | <ul style="list-style-type: none"> Lightweight product design Adoption of green packaging materials Use of renewable/ recycled/ recyclable materials Green supply chain Local procurement of materials Chemicals and hazardous substance management | Ch 4.5 Supply chain Sustainability Management Ch 5.5 Resources Management Ch 5.6.2 Hazardous Substance Policy and Management |
|  Manufacturing and assembly | <ul style="list-style-type: none"> Green building plants Adoption of energy conservation / water conservation / waste reduction solutions Resource recycling Use of renewable electricity | Ch 5.3 Energy Management Ch 5.4 Water Resource Management Ch 5.5 Resources Management |
|  Transportation & Distribution | <ul style="list-style-type: none"> Reduce packaging volume design Lightweight product design Improved transportation efficiency | |
|  Usage | <ul style="list-style-type: none"> Enhance energy efficiency of products | Ch 5.6.4 Energy Saving Benefits and the Avoided Emissions of Products |
|  Final Disposal | <ul style="list-style-type: none"> Use of recyclable materials Design for ease of recycling and dismantling Meet requirements of local environmental protection regulations (e.g., EU WEEE Directive) | Ch 5.5 Resources Management |

5.6.2 Hazardous Substance Policy and 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 Regulations); 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 the "California Proposition 65" (Prop 65); the "Toxic Substances Control Act" (TSCA) list of the U.S. Environmental Protection Agency; Prohibition of Certain Toxic Substances Regulations, 2012 (SOR/2012-285) in Canada; to Japan's "Chemical Substances Control Law" (CSCL). We pay advance attention to these regulations, and at least one year before the implementation of a regulation, we incorporate it into our management standard and implement the introduction.

EU and US regulatory authorities have shifted their focus to per- and polyfluoroalkyl substances (PFAS) in recent years. The US TSCA and the EU's POP and REACH directives have added new management plans, and the electronics industry is trying hard to respond and adjust to the changes.



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 once a year. Under the management regulations, each plant has established detailed control procedures, including material recognition, testing requirements, reports, 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 supplier audits with incoming material inspection and sampling, parts engineering units, and materials units to establish a complete hazardous material management system.



Delta's Hazardous Substance Management System

Delta introduced the IECQ QC 080000 Hazardous Substance Process Management System to ensure a consistent set of standards for hazardous substance management. We also set up a comprehensive internal process for hazardous substance management from material evaluation and material numbering to material procurement with product life cycle management (PLM) and enterprise resource planning (ERP). 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.



Disclosure of Hazardous Substances

The composition of electronic products is complex, and the most major concerns of customers are the substances of very high concern under EU REACH and RoHS exclusion-related statements. Take power supplies as an example, there are mainly 17 disclosed substances in Delta's electronic products, including resin materials and additives, metal surfaces, electrical contact alloys, electrolyte additives, ceramic material additives, flame retardant, and hazardous substances, such as antimony trioxide, boric acid, and siloxane.

In addition to disclosing hazardous substances in response to customer demand, Delta has also responded to investor expectations. All products in the Power and System Business Group comply with the IEC 62474 Material Declaration for Products of the Electrotechnical Industry. Information on all standard power supply product lines has been placed on the official website to provide complete statements and information disclosure for RoHS, REACH, Prop 65, and TSCA. We also completed the International Material Data System (IMDS) reference settings for automotive product lines.



Progress on the Response to the Latest Legislation

In 2022, the European Commission proposed to add tetrabromobisphenol A (TBBP-A) and medium-chain chlorinated paraffins (MCCPs) to the list of restricted substances in the RoHS Directive. Delta had evaluated and completed the phasing out of such substances many years ago and will thus be compliant with the latest RoHS changes in the shortest possible time.

EU and US regulatory authorities have shifted their focus to per- and polyfluoroalkyl substances (PFAS) in recent years. As PFAS is both carcinogenic and non-degradable in the natural environment, the industry must exercise greater caution in its use. Due to its stable nature and high performance, PFAS is commonly used in electronic products. Delta has launched an inventory in 2023 to strengthen communication with upstream raw material suppliers and collect detailed information to meet requirements of the disclosure of materials.

Delta's Phase-Out Program for Hazardous Substances

Since Delta's introduction of the first lead-free soldering production line in 2000, it has eliminated hazardous components that do not comply with regulations, and has actively reviewed 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.

All Delta plants have adopted solvent-free protective insulation paint since 2020. Solvent-free materials provide higher protection and significantly reduce emissions of volatile organic compounds (VOCs). Each kilogram of material reduces an average of at least 500g of VOC emissions. It improves air quality and protects employees' health.

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 was completed in 2023 before regulatory requirements became official. We incorporated the standards of GreenScreen for Safer Chemicals in the selection of flame retardants and plasticizers to satisfy green labeling requirements such as TCO and EPEAT. In new products produced after 2024, we will adopt higher standards to provide safer products and services.

2000

Introduction of the first lead-free soldering production line

2002

Delta established Environmental Hazardous Substance Management Policies and Regulations

2005

Adoption of the ISO 14001 Environmental Management System

2007

Adoption of the QC 080000 Hazardous Substance Process Management System

2007

Delta established Delta's Halogen-Free Regulations

2008

Delta established Green Product Management (GPM) Information System

2010

Delta completed the first product carbon footprint inventory

2013

Registration in the International Material Data System (IMDS)

2021

Production plants in Taiwan, Mainland China, and Thailand no longer use chlorinated organic solvents or cleaning agents which contain CMR Level 1 ingredients.

2022

Delta established Environment Related Substance (ERS) Management Platform

2022

New models do not use highly toxic flame retardants such as TCEP or TCPP.

2023

Information on all standard power supply product lines has been placed on the official website to provide complete statements and information disclosure for RoHS, REACH, Prop 65, and TSCA.

Rare Metals






Delta uses rare metals for certain elements of its electronic components, particularly rare metals defined by the Sustainability Accounting Standards Board (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.

Gallium plays a critical role in the next generation of semiconductor power components. Rare elements such as cobalt, tantalum, palladium, and antimony are widely adopted in a variety of passive components such as resistors, capacitors and magnetic components. Rare earth elements are also indispensable parts of passive components.

5.6.3 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.




| | | |
|---|--|--|
|  | Taiwan Green Mark | 47 projector products have obtained the Taiwan Green Mark |
|  | Taiwan Energy Label | 95 products have obtained the Taiwan Energy Label (including indoor light fixtures, luminaires for road and street lighting, ventilating fans for bath room use, electric fans, and others) |
|  | China Environmental Labelling | 50 products certified by China CEC* |
|  | ENERGY STAR Most Efficient Products Recognition | 95 products received ENERGY STAR's highest recognition for efficiency (including ceiling fans and ventilating fans) |
|  | 80 PLUS Certification | 499 power supply products certified by 80 PLUS |

* Phased-out products are not included.

Type II Environmental Declarations

The life cycle assessment results of several products show that the environmental impact from the "use phase" of Delta's core products is currently most significant during their actual life cycle. 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 "EnergyE" program for telecom power supplies in 2010 and it 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 a purple label for efficiency higher than 97% , which are placed on products to help customers distinguish between products efficiencies.

| | |
|---|-----------------------------|
|  | Efficiency > 97% |
|  | Efficiency 96% ~ 97% |
|  | Efficiency 95% ~ 96% |

5.6.4 Energy Saving Benefits and the Avoided Emissions of Products

Delta continues to develop innovative energy-saving products and solutions to provide efficient and reliable energy-saving integrated solutions and services. We also continuously improve the energy efficiency of our products to help customers save more energy and achieve better cost-saving performance. Based on the shipment of power supplies, direct-current fans, uninterruptible power supplies, inverters (variable frequency drives), LED street lights, PV inverters, and EV DC chargers shipped between 2010 and 2023, Delta's high efficiency products saved customers an estimated 45.5 billion kWh of electricity and reduced carbon emissions by nearly 23.84 million metric tons CO₂e^{*1}.

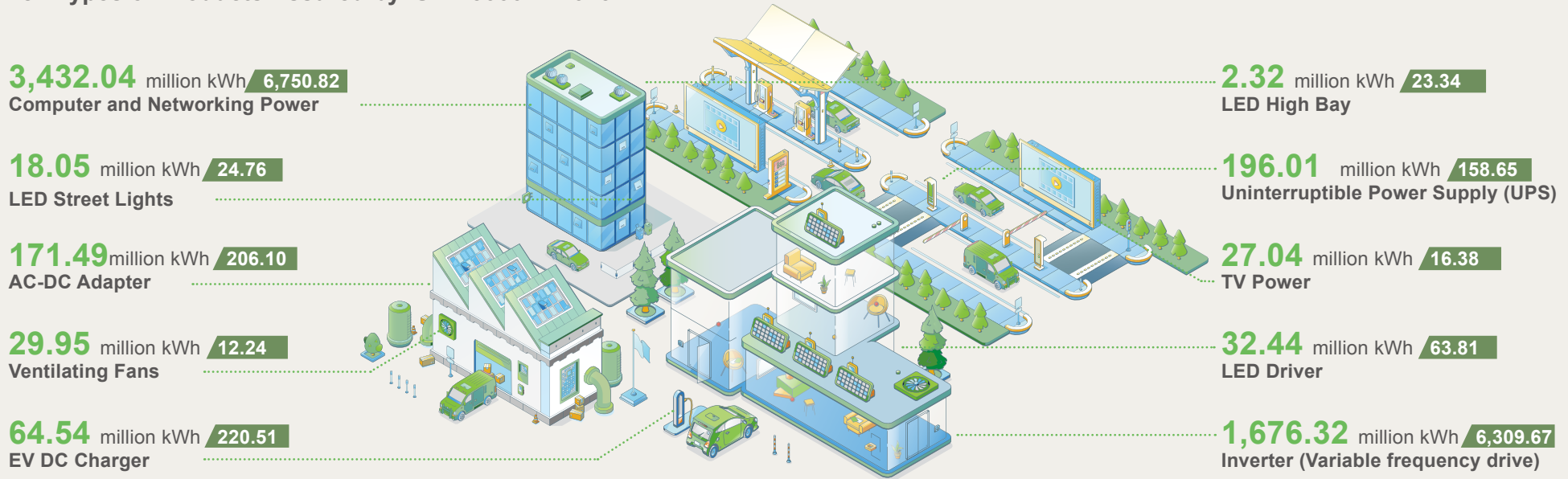
In 2015, Delta was the first in the industry to introduce product energy-saving calculations into ISAE 3000 assurance. In 2023, Delta became the first in Taiwan to calculate avoided

emissions and obtain ISAE 3000 assurance in accordance with the "Guidance on Avoided Emissions" published by the World Business Council for Sustainable Development (WBCSD) in 2023.

In 2023, Delta's products saved, in total, 5.65 billion kWh of electricity per year and avoided emissions by approximately 13.78 million metric tons CO₂e in use phase. The ten products included computer and networking power, ventilating fans, LED street lights, AC-DC adapters, EV DC chargers, LED high bay, UPS, TV Power, LED drivers, and inverters (variable frequency drive). The revenue from sales accounted for 24.6% of Delta's total revenue. For more information, please refer to Appendix 7.5 Summary of Information Assured (ISAE 3000)

*1 The reduced carbon emissions in 2023 was based on the electricity emission coefficient of 0.495 kg CO₂e/kWh for Taiwan in 2022.

Ten Types of Products Assured by ISAE 3000 in 2023



● 2023 electricity savings ● Avoided emissions (thousand mtCO₂e)

5.7 Biodiversity

Biodiversity loss has accelerated due to the impact of climate change. Humans' overconsumption of natural resources has also created systemic risks of the collapse of the ecosystem. In addition to its long-term focus on climate change, Delta incorporated biodiversity into its sustainability strategy in 2022. We will continue to support the Sustainable Development Goals (SDGs) with real actions and the core competencies of the Company.

5.7.1 Biodiversity Management and Implementation

Delta's Board of Directors passed the Delta Group Biodiversity Policy in 2022 to implement avoidance, minimization, restoration, offset and additional actions within the scope of corporate actions. Delta also works with upstream value chain and partners to achieve No Net Loss (NNL). We aim to achieve the ultimate goal of Net Positive Impact (NPI) by 2050.

2022

- Established the Delta Group Biodiversity Policy
- First disclosure in the 2021 ESG Report in accordance with the TNFD beta v0.2 framework
- Commenced the Renewable Electricity Due Diligence Investigation Project
- Joined the Taiwan Nature Positive Initiative (TNPI) launched by BCSD Taiwan as a founding member

2023

- Joined the TNFD Forum
- Disclosure in the 2022 ESG Report in accordance with TNFD beta v0.4 framework
- Completed establishing the Renewable Electricity Ecological Due Diligence Investigation process and tools, and completed trial implementation at several sites in Taiwan
- Completed the first biodiversity risk assessment (Site assessment, nature-related dependencies and impacts assessment)

2024

- Became a TNFD Early Adopter
- First disclosure in accordance with the official TNFD v1.0 framework

To learn about the connection between Delta's operations, its value chain, and nature, Delta adopted the LEAP process recommended by TNFD and completed the first biodiversity risk assessment in 2023. From the perspective of the overall value chain, Delta started with questionnaires to understand Delta's dependence and impact on nature in the upstream, midstream, and downstream sections of the industry. We also used overlay analysis for individual sites to determine whether the operating sites are close to important biodiversity sites recognized by the international or national governments. In addition to continuous analysis of the risks and opportunities arising from the above content for operations, Delta has considered the possibility of taking action.

Renewable Electricity Ecological Due Diligence Investigation

Delta joined RE100 in 2021 and committed itself to attaining the goal of using 100% renewable electricity by 2030. We therefore understand that we will rely heavily on renewable electricity and may also cause more potential ecological impacts due to the use of renewable electricity. To effectively reduce the negative impact, Delta worked with an ecological consulting company to take inventory of the potential ecological impacts of different types of renewable electricity projects through literature review. We then established Delta's renewable electricity ecological due diligence methodology with reference to the environmental and ecological assessment management processes of domestic and foreign renewable electricity projects. It includes assessment processes, verification tools, and operation manuals, as well as evaluates multiple aspects such as biodiversity sensitive areas around project sites, changes in natural habitats and species of concern in the project sites, response strategies, and eco-friendly actions as a reference for purchasing electricity. The evaluation process is divided into three stages. In the first and second stages, members of the Delta RE100 working group conduct basic and advanced evaluations. Based on the evaluation scores, the sites are classified as permitted for direct purchase, not permitted for purchase, or requiring a third stage professional ecological evaluation. If the latter is the case, external ecological experts are appointed to assist in the professional evaluation, which is used as the final input for determining the purchase. We completed the pilot evaluation of purchased renewable electricity projects in Taiwan, including solar, onshore wind, and biomass. Taking the biomass energy site as an example, in addition to conducting site assessments, the source of raw materials is also taken into consideration, ensuring that the wood chips used as biomass energy feedstock are Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC). In the future, we will continue to optimize the assessment process and tools, and organize internal training programs to expand their use to Delta's RE100 regional work groups. We will also implement restoration to minimize the ecological impact of the use of renewable electricity.



▲ Delta's RE100 Taiwan Working Group conducted due diligence at a biomass renewable energy project site.

5.7.2 Taskforce on Nature-related Financial Disclosures (TNFD)

The Taskforce on Nature-related Financial Disclosures (TNFD) launched the beta framework in 2022 and Delta disclosed the corresponding information for the four pillars for the first time in the 2021 ESG Report. In 2023, Delta became a member of the TNFD Forum to continue to track the latest trends in TNFD. In January 2024, Delta became one of the TNFD Early Adopters and commits to information disclosure in accordance with the TNFD framework.

Delta introduced the TNFD framework to establish a framework for nature risk management and disclosure, aligning with the Kunming-Montreal Global Biodiversity Framework (GBF) passed in late 2022, which mentions that the private sector must manage and disclose biodiversity-related risks to ensure a sustainable production model. We will work to identify, assess, manage, and disclose nature-related dependencies, impacts, risks, and opportunities and continue to enhance assessment methodologies to support global biodiversity targets by taking real actions.

The 2023 data based on the official v1.0 framework published by TNFD in September 2023 are as follows. For detailed information, please refer to the [2023 Delta Electronics TCFD & TNFD Report](#).

Governance

- Delta's highest-ranking supervisory authority of nature-related risks and opportunities is the ESG Committee. The biodiversity implementation plans have been reported to the Board of Directors, which passed the Delta Group Biodiversity Policy in 2022.
- Delta has identified departments for the management of nature-related issues. They include the Corporate Sustainability Development Department, Supply Chain ESG Committee, and Delta Electronics Foundation, which play different roles based on their core businesses and capabilities. As the number of nature-related management issues increases, we expect other departments such as plant operations, human resources, and business groups to play different management roles in the future.

Strategy

- Delta has completed an analysis of its global operation sites and the top 100 supplier operation sites. There are currently no sites directly located in biodiversity sensitive areas.
- Delta identified the dependencies and impacts through questionnaire surveys shared among upstream suppliers, its own operations, and downstream customers. The main dependencies are global climate regulation services and rainfall pattern regulation services. The main impacts include freshwater resource usage, fossil fuel and electricity consumption, greenhouse gas emissions, generation of waste, and mineral resource usage.
- We used the Aqueduct Water Risk Atlas of the World Resources Institute (WRI) to screen overall production plants and tier 1 suppliers with whom we have continuous transactions in 2022 located in areas with high water risks. The results detailed in to Ch 5.4.1 Identification of Water Risks and Response Measures

Risk and Impact Management

Delta's nature and biodiversity risk assessment is implemented in two parts:

- Operation site assessment:** We compiled the coordinates of Delta's global operation sites and top 100 suppliers for overlay and buffer analysis with biodiversity data such as the local map data of Taiwan (e.g., public maps of protected areas, important habitats, and biodiversity hotspots) and international map data (IUCN World Database on Protected Areas (WDPA)) to check whether they are directly located in or adjacent to a biodiversity sensitive area.
- Dependencies and impacts assessment:** We distributed questionnaires to suppliers, Delta employees, and customers to learn about the dependence and impact on nature at each stage of the value chain, including the likelihood of occurrence, extent of impact, and preparedness for various risks.

We have set our strategies and principles in policies and commitments and we adopted avoidance, minimization, restoration, offsetting, and additional conservation actions to determine the sequence and process.

- Avoidance:** Avoid causing negative impacts.
- Minimization:** If the negative impact cannot be avoided, it should be minimized as much as possible. Corresponding actions will be set for operation sites, products, and the value chain.
- Restoration:** Take restoration actions in response to the negative impacts caused by operations of the organization.
- Offsetting:** After implementing the three actions above, any remaining negative impacts should be offset.
- Additional conservation actions:** Take conservation actions beyond the scope of the organization's value chain to support biodiversity.

Delta Electronics India's Commitment to Conservation: 5-Year Effort to Restore Hosur Forest

Delta Electronics India is demonstrating its commitment to environmental conservation through a 5-year CSR initiative focused on the Hosur Forest Division in Tamil Nadu. With a pledge of Rs. 5.00 Lakhs, the initiative aims to enhance habitat quality, create artificial ponds, and implement barrier works to mitigate human-elephant conflict.

Located in the biodiverse Krishnagiri District, Hosur Forest Division accounts for 468 species of plants, 36 species of mammals, 272 species of birds, and 172 species of butterflies. The Hosur Forest Division is a crucial elephant habitat, home to about 225 - 250 elephants both resident and migratory elephants.

The presence of water bodies in agricultural lands outside the Reserve Forest areas attracts elephants, especially all along the reserved forest boundary. When the water resources dry up in summer, the elephants are forced to venture into agricultural fields, causing human-elephant conflicts such as crop damage and loss of human lives and property. To cater to the water needs of wildlife, water troughs are created inside the forest at regular intervals. However, during the summer season, most of the waterholes inside the forest dry up completely, leaving an acute shortage of water inside the forest.

The Forest Department's efforts include erecting barriers and constructing water structures. To support these initiatives, Delta Electronics India collaborates with stakeholders to ensure sustainable habitat management. By investing in Hosur Forest Division's restoration, Delta Electronics India not only conserves wildlife but also fosters harmony between communities and ecosystems.



Metrics and Targets

- We aim to purchase printing paper with non-deforestation certifications or labels (e.g., FSC, PEFC, etc.) to reach a no deforestation target and have positive impacts on the environment, social development and governance by 2025. In 2023, three out of the six regions in the procurement scope for printing paper have achieved a 100% adoption rate. The remaining regions are actively seeking suitable suppliers and gradually increasing their adoption rates.
- We aim to restore 28 coral species and plant more than 10,000 coral fragments propagate by 2025.
- We plan to reach a Net Positive Impact (NPI) target in 2050. The overall biodiversity score considers populations of specific target species, area, connectivity, integrity of ecosystems, and credits from Natural Climate Solutions (NCS).

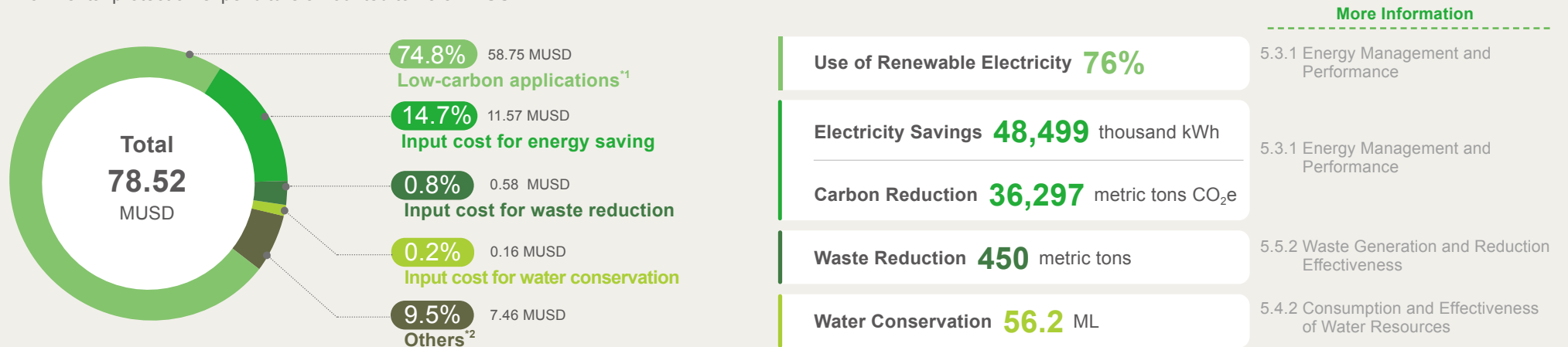
Unlike climate change, nature-related issues are highly complex and highly localized. Furthermore, there is currently no single integrated indicator for measurement. This poses a considerable challenge to Delta as a multinational enterprise. In addition to the above indicators, we will continue to track international research progress and aim to establish a set of Measurable, Reportable, and Verifiable (MRV) indicators. Simultaneously, we have initiated various projects, committed to reducing negative impacts on biodiversity within our scope of influence, implementing biodiversity management, and moving towards the 2050 NPI goal.

5.8 Environmental Management

Upholding its corporate mission of "To provide innovative, clean and energy-efficient solutions for a better tomorrow", Delta has published its Environmental, Safety and Health Policies. Delta's ISO system implementation team implements the system in a Plan-Do-Check-Act model, while top management regularly reports on the implementation to the Board of Directors. Delta's Overall production plants have passed third party certification of the ISO 14001 Environmental Management System and promote environmentally-friendly performance management.

5.8.1 Environmental Protection Expenditures

Delta continues to invest in various environmental projects, including low-carbon applications, energy saving, water conservation, waste reduction, and others. In 2023, Delta's total environmental protection expenditure amounted to 78.52 MUSD.



*1 Including the energy storage facilities, investments in low-carbon transportation (including EVs and charging facilities), electricity attribute certificates (EACs), Company's solar PV facilities, direct purchase of renewable electricity and green electricity products.

*2 Including waste, air pollution and waste (sewage) water treatment fees, environmental testing fees, and management system verification costs.

5.8.2 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; moreover, gas monitoring is regularly scheduled at discharge outfalls of the plants. Currently, air pollutants generated by Delta include Volatile Organic Compounds (VOCs), Nitrogen Oxides (NO_x), Sulfur Oxides (SO_x), and particulate matter (PM).

The total VOCs in 2023 were calculated based on data from monitoring reports and operation time. The total emissions amount declare of VOCs in global operation sites was 233.2 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 (40.5 metric tons) and sulfur oxides (1.2 metric tons) 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. The total amount of suspended particulate matter generated was 60.2 metric tons.

6

Employee Relations and Social Engagement

- 6.1 Key Performance Indicators
- 6.2 Diversity, Equity and Inclusion
- 6.3 Talent Attraction & Retention
- 6.4 Sustainable Development of Talents
- 6.5 Human Rights Protection
- 6.6 Social Engagement
- 6.7 Occupational Health & Safety



6.1 Key Performance Indicators

32%

Ratio of female managers

91%

Offer letter acceptance rate

100%

Employee human rights risk assessment coverage rate

88%

Percentage of positive responses from employee engagement

19.0

Average hours per person of training and development

525

Number of volunteers ^{people}

13.42

Social engagement expenditures ^{MUSD}

0.77

Rate of recordable work-related injuries of employees ^{*1}

0.60

Lost-time injury frequency rate of employees ^{*2}

*1 Rate of recordable work-related injuries of employees = Number of recordable work-related injuries of employees / Number of hours worked * 1,000,000

*2 Lost-time injury frequency rate of employees = Number of lost-time injuries of employees / Number of hours worked * 1,000,000

6.2 Diversity, Equity and Inclusion

6.2.1 Culture of diversity, equity and inclusion

New Core Value

The redefinition of corporate culture is implemented to support the growth and transformation of the Company. In the past, Delta mainly produced products, but now it provides customers with systems and solutions based on its original success. With more intensive cooperation across different fields of knowledge, many concepts and methods require more advanced definitions. This adjustment combines work functions and management functions and is implemented in work and life, confirming that Delta's core value is not merely a slogan but is truly integrated into the daily life of every Delta employee. The core value is conveyed through multiple means such as Delta Publish, videos, and websites, and integrated into the daily life of every Delta employee through "selection, recruiting, training/development, and retention".



Integrity

Honestly dedicated to achieving quality with our work, upholding the highest level of professional standards and matching our words with actions.

Innovation

Looking ahead to discover future possibilities, embracing continuous learning to innovate with creative solutions and breaking through the status quo.

Inclusion

Open to diverse perspectives, respecting of differing opinions and inclusive of various backgrounds that offer unique contributions.

Collaboration

Creating synergetic partnerships that achieve shared goals with agility and precision, putting partners, clients and users at the center of our collaborative efforts.

Empowerment

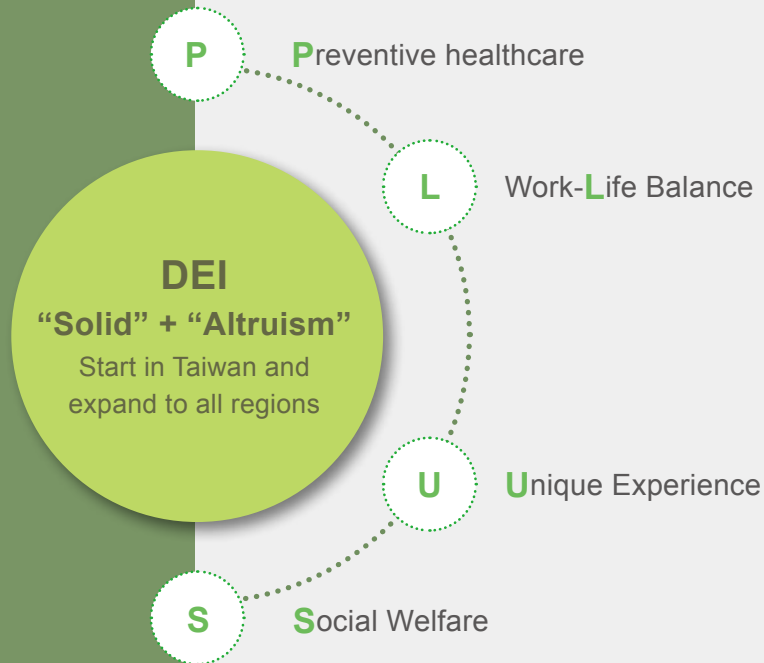
Achieving our own success by empowering others to realize their own goals, encouraging active and enthusiastic growth to fulfill everyone's potential.

Start in Taiwan and Expand to All Regions in a Global Initiative for Implementing Diversity, Equity and Inclusion (DEI)

Since 2017, Delta has started from Taiwan Headquarters and actively promoted its employer brand based on Delta's corporate brand. Starting from the "solid" perspective of strengthening high-quality human resources and enhancing competitive advantages, we have launched "altruistic" actions to facilitate collaboration and empowerment between different groups. Since 2020, we have expanded to global locations to seek common ground while preserving our unique characteristics. We have integrated the concept of DEI to develop a unique employee experience in each location, and added an "inclusion" project to the Delta core values in 2023. We have also integrated the Workplace PLUS Strategy to implement specific DEI measures based on local conditions. As Delta

continues to expand its business, it pays more attention to diverse cultures, generations, and the needs of different groups. We actively promote DEI to enable talents from all different backgrounds to develop their potential at Delta. We have launched online courses on DEI and introduced methods and tools to eliminate unconscious bias to help employees understand the nature of unconscious bias. We provide strategies and techniques to identify, respond to, and mitigate the impact of bias. We also focus back to employees' sense of belonging with continuous improvement and enhancement through employee engagement surveys, human rights due diligence, and performance and salary reviews on a regular basis.

Delta promotes Global DEI initiatives with the PLUS Strategy



Senior executive interview video on the Delta Core Value: The Chief Sustainability Officer and President of EMEA elaborates the behavior index and shares personal experiences.



Senior executives personally practice diversity, equity and inclusion: On the left, DET Chief Operating Officer spoke entirely in Thai in the video to wish employees a happy new year. On the right, senior managers (pictured here is the Chief Human Resources Officer) and migrant workers experienced each other's cultural celebrations during the Southeast Asia Carnival.

Main actions for diversity, equity and inclusion

Open to diverse perspectives, respecting of differing opinions and inclusive of various backgrounds that offer unique contributions.



Employee composition

Delta pays attention to the appointment of gender minorities, people with disabilities, and ethnic minorities. We track the implementation status each year and enhance employee diversity.



Equal development support measures

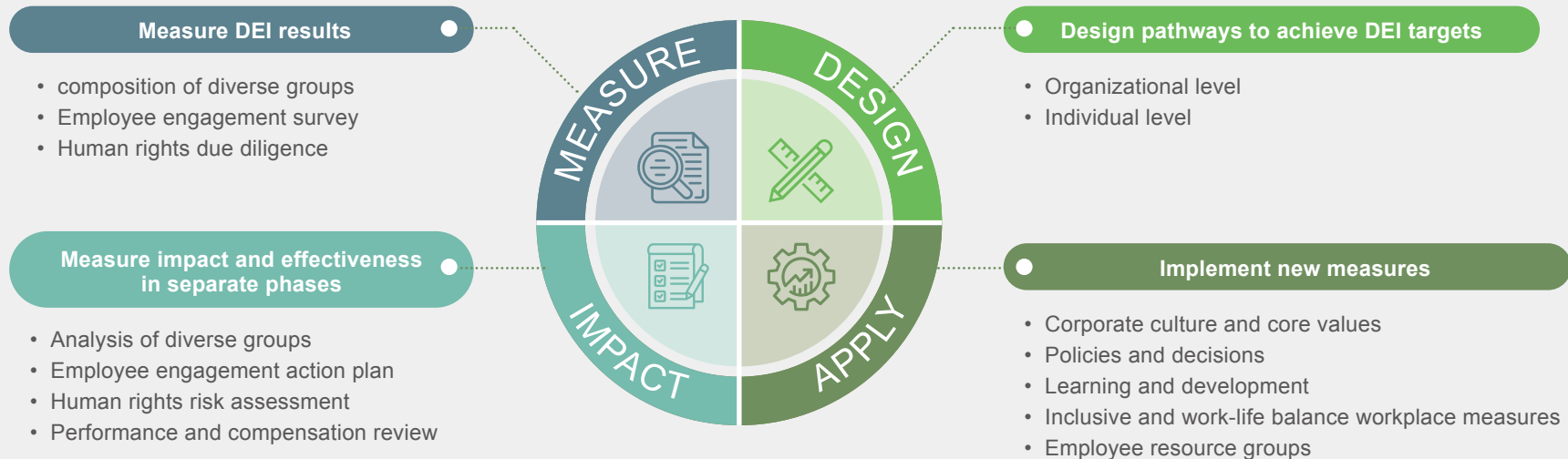
We promote care and support measures for gender minorities, migrant workers, and other ethnic groups as well as working parents. In addition, the recruitment and development of employees are not affected by gender, race, age, religion, or marital status, and regular reviews are conducted to ensure that there is no difference in salary based on gender to ensure that everyone in Delta enjoys the equal rights.



Create an inclusive cultural environment in the workplace

Establish correct understanding through training and inclusive activities, promote connections and exchanges between different generations, cultures, and ethnic groups, and eliminate unconscious biases in the workplace.

Diversity, equity and inclusion promotion structure



6.2.2 Create an Inclusive Cultural Environment in the Workplace



Cultural implementation

Delta launched a new version of core values and behavior index, which were conveyed through videos, websites, and other means.

- Delta launched online courses on "Delta Core Values" and " Diversity, Equity and Inclusion" which accumulated more than 20,000 views by employees around the world.
- With these courses, employees learn how to change their thinking, become promoters for eliminating unconscious bias in the organization, and create an environment with a sense of belonging.



Inclusiveness activities

Delta organizes activities to help employees understand DEI and unconscious bias, and unite employees in the organization to strengthen their commitment to DEI.

- Delta organized the "Embrace DEI and Embrace Every Unique You" online event in Taiwan and Mainland China for a total of nearly 5,500 participants.
- With these activities, we help employees better understand diversity, equity and inclusion (DEI) and unconscious bias, provide methods to reflect on and overcome bias, unite employees in the organization to strengthen their commitment to DEI, and continue to implement it in the workplace environment.



Impact of interactions

We organized a series of lectures and used interactive podcasts for Delta specialists or key experts to teach employees new ideas and mindsets and help them turn knowledge into action.

- Held two DEI seminars in Taiwan:
 1. Breaking down barriers and regaining the courage to venture out into the world: Share career and transnational leadership and management issues. The course satisfaction score was 4.71 points. Attendees reported that the course helps cultivate participants' open thinking and personal growth.
 2. Making yourself irreplaceable and deciphering the diverse aspects of cross-generational communication: The course content includes cross-generational communication, learning spirit, and cultivating passion for work. The course satisfaction score was 4.74 points. Attendees reported that the course was highly practical and provided many cross-generational communication ideas and communication skills that can be used in real life.
- The "Voice of Delta" podcast featured DEI topics in two episodes: Employees shared their DEI mindset at work and how to improve workplace judgment and communication skills by detecting bias and empathy.



Cognitive training

Cognitive training helps supervisors detect possible biases and barriers to inclusion in their teams, and promote a diverse and inclusive team.


- We held unconscious bias training courses in Taiwan to help managers detect their own unconscious biases and be willing to continue to participate in DEI activities or organizations. One-third of supervisors are willing to serve as lecturers and participate in employee resource groups.
- In Mainland China, we arrange book club sessions in training camps for new managers to exchange ideas on cross-generational management. We held livestreaming online expert book club sessions with Delta employees serving as book experts to cover diverse topics such as detecting bias, exerting influence, and communication practice.
- We organized leadership workshops across regions and nationalities for the APAC region to enhance cross-cultural leadership, communication, and cooperation skills, and promote teamwork between expatriates and local employees.

Global Village with Transnational Cultural Integration

Delta recruits diverse talents from more than 40 different nationalities, encompassing a variety of ethnicities, cultures and backgrounds from around the world. We organize inclusive activities to create a work environment where everyone can feel a sense of belonging, including experiencing national festivals, interactive activities between different teams, or cultural activities. They enrich employees' knowledge and help them keep an open mind as well as respect different opinions and ideas to foster a cultural environment of inclusiveness.


Americas

- We host a Lunar New Year dinner party to celebrate the Chinese New Year together.
- During the Mid-Autumn Festival, employees from different countries share mooncakes to celebrate a moment of gratitude and unity.



Thailand Plants

- We organize cultural experience tours and Thai language courses for expatriates to help employees understand and adapt to local customs.
- We encourage employees to express themselves during year-end celebrations and participate in prayer ceremonies to wish for health and prosperity.
- During Songkran, employees from all over the world dressed in traditional costumes and participated in water-splashing and merit-making ceremonies.




EMEA

- Christmas celebrations include food, music, and dance for creating a diverse and inclusive festival.


India Plants

- During Hanukkah, employees wear colorful ethnic costumes and we organize a variety of interesting folk activities such as dance and music performances.




China

- During the Dragon Boat Festival, employees make rice dumplings, sachets, and use silvery wormwood and sweet flag to attract good fortune and ward off evil spirits.
- Employees from different provinces and nationalities gather together during the winter solstice to experience the warm atmosphere of being together.



Singapore offices

- We organize cross-national exchange activities from time to time to enhance mutual understanding and cooperation between teams through activity design.
- Employees from different nationalities and backgrounds gathered at the Christmas lunch to share delicious food and festive stories, and thus create an inclusive team.




Australia offices

- We celebrate World Inclusion Day and Thanksgiving with culinary journeys, experiencing food and cultural stories from different countries.

Taiwan

- We organize the Delta Southeast Asia Carnival to celebrate the Thai New Year Songkran Festival with migrant workers.
- Migrant workers tried their hand at painting pomelos for the Mid-Autumn Festival, and Vietnamese and Thai language calligraphy during Chinese New Year.



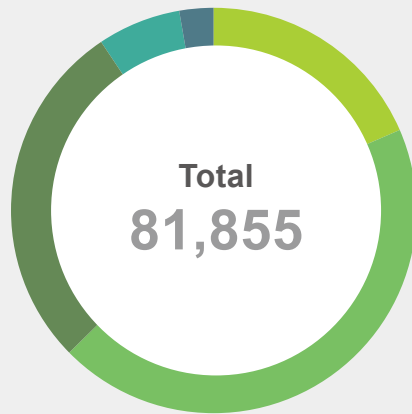
6.2.3 Diverse and Inclusive Employee Composition

In 2023, Delta actively expanded its global production sites and capacity, and established new plants in Taiwan, Asia-Pacific, EMEA, and the Americas. In response to the expansion of R&D, engineering, and new business development in Taiwan, there was an increase of 628 people year-on-year (approximately 4.4%) in employee count. Due to the exceptional performance of smart manufacturing and the global adjustment in production capacity, the total number of employees at the end of 2023 was 81,855, a decrease of 3,829 compared to 2022 (approximately 4.5%), including 34,205 professional technical and management units personnel and 47,650 operators (including production line assistants). To assist new employees in adapting to the work environment, plants in different regions have implemented retention measures, including new employee seminars, mentorship programs, professional training, and other programs to create high-quality work environments and facilities to retain talents. The overall monthly average turnover rate decreased from 2.9% in 2022 to 1.5% in 2023.



Thailand plants held a mentorship program with a "Mentoring Skills" workshop

Number of employees by region*1



- ◀ 18.4 % Taiwan **15,034**
- ◀ 47.8 % China **39,175**
- ◀ 28.8 % APAC*2 **23,580**
- ◀ 3.8 % EMEA **3,075**
- ◀ 1.2 % Americas **991**



*1 Including interns in official internship programs.

*2 The APAC region refers to regions in Asia outside of Taiwan and Mainland China, including the locations of operations in countries in Southeast Asia and Northeast Asia.

Gender and age distribution of employee*1

| | | Professional Technical and Management Units Personnel*2 | Operators (including production line assistants)*3 | Total | |
|---------------------|-----------------|---|--|---------------|---------------|
| | | Head Count | Head Count | Head Count | Percentage |
| Gender Distribution | Female | 9,996 | 29,885 | 39,881 | 48.7% |
| | Male | 24,208 | 17,765 | 41,973 | 51.3% |
| | Not disclosed*4 | - | - | 1 | <0.05% |
| Age Distribution | ≥ 50 years old | 3,351 | 1,588 | 4,939 | 6.0% |
| | Age 30-49 | 22,496 | 29,302 | 51,798 | 6.3% |
| | <30 years old | 8,358 | 16,760 | 25,118 | 30.7% |
| Total | | 34,205 | 47,650 | 81,855 | 100.0% |

*1 Employees as of the end of 2023 were classified in accordance with 2018 SASB Standards (TC-HW-330a.1). The management is defined in accordance with the EEO-1 job categories and include 7,527 executive/senior level officials and managers and non-executive (senior) management.

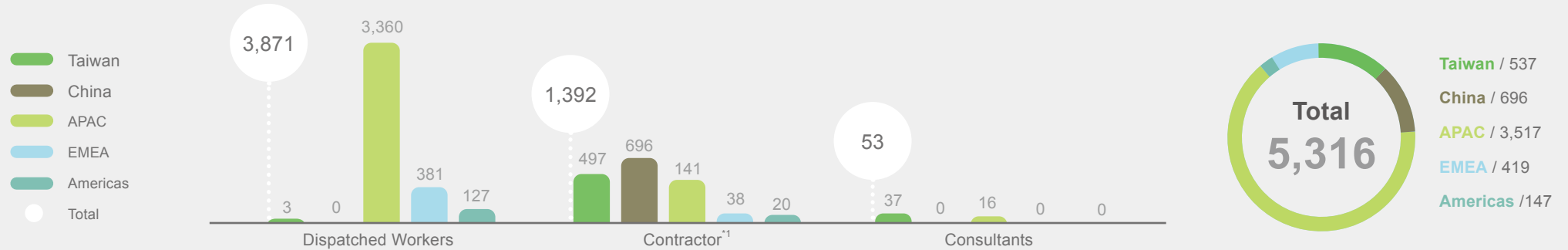
Technical personnel refer to employees classified as Group 15-0000 (Computer and Mathematical Occupations) or Group 17-0000 (Architecture and Engineering Occupations) in the 2018 U.S. Bureau of Labor Statistics Standard Occupational Classification System, totaling 10,839 employees. All other employees are not classified as the aforementioned management or technical personnel totaled 63,489.

*2 Definition of professional technical and management units personnel: Management coordinators or engineers directly related to production activities such as quality management coordinators, materials management coordinators, R&D engineer, sales and marketing specialists, human resources coordinators, and others.

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

*4 Those who do not disclose their gender are not included in the statistical calculations related to gender classification in this report, such as hours of training, male-female salary ratio, and others.

Distribution of non-employees



Total distribution of employees according to region, gender, and type

| | | Taiwan | | China | | APAC ^{*2} | | EMEA | | Americas | | Total | | Not disclosed | Percentage |
|-----------------|---------------------|--------|-------|--------|--------|--------------------|-------|--------|-------|----------|------|--------|--------|---------------|------------|
| | | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | | |
| Contract | Permanent Employees | 5,372 | 9,505 | 16,141 | 23,034 | 16,996 | 6,403 | 956 | 2,090 | 279 | 690 | 39,744 | 41,722 | 1 | 99.5% |
| | Temporary Employees | 85 | 72 | 0 | 0 | 33 | 148 | 13 | 16 | 6 | 15 | 137 | 251 | | |
| Hiring | Full-time Employees | 5,415 | 9,537 | 16,141 | 23,034 | 17,026 | 6,549 | 918 | 2,077 | 285 | 704 | 39,785 | 41,901 | 1 | 99.8% |
| | Part-time Employees | 42 | 40 | 0 | 0 | 3 | 2 | 51 | 29 | 0 | 1 | 96 | 72 | | |

*1 It refers to the number of contractors permanently stationed at workplaces under Delta's control to perform work as of the end of 2023, such as security, group catering, and information technology maintenance personnel. They do not include those who perform short-term and temporary work.

*2 Non-guaranteed hours employee counts 2 male employees in APAC.

Average monthly new recruit and new hire rate: All employees by region, gender, and age ^{*1*2}

| 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 | ≥ 50 years old | 1 | < 0.05% | < 0.5 | < 0.05% | 1 | < 0.05% | 1 | < 0.05% | < 0.5 | < 0.05% | 3 | < 0.05% |
| | Age 30-49 | 27 | 0.2% | 264 | 0.7% | 92 | 0.4% | 6 | 0.2% | 4 | 0.4% | 393 | 0.5% |
| | <30 years old | 25 | 0.2% | 234 | 0.6% | 302 | 1.3% | 4 | 0.1% | 2 | 0.2% | 567 | 0.7% |
| Male | ≥ 50 years old | 3 | < 0.05% | 1 | < 0.05% | 2 | < 0.05% | 4 | 0.1% | 1 | 0.1% | 11 | < 0.05% |
| | Age 30-49 | 62 | 0.4% | 376 | 0.9% | 44 | 0.2% | 13 | 0.4% | 5 | 0.5% | 500 | 0.6% |
| | <30 years old | 58 | 0.4% | 477 | 1.2% | 120 | 0.5% | 8 | 0.3% | 5 | 0.5% | 668 | 0.8% |
| Not disclosed | | - | - | - | - | - | - | - | - | - | - | < 0.5 | < 0.05% |
| Monthly average | | 176 | 1.2% | 1,352 | 3.3% | 561 | 2.3% | 36 | 1.2% | 17 | 1.8% | 2,142 | 2.6% |

Average monthly resigned employees and turnover rate: All employees by region, gender, and age ^{*1*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 | ≥ 50 years old | 1 | < 0.05% | 4 | < 0.05% | 2 | < 0.05% | 4 | 0.1% | < 0.5 | < 0.05% | 11 | < 0.05% |
| | Age 30-49 | 38 | 0.3% | 209 | 0.5% | 41 | 0.2% | 5 | 0.2% | 2 | 0.2% | 295 | 0.4% |
| | <30 years old | 27 | 0.2% | 136 | 0.3% | 107 | 0.4% | 2 | 0.1% | 1 | 0.1% | 273 | 0.3% |
| Male | ≥ 50 years old | 4 | < 0.05% | 3 | < 0.05% | 1 | < 0.05% | 5 | 0.2% | < 0.5 | < 0.05% | 13 | < 0.05% |
| | Age 30-49 | 35 | 0.2% | 295 | 0.7% | 19 | 0.1% | 11 | 0.4% | 3 | 0.3% | 363 | 0.4% |
| | <30 years old | 15 | 0.1% | 285 | 0.7% | 25 | 0.1% | 4 | 0.1% | 2 | 0.2% | 331 | 0.4% |
| Monthly average | | 120 | 0.8% | 932 | 2.3% | 195 | 0.8% | 31 | 1.0% | 8 | 0.8% | 1,286 | 1.5% |

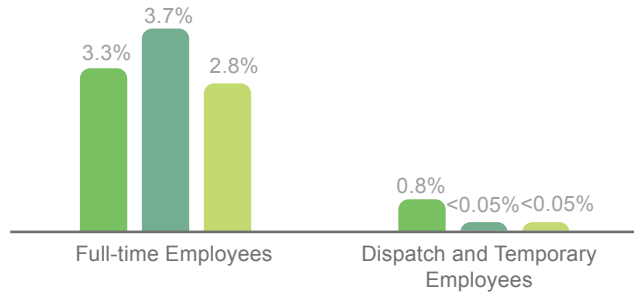
*1 The calculations of global new recruits and turnover are based on the average monthly number of employees, which is the total annual number of employees in each value divided by 12 and rounded to the nearest integer, excluding the following non-voluntary turnover such as: employment termination due to retirement, severance, dismissal, and if the contract or internship period has concluded; or Operators (including production line assistants) who have not stayed with the Company for more than 30 days since they first joined, or professional technical and management units personnel who have not stayed with the Company for more than 90 days since they first joined.

*2 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 (initial head count + end head count) / 2, where initial head count is the end head count of the previous period (previous year).

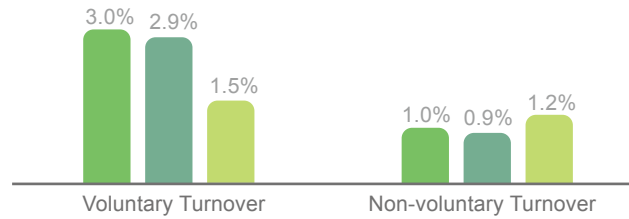
*3 Average monthly turnover rate = average monthly turnover / average number of employees in the year; The average number of employees in the year is defined as (initial head count + end head count) / 2, where initial head count is the end head count of the previous period (previous year).

Analysis of the monthly turnover rate in the past three years

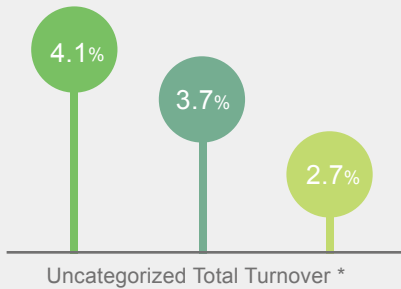
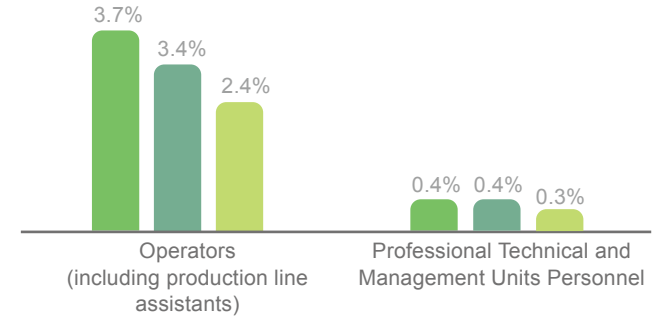
Employment Category



Turnover Category



Categorization by Direct/Indirect



Average monthly turnover rate in 2021

Average monthly turnover rate in 2022

Average monthly turnover rate in 2023

6.2.4 Equal Development Support Measures

Delta has adopted diversity in appointment as its sustainable policy and actively promotes gender equality and environmental workplace care. In 2023, the proportion of female employees reached 48.7%, the proportion of female employees in R&D positions was 20%, and the proportion of female employees in R&D positions in the Delta Research Center was 21%. Among management positions, the proportion of junior female supervisors increased by 2.5%.

Gender distribution of R&D employees

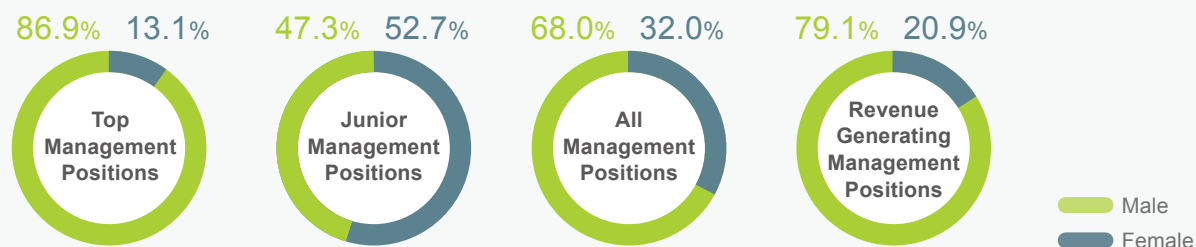
the proportion of employees in R&D positions



the proportion of employees in R&D positions in the Delta Research Center



Gender distribution of management personnel ^{*1}



Statistics for parental leave in Taiwan

| Statistical Item | Male | Female | Subtotal |
|--|-------|--------|----------|
| Number of employees qualified for parental leave in 2023 (A) ^{*2} | 979 | 302 | 1,281 |
| Number of employees applying for parental leave in 2023 (B) | 21 | 62 | 83 |
| Number of employees expected to return from parental leave in 2023 (C) | 18 | 55 | 73 |
| Number of employees applying to return from parental leave in 2023 (D) | 12 | 41 | 53 |
| Number of employees return from parental leave in 2022 (E) | 25 | 57 | 82 |
| Number of employees returned from parental leave in 2022 and working for no less than one year (F) ^{*3} | 21 | 50 | 71 |
| Return to Work Rate (D/C) | 66.7% | 74.5% | 72.6% |
| Retention Rate (F/E) | 84.0% | 87.7% | 86.6% |

*1. Management positions: Those with leadership and management duties for the management of subordinates, including professional technical and management units personnel and management personnel among Operators (including production line assistants); The top management positions are above the manager level, Junior management positions are senior team leaders or team leaders. Revenue Generating Management Positions: Managerial roles involving business planning and operations.

*2. Number of employees in Taiwan qualified for parental leave in 2023 (A): Employees who applied for maternity leave of more than 56 days and paternity leave for more than 1 day in the three years from January 1, 2021 to December 31, 2023.

*3. Number of employees in Taiwan who returned after parental leave in 2022 and working for no less than one year (F): Number of returning employees who continued to work no less than one year after returning from parental leave in 2022.

Gender Equality and Care

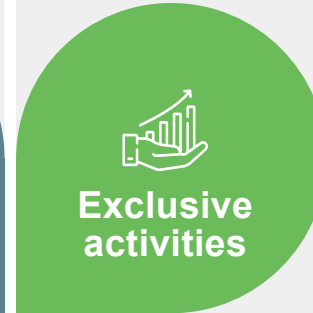
Organize exclusive events for women for International Women's Day to celebrate and thank women for their accomplishments and contributions.

- Female employees in Thailand Plants shared their growth stories in response to the International Women's Day theme of #EmbraceEquity
- In Taiwan, we sent holiday celebration letters to thank all women for their efforts and contributions
- Female employees in plants in India wore traditional clothes and made their own mugs together.



Focus on gender needs in the new era and organize activities to enrich and enhance happiness.

- Plants in Mainland China held activities exclusively for women such as manicures, DIY fans, flower arrangements, and yoga.
- The Thailand Plant organized the "Say It Out Loud" Pride Month event in June. LGBT employees from the Company were invited to share their personal experiences on the significance Pride Month as well as the importance of equality and respect in their work environments.



Provide a platform for women to perform and support the growth of female employees.

- The number of female participants in the annual craftsmanship skills competition in Mainland China increased by 25% compared to the previous year
- In Europe, the Round Table Conference was held for female executives to share stories of their careers
- In Taiwan, we created a women's employee resource group to support women in facing challenges. It is expected to provide learning resources and organize exclusive activities to help women exert their influence. Community activities will be launched in 2024.



Caring for employee health and providing exclusive health care and experience activities for both genders.

- In Taiwan, we held the first activity of childbirth experience for employees to understand the physical and mental transformation of women during pregnancy and childbirth
- Plants in Mainland China provided women's gynecological health consultation activities
- Plants in India provided health examinations and health management lectures for female employees.



Caring for migrant workers

Delta currently has more than one thousand Thai and Vietnamese employees in Taiwan. Adhering to the spirit of diversity and inclusion, we provide three major aspects of care and we are committed to creating a "happy village" for migrant workers and building a friendly and diverse workplace environment.

01 Zero Placement Fee Policy, Long-term Retention Program for Migrant Workers, and employment upon returning home to provide secure employment

- Delta practices the zero placement fee policy of RBA and offers secure employment guarantees by providing full payment of all pre- and post-employment costs when hiring migrant workers.
- In 2023, we added the Long-term Retention Program for Migrant Workers so that migrant workers whose work periods have expired are no longer constrained by the time limit for working in Taiwan and can continue to work in Taiwan. We also help select migrant workers who choose to return home find work in Delta's overseas branches to provide diversified career development opportunities.

02 Unobstructed Communication, Comprehensive Care

- We design zero-distance, accessible, and zero-time communication channels, hold regular quarterly seminars, appoint 24-hour Thai and Vietnamese life counselors stationed in dormitories for foreign employees who come to work without their families in a foreign country and provide them with comprehensive care.

03 Diversity and Inclusion, Building Villages of Happiness for Migrant Workers

- In 2023, we organized diverse and interesting cultural experience activities and monthly Chinese learning courses to increase the sense of belonging and cohesion of migrant workers in Taiwan. We also participated in external events organized by the government such as talent competitions and model migrant workers, and continue to create a friendly and diverse workplace environment.



Caring for Key Minority Groups

We organize internal inclusion activities and community services to promote the human rights of people with disabilities in the workplace, enhance employees' awareness of diverse groups, and create a friendly and inclusive workplace environment for employees with disabilities.

In 2023, the number of employees who were persons with disabilities totaled 813 and the number of employees from minority groups^{*1} totaled 2,097.

Taiwan

- We organized our first musical festival based on the theme of "Darkness Experience" with visually impaired violinists. It was also supplemented by eye care lectures and teaching employees how to help persons with visual impairment get around and how to assist the visually impaired in their daily lives.
- To support the International Day of the Blind, we registered 2,582 participants in the online support for visually impaired masseuses, and the text was converted into audio files to express gratitude and affirm the value of the masseurs' work.

China

- We established workplace facilities and accessibility hardware and software to support people with disabilities. We also organize workplace activities that are friendly to people with disabilities so that more groups can be included.
- Took real actions to support people with disabilities and participate in outing activities to help people with disabilities, so that people with disabilities can also travel.

Americas

- Sponsored Delta event T-shirts for the summer graduation of community schools for people with disabilities for school children to complete the graduation ceremony and inspire hope and joy.
- Donated food to local food banks on Thanksgiving to provide nutritional support to families in need.

Asia Pacific

- The Singapore Plant partnered with the Singapore Association of the Visually Handicapped (SAVH) to organize healthy massage by the visually impaired and thank the massage therapists for their hard work and dedication.



*1. Definition of minorities:

Taiwan:

Indigenous peoples of Taiwan totaling 115 persons

Mainland China:

Non-ethnic Chinese peoples totaling 1,389 persons

Americas:

Native Hawaiians or other Pacific Islanders (non-Hispanic or Latino), American Indians or Alaska Natives (non-Hispanic or Latino), Asians (non-Hispanic or Latino), Spanish or Latinos, Black or African Americans (non-Hispanic or Latino) and other ethnicities, totaling 593 persons.

Distribution of employees in the United States by race/ethnicity*1

| Employee Category and Gender | | Asian | Black/African American | Hispanic/Latino | White | Other (Native/Multiracial) | More than two ethnicities | Not disclosed/not applicable | Total |
|---|---------------|-------|------------------------|-----------------|-------|----------------------------|---------------------------|------------------------------|--------|
|  Management | Female | 16 | 0 | 1 | 4 | 0 | 2 | 5 | 28 |
| | Male | 50 | 3 | 3 | 36 | 1 | 5 | 9 | 107 |
| | Head Count | 66 | 3 | 4 | 40 | 1 | 7 | 14 | 135 |
| | Percentage | 9.8% | 0.5% | 0.6% | 5.9% | 0.2% | 1.0% | 2.1% | 20.1% |
|  Technical Personnel | Female | 10 | 0 | 0 | 2 | 0 | 0 | 1 | 13 |
| | Male | 35 | 3 | 7 | 22 | 0 | 2 | 14 | 83 |
| | Head Count | 45 | 3 | 7 | 24 | 0 | 2 | 15 | 96 |
| | Percentage | 6.7% | 0.4% | 1.0% | 3.6% | 0.0% | 0.3% | 2.2% | 14.2% |
|  All Other Employees | Female | 76 | 6 | 7 | 33 | 1 | 1 | 37 | 161 |
| | Male | 91 | 16 | 18 | 76 | 5 | 15 | 59 | 280 |
| | Not disclosed | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| | Head Count | 167 | 22 | 25 | 109 | 6 | 16 | 97 | 442 |
| | Percentage | 24.8% | 3.3% | 3.7% | 16.2% | 0.9% | 2.4% | 14.4% | 65.7% |
| Total | Head Count | 278 | 28 | 36 | 173 | 7 | 25 | 126 | 673 |
| | Percentage | 41.3% | 4.2% | 5.4% | 25.7% | 1.0% | 3.7% | 18.7% | 100.0% |

*1. This table discloses the distribution of employees in the United States by race/ethnicity in accordance with the SASB Standards, including: The management is defined in accordance with the EEO-1 job categories and include executive/ senior level officials and managers and non-executive (senior) management. Technical personnel refers to employees classified as Group 15-0000 (Computer and Mathematical Occupations) or Group 17-0000 (Architecture and Engineering Occupations) in the 2018 U.S. Bureau of Labor Statistics Standard Occupational Classification System; all other employees are not classified as the aforementioned management or technical personnel; The "ethnicity of employees in the United States" shall be disclosed in accordance with the classifications in the EEO-1 Survey: Asian, Black/African American, Hispanic/Latino, White, Other (Native/Multiracial), more than two ethnicities, or not disclosed/not applicable.

6.2.5 Inclusive and work-life balance Workplace

"PLUS Strategy, Delta + You, Making Things Better Together"

The 2023 annual plan was based on the "PLUS Strategy, Delta + You, Making Things Better Together". It integrated digital transformation and embraced the concept of diversity and inclusion to develop novel experiences for employees, promote employee health empowerment, and increase work enthusiasm for employees to enjoy life even more.

P reventive healthcare

- + In Mainland China, Delta held sports activities, which included team spirit performances, tug-of-war, swimming, running, and various team competitions. Sports activities were also held from time to time to enhance health and teamwork so that employees can work together and accomplish great results.
- + In Taiwan, we launched the monthly " Good Partners in Health " section, providing the latest health information on a monthly basis. Producing e-learning courses quarterly to dispel common medical myths. The number of people who completed training and viewed the publications in 2023 totaled 26,162.



Work-L ife Balance

- + Plants in Thailand formed clubs such as basketball and football teams to promote a healthy lifestyle and enhance friendship. They also encourage local and expatriate employees to participate in club activities to increase team interaction and reduce cultural barriers.
- + Delta Taiwan has been certified as a Sports Company by the Sports Administration in 2023. Through diversified and innovative group cooperation competitions, we organized the industry's only dragon boat race, added sepak takraw for the migrant workers in the Delta ball sports competitions, and held the e-sports "Crazyracing KartRider". The total number of participants was 1,756.



U nique Experience

- + In Mainland China, Delta organized the third Honor of Kings e-sports competition and created exclusive event web pages and activities for employees to experience the power of a real team. There were nearly 3,000 online participants.
- + In the Americas, we built a pickleball court at the Fremont Plant to provide a unique recreational space to enhance interpersonal relations and employee experience in the workplace.
- + In 2023, we launched the "Delta Go" mobile app to promote carbon-reduction with walking, develop regular exercise habits, and improve physical and mental health. The total number of participants in the year was 3,571, an increase of 176% compared with the number of participants in the "Delta Ironman Online Games" in 2022. The total weight loss was 2001.3 kilograms, an increase of 84% compared to 2022.



S ocial Welfare




- + Plants in Europe worked together to clean the canals of Amsterdam on World Cleanup Day. We organized a friendly contest for employees to learn about the river ecosystem and salvage as much garbage as possible to help local communities maintain the ecology and the image of the city.
- + Thailand Plants and Singapore Plant assisted schools and families in need with painting and renovation equipment to create a comfortable learning and living environment for community families and remote campuses.
- + In Mainland China, Delta held the "Protect 100 Million Trees Together and Share Green Energy Life" event on Arbor Day. A total of 590 employees participated in 2023 and worked together to achieve green development goals.
- + In Taiwan, we focused on the "Go Green! Green Action and Spread Love Outward " to support the global carbon reduction goal with donations of second-hand goods to green purchasing. We helped 15 charity organizations gather 6,621 supplies, which was 125% higher than 2022. We donated 2,160kg of Leopard Cat Rice in the Dream Come True Program, equivalent to more than 13,000 USD, to create a positive cycle in the public welfare environment.



Measures for employees to start a family with peace of mind

To help employees start a family, relieve the pressure of childcare for working parents, and increase the fertility rate, Delta provides working parents with a better workplace environment through welfare, leave, and flexible policies to achieve work-life balance and ease the childcare burden of employees. We organize educational lectures and EAP consultation channels to enhance employees' knowledge of child care and parent-child education, and create a healthy workplace that provides peace of mind and family support.

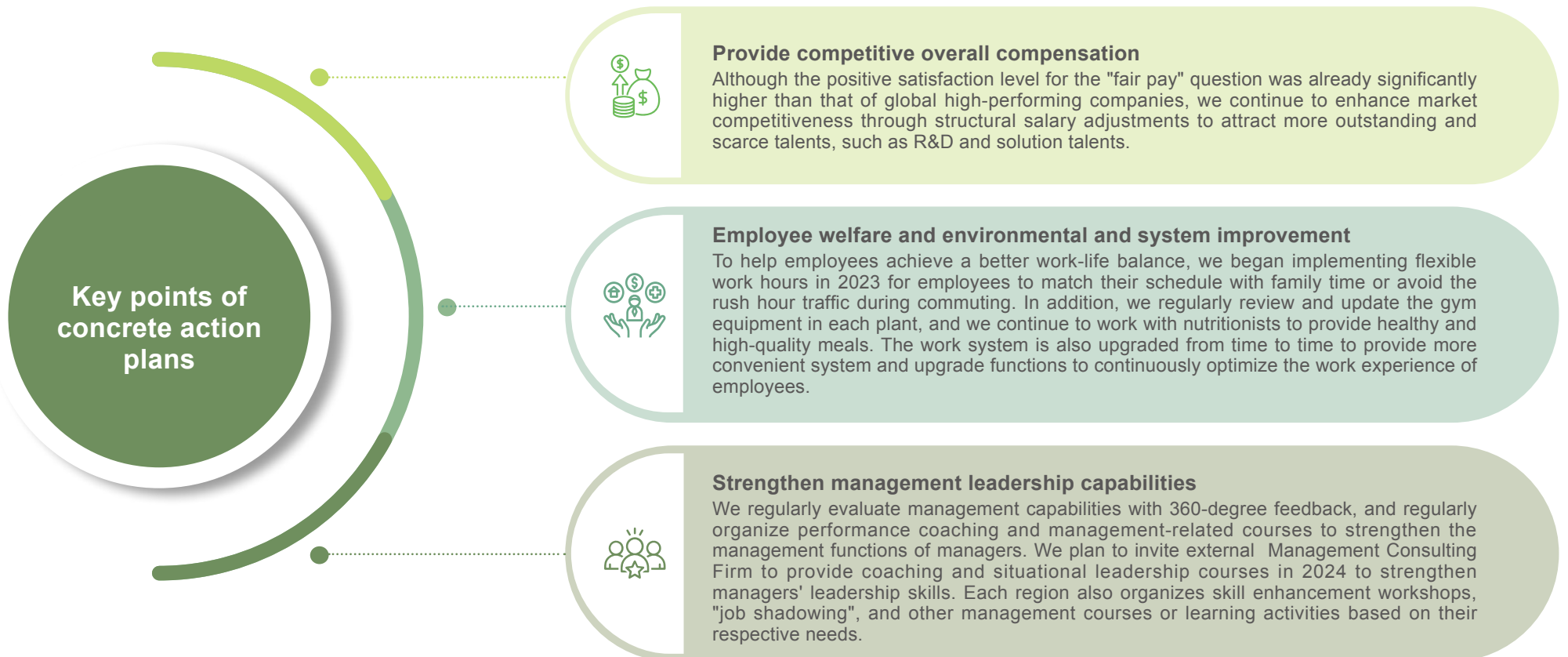
| Marriage and starting a family | Encourage childbirth | Maternity support | Parenting assistance | Family growth |
|---|--|--|--|---|
| <ul style="list-style-type: none"> • Marriage leave system superior to regulatory requirements and marriage bonus • Health insurance and health care activities for employees, dependents, and children | <ul style="list-style-type: none"> • Birth celebration gift money • Child care subsidy • Pregnancy and newborn gifts/gift money | <ul style="list-style-type: none"> • Paternity leave, maternity leave, paid parental leave, and family care leave superior to regulatory requirements • Breastfeeding facilities and time • Exclusive parking spaces for maternity protection | <ul style="list-style-type: none"> • Contracted childcare institution or kindergarten • Flexible work hours and work from home arrangements • Bursary for three-year-olds | <ul style="list-style-type: none"> • Family communication course • Education lectures for working parents • Paid travel leave • Family activities for employees |

| | |
|---|--|
|  <p>Stress management programs and sport & health initiatives</p> | <ul style="list-style-type: none"> • The Company obtained the 2023 Sports Enterprise certification from the Sports Administration, and builds cohesion and a sense of belonging through diverse and innovative team competitions such as dragon boat racing, Delta Cup ball competitions, and e-sports competitions. • In Mainland China, we hold lectures on health management, cancer screening, and others, as well as sports meets and various sports competitions such as tug-of-war and running. Plants in India provide health examinations for female employees and provides health management lectures. • In Taiwan and Mainland China, Delta provides EAP consultation and training on topics including stress management, family care, medical care, and psychological counseling to assist employees and create a friendly work environment. |
|  <p>Flexible working hours and office arrangements</p> | <ul style="list-style-type: none"> • The Company implements a flexible work hour and allows employees with specific needs to apply to work from home so that employees can better control their time management between work and life. We also provide a leave system that is superior to regulatory requirements to balance employees' physical, mental, and family needs. |
|  <p>Family benefit and friendly childcare contributions</p> | <ul style="list-style-type: none"> • Starting from October 2022, we expanded child care subsidies in Taiwan for those aged 0-6, with a maximum subsidy of 12,300 USD per child. As of the end of 2023, a total of 3,143 Delta babies have benefited with a total expenditure of approximately 5.4 million USD. • A total of 337 Delta babies were born in Taiwan in 2023 and the crude birth rate was 27.23 per 1,000, which is more than four times Taiwan's crude birth rate (5.82 per 1,000). • Set up a supply station for working parents to provide information on government maternity subsidies and company welfare and health information. • All plants in Taiwan have standard breastfeeding rooms and friendly parking spaces to provide comfortable space and complete supporting measures and to encourage employees to continue breastfeeding after giving birth. In 2023, the Taipei Plant won the excellent breastfeeding room certification. • In Taiwan, we conducted a total of 2 family communication courses based on school-age group design with a total of 1,068 participants and an average satisfaction score of 4.7. • In Taiwan, we provide a reward mechanism for employees to recommend legal contracted childcare institutions. In 2023, we signed contracts with a total of 18 institutions based on employee recommendations and we have a total of 37 contracted childcare institutions or kindergartens as of 2023. |

6.2.6 Employee Engagement Survey and Optimization Actions

Delta cares about employee needs and the overall performance of the organization, and conducts global employee engagement surveys every two years. In 2022, the questionnaire coverage rate for all employees reached 88%. With the active participation of Delta employees, the response rate increased to 90%. The contents of the survey included job satisfaction, clear purpose of job, sense of happiness, and work pressure. The overall engagement score was 88 points (meaning that 88% of the positive feedback is above 4 points on the 5-point scale). This score reflects Delta's efforts to establish a good work environment and employees' approval of the Company.

The Company's management team pays close attention to the business groups and regions with lower scores in the survey results. Senior management including the CEO and COO actively engaged in dialogue and conducted in-depth discussions one by one to find feasible solutions and promote positive changes within the organization. We also launched 131 action plans, including improvements of training and development opportunities, employee welfare, and improvements of the work environment. As of 2023, the completion rate of the action plans reached 85%.



6.3 Talent Attraction & Retention

Delta promotes the strategic layout for global talent acquisition. We cultivate campus relationships across different regions, strengthen the research and development energy of professors and students, and offer diverse internship programs to nurture future talents. We also utilize on-site and online recruitment, as well as design campaigns, to expand employer brand influence. We are committed to providing competitive salaries, evaluation systems and retention packages to create sustainable career environment. Our employer brand has received domestic and foreign awards and the global recruitment offer acceptance rate in 2023* was 91%, an increase of 2% from the previous year.

6.3.1 Enhance R&D Capabilities and Create an Ecosystem for Talents

To control advanced technologies and accelerate smart manufacturing, Delta continues to expand technology investment and enhance global R&D capabilities.

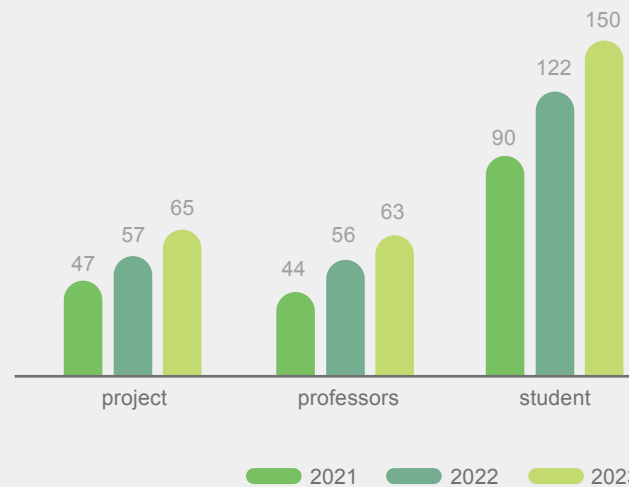
Establish joint R&D centers extensively to strengthen talent cultivation

In 2023, we invested approximately 4.21 MUSD in industrial and academic collaboration in Taiwan establishing joint R&D centers at seven universities including National Taiwan University and National Cheng Kung University. At these centers, we assigned R&D personnel to reside on-site, leveraging experimental field construction and support through various research projects, scholarships, and selective salary packages. This collaborative effort aims to cultivate outstanding talents with expertise in both theory and practice. The number of projects in 2023 increased by 14% compared with the previous year and the number of participating professors and students increased by 20% compared with the previous year. The overall employment rate of industry academic collaboration increased to 38% compared with 22% in the previous year.



The DELTA-NCKU Joint Research Center is located on the 10th floor of Chimei Building on the Tzu-Chiang Campus of National Cheng Kung University. It has an area of nearly 100 square meters and includes the "Smart Automation Lab", "Green Power Lab", and a multi-functional conference and training venue called the "Innovation Base".

Talent Cultivation Results of Joint Research and Development Centers



Delta has long been committed to research and development in fields such as power electronics, energy sustainability, and smart manufacturing, and has spared no effort in cultivating R&D talents.

Commendation for outstanding young scholars and encourage innovative research

To create a stronger industrial and academic collaboration ecosystem, Delta established the "Delta Young Technology Scholar Award" in 2023 to provide substantial recognition and opportunities for long-term collaboration to outstanding young scholars teaching in Taiwan's colleges and universities. We enhanced research and talent training in five fields including Power Electronics, Power Systems, Electric Vehicles, Robotics, and Smart Manufacturing. The awards are given in three-year cycles and we plan to invest 489,000 USD each year. The first edition of the event attracted more than one hundred outstanding scholars from 26 universities to compete. The five award recipients have engaged in positive interactions with Delta in their areas of expertise, providing technical consultation, delivering keynote speeches, or collaborating on industrial and academic projects. They have also facilitated students' participation in cutting-edge technology research and development.



Group photo of Delta CEO Ping Cheng (3rd from left) and winners of the "Delta Young Technology Scholar Award".

* Offer acceptance rate = number of people who accepted offers for global professional technical and management personnel openings / number of issued offers.

6.3.2 Recruit Global Talents and Strengthen Deployment

To continuously develop global talents, the Company expanded the Wuhan R&D building and Chongqing R&D building in Mainland China, and plans to set up R&D centers in Thailand Plants to expand the manufacturing of electronic products. This initiative will involve collaborating with the Thai government in human capital development and supporting local startups, as well as cooperating with Thai universities to design relevant courses.



In 2023, Thailand Plants organized large-scale campus recruitment fairs at many renowned universities, including King Mongkut Technology North Bangkok, King Mongkut Technology Ladkrabang, and Khon Kaen University. Additionally, career talks were held at Chulalongkorn University, KMITL, and others to attract engineering-related students to join Delta. Many internship opportunities were also provided; the number of interns totaled 75 in 2022 and will grow to 95 in 2023.



The India Plants conduct annual campus tours at multiple various branches of NIT and IIT to target R&D talents. We also collaborate strategically with surrounding schools to fulfill talent requirements specific to the India Plants. Additionally, Delta Classes were implemented in eight universities in 2022, training 84 students and increasing the number of students to 95 in 2023.



In response to the R&D needs of each location in the Americas region, we targeted 11 universities in Texas, California, and Michigan for campus recruitment, and increased the number of interns hired. The number of interns increased from 5 in 2022 to 34 in 2023. We also collected VOI (Voice of Intern) submissions for publication in the Americas region bimonthly magazine, enhancing internal emphasis on talent development for interns.



In 2023, the Europe region conducted campus recruitment at the Hague University, TU Delft, and Fontys University of Applied Sciences in the Netherlands, KIT in Germany, and Warsaw University of Technology in Poland. There was also an industry-academia collaboration with TU/e University in the Netherlands, focusing on electric charging stations, providing three doctoral scholarships to nurture doctoral talents. In addition, the number of interns has also increased from 17 in 2022 to 32 in 2023. HR also organized "Lunch & Learn activities" for interns to help them understand career paths and learn.

6.3.3 Strategic Cross-Regional Collaboration to Create Synergies in Talent Acquisition

To promote the strategic development of global talent recruitment, we cultivate campus relationships across different regions, provide diverse internship programs to cultivate future talents, and implement inter-regional cooperation to create synergy in talent recruitment.

Outbound internships for local students to learn about Delta's global operations

The Europe region launched the Netherlands Professional Internship Program in 2018, with strong support from the Education Division of the Taipei Representative Office in the EU and Belgium. Contracts were signed with National Yang Ming Chiao Tung University, National Cheng Kung University, and National Central University to continue expanding the Ministry of Education's "Overseas Internships." As of 2023, a total of 12 selected students have completed six-month internships abroad.



Delta Europe President Dalip Sharma (4th from left) and National Central University President Jing-Yang Chou (5th from left) signed a memorandum of cooperation. Participants from both parties took a group photo to mark a new milestone for the launch of the overseas professional internship program.

Local recruitment with centralized training to accelerate growth of overseas operations

In 2023, the official launch of the Global Elite Mingle program (GEM) recruited 18 experienced R&D or manufacturing professionals. They undergo up to one year of training at the Taiwan headquarters to deepen their expertise and cross-departmental collaboration skills. The program includes one-on-one mentoring and language learning courses. Upon passing probationary and transfer assessments, participants demonstrate sufficient competence and adaptability to handle opportunities and challenges in multinational corporations. They will be assigned to rapidly growing overseas locations such as the Texas plant in the USA, the Thailand plant in the Asia-Pacific region, or the India plant.



HR specialists from Delta Headquarters went to Thailand to interview candidates for the GEM program.

Dual-degree program fulfills dreams, empowering Thailand's electronics industry upgrade

The Thailand plants support local outstanding students, promoting the "3+2 Joint Bachelor's-Master's Degree Articulation Agreement" between Chang Gung University and Chiang Mai University's engineering colleges. Selected students receive generous scholarships and job opportunities upon graduation, aiming to nurture 20 Thai engineers through this program.



DET President Jackie Chang (4th from right) visited Chang Gung University to discuss the dual degree arrangements with President Dr. Ming-Je Tang.

Inbound internships help international students explore the benefits of studying abroad for career development

The headquarters strongly supports the "NTU International Mentorship Program", which selects outstanding international students for internships at Taiwan's sites. Selected interns not only gain practical experience in transitioning from academics to professional roles but also establish future local connections. After graduation, they are not restricted to employment locations and can contribute to Taiwan or choose to serve at overseas locations, enhancing employment flexibility.



Through the "NTU International Mentorship Program," The 2023 international students from NTU interned at the Delta plant in Taiwan.

6.3.4 Converging Efforts to Enhance Employer Brand

Create high-value social media posts to showcase the best of the region and the headquarters

In addition to sharing a wide variety of activities and highlights on the Facebook pages of regional operations, we are also focusing on enhancing the internal employee value proposition and maintaining a lasting following of external users. We are actively promoting the regional rotation mechanism on LinkedIn and publishing posts based on the themes of the employer brand to enhance the compatibility of diverse perspectives and cultures. This approach helps intensify interpersonal relationships and interactions within and outside the organization, ultimately enhancing the overall attraction and influence of the company. In 2023, the number of tracked individuals increased by 23% compared to the previous year.



Delta Electronics India
156,442 人關注
6 個月前

On September 21, 2023, at the CHRO Confex & Awards 2023, Mr. **Kamal Sahdev**, Director of Human Resources at Delta Electronics India, took on the role of moderator for a captivating panel discussion titled "The Power of Employee Engagement: Strategies to Boost Motivation and Productivity."

Mr. Kamal Sahdev expertly guided the discussion, creating an incredibly interactive and engaging experience for both the esteemed panelists and the enthusiastic audience. This session was graced by the presence of numerous industry veterans, adding to the incredible insights shared!

#DeltaElectronicsIndia #HR #Award #EmployeeEngagement

Kamal Sahdev, Director of Human Resources of Delta India, served as the moderator of the CHRO Confex & Awards 2023 symposium and had in-depth interactions with industry veterans.



Delta Electronics Americas
61,622 人關注
6 個月前

Campus Recruitment Update

What an incredible turnout at our recent campus recruitment event! 🙌 The energy and enthusiasm from all the amazing students who joined us were truly inspiring. From insightful conversations with our experts to exploring various career paths at Delta Americas, it was a day filled with excitement and opportunities. ✨

We're thrilled to see so many talented individuals who share our passion and vision. 😊 Your questions and curiosity left a lasting impression, and we can't wait to connect with even more of you in our upcoming events in September and October. 📅

Stay tuned and get ready to empower innovation with us! 💡 Learn more about our exciting career opportunities at <https://lnkd.in/g/j3Ejw6> 🌐

Campus recruitment activities in the Americas were launched in various academic institutions, reaching out to recruit outstanding talents from different states in the United States including NC, VA, TX, CA and MI

Empower internal referrals and create new opportunities for career path changes

Delta strategically aligns the company's mission, brand proposition, and employer brand, encouraging plants to actively participate in manpower recruitment to foster a positive career environment. Programs such as the "Master of Internal Referral, Hands Full of Bonuses" in Taiwan and the "Call-and-Response Spring Recruitment Oath-taking Ceremony" in Mainland China have received enthusiastic responses from employees, boosting overall recruitment efficiency. The internal referral rate was 12% for global professional technical and management units personnel (IDL) and 44% for operators (including production line assistants (DL)). On the other hand, to better support internal transfers and increase rotations, Delta established and optimized relevant systems and platforms so that employees can improve their skills and actively consider different career opportunities instead of remaining passive. The internal transfer rate has gradually increased and the internal transfers of global professional technical and management units personnel increased by 34% compared with the previous year. The rate increased by 221% for management roles and 21% for non-management roles. The increase is a testament of the concept and influence of "Keep Exploring".

Deep cultivation of talent ecosystems, recognized with multiple global honors

Delta continues to enhance the attractiveness of its employer brand and remains committed to the sustainable development of talents. In recognition of our ongoing investments in employer branding, Delta received numerous awards worldwide in 2023, including the most prestigious ones listed below:

- ✔ Received our second "Best Companies to Work for in Asia Award" from HR Asia in 2023 for creating a high-quality work environment.
- ✔ Delta India once again won the National Awards for Excellence & Leadership Awards (10th Edition) - "BEST HR ORGANISATION TO WORK FOR" in 2023.
- ✔ Delta Thailand received the World HRD Congress - "Most-Effective Recruitment Campaign" & "Award for Talent Management".
- ✔ Delta Germany received the 2023 Deutsches Innovationsinstitut für Nachhaltigkeit und Digitalisierung - "Employer of the Future Award (Arbeitgeber der Zukunft)" for its commitment to promoting digitalization, innovation, and creating a friendly workplace.
- ✔ Delta China received the "2023ai Quality Workplace Model Enterprise Award" organized by People's Daily Shanghai, CIIC Shanghai, and CIIC Guanaitong for the fourth consecutive year.

- ✔ Delta China was awarded the HRoot-2023 Excellent Employer Award in Greater China consecutively from the human resources website.
- ✔ Delta China received the distinction of "2023 Employer Excellence of China" and "Excellence in Learning & Development" from China's largest recruitment website "51job.com".
- ✔ Delta China won the "Best Team Award for Employee Experience" and "Employee Care Award" in HR Tech China in 2023.
- ✔ Delta received the 2023 Sports Enterprise certification from the Sports Administration and won the first Commonwealth Magazine "Sustainability Award" and "Family-Friendly Workplace Award" for taking care of employees' needs from multiple angles and implementing a corporate fertility support system. We seek to create a family-friendly work environment and create more happiness together.
- ✔ Delta won eight awards including "Talent Development" and "Social Inclusion" in the 2023 Taiwan Corporate Sustainability Awards which recognized its commitment to promoting the sustainable development of talents.



Delta Thailand competed against 22 multinational companies and won the World HRD Congress - "Most-Effective Recruitment Campaign" & "Award for Talent Management".



Brigitte Zypries, former Minister for Economics and Energy of Germany, presented the "Employer of the Future Award (Arbeitgeber der Zukunft)" in the 2023 Deutsches Innovationsinstitut für Nachhaltigkeit und Digitalisierung.



The award ceremony for the National Awards for Excellence & Leadership Awards (10th Edition) of India. Delta was awarded the "BEST HR ORGANISATION TO WORK FOR" in 2023.



Delta won eight awards in the 2023 TCSA "Taiwan Corporate Sustainability Awards".



Delta won the first Commonwealth Magazine "Sustainability Award" and "Family-Friendly Workplace Award" (TW)

6.3.5 Competitive Employee Compensation and Benefits

Performance and compensation of the senior management team

Delta attracts and retains exceptional talent through a competitive remuneration structure and awards employee performance by reasonably designed relevance between the Company's operating performance and employee salaries. Dynamic adjustments are implemented according to demand for talent as well as conditions of market supply and demand to ensure that general remuneration is superior to the levels in the tech industry. In 2023, Delta remained on the top 100 index for the highest salaries.

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. Starting in 2023, an employee share purchase plan shall be used as a long-term initiative for senior managers (CEO included) with a 5 years vesting period and clawback policy to ensure that the Company's long-term performance and shareholder's interests are aligned.

In 2023, Delta strengthened the links between ESG performance and the remuneration of senior managers and incorporated it as a performance indicator for the highest-ranking executive of each region.

Linking ESG performance to executive compensation

- A External Evaluation:** Global sustainability rating, the topics include nature and climate change, supply chain engagement, Scope 3 greenhouse gas emissions
 - ▶ Dow Jones Sustainability Indices (DJSI), Morgan Stanley Indexes (MSCI ESG), CDP
- B Voluntary Initiatives:** RE100
 - ▶ **RE100:** Achieve the 100% renewable electricity target
- C Corporate Governance**
 - ▶ Corporate Governance Evaluation of Companies listed on the TWSE and TPEX

Senior executive compensation and reward system

Chairman

A+B
30% of the current-year performance indicators

C
20% of the current-year performance indicators



Managers (e.g., CEO and COO)

A+B
20% of current-year performance indicators

Region Head and Global MFG Leaders

B
5% of current-year performance indicators



Manager performance indicators

Company performance indicators

Annual ROE, annual net interest rate, and annual revenue achievement rate

20%

Annual key strategic target achievement rate

Original brand manufacturer (OBM) revenue ratio, key strategic business operation target achievement rate, and increase in productivity per capita



20%

ESG indicators

External Evaluation: DJSI, CDP, MSCI ESG with a weight of 10%

Autonomous Initiatives: Achievement rate of RE100 initiatives with a weight of 10%

* The ESG indicators apply to the Vice Chairman, CEO, and COO

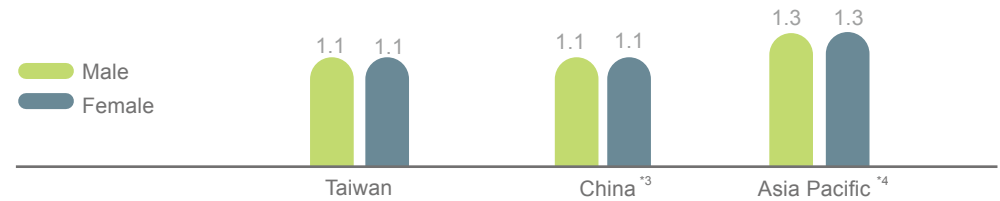
Increasing salaries in manufacturing plants

In 2023, Delta implemented annual salary adjustments of 3% to 8% based on the performance of all employees, and the salary increase for R&D talents was higher than prevailing market rates. Besides basic monthly salary, employees in Taiwan are eligible for three major bonuses including year-end bonuses, performance-based bonuses, and profit sharing so that the Company can retain employees with outstanding performance and recruit talents to promote organizational expansion and enhance transformation and technology improvements. Plants in Mainland China increased the fixed salary market positioning of indirect labor to effectively retain manufacturing talents.

Global Annual Salary Ratio Based on Gender

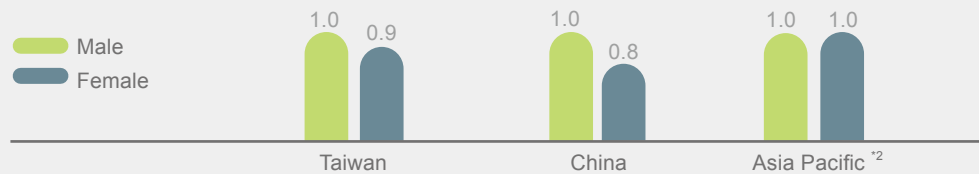
| Position | Male | Female | |
|--|--|--------|-----|
| Executive level (base salary only) | 1.0 | 0.9 | |
| Executive level (base salary + other cash incentives) | 1.0 | 0.9 | |
| Management level (base salary only) | 1.0 | 1.0 | |
| Management level (base salary + other cash incentives) | 1.0 | 0.9 | |
| Non-management level (base salary only) | Professional technical and management personnel | 1.0 | 1.1 |
| | Operators (including production line assistants) | 1.0 | 1.0 |
| Non-management level (base salary + other cash incentives) | Professional technical and management personnel | 1.0 | 1.1 |
| | Operators (including production line assistants) | 1.0 | 1.1 |

Comparisons of salaries of local minimum wages and operators (including production line assistants)^{*1} in major production sites across the world

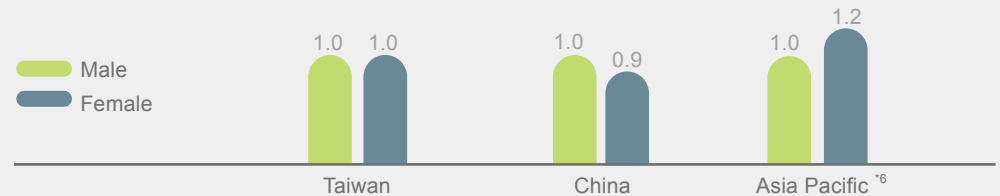


Average annual salary^{*5} (male/female ratio) for professional technical (including management) personnel in major production sites across the world

Professional Technical and Management Units Personnel



Operators (including production line assistants)



*1 Full salary includes the basic monthly salary, fixed cash remuneration, bonuses, and cash dividends of employees who have worked at Delta throughout 2023.

*2 The salary of Operators (including production line assistants) is defined as "average monthly salary of Delta Operators (including production line assistants) in the region who have worked at Delta throughout 2023".

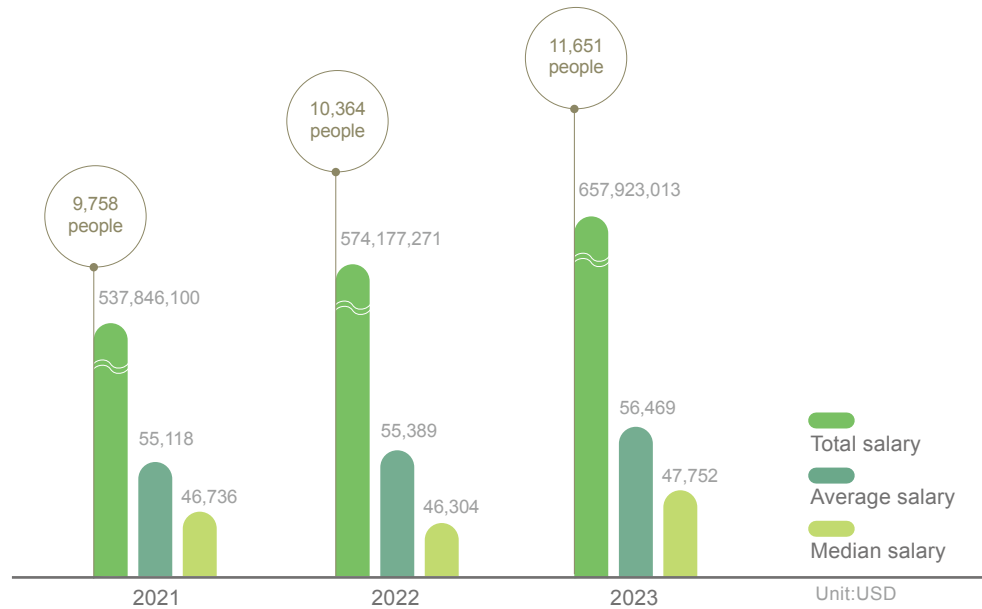
*3 The minimum wage in Mainland China is different for each province. Therefore, the average minimum wage is calculated based on the proportion of operators in the province where Delta's plants are located.

*4 Asia Pacific Region production sites are plants in India and Thailand.

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

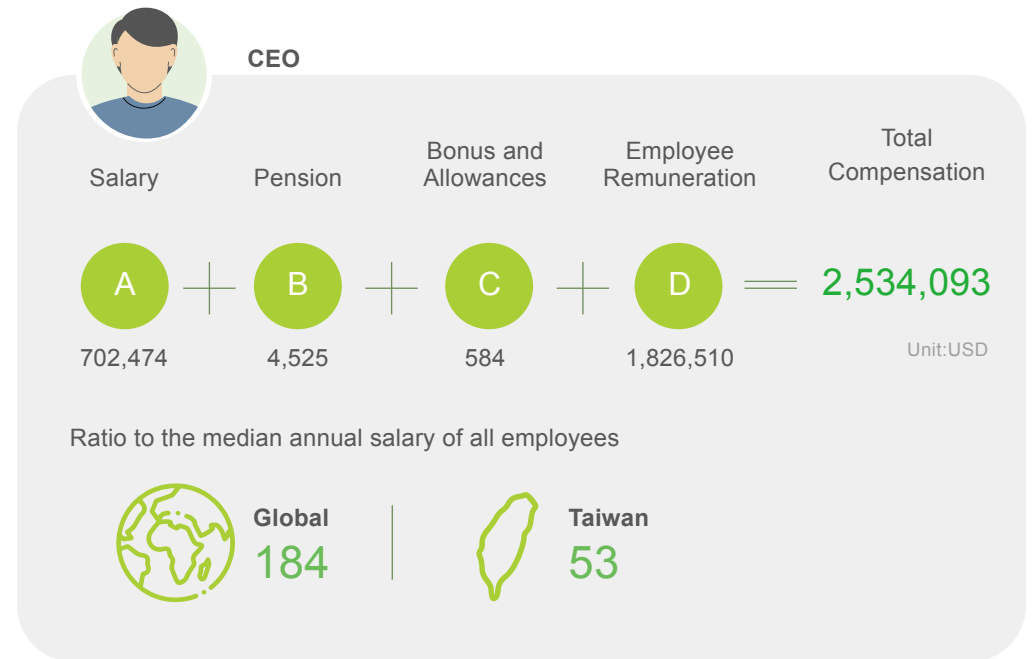
*6 Asia Pacific Region production sites are plants in India and Thailand.

Salaries for Full-Time Employees in Taiwan*1 Who are Not in a Management Position*2



2023 Total CEO Compensation

The CEO's total compensation is approximately 2,534,093 USD, the ratio of the CEO's annual compensation to the median annual compensation*3 of 13,784 USD for all employees excluding the CEO is approximately 184. The ratio to the median annual compensation for employees in Taiwan excluding the CEO is approximately 53. The ratio of the mean annual compensation of 25,753 USD for all employees excluding the CEO is approximately 98.



*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 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.

Encouraging Long-term Retention through Long-term Incentive Measures — Delta Encourages Employees to Stay with the Company

- The Company provides retention bonuses for new key talents in Taiwan and provides retention bonuses for outstanding talents in Thailand Plants to retain key talents, encourage employees, and increase employee morale.
- 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.

The retention rate of global R&D employees within three years of employment was **92%**.

The retention rate of R&D employees in Taiwan was **95%**.

Performance Management and Development (PMD)

At the beginning of the review cycle, every department annually establishes its organizational goals for the next year based on major strategies, Supervisors assist employees in clarifying job responsibilities and set individual performance goals (Individual Performance indicators, IPI) based on the organizational goals. They also set Competency Performance Indicator (CPI) and Individual Development Plan (IDP) based on the current position and future development. Supervisors continue to communicate and engage with employees, provide feedback, guide the realization of goals, and evaluate employees' individual work performance and team contributions every quarter. Employees may utilize a system to initiate or provide work evaluations, conduct 360-degree feedback, and request affirmation or suggestions from others. Managers may utilize the system to comprehensively evaluate and manage talent.

Delta uses comprehensive performance management to closely align organizational goals with individual goals and talent development, and jointly pursue performance improvements for the Company.

The Talent Development Committee (TDC) and the Leadership Development Committee (LDC), composed of diverse members, are used to evaluate salary adjustments and promotions based on performance records to prevent bias and unequal pay for identical work.

Performance management procedures for employees

| | | |
|---|---|---|
| Year-end Assessment | | |
| December of the previous year to January of the current year | Performance evaluation | Review the performance and jointly discuss future development and improvement plans |
| | | |
| <div style="background-color: #4a7c59; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 10px auto;"> <div style="color: white; text-align: center;"> <p>Q1 Assessment April</p> </div> </div> | Setting performance expectations | Supervisors help employees clarify job responsibilities and establish performance standards |
| <div style="background-color: #4a7c59; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 10px auto;"> <div style="color: white; text-align: center;"> <p>Q2 Assessment July</p> </div> </div> | Performance follow-up | Employees implement self-management and supervisors continuously communicate with them to help resolve issues |
| <div style="background-color: #4a7c59; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 10px auto;"> <div style="color: white; text-align: center;"> <p>Q3 Assessment October</p> </div> </div> | | |

Stable Pension Provision Plan

01

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 pensions 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.

02

Establish a one-stop consulting service for retirement, set up a dedicated retirement service page, provide dedicated services in each plant, assist employees in handling internal and external retirement-related applications, consultations, and resources, and connect various retirement-related units and activities through the human resources service contact persons to allow employees to successfully complete their last mile in the workplace and enjoy a wonderful life in retirement.



6.4 Sustainable Development of Talents

Average training hours per person, total hours, and total spent in all global regions ^{*1}

| Classification | | Taiwan Headquarters | China | Asia Pacific | EMEA | Americas |
|--|--|---------------------|-------|--------------|------|----------|
| Gender | Male | 25.2 | 23.7 | 10.3 | 10.9 | 13.1 |
| | Female | 16.7 | 23.3 | 9.5 | 8.4 | 12.9 |
| Category | Operators (including production line assistants) | 9.7 | 18.1 | 8.1 | 5.9 | 13.1 |
| | Professional, Technical and Management Units Personnel | 25.7 | 40.4 | 15.1 | 11.5 | 13.0 |
| Management Roles / Non-management Roles | Top level | 25.7 | 31.8 | 15.5 | 12.7 | 11.9 |
| | Mid-level | 30.8 | 38.4 | 14.5 | 11.7 | 19.6 |
| | Junior level | 23.7 | 15.9 | 14.7 | 7.8 | 14.4 |
| | Non-management | 20.9 | 23.3 | 9.5 | 10.0 | 12.1 |
| Age | ≥ 50 years old | 19.0 | 20.3 | 9.1 | 8.6 | 2.1 |
| | Age 30-49 | 21.8 | 21.6 | 10.2 | 10.5 | 2.2 |
| | <30 years old | 23.6 | 27.2 | 9.2 | 11.6 | 1.2 |
| Total hours | | 2,075,584.6 | | | | |
| Average hours per FTE of training and development ^{*2} | | 19.0 | | | | |
| Total spent | | 3,572,328 USD | | | | |

*1. The main components of the training fee are the teacher's hourly fees, education material fees, and lecturers and employees' travel expenses for training. The fee does not include the cost of time for training across the globe; total training spent are calculated based on the foreign exchange rate of each currency against the USD on December 31, 2023.

*2. Calculations based on total training hours for the year show global average hours of training per person = total hours/total number of employees in the year (number of employees at the end of 2023 + number of turnover = 109,392); all regions and categories have adopted the same calculation logic. The number of turnover does not include operators (including production line assistants) who have not stayed with the Company for more than 30 days since they first joined, or professional technical and management units personnel who have not stayed with the Company for more than 90 days since they first joined.

6.4.1 Global Talent Mobility Strategy

Delta instituted a sustainable global mobility strategy and promoted policies to respond to the changes in the global market, achieve continuous globalization of business activities, effectively utilize the international workforce, promote talent diversity, expand the international horizons of high-potential employees, and cultivate international leadership. The "Global Expatriation and Rotation Acceleration Policy " was implemented in 2023. By the end of 2023, the total number of global expatriates increased by 1.5 times compared with the previous year.

- ✓ **Purpose of policies:** Implement expatriate rotations for employees with potential to gain experience from working in different regions and expand global R&D capabilities.
- ✓ **Formulation of policies:** The experience conditions are divided into three major categories for employees to gain cross-functional, cross-organizational, and cross-regional experience. They are incorporated into the review conditions for promotions in conjunction with the promotion system. Collaboration occurs with each district simultaneously to plan the career development of key talents in advance to ensure that talents have corresponding experience and training when they assume important responsibilities. The Company must also establish indicators to determine promotions into professional roles and serve as a basis of reference for the technical and human resource committees during their review
- ✓ **Expatriate support measures:** Provide expatriate preparation information packs, language assistance and learning promotion plans, and cross-cultural training, and encourage them to participate in local activities.
 - Employees in Taiwan may apply for Delta's foreign language learning program subsidy before overseas assignments. They can choose one-on-one in-person or online courses based on the official language of the assigned area.
 - Leadership workshops are organized in Singapore to improve managers' cross-regional and cross-cultural communication skills and promote teamwork between expatriates and local employees.
 - Thailand Plants regularly hold activities such as orientation meetings, trips to Ayutthaya, Thailand, and coffee seminars to help expatriates adapt to the new environment and understand local customs.
 - The Company organized a team-building day for global manufacturing units at the Krishnagiri Plant in India so that expatriates can integrate into the team more quickly and enjoy family time.

▼ The Singapore Leadership Workshop improved the cross-regional communication skills of rotating expatriates





Long-term retention plans for key R&D talents

For key R&D employees around the world, we adopt talent retention measures tailored to local market conditions.

- The R&D and sales team in Shanghai were offered special retention plans while R&D managers were offered retention bonuses based on individual and organizational performance. We also continue to expand the R&D team.
- The Company provides retention plans for key R&D employees in India Plants and EMEA.
- In Taiwan, we continue to increase the starting salary standards and general remuneration of R&D talents in Taiwan to remain competitive.
- The Components Business Group has achieved great results in the expansion of its R&D talents through mergers and acquisitions.

Flexible benefits for international transfers

The planning of a global labor strategy and flexible expatriate measures is for the purpose of increasing the attractiveness of assignments in response to the continuing global expansion of the organization.

- Each year, the salary and benefits of expatriates are reviewed to ensure they meet market standards. Expatriate salaries were increased and subsidies for family members in aspects such as children's education, transportation, and housing were increased to promote talent mobility and employee willingness, allowing expatriates to work overseas without worry.
- We provide employees and their family members with comprehensive group insurance and 24-hour international medical assistance services.
- We implement local placement measures in all regions to promote talent mobility.

Asia Pacific

- 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.
- Thailand Plants provide dormitories for expatriates; India Plants provide hotels and expatriate dormitories in newly built plant areas.
- Enhanced insurance coverage for employees stationed in Thailand Plants.

Americas

- Plan expatriate dormitories in Texas, USA

EMEA

- Plan expatriate dormitories in Hungary

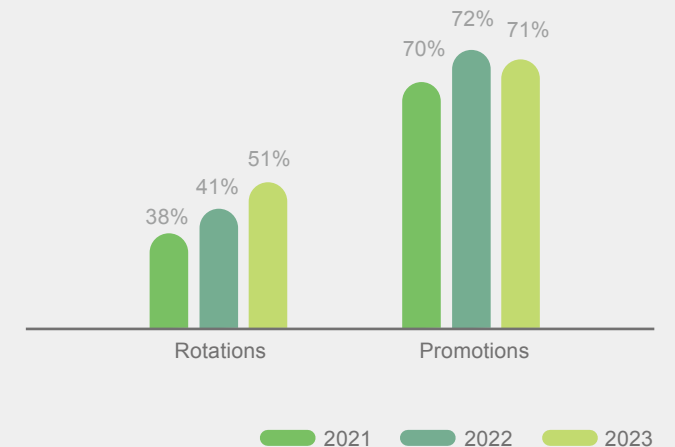
6.4.2 Pipeline Readiness and Transformation Drivers

Continuous Development of the Key Talent Echelon

Leadership Development Committee (LDC)

- The management and senior executives conduct meetings of the Leadership Development Committee (LDC) biannually and two meetings were held in 2023. They discussed talent development plans and echelon inventory from the business strategy and enterprise development perspectives to facilitate rotations and overseas assignments and increase the talent preparedness for key roles.
- To improve the overall capabilities and maturity of the key talent echelons, we learned from external benchmark companies in similar industries in 2023 and launched a two-year "Global Leadership Talent Development Program" starting from January 2024 to provide diverse development resources. We prioritized the creation of opportunities for talent rotation and overseas assignments, and implemented regular evaluation and feedback mechanisms to accelerate the training, experience, and training of key talents. They can thus take on more important responsibilities and empower the Company's transformation.
- The LDC model of the Talent Development Committee (TDC) of the headquarters was successfully duplicated in Business Groups and regions who formed their own Talent Development Committee (TDC). Personnel evaluation meetings in each business unit and region review talents and their development, and discuss their promotion and transfer plans to enhance their talent preparedness.
 - ✔ In 2023, a total of 26 meetings of the Talent Development Committee (TDC) were held in different regions, covering nearly 2,000 talents with high potential.
 - ✔ Each region implemented development activities such as a training camps for new managers in Mainland China, a three-day leadership camp in Europe, a customized mentorship program in Southeast Asia, and one-on-one discussions of individual development plans.

Key talent development speed steadily increased



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

Selection of Young Talents as Leaders of New Business Development Units to Power Future Growth

New Business Development (NBD) has become one of the important strategies for the growth of Delta.

- A three-year "NBD Leader Incubation Program" was planned in mid-2021. This program was implemented first in Taiwan and the initial program adopted an open recruitment system with three stages of selection, ultimately resulting in dozens of talents being selected. The goal is to facilitate rotations of talents to NBD or promotions within the NBD team. It also helps employees understand the historical context and future development of the new business unit through online and in-person courses.
- Employees who were rotated to NBD or promoted to within the NBD team during the program accounted for 42% of the talent training programs.
- All employees who participated in the mid-year short-term NBD program in 2023 expressed their desire to transfer to NBD units in the future in the feedback questionnaire. At the attendees' project results presentation event at the end of the year, the satisfaction level was 4.8 points out of 5 points.



6.4.3 Key Training Programs and Diverse Learning Resources

Global Field of Management Committee accelerates the transformation of the solutions business, strengthens the capabilities of ESG green collar talents, and drives interregional exchanges.

Global Field of Management Committee training framework

Committee members are composed of inter-business and inter-regional experts and supervisors



Delta launched the Global Field of Management (FOM) Committee at the end of 2020. It is led by senior managers and experts and managers from BGs and regions were invited to serve as committee members. By defining core competencies, recommending and cultivating expert lecturers, and jointly cultivating talents across the globe, Delta accelerates and strengthens the professional and inter-disciplinary learning capabilities of employees in relevant positions. By 2023, 12 Global Field of Management Committees have been established.

Main implementation progress in 2023

01

A new ESG FOM Committee was established in 2023, and 15 professional courses and 17 common courses were defined. The course content includes ESG general introduction, net zero and carbon management, circular economy, corporate governance, code of conduct, and other environmental sustainability, corporate governance, and social topics for building employees' ESG knowledge and skills, facilitating communication with stakeholders, and cultivating more green-collar talents for the Company.

02

The FOM Committees carry out bilateral collaboration with each region. By using a uniformly defined learning blueprint and resources, they can be customized and intensified based on local needs and expanded to different fields and regions at the same time. For example, Delta Americas utilizes the resources provided by the Global Sales & Marketing Training Committee to invite experts and managers in the Americas to reclassify and connect the necessary professional fields according to local marketing processes. Experts will be invited to provide case studies starting in 2024 to expand the effectiveness of the FOM Committees.

03

All fields share learning resources through the knowledge management platform (DMS) and the Delta Academy learning platform to promote the digital transformation capabilities of employees.

Focus on Leadership, Professionalism, and Sales & Marketing



Leadership

- We design leadership and management courses at all levels for company leader quality. In 2023, we introduced CrossKnowledge, a leading global management training brand, with 30 intermediate, advanced, and general management online courses.
- The achievement rate of courses/share objectives for personnel at the manager level and above in 2023 was 100%.



Professionalism

- In 2023, Delta's 12 FOM Committees around the world made great efforts to improve the professional skills of employees and achieved remarkable results. Each region has also begun to use the enhanced FOM courses for local expansion. The number of courses offered has reached 800.
- In 2023, Delta continued to strengthen online learning resources for 4 major core productivity (Problem Analysis & Solving, presentation skills, Project Management, Digital Transformation & Tools Application) courses and collaborated internally across units and regions to organize advanced project leadership courses and media response courses for mid-level and senior managers. The overall average satisfaction rate was 4.6 points, and the courses were implemented in Asia Pacific and EMEA.



Sales & Marketing

- The Global Sales & Marketing Training Committee will strengthen shared skills in the 6 major regions of business and sales. There are 8 e-courses with themes such as consulting sales, brands, and sales procedures. Attendees have accumulated 8,588 views.
- In 2023, Q&A smart language processing and GPT data search technology were launched for Delta's internal knowledge management platform (DMS) to significantly enhance search functionality and effectively assist employees in quickly identifying key knowledge and management documents out of the 710,000 data entries in the Sales Enablement community. Global business personnel can also quickly find relevant business contact persons with this system, which significantly increases efficiency.

6.5 Human Rights Protection

6.5.1 Human Rights Policy and Commitment

Delta is committed to adhering to international human rights conventions and local regulations in its global operations. We established the "Delta Human Rights and Employment Policy" to communicate Delta's commitment to global human rights. Delta is committed to maintaining diversity and security in the workplace environment and established the "Delta Group Non-Discrimination and Anti-Harassment Policy" in 2023 to declare Delta's commitment to the workplace environment. Delta has adopted a "zero-tolerance" policy towards any form of discriminatory or harassing behavior and established the whistle-blowing system. We rigorously abide by regulations regarding reports and complaints as well as the management of unlawful infringement in the workplace, protect the equity, respect, safety needs of all relevant personnel, and take appropriate preventive, corrective, and punitive measures, and protect the rights and privacy of the parties.

Delta organizes human rights policy training every year and conducts an assessment of potential employee human rights issues across business activities at least once every three years.

The scope of coverage includes Delta's own operations and joint ventures. In 2023, Delta referenced the guidelines of the United Nations to subdivide the severity of the risk assessment based on the scale, scope, and irremediability to identify the impact on employee human rights, formulate mitigation and remediation measures, and determine the priority of actions to mitigate and prevent recurrence of risks. We commenced investigations in 2023 and summarized the results and risk response measures in "[2023 Human Right Due Diligence and Modern Slavery Report](#)", which is published on the official website in accordance with the "Modern Slavery Act" of the United Kingdom.

2023 Human Rights Management Achievements

Employee human rights protection

- Formulated the "Delta Group Non-Discrimination and Anti-Harassment Policy"
- Conducted employee human rights due diligence^{*1}

Audit of human rights standards in each region

- 364 internal reviews
- 838 external audits
- The risk ratio^{*2} of own operations was 3.6%; the risk ratio of joint ventures in which Delta holds stakes above 10% was 20.5%

Human rights policy training

- 78,509 participants completed training globally
- 97.2% completion rate
- 14,393 training hours

*1 The scope and classification of the risk assessment are based on the Dow Jones Sustainability Index, and they include Delta's own operations and joint ventures in which Delta holds stakes above 10% .

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

6.5.2 Employee Human Rights Due Diligence

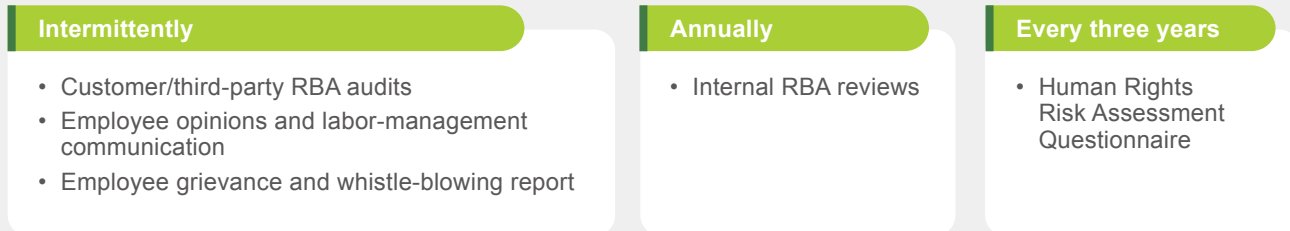
Human rights due diligence procedures

Delta systematically reviews its human rights policies, procedures, and plans for human rights issues, identifies potential employee human rights issues in the value chain, and proposes improvement measures.



Human rights risk assessment tools

Delta identifies human rights issues every year through internal RBA reviews and external audits, as well as internal and external grievance records. We identify potential employee human rights risks through human rights risk assessment questionnaires at least once every three years.



*1. The Asia Pacific region refers to regions in Asia outside of Taiwan and Mainland China, including the locations of operations in countries in Southeast Asia and Northeast Asia.

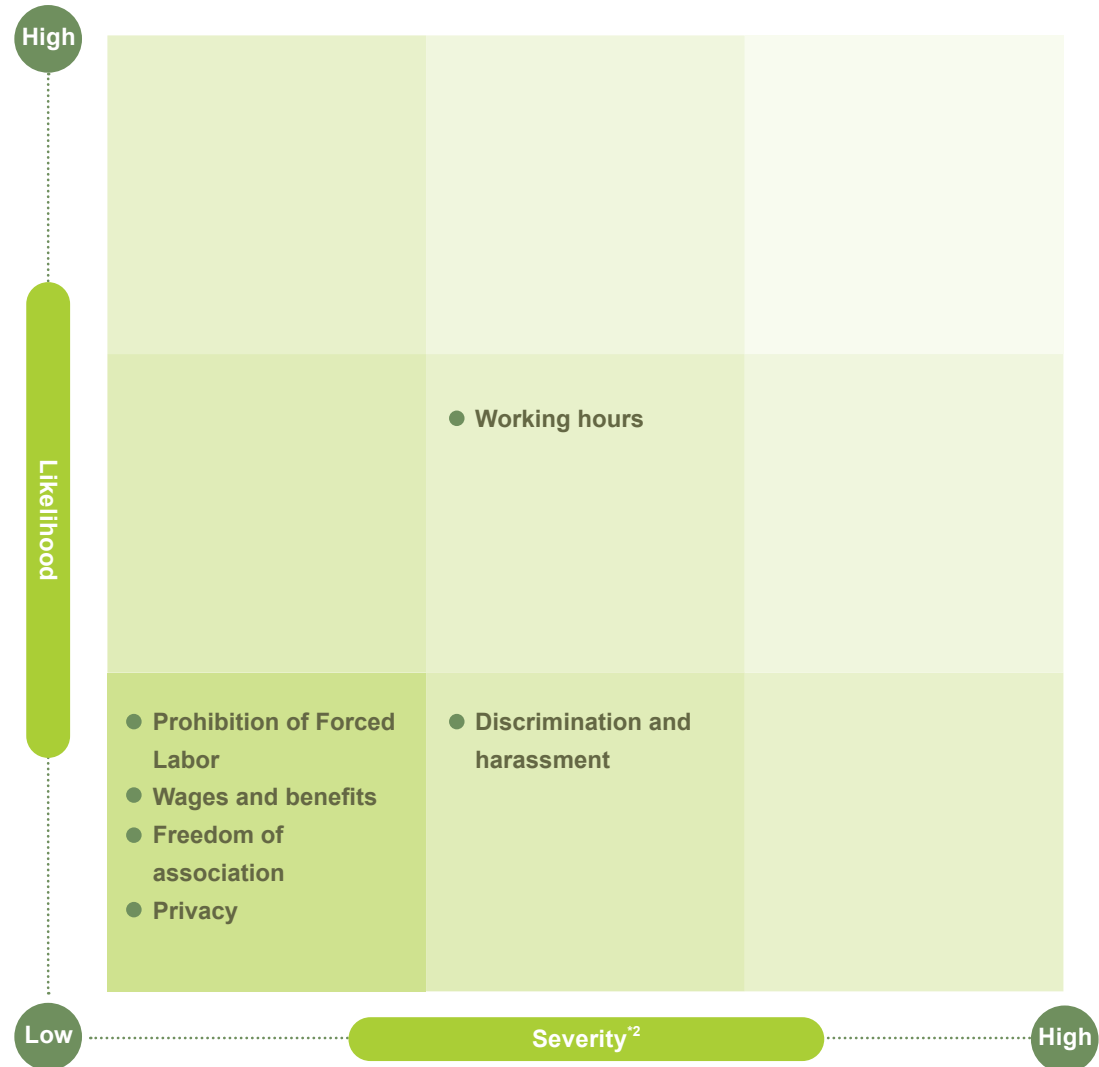
Human Rights Risk Assessment Results

We take remedial and mitigation measures based on risk assessment results and implement continuous improvement to ensure the purpose of risk management. The 2023 employee human rights risk assessment coverage rate*1 was 100%. In 2023, we assessed 12 human rights issues, and identified 1 medium-risk issue (working hours) and 5 low-risk issues (prohibition of forced labor, wages and benefits, discrimination and harassment, freedom of association, and privacy) were identified. The remaining issues were almost risk-free.







The Company complied with local labor regulations and related rules and there was no major violation of regulations in 2023. An affiliate company, Cyntec, was fined a total of 651 USD for violating Article 22, Paragraph 2 of the Labor Standards Act because the welfare benefits of employees were not deducted proportionally based on the period of employment. The company has modified the employee welfare fund withholding system in the payroll system, established a mechanism to prevent errors, and refunded the excess deduction amount to employee

*1 Global human rights risk assessment coverage rate = number of companies that have completed risk assessment / number of companies for which coverage is required based on the Dow Jones Sustainability Index assessment.

*2 Severity: The total value of the scale, scope, irremediability of the impact.



2023 Human rights due diligence improvements and trackings

| Risks | Targets of Concern | Mitigation and Remediation Measures | Management Actions |
|---|----------------------------------|--|---|
|  Working hours | Operators All employees | <ul style="list-style-type: none"> Produced forecasts based on sales and marketing meetings, established effective recruitment plans, and prepared labor reserves. Production line supervisors reviewed employees' working hours every day and made appropriate work arrangements to comply with the Company's working hour regulations. Improved the application process for correcting clock-out records for employees who process personal affairs after work. | <ul style="list-style-type: none"> Reinforced production line labor in phases to maintain operations for 6 out of 7 days of the week, rigorously maintained work hours below the limit. Formulated production line incentive and training measures to increase employee work efficiency and reduce working hours. The system reminds employees of the maximum work hours and enhances the communication of attendance standards. |
|  Prohibition of forced labor | New employees Migrant workers | <ul style="list-style-type: none"> Cyntec made corrections to the employment contracts for those who have not signed the employment contract when they started work a long time ago. Organized forums and events to care for the human rights of migrant workers from time to time and encouraged them to provide feedback. | <ul style="list-style-type: none"> Optimized recruitment procedures and ensured the signing of the employment agreement. Delta optimizes migrant worker hiring procedures and management matters, regularly evaluates the service quality and regulatory compliance of recruitment agencies, and implements the zero-payment policy. |
|  Wages and benefits | New employees All employees | <ul style="list-style-type: none"> Cyntec retroactively deducted employee welfare benefits proportionally based on the period of employment. Vivotek revised its employment regulations to pay for the pre-employment physical examination fee for new employees. Delta China pays the social insurance payment base as required by local laws and regulations based on employees' preference. | <ul style="list-style-type: none"> Modified the withholding of employee welfare funds in the payroll system and established mechanisms to prevent recurrence of errors. Regularly reviewed the effectiveness of employment management regulations and procedures to avoid process failures. Delta China established the advance survey mechanism to respect employees' preferences in choosing the social insurance participation base and housing provident fund. |
|  Discrimination and harassment | All employees | <ul style="list-style-type: none"> Implemented workplace friendly and sexual harassment prevention awareness campaigns and organized training for prevention of unlawful infringement and sexual harassment in the workplace. Conducted investigations and convened a meeting of the complaint processing committee for unlawful infringement in the workplace in accordance with the measures for the unlawful infringements regulation in the workplace, and implemented punishments and reporting in accordance with regulations, provided victim protection, placement, and assistance measures. | <ul style="list-style-type: none"> Formulated the "Delta Group Non-Discrimination and Anti-Harassment Policy" and abided by systems for reporting, complaints, and unlawful infringement in the workplace. Established an online course for sexual harassment prevention and tracked employee completion rate. |
|  Freedom of association | All employees | <ul style="list-style-type: none"> The Company respects religious freedom and has established application procedures for employees' religious venues. Amended the RBA Manual and stipulated that "All personnel are free to associate with or organize unions; collective bargaining may be conducted between union representatives and the Company". | <ul style="list-style-type: none"> Provided diverse two-way communication mechanisms between employees and the management, and created an environment for free expression and communication. Strengthened "collective bargaining" mechanisms and conducted the election of the labor representatives of the labor-management meeting with voting by all employees. |
|  Privacy | New employees | <ul style="list-style-type: none"> Cyntec has modified its personnel information form to comply with legal requirements for the collection of personal information. | <ul style="list-style-type: none"> Regularly reviewed laws and regulations to update relevant methods, processes, and forms for the collection of employees' personal information. |

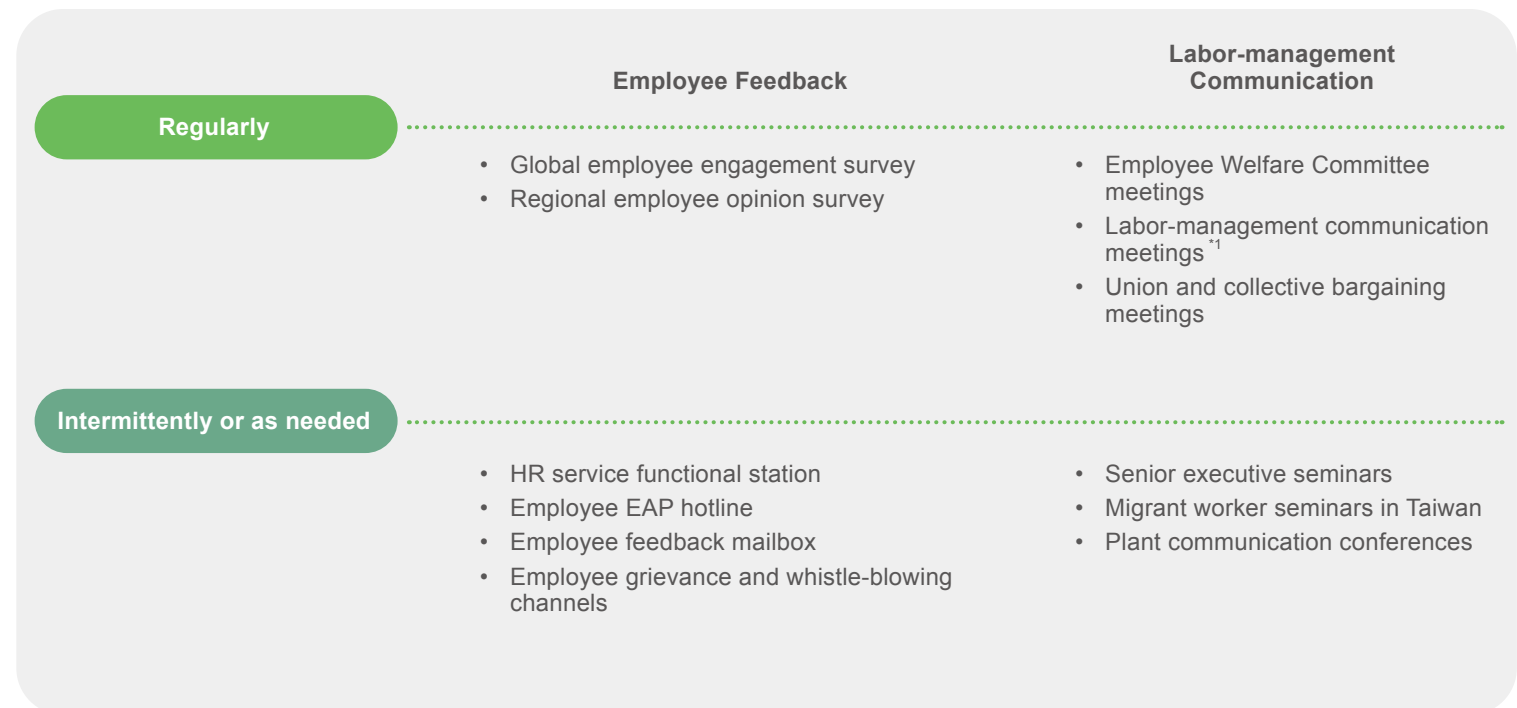
6.5.3 Employee Rights and Communication

Delta adopts open communications with employees and a two-way communication mechanism, achieving a global collective bargaining and union coverage rate of 59.3%. Remaining employees who "have not joined a union or are not covered by collective bargaining" and those in "operating sites or subsidiaries without unions" enjoy work conditions and employment clauses that comply with local labor regulations, labor contracts, working rules, or which have been confirmed by labor negotiation channels instated by law.

Delta also strives to expand diverse communication channels by implementing a good and fast communication mechanism that swiftly deploys correct company information and allows the voices of employees to be heard and responded to. As such, the expectations and sentiments of both parties can be consolidated to solidify labor-management relations. Delta also established systems for whistle-blowing and unlawful infringement in the workplace and maintains the confidentiality of any reported information to protect the rights and interests of all employees.

Labor-management communication channels of major production sites

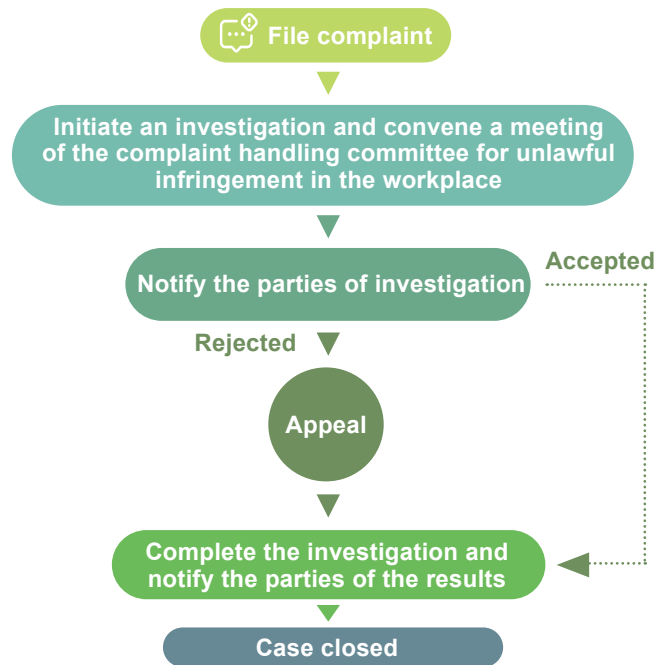
Delta uses diverse channels to implement two-way communication with employees, which clearly and effectively conveys each party's expectations and feelings, and establishes sustainable and healthy labor-management relations. An internal employee e-newsletter is published every month to shape and promote the Company's core ideas and cultural values. Short reports are paired with lively visual design to enhance employees' reading experience. It also includes the highlights of overseas activities and promotes exchanges between employees in different regions.



*1 Regular labor-management communication meetings: These include different forms of labor-management communication meetings in different regions, such as labor-management meetings in Taiwan, labor-management communication meetings in APAC, and employee representative meetings in Mainland China. Plant communication conferences are organized in each region intermittently.

Procedures for processing unlawful infringement in the workplace

After receiving complaints or reports of unlawful infringement in the workplace such as physical, psychological, verbal assault, sexual harassment, and stalking, we investigate and address them within the time limit according to the workplace illegal infringement handling process. We implement punishment and report the wrongdoing based on the investigation results. We provide victim protection, placement, and assistance measures, retain and record relevant incident handling reports, and review the reasons for the incident to prevent the recurrence of similar incidents.



Employee feedback in major manufacturing sites and improvement measures in 2023

In 2023, there were a total of 472 employee suggestions or feedback cases from sites around the world, including 66 cases related to labor standards violations (15 cases in Taiwan and 51 cases overseas). The Company processed 0 cases of discrimination based on race, religion, color, nationality, gender, and other factors. A total of 4 sexual harassment cases were processed and 1 case was accepted for investigations. The Company immediately processed the case in accordance with the measures for the management of unlawful infringements regulations in the Workplace and adopted relevant improvement measures, including punishment and reassignment. We also strengthened employee awareness and issued an announcement for friendly workplace and sexual harassment prevention in the plant. The Company has closed all cases of reports and appeals in 2023.



Improvement measures for employee complaints in 2023

Explanation and Summary of Main Improvements in 2023

| | | | |
|--|--|---|---|
|  <p>General needs</p> | <ul style="list-style-type: none"> ✓ We improved dormitory equipment and accommodation quality, such as adding drying areas, dormitory renovations, purchasing new bed boards, repairing and replacing damaged bed boards, and more, adjusting conditions for changing rooms, and addressing mosquito problems in response to suggestions from migrant workers. ✓ We increased the variety and nutritional balance of meals based on the results of employee group meal questionnaires. We also improved the dining environment with a new bakery and the purchase of energy-saving refrigerators. |  <p>Salary and performance</p> | <ul style="list-style-type: none"> ✓ Delta encouraged continuous performance communication between supervisors and employees, and produced online training courses on performance management systems. |
|  <p>Management communication</p> | <ul style="list-style-type: none"> ✓ We organized courses on workplace communication and emotional management to promote effective communication and risk management in the workplace. ✓ We strengthened the communication of company policies and reward and punishment regulations with supervisors and reminded supervisors to manage their conduct. |  <p>Health and safety</p> | <ul style="list-style-type: none"> ✓ Delta Taiwan communicates parking regulations and contact persons for handling violations to avoid damage to the rights and interests of employees. ✓ Strengthened communication with employees to improve their safety awareness during commutes. |
|  <p>Labor disputes</p> | <ul style="list-style-type: none"> ✓ After complaints were received, they were processed in accordance with the labor consultation procedures. In 2023, there were a total of 8 cases and 100% of the cases were closed. ✓ Delta China has strengthened the training and communication of reward and punishment regulations to enhance employees' awareness of the management of their conduct. |  <p>Discrimination and harassment</p> | <ul style="list-style-type: none"> ✓ Organized sexual harassment prevention lectures and other courses, and strengthened the awareness of all employees. ✓ Strengthened the awareness of gender equality and the concept of diversity and inclusion and planned relevant courses and activities. |
|  <p>Work environment</p> | <ul style="list-style-type: none"> ✓ Optimized plant equipment and environment, such as indoor activity venues, table tennis and billiard tables, inventory of the entire plants, repairs for urinals, and adjustment of the air-conditioning temperature in plant areas. ✓ Delta China applied for evening bus schedules consistent with employee attendance schedules. ✓ Thailand Plants strengthened the communication of nursing room usage regulations and conducted service training for nursing staff to improve service quality. |  <p>Others</p> | <ul style="list-style-type: none"> ✓ Delta China conducted personal information security training and awareness campaigns for all employees to enhance employees' personal information protection awareness. ✓ Strengthened the communication of the Employee Code of Conduct and reward and punishment regulations and reminded employees to pay attention to their own conduct. |

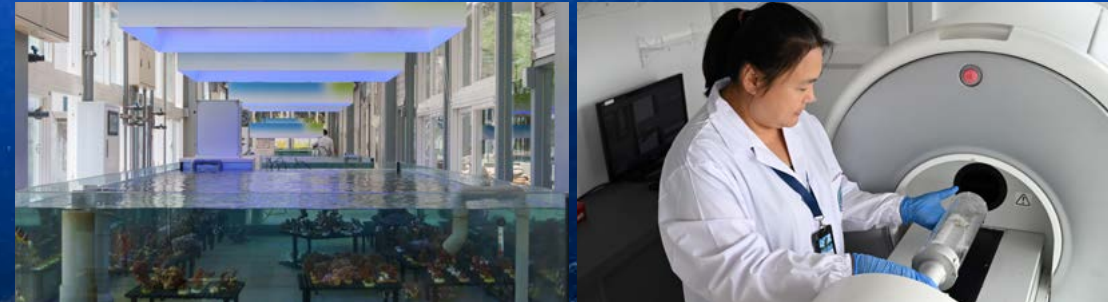
6.6 Social Engagement

Delta Saves Endangered Marine Ecosystems with Coral Conservation and Restoration Actions

Keelung is a beautiful city located at the intersection of mountains and sea. It is also seen by experts as the Noah's Ark for corals, as they migrate northward due to the warming of the surrounding waters of Taiwan. In 2023, Delta established the "Chaojing Coral Conservation Center" with the National Museum of Marine Science & Technology, leveraging its industrial and building automation expertise to integrate smart aquaculture and environmental management systems to create a suitable growth environment for corals. Located next to the Keelung Wanghaixiang Chaojing Bay Resource Conservation Area, the Chaojing Coral Conservation Center further enhances local conservation efforts. When the corals grow to a certain size, they are transplanted to the Chaojing Bay Resource Conservation Area to enhance biodiversity. This conservation plan targets 20 internationally recognized endangered coral species and aims to restore more than 10,000 corals in three years.

Delta also worked with the National Museum of Marine Biology & Aquarium and corporate volunteers received intensive training for two consecutive years. In addition to obtaining CoralNet licenses, they directly assisted in the collection of sperm and eggs, during the coral spawning season last year. Researchers can thus perform artificial insemination and incubation in the laboratory to enhance the success rate to cultivate heat-resilient symbiotic algae. This breeding program makes corals more resilient to marine heat waves and extreme weather and helps to reduce mass coral bleaching.

Delta's conservation and restoration adopted the "coral high-performance aquaculture system" developed in collaboration with researchers. It integrates Delta's LED lighting with a special light spectrum and uses programmable logic controllers for regular feeding and water quality adjustments, which help accelerate the coral restoration process, adjust research parameters, simulate a warming environment for different types of corals, and enhance their heat resilience. In addition, the plan also incorporates Delta's micro computed tomography (Micro CT) equipment to analyze coral skeletal density, soft tissue, and symbiotic algae



composition to help establish a calcium carbonate skeleton database of endangered, vulnerable, and heat-resilient corals.

To allow more people to participate in coral restoration, Delta held a six-month "Earth Pulsing - Nurturing Life Exhibition", and set up the "Coral Restoration Classroom" with the National Museum of Marine Science & Technology. It allows the general public to care for corals with professionals who lead them in the selection of coral fragments and experiencing the restoration works. There were more than 570 participants. After these coral fragments grow, they will be transplanted by Delta volunteers to the Chaojing Bay Resource Conservation Area to help restore the coral habitat.

6.6.1 Popularizing Green Buildings and Low-Carbon Transportation

Practical and Theoretical Courses on Building and Industrial Energy Efficiency

In 2023, Delta continued to offer three courses on net-zero buildings and LEED ZERO, WELL healthy buildings, and energy-saving management personnel training. The courses provide the public with the latest carbon reduction and sustainability knowledge in the public construction and industrial sectors, including low-carbon green construction, WELL Equity Rating, as well as energy-saving technology. The three courses attracted 5,681 applicants.

Weather Forecasts and Databases Support Innovative Building Carbon Reduction Measures

The Delta Foundation and the International Climate Development Institute applied weather forecasts to determine the daily tonnage of chillers and the startup time of the ice melting system at Delta's Chungli Plant 5 to avoid excessively low energy efficiency of the chillers. This schedule was implemented based on the local environment and climate, and automatic real-time adjustments were implemented so that the plant saves 269,000kWh of electricity in five months with a total energy savings rate of 18% without replacing the air-conditioning equipment of the building. In addition, the Foundation is working with the Taiwan Construction Research Institute to establish a building circularity analysis database and scoring standards. At this stage, the feasibility of the standard is assessed by analyzing social housing that has introduced the circular economy model. We hope this will encourage related construction industries and national construction institutes to reduce embodied carbon.

6.6.2 Energy and Climate Education

Developing a New Energy Education Curriculum to Increase Net-Zero Awareness of Elementary School Students

To raise the awareness of net-zero buildings, Delta focused its 2023 energy education program on building reduction design and methods. The Foundation worked with Sisi Creative Art to help elementary school students create buildings with low energy consumption and internalize spatial and environmental planning knowledge with three-dimensional creations. The curriculum also trains their design skills and problem-solving abilities.



Delta energy volunteers learn to use teaching aids to build net-zero energy buildings

Continue to Expand Influence through Climate Salons and Social Media

In 2023, the Foundation held three salons, which focused on the topics of "Biodiversity", "Internal Carbon Pricing" and "Ocean Warming and Coral Restoration", with more than 1,600 participants onsite and online. The Foundation also published the report "Introduction of Internal Carbon Pricing: Methods and Application" with the aim of compiling a guide for enterprises to implement internal carbon pricing. Delta continued to operate the "Low Carbon Life Blog" and Voice of IC "Climate Battle in Taiwan" podcast program. As of 2023, the blog accumulated nearly 6.3 million views and exposure in major online media outlets. The contents were also used by other companies as internal training materials. The podcast program focuses on the topics of climate law amendments, energy transition, strong El Nino, and climate finance. It has been listened to more than 67,000 times this year. It was in the top three in Taiwan's Nature category on Apple Podcast for 52 days and was selected for an Earth Day special episode.

Delta Special Exhibition and Film Exhibition Increase Public Ecological Awareness with Art

Delta's "Earth Pulsing - Nurturing Life Exhibition" was moved to the National Museum of Marine Science & Technology and an "Ecological Guide" aquarium with live animals was added to allow the public to get a closer look at creatures. The Foundation also worked with Wildscreen in the United Kingdom, to obtain authorized documentaries and held the Nurturing Life on the Earth Documentary Film Festival, which was screened with Delta 4K projectors in three museums in Northern, Central, and Southern Taiwan to promote biodiversity. The special exhibition and film festival attracted more than 27,000 participants.



Delta attempts to use the "Earth Pulsing - Nurturing Life Exhibition" to enhance public awareness of the importance of biodiversity.



Delta organized side event with international organizations at COP28

Joining International Heavyweight Organizations in Sharing Sustainable Practices at the United Nations

Delta participated in the United Nations Climate Change Conference (COP) for the 16th time and joined hands with international business organizations and climate opinion leaders to hold side events in the official negotiation area (Blue Zone) and show how Delta's internal carbon pricing can be implemented with management mechanisms to help companies reduce emissions. Delta also co-organized an event for the first time with the Global Alliance of Building and Construction, which is led by the United Nations Environment Program (UNEP). Delta shared its experience in net-zero buildings and social empowerment in the "Building Pavilion" of the negotiation area. Delta also showcased the first zero-carbon coral conservation center in Asia and Delta's coral restoration at the conference booth.

Delta Cup Contest on Zero-Carbon Buildings Explores Carbon Reduction in the Construction Industry

Delta actively responds to global carbon reduction initiatives and explores zero-carbon building technologies. The theme of the 2023 Delta Cup International Solar Building Design Competition was "Sunshine - Zero-carbon Building". It had two competition topics, including the zero-carbon design project "Culture and Technology Museum in Guangzhou Science and Education City" and the zero-carbon upgrading project "Guangzhou Public Utility Technician College Club Complex" and collected design works from all over the world. During the competition, the organizing committee visited nine universities, including Northeastern University and Guangzhou University, to conduct lectures and discuss ways to achieve building energy conservation and carbon reduction with university teachers and students. The program benefited more than 700 students.

A total of 733 teams registered for the competition this year and they submitted 210 eligible entries. The judge panel of 10 top domestic and foreign academics and experts led by Cui Kai, an Academician of the Chinese Academy of Engineering and leader of the judge panel of the Delta Cup International Solar Building Design Competition, awarded 2 first prizes, 3 second prizes, 7 third prizes, 20 excellence prizes, and 30 shortlist prizes. The works that won the first prize were "Zeroner - Breathing Paradise" and "Vertical Garden Shaped by Wind". Both works were from Tianjin University. The experts of the review team unanimously agreed that both works achieved a fine combination of low-carbon and green architectural design. Since the contest began in 2005, it has attracted submissions from 10,732 teams across the globe and received 2,254 eligible entries. After detailed design, five of the winning entries have been constructed to help make the designers' dreams come true.



Delta's founder Bruce Cheng (second from left), Chinese Academy of Engineering Academician Cui Kai (third from left), Vice President of China Construction Technology Consulting Co., Ltd. Liu Zhihong (second from right), and General Manager Ma Hai (far right) and Deputy Chief Architect Zhong Jishou (first from left) of China Architecture Design & Research Group jointly launched the 2023 Delta Cup International Solar Building Design Competition



The first-prize entries for the zero-carbon upgrading competition titled "Guangzhou Public Utility Technician College Club Complex" was "Zeroner - Breathing Paradise" by Tianjin University. The work uses vertical greening to achieve passive cooling of the building. The photovoltaic system on the surface of the building creates a continuous and comfortable shady corridor. The movement flow strengthens the connection between the two shapes and makes the space more interesting.

6.6.3 Talent Cultivation

Delta's Founder Bruce Cheng Receives Outstanding Contribution Award for Cultivation of Power Electronics Talents

In November 2023, the China Power Supply Society held its 40th anniversary celebration in Guangzhou. Delta's founder Mr. Bruce Cheng received the Outstanding Contribution Award at the 9th award ceremony of the China Power Supply Society Science Technology Awards. Mr. Cheng received this honor because he actively promoted the fundamental research and cutting-edge development of power electronics and power supply technology, and cultivated talents for power electronics studies and industries. The award is also a testament of Delta's efforts in the development of power supply technology and academic studies.



Delta's founder Mr. Bruce Cheng received the Outstanding Contribution Award from Liu Jinjun (2nd from left), Chairman of the China Power Supply Society, and took a group photo with Professor Fred Lee (3rd from left), a foreign academician of the Chinese Academy of Engineering, and Ms. Luo Hui, Director of the China Association for International Science and Technology Cooperation (3rd from right), who congratulated him and paid tribute.

Climate Change Courses Added on DeltaMOOCx

The Foundation used the DeltaMOOCx platform to work with the Graduate Institute of Astronomy of National Central University to prepare a general climate education course. It invited authoritative domestic experts to record 12 courses, covering the greenhouse effect, melting glaciers, sea level changes, food security, public health, and more, to teach climate science.

Cultivating Talents with Scholarships and Seeking Solutions for Society

Delta continues to foster exceptional talents in society through scholarships. As of 2023, a total of 144 exceptional students from North Thailand area have received overseas study scholarships. 163 Master's and PhD students and university professors have received scholarships to travel the world and study environment-related subjects. In addition, the Foundation provides civil servants with scholarships for overseas studies and we have more than 66 outstanding civil servants getting awards.

Science and Education Development Program Builds an Interdisciplinary and Inter-University Exchange Platform

Since 2000, Delta set up the "Delta Power Electronics Science and Education Development Program" and "Delta Scholar Program" to support fundamental research and talent cultivation on power electronics in 12 key universities in China. Starting from 2023, Delta also supports new power electronic systems to encourage interdisciplinary cooperation between power electronics and new power systems.

In July 2023, Delta organized the "Delta Power Electronics Technology Seminar" in Suzhou. It also held the "Delta New Power Electronics Power System Summit Forum" at the same time. Academicians Tang Guangfu and Wang Chengshan were invited to discuss efforts to promote energy transformation, changes of the development model, and upgrading and reconstructing the power system. They engaged in in-depth exchanges with more than 400 attendees from the industry and academia. During the meeting, Delta announced the support for 17 scientific research projects. Professor Shuai Zhikang received the distinction and title of "Zhongda Scholar". Professor Wang Jianing and Associate Professor Ma Ke received the "Zhongda Young Scholar Award". A total of 73 graduate students received scholarships. As of 2023, 334 basic research projects have been selected, and 34 outstanding professors have received the distinction of "Zhongda Scholar"; 26 "Zhongda Young Scholars Award" and 20 "Delta Visiting Scholars" have been selected, and scholarships have been awarded to 1,495 exceptional graduate students.



Committee members of the Science and Education Program and Delta Group executives attended the 2023 seminar and affirmed that the Program has been successfully implemented for more than 20 years



More than 400 experts, teachers and students exchange basic research in power electronics and power system-related disciplines

Continuation of Environmental Law Program Creates an Exchange Platform for Environmental Law in China

In environmental governance, the rule of law comes first and talents are given priority. Delta is well aware of the importance of environmental legal talents for environmental governance. Since 2011, it has established a special program to support scholars and graduate students from environmental resources and energy law to do academic research and study, as well as to promote the development of the discipline, and cultivates outstanding talents in environmental law. Since the start of the Delta Environmental Law Education Promotion Program, distinctions have been awarded to 10 "Delta Environmental Law Scholars" and 22 "Delta Environmental Law Young Scholars". The "Delta Environmental Law Outstanding Thesis Award" has been issued to 77 people while the "Thesis Scholarship" has been awarded to 362 people. A total of ten environmental law forums have been organized. On October 14-15, 2023, the "2023 Delta Environmental Law Forum" was held at Zhongnan University of Economics and Law. More than 100 experts, scholars, students, and professionals gathered together to discuss the theme of "Chinese-style modernization and the development of environmental law". They engaged in in-depth exchanges, discussed cutting-edge issues in the field of environmental law, and shared the latest research results to promote the continuous development of the environmental law discipline and the continuous improvement of its implementation.



Nigel Li, Planning Committee Member of the Delta Environmental Law Education Promotion Program and professor at Soochow University, attended the forum and expressed his hope that the forum would contribute to the development of environmental law disciplines and the rule of law for environmental issues.



The 2023 Delta Environmental Law Forum was held at Zhongnan University of Economics and Law and it was attended by more than a hundred experts, scholars, students, and professionals.

Supporting "Pearl Students" for 15 Consecutive Years to Empower Dreams for the Future

Delta has always actively fulfilled its corporate social responsibilities and continues to invest in education and talent cultivation. Delta helps "pearl students" who are academically exceptional but have trouble completing their education due to relative poverty circumstances at home. Over the past 15 years, it has supported 1,110 high school students in the five provinces of Fujian, Hebei, Shanxi, Anhui, and Hunan so that they can leave their home in the mountains and enter the classroom. Delta donated a total of RMB 8.325 million.

In 2023, Delta sponsored 130 senior high school pearl students from Anhui Suzhou No. 2 Middle School, Hunan Rucheng No. 1 Middle School, and Ningde Nationality Middle School — they met expectations with an 85% university enrollment rate. Ding Yi, Vice Principal of Ningde Nationality Middle School in Fujian, said: "Delta Pearl Class" has become a local brand. The quality training model of pearl students in academic and moral education has achieved remarkable results. We hope that more outstanding pearl students can be cultivated in the future.

Delta not only supports pearl students in completing their studies, but also cares for their growth. Participation in activities such as the opening ceremony for high school freshmen, high school summer camps, and college winter camps organized by the Xin Hua Education Foundation support the healthy growth of pearl students. To support their career exploration and development, Xin Hua Education Foundation organized another "cloud recruitment" event for pearl university students across the nation in November 2023. It provided more than 100 positions and opened up "green channels" to help them with internships and employment.



Chen Yixiang, Director of Delta China's Public Welfare Department (second from right), Xie Yueheng, Director of Wuhu Plant (third from right), Cao Zhenfeng, principal of Suzhou No. 2 Middle School (fourth from right), and pearl students jointly unveiled the "Delta Pearl Class" of Suzhou No. 2 Middle School.



Delta participated in the summer camp of Suzhou No.2 High School of Anhui and carried out a series of experience-based activities for 80 Delta pearl students to help them feel the power of teamwork in their activities.

Regional Social Engagement



Sailing Towards Sustainability: Delta Netherlands' Canal Cleanup in Amsterdam 2023

On September 15, 2023, for World Cleanup Day, Delta Netherlands' colleagues partnered with the Plastic Whale organization. Driven by a deep commitment to environmental stewardship, they embarked on a crucial mission to clean Amsterdam's historic canals. Educated by skippers on the alarming consequences of plastic pollution—how it breaks down into microplastics, infiltrating the food chain of fish and birds, and ultimately polluting the waterways leading to the sea—our teams set sail from Waterkant-Amsterdam. Within a mere two hours, as they navigated the canals with heightened awareness, they unveiled a disconcerting reality: 3 PET bags, 4.5 cans bags, 5 garbage bags, and more were collected, emphasizing the gravity of the pollution issue. Beyond providing a meaningful platform for community and city contribution, this initiative forged enduring connections among our colleagues, leaving indelible imprints of teamwork and camaraderie.



Delta Electronics India Empowers Udayan Care's Aftercare Program

Delta Electronics India demonstrates its commitment to social responsibility by contributing to Udayan Care's Aftercare Program through its CSR fund. Since 1996, Udayan Ghars have provided nurturing homes and aftercare facilities to over 1,500 children across 16 homes and 4 facilities. USF has supported over 12,900 girls from financially constrained backgrounds, offering unique features like mentoring, life skills, and employability workshops. To encourage social awareness and responsibility, many of these beneficiaries, known as Shalinis (Dignified, Empowered Women), are now pursuing diverse fields such as Engineering and Medicine. Shalinis fulfill 50 hours of mandatory work. Upon reaching 18 years, these individuals receive comprehensive support, including counseling and skill development. Delta's support not only aids the Aftercare Program but also fuels other activities conducted by Udayan Care throughout the year. With Udayan Care's presence in 32 chapters across India, Delta Electronics India's contribution plays a crucial role in empowering these young individuals for a brighter future.



6.7 Occupational Health & Safety

Occupational Health & Safety Key Performance Indicators (KPIs)

To ensure the health and safety of employees and create a safe workplace, Delta established the Occupational Health & Safety Management Department, which is responsible for formulating, planning, supervising, and promoting safety and health management matters. It also provides guidance to all departments for the implementation of Occupational Health & Safety management measures to ensure that Delta's occupational health & safety standards continue to improve. Delta's KPIs for occupational health & safety in 2023 is the rate of recordable work-related injuries. The target was 0.94, and the actual performance was 0.77, a decrease of 0.18 from the actual performance of 0.95 in 2022.

Occupational Health & Safety KPIs in 2024

- The rate of recordable work-related injuries of employees was **0.60**
- The lost-time injury frequency rate (LTIFR) of employees was **0.48**

We added the lost-time injury frequency rate as one of the KPIs for occupational health and safety in 2024 to reinforce Delta's strong commitment to occupational health and safety. We know that the safety and health of our employees are an important cornerstone of Delta's sustainable operations. Therefore, we are committed to strengthening occupational health and safety measures to minimize the occurrence of occupational incidents. Through the following actions, Delta hopes to create a safe and healthy workplace so that every employee can work with peace of mind and fully realize their potential.

Occupational Health & Safety Management System

Since its establishment, Delta has been committed to providing employees with a safe and healthy workplace. It has continued to strengthen internal and external communication to intensify overall employee awareness, established a risk assessment mechanism, and

implemented an occupational health and safety management system through plan, do, check, and act. Delta systematically promotes occupational health and safety management, provides workers with adequate protective equipment and devices, and implements employee occupational health and safety training to ensure workers' occupational health and safety and protect workers' human rights to safety and health.

Delta not only complies with the requirements of Taiwanese regulations and has established an occupational health and safety management system, but it also requires each plant to systematically implement occupational health and safety management in accordance with the ISO 45001 Occupational Health and Safety Management Systems requirements. 100% of the production sites have obtained third-party agency verification. Regions and plants with ISO 45001 certification are shown in the table below: Taoyuan Plant 1, 2, and 5, Pingzhen Plant, and Tainan Plant 1 in Taiwan have also passed CNS 45001 certification and obtained the Taiwan Occupational Safety and Health Management System (TOSHMS) certification.









Plants that have passed ISO 45001 Occupational Health and Safety Management Systems certification in each region

| Region | Production Plants |
|-------------|---|
| Taiwan | Taoyuan Plant, Taoyuan Plant 2, Taoyuan Plant 3, Taoyuan Plant 5, Chungli Plant 5, Pingzhen Plant, Taichung Plant, Tainan Plant 1, Cytotec Hsinchu Plant and Southern Taiwan Science Park Plant |
| China | Dongguan Plant 2/Plant 3/Plant 4/Plant 7/Delta Networks, Wujiang Plant, Chenzhou, Wuhu, Chongqing, Shanghai, Cytotec Wujiang Huafeng Plant, Cytotec Huafeng Wuhu Plant |
| Thailand | DET1/DET3/DET5/DET7/Warehouse Center1/ Warehouse Center3 |
| Other Areas | India Gurugram Plant, India Rudrapur Plant, India Krishnagiri Plant, Delta Slovakia, Eltek Slovakia, Delta UK, and Delta Singapore |

Establishment and Operations of the Occupational Health & Safety Committee

We have set up safety and health management entities 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 are managed directly by the highest-ranking local supervisor. In R&D and administration-oriented units in Taiwan, an occupational health and safety management department reports directly to the Chief Executive Officer. All plants follow requirements of respective local regulations and formal joint management-worker health and safety committee or a similar organization which convenes regular meetings to review, coordinate, and propose recommendations for safety and health management.

Key discussions of Delta's regional Occupational Health & Safety Committees in Asia in 2023

| Region | Taiwan (Delta/Cyntec/Vivotek) | China (Delta/Cyntec) | Thailand | India |
|-------------------------------|---|---|---|--|
| Key Discussion Topics | <ul style="list-style-type: none"> Review cases of occupational incidents and prevention Safety for walking in plant areas and emergency evacuation Contents of Occupational Health & Safety awareness campaigns | <ul style="list-style-type: none"> Strengthening the safety management of machinery and equipment Improvement of pedestrian and vehicle traffic separation Review cases of occupational incidents and prevention | <ul style="list-style-type: none"> Improvements for unsafe workplace Strengthening the safety management of machinery and equipment Reinforcing emergency response in plants | <ul style="list-style-type: none"> Emergency response plans and drills in plants Device buzzer sound differentiation |
| Percentage of Total Employees | 44% | 67% | 47% | 53% |
| Supplementary Description |  108  245 |  226  335 |  48  101 |  42  79 |

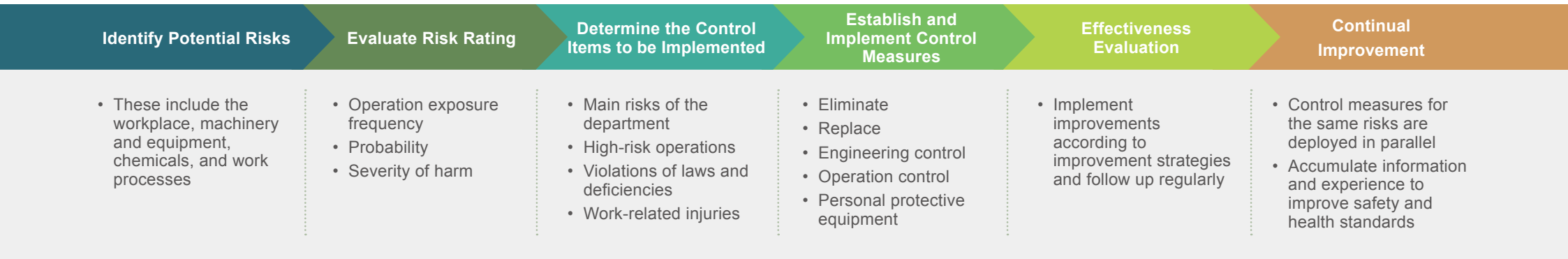
 Number of employee representatives

 Number of committee members

Risk Assessment and Management

To effectively prevent the occurrence of occupational harm, Delta has established occupational health and safety hazard identification and assessment procedures for risks and opportunities. It identifies and evaluates occupational health and safety hazards and risks arising from operating activities on employees, stakeholders, or the workplace, and identifies items for which risks should be managed and opportunities can be enhanced. 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. For unacceptable risk control methods, Delta determines the best feasible control measures based on the order of elimination, replacement, engineering control, operation control, and personal protective equipment. It then uses them as the basis for occupational health and safety management objectives, operation control, emergency response measures, or training control measures to effectively reduce the risks of activities and operations in the plants.



Occupational Health & Safety Internal Inspections

The plants shall conduct automatic inspections and self-inspections under government regulations and Delta's operation standards to ensure the safety of employees and plants. Occupational health and safety 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 health and safety management personnel, and departmental occupational health and safety promotion employees. Through the observational learning of cross-industry inter-inspector activities,

factory personnel occupational health and safety management exchanges and interaction were improved as were manufacturing plant audits. Certain main production plants shall include inspection results in the occupational health and safety 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 occupational health and safety management in their work. To effectively track the improvement status of occupational health and safety inspection deficiencies, electronic forms were issued across the board to address inspection deficiencies in 2023, which significantly improved the efficiency of improvements for deficiencies.

Management of Hazardous Chemical Substances and Workplace Monitoring

Delta's chemical management includes the following key steps: new chemical assessment, chemical control banding, chemical inventory, management of procurement and change, and site management. First of all, newly purchased chemicals or a change of the chemicals used in manufacturing processes must abide by regulations for the New Chemical Assessment of the plant and a review of new chemicals must be conducted to ensure that they comply with relevant laws and regulations and safety standards. The potential hazards and risks must be evaluated and such chemicals can only be used with approval from relevant units.

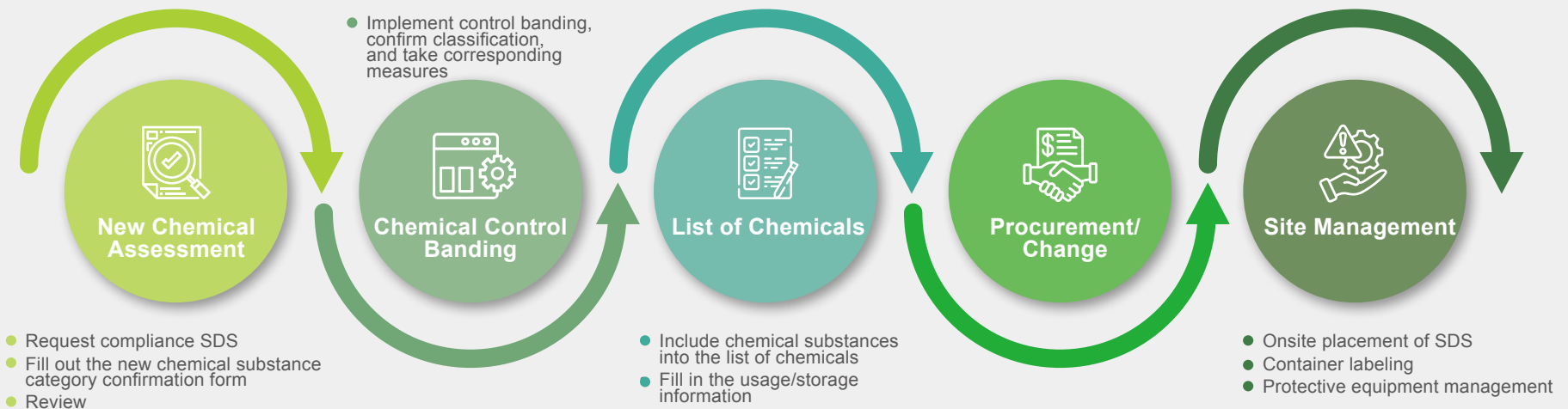
The chemicals used by Delta in Taiwan are managed with chemical control banding and require appropriate labeling, storage, and handling based on their hazards and risk levels. Each plant regularly appoints monitoring institutions approved by the competent authority to implement workplace monitoring pursuant to the characteristics of chemical hazards and local regulatory requirements to implement workplace monitoring to control the dispersion of hazardous factors in the workplace. They also take hazard control and prevention measures based on the monitoring results to prevent the occurrence of work-related ill health.

All plants implement environment monitoring in accordance with local regulations for both chemical and physical factors. According to the statistics, the main chemical factors were

isopropanol, carbon dioxide, tin, and lead. The main physical factors were noise, illuminance, and wind speed. Additionally, few workers in certain plants engage in radiation operations. We work to prevent employee workplace exposure to hazardous elements and harm to their health 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.

We have also established a complete list of chemicals to ensure that all chemical information is effectively recorded and tracked. In terms of management of procurement and change, we strictly control the adoption and use of chemicals, review and control any changes, and ensure that the procurement/change procedures of all chemicals comply with local legal requirements and company standards.

Finally, to ensure that chemicals comply with safety regulations during use, units using chemicals shall regularly or periodically conduct inspections on container labeling, protective equipment effectiveness, and other operations to ensure the implementation of the Company's chemical management measures, provide a safe environment for employees for the use of chemicals, and ensure the safety and health of employees.



Emergency Response Training, and Communication

To improve employees' occupational health and safety knowledge and abilities to respond to emergencies, Delta held occupational health and safety education training in accordance with regulatory requirements and used emails and bulletin boards to post or organize safety knowledge Q&A to increase employees' abilities for identifying hazards in the workplace and their safety and health knowledge and concepts for disaster prevention and response, and thereby prevent the occurrence of work-related hazards. Employees can also use internal channels to report hazards that may cause occupational injuries or diseases so that incidents can be avoided.

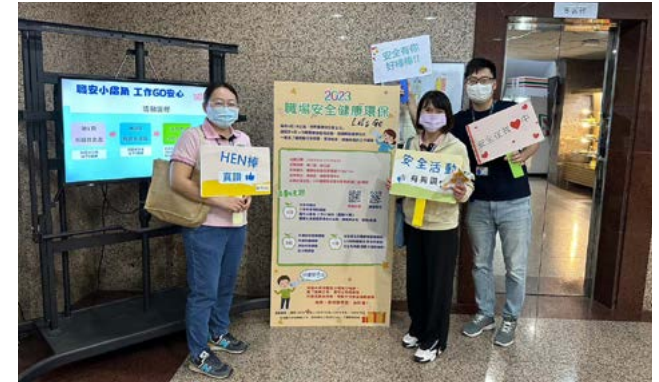
In 2023, Wujiang Plant in China held a safety micro-video shooting competition. Through the process of conceptualization, shooting, cutting, and editing of the safety awareness videos by employees of each unit, employees can better understand the hazards and safety precautions of their own operations. The video that won the award was also published on the Company's training platform for all employees to view to enhance employee safety awareness and establish a corporate safety culture.

Delta hold multiple emergency response and evacuation drills regularly and as needed every year for day and night shifts. In addition to fire response and evacuation drills, they also conduct emergency response drills for complex incidents. Frequent training and drills ensure that employees can respond calmly in any emergency situation and respond and evacuate quickly and effectively. They also strengthen employees' capabilities to respond to incidents.

Delta recorded over 267,000 participants in occupational health and safety training and emergency response drills in 2023 with more than 463,000 hours of training. The language used in teaching is the native language of the staff. We also administer post-training tests to evaluate the effectiveness of the training.

Contractor Management

The Company established the occupational health and safety regulations for contractors to enhance the safety and management of contractors in plants. We require contractors who want to enter Delta are required to sign the Delta Contractor Safety and Health Management Regulations, join the agreement organization and abide by the occupational safety and health laws. Contractor personnel who intend to enter Delta plants must receive the necessary occupational health and safety training, pass tests, and sign the hazard notice before they may enter the plants for operations. When contractors work in the plants, occupational health and safety management personnel will check their work safety from time to time. If they are found to have violated Delta's occupational health and safety regulations for contractors, they will be punished based on the violation to ensure the safety of Delta's personnel, contractors, and property. In 2023, 26,000 people participated in occupational health and safety education and training for Delta contractors with a total of 48,000 training hours.



Work-related Injuries Management

When employees discover imminent danger or work-related injuries, they may, without jeopardizing the safety of other workers, stop work on their own, report it immediately, and evacuate to a safe place, and will not be punished. To ensure the rapid response of related units when an injury is reported, Delta has established injury notification and processing procedures for works in plant areas under Delta's jurisdiction. In the event of a near miss, work-related injuries, or work-related ill health, first aid, reporting, investigations, and improvement measures must be implemented for every injury. Delta must also propose improvement measures for the root cause of the incident. All improvement measures must be horizontally expanded to prevent the recurrence of similar incidents. If employees who have returned to work after work-related injuries or work-related ill health still have concerns regarding work-related injuries or work-related ill health in the workplace, they may address the concerns with employees of the occupational health and safety department of each plant at any time. Delta prioritizes the safety and health of employees above all and continues to implement corresponding improvement measures to ensure the health and safety of employees.



Occurrence & Response to the Incidents

- Prevent secondary disasters
- Report incident
- Emergency response



Injury Investigation

- Establish investigation team
- Analyze the cause of the incidents
- Immediately initiate short-term improvement measures



Propose Improvement Plans

- Identify the root cause of the incident and adopt the best feasible plan
- Execute and follow up until completion
- Confirm the effectiveness of the improvement plan



Prevent Recurrence

- Parallel deployment
- Case study

Delta's work-related hazard statistics are calculated based on the definitions in the Occupational Health & Safety Act and indicators of critical disabling injuries published by the Global Reporting Initiative (GRI). The statistics of the occupational incidents involving employees and contractors in 2023 were as follows:



Employees

Delta employees recorded more than 220 million work hours in 2023. The statistics of work-related injuries and work-related ill health in Delta operations in different regions are specified in page 178 : An employee fatality has occurred this year. The number of fatalities from work-related ill health or recordable work-related ill health case were both 0; the rate of high-consequence work-related injuries was 0; the rate of recordable work-related injuries was 0.77, thus achieving the 2023 target recordable work-related injuries rate of 0.94; the lost-time injury frequency rate (LTIFR) was 0.60. The number of fire incidents and casualties caused by fires was 0.



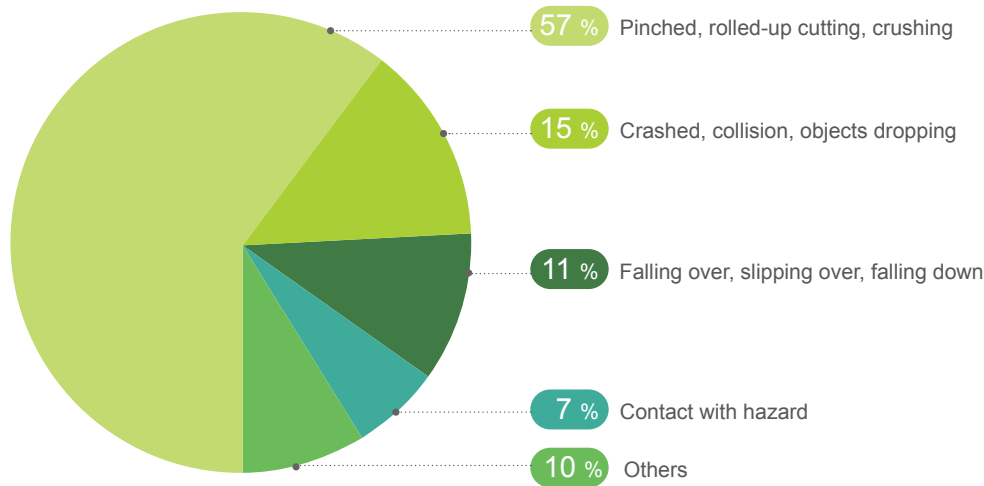
Contractor

Contractors' rate of fatalities as a result of work-related injury was 0; the rate of high-consequence work-related injuries was 0; the rate of recordable work-related injuries of employees was 0.05; the lost-time injury frequency rate (LTIFR) was 0. The number of fire incidents and casualties caused by fires was 0.

Description of Work-related Injuries Categories and Corrective and Preventive Measures

Employees

The types of recordable work-related injuries of employees in 2023 were mainly physical hazards and chemical hazards. The details are as follows:



Physical Hazards

- Reason of occurrence**
- Cutting injuries caused by inappropriate use of hand tools
 - Crushing injuries caused by errors in operating mechanical equipment
 - Falling over, slipping over, and falling down when walking
- Rectification measures**
- Implement source management of machinery and equipment
 - Install active safety devices
 - Develop relevant operating procedures
 - Strengthen awareness and employee training
 - Require the use of protective equipment

Chemical hazards

- Reason of occurrence**
- Chemical splashes
- Rectification measures**
- Develop relevant operating procedures
 - Strengthen awareness and employee training
 - Require the use of protective equipment



In 2023, an incident occurred in China in which an employee was hit and killed by a forklift moving in reverse in the unloading area of the dock. To prevent similar incidents from recurring, the plant adopted the following management measures:

- ✓ **Separate lanes for people and vehicles**
Add fences to sidewalks, install speed bumps on main roads, and install mobile traffic lights at major intersections
- ✓ **Forklift hardware improvements**
Add active warning - 360-degree monitoring alerts across the board, active protection - anti-collision active deceleration, and other equipment, and set locks to limit forklift speed.
- ✓ **Employee training**
Refresher safety training for forklift operators and additional pointing and calling before activating vehicles.

Contractor

In 2023, contractors registered 3 recordable work-related injuries cases, which were all physical hazards (falling over and collision with objects). Improvement measures included improvement of environment access, strengthening contractor training, and requiring the use of personal protective equipment.

Statistics of Work-related Injuries and Illnesses in 2023

| | Taiwan | China | Thailand | India | Cyntec | EMEA | Americas | Other Overseas Regions | Vivotek | Total | |
|--|--|-------|----------|-------|--------|------|----------|------------------------------|---------|-------|------|
|  Employees (million hours worked) | Rate of fatalities as a result of work-related injury | 0 | 0.01 | 0 | 0 | 0 | 0 | 0 | 0 | 0.005 | |
| | Rate of high-consequence work-related injuries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Rate of recordable work-related injuries | 0.56 | 0.19 | 1.07 | 0.50 | 1.38 | 4.81 | 2.12 | 0.82 | 0 | 0.77 |
| | Rate of fatalities as a result of work-related ill health | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Rate of recordable work-related ill health | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Lost-time injury frequency rate (LTIFR) | 0.44 | 0.12 | 0.95 | 0.25 | 1.32 | 1.88 | 0 | 0.82 | 0 | 0.60 |
|  Contractor (200,000 hours worked) | Rate of fatalities as a result of work-related injury | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Rate of high-consequence work-related injuries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Rate of recordable work-related injuries | 0.20 | 0 | 0 | 0 | 0 | 0.63 | 1.41 | 0 | 0 | 0.05 |
| | Rate of fatalities as a result of work-related ill health | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Rate of recordable work-related ill health | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Lost-time injury frequency rate (LTIFR) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

* The number of hours employees worked in 2023 = annual work hours + overtime work hours = 221,160,651 hours

* The number of hours contractor worked in 2023 = annual work hours = 11,617,179 hours

* Rate of fatalities as a result of work-related injury, Rate of recordable work-related injuries and Lost-time injury frequency rate (LTIFR): Calculated in accordance with the statistical indicators related to occupational injuries published by GRI.

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

Formula:

Rate of fatalities as a result of work-related injury = Number of fatalities as a result of work-related injury / Number of hours worked * [contractor: 200,000, employees: 1,000,000]

Rate of high-consequence work-related injuries (excluding fatalities) = Number of high consequence work related injuries (excluding fatalities) / Number of hours worked * [contractor: 200,000, employees: 1,000,000]

Rate of recordable work-related injuries = Number of recordable work-related injuries / Number of hours worked * [contractor: 200,000, employees: 1,000,000]

Rate of fatalities as a result of work-related ill health = Number of fatalities as a result of work-related ill health / Number of hours worked * [contractor: 200,000, employees: 1,000,000]

Rate of recordable work-related ill health = Number of recordable work-related ill health / Number of hours worked * [contractor: 200,000, employees: 1,000,000]

Lost-time injury frequency rate (LTIFR) = Number of lost-time injuries / Number of hours worked * [contractor: 200,000, employees: 1,000,000]

7

Appendix

- 7.1 Environmental Data
- 7.2 Social Data
- 7.3 Index of GRI Standards Indicators
- 7.4 SASB Index
- 7.5 Summary of Information Assured (ISAE 3000)
- 7.6 External Assurance Statement and Report

7.1 Environmental Data

| Category | Item | Unit | Overall Production Plant ^{*1} | | | | Global Operation Sites | | |
|---|--|-------------------------------|--|-----------|-----------|-----------|------------------------|-----------|-----------|
| | | | 2020 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| Energy ² | Amount of non-renewable electricity ³ | MWh | 255,257 | 266,407 | 214,631 | 139,567 | 354,572 | 262,482 | 179,233 |
| | Amount of self-generated renewable energy | MWh | 25,322 | 23,519 | 22,130 | 29,636 | 25,232 | 25,454 | 34,484 |
| | Externally purchased renewable electricity | MWh | 285,000 | 383,738 | 388,687 | 464,476 | 408,134 | 421,548 | 534,111 |
| | Use of Renewable Electricity | % | 54.9% | 60.5% | 65.7% | 78.0% | 55.0% | 63.0% | 76.0% |
| | (A) Total electricity consumption | MWh | 565,579 | 673,664 | 625,448 | 633,679 | 787,938 | 709,484 | 747,828 |
| | | GJ | 2,036,084 | 2,425,189 | 2,251,613 | 2,281,246 | 2,836,577 | 2,554,144 | 2,692,179 |
| | (B) Natural gas | MWh | 24,867 | 31,653 | 38,643 | 36,781 | 41,618 | 55,332 | 46,617 |
| | (C) Diesel | MWh | 2,034 | 7,871 | 3,701 | 3,117 | 11,573 | 7,670 | 7,302 |
| | (D) Gasoline | MWh | 1,424 | 1,560 | 1,347 | 2,022 | 3,384 | 3,451 | 3,435 |
| | (E) Liquid petroleum gas | MWh | 43,040 | 1,306 | 501 | 51 | 1,468 | 637 | 415 |
| | (F) Purchased heat ⁴ | MWh | - | - | - | 0 | 141 | 136 | 2,747 |
| (G) Total energy consumption ⁵ | MWh | 636,944 | 705,709 | 669,640 | 675,537 | 846,122 | 776,710 | 806,653 | |
| | GJ | 2,292,999 | 2,540,553 | 2,410,703 | 2,431,934 | 3,046,040 | 2,796,157 | 2,903,951 | |
| Water Resources | Tap Water | Megaliters | 3,854.6 | 4,160.2 | 3,922.1 | 3,713.9 | 4,564.2 | 4,306.6 | 4,070.7 |
| | Groundwater | Megaliters | 0 | 0 | 0 | 0 | 2.9 | 3.7 | 124.4 |
| | Rainwater | Megaliters | 37.1 | 48.7 | 50.9 | 45.1 | 67.4 | 92.8 | 98.5 |
| | Total water withdrawal | Megaliters | 3,891.7 | 4,208.9 | 3,973.0 | 3,759.0 | 4,634.5 | 4,403.1 | 4,293.6 |
| | Water productivity intensity | Metric ton/MUSD | 465 | 416 | 366 | 340 | 450 | 392 | 359 |
| | Total water recycled | Megaliters | 508.7 | 546.1 | 359.7 | 348.7 | 567.3 | 406.7 | 421.3 |
| | Recycled water usage rate | % | 11.9% | 11.6% | 8.4% | 8.6% | 11.0% | 8.6% | 9.1% |
| Water Discharge | Domestic sewage | Megaliters | 2,303.4 | 2,514.7 | 2,399.8 | 2,283.2 | 2,879.9 | 2,786.2 | 2,474.6 |
| | Process wastewater | Megaliters | 216.9 | 249.4 | 211.9 | 276.4 | 249.4 | 212.2 | 276.4 |
| | Total water discharge | Megaliters | 2,520.3 | 2,764.1 | 2,611.7 | 2,559.6 | 3,129.3 | 2,998.4 | 2,751.0 |
| Water Consumption | Water consumption | Megaliters | 1,371.4 | 1,444.8 | 1,361.3 | 1,199.4 | 1,505.2 | 1,404.7 | 1,542.6 |
| GHG Emissions ⁶ | Scope 1 | metric tons CO ₂ e | 14,183 | 17,808 | 19,337 | 18,407 | 35,456 | 38,807 | 26,283 |
| | Scope 2 Market-based | metric tons CO ₂ e | 163,628 | 133,207 | 122,888 | 83,495 | 181,435 | 148,838 | 105,992 |

| Category | Item | Unit | Overall Production Plant ^{*1} | | | | Global Operation Sites | | |
|-----------------------------|--------------------------------------|-------------------------------------|--|----------|----------|----------|------------------------|----------|----------|
| | | | 2020 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| GHG Emissions ^{*6} | Scope 2 Location-based | metric tons CO ₂ e | 390,868 | 415,448 | 355,651 | 414,109 | 482,842 | 395,447 | 464,191 |
| | Scope 1 + Scope 2 Market-based | metric tons CO ₂ e | 177,811 | 151,015 | 142,225 | 101,902 | 216,891 | 187,645 | 132,275 |
| | Scope 1 + Scope 2 Location-based | metric tons CO ₂ e | 405,051 | 433,256 | 374,988 | 432,516 | 518,298 | 434,254 | 490,474 |
| | Carbon intensity | metric tons CO ₂ e/ MUSD | 21.4 | 15.1 | 13.3 | 9.3 | 21.4 | 17.1 | 11.3 |
| Non-hazardous Waste | Incineration without energy recovery | metric tons | 13.6 | 29.1 | 0 | 88.3 | 29.9 | 0 | 100.0 |
| | Landfill | metric tons | 366.4 | 7.3 | 567.8 | 255.6 | 983.9 | 1,137.0 | 521.1 |
| | Waste to energy recovery | metric tons | 7,297.8 | 7,074.2 | 5,369.9 | 4,583.4 | 7,533.7 | 5,746.0 | 5,015.7 |
| | Recycling | metric tons | 28,081.9 | 38,931.6 | 39,414.5 | 34,009.6 | 39,900.5 | 40,889.0 | 39,366.7 |
| | Subtotal | metric tons | 35,759.7 | 46,042.2 | 45,352.2 | 38,936.9 | 48,448.0 | 47,772.0 | 45,003.5 |
| Hazardous Waste | Incineration without energy recovery | metric tons | 231.0 | 143.3 | 0 | 18.3 | 145.0 | 117.0 | 20.3 |
| | Landfill | metric tons | 36.7 | 58.1 | 93.1 | 1.4 | 262.6 | 212.0 | 24.7 |
| | Waste to energy recovery | metric tons | 828.4 | 1,062.9 | 689.0 | 805.8 | 1,110.3 | 964.0 | 811.8 |
| | Recycling | metric tons | 2,591.2 | 2,754.4 | 3,137.8 | 3,373.0 | 2,936.5 | 5,097.0 | 3,443.9 |
| | Subtotal | metric tons | 3,687.3 | 4,018.7 | 3,919.9 | 4,198.5 | 4,454.4 | 6,390.0 | 4,300.7 |
| Waste | Total waste generation | metric tons | 39,447.0 | 50,060.9 | 49,272.1 | 43,135.4 | 52,902.4 | 54,162.9 | 49,304.4 |
| | Hazardous waste recycled rate | % | 70.3% | 68.5% | 80.0% | 80.3% | 65.9% | 79.8% | 80.1% |
| Waste Gas Emissions | Volatile organic compounds | metric tons | 135.9 | 308.9 | 439.1 | 214.1 | 327.4 | 462.9 | 233.2 |
| | Nitrogen Oxides (NO _x) | metric tons | 0.9 | 11.7 | 8.3 | 15.4 | 12.4 | 22.5 | 40.5 |
| | Sulfur Oxides (SO _x) | metric tons | 0.7 | 0.7 | 0.3 | 1.1 | 5.7 | 2.3 | 1.2 |
| | Particulate matter (PM) | metric tons | 42.3 | 11.8 | 45.4 | 58.7 | 11.9 | 57.6 | 60.2 |

*1 Overall production plants include Dongguan, Wujiang, Wuhu, and Chenzhou plants in China; DET plants 1, 3, 5, 6 and 7; Taoyuan plants 1, 2, and 5, as well as Pingzhen in Taiwan; Cyntec and Huafeng plants. Due to production line adjustments in 2021, Eltek (America and India plant) was merged and removed, and Taoyuan 5 and Pingzhen plants were added. In 2023, DET plant 7 was added.

*2 Energy Calculation Formula:

- Energy (GJ) = Activity Data (e.g., m³, kg) x Calorific Value (kcal/unit of activity data) x 4.1868 (kJ/kcal) / 1,000,000 (kJ/GJ)
- The calorific value is calculated using fixed values: Natural gas: 9,000 kcal/m³; Diesel: 10,200 kcal/kg; Gasoline: 10,300 kcal/kg;
- Unit conversion: 1 kcal = 4.1868 kJ; 1 MWh = 3.6 GJ

*3 In 2023, the total non-renewable electricity for the overall production plants included 112 MWh of self-generated non-renewable electricity; global operation sites included 1,691 MWh of self-generated non-renewable electricity.

*4 In 2023, purchased heat energy included 344.74 MWh from renewable fuels.

*5 (G) Total energy consumption = (A) Total Electricity Consumption + [(B) - (F)] - [self-generated non-renewable Electricity]

*6 Emissions from the overall production plants have been verified by SGS Taiwan Ltd. based on ISO 14064-3, obtaining a reasonable assurance level. Emissions from global operational sites have been verified by SGS Taiwan Ltd. based on ISO 14064-3, obtaining a limited assurance level.

GHG Emissions Scope 3

Unit: metric tons CO₂e

| Category | 2020 | 2021 | 2022 | 2023 | Calculation methodology in 2021~2023 |
|---|----------------|------------------|------------------|------------------|---|
| C1 Purchased Goods and Services | 7,855 | 921,240 | 1,568,773 | 1,874,640 | Calculated by the weight of the purchased goods |
| C2 Capital Goods | - | 377,368 | 346,436 | 446,584 | Calculated by the figure disclosed in the financial report |
| C3 Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2) | - | 37,629 | 51,990 | 36,766 | Calculated by the fuel and energy consumption |
| C4 Upstream Transportation and Distribution | 11,762 | 121,232 | 177,397 | 106,540 | Calculated by the transportation expenditure |
| C5 Waste Generated in Operations | 375 | 8,744 | 7,224 | 11,603 | Calculated by the weight of the waste and the treatment |
| C6 Business Travel | 441 | 1,343 | 4,827 | 10,387 | Calculated by the business travel distances |
| C7 Employee Commuting | - | 76,181 | 76,262 | 58,457 | Calculated by the employee's commuting transportation and average distances |
| C8 Upstream Leased Assets | - | 0 | 19 | 12 | Calculated by the leased assets that are not included in Scope 1 or Scope 2 |
| C9 Downstream Transportation and Distribution | 69,786 | 112,709 | 151,810 | 127,803 | Calculated by the distances and methods of the product' transportation |
| C10 Processing of Sold Products | - | 59,026 | 48,602 | 37,751 | Calculated by the processing of the sold products |
| C11 Use of Sold Products | 440,946 | 3,259,014 | 4,240,197 | 4,135,354 | Calculated by the product power consumption and end-of-life |
| C12 End-of-Life Treatment of Sold Products | - | 104,787 | 176,357 | 182,123 | Calculated by the global recycle rate |
| C13 Downstream Leased Assets | 9,465 | 9,420 | 4,128 | 2,992 | Calculated by the scope 1 and scope 2 of the leased assets |
| C14 Franchises | - | - | - | - | Not applicable since Delta has no franchises |
| C15 Investments | - | 115,249 | 109,270 | 129,037 | Calculated by the figure disclosed in the financial report |
| Total | 540,630 | 5,203,942 | 6,963,292 | 7,160,049 | |

* Note: The data calculated by the figure disclosed in the financial report refers to the UK Standard Industrial Classification of Economic Activities, the rest of the data refers to the IPCC AR5 GWP in SimaPro Ecoinvent database

7.2 Social Data

| Category | Item | 2020 | 2021 | 2022 | 2023 |
|--|--|--------|--------|--------|--------|
| Education | Average hours per person of training and development ¹ | 27.2 | 13.6 | 18.2 | 19.0 |
| Employees Worldwide | Total number of employees worldwide | 83,804 | 85,593 | 85,684 | 81,855 |
| Talent Attraction & Retention | Offer acceptance rate (%) | 81.2 | 82.0 | 89.4 | 91 |
| | Percentage of vacancies filled by internal employees (%) ² | 27.8 | 16.8 | 11.4 | 21.5 |
| Human Rights Protection | Retention rate of reinstated employees after parental leave (%) | 97.8 | 90.6 | 76.5 | 86.6 |
| | Global human rights course completion rate (%) | 85.2 | 96.1 | 97.0 | 97.2 |
| Diversity, Equity and Inclusion | Share of female employees in the Company (%) | 46.7 | 48.3 | 50.6 | 48.7 |
| | Share of female employees in all management positions (%) | 32.8 | 32.3 | 32.0 | 32 |
| | Share of female employees in Junior management positions (%) | 57.8 | 56.7 | 50.1 | 52.7 |
| | Share of female employees in top management positions (%) | 13.2 | 13.8 | 14.0 | 13.1 |
| | Share of female employees in revenue generating management positions (%) | 20.1 | 20.5 | 21.5 | 20.9 |
| | Share of female employees in STEM positions (%) | 21.9 | 21.8 | 21.3 | 21.3 |
| | Share of employees with disabilities in the Company (%) | 1.1 | 1.7 | 1.3 | 1.0 |
| Engagement Survey Response | Share of employees from ethnic minorities in the Company (%) | 2.9 | 2.6 | 2.4 | 2.6 |
| | Total engagement score of all employees ³ | 91 | 91 | 88 | 88 |
| | Coverage rate ⁴ | 64.3 | 64.3 | 88 | 88 |
| Engagement Score: Employee Category ⁶ | Response rate ⁵ | 92 | 92 | 90 | 90 |
| | Top managers | 96 | 96 | 94 | 94 |
| | Mid-level managers | 91 | 91 | 90 | 90 |
| | Junior managers | 88 | 88 | 87 | 87 |
| | General employees | 88 | 88 | 87 | 87 |
| Engagement Score: Gender | Operators (including production line assistants) | 93 | 93 | 89 | 89 |
| | Male | 90 | 90 | 87 | 87 |
| Engagement Score: Age | Female | 92 | 92 | 88 | 88 |
| | 61 and above | 89 | 89 | 89 | 89 |
| | 51-60 | 94 | 94 | 89 | 89 |
| | 41-50 | 93 | 93 | 89 | 89 |
| | 31-40 | 92 | 92 | 87 | 87 |
| | 30 and below | 89 | 89 | 83 | 83 |

| Category | Item | 2020 | 2021 | 2022 | 2023 |
|--|---|------|-------|------|-------|
| Social Engagement | Social Engagement and engagement (MUSD) | 9.07 | 11.98 | 9.87 | 13.42 |
| Occupational Health & Safety^{*7} Employees | Number of fatalities | 0 | 1 | 0 | 1 |
| | Number of recordable work-related injuries cases | 164 | 244 | 236 | 171 |
| | Rate of recordable work-related injuries | 0.96 | 0.99 | 0.95 | 0.77 |
| | Lost-time injury frequency rate (LTIFR) | 0.71 | 0.58 | 0.54 | 0.60 |
| | Rate of recordable work-related ill health | 0 | 0 | 0 | 0 |
| | Rate of high-consequence work-related injuries | 0 | 0 | 0 | 0 |
| Occupational Health & Safety Contractor | Number of fatalities | 0 | 1 | 0 | 0 |
| | Number of recordable work-related injuries cases | 0 | 16 | 37 | 3 |
| | Rate of recordable work-related injuries (million hours worked) | 0 | 2.31 | 6.49 | 0.25 |
| | Lost-time injury frequency rate, LTIFR (million hours worked) | 0 | 1.59 | 5.61 | 0 |
| | Rate of recordable work-related injuries (200,000 hours worked) | 0 | 0.46 | 1.29 | 0.05 |
| | Lost-time injury frequency rate, LTIFR (200,000 hours worked) | 0 | 0.31 | 1.12 | 0 |
| | Rate of high-consequence work-related injuries | 0 | 0 | 0 | 0 |

*1 Calculated from annual training records, the global average hours of training per person = total hours (2,075,584.6 hours)/total number of employees in the year (109,392 employees)

*2 Percentage of open positions filled by internal candidates is defined as: (Number of positions of professional technical and management units personnel filled by internal candidates+ number of employees promoted to management positions)/(total number of new employee hires of professional technical and management units personnel + number of employees promoted to management positions)" in the current year.

*3 The total 2022 engagement score of professional technical and management units personnel is 88 points, Operators (including production line assistants) scored 89 points; this is the average weight of the two.

*4 Coverage rate is defined as: Employees who received the survey/ (professional technical and management units personnel working more than 6 months + Operators (including production line assistants) working 3 or more years) = 51,210/56,646= 88%.

*5 Response rate of professional technical and management units personnel and Operators (including production line assistants) in 2022 were 82% and 97%, respectively; overall response rate of 90%

*6 Top managers refers to executives and above, mid-level managers refer to section chiefs/senior associates, junior managers refer to team leaders/senior team leaders.

*7 Formula:

Rate of recordable work-related injuries = Number of recordable work-related injuries / Number of hours worked * [contractor: 200,000/1,000,000, employees: 1,000,000]

Lost-time injury frequency rate (LTIFR) = Number of lost-time injuries / Number of hours worked * [contractor: 200,000/1,000,000, employees: 1,000,000]

Rate of recordable work-related ill health = Number of recordable work-related ill health / Number of hours worked * [contractor: 200,000/1,000,000, employees: 1,000,000]

Rate of high-consequence work-related injuries (excluding fatalities) = Number of high consequence work related injuries(excluding fatalities) / Number of hours worked * [contractor: 200,000/1,000,000, employees: 1,000,000]

7.3 Index of GRI Standards Indicators

The 2023 Sustainability Report published by Delta Electronics is reported in accordance with the GRI Standards. The scope of data and information is sourced from the period of January 1, 2023 to December 31, 2023. The structure of this report is in accordance with the Global Reporting Initiative's (GRI) "GRI Sustainability Reporting Standards (2021)" (GRI Standards), GRI 1: Foundation 2021. We also referenced the SASB Electrical Electronic Equipment Standard (2018) and Hardware Standard (2018).

The various GRI and SASB indexes have been verified by a third party (Refer to 7.6 Declaration of Third-Party Verification and Confidence Report).

GRI 1 version used GRI 1: Foundation 2021

| Index No. | Disclosure Title | Chapter | Page | Description |
|---|---|---|--------------------|-----------------------|
| GRI 2: General Disclosures 2021 | | | | |
| Organization and Reporting Practices | | | | |
| 2-1 | Organizational details | About the Report, 1 Overview | 1-2 8-15 | |
| 2-2 | Entities included in the organization's sustainability reporting | About the Report | 1-2 | |
| 2-3 | Reporting period, frequency, and contact person | About the Report | 1-2 | |
| 2-4 | Restatements of information | - | - | No significant change |
| 2-5 | External assurance | About the Report | 1-2 | |
| Activities and Workers | | | | |
| 2-6 | Activities, value chain and other business relationships | 4.5.5 Green Low-Carbon Supply Chain | 72-74 | |
| 2-7 | Employees | 1. Overview | 8 | |
| | | 6.2.5 Diverse and Inclusive Employee Composition 7.2 Social Data | 143-147 201-202 | |
| 2-8 | Workers who are not employees | 1. Overview | 8 | |
| | | 6.2.5 Diverse and Inclusive Employee Composition 7.2 Social Data | 143-147 201-202 | |
| Governance | | | | |
| 2-9 | Governance structure and composition | 1.1 Delta Electronics Organizational Structure | 10 | |
| | | 2.2.2 Sustainable Promotion of Organizations | 21-22 | |
| 2-10 | Nominating and selecting the highest governance body | 4.2 Enhancing the Board of Directors' Functions | 50-53 | |
| 2-11 | Chair of the highest governance body | 4.2 Enhancing the Board of Directors' Functions | 50-53 | |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | 2.2.2 Sustainable Promotion of Organizations | 21-22 | |
| | | 3.2 Materiality Assessment | 34-42 | |
| | | 4.2 Enhancing the Board of Directors' Functions | 50-53 | |

| Index No. | Disclosure Title | Chapter | Page | Description |
|---|---|---|---------|-------------|
| 2-13 | Delegation of responsibility for managing impacts | 2.2.2 Sustainable Promotion of Organizations | 21-22 | |
| 2-14 | Role of the highest governance body in sustainability reporting | 2.2.2 Sustainable Promotion of Organizations | 21-22 | |
| | | 3.2.1 Methodology | 34 | |
| 2-15 | Conflicts of interest | 4.2 Enhancing the Board of Directors' Functions | 50-53 | |
| 2-16 | Communication of critical concerns | 4.2 Enhancing the Board of Directors' Functions | 50-53 | |
| 2-17 | Collective knowledge of the highest governance body | 4.2 Enhancing the Board of Directors' Functions | 50-53 | |
| 2-18 | Evaluation of the performance of the highest governance body | 4.2 Enhancing the Board of Directors' Functions | 50-53 | |
| 2-19 | Remuneration policies | 6.3.5 Competitive Employee Compensation and Benefits | 161-165 | |
| 2-20 | Process to determine remuneration | 4.2 Enhancing the Board of Directors' Functions | 50-53 | |
| 2-21 | Annual total compensation ratio | 6.3.5 Competitive Employee Compensation and Benefits | 161-165 | |
| Strategy, Policies and Practices | | | | |
| 2-22 | Statement on sustainable development strategy | A Word from the Management | 3-6 | |
| 2-23 | Policy commitments | 2.2.1 ESG Policy and Mission | 20 | |
| | | 4.2.1 Board of Directors and Duties | 51-53 | |
| | | 6.5 Human Rights Protection | 173 | |
| 2-24 | Embedding policy commitments | 2.2.1 ESG Policy and Mission | 20 | |
| | | 3.1 Interactions with Stakeholders | 29-32 | |
| | | 4.5.1 Supply Chain ESG Committee and Execution Blueprint | 62 | |
| | | 6.5 Human Rights Protection | 173 | |
| 2-25 | Processes to remediate negative impacts | 3.3 Management of Material Topics | 43-47 | |
| | | 5.2 Climate Change | 89-103 | |
| | | 5.3 Energy Management | 107-113 | |
| | | 5.4 Water Resource Management | 116-120 | |
| | | 5.5 Resource Recycling | 121-123 | |
| | | 6.5 Human Rights Protection | 173-179 | |
| 2-26 | Mechanisms for seeking advice and raising concerns | 4.2.2 Ethical Corporate Management | 54-56 | |
| | | 6.5.3 Employee Rights and Communication | 177-179 | |
| 2-27 | Compliance with laws and regulations | 4.7 Risk Management | 81-86 | |
| 2-28 | Membership of associations | 2.3.2 International Sustainability Initiatives | 24-26 | |
| | | 2.3.3 Participation in Associations | 27 | |
| Stakeholder Engagement | | | | |
| 2-29 | Approach to stakeholder engagement | 3 Communication with Stakeholders 3.1 Stakeholder Communication and Response | 29-33 | |

| Index No. | Disclosure Title | Chapter | Page | Description |
|--|---|--|---------|--|
| 2-30 | Collective bargaining agreements | 6.5 Human Rights Protection | 173-179 | |
| GRI 3: Material Topics 2021 | | | | |
| 3-1 | Procedures for resolving material topics | 3.2.1 Methodology | 34 | |
| 3-2 | List of material topics | 3.2 Materiality Assessment | 35-42 | |
| 3-3 | Management of material topics | 2.2.2 Sustainable Promotion of Organizations | 21-22 | |
| | | 3.3 Management of Material Topics | 43-47 | |
| 201-1 | Direct economic value generated and distributed | - | - | Refer to the Delta Electronics 2023 Annual Report, English Edition pages 12. |
| 201-2 | Financial implications and other risks and opportunities due to climate change | 5.2 Climate Change | 89-106 | - |
| GRI 203 Indirect Economic Impacts* 2016 | | | | |
| 203-1 | Infrastructure investments and services supported | 6.6 Social Engagement | 180-188 | - |
| GRI 204 Procurement Practices* 2016 | | | | |
| 204-1 | Proportion of spending on local suppliers | 4.5.5 Green Low-Carbon Supply Chain | 72-74 | - |
| GRI 205 Anti-corruption 2016 | | | | |
| 205-2 | Communication and training about anti-corruption policies and procedures | 4.2.2 Ethical Corporate Management | 54-56 | - |
| GRI 206 Anti-competitive Behavior 2016 | | | | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | - | - | Delta was not involved in legal actions for anti-competitive behavior, anti-trust, and monopoly practices in 2023. |
| GRI 207 Taxation 2019 | | | | |
| 207-1 | Tax payment method | - | - | Refer to the official website for disclosures relating to tax policy and annual tax report |
| GRI 301 Materials* 2016 | | | | |
| 301-1 | Materials used by weight or volume | 4.5.5 Green Low-Carbon Supply Chain | 72-74 | - |
| GRI 302 Energy* 2016 | | | | |
| 302-1 | Energy consumption within the organization | 5.3 Energy Management | 107-109 | - |
| | | 7.1 Environmental Data | 198 | - |
| 302-2 | Energy consumption outside of the organization | 5.6.4 Energy Saving Benefits and the Avoided Emissions of Products | 130 | - |
| 302-3 | Energy intensity | 5.3 Energy Management | 108 | - |
| 302-4 | Reduction of energy consumption | 5.3 Energy Management | 108-115 | - |
| 302-5 | Reductions in energy requirements of products and services | 5.6.4 Energy Saving Benefits and the Avoided Emissions of Products | 130 | - |
| GRI 303 Water* 2018 | | | | |
| 303-1 | Interactions with water as a shared resource | 5.4.1 Identification of Water Risks and Response Measures | 116-117 | - |

| Index No. | Disclosure Title | Chapter | Page | Description |
|--|---|--|---------|-------------|
| 303-2 | Management of water discharge related impacts | 5.4.2 Consumption and Effectiveness of Water Resources | 118-120 | - |
| 303-3 | Water Withdrawal | 5.4.2 Consumption and Effectiveness of Water Resources | 118-120 | - |
| 303-4 | Water Discharge | 5.4.2 Consumption and Effectiveness of Water Resources | 118-120 | - |
| 303-5 | Water Consumption | 5.4.2 Consumption and Effectiveness of Water Resources | 118-120 | - |
| GRI 305 Emissions* 2016 | | | | |
| 305-1 | Direct (Scope 1) GHG emissions | 5.2.3 Greenhouse Gas Inventory and Management | 104-106 | - |
| 305-2 | Energy indirect (Scope 2) GHG emissions | 5.2.3 Greenhouse Gas Inventory and Management | 104-106 | - |
| 305-3 | Other indirect (Scope 3) GHG emissions | 5.2.3 Greenhouse Gas Inventory and Management | 104-106 | - |
| 305-4 | GHG emissions intensity | 5.2.3 Greenhouse Gas Inventory and Management | 104-106 | - |
| 305-5 | Reduction of GHG emissions | 5.2.2 Net Zero Commitment | 102-103 | - |
| | | 5.2.3 Greenhouse Gas Inventory and Management | 104-106 | |
| 305-6 | Emissions of ozone-depleting substances (ODS) | NA | - | No used. |
| 305-7 | Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions | 5.8.2 Air Pollution Prevention and Management | 135 | - |
| GRI 306 Waste* 2020 | | | | |
| 306-1 | Waste generation and significant waste-related impacts | 5.5.2 Waste Generation and Reduction Effectiveness | 122-123 | - |
| 306-2 | Management of significant waste-related impacts | 5.5.2 Waste Generation and Reduction Effectiveness | 122-123 | - |
| 306-3 | Waste generated | 5.5.2 Waste Generation and Reduction Effectiveness | 122-123 | - |
| 306-4 | Waste disposal and transfer | 5.5.2 Waste Generation and Reduction Effectiveness | 122-123 | - |
| 306-5 | Waste directed to disposal | 5.5.2 Waste Generation and Reduction Effectiveness | 122-123 | - |
| GRI 308 Supplier Environment Assessment* 2016 | | | | |
| 308-1 | New suppliers that were screened using environmental criteria | 4.5.1 Supply Chain ESG Committee and Execution Blueprint | 62 | - |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | 4.5.3 Supplier ESG Risk Assessment | 66-72 | - |
| GRI 401 Labor Relations* 2016 | | | | |
| 401-1 | New employee hires and employee turnover | 6.2.3 Diverse and Inclusive Employee Composition | 143-147 | - |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 6.3.5 Competitive Employee Compensation and Benefits | 161-165 | - |
| | | 6.2.5 Inclusive and work-life balance Workplace | 153-154 | |
| 401-3 | Parental leave | 6.2.4 Equal Development Support Measures | 148-152 | - |
| GRI 403 Occupational Health and Safety* 2018 | | | | |
| 403-1 | Occupational safety and health management system | 6.7 Occupational Health & Safety | 189-196 | - |

| Index No. | Disclosure Title | Chapter | Page | Description |
|--|---|--|---------|---|
| 403-2 | Hazard identification, risk assessment, and incident investigation | 6.7 Occupational Health & Safety | 189-196 | - |
| 403-3 | Occupational health services | 6.2.5 Inclusive and work-life balance Workplace | 153-154 | - |
| 403-4 | Worker Engagement, consultation, and communication on occupational health and safety | 6.7 Occupational Health & Safety | 189-196 | - |
| 403-5 | Worker training on occupational health and safety | 6.7 Occupational Health & Safety | 189-196 | - |
| 403-6 | Promotion of worker health | 6.2.5 Inclusive and work-life balance Workplace | 153-154 | - |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 6.7 Occupational Health & Safety | 189-196 | - |
| 403-8 | Workers covered by an occupational health and safety management system | 6.7 Occupational Health & Safety | 189-196 | - |
| 403-9 | Work-related injuries | 6.7 Occupational Health & Safety | 189-196 | - |
| 403-10 | Work-related ill health | 6.7 Occupational Health & Safety | 189-196 | - |
| GRI 404 Training and Education* 2016 | | | | |
| 307-1 | Non-compliance with environmental laws and regulations | 6.4 Sustainable Development of Talents | 166-172 | - |
| GRI 405 Diversity and Equal Opportunity* 2016 | | | | |
| 405-1 | Diversity of governance bodies and employees | 6.2.3 Diverse and Inclusive Employee Composition | 143-147 | Refer to the Delta Electronics 2023 Annual Report, English Edition pages 15 to 24 |
| 405-2 | Ratio of basic salary and remuneration of women to men | 6.3.5 Competitive Employee Compensation and Benefits | 161-165 | - |
| | | 6.2.5 Inclusive and work-life balance Workplace | 153-154 | |
| GRI 406 Non-discrimination* 2016 | | | | |
| 406-1 | Incidents of discrimination and corrective actions taken | - | - | No discrimination occurred |
| GRI 408 Child Labor* 2016 | | | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | 4.5.3 Supplier ESG Risk Assessment | 66-69 | - |
| | | 6.5.2 Employee Human Rights Due Diligence | 174-176 | |
| GRI 409 Forced or Compulsory Labor* 2016 | | | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 4.5.3 Supplier ESG Risk Assessment | 66-69 | - |
| | | 6.5.2 Employee Human Rights Due Diligence | 174-176 | |
| GRI 414 Supplier Social Impact Assessment* 2016 | | | | |
| 414-1 | New suppliers that were screened using social criteria | 4.5.5 Green Low-Carbon Supply Chain | 66-72 | - |
| GRI 415 Public Policies 2016 | | | | |
| 415-1 | Political donations | NA | - | No political donations |
| GRI 418 Customer Privacy* 2016 | | | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | - | - | No lawsuits or fines received due to customer privacy in 2023 |

* Note: Topics marked with * are considered material topics

7.4 SASB Index

| 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 6% of the effective questionnaires. (a) 6%*91% = 5.46% (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 Supply Chain Audits and Coaching (a) The supplier improvement rate with mentoring provided by Delta was 100% in 2023 |
| 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 | 5.6.2 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 | Presentation 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 | Presentation 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 | DNI has achieved ISO 27001 certification across all units, covering processes including system development and the handling and protection of customer data. Except for the cybersecurity incident in early 2022, Delta has not experienced any other cybersecurity incidents. Furthermore, there have been no instances of security vulnerabilities or incidents related to products provided to customers. In addition to the annual external audits conducted under ISO 27001 to verify the effectiveness of the organization's information security controls, customers also have security requirements for their own products. These requirements are specified in contracts and are audited annually to ensure the security of Delta's delivered products. |

| Theme | Calculation Index | No. | Measurement Unit | Corresponding GRI & Delta's Response |
|------------------------------|--|------------------------------|---------------------------|---|
| Product Safety | (1) Number of recalls issued (2) total units recalled | RT-EE-250a.1 | Number | 4.7 Risk Management |
| | Total amount of monetary losses as a result of legal proceedings associated with product safety | RT-EE-250a.2 | Reporting currency | 4.7 Risk Management |
| Product Lifecycle Management | Percentage of products by revenue that contain IEC 62474 declarable substances | TC-HW-410a.1 RT-EE-410a.1 | Percentage (%) by revenue | We selected the Power Supply Business Group for an evaluation based on "revenue from products of Power Supply Business Group compliant with IEC 62474 / revenue from products of Power Supply Business Group in 2023" and found that all products complied with IEC 62474 requirements. Please refer to 5.6.2 Hazardous Substance Policy and Materials 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, certified to an energy efficiency certification | TC-HW-410a.3 | Percentage (%) | 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 2023 / overall product revenue shipped to the US market by OBM in 2023" and 63% of products met requirements for ENERGY STAR certification. |
| | Percentage of eligible products, by revenue, certified to an energy efficiency certification | RT-EE-410a.2 | Percentage (%) by revenue | The compliance of Delta ventilation fans is calculated based on "ventilating fan product revenue with ENERGY STAR certification in 2023 / overall ventilating fan product revenue in 2023" and 84.92% 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 | Metric tonnes(t) | As most Delta products are sold to other businesses, collecting information in the current stage remains difficult. |
| | | | Percentage (%) | 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 | Presentation currency | 5.6.4 Energy Saving Benefits and the Avoided Emissions 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 (%) | 7.1 Environmental Data (1) Total energy consumption was 2,903,950.8 GJ (2) Grid electricity totaled 2,692,179 GJ, which accounted for 92.5% of total energy consumption (3) Delta utilizes nearly 76% renewable electricity in global sites (by kWh) |
| | (1) Amount of hazardous waste generated (2) percentage recycled | RT-EE-150a.1 | Metric tons (t), Percentage (%) | 5.5.1 Promoting the Circular Economy 7.1 Environmental Data Global Operation Sites: 4,301 tons, recycling: 80.1% |
| | (1) Number and aggregate quantity of reportable spills (2) quantity recovered | RT-EE-150a.2 | Number, Kilograms (kg) | 4.7 Risk Management |
| Employee Diversity and Inclusiveness | Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees | TC-HW-330a.1 | % | 6.2.3 Diverse and Inclusive Employee Composition |
| Activity Indicator | Number of units produced by product category | TC-HW-000.A RT-EE-000.A | Number | Refer to the Delta Electronics 2023 Annual Report, Chinese Edition pages 138. |
| | Area of manufacturing facilities | TC-HW-000.B | Square feet (ft ²) | Trade secret not disclosed |
| | Percentage of production from owned facilities | TC-HW-000.C | Percentage (%) | Trade secret not disclosed |
| | Number of employees | RT-EE-000.B | Number | 6.2.3 Diverse and Inclusive Employee Composition |
| Materials Sourcing | Description of the management of risks associated with the use of critical materials | TC-HW-440a.1 RT-EE-440a.1 | n/a | 4.5 Supply Chain Sustainability Management |

7.5 Summary of Information Assured (ISAE 3000)

| Assured Item | Information Assured | Page | Reporting Criteria |
|---|--|------|---|
| Computer & Networking Power annual energy savings in 2023 and avoided emissions during the use stage. | Computer & Networking Power annual energy savings were 3,432.04 million kWh. | 130 | <p>The annual energy savings is calculated by comparing the efficiency of Delta Computer & Networking Power to that of 80 Plus Bronze requirements, for shipments of Computer & Networking Power models in 2023.</p> <p>Annual Energy Savings (kWh) = $[\Sigma(A \times B \times Q) \times D] \times 24 \text{ (hr)} \times 365 \text{ (day)} \div 1,000$ A: Rated output power (W) of each Delta computer & networking power model. B: At the 50% load condition, efficiency difference between Delta computer & networking power and 80 Plus Bronze requirements. Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023. D: Percentage of load=50%.</p> |
| | Computer & Networking Power avoided emissions during the use stage were 6,750.82 thousand mtCO ₂ e. | 130 | <p>Calculating avoided emissions according to Guidance on Avoided Emissions published by WBCSD in 2023.</p> <p>Avoided emissions (kgCO₂e) = $[\Sigma(A \times B \times Q) \times D] \times 24 \text{ (hr)} \times 365 \text{ (day)} \times 5 \text{ (yr)}^{*1} \times E \div 1,000$ A: Rated output power (W) of each Delta computer & networking power model. B: At the 50% load condition, efficiency difference between Delta computer & networking power and 80 Plus Bronze requirements. Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023. D: Percentage of load=50%. E: Electricity emission factor (kgCO₂e/kWh) according to IEA Stated Policies Scenario (STEP).</p> <p><small>*1 Product lifetime refers to the product lifetime of the power supply product category rules (PCR 2019: 2.0).</small></p> |
| Ventilating Fans annual energy savings in 2023 and avoided emissions during the use stage. | Ventilating Fans annual energy savings was 29.95 million kWh. | 130 | <p>The annual energy savings is calculated 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 2023.</p> <p>Annual Energy Savings (kWh) = $\Sigma(A \times B \times Q) \times 1,671 \text{ (hour/Year)}^{*1} \div 1,000$ A: Rated output power (W) of each Delta ventilating fan model at 0.1 in w.g. static pressure B: Energy saving rate (efficiency difference between Delta ventilating fan and USA Energy Star/Taiwan Energy Label requirements divided by that of USA Energy Star/Taiwan Energy Label requirements). Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023.</p> <p><small>*1 Usage time of 1671 hours/year refers to Japanese Industrial Standards (JIS C 9921-2).</small></p> |

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| <p>Ventilating Fans annual energy savings in 2023 and avoided emissions during the use stage.</p> | <p>Ventilating Fans avoided emissions during the use stage was 12.24 thousand mtCO₂e.</p> | <p>130</p> | <p>Calculating avoided emissions according to Guidance on Avoided Emissions published by WBCSD in 2023.</p> <p>Avoided emissions (kgCO₂e) = $\Sigma(A \times B \times Q) \times 1,671(\text{hour}/\text{Year})^{*1} \times 1(\text{year})^{*2} \times E \div 1,000$</p> <p>A: Rated output power (W) of each Delta ventilating fan model at 0.1 in w.g. static pressure</p> <p>B: Energy saving rate (efficiency difference between Delta ventilating fan and USA Energy Star/Taiwan Energy Label requirements divided by that of USA Energy Star/Taiwan Energy Label requirements).</p> <p>Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023.</p> <p>E: Electricity emission factor (kgCO₂e/kWh) according to IEA Stated Policies Scenario (STEP).</p> <p>*1 Usage time of 1671 hours/year refers to Japanese Industrial Standards (JIS C 9921-2).</p> <p>*2 Product lifetime refers ENERGY STAR Program Requirements for Residential Ventilating Fans for minimum warranty years.</p> |
| <p>LED Street Lights annual energy savings in 2023</p> | <p>LED Street Lights annual energy savings was 18.05 million kWh.</p> | <p>130</p> | <p>The annual energy savings is calculated by assuming that end-users installed Delta LED Street Lights to replace various street lights, for the shipments of LED street lights to Taiwan in 2023.</p> <p>Annual Energy Savings (kWh) = $\Sigma(B1 \times Q1 + B2 \times Q2) \times 12(\text{hour}) \times 365(\text{day}) \div 1,000$</p> <p>B1: Power consumption (W) difference between Delta LED street lights and theoretical replaced mercury street lights.</p> <p>B2: Power consumption (W) difference between Delta LED street lights and theoretical replaced gas-discharge lamps street lights.</p> <p>Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023.</p> |
| <p>LED Street Lights annual energy savings in 2023 and avoided emissions during the use stage.</p> | <p>LED Street Lights avoided emissions during the use stage was 24.76 thousand mtCO₂e.</p> | <p>130</p> | <p>Calculating avoided emissions according to Guidance on Avoided Emissions published by WBCSD in 2023.</p> <p>Avoided emissions (kgCO₂e) = $\Sigma(B1 \times Q1 + B2 \times Q2) \times 15,000(\text{hour})^{*1} \times E \div 1,000$</p> <p>B1: Power consumption (W) difference between Delta LED street lights and theoretical replaced mercury street lights.</p> <p>B2: Power consumption (W) difference between Delta LED street lights and theoretical replaced gas-discharge lamps street lights.</p> <p>Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023.</p> <p>E: Electricity emission factor (kgCO₂e/kWh) according to IEA Stated Policies Scenario (STEP).</p> <p>*1 Product lifetime refers to the hours of electricity consumption calculation in the use phase of the street luminaire carbon footprint product category rules (CFP-PCR:21-015) v.4.0.</p> |

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| | AC-DC Adapter annual energy savings was 171.49 million kWh. | 130 | <p>The annual energy savings is calculated 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 AC-DC Adapter models in 2023.</p> <p>Annual Energy Savings (kWh) = $\{[\Sigma(B \times Q) \times D \times 39.9(\text{hr}) \times 52(\text{week})] + [\Sigma(C \times Q) \times 56.05(\text{hr}) \times 52(\text{week})]\} \div 1,000$</p> <p>B: On charge mode, power loss (W) difference between Delta product and EU requirements at corresponding average efficiency.</p> <p>C: On no load mode, efficiency difference between Delta product and EU requirements.</p> <p>D: Percentage of load=56%.^{*2}</p> <p>Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023.</p> <p>*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.</p> <p>*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.</p> |
| AC-DC Adapter annual energy savings in 2023 and avoided emissions during the use stage. | AC-DC Adapter avoided emissions during the use stage was 206.10 thousand mtCO ₂ e. | 130 | <p>Calculating avoided emissions according to Guidance on Avoided Emissions published by WBCSD in 2023.</p> <p>Avoided emissions (kgCO₂e) = $\{[\Sigma(B \times Q) \times D \times 39.9(\text{hr}) \times 52(\text{week})] + [\Sigma(C \times Q) \times 56.05(\text{hr}) \times 52(\text{week})]\} \div 1,000 \times 3(\text{year})$^{*3}</p> <p>B: On charge mode, power loss (W) difference between Delta product and EU requirements at corresponding average efficiency.</p> <p>C: On no load mode, efficiency difference between Delta product and EU requirements.</p> <p>D: Percentage of load=56%.^{*2}</p> <p>Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023.</p> <p>E: Electricity emission factor (kgCO₂e/kWh) according to IEA Stated Policies Scenario (STEP).</p> <p>*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.</p> <p>*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.</p> <p>*3 Product lifetime refers to the power supply product category rules (PCR 2019: 2.0)</p> |
| EV DC Charger annual energy savings in 2023 and avoided emissions during the use stage. | EV DC Charger annual energy savings was 64.54 million kWh. | 130 | <p>The annual energy savings is calculated 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 2023.</p> <p>Annual Energy Savings (kWh) = $\Sigma(A \times B \times Q) \times D \times 8(\text{hr}) \times 365(\text{day}) \div 1,000$</p> <p>A: Rated output power (W) of each Delta EV DC Charger model.</p> <p>B: Efficiency difference between Delta EV DC Charger and CHAdeMo requirements.</p> <p>Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023.</p> <p>D: Percentage of load=100%.</p> |

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| <p>EV DC Charger annual energy savings in 2023 and avoided emissions during the use stage.</p> | <p>EV DC Charger avoided emissions during the use stage was 220.51 thousand mtCO₂e.</p> | <p>130</p> | <p>Calculating avoided emissions according to Guidance on Avoided Emissions published by WBCSD in 2023.</p> <p>Avoided emissions (kgCO₂e) = $\Sigma(A \times B \times Q) \times D \times 8 \text{ (hr)} \times 365 \text{ (day)} \times 9 \text{ (year)} \div 1,000$ A: Rated output power (W) of each Delta EV DC Charger model. B: Efficiency difference between Delta EV DC Charger and CHAdeMo requirements. Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023. D: Percentage of load=100% E: Electricity emission factor (kgCO₂e/kWh) according to IEA Stated Policies Scenario (STEP).</p> <p>*1 Product lifetime refers to Energy Star "Electric Vehicle Supply Equipment Version 1.2"</p> |
| <p>LED High Bay annual energy savings in 2023 and avoided emissions during the use stage.</p> | <p>LED High Bay annual energy savings was 2.32 million kWh.</p> | <p>130</p> | <p>The annual energy savings is calculated by Assuming that end-users installed Delta LED high bays to replace LED lights and traditional lights, 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 2023.</p> <p>Annual Energy Savings (kWh) = $[\Sigma(B1 \times Q1 + B2 \times Q2)] \times 12 \text{ (hr)} \times 260 \text{ (day)} \div 1,000$ B1: Efficiency difference of LED high bay between Delta and COMMISSION REGULATION (EU) 2019/2020 (W). B2: Efficiency difference of traditional lights between Delta and traditional COMMISSION REGULATION (EU) 2019/2020 (W). Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023.</p> <p>*1 Usage time refers to Adoption of Light-Emitting Diodes in Common Lighting Applications, US DOE, August 2020, P20</p> |
| <p>LED High Bay avoided emissions during the use stage.</p> | <p>LED High Bay avoided emissions during the use stage was 23.34 thousand mtCO₂e.</p> | <p>130</p> | <p>Calculating avoided emissions according to Guidance on Avoided Emissions published by WBCSD in 2023.</p> <p>Avoided emissions (kgCO₂e) = $[\Sigma(B1 \times Q1 + B2 \times Q2)] \times 100,000 \text{ (hr)} \div 1,000$ B1: Efficiency difference of LED high bay between Delta and COMMISSION REGULATION (EU) 2019/2020 (W). B2: Efficiency difference of traditional lights between Delta and traditional COMMISSION REGULATION (EU) 2019/2020 (W). Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023. E: Electricity emission factor (kgCO₂e/kWh) according to IEA Stated Policies Scenario (STEP).</p> <p>*2 Product lifetime refers to Delta product specifications</p> |

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| Uninterruptible power supply (UPS) annual energy savings in 2023 and avoided emissions during the use stage. | Uninterruptible Power Supply (UPS) annual energy savings was 196.01 million kWh. | 130 | <p>The annual energy savings is calculated 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 UPS models in 2023.</p> <p>Annual Energy Savings (kWh) = $\Sigma[(A \times B) \times Q \times D] \times 24(\text{hr}) \times 365(\text{day}) \div 1,000$ A: Rated output power (W) of each Delta UPS model. B: On charge mode, weighted efficiency difference between Delta UPS product and EU CoC requirements on different load mode. Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023. D: Weighted percent of load.</p> |
| | Uninterruptible Power Supply (UPS) avoided emissions during the use stage was 158.65 thousand mtCO ₂ e. | 130 | <p>Calculating avoided emissions according to Guidance on Avoided Emissions published by WBCSD in 2023.</p> <p>Avoided emissions (kgCO₂e) = $\Sigma[(A \times B) \times Q \times D] \times 24(\text{hr}) \times 365(\text{day}) \times 2(\text{year})^{*1} \times E \div 1,000$ A: Rated output power (W) of each Delta UPS model. B: On charge mode, weighted efficiency difference between Delta UPS product and EU CoC requirements on different load mode. Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023. D: Weighted percent of load. E: Electricity emission factor (kgCO₂e/kWh) according to IEA Stated Policies Scenario (STEP)</p> <p>*1 Product lifetime refers to uninterruptible power supply product category rules (PCR 2011:1.0).</p> |
| TV Power annual energy savings in 2023 and avoided emissions during the use stage. | TV Power annual energy savings was 27.04 million kWh. | 130 | <p>The annual energy savings is calculated 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 Open frame TV Power models in 2023.</p> <p>Annual Energy Savings (kWh) = $\{[\Sigma(A \times B \times D) \times Q \times 2.8(\text{hr}) \times 365(\text{day})] + [\Sigma(C \times Q) \times 21.2(\text{hr}) \times 365(\text{day})]\} \div 1,000$ A: Rated output power (W) of each Delta TV Power product B: On charge mode, power loss (W) difference between Delta TV Power product and the customers' minimum efficiency specifications^{*1}. C: On no load mode, efficiency difference between Delta product and the customer's minimum efficiency specifications^{*1}. Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023. D: Percent of load required for the customer's specifications for performance.</p> <p>*1 The minimum energy efficiency requirement of customer specifications mentioned above is 80%-85%, varied by the customer. *2 Usage time refers to the result of AMERICAN TIME USE SURVEY.</p> |

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| <p>TV Power annual energy savings in 2023 and avoided emissions during the use stage.</p> | <p>TV Power avoided emissions during the use stage was 16.38 thousand mtCO₂e.</p> | <p>130</p> | <p>Calculating avoided emissions according to Guidance on Avoided Emissions published by WBCSD in 2023.</p> <p>Avoided emissions (kgCO₂e) = $\{[\Sigma(A \times B \times D) \times Q \times 2.8(\text{hr}) \times 365(\text{day})] + [\Sigma(C \times Q) \times 21.2(\text{hr}) \times 365(\text{day})]\}^2 \times 1.25(1.5)(\text{year})^{-3} \times E \div 1,000$ <p>A: Rated output power (W) of each Delta TV Power product B: On charge mode, power loss (W) difference between Delta TV Power product and the customers' minimum efficiency specifications^{*1}. C: On no load mode, efficiency difference between Delta product and the customer's minimum efficiency specifications^{*1}. Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023. D: Percent of load required for the customer's specifications for performance. E: Electricity emission factor (kgCO₂e/kWh) according to IEA Stated Policies Scenario (STEP)</p> <p>*1 The minimum energy efficiency requirement of customer specifications mentioned above is 80%-85%, varied by the customer. *2 Usage time refers to the result of AMERICAN TIME USE SURVEY. *3 Product lifetime refers to the warranty for minimum warranty years.</p> </p> |
| <p>LED Driver annual energy savings in 2023 and avoided emissions during the use stage.</p> | <p>LED Driver annual energy savings was 32.44 million kWh.</p> | <p>130</p> | <p>The annual energy savings is calculated 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 2023.</p> <p>Annual Energy Savings (kWh) = $\Sigma(A \times B \times Q) \times D \times 8(\text{hr}) \times 365(\text{day}) \div 1,000$ A: Rated output power (W) of each Delta LED driver model B: Efficiency difference between Delta LED driver and the EU requirements. Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023 D: Percentage of load=100%.</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> |
| <p>LED Driver avoided emissions during the use stage.</p> | <p>LED Driver avoided emissions during the use stage was 63.81 thousand mtCO₂e.</p> | <p>130</p> | <p>Calculating avoided emissions according to Guidance on Avoided Emissions published by WBCSD in 2023.</p> <p>Avoided emissions (kgCO₂e) = $\Sigma(A \times B \times Q) \times D \times 8(\text{hr}) \times 365(\text{day}) \times 5(\text{year})^{-1} \times E \div 1,000$ A: Rated output power (W) of each Delta LED driver model B: Efficiency difference between Delta LED driver and the EU requirements. Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023 D: Percentage of load=100%. E: Electricity emission factor (kgCO₂e/kWh) according to IEA Stated Policies Scenario (STEP)</p> <p>*1 Product lifetime refers to the warranty for minimum warranty years.</p> |

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| <p>Inverter (Variable frequency drive, VFD) annual energy savings in 2023 and avoided emissions during the use stage.</p> | <p>Inverter (Variable frequency drive, VFD) annual energy savings was 1,676.32 million kWh.</p> | <p>130</p> | <p>The annual energy savings is calculated by comparing the efficiency of Delta Inverter (Variable frequency drive, VFD) to that of Commission Regulation (EU) 2019/1781, for shipments of Delta own brand manufacturer (OBM) products in 2023.</p> <p>Annual Energy Savings (kWh) = $\Sigma(B \times Q) \times 12 \text{ (hr)} \times 250 \text{ (day)} \div 1,000$ B: Efficiency difference between Delta Inverter (Variable frequency drive, VFD) and Commission Regulation (EU) 2019/1781. Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023.</p> <p>*1 Usage time refers to Schneider's 2022 emissions avoidance report Variable Speed Drives (VSD) 250 days/year, 12 hours/day.</p> |
| <p>Inverter (Variable frequency drive, VFD) annual energy savings in 2023 and avoided emissions during the use stage.</p> | <p>Inverter (Variable frequency drive, VFD) avoided emissions during the use stage was 6,309.67 thousand mtCO₂e.</p> | <p>130</p> | <p>Calculating avoided emissions according to Guidance on Avoided Emissions published by WBCSD in 2023.</p> <p>Avoided emissions (kgCO₂e) = $\Sigma(B \times Q) \times 12 \text{ (hr)} \times 250 \text{ (day)} \div 1,000 \times 10 \text{ (year)} \div E \div 1,000$ B: Efficiency difference between Delta Inverter (Variable frequency drive, VFD) and Commission Regulation (EU) 2019/1781. Q: Quantities of products of each model are exported from SAP shipment record from 1/1/2023 to 12/31/2023. E: Electricity emission factor (kgCO₂e/kWh) according to IEA Stated Policies Scenario (STEP).</p> <p>* 1 Usage time refers to Schneider's 2022 emissions avoidance report Variable Speed Drives (VSD) 250 days/year, 12 hours/day. * 2 Product lifetime refers to the product lifetime of the current vector variable frequency product category rules (PCR 2017: 1.0).</p> |
| <p>Electricity intensity in 2023</p> | <p>2023 EI was 54,961 kWh/MUSD for Delta's overall production plants.</p> | <p>108</p> | <p>Delta's 2023 overall production plants include China (Dongguan, Wujiang, Wuhu, Chenzhou and Huafeng), Taiwan (Taoyuan Plant 1, Taoyuan Plant 2, Taoyuan Plant 5, Pingzhen and Cyntec) and DET (plants 1, 3, 5, 6 & 7).</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 non-renewable and renewable electricity extracted from energy bills.</p> |


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| <p>Data center power usage effectiveness in 2023 (Power Usage Effectiveness, PUE)</p> | <p>The PUE was 1.30 for Delta's 4 data centers in 2023.</p> | <p>108</p> | <p>Global average = average PUE of four Delta data centers (Taiwan Headquarters, Wujiang, DET Plant 5 and Americas Headquarters).</p> <p>PUE is calculated with methodology provided by The Green Grid as follows: 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> <ul style="list-style-type: none"> A: Power delivery components, including UPS systems, switchgear, generators, power distribution units (PDUs), batteries, and distribution losses external to the IT equipment 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 C: Other miscellaneous component loads, such as data center lighting |
| <p>Electricity savings of green plants and buildings in 2023</p> | <p>In 2023, Delta's global certified green plants and buildings collectively saved, in total, 41.62 million kWh of electricity.</p> | <p>114-115</p> | <p>The twenty green plant/office buildings are the following: Taiwan Headquarters, Taoyuan Technology Center, Taoyuan Plant 5, Chungli Plant 5, Chungli R&D Center, Taichung Plant, Tainan Plant Phase I, Tainan Plant Phase II, Tainan Plant 2, Beijing Office Building, Shanghai R&D Center, Japan Ako Energy Park, Thailand Plant 5, Thailand Plant 7, India Mumbai Office, India Gurgaon Plant, India Rudrapur Plant, EMEA Headquarters, Netherland Helmond Office Building and Americas Headquarters.</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 non-renewable and renewable electricity extracted from energy bills. Floor area is based on area as of December 31, 2023.</p> |

| <p>Electricity savings of donated green buildings in 2023</p> | <p>In 2023, Delta Group's five donated green buildings reduced, in total, 1.64 million kWh of electricity.</p> | <p>114-115</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 Optoelectronic Building at National Central University (NCU), the Delta Building at National Tsing Hua University (NTHU), as well as the Namasia Ming Chuan Elementary School.</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 non-renewable and renewable electricity extracted from energy bills. Floor area is based on area as of December 31, 2023.</p> | | | | | | | | | | | | | | | | | | |
|--|--|----------------|--|---------------|------------|--------|---|-------|---|-----|---|-------|-------------------------------------|------|--|----------|---|-----|-----------------|--------|--|
| <p>Water productivity intensity (WPI) in 2023</p> | <p>2023 Water productivity intensity (WPI) was 340 metric ton/MUSD for Delta's overall production plants.</p> | <p>119</p> | <p>Delta's overall production plants include China (Dongguan, Wujiang, Wuhu, Chenzhou and Huafeng), Taiwan (Taoyuan Plant 1, Taoyuan Plant 2, Taoyuan Plant 5, Pingzhen Plant and Cyttec) and Thailand plant (plants 1, 3, 5, 6 & 7). Statistics are exported from tap water bills.</p> <p>Water productivity intensity = Annual purchased water usage (metric ton)/Production value (million USD)</p> | | | | | | | | | | | | | | | | | | |
| <p>Electricity consumption of global operation sites (including rental sites) in 2023</p> | <p>In 2023, Delta's global operation sites' total electricity consumption was 748 million kWh, including 76% of renewable electricity.</p> | <p>111</p> | <p>Delta's global operation sites^{*1} total electricity consumption includes non-renewable electricity^{*2} consumption and renewable electricity consumption^{*3}.</p> <p>*1 Delta's global operation sites in 2023 including below areas:</p> <table border="1"> <thead> <tr> <th>Working Group</th> <th>Main areas</th> </tr> </thead> <tbody> <tr> <td>Taiwan</td> <td>Taipei, New Taipei City, Taoyuan City, Hsinchu County, Taichung City, and Tainan City</td> </tr> <tr> <td>China</td> <td>Dongguan City, Jiangsu City, Wuhu City, Chenzhou City, Shanghai City, and Hangzhou City, etc.</td> </tr> <tr> <td>SEA</td> <td>Thailand, Australia, Myanmar, Vietnam, Singapore, Philippines, and Malaysia</td> </tr> <tr> <td>India</td> <td>Gurgaon, Rudrapur, and Mumbai, etc.</td> </tr> <tr> <td>EMEA</td> <td>Germany, Netherlands, Egypt, Croatia, Finland, France, Italy, Norway, and United Kingdom, etc.</td> </tr> <tr> <td>Americas</td> <td>United States, Canada, and Brazil, etc.</td> </tr> <tr> <td>NEA</td> <td>Japan and Korea</td> </tr> <tr> <td>Cyttec</td> <td>Cyttec Co., Ltd. (including sites in Taiwan and China)</td> </tr> </tbody> </table> <p>*2 Non-renewable electricity includes purchased non-renewable electricity and self-generated non-renewable electricity.</p> <p>*3 Renewable electricity includes self-generated electricity, purchased green electricity products, purchased PPA electricity and purchased Unbundled EACs.</p> | Working Group | Main areas | Taiwan | Taipei, New Taipei City, Taoyuan City, Hsinchu County, Taichung City, and Tainan City | China | Dongguan City, Jiangsu City, Wuhu City, Chenzhou City, Shanghai City, and Hangzhou City, etc. | SEA | Thailand, Australia, Myanmar, Vietnam, Singapore, Philippines, and Malaysia | India | Gurgaon, Rudrapur, and Mumbai, etc. | EMEA | Germany, Netherlands, Egypt, Croatia, Finland, France, Italy, Norway, and United Kingdom, etc. | Americas | United States, Canada, and Brazil, etc. | NEA | Japan and Korea | Cyttec | Cyttec Co., Ltd. (including sites in Taiwan and China) |
| Working Group | Main areas | | | | | | | | | | | | | | | | | | | | |
| Taiwan | Taipei, New Taipei City, Taoyuan City, Hsinchu County, Taichung City, and Tainan City | | | | | | | | | | | | | | | | | | | | |
| China | Dongguan City, Jiangsu City, Wuhu City, Chenzhou City, Shanghai City, and Hangzhou City, etc. | | | | | | | | | | | | | | | | | | | | |
| SEA | Thailand, Australia, Myanmar, Vietnam, Singapore, Philippines, and Malaysia | | | | | | | | | | | | | | | | | | | | |
| India | Gurgaon, Rudrapur, and Mumbai, etc. | | | | | | | | | | | | | | | | | | | | |
| EMEA | Germany, Netherlands, Egypt, Croatia, Finland, France, Italy, Norway, and United Kingdom, etc. | | | | | | | | | | | | | | | | | | | | |
| Americas | United States, Canada, and Brazil, etc. | | | | | | | | | | | | | | | | | | | | |
| NEA | Japan and Korea | | | | | | | | | | | | | | | | | | | | |
| Cyttec | Cyttec Co., Ltd. (including sites in Taiwan and China) | | | | | | | | | | | | | | | | | | | | |

* The energy savings and avoided emissions of products were rounded to the nearest second decimal place.

7.6 External Assurance Statement and Report

SGS Assurance Statement - GRI Standards, AA1000 and SASB



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE DELTA ELECTRONICS, INC.'S ESG REPORT FOR 2023

NATURE AND SCOPE OF THE ASSURANCE

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 2023 (hereinafter referred to as the ESG Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 2 high level to assess whether the text and data in accompanying tables contained in the report and complies with the GRI Standards and AA1000 Accountability Principles (2018) and sustainability accounting standards (SASB) during on-site assurance in the period of 19th February 2024 to 26th April 2024 in DELTA headquarter. The boundary of this report includes DELTA Taiwan and oversea operational and production sites' specific performance data included the sampled text, and data in accompanying tables, contained in the report presented. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD). 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 2023 and its presentation are the responsibility of the directors or governing body (as applicable) and management of DELTA. SGS has not been involved in the preparation of any of the material included in the ESG Report.

Our responsibility is to express an opinion on the report content within the scope of assurance 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 and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

| Assurance Standard Options | 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) |

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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:

| Reporting Criteria Options | |
|----------------------------|---|
| 1 | GRI Universal Standard (2021) (In Accordance with) |
| 2 | AA1000 Accountability Principles (2018) |
| 3 | SASB (TECHNOLOGY & COMMUNICATIONS SECTOR- HARDWARE INDUSTRY STANDARD, VERSION 2023-12 and RESOURCE TRANSFORMATION SECTOR- ELECTRICAL & ELECTRONIC EQUIPMENT INDUSTRY STANDARD, VERSION 2023-12) |

- The evaluation includes AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018).
- The evaluation of the reliability and quality of specified sustainability performance information in DELTA's ESG Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a high level of scrutiny for DELTA and moderate level of scrutiny for its subsidiaries.
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.
- evaluation of the report against the SASB Disclosures and Metrics included in the TECHNOLOGY & COMMUNICATIONS SECTOR- HARDWARE INDUSTRY STANDARD, VERSION 2023-12 and RESOURCE TRANSFORMATION SECTOR- ELECTRICAL & ELECTRONIC EQUIPMENT INDUSTRY STANDARD, VERSION 2023-12 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, ESG 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, Task Force on Climate-related Financial Disclosures (TCFD) has not been checked back to source as part of this assurance process.

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STATEMENT OF INDEPENDENCE AND COMPETENCE

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

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

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. We believe that the organisation 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, suppliers, sustainability experts, 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 responded to the material topics and to its stakeholders in a timely and transparent manner.

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.

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GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, DELTA's ESG Report of 2023, is adequately in accordance with the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following the guidance defined in GRI 3: Material Topic 2021, and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. The report has properly disclosed information related to DELTA's contributions to sustainability development. For future reporting, it is recommended to have more descriptions on how the organization has applied due diligence as a method for the identification and the evaluation of its impacts on the economy, environment, and people, including impacts on their human rights as well as the role of the highest governance body in overseeing these processes.

SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

DELTA has referenced with SASB's Standard, TECHNOLOGY & COMMUNICATIONS SECTOR- HARDWARE INDUSTRY STANDARD, VERSION 2023-12 and RESOURCE TRANSFORMATION SECTOR- ELECTRICAL & ELECTRONIC EQUIPMENT INDUSTRY STANDARD, VERSION 2023-12 to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed information correspond to the DELTA's ESG Report of 2022. 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.



Stephen Pao
Business Assurance Director
Taipei, Taiwan
17 July, 2024
WWW.SGS.COM



AA1000
Licensed Report
000-8/V3-7ETUR

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ISAE 3000 Limited Assurance Report



PWCM24000113

To Delta Electronics, Inc.

We have been engaged by Delta Electronics, Inc. ("the **Company**") to perform assurance procedures in respect of the key performance indicators identified by the Company and reported in the 2023 Sustainability Report (hereinafter referred to as the "**Identified Key Performance Indicators**") and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The subject matter information is the Identified Key Performance Indicators of the Company. The Identified Key Performance Indicators and the respective applicable criteria are stated in the "Summary of Information Assured (ISAE 3000)" on page 211-219 of the Sustainability Report. The scope of the Identified Key Performance Indicators is set out in the "ESG Report Scope and Reporting Period" on page 2 of the Sustainability Report.

The respective applicable criteria referred to above are the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability and FAQ issued by TWSE Listed Companies, related laws and regulations, the latest edition of the GRI Sustainability Reporting Standards (the "**GRI Standards**") published by the Global Reporting Initiative (the "**GRI**") and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported (hereinafter referred to as the "**Applicable Criteria**").

Management's Responsibility

The Management of the Company is responsible for the preparation of the Identified Key Performance Indicators disclosed in the Sustainability Report in accordance with the Applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Identified Key Performance Indicators that are free from material misstatement, whether due to fraud or error.

Inherent Limitation

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

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Compliance of Independence and Quality Management 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 the Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Key Performance Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Key Performance Indicators are free from material misstatement.

Under the requirements of the aforementioned standards, our limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the criteria as the basis for the preparation of the Identified Key Performance Indicators, assessing the risks of material misstatement of the Identified Key Performance Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Key Performance Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Made inquiries of the persons responsible for the Identified Key Performance Indicators to obtain an understanding of 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 analytical procedures on the Identified Key Performance Indicators and performed substantive testing on a selective basis, including inquiries, observation, inspection, and reperformance to obtain evidence for limited assurance.

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. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the respective applicable criteria.

We also do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls. Furthermore, our assurance does not extend to information disclosed in the Sustainability Report for the period ended December 31, 2022 or prior periods.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Key Performance Indicators in the Sustainability Report are not prepared, in all material respects, in accordance with the Applicable Criteria.

Other Matter

The Management of the Company is responsible for maintaining the Company's website. We have no responsibility to re-perform any procedures regarding the Identified Key Performance Indicators after the date of our assurance report, even if the Identified Key Performance Indicators or the Applicable Criteria have been subsequently modified.

Chao, Yung-Chieh

CHAO, YUNG-CHIEH

For and on behalf of PricewaterhouseCoopers, Taiwan

26 July, 2024



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