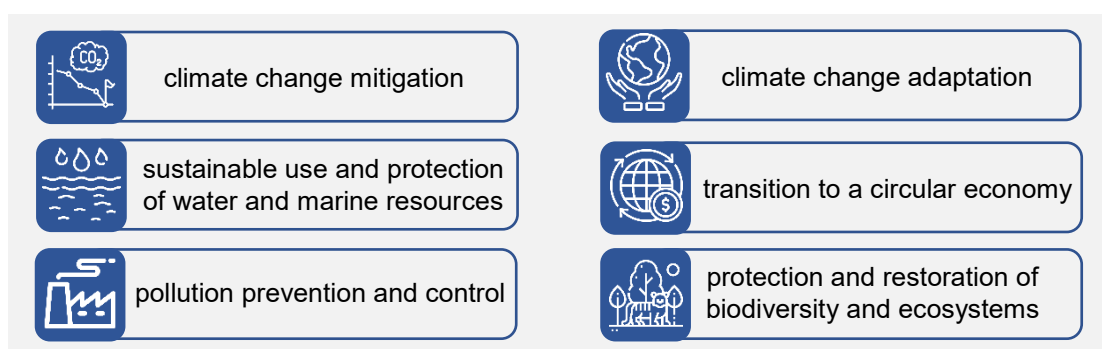


## 2022 Delta Electronics Sustainability Taxonomy Disclosures

The EU Taxonomy is a classification system establishing a list of environmentally sustainable economic activities, to facilitate sustainable investment.

"To provide innovative, clean and energy-efficient solutions for a better tomorrow" is not only Delta's corporate mission but also our long-term goal. In order to provide the objective criteria for determining whether our products and solutions can be considered environmentally sustainable for our stakeholders, Delta has referred to the EU taxonomy framework and conducted a high-level screening based on the sectors and activity items.

According to the EU Taxonomy Regulation, Article 9, there are six environmental objectives:



Under the EU Taxonomy Regulation, an economic activity qualifies as environmentally sustainable and is taxonomy-aligned if that activity:

- Contributes substantially to one or more of the above objectives
- Does not significantly harm any of the remaining objectives
- Is carried out in compliance with specified minimum safeguards

Subject to the EU, the first step is to identify taxonomy-eligible economic activities for these objectives and then report on the shares of total revenue and capital/operating expenditure accounted for by these activities. Based on the REGULATION (EU) 2021/2139 Annex I, Delta has preliminarily identified the correlation of our business units' (BU) products and solutions with the substantial contribution criteria, and screened out five sectors that might meet the criteria. Corresponding sectors are as below:



Manufacturing



Energy



Transport



Construction  
and real estate  
activities



Professional,  
scientific and  
technical activities

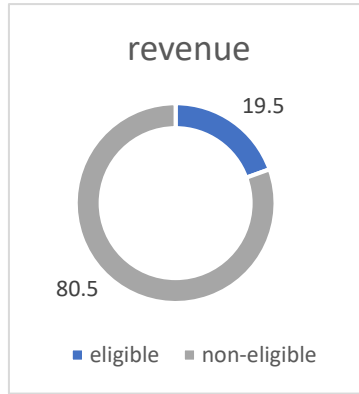
Next, we will list all the descriptions in Annex I, and hand it over to each responsible business group (BG) for further confirmation of whether our products or solutions meet the specific economic activities criteria. Delta has identified 12 taxonomy-eligible economic activities as listed in Table 1.

For the first-year, the disclosures of Delta's taxonomy are limited to:

- The first environmental objective, namely, climate change mitigation.
- The proportion of taxonomy-eligible and taxonomy non-eligible revenue.
- Because the financial information about CAPEX and OPEX can't be allocated by product, the first-year disclosures of Delta's taxonomy do not include the information on CAPEX and OPEX.
- Based on the taxonomy-eligible activities that have been identified, Delta calculates the revenue under current best practices. All the results will be reviewed annually and then adjusted on a rolling basis. All the financial information was calculated based on conservatism, avoiding double counting and has consistency with Delta's 2022 Financial Reports and 2022 Annual Report.
- Since Delta has many products and solutions, the financial information cannot be precisely subdivided into each product or solution, so all the financial information was calculated at the BG-level and Delta's internal financial system. The results might contain specific errors in the calculation of revenue.
- This disclosure of Delta's taxonomy has not been assured by third parties.

### **Results of Delta Assessment of Eligibility**

Our share of revenue associated with taxonomy-eligible activities in 2022 was 19.5%. This proportion mainly contribute by the economic activities classified as Transport. (15.33%)



### 1. Assessment of DNSH and Minimum Safeguards

Delta's ESG Committee is its highest-ranking sustainable management organization. The ESG Committee oversees 10 project teams that focus on three major aspects of ESG goals including corporate governance, environmental protection and energy conservation, as well as employee relations and social participation. The project teams that are highly correlated with the DNSH and Minimum Safeguards are Carbon Management, Energy and Water Conservation and Waste Reduction Management, Biodiversity, Human Capital Development, and Ethical Corporate Management respectively.

All of the Delta activities were under ESG Committee oversight. The preliminary assessment of economic activities conforms to DNSH and Minimum Safeguards criteria, except for the Biodiversity and Ecosystems.

**Table 1. Proportion of Revenue Associated with Taxonomy- eligible Economic Activities 2022**

Sector	Economic Activities		Climate Change Mitigation	Absolute Revenue (MUSD)	Revenue (%)
<b>Taxonomy Eligible Activities</b>				2,441.49	19.50%
Manufacturing	3.4	Manufacture of batteries	☉	140.93	1.13%
	3.5	Manufacture of energy efficiency equipment for buildings	☑		
	3.6	Manufacture of other low carbon technologies	☉		
Energy	4.9	Transmission and distribution of electricity	☉	26.34	0.21%
	4.10	Storage of electricity	☑		
Transport	6.15	Infrastructure enabling low-carbon road transport and public transport	☉	1,919.61	15.33%
Construction and real estate activities	7.3	Installation, maintenance and repair of energy efficiency equipment	☑	354.61	2.83%
	7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	☑		
	7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	☑		
	7.6	Installation, maintenance and repair of renewable	☉		

Sector	Economic Activities		Climate Change Mitigation	Absolute Revenue (MUSD)	Revenue (%)
		energy technologies			
Professional, scientific and technical activities	9.1	Close to market research, development and innovation	<input checked="" type="checkbox"/>	-	-
	9.3	Professional services related to energy performance of buildings	<input checked="" type="checkbox"/>		
<b>Non- Eligible</b>				10,077.02	80.50%
<b>Total</b>				12,518.51	100%

: High confidence in conforming to every Taxonomy- eligible criteria.

: Mostly conformed to Taxonomy-eligible criteria.

**Table 2. Preliminary Analysis with Taxonomy- aligned Criteria of Delta Economic Activities**

Economic Activities		DNSH Criteria (☑/☒)						Minimum Safeguards
		Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resources	Circular Economy	Pollution Prevention and Control	Biodiversity and Ecosystems	
3.4	Manufacture of batteries	-	☑	☑	☑	☑	☒	☑
3.5	Manufacture of energy efficiency equipment for buildings	-	☑	☑	☑	☑	☒	☑
3.6	Manufacture of other low carbon technologies	-	☑	☑	☑	☑	☒	☑
4.9	Transmission and distribution of electricity	-	☑	☑	☑	☑	☒	☑
4.10	Storage of electricity	-	☑	☑	☑	☑	☒	☑
6.15	Infrastructure enabling low-carbon road transport and public transport	-	☑	☑	☑	☑	☒	☑
7.3	Installation, maintenance and repair of energy efficiency equipment	-	☑	☑	☑	☑	☒	☑
7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings	-	☑	☑	☑	☑	☒	☑

Economic Activities		DNSH Criteria (☑/☒)					Minimum Safeguards	
		Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resources	Circular Economy	Pollution Prevention and Control		Biodiversity and Ecosystems
	(and parking spaces attached to buildings)							
7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	-	☑	☑	☑	☑	☒	☑
7.6	Installation, maintenance and repair of renewable energy technologies	-	☑	☑	☑	☑	☒	☑
9.1	Close to market research, development and innovation	-	☑	☑	☑	☑	☒	☑
9.3	Professional services related to energy performance of buildings	-	☑	☑	☑	☑	☒	☑

☑: Conformed to the criteria.

☒: Potentially compatible with the criteria.