



# Enabling Sustainable Growth in a Transforming World

2025  
Delta Electronics CSRD  
Sustainability Report





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This report is prepared on a voluntary basis, no external assurance was applied.



## Foreword from our EMEA President

# Leading the future through sustainable innovation

“The technologies shaping tomorrow must also help build a more resilient and sustainable world.”

It is my pleasure to present Delta’s 2025 CSRD Sustainability Report, our second report prepared in alignment with the EU Corporate Sustainability Reporting Directive (CSRD). Building on the foundation established last year, this report reflects the continued development of our sustainability strategy and our commitment to transparent and impactful reporting.

We are operating in a period of significant technological transformation. Artificial intelligence (AI) is reshaping industries, accelerating digitalization, and increasing demand for data centers and intelligent infrastructure. At the same time, climate change, resource constraints, geopolitical uncertainty, and evolving stakeholder expectations are changing what sustainable business leadership requires. These developments create challenges, but they also present opportunities for companies that can combine innovation with responsibility.

For more than five decades, Delta has remained committed to our mission of providing innovative, clean, and energy-efficient solutions for a better tomorrow. That mission is increasingly relevant as organizations invest in the next generation of efficient and resilient infrastructure. Through our expertise in power electronics, thermal management, automation, and intelligent infrastructure, we help customers improve energy efficiency, strengthen resilience, and advance their sustainability objectives.

Sustainability is not separate from our business strategy. It is fundamental to how we create value over the long term. By reducing the environmental footprint of our operations, designing more efficient products, and investing in new technologies, we continue to demonstrate how innovation can support sustainability. Our progress in decarbonization, renewable energy, the circular economy,

and product innovation reflects this integrated approach and strengthens our ability to respond to a changing global market.

Behind this progress is the dedication of our employees, the trust of our customers, and the collaboration of our partners. I want to thank everyone who contributes to our shared vision and purpose.

This report shows how we continue to integrate sustainability into innovation, resilience, and long-term growth. I invite you to explore our progress as we work together to build a smarter and more sustainable future.

Warm regards,

**Dalip Sharma**  
President and General Manager  
Delta Electronics EMEA





Foreword from our  
Chief Sustainability Officer

# Creating value beyond compliance

Sustainability has entered a new phase. Expectations from customers, investors, regulators, employees, and society continue to evolve, while the urgency of climate change, resource constraints, biodiversity loss, and social responsibility continues to grow.

At Delta, we do not see these challenges solely as compliance obligations. They are also catalysts for strengthening resilience, accelerating innovation, and creating lasting value.

Our 2025 CSRD Sustainability Report reflects another year of progress. While the report has been prepared in accordance

with the European Sustainability Reporting Standards (ESRS), our ambition extends beyond regulatory compliance. We view sustainability reporting as a strategic tool that supports better decision-making, stronger governance, and more meaningful engagement with our stakeholders.

Our double materiality assessment continues to play a central role in this process. By identifying the material impacts, risks, and opportunities associated with climate change, the circular economy, biodiversity, our own workforce, workers in the value chain, and business conduct, we can define more

“Transparency is not the destination.  
It is the foundation for better  
decisions and greater impact.”

focused actions and maintain a strategy centered on long-term resilience and sustainable growth.

Climate action remains central to our strategy. Guided by our targets validated by the Science Based Targets initiative (SBTi), we continue working toward reducing absolute Scope 1 and Scope 2 greenhouse gas emissions by 90% and absolute Scope 3 emissions by 25% by 2030. We also remain committed to achieving net-zero emissions across our value chain by 2050.

Compared with our 2021 baseline, we had reduced combined Scope 1 and market-based Scope 2 emissions by 67.4% by the end of 2025. Renewable electricity also accounted for 91% of electricity consumption across our global operational sites during the year. These results show that meaningful reductions in operational emissions can accompany business growth.

At the same time, sustainability requires us to look beyond carbon. In 2025, we advanced our adoption of ISO 59004

guidance for the circular economy, reinforcing our commitment to improving resource efficiency throughout product life cycles and across our operations. We also continued expanding our efforts to protect biodiversity, strengthen responsible supply chains, and invest in our people. Progress in each of these areas depends on collective action across our entire value chain.

Our sustainability governance also continued to mature. During the year, we strengthened board-level oversight by elevating the ESG Committee to the board-level Global ESG Committee. We established an ESG Executive Committee to accelerate implementation across our global operations. These changes reinforce our commitment to embedding sustainability in decision-making throughout the organization.

Looking ahead, our priorities remain clear. We will continue strengthening governance, improving transparency, accelerating decarbonization, advancing circularity, protecting nature, and working closely with customers, suppliers,



employees, and partners to create shared value.

Sustainability requires continuous improvement. Each step we take strengthens our ability to deliver innovative solutions, build business resilience, and contribute positively to society.

On behalf of the Delta team, I would like to thank our employees, customers, suppliers, investors, and partners for their continued trust and collaboration. Together, we are showing that sustainability is not only about responding to today's expectations. It is about building a stronger, more resilient, and more sustainable future for generations to come.

Warm regards,

**Jesse Chou**  
Chief Sustainability Officer  
Delta Electronics Inc.



ESRS 2

# General disclosures

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Introduction and vision:

# Disclosure that drives decisions

Sustainability reporting, including reporting aligned with the Corporate Sustainability Reporting Directive (CSRD), is an important way for companies to communicate how they manage the material impacts, risks, and opportunities (IROs) associated with their business. For us, its value extends beyond regulatory compliance. It demonstrates how our strategy, governance, technologies, and operating practices work together to create long-term value and strengthen our business resilience.

Our business is closely linked to major structural shifts reshaping the global economy, including climate change, electrification, digitalization, the energy transition, and the rapid growth of artificial

intelligence (AI). These shifts are changing how energy is generated, managed, and consumed. They are also reshaping the needs of societies, markets, and customers.

As demand grows for more efficient, reliable, and resilient infrastructure, our business responds directly through technologies that improve energy efficiency, thermal performance, power reliability, and infrastructure resilience.

This connection reinforces how sustainable development is embedded in our business strategy and how we create value. Through our expertise in power electronics, thermal management, data center infrastructure, low-carbon technologies, and energy-efficient solutions, we help customers

improve operating efficiency, reduce energy-related costs, and strengthen infrastructure resilience and reliability. Our responsibilities also extend to responsible sourcing, safe and fair working conditions, employee development and well-being, and support for resilient communities.

This report forms part of our broader ESG governance and reporting framework, supporting a more consistent and transparent approach to sustainability disclosure. It also helps connect our material IROs with the decisions, actions, and targets that guide our long-term business resilience.



## How this report was prepared

This report has been prepared on a consolidated basis and covers Delta Electronics and our consolidated group operations for the reporting period from January 1 to December 31, 2025.

Unless otherwise stated, the reporting scope is consistent with our financial statements and annual report. Where relevant and material, the report also includes information on our upstream and downstream value chain.

This report has been prepared with reference to the [May 2026 draft version](#) of the European Sustainability Reporting Standards (ESRS), as the final simplified ESRS had not yet been formally adopted at the time of preparation. The topics assessed as material and reported in this report are [Climate change \(E1\)](#), [Biodiversity & Ecosystems \(E4\)](#), [Circular economy \(E5\)](#), [Own workforce \(S1\)](#), [Workers in the value chain \(S2\)](#), and [Business Conduct \(G1\)](#).

The [Annex](#) provides a reference table showing the location of material Disclosure Requirements (DRs), as well as any reliefs, options, or phase-in provisions applied.

This sustainability report is primarily based on our 2025 ESG Report, with adaptations made to reflect the CSRD, its ESRS framework and the relevant DR data

points. We are working to further align our processes and data as we progress toward a single, consolidated sustainability report.

In parallel with this CSRD-aligned sustainability report, we continue to publish relevant annual ESG information in line with other reporting frameworks and market requirements applicable to the company. These include the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD), and International Financial Reporting Standards (IFRS), where applicable to our listing obligations on the Taiwan Stock Exchange.

We have not applied external assurance specifically to this voluntary ESRS-referenced report. However, where figures and data points presented in this report are derived from our annual ESG Report, financial statements, or other published disclosures, they are based on information that has been subject to relevant third-party audit, verification, or assurance processes, where applicable.

This includes assurance engagements such as AA1000AS v3 Type II for selected key figures with high assurance, and ISAE 3000 and ISAE 3410 with limited assurance conducted by PwC Taiwan for relevant reporting and greenhouse gas-related disclosures. The relevant disclosures were reviewed and approved by the Board of Directors.





# Technology with measurable purpose

## Who we are

Delta is a leading global provider of power and thermal management solutions, as well as energy-saving and new energy technologies. Headquartered in Taipei, Taiwan, we serve customers across five continents through our operational sites, manufacturing locations, research and development (R&D) centers, and global sales and service network.

Founded in 1971, we have evolved from a component manufacturer into a provider of integrated systems and solutions. Today, we combine hardware, software, and engineering capabilities to help customers improve efficiency, resilience,

and competitiveness in an increasingly electrified and digital economy.

Delta Electronics Inc. is listed on the Taipei Exchange, and its subsidiary, Delta Electronics (Thailand) Public Company Limited, is listed on the Stock Exchange of Thailand. With approximately 17,655 MUSD in global revenue and more than 80,000 employees worldwide, we are a major player in the global electronics industry. Our long-standing investment in innovation is reflected in our cumulative portfolio of more than 20,000 patents and our continued investment of 9% of total revenue in innovation and R&D.

Employees worldwide

80,408

R&D engineers

12,793

Plant Sites

60

R&D Centers

77

Sales Offices

168





# Creating value through sustainability

We create value through products, systems, and integrated solutions that help customers and partners improve energy efficiency, operational resilience, and infrastructure performance.

This value is also shaped by how we invest in innovation, manage our operations, and respond to sustainability-related impacts, risks, and opportunities (IROs). It extends to employees, shareholders, and society

through the decisions we make across our business and value chain.

Our approach to value creation is closely linked to the global shift toward electrification, digitalization, and the energy transition. As demand grows for more efficient, reliable, and lower-carbon operations, we focus on areas where technology can make a measurable difference, including data centers,

microgrids, smart manufacturing, intelligent buildings, and green mobility.

This direction is reflected in our brand value propositions, “Intelligent, Sustainable, and Connecting,” and in our corporate mission, “To provide innovative, clean, and energy-efficient solutions for a better tomorrow.” We continue to invest in R&D and technological innovation to provide more efficient and reliable energy-saving

solutions that support the development of sustainable, low-carbon cities.

## Our business model and innovation

Our business portfolio has expanded over time from components to higher-value systems integration and comprehensive solutions. This shift allows us to work more closely with customers on complex operational and sustainability challenges, while strengthening our position in markets shaped by electrification, digitalization, automation, and infrastructure resilience.

This evolution also reflects how customer needs are changing. Across many of the sectors we serve, energy efficiency, power reliability, thermal performance, and operational visibility are becoming central to competitiveness and long-term resilience.



# We operate across four business groups



## Power Electronics

Power Electronics is central to our business and technology leadership. We provide high-efficiency power supplies, thermal management solutions, fans, passive components, and related systems for applications including Information and communications technology (ICT), cloud computing, electric vehicles (EVs), industrial systems, and commercial uses. We also provide comprehensive data center solutions through grid-to-chip power and thermal management capabilities.



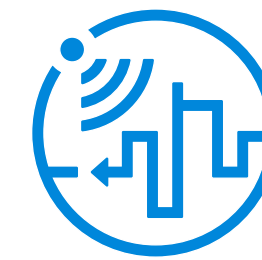
## Mobility

Our Mobility business focuses on EV power systems, drive technologies, and integrated powertrain solutions as we leverage our core expertise in power electronics and motor technologies. These offerings support more efficient vehicle performance and the development of decarbonized transport applications.



## Automation

Our Automation business covers industrial automation and building automation. In industrial settings, we provide integrated hardware and software solutions that support productivity, smart and safer manufacturing, and operational efficiency. In buildings, we apply automation and control technologies to improve operational performance and user experience.



## Infrastructure

Our Infrastructure business supports resilient energy and ICT infrastructure, as well as video and imaging systems. By integrating Artificial Intelligence of Things (AIoT), power conversion, and microgrid control technologies, these solutions help strengthen the performance, reliability, and scalability of data centers, telecom networks, and broader energy systems.

Across these business categories, our business model is built on deep expertise in power electronics and the integration of advanced digital technologies, including AI, IoT, and smart energy management.

We apply this foundation through a predominantly business-to-business (B2B) business model, supporting customers across sectors including ICT, medical technology, renewable energy systems, AI data centers, cloud computing, EVs, industrial automation, smart manufacturing, buildings, and telecom networks.

Through our products, systems, and integrated solutions, we support lower energy consumption, greater operational efficiency, increased electrification, and more resilient infrastructure. These outcomes are central to our value proposition, but they are also connected to broader sustainability considerations. These include energy use in our operations, the rights of workers across our value chain, and the environmental and social impacts associated with digital and industrial expansion. Further details on the positive and negative impacts of our business activities across the value chain are provided in the [Material priorities section](#).

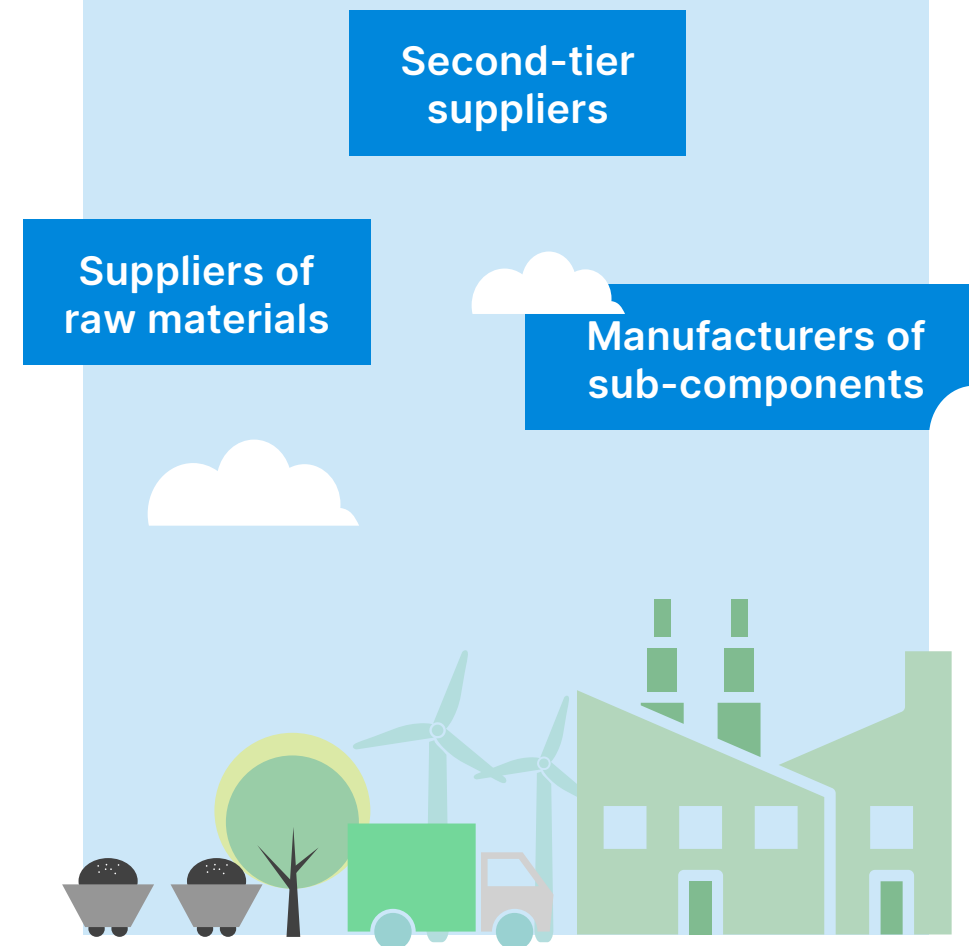


## Across the full value chain

The value chain reflects the breadth of our product portfolio across business groups. It supports our business strategy and sustainable development priorities, from the sourcing of materials and components to the delivery, use and end-of-life management of products and systems.

## Upstream

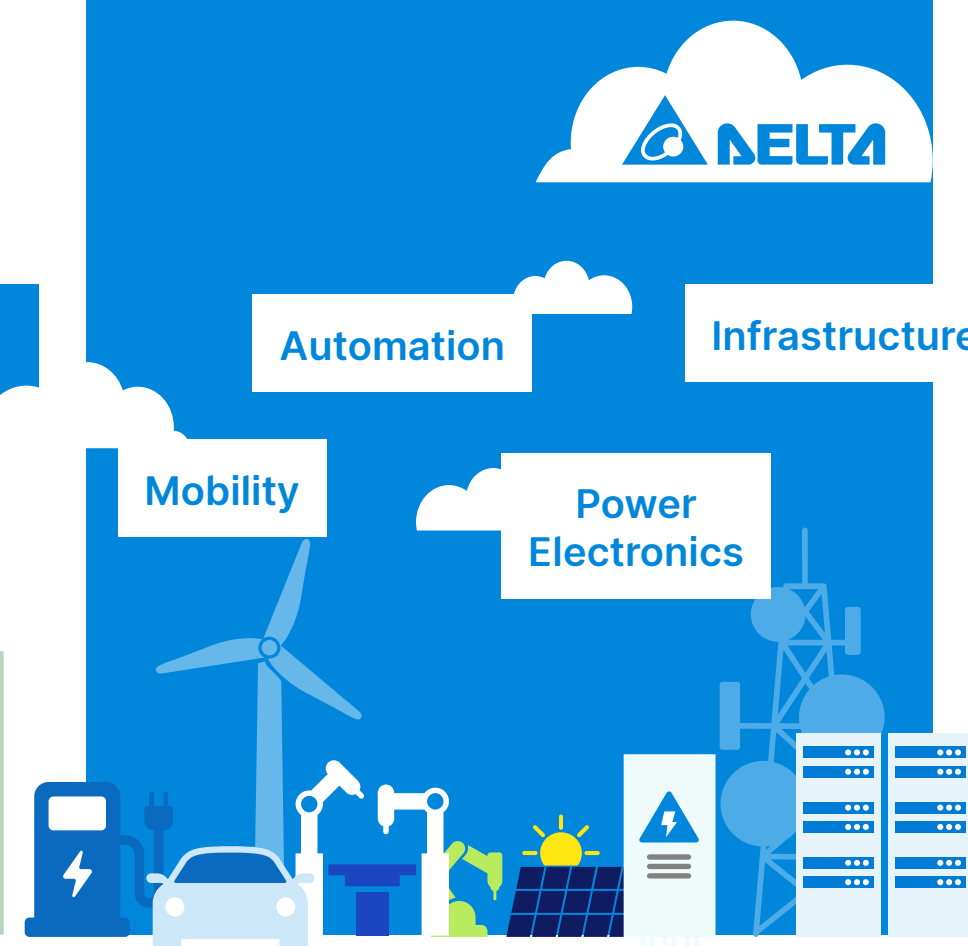
Our value chain begins with sourcing raw materials and subcomponents from third-party suppliers to support our manufacturing and product development processes. These suppliers are mainly based in Asia, Europe, and the Americas. Their inputs form the foundation of our technology and systems portfolio.



Our vendors are primarily based in Asia, Europe, and the Americas.

## Own operations

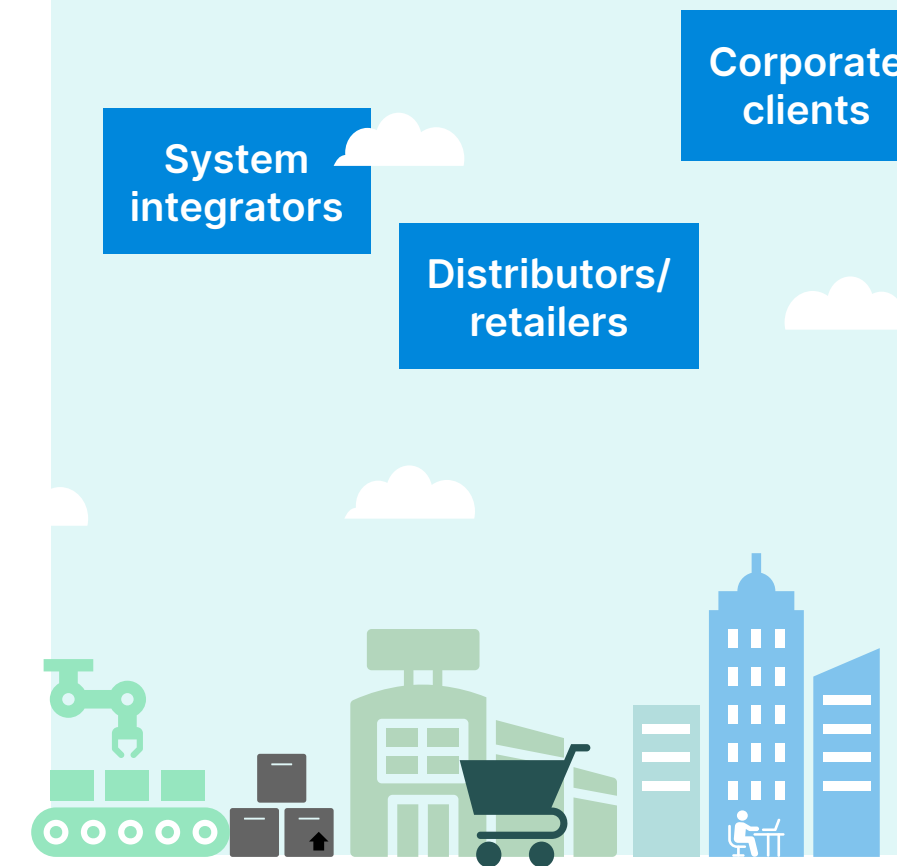
Across our operations in EMEA, the Americas, Asia, and the Pacific, we create value through research and development, product design, manufacturing, sales, and brand-related value-added services. We operate primarily in the electronics manufacturing industry and combine engineering, industrial, and digital capabilities to deliver products, systems, and integrated solutions.



Entities span across EMEA, the Americas, Asia and the Pacific.

## Downstream

Our immediate downstream value chain consists primarily of system integrators, distributors, retailers, and corporate customers. Through these customer groups, we serve a broad range of end markets, including EV charging, ICT, automotive, consumer electronics, industrial automation, building automation, medical applications, and renewable energy.



Delta customers span across the world.

## End user and end-of-life

We do not typically sell directly to individual consumers. However, end users remain part of our broader downstream value chain through the products and systems delivered by our customers and partners. The downstream value chain also includes e-waste that may arise when our products reach the end of their useful life.





# 2025 at a glance

## Business overview

**17,655**  
MUSD total revenue

**80,408**  
Total number of  
employees worldwide

## Environment

**67.4%**  
Reduction in our Scope 1 and 2  
emissions since 2021 baseline

**91%**  
Renewable electricity use

**0%**  
Sites in biodiversity sensitive area

## Social

**32.5%**  
Ratio of female managers

**21.5**  
Average hours of  
training per person

**0.52**  
incidents per 1 million  
hours worked

## Governance

**0 cases**  
Litigation involving corruption  
and anti-competition

**96.3%**  
Completion rate of ethical  
corporate management and  
Code of Conduct training



# Impact in practice





## FEATURED STORY

# Advancing sustainable AI through ecosystem collaboration

In 2025, we joined the Coalition for Sustainable AI, reflecting our recognition that the rapid growth of AI is reshaping global energy demand and infrastructure requirements. As AI adoption expands, sustainable development will depend on the physical systems that support it, including power, cooling, grid resilience, and energy-efficient digital infrastructure.

As part of this engagement, we supported the Economist Impact report [Greening Intelligence: Charting the Future of Sustainable AI](#), which explores topics such as grid resilience, energy efficiency, edge computing, and cross-sector collaboration. These areas are closely aligned with our core capabilities in power and thermal management, and our focus on enabling more energy-efficient digital infrastructure.

Through our participation, we aim to support practical collaboration across the AI ecosystem and encourage action that aligns AI development with sustainability goals.

## [More about this story](#)



Shan-Shan Guo (Delta's Chief Brand Officer), Ping Cheng (Delta's Chairman and CEO), Charles Ross (Asia-Pacific Principal for Technology and Innovation at Economist Impact)



## FEATURED STORY

# Scaling renewable energy through long-term partnerships in France

Our collaboration with Elyor Group in France demonstrates how our technologies contribute to the expansion of renewable energy infrastructure. For more than a decade, the partnership has supported the deployment of more than 10 MW of installed solar capacity across applications ranging from commercial rooftops to large-scale agricultural installations.

Elyor Group selected us as a long-term partner because of our high-performance inverter technology, reliable technical support, and scalable approach. Our technologies have been deployed across multiple regions in France, supporting projects that require flexibility, efficiency,

and consistent performance under varying operating conditions.

One example is the Aimargues solar greenhouse project, which combines agricultural activity with renewable energy generation. Using our solar inverters, the project demonstrates how modular, efficient solar solutions can be adapted to complex environments. The collaboration reflects our role in helping customers expand their use of renewable energy while maintaining operational reliability.

## [More about this story](#)



Andreas Hoischen (Senior Director of the Inverter Power Segment Business Unit at Delta EMEA)  
Maurice Chekroun (CEO of Elyor Group)



## FEATURED STORY

# Navigating RE100 requirements in fragmented energy markets

We have committed to sourcing 100% of our electricity from renewable sources by 2030 under RE100. In 2025, we reached 91% renewable electricity use globally, with EMEA, Taiwan, Americas, China and Northeast Asia already at 100%. This progress has required us to work across markets with different levels of renewable energy availability, regulatory maturity, and procurement complexity.

In EMEA, we have navigated fragmented renewable energy markets, with national differences in regulation, language, and procurement practices. In parts of Asia, structural challenges remain, including less developed renewable energy infrastructure, high and volatile Energy Attribute Certificate (EAC) costs, and policy frameworks that can limit access to Power Purchase Agreements (PPAs).

RE100 requirements have also evolved over time. The April 2025 update to the RE100 Technical Criteria strengthened sustainability requirements for hydropower and biomass. In markets where companies rely heavily on these sources, they may need to demonstrate compliance with the stricter criteria or adjust their renewable electricity procurement, for example by increasing procurement from eligible wind or solar generation.

To address these challenges, we continue to refine our renewable electricity sourcing strategy through enhanced internal auditing, greater prioritization of onsite renewable generation, and the procurement of renewable electricity products backed by RE100-compliant EACs, where available. We also work with governments, utility providers, and industry partners to support broader adoption of renewable electricity in line with evolving RE100 standards.

# 91%

**Renewable electricity use globally**



# Our awards and recognitions

## S&P Global

### Dow Jones Best-in-Class Indices

- Listed on the Dow Jones Best-in-Class World Index for 15 consecutive years
- Achieved the highest overall score in the electronic equipment, instruments, and components industry in the Dow Jones Best-in-Class Indices for 7 years
- Listed in the Dow Jones Best-in-Class Emerging Markets Index for 13 consecutive years



### CDP

- Awarded CDP Climate Change Leadership 10 times, including A List recognition in 2020 and from 2022 to 2025
- Awarded CDP Water Security A List for 6 consecutive years, from 2020 to 2025
- Included as a CDP Supplier Engagement Leader from 2017 to 2025



### MSCI Indexes

- Selected consecutively for the MSCI ACWI Selection Index
- Selected consecutively for the MSCI Emerging Markets Selection Index



### FTSE4Good Index Series

- Selected consecutively for the FTSE4Good Emerging Indexes
- Selected as a constituent of the FTSE4Good TIP Taiwan ESG Index



### Top 100 Global Innovators Award

- Selected by Clarivate as one of its Top 100 Global Innovators™ for 5 consecutive years



### Institutional Shareholder Services (ISS) Enterprise Performance Evaluation

- Received a Prime rating in the evaluation

## Other awards and recognitions

### Taiwan

- Selected as one of the Best Taiwan Global Brands for 15 consecutive years
- Named winner of Taiwan's Top 10 Sustainable Manufacturing Companies Award, along with 5 Outstanding Performance in Sustainable Practices Awards

### China

- Ranked among the Top 10 Foreign Companies in Corporate Social Responsibility Development Index in China, published by the Chinese Academy of Social Sciences, for 11 consecutive years
- Received a five-star CSR governance rating from the China Electronics Standardization Association for 4 consecutive years

### Thailand

- Recognized with the Excellent 5-Star Corporate Governance Grade for 10 consecutive years, from 2016 to 2025
- Won the Climate Action Excellence Prize at Climate Action Awards 2025
- Received an EcoVadis Platinum Rating

### EMEA

- Named 2025 Company of the Year for Integrated Energy Solutions in Europe by Frost & Sullivan
- Received Highly Commended recognition in the Best Brand & Values Initiatives for Business Culture Category at the Business Culture Awards
- Recognized for Outstanding Overall Customer Satisfaction in the Best of E-Mobility 2025/26 study conducted by the Deutsche Gesellschaft für Verbraucherstudien (DtGV)
- Delta Slovakia received an EcoVadis Silver Rating

### India

- Recognized as ESG Company of the Year at the National Conclave

### Australia

- Awarded ESG Innovator 2025 by Avettas



# Accountability by design

Governance provides the foundation for creating long-term sustainable value. It ensures that sustainability-related impacts, risks, and opportunities are effectively integrated into decision-making, supported by clear accountability, robust oversight, and transparent reporting.

This chapter describes how our governance framework, due diligence processes, stakeholder engagement, and double materiality assessment (DMA) work together to strengthen business resilience and support informed strategic decisions.



## Clear oversight, defined responsibility

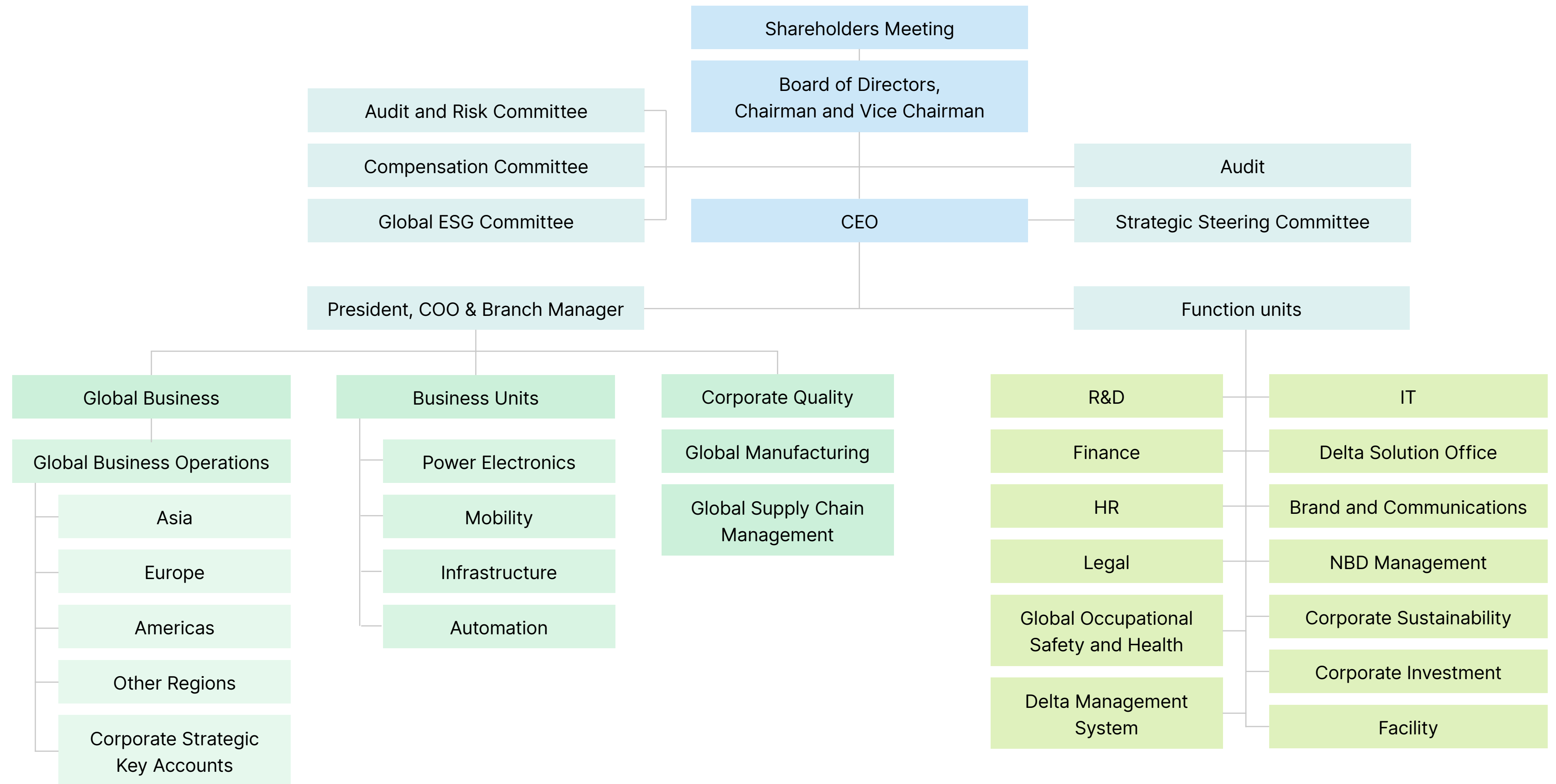
### Board-level overall governance

Strong sustainability governance depends on clear accountability. Our Board of Directors is our highest governance body and oversees our long-term direction, corporate governance, and management of material impacts, risks, and opportunities, including those related to sustainability.

To support effective oversight, we have established several Board-level functional committees, including the Compensation Committee, the Audit and Risk Committee, and the Global ESG Committee. Independent directors are appointed to the Board to strengthen governance, objectivity, and oversight.

Within this framework, the Board is responsible for reviewing sustainability-related priorities, monitoring progress, and ensuring that sustainability considerations are incorporated into strategy, decision-making, internal control, and risk management.

## Delta Electronics Organizational Structure





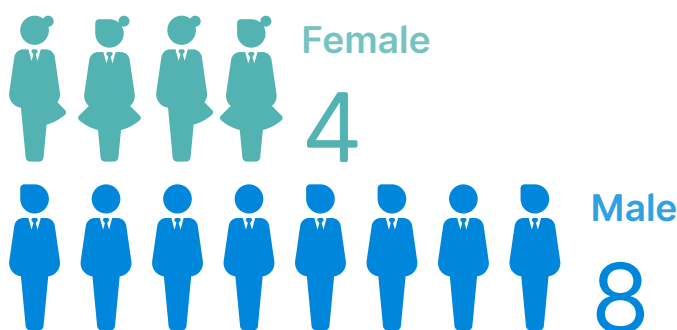
Our Board nomination and selection process considers diversity across gender, age, race, nationality, culture, professional background, and industry experience. It also considers the business expertise and competence needed to support effective oversight of our long-term direction, governance, and material impacts, risks, and opportunities. In 2025, we did not appoint anyone to our administrative, management, or supervisory bodies who had held a comparable position in public administration during the preceding two years.

Board composition



Board gender

Gender diversity (female to male) ratio 1:2



To maintain and strengthen sustainability-related expertise, we continued to provide training programs for directors on corporate governance and sustainability. In 2025, training topics included corporate strategy, the current global economic environment, and corporate risk response. Directors are expected to complete at least six hours of training each year, while new directors are encouraged to complete 12 hours of director training in their first year.

Sustainability at board level

The Global ESG Committee is the Board-level functional committee responsible for overseeing our sustainability strategy, performance, and management of material impacts, risks, and opportunities.

The Committee was originally established in 2007 as the Corporate Social Responsibility (CSR) Committee. As our sustainability strategy developed, its role evolved. In 2025, it was elevated to Board level and renamed the Global ESG Committee to further integrate sustainability into business development and governance.

Our Chairman and Chief Executive Officer (CEO), Mr Ping Cheng, chairs the Committee, which comprises six directors, including executive, non-executive, and independent members. It meets at least three times per year, with additional meetings convened as needed.

Members are selected based on relevant expertise in environmental, social, and governance topics. Collectively, the Committee brings experience in areas including climate and the energy transition, human resources and labor practices, risk management, finance, business ethics, and corporate leadership.

Other Board-level committees also support sustainability-related oversight. The Audit and Risk Committee supervises the effectiveness of internal controls, compliance with applicable laws and regulations, and the identification of existing or potential risks. The Compensation Committee is responsible for formulating and regularly reviewing policies, systems, standards, and structures for the performance evaluation and remuneration of directors and managers.

Linking performance and accountability

We integrate ESG-related performance indicators into the annual performance evaluation of key executives, including the Chairman and CEO, the Chief Operating Officer (COO), regional heads, global manufacturing leaders, and other senior management positions. This supports the implementation of our sustainability strategy and the creation of long-term value.

The ESG indicators used in senior executive performance evaluation include:

| Key ESG indicator       | Specific targets or measures                                                |
|-------------------------|-----------------------------------------------------------------------------|
| A External evaluations  | Dow Jones Best-in-Class Indices, Morgan Stanley Indexes (MSCI ESG), and CDP |
| B Voluntary initiatives | RE100: Achieve 100% renewable electricity by 2030                           |
| C Corporate governance  | Corporate Governance Evaluation of Companies Listed on the TWSE and TPEX    |

| The weighting of these ESG indicators in the senior executive compensation system differs by role: |                |
|----------------------------------------------------------------------------------------------------|----------------|
| Chairman and CEO                                                                                   | A+B 30%, C 20% |
| Managers (e.g. COO)                                                                                | A+B 20%        |
| Region head and global manufacturing heads                                                         | B 5%           |



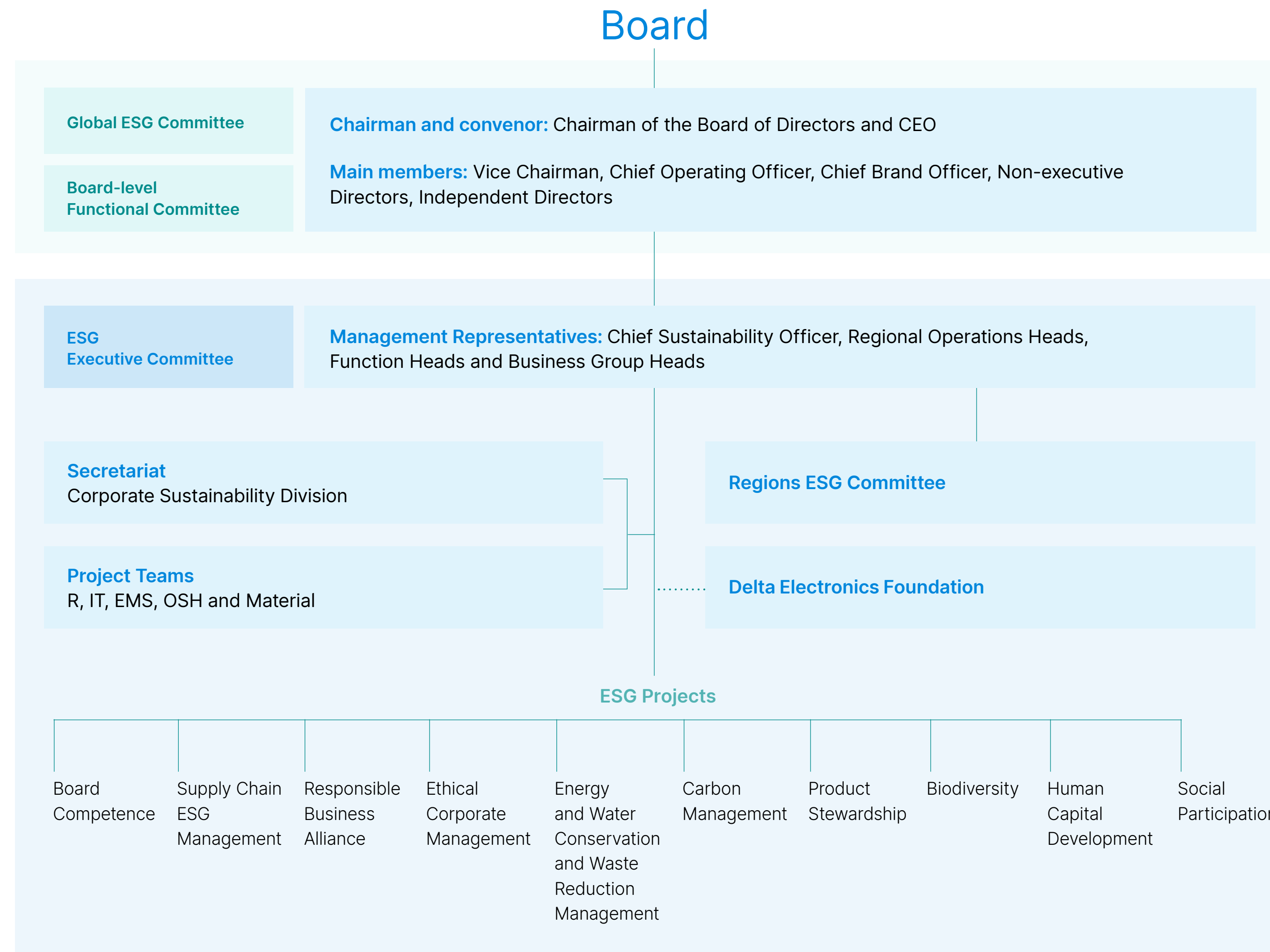
## Turning sustainability oversight into action

At the management level, we have established an ESG Executive Committee, led by the Chief Sustainability Officer (CSO), to support the implementation of our sustainability strategy. The Committee manages material topics across the business, monitors sustainability metrics and targets, and helps translate Board-level oversight into operational action.

The Committee includes regional and functional leaders, business group heads, regional ESG committees, project task forces, and the Secretariat. This structure helps align sustainability priorities from the corporate level to operational execution across business units and regions.

### The ESG Executive Committee supports:

- Target setting related to material impacts, risks, and opportunities;
- Performance monitoring and implementation;
- Coordination across business groups; and
- Integration of sustainability into operational decision-making.



The Corporate Sustainability Department acts as the Secretariat. It coordinates and supports ESG strategic planning, stakeholder engagement, project implementation, collaboration among various functional subcommittees, and preparation of the annual Sustainability Report.

## Tracking progress, informing decisions

Our CSO reports quarterly to the Board of Directors on sustainability performance, key developments, and future priorities. In 2025, updates covered greenhouse gas management, stakeholder engagement and materiality, international ratings, sustainability disclosures, and policy implementation.

The Board reviews and approves the annual ESG Report and oversees progress against key sustainability objectives. This reporting cycle supports clear accountability, effective oversight, and alignment between our sustainability strategy, business priorities, and performance.



# Listening before deciding

Stakeholder engagement is an important part of how we shape our sustainability approach and business decisions. It helps us understand the impacts, risks, and opportunities most relevant to our business, our stakeholders, and the wider society.

In accordance with ESRS1 AR 21 and the AA1000 SES Stakeholder Engagement Standard, we have identified six major stakeholder groups: employees, investors, media, customers, suppliers, and communities. These groups were selected because they are either affected by our operations or can influence our strategic success.

We maintain regular dialogue with stakeholders through channels embedded in day-to-day operations, including labor-management meetings, investor briefings, customer feedback mechanisms, supplier interactions, and community engagement. These channels help us understand stakeholder expectations, identify emerging issues, and strengthen the quality of our sustainability decision-making.

To complement these ongoing interactions, we conduct a dedicated stakeholder sustainability interest survey as part of our DMA. The survey provides a structured validation step, allowing stakeholder views

to be captured, prioritized, and considered alongside other inputs in determining material topics. In total, 1,148 people participated in the 2025 stakeholder survey.

Stakeholder engagement activities are managed across business units, regions, and functions, reflecting the decentralized nature of our operations. Insights gathered through these interactions, together with the results of the materiality assessment, are consolidated and reported to the CSO and the Board of Directors as part of our governance and decision-making processes.



A summary of our engagement with different stakeholder groups is provided in the table below.

|                                          | Employees                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Investors                                                                                                                                                                                                                                  | Media                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Customers/Consumers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Suppliers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Communities (Academics, research institutes, NPOs, NGOs, etc.)                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Key interests and views</b>           | <ul style="list-style-type: none"> <li>• Talent development</li> <li>• Talent attraction and retention</li> <li>• Human rights and labor relations</li> <li>• Occupational health and safety</li> <li>• Innovative products and services</li> <li>• Energy management</li> </ul>                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>• Talent attraction and retention</li> <li>• Talent development</li> <li>• Innovative products and services</li> <li>• Human Rights and Labor Relations</li> <li>• Corporate governance</li> </ul>  | <ul style="list-style-type: none"> <li>• Occupational Health and Safety</li> <li>• Human rights and labor relations</li> <li>• Corporate Governance</li> <li>• Brand management</li> <li>• Talent attraction and retention</li> <li>• Talent development</li> <li>• Just Transition and Impact Management</li> </ul>                                                                                                                                                                    | <ul style="list-style-type: none"> <li>• Talent development</li> <li>• Talent attraction and retention</li> <li>• Innovative products and services</li> <li>• Customer management</li> <li>• Brand management</li> </ul>                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>• Green products</li> <li>• Human rights and labor relations</li> <li>• Occupational Safety and Health</li> <li>• Talent development</li> <li>• Talent attraction and retention</li> </ul>                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>• Net-zero commitment and carbon management</li> <li>• Social engagement</li> <li>• Supply chain sustainable management</li> <li>• Talent development</li> <li>• Just transition and impact management</li> </ul>                                                                                                                                                                                                |
| <b>Engagement channels</b>               | <ul style="list-style-type: none"> <li>• Labor-management/welfare meeting</li> <li>• OHS Committee and Consultations</li> <li>• Delta corporate website</li> <li>• Internal feedback channels (feedback mailbox, engagement survey, work meetings)</li> <li>• Dedicated stakeholder DMA survey</li> </ul>                                                                                                                                                             | <ul style="list-style-type: none"> <li>• Delta website, Annual Report, ESG Report</li> <li>• Annual shareholder meeting</li> <li>• Investor forum and conference, investor service mailbox, investor visits and meetings</li> </ul>        | <ul style="list-style-type: none"> <li>• Press releases and press conferences</li> <li>• Media interviews and social media</li> <li>• PR contact</li> <li>• Dedicated stakeholder DMA survey</li> </ul>                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>• Delta websites, ESG Report, brand news</li> <li>• Customer review meetings, customer audits, in-depth engagement meetings</li> <li>• Channel partner meetings and business platform</li> <li>• Customer satisfaction surveys</li> <li>• CDP survey request</li> <li>• Dedicated stakeholder DMA survey</li> </ul>                                                                                                                                                         | <ul style="list-style-type: none"> <li>• Delta websites, ESG report.</li> <li>• Supplier ESG training and conference</li> <li>• Supplier Code of Conduct</li> <li>• Supplier e-commerce system</li> <li>• Environmental Hazardous Substances Management Platform</li> <li>• Climate change alliance initiatives</li> <li>• Dedicated stakeholder DMA survey</li> </ul>                                                                                                                                | <ul style="list-style-type: none"> <li>• Delta websites, ESG report</li> <li>• Delta Foundation website</li> <li>• Volunteering</li> <li>• Blog, broadcast, podcast</li> <li>• Social media</li> <li>• Online training courses</li> <li>• Dedicated stakeholder DMA survey</li> </ul>                                                                                                                                                                   |
| <b>Impact on strategy/business model</b> | <ul style="list-style-type: none"> <li>• Provide diverse career development opportunities.</li> <li>• Invest in employer brand management.</li> <li>• Organize the "Integrity and Human Rights Code of Conduct Policy" online course.</li> <li>• Provide diverse communication channels.</li> <li>• Establish whistleblower system.</li> <li>• Take appropriate preventive, corrective, and punitive measures.</li> <li>• Hold Safety and Health training.</li> </ul> | <ul style="list-style-type: none"> <li>• Actively inform investors of financial and business information, as well as ESG performance and goals.</li> <li>• Investor expectations and opinions are incorporated into management.</li> </ul> | <ul style="list-style-type: none"> <li>• Communicate our innovation in online and offline events such as exhibitions, online campaigns, and media interviews.</li> <li>• Participate in more than 10 global events to jointly find solutions for sustainable development.</li> <li>• Support Economist Impact in the publication of a sustainability AI research report, focusing on AI supply chains, corporate application chains, grid resilience, and energy efficiency.</li> </ul> | <ul style="list-style-type: none"> <li>• Prioritize high-value customers to conduct customer satisfaction surveys to identify opportunities for improvement.</li> <li>• Understand customer needs early in product design to meet market demands and exceed expectations.</li> <li>• Promote our code of conduct, follow the RBA standards, and implement audits on labor, ethics, and the health and safety environment.</li> <li>• Share Delta's ESG strategy and practices with important customers.</li> </ul> | <ul style="list-style-type: none"> <li>• Support suppliers in establishing energy-saving management systems and SBTi net-zero targets.</li> <li>• Promote low-carbon, traceable raw materials, reduce Scope 3 emissions.</li> <li>• Ensure suppliers' ESG compliance through ESG risk assessment, supplier code of conduct, audit and tiered management, including supervision of the corrective action plan.</li> <li>• Provide suppliers with free courses on ESG and carbon management.</li> </ul> | <ul style="list-style-type: none"> <li>• Organize 'Delta International Symposium on Coral Restoration' and restoration workshop.</li> <li>• Offer courses on WELL healthy building standards and LEED Zero Standards.</li> <li>• Hold meetings at the United Nations Climate Change Conference (UNCCC) to share the use of AI in coral reef restoration.</li> <li>• Assist indigenous communities in maintaining power generation equipment.</li> </ul> |



## Managing impacts with due diligence

We apply due diligence processes to identify, assess, prevent, mitigate, track, and communicate sustainability-related impacts and risks across our operations and value chain. These processes are structured as a continuous cycle, in line with the Organization for Economic Co-operation and Development (OECD) due diligence.

This framework helps us manage priority areas reflected in this report, including employee human rights, responsible sourcing of minerals, biodiversity-related impacts, and selected climate-related physical risks affecting our operations and key suppliers.

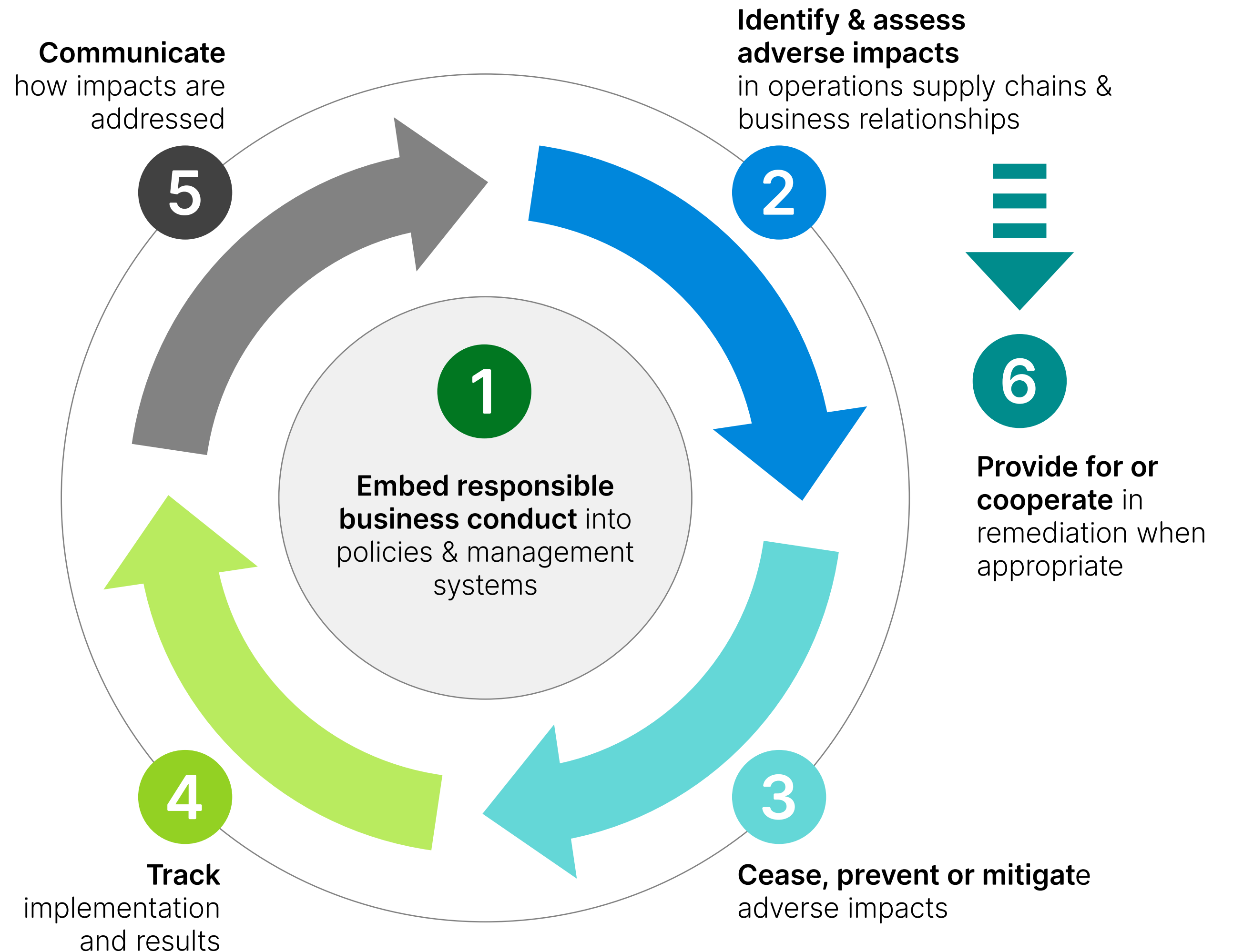
### Our current due diligence processes include:

- **Human rights:** Our most established due diligence process relates to employee human rights. This process is conducted at least once every three years and covers all employees and workplaces across our operations, as well as joint ventures in which we hold more than 10% shareholding. It is supported by annual internal reviews, dedicated human rights risk-assessment questionnaires, external audits, grievance records, and follow-up corrective actions as

needed. For more information, see the [Own workforce \(S1\)](#) chapter.

- **Responsible sourcing of minerals:** In our supply chain, we conduct conflict minerals due diligence using supplier questionnaires aligned with recognized industry templates. This helps us assess the use of smelters and refiners and support responsible sourcing. For more information, see the [Workers in the value chain \(S2\)](#) chapter.
- **Biodiversity-related impacts:** For biodiversity, we have established a methodology to inventory, assess, and verify ecological impacts related to renewable electricity projects. This includes biodiversity-sensitive areas, habitat change, and species of concern. For more information, see the [Biodiversity & Ecosystems \(E4\)](#) chapter.
- **Climate-related physical risks:** We also assess selected climate-related physical risks, including flooding, drought, and heatwaves, across our global operations and key suppliers to support resilience planning. For more information, see the [Climate change \(E1\)](#) chapter.

The outcomes of our due diligence processes inform our DMA, management actions, corrective measures, and ongoing risk management. Over time, we aim to strengthen these processes to support more consistent sustainability risk and impact management across our business and value chain.





# How we determine what matters

In addition to our ongoing due diligence assessments, we apply a structured DMA process to identify and assess material impacts, risks, and opportunities across our operations and value chain. This includes sourcing, manufacturing, product use, and end-of-life considerations.

The DMA process forms the basis for determining the sustainability topics disclosed in this report.

In 2025, we further improved our approach by integrating our previously separate GRI-aligned and ESRS-aligned assessments into a single, consolidated methodology. This supports our transition towards an integrated sustainability report in the future. The assessment considered both impact materiality, which looks at our impacts on people and the environment, and financial materiality, which considers how sustainability-related risks and opportunities may affect our business.





Our DMA process consists of the following steps:

## 1 IDENTIFICATION OF POTENTIAL TOPICS

To ensure coverage of relevant impacts, risks, and opportunities across our operations and value chain, we identify a broad set of potentially material sustainability topics. This process builds on prior assessments and is continuously updated to reflect internal and external developments, including regulatory changes, ESG ratings and benchmarks, internal expertise, business strategy, and corporate objectives.

## 2 STAKEHOLDER ENGAGEMENT INPUT

Stakeholder perspectives are incorporated through ongoing engagement channels and a dedicated sustainability survey, as described in the Stakeholder engagement section - [Listening before deciding](#). These inputs help validate and prioritize topics from an external perspective and ensure that the DMA reflects stakeholder expectations and concerns.

## 3 ASSESSMENT OF RISKS AND OPPORTUNITIES

The results of the 2024 financial assessment were used to inform this year's financial materiality determination. In total, 51 sustainability-related risks and opportunities were identified across seven financial dimensions: capital expenditure, asset value, liabilities, direct operating costs, indirect operating costs, revenue, and financing.

These risks and opportunities were assessed by relevant managers and employees across functions, based on their likelihood of occurrence and potential financial effects.

## 4 ASSESSMENT OF IMPACTS

A new impact assessment was conducted this year. In total, we identified 52 positive and negative impacts across our operations and value chain. Cross-functional teams assessed these impacts based on scale, scope, and likelihood of occurrence. For negative impacts, irremediability was also considered. Thresholds were applied to determine which impacts were material.

The assessment also considered results from Impact Measurement and Valuation (IMV), which supports the monetary evaluation of impacts by considering their broader contribution or cost to society. Identified impacts were then mapped to the sustainability topics defined in Step 1.

For both Step 3 (financial materiality) and Step 4 (impact materiality) we applied time horizons aligned with the ESRS 1 definitions: short term (less than one year), medium-term (one to five years), and long-term (more than five years).

## 5 DETERMINATION OF MATERIAL TOPICS

The final set of material sustainability topics was determined by combining the results of the financial risks and opportunities assessment and the impact assessment. The assessment was also informed by our sustainability strategy, medium- to long-term objectives, and internal and expert judgement, as well as senior executives.

The final list of material topics is reported to the Board of Directors for approval.

For reporting purposes, the material topics are mapped to GRI Standards topics, which are reported in our [2025 ESG Report](#), and to ESRS topics and subtopics, which are reported in this report. We will continue refining the methodology and monitoring of material topics as part of ongoing work to improve transparency and sustainability performance.



## Managing risk, controls, and reporting integrity

To support the management and oversight of due diligence, impacts, risks, opportunities, and business model resilience, we apply internal control and review processes to support the transparency, quality, completeness, and integrity of sustainability information disclosed in this report.

Our controls include the identification and assessment of sustainability-related risks, defined roles and responsibilities for data collection and validation, and internal review and approval mechanisms. We also apply validation checks and consistent methodologies to support the completeness and accuracy of reported data. Where estimates and assumptions are used, they are subject to internal review.





# What matters most

The outcomes of our DMA processes are reflected in the material topic table below. These material topics form the basis for the disclosures included in this report.

| ESRS Topics                   | Material subtopics                                                                                                                                                                                                  | Impact | Financial | Value chain | Time horizon |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-----------|-------------|--------------|
| E1 Climate change             | <ul style="list-style-type: none"><li>Climate change mitigation</li><li>Climate change adaptation</li><li>Energy</li></ul>                                                                                          | ✓      | ✗         | ⬆️ ⬆️ ⬆️    | S—M—L        |
| E4 Biodiversity               | <ul style="list-style-type: none"><li>Drivers of biodiversity and ecosystem change</li><li>Ecosystem services</li></ul>                                                                                             | ✓      | ✗         | ⬆️ ⬆️ ⬆️    | S—M—L        |
| E5 Circular economy           | <ul style="list-style-type: none"><li>Resource inflows</li><li>Resource outflows related to waste, products, and services</li></ul>                                                                                 | ✓      | ✓         | ⬆️ ⬆️ ⬆️    | S—M—L        |
| S1 Own workforce              | <ul style="list-style-type: none"><li>Working conditions</li><li>Health and safety</li><li>Training and skills development</li><li>Diversity and equal treatment</li><li>Other labor-related human rights</li></ul> | ✓      | ✓         | ⬆️ ⬆️ ⬆️    | S—M          |
| S2 Workers in the value chain | <ul style="list-style-type: none"><li>Working conditions</li><li>Health and safety</li><li>Other labor-related human rights</li></ul>                                                                               | ✓      | ✓         | ⬆️ ⬆️ ⬆️    | S—M          |
| G1 Business conduct           | <ul style="list-style-type: none"><li>Corporate culture</li><li>Supplier relationship management</li></ul>                                                                                                          | ✓      | ✓         | ⬆️ ⬆️ ⬆️    | S—M          |

⬆️ UPSTREAM    ⬆️ OWN OPERATIONS    ⬆️ DOWNSTREAM    S SHORT-TERM    M MEDIUM-TERM    L LONG TERM

Material priorities



# Resilience across time horizons

Our material sustainability-related risks and opportunities are considered in strategic decision-making and may affect our financial position, financial performance and cash flows over the short, medium and long term. These considerations are reflected in areas such as capital allocation, innovation investments, operational

efficiency initiatives and responses to evolving regulatory requirements and customer demand.

Although the financial effects are not quantified separately in this report, sustainability considerations are integrated into our business planning and investment decisions. Based on our strategic priorities, including our commitment to achieve net-zero emissions across global operations by 2050 and our continued investments in innovation, efficiency and resilience, we consider our business model and strategy to be resilient to material sustainability-related risks and opportunities.

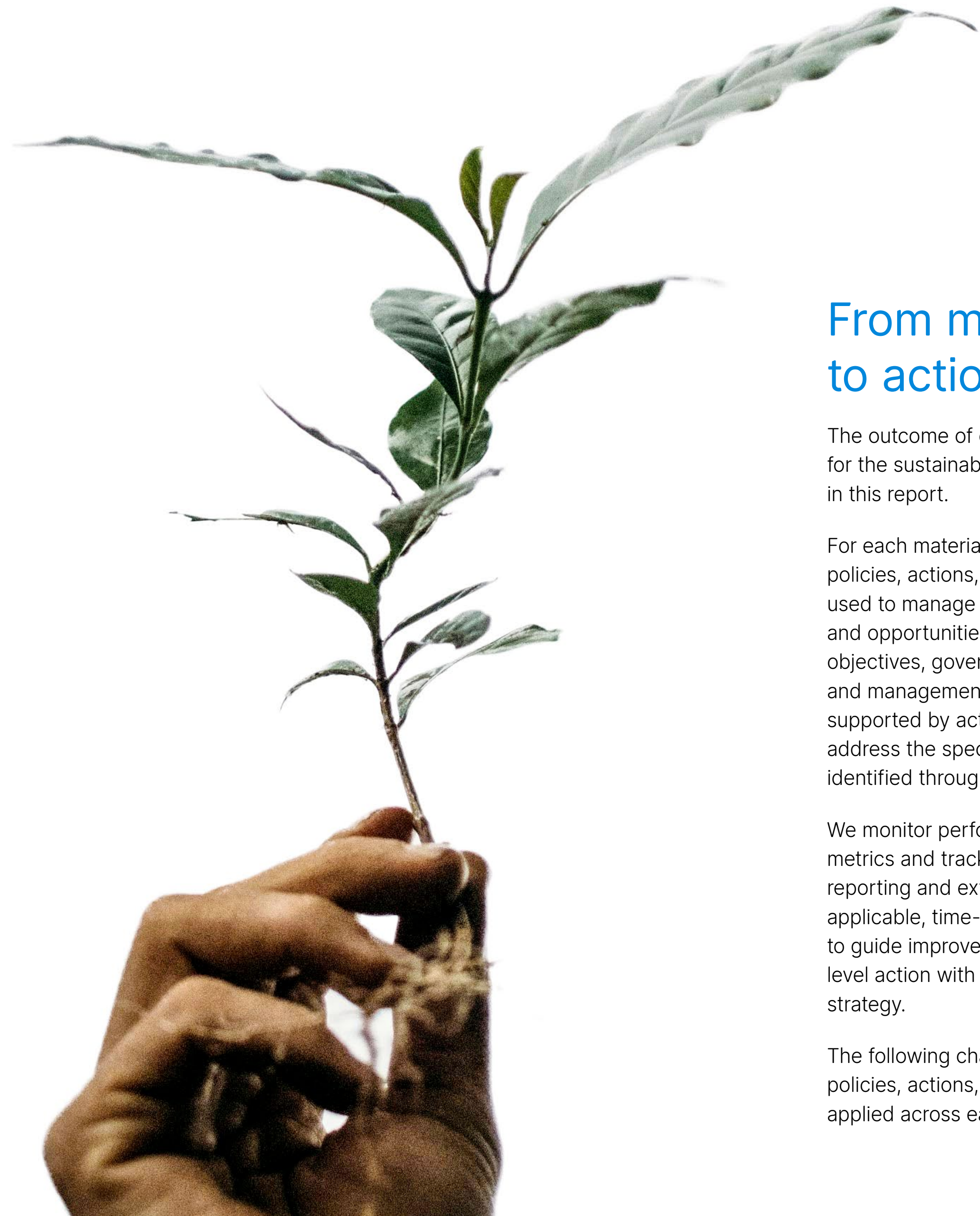
## From materiality to action

The outcome of our DMA forms the basis for the sustainability disclosures included in this report.

For each material topic, we describe the policies, actions, metrics, and targets used to manage the related impacts, risks, and opportunities. Our policies define objectives, governance responsibilities, and management expectations. These are supported by actions and initiatives that address the specific sustainability issues identified through our assessment.

We monitor performance through defined metrics and track progress through internal reporting and external disclosures. Where applicable, time-bound targets are used to guide improvement and align topic-level action with our broader sustainability strategy.

The following chapters explain how these policies, actions, metrics, and targets are applied across each material topic.



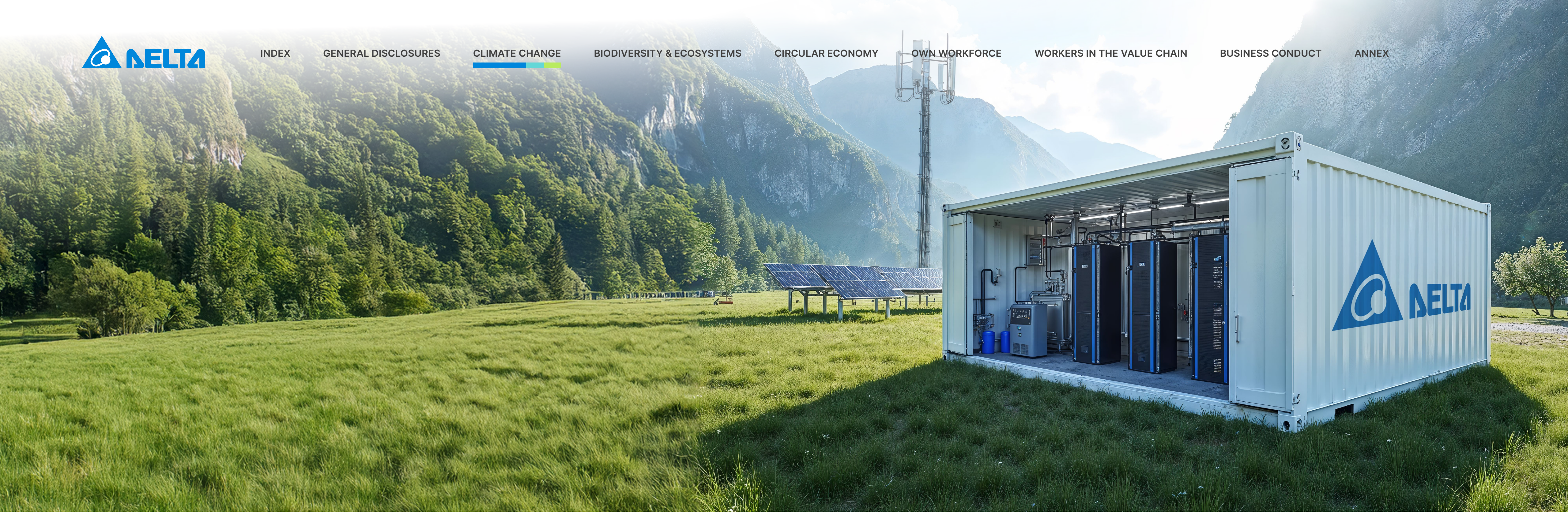


E1

# Climate change

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- 32 Climate change policies
- 33 Climate change transition plan
- 34 Our climate targets
- 35 Climate change risk management and resilience
- 39 Climate change mitigation
- 45 Climate change adaptation
- 47 Energy management





# Climate change impacts, risks, and opportunities

We have identified material impacts, risks, and opportunities (IROs) related to climate change across our operations and value chain.

From an impact perspective, negative impacts primarily arise from greenhouse gas (GHG) emissions associated with upstream procurement and supply chain activities, as well as emissions generated by our own operations. Beyond our own operations, we contribute to climate change mitigation through the development of energy-efficient products

that help customers reduce carbon emissions. We consider these to be positive material impacts.

From a financial perspective, growing demand for microgrids, energy storage solutions, and other low-carbon technologies has been identified as a material opportunity. This demand may support the expansion of our climate solutions portfolio, strengthen our market position, and contribute to long-term revenue growth.



Climate change policies:

# Supporting mitigation, adaptation, and energy management

| Policy                                     | Material topics addressed                                                                                                        | Key stakeholders and scope                                                                                                                               |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental, Safety, and Health Policies | <ul style="list-style-type: none"><li>• Climate change mitigation</li><li>• Energy</li></ul>                                     | All our employees and subsidiaries, as well as suppliers, contractors, and other key partners, including joint venture partners and outsourced partners. |
| Product Carbon Footprint Strategies        | <ul style="list-style-type: none"><li>• Climate change mitigation</li><li>• Climate change adaptation</li><li>• Energy</li></ul> | All our employees and subsidiaries, as well as suppliers, contractors, and other key partners, including joint venture partners and outsourced partners. |

Note: The Delta Group Biodiversity Policy, described in the [Biodiversity & Ecosystems \(E4\)](#) chapter, also supports nature climate solutions (NCS) that can contribute to climate mitigation and adaptation.

**Environmental, Safety, and Health Policies**

Guided by our mission “To provide innovative, clean, and energy-efficient solutions for a better tomorrow”, our Environmental, Safety, and Health (EHS) Policies provide the overarching framework for managing climate-related topics across our operations and value chain.

The policies commit us to improving energy efficiency, increasing the use of renewable energy, reducing GHG emissions, and developing energy-efficient products and solutions based on a life-cycle approach.

They also support collaboration with customers, suppliers, and other business partners on lower-carbon materials and on reducing value chain emissions, while promoting energy conservation, green building development, and lower-carbon logistics.

**Product Carbon Footprint Strategies**

Since 2022, we have implemented our Product Carbon Footprint Strategies to systematically reduce GHG emissions across the product life cycle and strengthen product carbon management.

The strategies establish a consistent methodology for quantifying product

carbon footprints, identifying carbon hotspots, and implementing targeted emissions reduction measures across key product categories.

They also strengthen supplier emissions data collection and product carbon footprint capabilities, helping us to respond to evolving customer expectations, regulatory developments, and our long-term net-zero commitment.

Because the strategies also support our circular economy objectives through life-cycle thinking and environmentally responsible product design, further information is provided in the [Circular economy \(E5\)](#) chapter.



## Climate change transition plan:

# Advancing our net-zero pathway

We have established a climate change transition plan as part of our broader Climate and Nature Strategy. The plan supports our objective of achieving net-zero GHG emissions by 2050 and

the global goal of limiting the average temperature increase to 1.5°C in line with the Paris Agreement.

The transition plan is aligned with our corporate mission: “To provide innovative,

clean, and energy-efficient solutions for a better tomorrow,” and is integrated into our business strategy, investment decisions, product development, and operational management.

Using 2021 as the baseline year, we have committed to reducing absolute Scope 1 and 2 GHG emissions by 90% and absolute Scope 3 GHG emissions by 25% by 2030. We have also committed to achieving net-zero emissions across the value chain by 2050.

In 2022, our net zero target was validated by the [Science Based Targets initiative \(SBTi\)](#). We became the first high-tech hardware equipment company in Asia and the 125<sup>th</sup> company globally to obtain validation under the SBTi Net-Zero Standard.

Our transition plan is implemented through a combination of decarbonization levers, including energy conservation, increased use of renewable electricity, green building

development, internal carbon pricing, supply chain decarbonization, improved product energy efficiency, and investment in low-carbon innovations.

For the residual emissions that cannot be eliminated through operational and value chain reductions, we plan to use high-quality carbon offsets and permanent carbon removals.

The transition plan is also supported by water conservation, waste reduction, air pollution management, the adoption of eco-labels and environmental protection labels, and circular economy initiatives.

Key assumptions underpinning the transition plan include the continued development of international climate regulations and carbon pricing mechanisms, market demand for more sustainable and lower-carbon products and services, investor support for ESG-related initiatives, active participation by

employees, suppliers, and customers, and the availability of internal resources.

### Supporting a just and inclusive transition

We recognize that the transition to a lower-carbon economy may affect our workforce, local communities, and natural ecosystems. We therefore seek to manage the associated social and environmental implications through employee training and career development, community engagement, supplier capability building, and the integration of biodiversity considerations into decision-making and environmental management.

Further information on biodiversity considerations is provided in the [Biodiversity & Ecosystems \(E4\)](#) chapter.

We also engage in climate-related public policy dialogue and stakeholder engagement to support policies aligned with the Paris Agreement and our net-zero transition objectives.

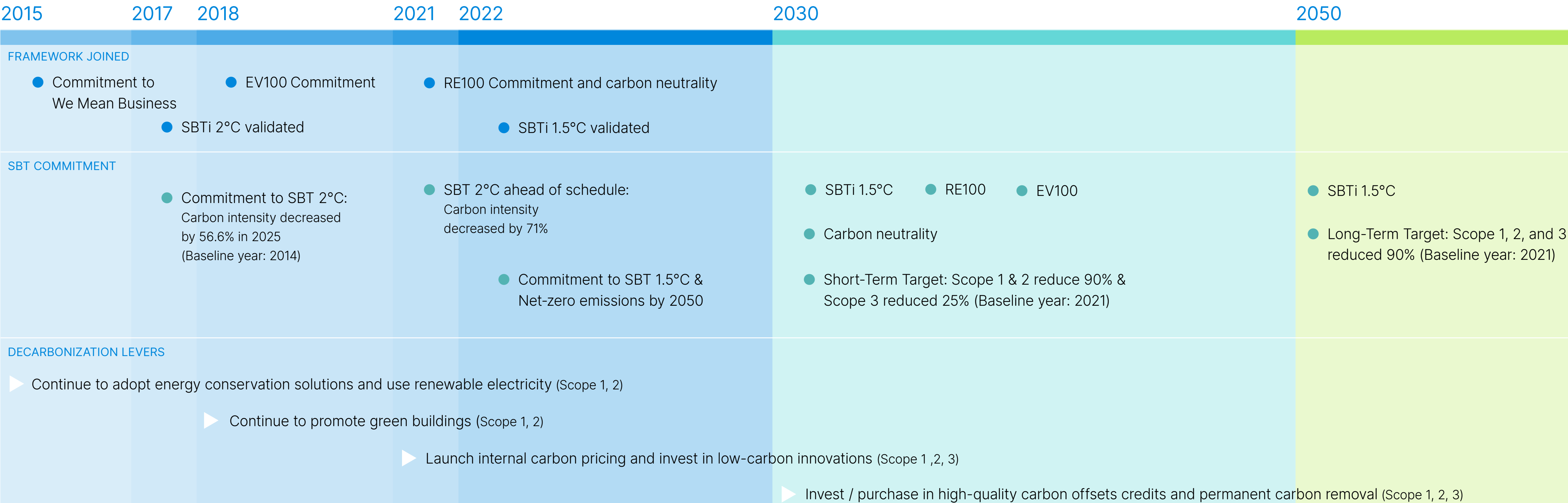


Our climate targets:

# Defining milestones for our net-zero pathway

To support the implementation of our climate change transition plan, we have set short-term targets for 2030 and long-term targets for 2050, covering Scope 1, 2, and 3 GHG emissions.

These targets have been validated by the Science-Based Targets initiative (SBTi) and provide measurable milestones to guide our decarbonization efforts toward achieving net-zero emissions by 2050.





Climate change risk management and resilience:

# Assessing and prioritizing climate-related risks and opportunities

Climate-related impacts, risks, and opportunities are identified through our Double Materiality Assessment (DMA), as described in the [General disclosures \(ESRS 2\)](#) chapter.

Because climate change has been identified as a material topic, we conduct a more detailed climate-specific assessment to classify physical and

transition risks and assess exposure across our operations and value chain.

This assessment builds on our existing risk management framework by integrating climate- and nature-related considerations with science-based assessment methodologies. This enables us to manage these factors as business risks and to identify potential drivers of innovation and growth.





The methodology consists of four steps:

**1. Risk and opportunity identification**

We identify climate- and nature-related risks and opportunities using inputs including business strategy, stakeholder perspectives, climate scenario analysis, scientific research, regulatory developments and market information.

The assessment covers our operations and value chain across the short-, medium-, and long-term. It is informed by internationally recognized frameworks, including the Taskforce on Climate-related Financial Disclosures (TCFD), the Taskforce on Nature-related Financial Disclosures (TNFD), and the Sustainability Accounting Standards Board (SASB) industry standards.

**2. Risk and opportunity assessment**

Identified risks are assessed according to their inherent likelihood and potential impact, taking climate- and nature-related dependencies and impacts into account.

Opportunities are evaluated based on their business relevance, expected timing, and organizational readiness through cross-functional workshops involving relevant business units and senior management.

**3. Response and residual risk assessment**

We assess the effectiveness of mitigation measures by evaluating residual risks after management actions have been implemented. This assessment considers environmental performance trends and the maturity of management responses.

For identified opportunities, we develop action plans, targets, and performance indicators to support implementation and monitor progress.

**4. Risk and opportunity prioritization**

Climate- and nature-related risks and opportunities are ranked according to their significance. This enables us to focus management attention and resources on the most material issues.

The full list of identified risks and opportunities, together with further information on the assessment, is provided in the [2025 ESG Report](#). The table on the right summarizes the five climate- and nature-related risks of greatest concern and the two main opportunities identified.

| Item              | Type                                                                                                 | Description                                                                                                                                                                                                                                                                                                | Potential financial effects                                                                                                                                                                           |
|-------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key risk          | Customers and consumers shift toward products with lower carbon emissions and environmental impacts. | Growing customer and investor expectations for low-carbon and energy-efficient solutions, together with net-zero commitments across value chains, may reduce demand for traditional products.                                                                                                              | Changes in the product portfolio, reduced revenue, and loss of market share.                                                                                                                          |
|                   | Products and services are replaced by lower-carbon alternatives.                                     | Rapid technological development may lead to alternative, lower-carbon products and solutions that replace existing products and services.                                                                                                                                                                  | Inventory risk, asset impairment and increased research and development (R&D) expenditure.                                                                                                            |
|                   | Cost of transitioning to lower-carbon technologies.                                                  | Investment in renewable energy, lower-carbon technologies, and energy efficiency may increase R&D, implementation, and operating costs.                                                                                                                                                                    | Increased capital expenditure and R&D costs, potential asset impairment, and costs associated with retiring or replacing assets.                                                                      |
|                   | Changes in customer GHG-reduction requirements and supplier-selection criteria.                      | Increasing customer and investor expectations regarding climate performance and climate-related disclosure may influence supplier selection and value chain partnerships.                                                                                                                                  | Potential loss of key customers and market opportunities resulting in reduced revenue.                                                                                                                |
|                   | Accelerated global warming and loss of climate regulation functions.                                 | Increasing physical climate impacts and ecosystem degradation may disrupt business operations and supply chains.                                                                                                                                                                                           | Business interruption costs, supplier replacement costs, and increased insurance expenses.                                                                                                            |
| Key opportunities | Growth in lower-carbon product markets and new revenue opportunities.                                | The global transition to net-zero creates opportunities to expand into markets for lower-carbon products and services, including hydrogen fuel cell solutions.                                                                                                                                             | Increased capital and R&D expenditure in the near term, with potential future revenue from the development and commercialization of hydrogen fuel cell solutions.                                     |
|                   | Expansion of renewable energy markets.                                                               | Our experience in renewable energy procurement, together with growing market demand, creates opportunities to expand products and services through Delta Energy Inc, a Delta-owned subsidiary. These may include green electricity trading, electricity matching, and decarbonization consulting services. | Increased investment in renewable energy services, digital platforms, and specialist capabilities, with the potential to support future revenue growth and expansion of lower-carbon energy services. |

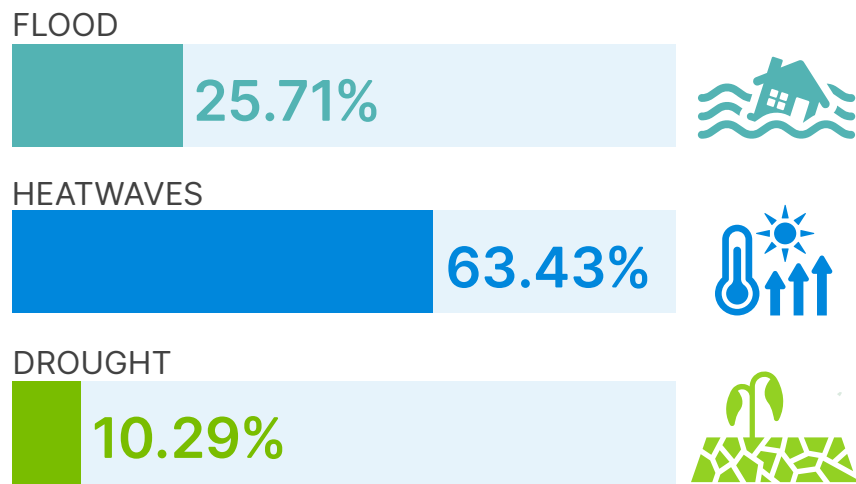


# Physical climate risk exposure across our global operational sites

Using geographical information and climate projections, we assessed the exposure of our production sites, offices, and warehouses to physical climate hazards, including flooding, drought, and heatwaves.

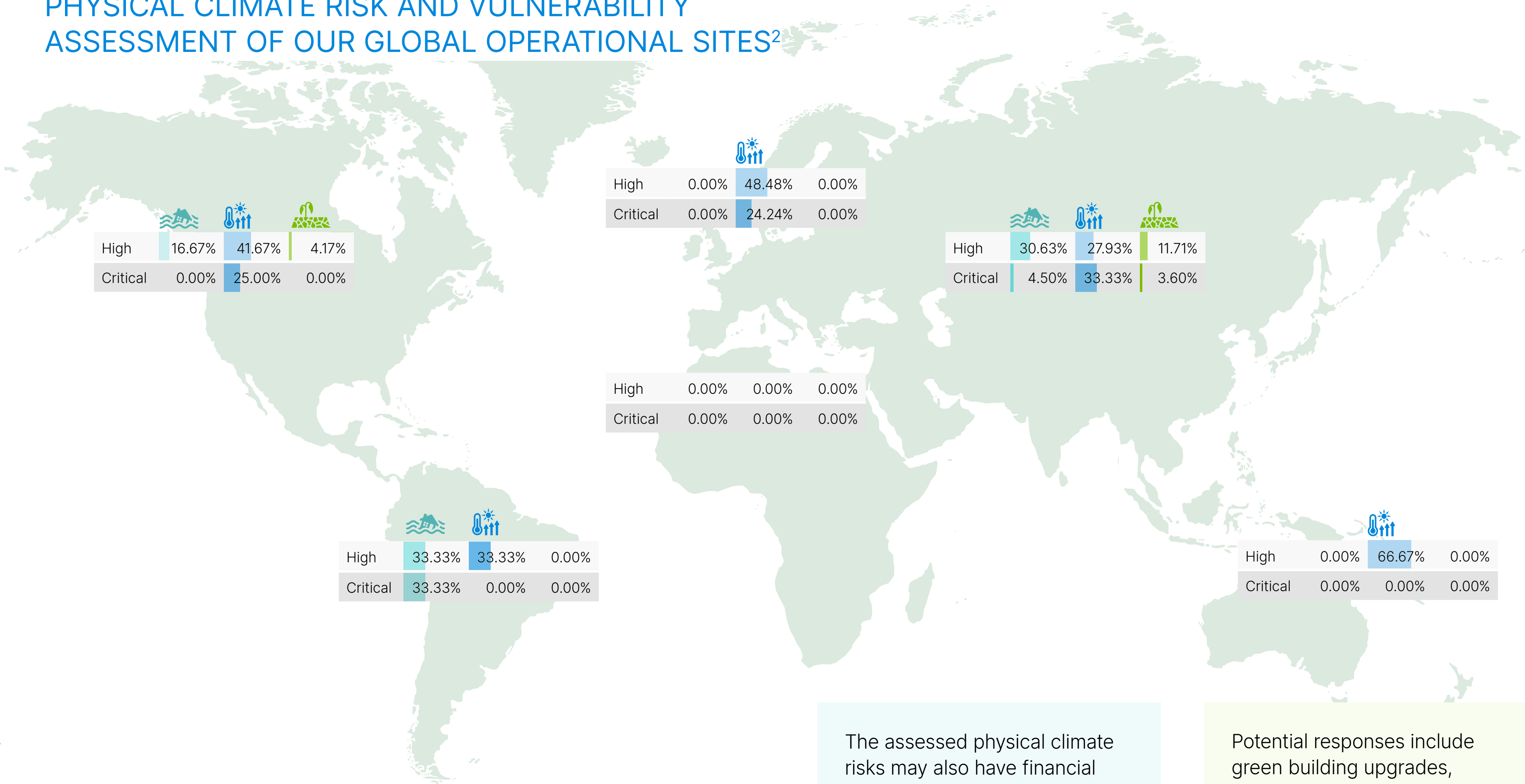
The table below presents the proportion of assessed sites in each region classified as having high or critical exposure to these hazards.

## Share of sites with high or critical physical climate risk<sup>1</sup>



Note 1: The share of sites with high or critical physical climate risk is calculated as the number of sites classified as high or critical risk divided by the total number of global operational sites assessed.

# PHYSICAL CLIMATE RISK AND VULNERABILITY ASSESSMENT OF OUR GLOBAL OPERATIONAL SITES<sup>2</sup>



Note 2: Physical risk levels are defined as follows:  
Extremely low: Unlikely to result in measurable losses to operations or assets.  
Low: Impacts can be managed under specific events.  
Medium: Potential impacts may arise under events of specific intensity or frequency.  
Medium-high: May result in substantial losses.  
High: May result in significant business disruption or financial losses.  
Critical: May threaten employee safety, core operations, or organizational continuity.

The assessed physical climate risks may also have financial effects, increasing operating costs and requiring additional investment in climate adaptation measures.

Potential responses include green building upgrades, energy-efficient cooling infrastructure, water-saving technologies, and wastewater recycling systems.



Resilience and scenario analyses:

# Testing our exposure under different climate futures

In addition to identifying climate-related risks and opportunities, we use climate scenario analysis to assess the resilience of our operations and value chain.

The assessment in 2025 includes two scenario analyses covering transition and physical risks. The table below summarizes

the scenario frameworks, time horizons, key findings, drivers, and response measures.

Further information is provided in our [2025 ESG report](#). Additional climate scenario analysis is available in our [2023 TCFD and TNFD Report](#).

The outcomes of our climate-related risk and opportunity assessment are translated into targeted response strategies focusing on climate change mitigation, climate adaptation, and innovation.

Through these areas of action, we aim to reduce climate-related risks, strengthen organizational resilience, and support the transition to a lower-carbon economy.

|                    | Transition risk:<br>Carbon pricing and the embedded carbon cost of resin                                                                                                                                                  | Physical risk:<br>Rising temperatures and data center electricity consumption                                                                                                                                                                   |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario framework | Network for Greening the Financial System (NGFS)                                                                                                                                                                          | Intergovernmental Panel on Climate Change (IPCC)                                                                                                                                                                                                |
| Scenarios          | Net Zero by 2050 / Below 2°C / Current Policies                                                                                                                                                                           | SSP1-2.6 / SSP5-8.5                                                                                                                                                                                                                             |
| Time horizons      | 2030 and 2050                                                                                                                                                                                                             | 2030 and 2050                                                                                                                                                                                                                                   |
| Key findings       | Under the Net Zero 2050 scenario, the embedded carbon cost per metric ton of resin could increase up to 127% by 2050, compared with 35% under the Below 2°C scenario and no increase under the Current Policies scenario. | Cooling-related electricity consumption is projected to increase across all assessed data center sites and scenarios by 2050. The largest estimated increase is in California, up to 15.36%, as average temperature could rise by up to 7.2 °C. |
| Key drivers        | Carbon pricing pathways applied to the emissions factor for resin, estimated at 3.92 kg CO <sub>2</sub> per kilogram of resin.                                                                                            | Cooling energy demand is estimated to increase by approximately 5-6% per 1°C increase in ambient temperature.                                                                                                                                   |
| Response measures  | Strengthen supply chain decarbonization through supplier sustainability management and incorporate assessment findings into procurement strategy.                                                                         | Strengthen data center resilience through efficient cooling system design, real-time energy management, and expanded use of free cooling.                                                                                                       |



Climate change mitigation:

# Reducing emissions across our operations and value chain



# GHG inventory and management

As described in our climate change transition plan, we have committed to reducing absolute Scope 1 and 2 GHG emissions by 90% and absolute Scope 3 GHG emissions by 25% by 2030, using 2021 as the baseline year. We have also committed to achieving net-zero emissions across our value chain by 2050.

In 2025, we launched our internally developed DelZero GHG system and integrated it with existing systems to accelerate GHG inventory processes, strengthen data management, and support the digitalization of emissions monitoring and climate management.

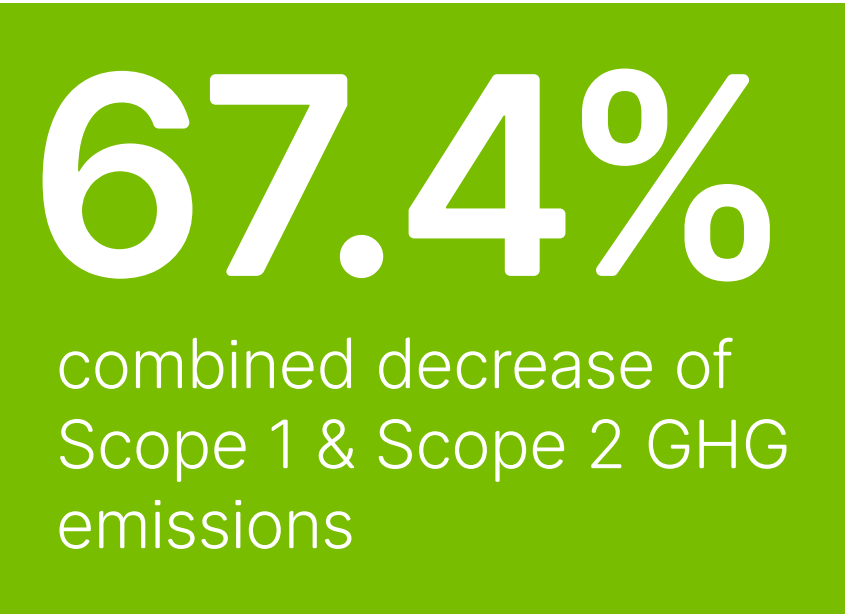
The GHG inventories of all our global operational sites were verified against ISO 14064-1:2018 GHG inventory, with limited assurance conducted in accordance with ISO 14064-3. The organizational reporting boundary is based on operational control. Updated emission factors were also applied in calculating the inventory.

Gross Scope 1, 2, and 3 GHG emissions (thousand metric tons CO<sub>2</sub>e)

| Scope                    | 2024      |                      | 2025      |                      |          |
|--------------------------|-----------|----------------------|-----------|----------------------|----------|
|                          | Emissions | % of total emissions | Emissions | % of total emissions | % Change |
| Scope 1                  | 27.3      | 0.12%                | 32.1      | 0.13%                | 17.58%   |
| Scope 2 (Market-based)   | 73.4      | 0.33%                | 38.6      | 0.15%                | -47.41%  |
| Scope 3                  | 22,454.0  | 99.55%               | 25,565.0  | 99.72%               | 13.85%   |
| Total                    | 22,554.7  | 100%                 | 25,635.7  | 100%                 | 13.66%   |
| Scope 2 (Location-based) | 488.5     | -                    | 561.9     | -                    | 15.03%   |

In 2025, Scope 3 emissions accounted for 99.72% of our total GHG emissions. Scope 1 and market-based Scope 2 GHG emissions accounted for 0.13% and 0.15%, respectively.

Compared with 2024, market-based Scope 2 emissions decreased by 47.4%. Combined Scope 1 and market-based Scope 2 GHG emissions decreased by 29.8%.



Compared with the 2021 baseline, combined Scope 1 and market-based Scope 2 GHG emissions had decreased by 67.4% by the end of 2025. This exceeded our original target of a 40% reduction by 2025 and supports progress toward our 90% reduction target for 2030.

By contrast, Scope 3 GHG emissions increased by 46.2% relative to the 2021 baseline, so we did not achieve our internal target of a 10% reduction by 2025. As Scope 3 GHG emissions account for the majority of our carbon footprint, reducing value chain emissions remains a key priority.

Our initiatives include establishing a Scope 3 Working Group, providing business groups with training on Scope 3 GHG emission reduction, and progressively extending our internal carbon pricing

mechanism to Scope 3 GHG emissions. These measures are intended to strengthen emissions reduction incentives and performance across the value chain. Further information is provided in the [Internal carbon pricing section](#).

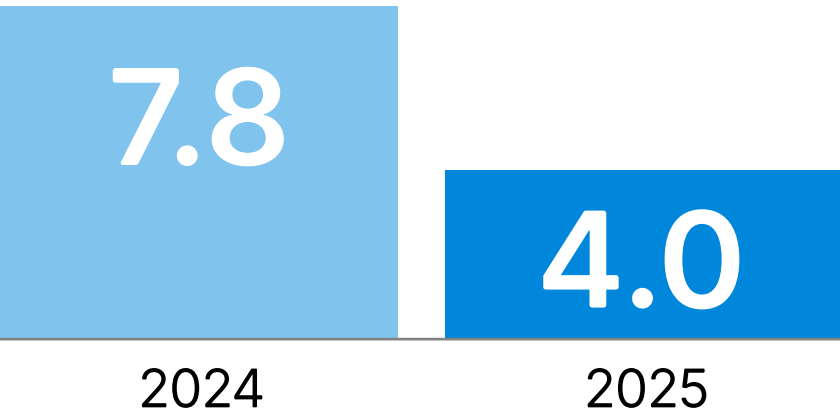
Going forward, we will continue implementing measures to reduce Scope 1 and 2 GHG emissions while strengthening collaboration across our upstream and downstream value chain.

GHG Emissions by Type Scope 1 and market-based Scope 2 (metric tons CO<sub>2</sub>e)

| Item             | 2024    | 2025   |
|------------------|---------|--------|
| CO <sub>2</sub>  | 86,847  | 53,022 |
| CH <sub>4</sub>  | 6,050   | 8,442  |
| N <sub>2</sub> O | 140     | 40     |
| HFCs             | 7,283   | 8,540  |
| PFCs             | 359     | 642    |
| SF <sub>6</sub>  | 2       | 2      |
| NF <sub>3</sub>  | 0       | 0      |
| Total            | 100,681 | 70,688 |

## CARBON INTENSITY

Scope 1 and 2 (metric tons CO<sub>2</sub>e/MUSD revenue)





Scope 3 GHG emissions (thousand mtCo<sub>2</sub>e)

| Item        |                                            | 2024   | % of total Scope 3 | 2025   | % of total Scope 3 | % Change | Calculation methodology <sup>1</sup>                                        |
|-------------|--------------------------------------------|--------|--------------------|--------|--------------------|----------|-----------------------------------------------------------------------------|
| Upstream    |                                            |        |                    |        |                    |          |                                                                             |
| Category 1  | Purchased goods and services <sup>2</sup>  | 4,694  | 20.9%              | 4,331  | 16.9%              | -7.73%   | Calculated by the weight of the purchased goods                             |
| Category 2  | Capital goods                              | 436    | 1.9%               | 722    | 2.8%               | 65.60%   | Calculated by the figure disclosed in the financial report                  |
| Category 3  | Fuel- and energy-related activities        | 28     | 0.1%               | 41     | 0.2%               | 46.43%   | Calculated by fuel and energy consumption                                   |
| Category 4  | Upstream transportation and distribution   | 129    | 0.6%               | 200    | 0.8%               | 55.04%   | Calculated by the transportation expenditure                                |
| Category 5  | Waste generated in operations              | 14     | 0.1%               | 15     | 0.1%               | 7.14%    | Calculated by the weight of the waste and the treatment                     |
| Category 6  | Business travel                            | 14     | 0.1%               | 14     | 0.1%               | 0%       | Calculated by the business travel distances                                 |
| Category 7  | Employee commuting                         | 54     | 0.2%               | 54     | 0.2%               | 0%       | Calculated by the employees' commuting transportation and average distances |
| Category 8  | Upstream leased assets                     | 0      | 0.0%               | 0      | 0.0%               | 0%       | Calculated by the leased assets that are not included in Scope 1 or Scope 2 |
| Downstream  |                                            |        |                    |        |                    |          |                                                                             |
| Category 9  | Downstream transportation and distribution | 95     | 0.4%               | 220    | 0.9%               | 131.58%  | Calculated by the distances and methods of the products' transportation     |
| Category 10 | Processing sold products                   | 46     | 0.2%               | 111    | 0.4%               | 141.30%  | Calculated by the processing of the sold products                           |
| Category 11 | Use of sold products <sup>3</sup>          | 16,642 | 74.1%              | 19,490 | 76.2%              | 17.11%   | Calculated by product power consumption and end-of-life                     |
| Category 12 | End-of-life treatment of sold products     | 173    | 0.8%               | 236    | 0.9%               | 36.42%   | Calculated by the global recycle rate                                       |
| Category 13 | Downstream leased assets                   | 15     | 0.1%               | 5      | 0.0%               | -66.67%  | Calculated by Scope 1 and Scope 2 of the leased assets                      |
| Category 14 | Franchises                                 | N/A    | N/A                | N/A    | N/A                | N/A      | Not applicable since we have no franchises                                  |
| Category 15 | Investments                                | 114    | 0.5%               | 126    | 0.5%               | 10.53%   | Calculated by the figure disclosed in the financial report                  |
| Total       |                                            | 22,454 | 100%               | 25,565 | 100%               | 13.86%   |                                                                             |

Note 1: Data calculated using figures disclosed in the financial report is based on the UK Standard Industrial Classification of Economic Activities. All other data is calculated using global warming potential (GWP) values from the IPCC Sixth Assessment Report (AR6), as well as applied in the SimaPro Ecoinvent database.

Note 2: In 2024, we updated the internal data collection process to calculate emissions using actual procurement volumes and the weight of each material.

Note 3: In 2024, we expanded the calculation scope to include additional product categories, including power supplies, fans, uninterruptible power systems (UPS), electric vehicle (EV) chargers, and insertion machines. Emissions data for 2024 and 2025 were updated accordingly. Electricity emission factors for 2024 and 2025 were based on the International Energy Agency (IEA) Stated Policies Scenario (STEPS) global electricity emission factors. Publicly available information from end customers was also incorporated into the 2025 calculation.

By working with value chain partners, we aim to accelerate Scope 3 GHG emissions reduction and support our transition toward a 1.5°C-aligned pathway.

Scope 3 category 11, Use of Sold Products, remained the largest source of GHG emissions in 2025, accounting for 76.2% of our total Scope 3 GHG emissions.

Category 1, Purchased Goods and Services, was the second-largest contributor, accounting for 16.9% of total Scope 3 GHG emissions.



# Mitigation actions: Advancing operational decarbonization

## Energy-saving projects

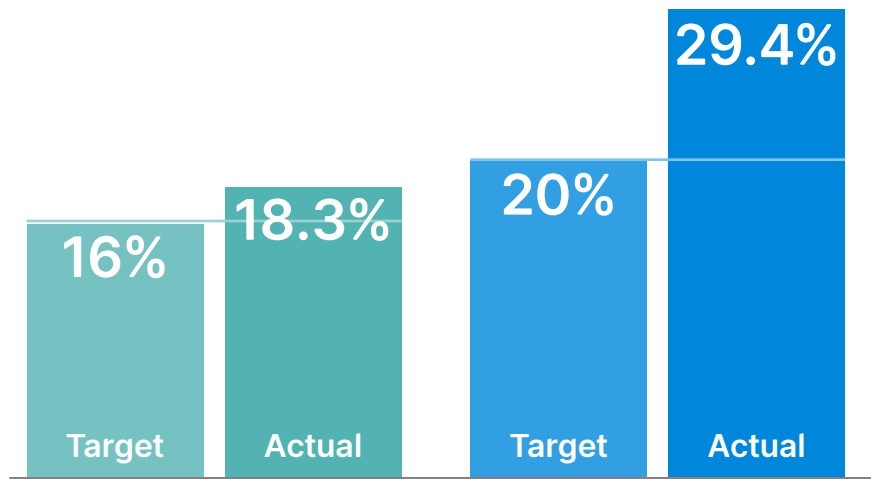
We established the Delta Energy Online management system to provide real-time energy consumption and load analysis.

The system supports energy planning, efficiency analysis, consumption monitoring, and equipment management.

The system also helps optimize equipment operation, improve energy-efficiency, and identify and evaluate energy-saving measures.

In 2025, we also provided online training courses for employees featuring practical case studies and innovative energy-saving technologies, as well as energy management regulations and management systems. More than 7,500 people participated in or viewed the training course.

OVERALL PRODUCTION PLANTS <sup>1</sup>  
Electricity intensity (EI) reduction



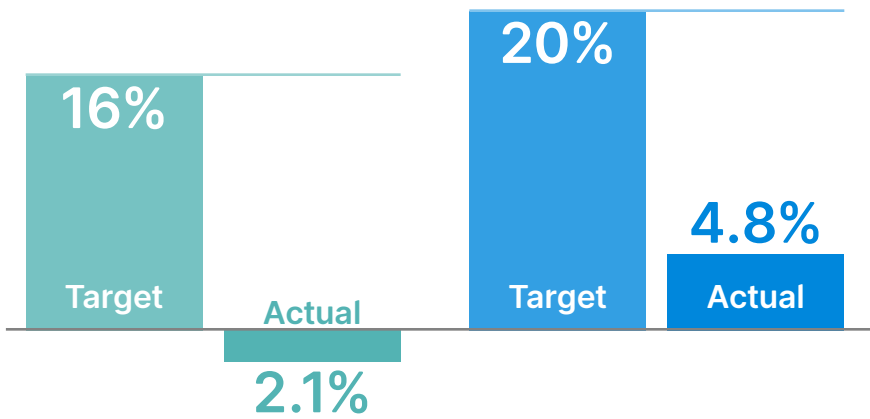
## Production plants

In 2025, electricity consumption intensity at our production plants decreased by 29.4%, exceeding our 20% target.

This improvement was primarily driven by production value growth that significantly outpaced the increase in electricity consumption. Compared with 2020, production value increased by 70.1%, while electricity consumption increased by 20.1%, reflecting continued improvement in operational energy efficiency.

Energy-saving measures implemented during the year included installing magnetic suspension chillers and high-efficiency chillers, replacing older chillers and air compressors, and upgrading to high-efficiency LED lighting.

11 OFFICE BUILDINGS <sup>2</sup>  
Energy use intensity (EUI) reduction



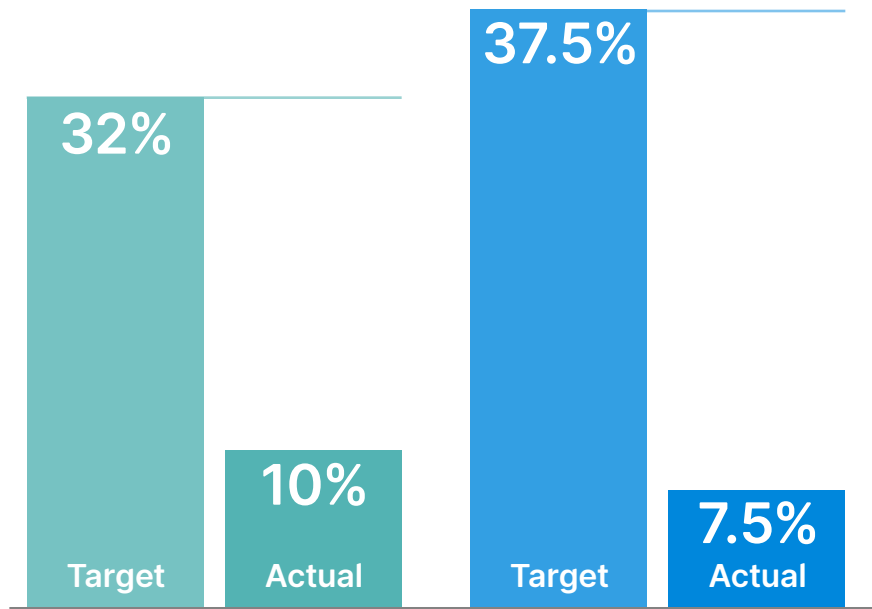
## Buildings

Energy use intensity (EUI) across the 11 buildings within the assessment scope decreased by 4.8% compared with the 2020 baseline, below our 2025 target of 20%.

Electricity consumption decreased by 14.3% compared with 2020, while total building area decreased by 9.9%. The reduction in building area limited the overall improvement in EUI.

We continued to implement energy conservation projects across these buildings to improve operational efficiency.

4 DATA CENTERS <sup>3</sup>  
Power usage effectiveness (PUE) reduction



## Data centers

Power usage effectiveness (PUE) improved by 7.5% compared with the baseline, below our 2025 target of 37.5%.

During the same period, electricity consumption in server rooms increased by 10.8% compared to 2020, while IT equipment consumption increased by 13.9%, reflecting growing computing demand.

To improve energy efficiency, we continued to optimize cold- and hot-air airflow management and to replace outdated cooling equipment.

Note 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 Pingjhen in Taiwan; Cyntec and Huafeng plants.

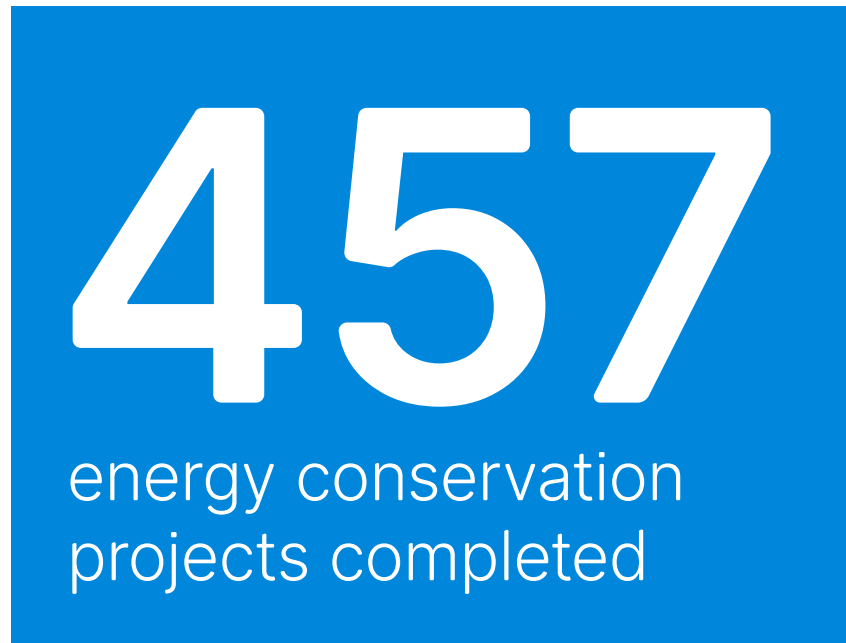
Note 2: The 11 buildings include Taipei Headquarters-Ruey Kuang Building and Ruey Kuang Building II, Taipei Yang Guang Building, Taoyuan R&D Center, Chungli R&D Center, Shanghai R&D Building, Dongguan Technology Development, Wujiang Technology Development, Japan Headquarters, Americas Headquarters, and the Building in Soest in Germany.

Note 3: The 4 data centers include Taipei Headquarters – Ruey Kuang IT Data Center, Wujiang, DET, and Americas Headquarters.



### Energy conservation projects

Across our global operational sites, we have implemented energy conservation and carbon reduction measures since 2011.



In 2025, we completed 457 energy conservation projects, resulting in estimated electricity savings of approximately 64.9 GWh, equivalent to approximately 40,850 metric tons of CO<sub>2</sub>e.

From 2011 to 2025, we implemented a total of 4,150 energy conservation projects. These projects generated estimated cumulative electricity savings of 524.0 GWh, equivalent to approximately 391,488 metric tons of CO<sub>2</sub>e.

### Energy-saving products: Reducing use-phase energy consumption and emissions

We continue to develop energy-efficient products and integrated solutions that help customers reduce energy consumption and GHG emissions during the use phase.

Improvements in product energy efficiency can also help lower customers' carbon footprints and operating costs.

To assess these benefits, we selected 12 representative product categories: computer and networking power supplies, ventilation fans, LED streetlights, AC-DC adapters, EV DC chargers, LED high-bay lighting, uninterruptible power supplies (UPS), TV power supplies, LED drivers, low-voltage inverters and variable-frequency drives (LV VFDs), traction motors, and onboard charging modules.

Based on products shipped between 2010 and 2025, we estimate that these high-efficiency products saved customers 60.9 TWh of electricity and avoided approximately 31.3 million metric tons of CO<sub>2</sub>e during their use phase.



In 2025 alone, these products generated an estimated 8.89 TWh of electricity savings and avoided 19.06 million metric tons of CO<sub>2</sub>e.

To strengthen the credibility of these calculations, we became the first company in our industry to obtain ISAE 3000 assurance for product energy-saving calculations in 2015.

Since 2023, we have also applied the World Business Council for Sustainable Development (WBCSD) Guidance on Avoided Emissions and became the first company in Taiwan to obtain ISAE 3000 assurance for avoided-emissions calculations. In 2025, the methodology was updated in accordance with version 2.0 of the WBCSD Guidance.

The 2025 avoided-emissions calculation used Taiwan's 2024 electricity emissions factor of 0.474 kg CO<sub>2</sub>e per kWh.

### Managing and reducing product carbon footprints

Since 2010, we have conducted product carbon footprint assessments for selected representative products using life cycle assessment (LCA) methodologies aligned with PAS 2050 and ISO 14067.

Products assessed included notebook external power supply units (adapters), power chokes, stators, DC fans, LED high-bay lighting, wireless access points (APs), EV charger in-cable control and protection devices (IC-CPDs), digital projectors, and integrated low-voltage DC brushless vehicle motors.

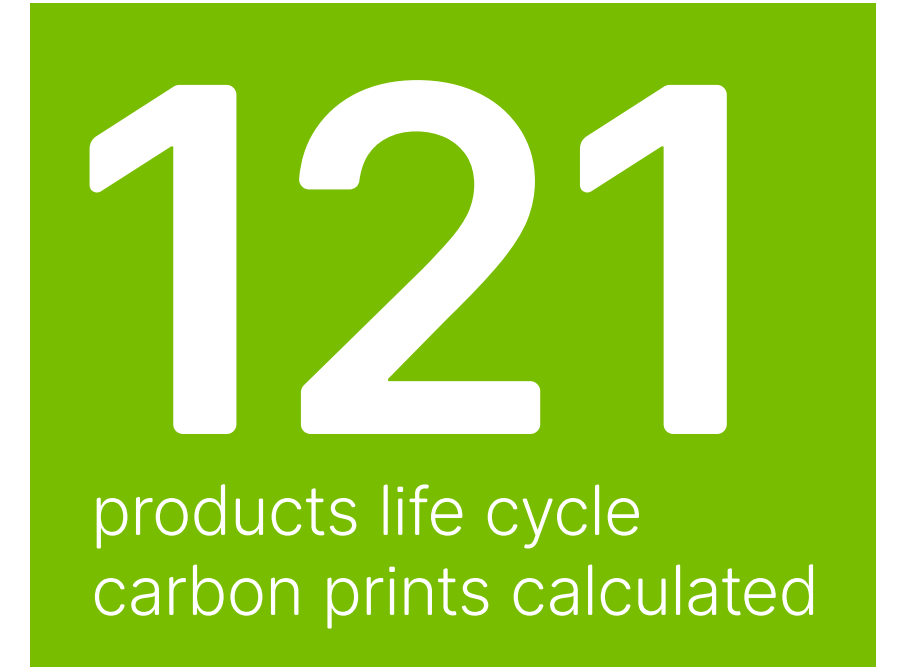
Third-party verification statements have been obtained for these assessments.

The results show that the use phase is generally the largest source of product-related carbon emissions, followed by raw material acquisition.

In response, the Supply Chain ESG Committee launched a comprehensive product carbon footprint project in 2022, alongside publication of our Product Carbon Footprint Strategies. Business units established working groups to monitor implementation and report progress.

Key areas of work include expanding product carbon footprint calculations, implementing emissions reduction measures across the product life cycle, and increasing R&D investment in more sustainable products and services.

Product carbon footprint reduction measures include improving product energy efficiency, selecting lower-carbon raw materials, implementing voluntary energy conservation measures, increasing the use of renewable electricity, adopting lower-carbon logistics, engaging with value chain partners, and applying circular business models and environmentally responsible product design. Further information is provided in the [Circular economy \(E5\)](#) chapter.



In 2025, we launched our internally developed DelZero GHG system, as described earlier in this chapter. The platform supports product-level carbon calculations and was used to calculate the life cycle carbon footprints of 121 products during the year.

Over time, we aim to expand the platform's coverage to key product categories and support the development of products with lower-carbon footprints.



### Promoting energy conservation through green buildings

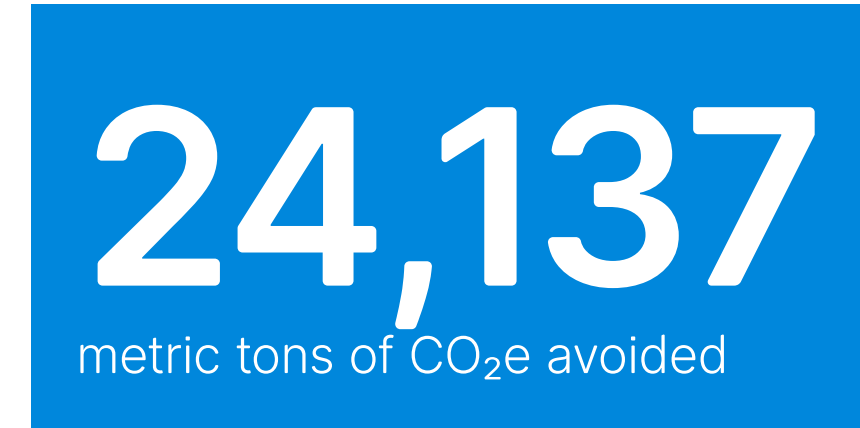
Since completing our first green building in Taiwan in 2006, we have applied climate-resilient green building principles to new plants and office buildings. Green building development supports our climate mitigation strategy by integrating energy-efficient products and solutions into our facilities to reduce energy consumption and GHG emissions.



As of December 31, 2025, we had built or donated 36 green buildings and two green data centers worldwide. These buildings have received certifications under internationally recognized standards, including the US Green Building Council (LEED), the UK Building Research Establishment (BREEAM), Taiwan's Ecology, Energy-Saving, Waste Reduction, and Health (EEWH) system, and the Green Building Evaluation Standards in Mainland China.

We also apply internal energy performance standards, benchmark EUI against local building standards, and continue to implement energy-saving measures. These include improving the efficiency of heating,

ventilation, and air conditioning (HVAC), compressed-air, and lighting systems.



Based on calculations subject to ISAE 3000 assurance, 22 of Delta's certified green plants and buildings, together with five donated green buildings saved in total 46.01 GWh of electricity and avoided approximately 24,137 metric tons of CO<sub>2</sub>e in 2025.

We also evaluate the energy performance of our green data centers using power usage effectiveness (PUE). In 2025, our certified green data centers saved 43.25 MWh of electricity and avoided approximately 20.5 metric tons of CO<sub>2</sub>e.

### Converting of our fleet and expanding charging infrastructure

In addition to supporting customers and organizations worldwide in the transition to lower-carbon transportation, we are reducing emissions from our own vehicle fleet, by joining the EV100 low-carbon transportation initiative in 2018.

As part of the EV100 initiative, we are expanding the charging infrastructure across operational sites and production

plants. We also aim to convert company vehicles to lower-emission alternatives, including battery electric and hydrogen-powered vehicles, by 2030.

### GHG removals and mitigation projects financed through carbon credits

We intend to neutralize residual GHG emissions that cannot be eliminated through further emissions reductions and to support mitigation beyond our value chain by purchasing high-quality carbon credits and investing in permanent carbon removals.

To support environmental integrity, traceability, and credibility, we established our Voluntary Carbon Credit Limit and Carbon Removal Policy. The policy draws on international climate governance frameworks and carbon market guidance, including the Core Carbon Principles issued by the Integrity Council for the Voluntary Carbon Market (ICVCM). It provides a common framework for decisions and governance relating to carbon credits and carbon removal projects.

### Internal carbon pricing

We monitor global carbon pricing developments and incorporate the economic cost of GHG emissions from our operations into business decision-making.

In 2021, we introduced a global internal carbon fee mechanism and set our internal

carbon price at US\$300 per metric ton of CO<sub>2</sub>e. This price is intended to reflect the level of carbon pricing required to support a pathway that limits global warming to 1.5°C by 2030 and has been approved by our Global ESG Committee.

We review the internal carbon price annually, taking into account internal and external carbon costs. These include regulatory carbon prices, carbon market developments, peer benchmarks, investments in renewable energy technologies, and renewable electricity procurement costs.

Carbon fees are collected from our business groups and allocated to a dedicated internal carbon fund. The fee is incorporated into monthly financial management reports and linked to the performance evaluations of senior business group executives, thereby embedding emissions-reduction incentives in business decision-making.

The fund supports three areas:

- Renewable electricity and renewable energy technologies;
- Energy and resource management; and
- Lower-carbon innovation.

Business groups are also encouraged to identify and develop more sustainable products and services with financial support from the fund.

We intend to further develop the internal carbon fee mechanism by progressively expanding its scope from Scopes 1 and 2 to Scope 3 GHG emissions.

In 2025, we allocated 18 MUSD through the internal carbon fund, comprising 6 MUSD in operating expenditures (OpEx) and 12 MUSD in capital expenditures (CapEx). These investments supported estimated emissions reductions of nearly 30,000 metric tons of CO<sub>2</sub>e during the year.

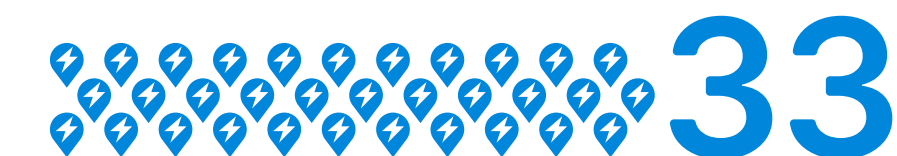
Further information is available in our Internal [Carbon Pricing Report](#).

### EV100 PROGRESS

Corporate vehicles covered by the EV100 fleet commitment



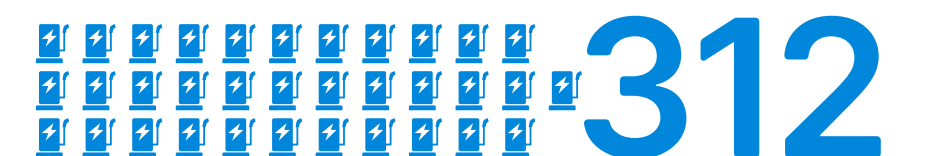
Number of locations with charging facilities



Zero-Emission Vehicle (ZEV) ratio



Number of charging facilities installed





Climate change adaptation:

# Strengthening resilience across our operations and value chain

We have established climate adaptation strategies to address increasingly severe physical climate risks and their potential long-term effects. Our approach considers two dimensions: operational assets and the broader system on which our business depends.

- For assets within our own operations, we focus on the resilience of physical sites, workforce deployment, and emergency response planning.
- For broader system dependencies, we consider the potential effects of climate change on our supply chain, ecosystem services, and stakeholders across the value chain.

Our climate adaptation strategy framework enables us to review existing measures and identify additional strategies and action guidelines where required. These measures are linked to business continuity planning to strengthen operational resilience.

Using this framework, we assess the vulnerability of individual operational sites across different climate scenarios and use the results to prioritize risks, adaptation measures, and implementation plans.



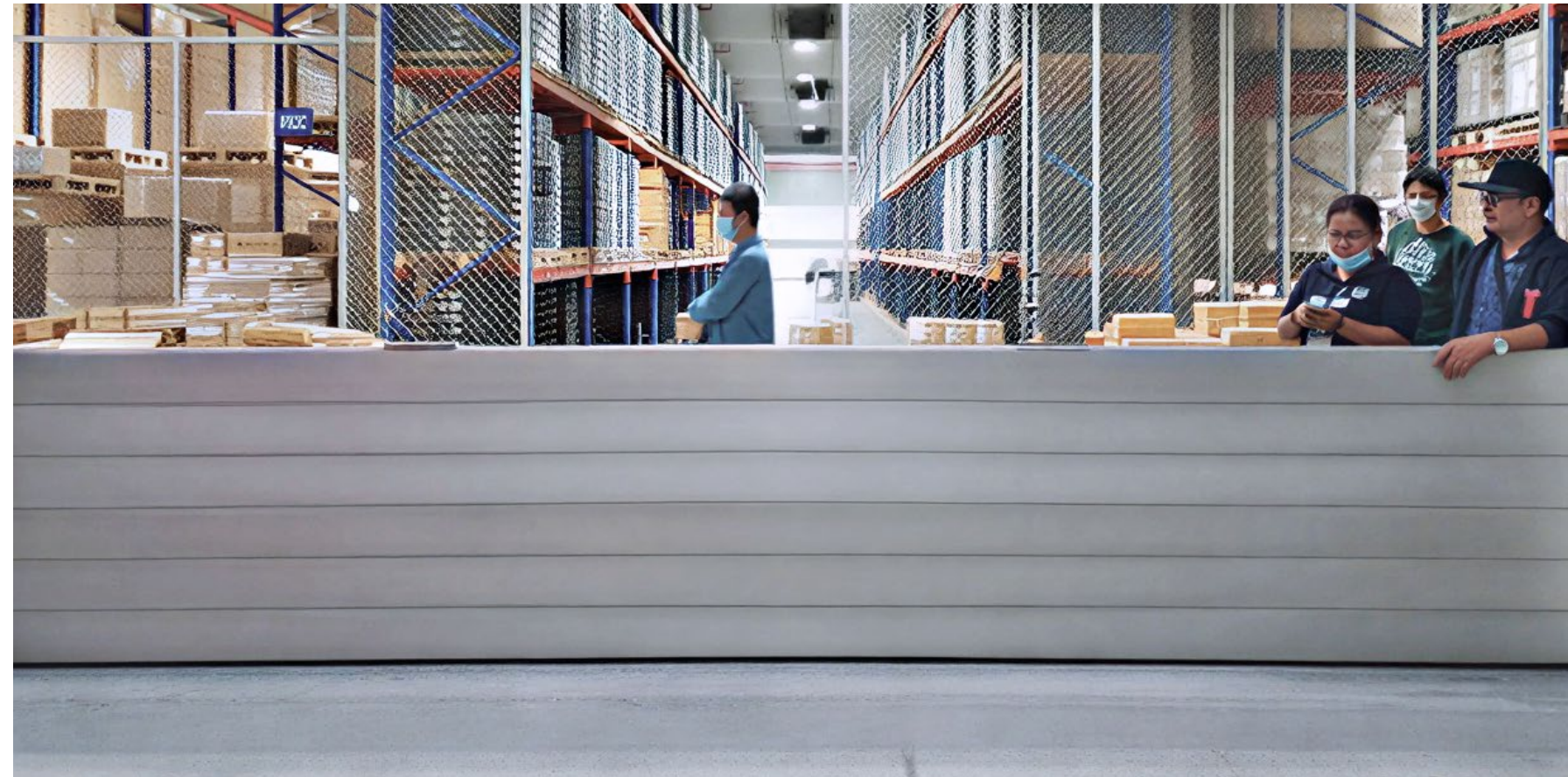
## CASE STUDY

# Flood adaptation at our Delta Thailand plants

Our manufacturing plants in the Bangpoo and Wellgrow industrial estates are located in low-lying coastal areas near the Chao Phraya and Bang Pakong River estuaries. Our physical climate risk assessment identifies these sites as having high to critical exposure to flooding.

To strengthen the resilience of the plants and protect employees and critical assets, elevated-floor designs were incorporated during the planning stage, with floor levels raised 1.5 meters above ground level. Each facility is also equipped with flood barriers and pumping systems to reduce the risk of floodwater entering the site.

We have also deployed flood monitoring systems around the industrial estate to monitor water levels and rainfall intensity in real time. When predefined warning thresholds are reached, the Business Continuity Plan is activated. Measures may include closing flood barriers, starting pumping systems, initiating emergency evacuation procedures, and relocating critical inventory and high-value equipment.

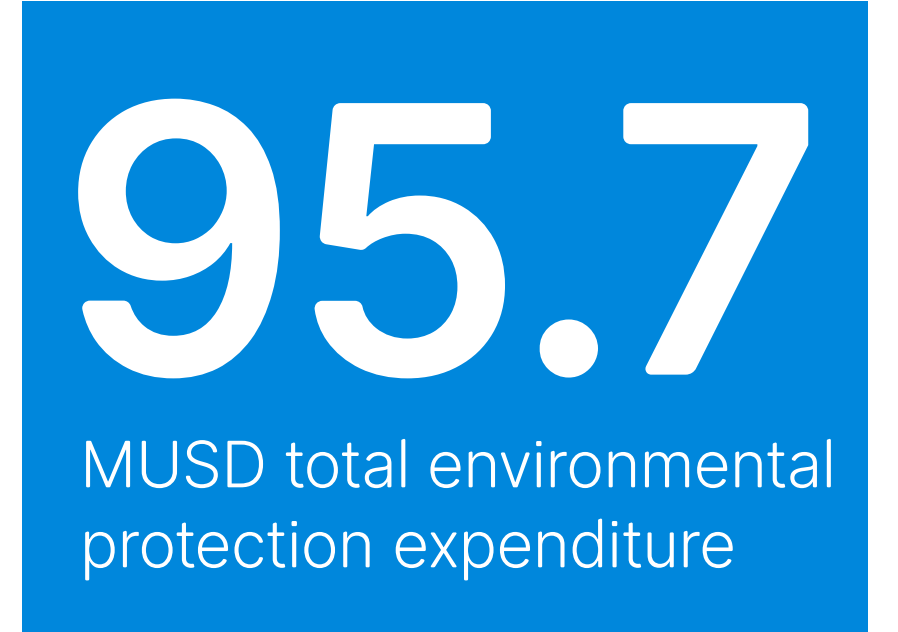


## Environmental protection expenditures: Supporting the climate transition

We continue to invest in environmental initiatives that support our climate transition and broader sustainability objectives. These investments include lower-carbon technology applications, energy-saving measures, water conservation, waste reduction, and other environmental projects.

The initiatives are intended to reduce GHG emissions, improve resource efficiency, strengthen operational resilience, and support the long-term sustainability of our business and value chain.

In 2025, our total environmental protection expenditure reached 95.7 MUSD, an increase of 22.2 MUSD, or 30.2%, compared with 2024. Lower-carbon



applications remain the largest investment category, accounting for 76.6% of the total, while energy-saving investments accounted for 15.4%.

A portion of our 2025 environmental investment was supported by the internal carbon fee mechanism. Further information is provided in the [Internal carbon pricing section](#).

## Breakdown of environmental protection expenditures

| Environmental investment category             | 2024 |            | 2025 |            |
|-----------------------------------------------|------|------------|------|------------|
|                                               | MUSD | Percentage | MUSD | Percentage |
| Lower-carbon applications <sup>1</sup>        | 56.1 | 76.3%      | 73.3 | 76.6%      |
| Energy-saving investments <sup>2</sup>        | 9.4  | 12.8%      | 14.7 | 15.4%      |
| Water conservation                            | 0.2  | 0.3%       | 0.3  | 0.3%       |
| Waste reduction                               | 0.4  | 0.5%       | 0.5  | 0.5%       |
| Other environmental expenditures <sup>3</sup> | 7.4  | 10.1%      | 6.9  | 7.2%       |
| Total                                         | 73.5 | 100%       | 95.7 | 100%       |

Note 1: Includes energy storage facilities, lower-carbon transportation, electricity attribute certificates, solar photovoltaic (PV) facilities, direct renewable electricity purchases, and green electricity products.

Note 2: Includes investment in the initiatives described in the Energy-saving projects section.

Note 3: Includes waste treatment, air pollution control, and wastewater treatment fees, as well as environmental testing fees and management system verification costs.



# Energy management

## Promoting renewable electricity adoption

We joined RE100 as a Gold Member in 2021 and committed to sourcing 100% renewable electricity for our global operations by 2030.

Implementation is overseen by the Delta Global RE100 Committee, which includes our Chairman, Vice Chairman, CEO, COO, and CSO. Regional working groups operate across more than 30 countries, each led by the relevant regional president.

Since 2022, renewable electricity performance has formed part of the performance evaluations of the Chairman, CEO, and regional heads, with a weighting of between 5% and 15%.

Since 2023, electricity data from all our global sites has been subject to ISAE 3000 assurance. This supports alignment with RE100 technical criteria and the traceability of renewable electricity sources.

We apply a procurement hierarchy to advance renewable electricity adoption. We first prioritize energy conservation and self-generated renewable electricity, followed by direct procurement through instruments such as power purchase agreements (PPAs), green electricity products, and bundled energy attribute certificates (EACs). Unbundled EACs are used as a last resort.

Our internal carbon pricing mechanism supports the RE100 program by encouraging sites to prioritize self-generated and bundled renewable electricity. This approach also supports the development of renewable electricity markets in the regions where we operate.

We continue to monitor renewable electricity regulation, market developments, and opportunities for long-term procurement.





### Energy consumption and mix

In 2025, renewable electricity accounted for 91% of total electricity consumption across our global operational sites from the market-based approach. This exceeded our internal target of 80% renewable electricity and presented further progress towards our RE100 commitment for 2030.

We will continue to engage with renewable electricity suppliers, governments, and other stakeholders to address market barriers and expand access to renewable electricity.

#### Total electricity consumption (MWh)

|                            | 2024           | 2025           |
|----------------------------|----------------|----------------|
| Renewable electricity      | 693,445        | 855,027        |
| Non-renewable electricity  | 127,373        | 83,209         |
| <b>Total electricity</b>   | <b>820,818</b> | <b>938,236</b> |
| % of renewable electricity | 84             | 91             |

### Total energy consumption by sources (MWh)

|                                                                    | 2024           | % of total | 2025             | % of total |
|--------------------------------------------------------------------|----------------|------------|------------------|------------|
| Non-renewable electricity, purchased heat and other fossil sources | 197,642        | 22.15      | 144,977          | 14.48      |
| Renewable electricity and renewable purchased heat                 | 694,765        | 77.85      | 856,388          | 85.52      |
| Purchased nuclear electricity                                      | -              | -          | -                | -          |
| <b>Total consumption</b>                                           | <b>892,407</b> | <b>100</b> | <b>1,001,365</b> | <b>100</b> |

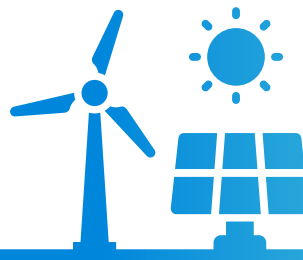
The total energy consumption increased by 12.2% compared to 2024, primarily driven by factory expansion and higher production capacity and output, reaching more than 1 TWh.

## ENERGY PRODUCTION

2024

#### Renewable energy produced (MWh)

45,288



2025

56,532

#### Non-renewable energy produced (MWh)

560



0

### Fossil sources consumption breakdown (MWh)

| Fossil sources                      | 2024    | 2025   |
|-------------------------------------|---------|--------|
| Fuel from petroleum products        | 9,928   | 9,621  |
| Diesel                              | 5,557   | 5,084  |
| Gasoline                            | 3,511   | 3,595  |
| Liquefied petroleum gas             | 860     | 942    |
| Natural gas                         | 57,405  | 47,601 |
| Purchased non-renewable electricity | 126,813 | 83,209 |
| Purchased non-renewable heat        | 3,496   | 4,546  |
| Coal and coal products              | -       | -      |
| Other fossil sources                | -       | -      |

Fuel for petroleum products was mainly used for emergency power generators, lawnmowers, forklifts, and company vehicles.

### Renewable energy breakdown (MWh)

| Renewable sources                                | 2024    | 2025    |
|--------------------------------------------------|---------|---------|
| Renewable electricity                            | 693,445 | 855,027 |
| Solar (self-generated & consumed)                | 45,288  | 56,532  |
| Power Purchase Agreement (PPA) (direct purchase) | 112,864 | 109,228 |
| Green electricity products                       | 330,681 | 442,277 |
| Unbundled Energy Attribute Certificates (EACs)   | 204,612 | 246,990 |
| Renewable purchased heat                         | 1,320   | 1,361   |

The total renewable electricity increased by 23.3% compared to 2024. Self-generated and consumed solar-powered electricity and the green electricity products increased by 24.8% and 33.7%, respectively.



E4

# Biodiversity & Ecosystems

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# Biodiversity and ecosystem impacts, risks, and opportunities

We have identified material impacts, risks, and opportunities (IROs) related to biodiversity and ecosystems.

From an impact perspective, negative impacts relate to the extraction of raw materials used in our products, which may contribute to ecological degradation in sourcing regions. Plastics used in packaging and manufacturing processes may also adversely affect aquatic ecosystems if they are not properly managed.

Positive impacts relate to the implementation of ecological conservation measures and the promotion of responsible mining practices across our supply chain. These activities support the protection and restoration of biodiversity and ecosystems.

From a financial perspective, biodiversity management, nature-related innovation, and growing demand for products with lower environmental impacts, have been identified as material opportunities. No material financial risks related to biodiversity and ecosystems were identified.



Biodiversity and ecosystems policies:

# Managing nature-related impacts across our operations and value chain

| Policy                                  | Material topics addressed                                                                                                                                                                           | Key stakeholders and scope                                                                                                                             |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Delta Group Biodiversity Policy         | <ul style="list-style-type: none"><li>• Drivers of biodiversity and ecosystem change</li><li>• State of species</li><li>• Extent and condition of ecosystems</li><li>• Ecosystem services</li></ul> | Delta entities and subsidiaries in which we hold more than 50% ownership and exercise operational control, as well as upstream suppliers and partners. |
| Delta Group Responsible Sourcing Policy | <ul style="list-style-type: none"><li>• Drivers of biodiversity and ecosystem change</li></ul>                                                                                                      | Delta entities and subsidiaries in which we hold more than 50% ownership and exercise operational control, as well as upstream suppliers and partners. |

Note: Our Environmental, Safety, and Health Policies also support biodiversity protection through responsible procurement, biodiversity conservation, sustainable resource use, and collaboration with customers, suppliers, and business partners. Further information on these policies is provided in the [Climate change \(E1\)](#) and [Own workforce \(S1\)](#) chapters.

**Delta Group Biodiversity Policy**

We established the Delta Group Biodiversity Policy in 2022 to strengthen our approach to biodiversity protection across our global operations and value chain. The policy sets out our 2050 ambitions of achieving no net deforestation and no net loss (NNL), while increasing our net positive impact (NPI) on biodiversity.

We apply the mitigation hierarchy to avoid, minimize, restore, and, where appropriate, offset biodiversity impacts.

We regularly conduct biodiversity risk assessments to identify nature-related dependencies, impacts, risks, and opportunities. We also seek to avoid locating operations near biodiversity-sensitive areas, including important habitats, protected natural reserves, and ecological corridors.

The policy also addresses biodiversity impacts associated with our products, services, and raw materials. Biodiversity considerations are incorporated into due diligence processes for green buildings and renewable energy projects.

In addition, the policy prioritizes natural climate solutions (NCS) that can deliver benefits for both climate action and biodiversity. Our approach is informed by international frameworks, including the Global Biodiversity Framework (GBF), the Taskforce on Nature-related Financial Disclosures (TNFD), and the Science Based Targets Network (SBTN). These frameworks support greater transparency and more consistent management of our conservation and restoration efforts.

**Delta Group Responsible Sourcing Policy**

Our Responsible Sourcing Policy supports biodiversity protection through responsible sourcing practices. It includes

a commitment to avoid sourcing raw materials from globally or nationally important biodiversity-sensitive areas and to collaborate with environmental protection organizations to help protect these ecosystems.

We recognize that biodiversity and healthy ecosystems are important to the long-term availability of natural resources and the resilience of our value chain. We therefore seek to minimize biodiversity impacts associated with sourcing activities, implement ecological conservation measures in response to supply chain requirements and promote responsible mining practices among suppliers.

Further information on the policy and its implementation is provided in the [Workers in the value chain \(S2\)](#) chapter.



Biodiversity strategy and transition plan:

# Integrating nature into decision-making

Recognizing that healthy ecosystems support long-term business resilience and climate regulation, we have progressively expanded our sustainability focus to include nature and biodiversity since 2022.

Following the dependency and impact assessment conducted in 2023, we completed further literature reviews and

developed our first nature-related impact pathway roadmap. This work identified key impact drivers, impact pathways, and potentially affected ecosystems associated with our operations and value chain.

The findings provide a foundation for developing response strategies and management indicators aimed at reducing

adverse impacts on biodiversity and ecosystems. A detailed illustration of the impact pathways is provided in Chapter 5.2.5 of our [2025 ESG Report](#).

We have established a biodiversity and ecosystem transition plan as part of our broader Climate and Nature Strategy.

To strengthen the integration of biodiversity considerations into corporate decision-making we became a Taskforce on Nature-related Financial Disclosures (TNFD) Early Adopter in 2024.

Through the TNFD framework, we are strengthening our approach to identifying, assessing, managing, and disclosing nature-related dependencies, impacts, risks, and opportunities across our operations and value chain. This work also supports the objectives of the Kunming-Montreal Global Biodiversity Framework (GBF).

This transition plan supports the global ambition to halt and reverse biodiversity loss and advances our 2050 ambitions to achieve No Net Loss (NNL), increase our Net Positive Impact (NPI), and achieve Zero Net Deforestation.

As part of this transition, biodiversity considerations are being progressively integrated into strategic planning, investment decisions, site selection, supply chain management, and renewable electricity due diligence processes.

The transition plan is implemented through our broader sustainability governance framework, as described in the [General disclosures \(ESRS 2\)](#) chapter.

At the project level, a dedicated biodiversity team is responsible for analyzing nature-related issues, developing plans, managing targets, and tracking performance. The Delta Electronics Foundation also supports selected projects aligned with its area of focus.

| 2022                                                                                                                                                                                                                                                                                                                                                                     | 2023                                                                                                                                                                                                                                                                                                                                                                                                                   | 2024                                                                                                                                                                                                                                                                                                                            | 2025                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>Established the Delta Group Biodiversity Policy</li><li>Published our first TNFD-aligned biodiversity disclosure in the 2021 ESG Report (TNFD beta v0.2)</li><li>Launched the Renewable Electricity Due Diligence Investigation Project</li><li>Joined the Taiwan Nature Positive Initiative (TNPI) as a founding member</li></ul> | <ul style="list-style-type: none"><li>Joined the TNFD Forum</li><li>Expanded TNFD-aligned biodiversity disclosure in the 2022 ESG Report (TNFD beta v0.4)</li><li>Completed the Renewable Electricity Ecological Due Diligence Investigation methodology and pilot implementation in Taiwan</li><li>Completed our first biodiversity risk assessment, covering site assessments and dependencies and impacts</li></ul> | <ul style="list-style-type: none"><li>Became a TNFD Early Adopter</li><li>Published the 2023 Delta Electronics TCFD &amp; TNFD Report aligned with TNFD v1.0</li><li>Became the first Taiwanese company to participate as an official observer at the UN Biodiversity Conference (COP16) and hosted three side events</li></ul> | <ul style="list-style-type: none"><li>Participated in consultations for the World Economic Forum report Nature Positive: Role of the Technology Sector</li><li>Participated in consultations on the TNFD draft sector guidance for technology and communications</li></ul> |



## BIODIVERSITY MITIGATION HIERARCHY

### Biodiversity mitigation hierarchy: Prioritizing avoidance and minimization

Our biodiversity transition pathway follows the mitigation hierarchy of avoidance, minimization, restoration, offsetting, and additional conservation action. Through this approach, we aim to reduce pressure on ecosystems while supporting biodiversity conservation alongside sustainable business growth.

Recognizing the close interrelationship between climate change and biodiversity, we manage these topics in an integrated manner to maximize synergies and address potential trade-offs.

We apply the mitigation hierarchy by prioritizing the avoidance and minimization of impacts through project planning and ecological due diligence. Where impacts cannot be fully avoided or minimized, we implement restoration measures and, where appropriate, consider biodiversity offsets.

We also undertake conservation initiatives, including coral reef restoration and elephant habitat conservation, to support ecosystem resilience.



\* ACA stands for additional conservation actions.



Biodiversity actions and resources:

# Assessing exposure across our operations and supply chain

Site assessment of our operations and supplier sites

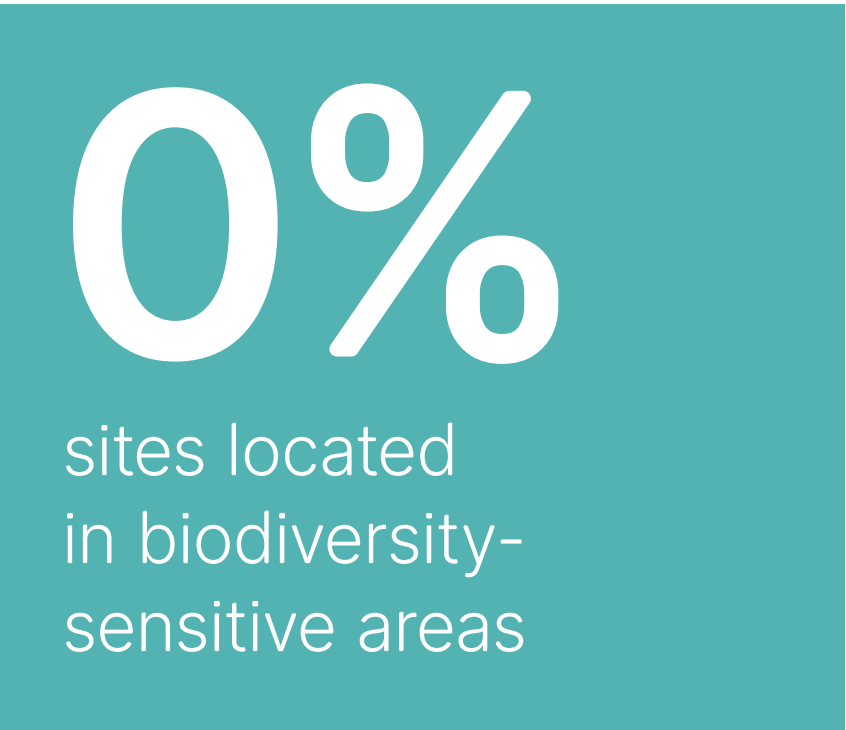
As part of the climate- and nature-related risk identification process described in the [Climate change \(E1\)](#) chapter, and following the TNFD Locate, Evaluate, Assess, and Prepare (LEAP) methodology, we conducted our first site-level biodiversity assessment in 2023. The assessment covered the global operational sites associated with our top 100 suppliers.

We compiled site coordinates and conducted overlay and buffer analyses using biodiversity spatial data, including protected areas, important habitats, biodiversity hotspots, and the IUCN World Database on Protected Areas (WDPA). This enabled us to identify whether sites were located within or adjacent to biodiversity-sensitive areas.

We repeated the assessment of our global operational sites in 2025. The results confirmed that none of the assessed sites were located directly within biodiversity-sensitive areas.

Compared with 2024, the proportion of sites adjacent to biodiversity-sensitive areas decreased slightly by 0.8 percentage points, from 12.2% to 11.4%. The proportion of sites adjacent to other protected areas increased by 0.3 percentage points, from 6.3% to 6.6%.

We assess existing and new operational sites annually and achieved 100% coverage in both 2024 and 2025. The detailed results are presented below.



Site analysis results for our global operation sites

|                                                    | 2024  | 2025               |
|----------------------------------------------------|-------|--------------------|
| Sites located in biodiversity-sensitive areas      | 0%    | 0%                 |
| Sites adjacent to biodiversity-sensitive areas     | 12.2% | 11.4% <sup>1</sup> |
| Sites located within other protected areas         | 0.5%  | 0.5% <sup>2</sup>  |
| Sites adjacent to other protected areas            | 6.3%  | 6.6% <sup>1</sup>  |
| Sites with no identified biodiversity-related risk | 81.0% | 81.5%              |

Note 1: These sites are primarily located in Asia, Europe, and the Americas. Most are offices, while some include production lines, laboratories, warehouses, or data centers.

Note 2: The site is located in Yunnan Province, China. It is an office with no production activities and has been approved by the Kunming Municipal Government for commercial real estate development. The site is situated within the Dianchi Lake area, which was designated at the national level in 1981 and covers approximately 2,290 km<sup>2</sup>. The protected area aims to prevent and control water pollution and improve the watershed’s ecological conditions. It is classified as an IUCN Category VI protected area, designated for the sustainable use of natural resources.



## Biodiversity considerations in the supply chain

Under our sustainable raw material procurement strategy, we seek to strengthen traceability and require suppliers to provide third-party verified information on material sources and associated biodiversity impacts. Further information is provided in the [Circular economy \(E5\)](#) chapter.

Biodiversity is also considered in our annual supplier ESG risk assessment process. Further information is provided in the [Workers in the value chain \(S2\)](#) chapter.

## Renewable electricity ecological due diligence

To reduce potential biodiversity impacts associated with renewable electricity projects, we have established an ecological due diligence methodology for renewable electricity projects.

This methodology draws on both domestic and international environmental and ecological assessment and management processes for renewable energy projects. It evaluates criteria including the proximity of project sites to biodiversity-sensitive areas, changes to natural habitats, the presence of species of concern, and proposed mitigation measures and environmentally responsible practices.

The results form part of our decision-making process when evaluating renewable electricity procurement and any subsequent restoration measures.

In 2025, we added small-scale hydropower as an assessment category to accommodate a broader range of renewable electricity sources. We also developed criteria tailored to aquatic environments to support the assessment of ecological conditions and potential impacts at small-scale hydropower plants.

We will continue to strengthen the management of ecological impacts associated with renewable electricity by refining the assessment process and relevant tools.

## Conservation partnerships and restoration projects

In 2025, we continued our efforts to strengthen marine ecosystem resilience by restoring 10,000 heat-resistant corals and supporting conservation activities for 40 endangered species.

We collaborated with the International Union for Conservation of Nature (IUCN) to introduce the Species Threat Abatement and Restoration (STAR) methodology and apply it to marine ecosystem restoration activities in Kenting National Park, Taiwan.

We also organized the first Delta International Symposium on Coral Restoration (DISCR) supporting knowledge

exchange on innovative restoration technologies, including digital twins and AI-assisted surveys.

Beyond coral restoration, we launched a five-year conservation project in the Hosur Forest Division near our new India headquarters and R&D center in Bengaluru.

The project includes habitat management measures such as constructing an artificial reservoir, maintaining water tanks, and removing sludge. These measures support habitat used by an estimated 225 to 250 elephants and aim to reduce human-elephant conflict.

The project also supports the conservation of rare and endangered plants and animal species that share the habitat.

## Deforestation-free procurement

To support our goal of achieving Zero Net Deforestation by 2050, we have incorporated biodiversity considerations into procurement practices by promoting the use of printing paper covered by recognized deforestation-free certification schemes.

We used a survey-based approach to assess the proportion of certified paper purchased and identify applicable certification schemes across our six main procurement regions.

In 2025, 100% of the printing paper we procured was covered by recognized

certification schemes, including the Forest Stewardship Council (FSC), Program for the Endorsement of Forest Certification (PEFC), and China Forest Certification Council (CFCC).

We will continue to assess opportunities to expand the scope of deforestation-free procurement and identify additional measures that support our 2050 goal.

## Biodiversity training and capacity building

As part of our biodiversity transition plan, we provide training to strengthen internal awareness and communicate our approach to nature-related issues.

In 2025, we organized training on integrating biodiversity considerations into product design. The training involved employees working in product and service development, R&D, engineering, supply chain management, and other business functions. It aimed to strengthen understanding of biodiversity issues, sustainable design principles, and nature-related business opportunities.

As a founding member of the Taiwan Nature Positive Initiative (TNPI), launched by the Business Council for Sustainable Development of Taiwan (BCSD Taiwan), we have continued to share implementation experience through workshops, seminars, and meetings since the end of 2022.

These activities support collaboration with other stakeholders in exploring the operational challenges and opportunities associated with advancing nature-related action.

Internationally, we also contributed to the World Economic Forum report Nature Positive: Role of the Technology Sector and to TNFD sector guidance. Through these initiatives, we shared our experience in assessing nature-related dependencies and impacts on the electronic components and hardware manufacturing industry.



E5

# Circular economy

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- 58 Circular economy policies
- 59 Our circularity approach
- 60 Resource inflows
- 62 Resource outflows (products and services)
- 63 Resource outflows (waste)



# Circular economy impacts, risks, and opportunities

We have identified material impacts, risks, and opportunities (IROs) related to the circular economy, particularly resource use, waste management, and circular product design.

From an impact perspective, negative impacts relate to the use of significant quantities of materials and the generation of waste, which may contribute to resource depletion and environmental pressures.

Positive impacts include improving material efficiency, increasing the use of recycled materials, investing in research

and development (R&D) and eco-design, and ensuring that waste is processed by authorized recycling partners. These initiatives help reduce reliance on virgin resources and minimize waste generation.

From a financial perspective, improved resource efficiency, waste-value recovery, and the growing demand for more sustainable products have been identified as material opportunities that may support our long-term competitiveness and growth.





Circular economy policies:

# Managing materials, products, and waste

| Policy                                     | Material topics addressed                                                                                                                                              | Key stakeholders and scope                                                                                                                                 |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hazardous Substance Management Policy      | <ul style="list-style-type: none"><li>Resource inflows</li></ul>                                                                                                       | All Delta Group entities and parts and service suppliers.                                                                                                  |
| Environmental, Safety, and Health Policies | <ul style="list-style-type: none"><li>Resource inflows</li><li>Resource outflows related to products and services</li><li>Resource outflows related to waste</li></ul> | All Delta employees and subsidiaries, as well as suppliers, contractors, and other key partners, including joint venture partners and outsourced partners. |
| Product Carbon Footprint Strategies        | <ul style="list-style-type: none"><li>Resource inflows</li><li>Resource outflow related to products and services</li><li>Resource outflows related to waste</li></ul>  | All Delta Group entities, including, but not limited to, Delta affiliates.                                                                                 |

**Hazardous Substance Management Policy**

We established our Environmental Hazardous Substance Management Policy and Regulations in 2002. Since then, hazardous substance management has been integrated across product design and manufacturing processes, including components, process chemicals, fixtures, and packaging materials.

The management system is aligned with the IECQ QC 080000 standard to support

consistent control of restricted and hazardous substances. We also monitor developments in international legislation, including EU Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), Restriction of Hazardous Substances (RoHS), and the Persistent Organic Pollutants (POPs) Regulation, and disclose relevant information in accordance with customer requirements and investor expectations.

In 2025, the policy was updated to strengthen alignment with evolving regulatory requirements. The updates included new restrictions on arsenic in packaging materials, enhanced controls for per- and polyfluoroalkyl substances (PFAS), and the addition of further restricted substances.

More than 500 hazardous substances across approximately 13 categories are currently subject to restrictions under our management system.

**Environmental, Safety, and Health Policies**

Our Environmental, Safety, and Health Policies apply life-cycle thinking to product development, procurement, operations, and logistics. They aim to improve resource efficiency, reduce waste, and strengthen environmental performance across our value chain.

The policies also support circular economy objectives through investment in environmentally responsible product design, increased use of recycled and sustainable materials, and the promotion of circular business models.

Further information on the workforce-related aspects of these policies is provided in the [Own workforce \(S1\)](#) chapter. Their environmental application is

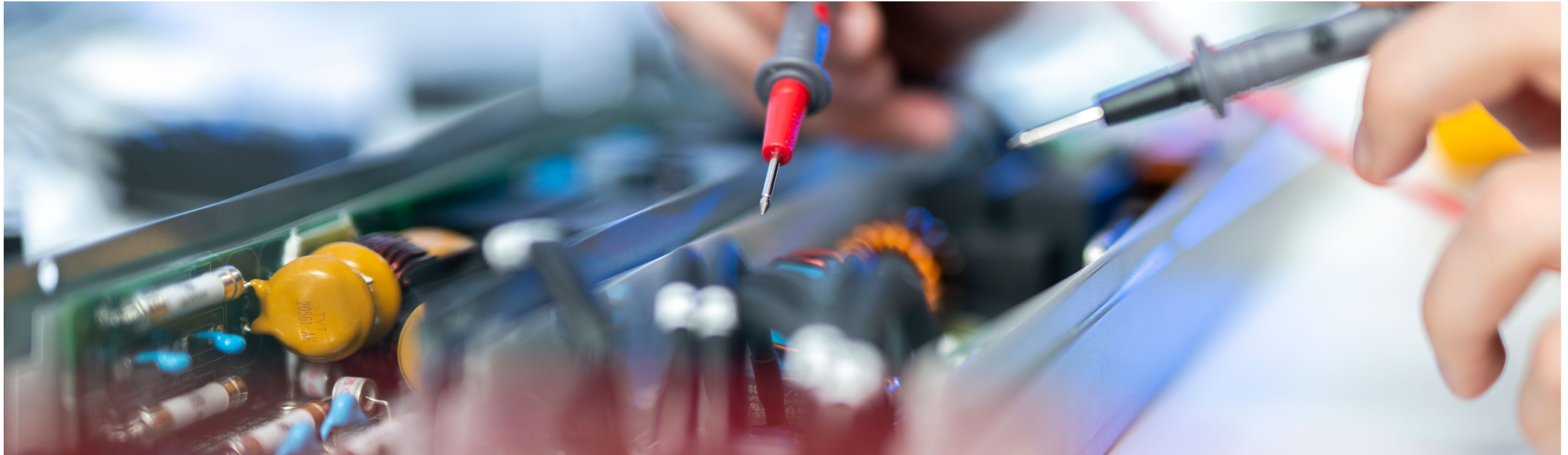
also described in the [Climate change \(E1\)](#) chapter.

**Product Carbon Footprint Strategies**

Our Product Carbon Footprint (PCF) Strategies apply life-cycle thinking to support both climate and circular economy objectives.

By assessing environmental impacts across the product life cycle, the strategies help identify opportunities for environmentally responsible product design, material selection, resource efficiency, and circular business models. They also support integrating climate and circularity considerations into product development. Further information is provided in the [Climate change \(E1\)](#) chapter.





Our circularity approach:

# Applying life-cycle thinking across products

In 2025, we became the first company in the global Information and Communications Technology (ICT) industry to align our principles with ISO 59004 which reflects the maturity of our circular economy framework and our systematic approach to implementing circular economy principles.

To identify where circular interventions can deliver the greatest environmental benefits, we conduct life cycle assessments (LCAs) for selected products using the principles and methodologies set out in ISO 14040 and ISO 14044.

These assessments evaluate environmental impacts across each stage of the product life cycle and help identify material and process hotspots.

The results guide our circular economy initiatives by identifying opportunities to reduce resource inflows through eco-design, material optimization, and material substitution. They also help improve resource outflows through enhanced waste management and end-of-life strategies.



Resource inflows:

# Strengthening material traceability and sustainable sourcing

Guided by our circular economy ambitions and LCA methodology, we promote more sustainable raw material procurement through three key strategies: material traceability, material sustainability risk assessment, and increased use of recycled and renewable materials.

In 2025, our total resource inflows amounted to 547.4 thousand metric tons. These materials consisted primarily of metals, plastics, chemicals, packaging materials, protective packaging materials and other materials. A detailed breakdown is provided in the table on the next page.

## Sustainable raw material sourcing and procurement

Our structured process for assessing key raw materials includes the following steps:

- 1. Establish sustainable procurement strategies:** We integrate sustainability considerations into procurement by evaluating key raw materials against criteria such as cost, recycled content, product carbon footprint (PCF), resource efficiency, and broader environmental impacts, including pollution, water use, waste generation, and biodiversity. These assessments help establish priorities for raw material sourcing and support lower

environmental impacts and greater circularity within our procurement strategy.

- 2. Collect and assess material information:** Our business groups analyze significant procurement categories and high-volume materials to evaluate their cost, environmental performance, and carbon reduction potential. These assessments help identify opportunities to reduce emissions associated with higher-emission materials.

- 3. Conduct traceability and sustainability risk assessments:** We collaborate with suppliers to improve supply chain transparency and traceability. Sustainability assessments consider potential environmental and social impacts associated with raw material extraction and production, including carbon footprint, ecosystem protection, pollution, responsible resource use, and respect for labor and human rights.

- 4. Select sustainable raw materials:** The results of material sustainability risk assessments are incorporated into sourcing decisions. We prioritize raw materials that best meet our sustainability, quality and business requirements while supporting upstream greenhouse gas (GHG) emission reductions, resource efficiency and circular economy objectives.

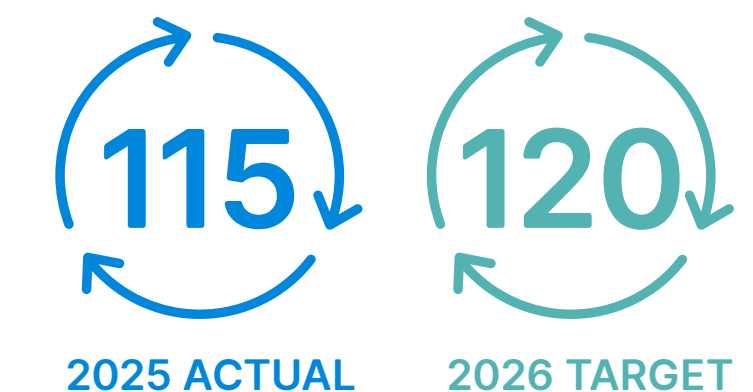
For rare metals used in our products, including cobalt, gallium, graphite, tantalum, and palladium, we regularly assess opportunities to improve resource efficiency, extend the useful life of materials, and increase circularity across the product life cycle.

We also provide employees and suppliers with training on circular economy principles, sustainable procurement, and

PCF assessment. This helps strengthen awareness and supports the adoption of more sustainable sourcing practices across our value chain.

Our approach to sustainable resource inflows is closely linked to our upstream GHG emission reduction strategy, particularly through sustainable raw material procurement and value chain carbon footprint reduction.

## Number of tier 1 significant suppliers using recycled content in their material and packaging



Beyond responsible sourcing, we seek to reduce reliance on virgin resources by improving material efficiency, increasing recycled content, and integrating circularity into product design and manufacturing processes.



Total material inflows and recycled content

| 2024                            |                               |                                   |                         | 2025                          |                                   |                         |
|---------------------------------|-------------------------------|-----------------------------------|-------------------------|-------------------------------|-----------------------------------|-------------------------|
| Material                        | Total weight<br>(metric tons) | Percentage of total<br>weight (%) | Recycled<br>content (%) | Total weight<br>(metric tons) | Percentage of<br>total weight (%) | Recycled<br>content (%) |
| Metals                          | 167,872                       | 41.70%                            | See next table          | 269,498                       | 49.23%                            | See next table          |
| Packaging                       | 71,298                        | 17.71%                            | 0.06%                   | 87,761                        | 16.03%                            | 2.15%                   |
| Thermoplastic                   | 59,753                        | 14.84%                            | 0.15%                   | 59,745                        | 10.91%                            | 3.04%                   |
| Production process<br>chemicals | -                             | 0.13%                             | -                       | -                             | 0.22%                             | -                       |
| Other materials                 | -                             | 25.62%                            | -                       | -                             | 23.61%                            | -                       |
| Total                           |                               | 100%                              |                         |                               | 100%                              |                         |

In 2025, recycled or reused content increased for aluminum, copper, iron and steel, and nickel. The largest increases in percentage points were recorded for nickel, from 0.46% to 3.79%, and aluminum, from 0% to 1.47%. Copper increased from 0.01% to 0.44%, while iron and steel reached 0.04%.

Despite this progress, recycled or reused content remained low across the main metal categories, indicating further opportunities to improve material circularity.

To support continued progress, we provide employees and suppliers with training on circular economy principles, sustainable procurement, and product carbon assessment. These activities strengthen awareness, share practical knowledge, and support more sustainable sourcing and material management practices across our value chain.

Management of emerging substances of concern: Anticipating regulatory and material risks

An important part of improving material efficiency is selecting materials and chemicals that support product circularity. We therefore manage substances of concern that may hinder material reuse, recycling, or recovery.

Since 2020, all our plants have used solvent-free insulation paint in place of conventional solvent-based paint. This has reduced emissions of volatile organic compounds (VOCs) while maintaining product performance.

We also take a precautionary approach to selecting flame retardants and plasticizers. Since introducing our Halogen-Free Standard in 2007, we have progressively phased out selected halogenated substances.

By 2023, we had also eliminated certain phosphorus-based flame retardants identified as presenting high biotoxicity risks.

To prepare for future regulatory developments, we monitor chemical regulations, including the Restriction of Hazardous Substances Directive (RoHS), the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation, regulations on the Persistent Organic Pollutants (POPs) Regulation, and the Toxic Substances Control Act (TSCA). We also assess substances that may become subject to future restrictions.

For example, in 2024, Dechlorane Plus (DP) was added to our environmentally controlled substances list ahead of anticipated restrictions under the Stockholm Convention and EU POPs Regulation. Four plasticizers expected to be added to China RoHS requirements in

Breakdown of metal inflows and recycled or reused content

| 2024             |                         |                              | 2025                    |                              |
|------------------|-------------------------|------------------------------|-------------------------|------------------------------|
| Material (Metal) | Weight<br>(metric tons) | Recycled/<br>Reused rate (%) | Weight<br>(metric tons) | Recycled/<br>Reused rate (%) |
| Aluminum         | 23,419                  | 0.00%                        | 23,992                  | 1.47%                        |
| Cobalt           | 0                       | 0.00%                        | 0                       | 0.00%                        |
| Copper           | 24,792                  | 0.01%                        | 34,924                  | 0.44%                        |
| Iron/Steel       | 114,991                 | 0.00%                        | 155,533                 | 0.04%                        |
| Nickel           | 62                      | 0.46%                        | 73                      | 3.79%                        |
| Lithium          | 561                     | 0.00%                        | 410                     | 0.00%                        |
| Titanium         | 0                       | 0.00%                        | 0                       | 0.00%                        |

2027 had also already been incorporated into our management procedures.

We are currently placing particular focus on per- and polyfluoroalkyl substances (PFAS). Following the launch of a group-wide PFAS inventory program in 2023, we have been working with suppliers to identify and validate lower-impact alternatives, with implementation planned from 2026 onwards.



Resource outflows:

# Designing for circularity across the product life cycle

## Products and services

Product design plays a central role in connecting resource inflows and outflows. By integrating circular design principles across the product life cycle, we aim to reduce material use, support material recovery, extend product life, and minimize waste generation.

The table to the right summarizes the strategies applied at each stage of the product life cycle:

In 2025, we also provided circular design training focused on circular product design, the selection of lower carbon and recycled materials, product life extension, and the recovery of residual product value.

Practical applications include the use of recycled plastics and metals, paper-based packaging, and the design of recyclable components. These measures support the development of innovative, clean, and energy-efficient products while responding to environmental objectives and customer expectations.

| Product life cycle stage        | Strategies                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Product design                  | <ul style="list-style-type: none"><li>• Consider the full life cycle, including raw materials, energy, water, and waste</li><li>• Apply modular design principles</li></ul>                                                                                                                                                                                                 |
| Raw materials                   | <ul style="list-style-type: none"><li>• Lightweight product design</li><li>• Adopt more sustainable packaging materials</li><li>• Increase the use of renewable, recycled, or recyclable materials</li><li>• Promote sustainable supply chain practices</li><li>• Support local procurement where appropriate</li><li>• Manage chemicals and hazardous substances</li></ul> |
| Manufacturing and assembly      | <ul style="list-style-type: none"><li>• Apply green building practices at production sites</li><li>• Implement energy conservation, water conservation, and waste reduction measures</li><li>• Recover and recycle resources</li><li>• Increase the use of renewable electricity</li></ul>                                                                                  |
| Transportation and distribution | <ul style="list-style-type: none"><li>• Reduce packaging volumes</li><li>• Use lightweight product design</li><li>• Improve transportation efficiency</li></ul>                                                                                                                                                                                                             |
| Use phase                       | <ul style="list-style-type: none"><li>• Improve product energy efficiency</li></ul>                                                                                                                                                                                                                                                                                         |
| End of life                     | <ul style="list-style-type: none"><li>• Use recyclable materials</li><li>• Design products for easier dismantling and recycling</li><li>• Comply with applicable environmental regulations, including the EU Waste Electrical and Electronic Equipment (WEEE) Directive</li></ul>                                                                                           |



Waste:

# Increasing diversion and recovering material value

To strengthen waste management and recover value from discarded materials, we established the Water Conservation and Waste Reduction Management Committee in 2016.

Through the analysis of waste streams and identification of reuse opportunities,

the Committee supports our objective of reducing resource consumption, increasing material circularity, and diverting waste from disposal.

Since 2019, we have progressively adopted the [UL 2799 Zero Waste to Landfill certification](#) program.

The program supports waste diversion through a hierarchy of reduction, reuse, recycling, and, where necessary, energy recovery. The number of certified production plants has increased yearly.

As of 2025, most production plants included in our certification target had obtained UL 2799 certification, totaling 14 certifications. Five plants achieved the highest Platinum certification level.

We have set a target for production plants within scope to achieve a 100% waste diversion rate. In 2025, the diversion rate reached 100%, compared with 99% in 2024. We have also set a target to achieve 100% waste diversion across all operating sites by 2050.



Recycling and reusing of packaging and transport materials at production plants

| Initiative                         | Partners                       | Approach                                                                                    | 2025 Results                                                                                                                                                                                                        |
|------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Packaging material recycling       | Major processing manufacturers | Recycling packaging materials used for products                                             | Packaging material recycling generated cost savings of approximately 23.35 MUSD. Of the packaging materials recycled, plastic accounted for 82.82%, paper packaging for 17.15%, and cushioning packaging for 0.03%. |
| Reuse of carriers (plastic frames) | Local component suppliers      | Use reusable plastic carriers to transport casings and materials instead of cardboard boxes | Reusable carriers replaced approximately 790,000 cardboard boxes, reducing packaging costs by approximately 1.92 MUSD.                                                                                              |
| Pallet recycling and reuse         | Local suppliers                | Recycle and reuse wooden pallet components                                                  | Approximately 160,000 pallets were recycled, generating savings of approximately 1.58 MUSD in pallet costs.                                                                                                         |



Waste flows across our value chain

We implement waste reduction measures across our operations and collaborate with value chain partners to support resource efficiency and circular material flows where feasible. Key initiatives include the reuse and recycling of packaging materials and process improvements to reduce material consumption.

In 2025, our global operations generated 89,157 metric tons of waste. Of this total, 87,350 metric tons were diverted from disposal through recycling, reuse, or other recovery processes, resulting in a waste diversion rate of 98% for global operating sites.

During the year, we implemented 18 waste-reduction and circular economy initiatives across our global operations. These included improvements to fan hot runner molds and material carriers, as well as the reuse of plastic boxes. Together, these initiatives reduced waste generation by 204 metric tons and generated cost savings of approximately 0.15 MUSD.

We also collaborate with value chain partners to reduce waste through packaging material recycling, lower material use in production processes, and the reuse of cartons, pallets, and trailers. Revenue generated from the sale of recyclable materials totaled 39.50 MUSD.

|                                                              |                      | Percentage (%) | Total Weight<br>(metric tons) | Non-hazardous waste<br>(metric tons) | Hazardous waste<br>(metric tons) |
|--------------------------------------------------------------|----------------------|----------------|-------------------------------|--------------------------------------|----------------------------------|
| Waste reduction in manufacturing processes                   | In-house treatment   | 2.8%           | 2,533                         | 2,242                                | 291                              |
| Reuse of cartons, pallets, trailers, and packaging materials |                      | 13.4%          | 11,973                        | 11,960                               | 13                               |
| Recycling                                                    | Outsourced treatment | 75.0%          | 66,820                        | 61,454                               | 5,366                            |
| Waste-to-energy recovery                                     |                      | 6.8%           | 6,024                         | 5,200                                | 824                              |
| Incineration without energy recovery                         |                      | 0.2%           | 201                           | 154                                  | 47                               |
| Landfill                                                     |                      | 1.8%           | 1,606                         | 1,588                                | 18                               |
| Total                                                        |                      | 100%           | 89,157 <sup>1</sup>           | 82,598                               | 6,559                            |

Note 1: Total waste is calculated according to the UL 2799 methodology and includes waste reduced or avoided through process improvements, as well as materials reused.





S1

# Own workforce

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# Workforce impacts, risks, and opportunities

We have identified material impacts, risks, and opportunities related to our own workforce.

From an impact perspective, positive impacts include fair compensation and reasonable working hours, work-life balance and employee well-being, employee reskilling and upskilling, and the

promotion of an inclusive, discrimination-free workplace. Negative impacts relate to workplace injuries and accidents.

From a financial perspective, talent development has been identified as a material opportunity due to its contribution to our long-term growth, competitiveness, and business resilience.





# Our workforce: Employee profile and workforce composition

At the end of 2025, we employed 80,408 globally, down 1,119 from 2024. The figures and tables below illustrate the regional, gender, and country breakdown of employees as of December 31, 2025.

## Employees by region

| Region         | 2024   | 2025   |
|----------------|--------|--------|
| Taiwan         | 15,981 | 16,795 |
| China Mainland | 41,583 | 43,514 |
| Asia Pacific   | 19,132 | 14,649 |
| EMEA           | 3,189  | 3,663  |
| Americas       | 1,642  | 1,787  |

The number of employees in Taiwan and Mainland China increased slightly compared with 2024, by 5.1% and 4.6%, respectively. This was mainly due to the expansion of R&D platforms and new business growth.

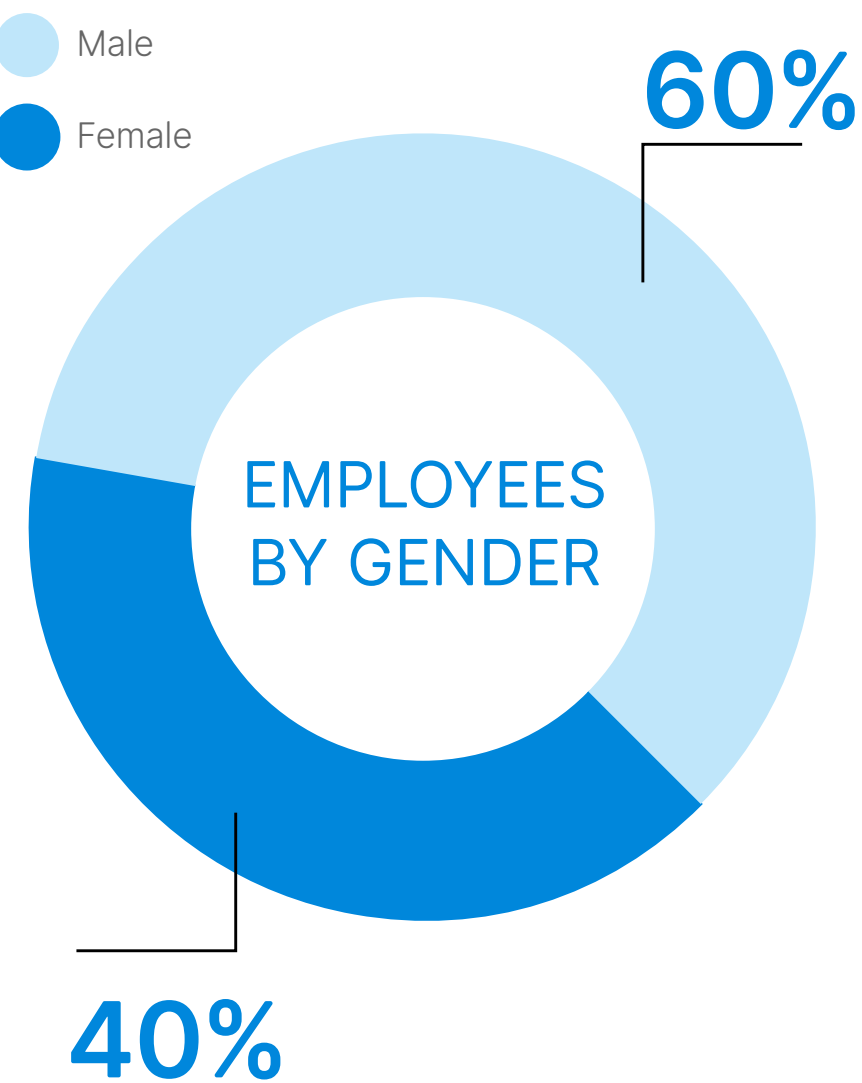
EMEA and the Americas also recorded increases in employee numbers, growing by 14.9% and 8.8%, respectively, compared with 2024.

In Asia Pacific, the number of employees decreased by 23.4% compared with 2024. This was mainly due to a statistical reclassification that moved locally employed dispatched workers from the employee category to the non-employee category.

## Employees by gender

| Gender       | 2024   | 2025   |
|--------------|--------|--------|
| Male         | 45,364 | 48,119 |
| Female       | 36,158 | 32,289 |
| Other        | 5      | 0      |
| Not reported | 0      | 0      |

In 2025, women represented 40.2% of our employees, down from 44.4% in 2024. Employees with disabilities represented 0.9% of our workforce (715 employees).



## Employees by age

| Age           | 2025   | % of total |
|---------------|--------|------------|
| Under 30      | 20,837 | 25.9%      |
| 30 – 49       | 52,348 | 65.1%      |
| Over 49       | 6,915  | 8.6%       |
| Not disclosed | 308    | 0.4%       |

## Voluntary turnover rate<sup>1</sup>

| Metric                                         | 2024 | 2025 |
|------------------------------------------------|------|------|
| Turnover monthly average rate (%) <sup>2</sup> | 1.4  | 1.5  |

Note 1: The number does not include involuntary leave, such as dismissal, redundancy, retirement, or expiry of a fixed-term contract or internship.

Note 2: Monthly average turnover rate is calculated by dividing the monthly average number of departures by the average annual headcount, where average annual headcount is defined as the sum of the headcount at the beginning and end of the year divided by two.

## Number of permanent employees

|        | 2024   | 2025   |
|--------|--------|--------|
| Male   | 44,960 | 47,809 |
| Female | 35,938 | 32,098 |
| Total  | 80,898 | 79,907 |

## Number of temporary employees

|        | 2024 | 2025 |
|--------|------|------|
| Male   | 404  | 310  |
| Female | 220  | 191  |
| Total  | 624  | 501  |

We did not hire any non-guaranteed-hours employees in 2025.

## Number of non-employees in our workforce

|       | 2024   | 2025   |
|-------|--------|--------|
| Total | 10,436 | 10,393 |

Non-employees in our workforce are primarily dispatch workers, contractors, and consultants as of December 31, 2025. Migrant workers accounted for 79.7% of our non-employee workforce in 2025.

In 2025, the number of non-employees decreased, mainly due to reduced reliance on short-term dispatched workers following improvements in production efficiency. This decrease was partially offset by higher demand for professional contractors, including security and maintenance personnel, to support business expansion and growing equipment and service maintenance needs.



Engaging with our workforce:

# Active listening and responding

We engage with our workforce through a combination of regular and real-time communication channels designed to understand employee perspectives, support constructive dialogue, and identify opportunities for improvement.

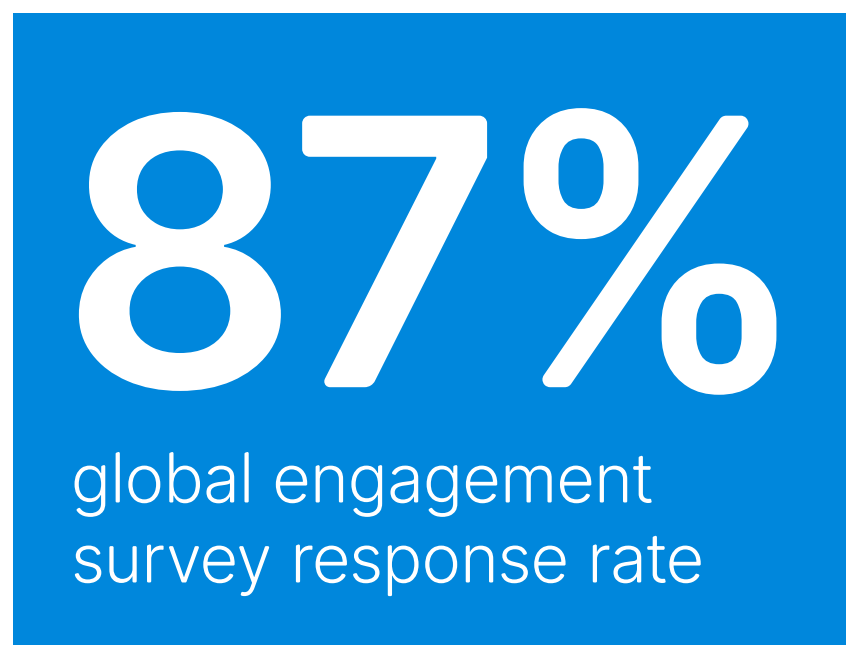




These channels include global engagement surveys, formal labor-management communication, real-time feedback mechanisms, grievance and whistleblowing channels, and targeted initiatives to strengthen inclusive leadership and cross-generational communication.

### Global employee engagement and opinion surveys

We conduct biannual employee engagement surveys at all our global sites, complemented by regional employee opinion surveys. These surveys give employees opportunities to share their views on topics such as employee well-being, talent development, workplace culture, leadership, and working conditions.



The most recent global engagement survey was conducted in 2024 and is described in our [2024 CSRD Report](#). The response rate was 87%, with an overall engagement score of 90 points. The areas showing the greatest improvement were

“Trust Leadership Team” and “Diversity and Inclusion.” Such survey results are used to inform workforce-related initiatives, improvement actions, and management priorities.

### Labor-management communication channels

We maintain formal communication mechanisms, including Employee Welfare Committee meetings, labor-management meetings, union and collective bargaining meetings where applicable, seminars for executives, employees, and migrant workers, plant communication forums, and communication meetings for new employees.

These channels support regular dialogue between employees and management on workplace matters, employee concerns, and opportunities to improve the working environment.

### Real-time employee feedback mechanisms

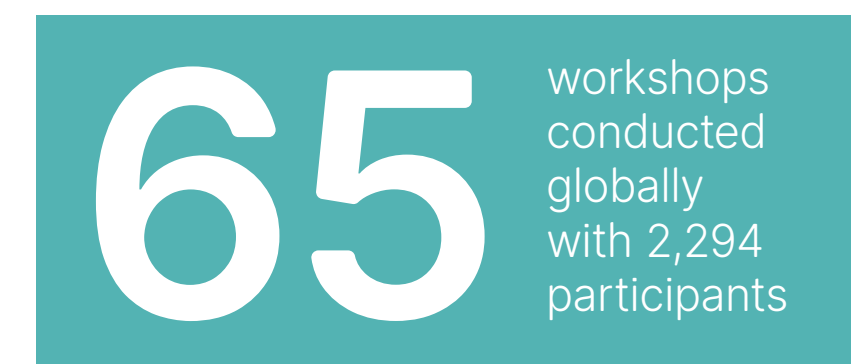
We provide multiple feedback channels through which employees can raise

concerns, request support, or provide feedback. These include HR service stations, Employee Assistance Program (EAP) hotlines, employee feedback mailboxes, grievance and whistleblowing channels, mobile application feedback channels, online discussion boards, and dedicated communication channels for migrant workers.

These mechanisms are designed to provide accessible, confidential, and timely communication opportunities to support a psychologically safe environment for our workforce. Further information on grievance and whistleblowing channels is provided in the [Business Conduct \(G1\) chapter](#).

### Cross-generational communication and leadership development

To foster an inclusive workplace culture, we conduct Core Value Workshops that help managers better understand the communication styles, expectations, and working preferences of employees from different generations.



In 2025, we conducted 65 workshops globally, with 2,294 participants. Insights

gathered from these activities support more effective and inclusive workplace communication.

### Addressing adverse workforce impacts

We use a prevention, response, and remediation approach to address adverse impacts on our workforce.

When incidents are reported, we initiate timely investigations in accordance with established procedures. These may include investigations, review meetings, conclusions, notification of relevant parties, filing, and case closure. For major cases, an Emergency Investigation Committee may be established. External legal, psychological, or medical experts may also participate in the investigation process where appropriate.

Remediation and support are tailored to the nature of the impact. This may include psychological counseling, Employee Assistance Program (EAP) services, and other well-being support measures. For employees affected by significant cases, we provide access to individual counseling with no limit on the number of sessions.

To prevent recurrence, we review past cases, conduct risk reassessments, and implement mitigation measures. Lessons learned are incorporated into management practices, training programs, and employee communications.

In 2025, we continued to implement our CARE employee care project, focused on “Connect, Assist, Resource, Enhance.”



Workforce policies and management approach:

Clear standards for how we work

We have implemented a set of group-wide policies that define our approach to employee wellbeing, human rights, occupational health and safety, diversity and equal treatment, learning and development, and data protection.

These policies establish the principles, responsibilities, and minimum requirements that guide workforce-related practices across our organization. They apply to all employees within our own operations and support our commitment to providing a safe, respectful, and inclusive workplace.

Collectively, these policies help prevent and mitigate the adverse impacts on our workforce while promoting fair employment practices, equal opportunities, and compliance with applicable laws and standards. The key policies and their scope are presented in the table below:

| Policy                                                                      | Material topics addressed                                                                                                                                                                                               | Key stakeholders and scope                                                                                                   |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Delta Group Code of Conduct                                                 | <ul style="list-style-type: none"><li>• Health and safety</li><li>• Diversity and equal treatment</li></ul>                                                                                                             | All Delta members*, affiliated companies, subsidiaries                                                                       |
| Delta Group Human Rights and Employment Policy                              | <ul style="list-style-type: none"><li>• Working conditions</li><li>• Health and safety</li><li>• Diversity and equal treatment</li><li>• Labor-related human rights</li><li>• Training and skills development</li></ul> | All Delta members*, subsidiaries, business partners, suppliers, contractors                                                  |
| Delta Group Environmental, Safety and Health Policies                       | <ul style="list-style-type: none"><li>• Health and safety</li><li>• Labor-related human rights</li></ul>                                                                                                                | All Delta employees, subsidiaries, suppliers, contractors, other key partners                                                |
| Non-Discrimination and Anti-Harassment Policy                               | <ul style="list-style-type: none"><li>• Diversity and equal treatment</li><li>• Training and skills development</li><li>• Labor-related human rights</li></ul>                                                          | All collaborative services, subsidiaries, business partners, suppliers, and contractors                                      |
| Delta Group Information Security and Personal Information Protection Policy | <ul style="list-style-type: none"><li>• Working conditions</li></ul>                                                                                                                                                    | Delta Electronics Inc. and its subsidiaries, affiliates, and companies with direct or indirect substantive control worldwide |

\*All Delta members, including employees, managers, Board of Directors, and supervisors



### Delta Group Code of Conduct

Our Code of Conduct (CoC) lays the foundation for responsible business conduct and fosters a safe, respectful, and inclusive working environment. The Code supports compliance with applicable labor and employment laws and sets mandatory standards relating to equal treatment, non-discrimination, anti-harassment, workplace health and safety, personal data, and privacy.

For more information on how the CoC is applied in our business and across supplier-related processes, see the [Business Conduct \(G1\)](#) and [Workers in the value chain \(S2\)](#) chapters.

### Delta Group Human Rights and Employment Policy

Our Human Rights and Employment Policy reflects our commitment to upholding international labor standards and promoting ethical, fair, and safe practices across our operations and value chain. It addresses topics including diversity, equity, and inclusion (DEI), non-discrimination, fair wages and benefits, working hours, freely chosen employment, the prohibition of forced labor and child labor, freedom of association, workplace health and safety, ethics, and value chain responsibility.

In 2025, we updated the policy to strengthen alignment with international labor standards and frameworks including the UN Global Compact (UNGC), Universal

Declaration of Human Rights (UDHR), International Labor Organization (ILO) Tripartite Declaration, the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the Responsible Business Alliance (RBA) Code of Conduct, and the SA8000 Standard issued by Social Accountability International (SAI).

The 2025 updates included a more transparent limit on total weekly working hours, additional commitments regarding living wages, and requirements for notifications and actions related to mass layoffs, in accordance with local laws and regulations. It also further strengthened our zero-tolerance approach to discrimination, harassment, inhumane treatment, and abusive conduct.

The policy is implemented through internal management systems, training, audits, whistleblowing channels, grievance mechanisms, and periodic due diligence processes.

### Environmental, Safety, and Health Policies

Our Environmental, Safety, and Health Policies outline our approach to protecting the health, safety, and well-being of our workforce across global operations. The policies focus on maintaining safe working conditions, preventing occupational injuries and diseases, identifying and managing workplace risks, and strengthening

employee awareness and participation in health and safety practices.

They are implemented through internal environment, health, and safety (EHS) management systems, target setting, training, risk assessments, and continuous improvement processes. They also support stakeholder communication and encourage employee participation in identifying and reducing workplace health and safety risks.

### Non-Discrimination and Anti-Harassment Policy

Our Non-Discrimination and Anti-Harassment Policy reflects our commitment to maintaining a workplace based on mutual respect, equality, and inclusion. The policy establishes a zero-tolerance approach to discrimination, harassment, bullying, violence, and other inappropriate workplace behavior.

It covers employment-related practices including recruitment, compensation, promotion, education, training, termination, and other working conditions. It prohibits discrimination based on characteristics such as age, gender, ethnicity, religion, disability, sexual orientation, political affiliation, or any other legally protected status.

Confidential reporting, investigation, and remediation procedures, employee training, and awareness programs support the policy.



### Delta Group Information Security and Personal Information Protection Policy

Our Information Security and Personal Information Protection Policy establishes the overarching guidelines for protecting employees' personal data and privacy.

For more information on how this policy applies to information security management, see the [Business Conduct \(G1\)](#) chapter.



Working conditions:

# Supporting fair, safe, and resilient work

To support employee well-being and sustainable workforce development, we implement a range of actions to improve working conditions across our global operations.



These actions focus on supporting physical and mental well-being, promoting work-life balance, providing adequate wages and social protection, and maintaining constructive labor-management relations. Together, they contribute to a more resilient workforce.

#### Adequate wages

We are committed to providing wages that enable employees to cover basic living expenses, including housing, food, clothing, and transportation, and contribute to a good quality of life.

Across our global operations, employees receive compensation in compliance with statutory minimum wage requirements or minimum wage standards stipulated by local labor laws and regulations. To support wage adequacy monitoring, we have established a living wage database for major operating sites.

To attract and retain talent, we also conduct annual salary reviews in line with our internal compensation policy, pay positioning, and local market conditions.

#### Remuneration mechanism

We tailor our remuneration and pay mix mechanisms to support pay equity, talent attraction, and retention.

In 2025, the gender pay ratio for managers and above reached 1:1 for basic salary, indicating pay parity between male and female employees in these roles. For production operators, female employees generally had a higher pay ratio.

#### Global gender pay ratio

| Position                                              |                                                             | Male | Female |
|-------------------------------------------------------|-------------------------------------------------------------|------|--------|
| Managers and above (Basic Salary)                     |                                                             | 1.0  | 1.0    |
| Managers and above (Total Compensation <sup>1</sup> ) |                                                             | 1.0  | 0.9    |
| Other management roles (Basic Salary)                 |                                                             | 1.0  | 0.9    |
| Other management roles (Total Compensation)           |                                                             | 1.0  | 0.9    |
| Non-management employees (Basic Salary)               | Professionals and administrative personnel                  | 1.0  | 1.0    |
|                                                       | Production operators (including production line assistants) | 1.0  | 1.1    |
| Non-management employees (Total compensation)         | Professionals and administrative personnel                  | 1.0  | 1.0    |
|                                                       | Production operators (including production line assistants) | 1.0  | 1.1    |

Note 1: Total compensation: This includes basic monthly salary, fixed cash remuneration, bonuses, and cash dividends.

#### Gender pay ratio across major production sites

| Region                    | Managers, professionals, and administrative personnel |        | Production operators (including production line assistants) |        |
|---------------------------|-------------------------------------------------------|--------|-------------------------------------------------------------|--------|
|                           | Male                                                  | Female | Male                                                        | Female |
| Taiwan <sup>1</sup>       | 1.0                                                   | 0.8    | 1.0                                                         | 1.0    |
| Mainland China            | 1.0                                                   | 0.9    | 1.0                                                         | 0.9    |
| Asia Pacific <sup>2</sup> | 1.0                                                   | 0.9    | 1.0                                                         | 1.1    |

Note 1: Production operators in Taiwan do not include production line assistants.

Note 2: The Asia Pacific region's production sites are in India and Thailand.

Across our major production sites, the gender pay gap was primarily observed among managers, professionals, and administrative personnel, with the largest gap recorded in Taiwan.

In 2025, the annual total compensation of the highest-paid individual was approximately 258 times the global median annual compensation.

#### Collective bargaining

As of December 31, 2025, 65.4% of our global workforce was covered by collective bargaining agreements, primarily in China, India, Thailand, Europe, and the United States. This increased from 59.3% in 2024, representing a 6.1 percentage point increase.



For employees not covered by collective bargaining agreements, we comply with applicable local labor rights laws and use alternative channels for dialogue and negotiation. These include labor contracts, work rules, and labor-management meetings, which help support fair working conditions and protect employee rights.

#### Social protection

We are committed to supporting employees during key life events that may affect income security. We provide social protection through a combination of statutory insurance programs and company-supported employee benefits,

in accordance with applicable rules in the countries where we operate.

Insurance and healthcare benefits vary by location and may include health insurance, labor insurance, life insurance, commercial insurance, group insurance, disability coverage, emergency assistance service, health consultation, and medical examinations. We also organize initiatives and activities that encourage employees to build and maintain healthy lifestyles.

For retirement support, we provide pension programs in accordance with local regulations. In several regions, we also provide retirement transition plans, consultation, and, where appropriate, opportunities for retired employees to be rehired as consultants to support a smoother transition into retirement.





## Work-life balance

Our PLUS Strategy, “Delta + You, Work Together,” is the main framework for employee well-being. It is designed to promote physical and mental health, strengthen workplace culture, and support employees’ sense of belonging.

The strategy includes preventive healthcare programs, fitness activities,

mental health support, employee and family engagement activities, and community participation opportunities.

We provide family-related leave in accordance with applicable laws and regulations in the countries where we operate. In 2025, 100% of employees globally were entitled to at least one type of family-related leave, including maternity

leave, paternity leave, parental leave, and carer’s leave, depending on local legal requirements and employment conditions.

In some countries, we provide family-related leave and benefits that exceed local legal requirements, including additional maternity leave and paid family carer’s leave in Taiwan.

To support working parents and family well-being, we provide a range of childcare and family-related benefits. Depending on the regions, these may include childcare subsidies, childcare facilities, breastfeeding facilities, nursing rooms, and family-oriented activities. We have implemented flexible working arrangements, subject to operational requirements and local regulations. Depending on the location

and role, employees may have access to flexible working hours, shift adjustments, remote working arrangements, or reduced working hours for childcare responsibilities.

These measures are designed to support work-life balance and help employees manage family and personal responsibilities.





Health and safety:

# Managing workplace safety systematically

We are committed to providing a safe and healthy working environment. We apply a systematic approach to occupational health and safety (OHS) management to identify, assess, and mitigate workplace risks, while strengthening employee well-being and safety across our global operations.



## Global health and safety management

In 2025, we continued to strengthen OHS management by establishing a Global Occupational Health and Safety Administration Office. The office is responsible for coordinating global OHS management matters and supporting the continuous improvement of safety management practices across regions and operations.

Our OHS management system is based on the ISO 45001 framework and follows the Plan-Do-Check-Act methodology. During the reporting period, all our main production plants obtained ISO 45001 certification.

## Global occupational health and safety targets

| Targets                                                                                 | 2024 | 2025 | 2026 |
|-----------------------------------------------------------------------------------------|------|------|------|
| Rate of recordable work-related accidents<br>(Incidents per 1 million hours worked)     | 0.60 | 0.40 | 0.35 |
| Rate of lost-time occupational injuries among employees<br>(per 1 million hours worked) | 0.48 | 0.32 | 0.28 |

To support continuous improvement in occupational health and safety performance, we have established quantitative targets to monitor the effectiveness of our OHS management system and drive improvements in workplace safety.

## OHS risk assessment and management

Our production plants have established OHS hazard identification and assessment mechanisms to identify risks associated with operational activities, workplaces, and equipment. Risk assessments are updated at least annually and are also conducted when operational changes or new activities are introduced.

Where higher-risk situations are identified, we implement control measures based on the order of elimination, substitution, engineering controls, administrative controls, and personal protective equipment. Employees may also stop operations and report unsafe conditions without risk of punishment.

During the reporting period, we introduced smart safety technologies at selected sites to strengthen OHS risk management. At the Wujiang Plant, real-time monitoring systems and smart cameras with image recognition technology were installed to improve safety management for machinery and equipment. These systems support the real-time identification of unsafe conditions and can automatically activate protective measures when necessary, helping reduce employee exposure to high-risk situations.

## Workplace inspections and monitoring

OHS personnel at our sites conduct regular and ad hoc labor safety inspections covering areas such as electrical safety, machinery and equipment management, fire safety, chemical management, workplace conditions, and safe operating procedures. To strengthen chemical safety, we apply source-based chemical management processes across our operations. New chemicals are subject to hazard assessments before use, with priority given to lower-hazard alternatives where feasible. Workplace environmental monitoring is conducted in accordance with local regulations to assess employee exposure to chemical and physical hazards. All regions and plants comply with the Globally Harmonized System (GHS) of Classification and Labeling of Chemicals.

Across all inspection areas, corrective actions are tracked and monitored by responsible teams.





### Work-related accident management

In 2025, we introduced the Global Occupational Health and Safety Incident Reporting Guidelines. This framework requires immediate action in response to incidents, including near misses, work-related accidents, and work-related ill health. Required actions may include first aid, rescue, reporting, investigation, and improvement measures.

The effectiveness of our incident reporting framework is monitored through occupational health and safety performance metrics. The table below presents key occupational health and safety incident metrics for employees and contractors, including fatalities, work-related accidents, work-related ill health cases, and injury rates.

For employees, the total recordable work-related accident rate was 0.52 in 2025, representing a 4% increase compared with 2024 and remaining above our target of 0.40. The lost-time occupational injury rate was 0.40, which was 5.3% higher than in 2024 and above our 2025 target of 0.32. No cases of work-related ill health were identified, and no fatalities from work-related accidents were recorded during the year.



### Occupational health and safety incident metrics

| Metric                                                                               | 2024 | 2025 |
|--------------------------------------------------------------------------------------|------|------|
| <b>Employees</b>                                                                     |      |      |
| Number of fatalities from recordable work-related accidents                          | 0    | 0    |
| Number of recordable work-related accidents                                          | 106  | 117  |
| Rate of recordable work-related accidents (Incidents per 1 million hours worked)     | 0.50 | 0.52 |
| Number of work-related ill health cases                                              | 0    | 0    |
| Rate of lost-time occupational injuries among employees (per 1 million hours worked) | 0.38 | 0.40 |
| <b>Non-employees (contractors)</b>                                                   |      |      |
| Number of fatalities from recordable work-related accidents                          | 0    | 0    |
| Number of recordable work-related accidents                                          | 7    | 1    |
| Rate of recordable work-related accidents (Incidents per 1 million hours worked)     | 0.52 | 0.07 |

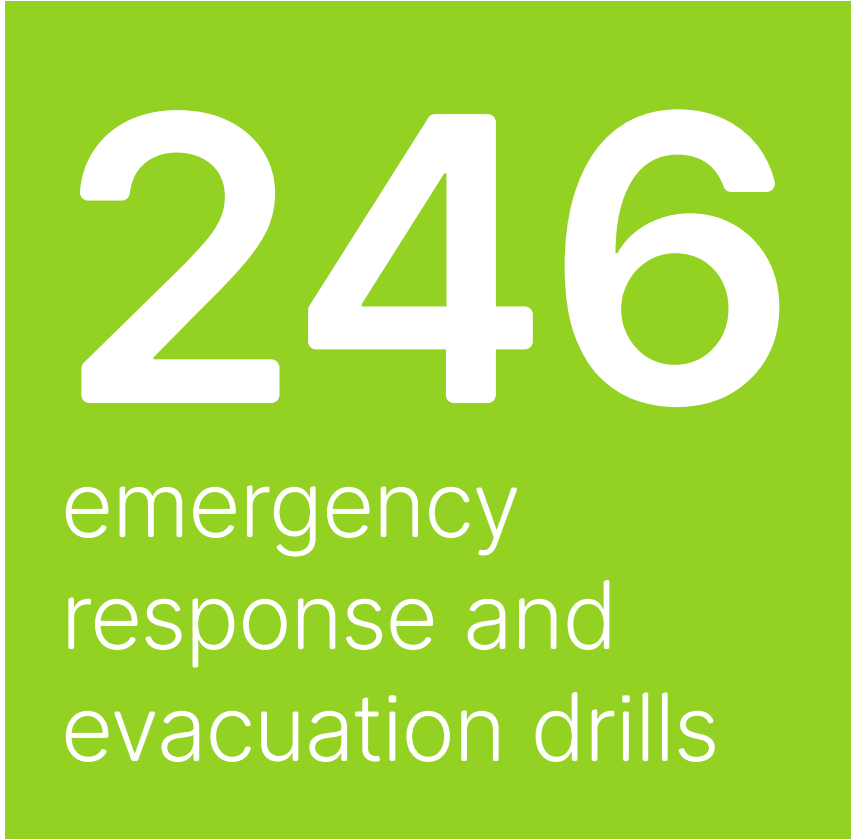
For non-employees, the total recordable work-related accident rate was 0.07 in 2025, representing an 86.5% decrease compared with 2024. This decrease reflects improved performance in contractor safety management during the reporting period.

In response to incident analysis, regional operations implemented improvement measures, including strengthening engineering controls for machinery and equipment, optimizing operating procedures, and enhancing regular reviews and follow-up actions to reduce the occurrence of work-related accidents.

### Health and safety training and emergency preparedness

We continued to strengthen employee health and safety awareness through regular training, communication, and emergency preparedness programs across our operations. Health and safety training covers topics such as workplace safety, electrical safety, and traffic safety and is delivered through a combination of in-person, online, and external training formats. Training effectiveness is evaluated through quizzes, questionnaires, and employee feedback mechanisms.

All response and evacuation drills are based on site-specific operational characteristics. These may include fire response drills, industrial machinery incident response drills, equipment short-



circuit and arc burn incident drills, and other emergency scenarios. In 2025, we conducted 246 emergency response drills, involving approximately 122,000 participants.

We also continued to strengthen contractor safety through mandatory OHS training and assessments before contractors are permitted to enter operational sites.



In 2025, health and safety-related education and training reached 284,000 participants, up from 279,000 participants in 2024. Total training hours also increased over the same period, reaching 604,000 hours in 2025, compared with 521,000 hours in 2024.

Contractor (non-employee) OHS training reached approximately 35,000 participants and totaled approximately 151,000 training hours.



Training and skills development:

# Building skills for a changing workplace

In addition to health and safety training, we support employees' continuous learning, growth, and long-term employability in a rapidly changing environment.



We provide professional, leadership, and AI-assisted learning opportunities to help employees build the capabilities needed for current and future roles. By integrating learning resources, performance management, and talent development programs, we aim to prepare our workforce to be resilient and future ready.

Our targets for the number of training courses and training hours are presented in the table below:

| Metrics                                                   | Target (2025) | Actual (2025) |
|-----------------------------------------------------------|---------------|---------------|
| Average hours of training per person <sup>1</sup> (hours) | 19            | 21.5          |
| Number of training courses                                | 1700          | 1970          |

Note 1: Global average hours of training per person = total hours/total number of employees at the end of 2025.

In 2025, we achieved 116% of our target for the number of training courses provided. Average training hours per person reached 21.5 hours, exceeding the target of 19 hours.

A further breakdown of average training hours per person by gender and region is presented in the table below:

|                | Male | Female |
|----------------|------|--------|
| Taiwan         | 22.8 | 20.7   |
| Mainland China | 25.9 | 24.6   |
| Asia Pacific   | 17   | 12.8   |
| EMEA           | 8.3  | 6.6    |
| Americas       | 6.9  | 7.5    |
| Global average | 21.5 |        |

# 1,729,154

total training hours reached in 2025





## Professional capability development and future readiness

We continue to implement our talent development strategy, “Increase Professionalism, Prepare for the Future, and Collaborate with the World.”

**~2000**  
courses offered

In 2025, we expanded our training programs to support professional competencies and future work skills. Nearly 2,000 courses were offered during the year, totaling more than 960,000 learning hours. We also held six large-scale cross-disciplinary forums to help employees strengthen their professional capabilities and prepare for future workplace needs.

We continued to design and promote our skill certification system through structured training and evaluation, covering areas such as project management, marketing, and sales.

A range of learning formats is available, including in-person and online courses, expert reading sessions, theme-based podcasts, workshops, and mentoring sessions. Through language courses,

AI-driven subtitling and translation, and our global knowledge-sharing platform, Delta Management System (DMS), we also support broader access to learning opportunities for employees worldwide.

### AI development program

To prepare employees for the increasing adoption of artificial intelligence (AI), we established the internal Delta AI Learning Roadmap and implemented AI-powered learning and development initiatives.

Through dedicated programs such as AI Elite and AI Empowerment C, organized by the Talent Sub-Committee, employees receive structured learning pathways ranging from foundational AI literacy to advanced technical specialization.

In 2025, we also launched an AI-powered course-recommendation function to suggest suitable learning resources based on employees’ needs.



### Leadership development program

We continue to strengthen leadership capabilities and organizational resilience through structured leadership development and succession planning programs.

Through the establishment of the Leadership Development Committee (LDC), the Talent Development Committee (TDC), and key programs such as the Strategic Leadership Program (SLP) and Empowering Leadership Program (ELP), we identify and develop high-potential employees and support succession planning for key positions.

Managers at all levels also participate in leadership development programs focused on supportive leadership, coaching dialogue, performance feedback, and cross-generational communication. These programs help build more inclusive, effective, and growth-oriented teams.

### Global mobility and cross-regional development

To enhance collaboration and employee experience, we promote global talent mobility, job rotation, and international assignment opportunities through our Expatriation & Rotation Acceleration (ERA) policies.

These opportunities provide employees with cross-functional, cross-organizational, and cross-regional experiences, helping them build international perspectives,

collaboration and leadership capabilities, and adaptability in a global business environment.

### Performance management and career development

Our Performance Management and Development (PMD) framework focuses on target alignment, continuous feedback, and talent development.

At the beginning of each year, organizational objectives are cascaded into individual performance indicators (IPI). Employees also establish competency performance indicators (CPI) and individual development plans (IDP) based on their roles and future career aspirations.

Throughout the year, managers and employees engage in ongoing dialogue and quarterly performance check-ins to review progress and ensure alignment with objectives.

Key decisions, such as salary adjustments and promotions, are reviewed collectively by the Leadership Development Committee (LDC) and the Talent Development Committee (TDC), based on performance records.



Labor-related human rights:

# Protecting rights across our workforce

We are committed to respecting international human rights standards and complying with applicable local regulations. We continue to strengthen human rights management across our global operations through internal controls, training, due diligence, grievance channels, and corrective actions.



In 2025, we updated internal management regulations, conducted human rights policy training for employees, and completed annual human rights due diligence to protect employee rights and support the implementation of human rights standards across our operations.

### Human rights due diligence

As described in the sustainability due diligence section – [Managing impacts with due diligence](#) - we conduct regular human rights due diligence in line with the Organization for Economic Co-operation and Development (OECD) due diligence process.

**100%**  
of own operations  
covered in 2025

In 2025, we completed human rights due diligence and risk assessment covering 100% of our own operations and joint ventures in which we hold more than 10% shareholding.

For our own operations, health and safety was identified as a medium-risk area. For covered joint ventures, working hours

were identified as a medium-risk area. Mitigation and remediation measures are implemented for identified risks.

For health and safety, these measures include maintaining the ISO 45001 management system, incorporating ISO 45003 into risk assessments, strengthening communication on safety practices, and enhancing the management of protective equipment, among other measures described in the [Health and safety](#) section.

**79,980**  
participants in human  
rights policy training

We also provide training on our human rights policy. In 2025, this training recorded 79,980 person-times globally, with a 96.3% completion rate and 14,663 training hours.

More detailed information on the process and outcomes of these assessments is summarized in the 2025 Human Rights Due Diligence Report and Modern Slavery Statement, prepared in line with the UK Modern Slavery Act.



### Global labor compliance management system

We continue to enhance our global labor compliance system through the Global Human Resources Compliance Team and Human Resources Compliance Management Framework.

The framework supports consistent implementation of labor and human rights requirements across regions. This includes regular reviews of local labor regulations, evaluation of the effectiveness of human resources internal controls, revision of policies and systems, and audits of human rights standards.

### Prevention of unlawful infringement in the workplace

We apply a zero-tolerance approach to discrimination, harassment, workplace

violence, and other forms of unlawful infringement. Accessible complaint channels are available globally to support named or anonymous reporting. Further information on grievance and whistleblowing channels is provided in the [Business Conduct \(G1\)](#) chapter.

Reported cases are investigated independently and handled in accordance with established procedures, while ensuring that necessary protection and support are provided to affected individuals.

In 2025, we received 805 employee feedback reports and complaints globally. These included 87 labor standards cases, comprising 42 cases in Taiwan and 45 cases in other regions. All reports and appeals were closed in 2025.

During the year, 14 sexual harassment cases were reported, of which eight were substantiated following investigation. Appropriate corrective measures were implemented in accordance with the Sexual Harassment Prevention Management Regulations.

In addition, 32 cases of unlawful workplace infringement were reported. We investigated all reported cases and convened the Workplace Unlawful Infringement Complaint Handling Committee to provide timely support, protection measures, and remediation for affected employees, where appropriate.

A total of four labor-management dispute complaints were also reported. These were processed in accordance with the labor consultation procedure.



Diversity and equal treatment:

# Building an inclusive workplace

As our global workforce becomes more diverse, we strive to create a workplace that respects different generations, cultures, backgrounds, and perspectives. We aim to ensure that every employee has the opportunity to participate, contribute, and develop.



Through courses and workshops, employee resource groups (ERGs), and targeted support for women, migrant workers, employees with disabilities, and other underrepresented groups, we continue to strengthen an inclusive and respectful working environment.

### Inclusion as a core Delta value

We have promoted the concept of inclusion across our global operations since 2020 and formally incorporated inclusion into our corporate core values in 2023.

**65** in-person core values workshops held

In 2025, we launched our Delta Core Values online courses and held 65 in-person core values workshops, with a total of 2,294 participants. These activities help employees deepen their understanding of our values and encourage inclusive behavior in daily work and interactions.

**32.5%** women in all managerial positions

### Women in managerial positions

As described in the General Disclosures (ESRS 2) chapter, women represented 40.2% of our total employees in 2025. This is higher than the average female representation of 22.5% in science, technology, engineering, and mathematics (STEM) fields.

Women are also represented in management roles across Delta. Our target is for women to represent 32% of all managerial positions. The gender distribution at the management level in 2025 is presented in the table below:

In 2025, we continued to meet our target of 32% women in all managerial positions.

| Position                                             | Female % | Male % |
|------------------------------------------------------|----------|--------|
| Top management positions <sup>1</sup>                | 14.9%    | 85.1%  |
| Entry-level management positions <sup>2</sup>        | 54.3%    | 45.7%  |
| All managerial positions                             | 32.5%    | 67.5%  |
| Revenue-generating <sup>3</sup> management positions | 21.2%    | 78.8%  |

Note 1: Top management positions: above the manager level.

Note 2: Entry-level management positions: senior team leaders or team leaders.

Note 3: Revenue-generating management positions: managerial roles involving business planning and operations.

### Supporting diverse and underrepresented groups

We implement targeted initiatives to support diverse employee groups, including employees with disabilities, migrant workers, and employees from different generations and cultural backgrounds.

In 2025, we employed 715 people with disabilities, representing 0.9% of our workforce. This reflects our continued commitment to diversity and inclusion in recruitment and workplace participation.

Our four employee resource groups, Women@Delta, Cross-Generation@Delta, Global Family@Delta, and the Parent Club, provided dedicated platforms for dialogue, resource sharing, and employee participation.

We also promote awareness of diversity and inclusion through International Women's Day campaigns, the Workplace Inclusion Encyclopedia, the Voice of Delta podcast, national festival celebrations, cross-team activities, cultural exchange

activities, and training programs on non-discrimination and anti-harassment. These initiatives help strengthen understanding of a diverse, inclusive, and respectful workplace.

### Caring for migrant workers and minority groups

We recognize migrant workers as an important part of our workforce. In 2025, Delta had a total of 8,285 migrant workers, which represented 79.7% of our non-employee workforce.

**8,285** total migrant workers

To help prevent disadvantage and unfair treatment in recruitment, we apply a zero-fee recruitment approach in line with Responsible Business Alliance (RBA) requirements. We also support migrant workers' long-term career development through retention, internal referral, and skills development programs.

In addition, we provide 24-hour dormitory support, dedicated feedback channels, well-being check-ins, and language training to help migrant workers adapt to their working and living environment.



S2

# Workers in the value chain

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# Value chain worker impacts, risks, and opportunities

We have identified material impacts, risks, and opportunities (IROs) related to workers in the value chain.

From an impact perspective, positive impacts include promoting responsible mining practices in the supply chain. Negative impacts relate to potential human rights impacts arising from upstream raw material extraction activities.

From a financial perspective, sustainable supplier management has been identified as a material risk. Failure to manage this risk could expose us to supply chain disruption, reputational damage, and financial penalties.





Engagement with workers in the value chain:

# Strengthening worker voice through supplier engagement

We recognize the important roles workers in the value chain play in supporting a responsible and sustainable supply chain. We engage with workers in the value chain primarily through our suppliers in the form of sustainability assessments, on-site ESG audits, supplier training programs, grievance channels, and ongoing communication.

## Grievance mechanism

We provide channels for workers in the value chain to raise concerns regarding misconduct, corruption, labor issues, or

unethical behavior through the formal grievance procedure communicated in our Supplier Code of Conduct.

Concerns may be reported through dedicated email addresses. We prohibit retaliation against individuals who raise concerns in good faith.

## Remediation process

When significant issues or non-conformities are identified through supplier sustainability assessments, audits, or grievance mechanisms, we require suppliers to implement improvement plans

within specified timelines. We monitor progress through written reviews, follow-up communication, and, where needed, on-site inspections.

For major or repeated violations, where improvement plans are not provided or implemented promptly, we may suspend cooperation or terminate supplier relationships in accordance with internal procedures and the Supplier Code of Conduct.

Suppliers that have not completed required improvement plans are included in our

annual tracking list. Follow-up audits may be arranged in the following year to confirm the status of improvements.

We also support remediation and continuous improvement by providing supplier training, guidance materials, and capability-building programs. These activities aim to strengthen labor rights protection, climate change and disclosure, environmental management, occupational safety practices, and ethical business conduct across the value chain.



Policies and standards for workers in the value chain:

# Setting expectations across the supply chain

| Policy                               | Material topics addressed                                                                                                                                                                                                                                                                                              | Key stakeholders & scope                                                                                |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Delta Group Supplier Code of Conduct | <ul style="list-style-type: none"><li>Working conditions (working hours, wages)</li><li>Labor-related human rights (forced labor, trafficking, child labor, humane treatment)</li><li>Non-discrimination, anti-harassment</li><li>Freedom of association and collective bargaining</li><li>Health and safety</li></ul> | All Delta suppliers. Tier 2 suppliers, contractors, and service providers are also encouraged to apply. |
| Responsible Sourcing Policy          | <ul style="list-style-type: none"><li>Labor-related human rights</li></ul>                                                                                                                                                                                                                                             | Delta Electronics and its subsidiaries under operational control, upstream suppliers, and partners      |

Note: The Delta Group Human Rights and Employment Policy, Delta Group Environmental, Safety and Health Policies and Non-Discrimination and Anti-Harassment Policy as described in the Own workforce (S1) chapter also outline our commitment to ensuring a safe, inclusive, and ethical work environment for workers in the value chain.

**Supplier Code of Conduct**

We have established the Delta Group Supplier Code of Conduct, which is based on the Responsible Business Alliance (RBA) Code of Conduct and aligned with internationally recognized frameworks. These include the UN Guiding Principles (UNGPs) on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the UN Universal Declaration of Human Rights.

The Code sets out expectations for suppliers across seven areas: climate change, labor, occupational health and safety, environment, ethics, management systems, and supply chain management.

For labor-related topics, the Code addresses forced labor, child labor,

discrimination, harassment, freedom of association, working conditions, and fair wages, with particular attention to potentially vulnerable groups.

Suppliers are required to communicate and implement these requirements across their own supply chains. Compliance is monitored through ongoing engagement, assessments, audits, corrective actions, and grievance mechanisms.

Grievance channels and whistleblower protections are also in place for reporting suspected non-compliance.

**Responsible Sourcing Policy**

Our Responsible Sourcing Policy aims to ensure that procurement activities and sourcing decisions align with responsible business conduct principles, including human rights, labor rights, ethical sourcing, supply chain transparency, and traceability.

Under this policy, our suppliers are required to use smelters verified through the Responsible Minerals Assurance Process (RMAP), as defined by the Responsible Minerals Initiative (RMI).

The policy includes due diligence on conflict minerals, the use of third-party certifications, the promotion of sustainable and recycled materials, and the avoidance of sourcing from ecologically or socially high-risk, conflict-affected areas.

It is aligned with the OECD Guidelines for Multinational Enterprises, ILO conventions, and the UN Global Compact (UNGC).



# Supplier relationship management

## Embedding ESG criteria into supplier selection and evaluation

We incorporate ESG factors into supplier onboarding and performance management.

All new suppliers are required to sign the Delta Group Supplier Code of Conduct, the Delta Integrity Agreement, environmental protection commitments, and conflict minerals declarations. Going forward, we also aim to include the [Delta Group Anti-Corruption and Anti-Bribery Policy](#), with requirements aligned with ISO 37001 standards.

In addition to conventional procurement criteria such as quality, delivery, technology, cost competitiveness, and hazardous substance management, we evaluate suppliers' sustainability capabilities through ESG-related documentation and assessments. Suppliers must complete these evaluations before becoming qualified suppliers.

Supplier evaluations cover labor practices, environmental management, occupational health and safety, ethics, and other sustainability-related factors.

We also integrate ESG criteria into quarterly business reviews (QBRs), where ESG risk management and sustainability performance account for 10% of the overall supplier evaluation weighting.

Within this ESG weighting, suppliers are assessed based on:

1. Sustainability risk management through our annual ESG risk questionnaire, 60%
2. Submission of GHG emissions data, 10%
3. Verification of GHG emission inventories in accordance with ISO 14064-1, 30%

Suppliers with strong ESG performance may receive preferential business opportunities. Suppliers with persistent deficiencies may face corrective actions, suspension, or termination of cooperation if improvement measures are not implemented.

## Supplier ESG performance improvement and engagement

We conduct annual ESG risk assessments for direct (Tier 1) suppliers through structured questionnaires.

We define Tier 1 suppliers as suppliers with annual procurement value exceeding approximately US\$160,000 and direct transactions for more than one year.

The questionnaires cover seven major components: climate change and disclosure, labor, occupational health and safety, environment, ethics, management systems, and supply chain management.

## A non-exhaustive summary of topics covered by the supplier ESG risk questionnaire can be found below:



The questionnaire also requires suppliers to identify country-, sector-, and commodity-specific ESG risks and disclose relevant sustainability information, including carbon emissions and reduction targets.

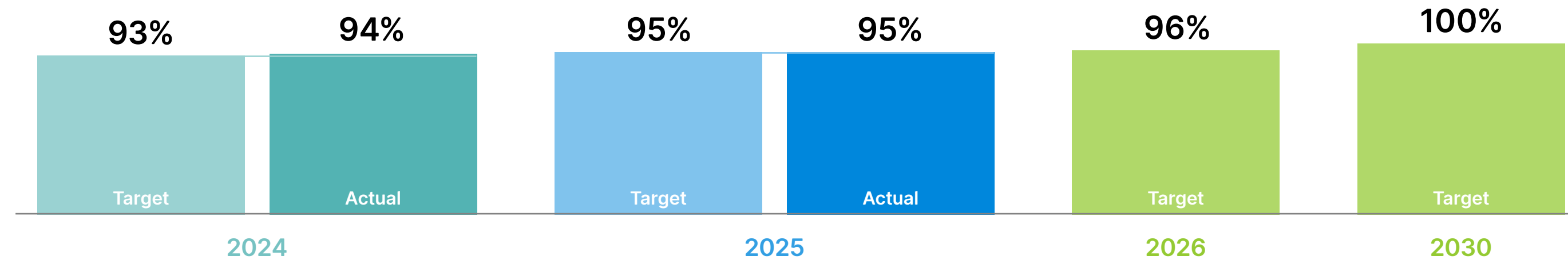
Questionnaire results are used to assess suppliers' sustainability resilience and risk management capabilities. They also support supplier classification, risk mapping, and targeted engagement activities.



In 2025, we had 2,006 Tier 1 suppliers, representing 95.5% of our direct procurement value.

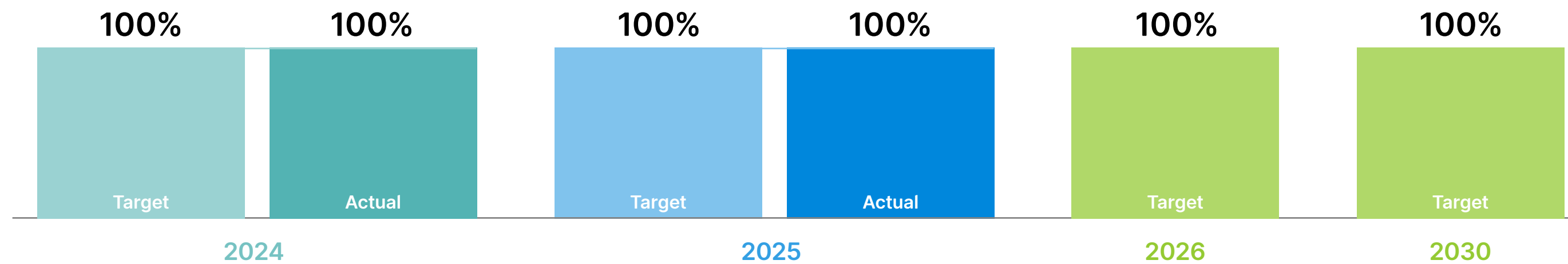
Suppliers providing critical materials, technologies, or processes, suppliers acting as sole procurement sources, or suppliers accounting for the top 80% of transaction volume in major component material categories are classified as Tier 1 significant suppliers.

## TIER 1 SUPPLIER ESG SURVEY RESPONSE RATE



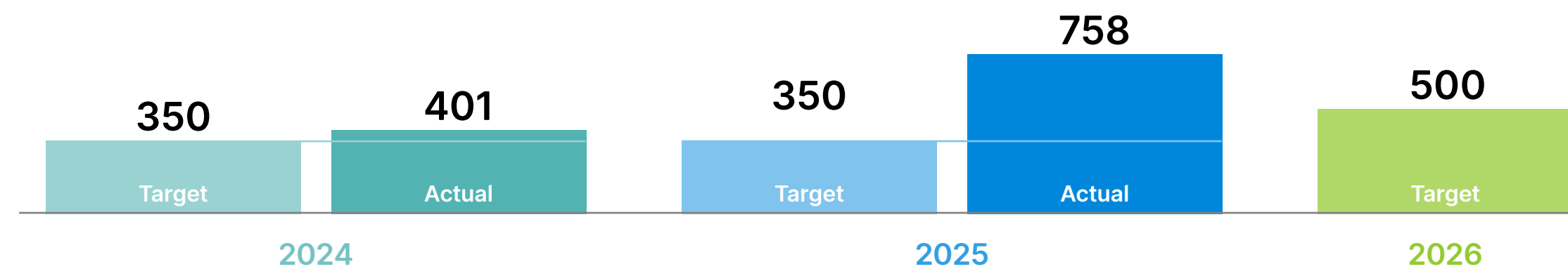
## SUPPLIER ESG IMPROVEMENT RATE

Improvement rate of major deficiencies in Supplier Code of Conduct assessment



## SUPPLIERS THAT JOINED THE PROGRAM

Cumulative number of suppliers that joined our ESG Training program





Strengthening a sustainable supply chain:

# Building supplier capability and responsible sourcing practices

## Supply Chain ESG Committee

To strengthen sustainable supply chain management, we formed the Supply Chain ESG Committee in 2018. The Chief Supply Chain Officer chairs the Committee and includes procurement managers from business groups. An executive secretary is responsible for daily operations and project implementation.

The Committee reports regularly to the top management team and the Board of Directors, supporting alignment on major supply chain ESG issues.

Regular meetings and Key Performance Indicator (KPI) reports enable the Committee to review and update short-, medium-, and long-term goals and adjust the supply chain ESG strategy as needed.

## Mentoring key suppliers

To strengthen supplier ESG performance, we conduct audits and provide mentoring and guidance on corrective actions for high-risk suppliers.

In 2025, we completed on-site ESG audits for 21 suppliers and continued to monitor the implementation of corrective actions and provide support for improvement.

Analysis of audit results showed that deficiencies were primarily identified in labor rights and ethics. These findings suggest that some suppliers require further improvement in employee management, working hour management, and ethical corporate governance.

No supplier relationships were terminated during the reporting period, as major deficiencies identified through the audit process were addressed through corrective action follow-up.

We also provide free-of-charge ESG awareness and practical capability-building training programs to Tier 1 suppliers. In 2025, we organized training courses on “Dual-Track Implementation of Energy Management and Circular Economy,” “SBTi Analysis and Target Setting,” and “Product Carbon Footprint Inventory Training Workshop,” with a total of 758 supplier representatives participating.

In 2025, we also launched the Supply Chain ESG Management Platform, a centralized platform for communicating policies and requirements, accessing ESG training resources, and submitting sustainability-related information.



### Conflict minerals management

Minerals such as tungsten (W), tin (Sn), tantalum (Ta), gold (Au), cobalt (Co), and mica group are essential for electronic products. However, mineral supply chains can be associated with risks such as illegal extraction, conflict financing, forced labor, and child labor, particularly in high-risk or conflict-affected areas.

To understand and manage these risks, we conduct annual conflict minerals due diligence by reviewing product compositions and the smelters used by suppliers. Suppliers are required to disclose and source minerals from RMI-qualified refineries by completing the RMI Conflict Minerals Reporting Template.

To support implementation, we provide suppliers with webinars on responsible manufacturing.

## Our due diligence progress for conflict minerals includes the following actions:



For the four major conflict minerals, tantalum (Ta), tin (Sn), tungsten (W), and gold (Au), 100% of procurement is conducted through qualified suppliers. Detailed disclosure on this topic is provided in the [Delta Electronics Responsible Minerals Reports](#)

### Procurement team capacity training

We provide ESG-related training and capability-building programs for procurement and supply chain personnel.

In 2024, we launched the Audit and Coaching Team Development Project to strengthen internal ESG audit capabilities. The project was launched at production sites in Taiwan, China, and Thailand.

As of the end of 2025, a total of 49 employees had completed ESG audit and knowledge update training programs, strengthening our ability to assess supplier ESG performance and conduct supplier coaching activities independently.

We will continue to support more sustainable operations across our supply chain by sharing ESG-related knowledge, experience, and management resources with suppliers.



G1

# Business Conduct

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- 98 Business conduct in our stakeholder relationships



# Business conduct. impacts, risks, and opportunities

We have identified material impacts, risks, and opportunities (IROs) related to business conduct.

From an impact perspective, positive impacts relate to integrity, a compliance-driven culture, the prevention of corruption and bribery, and our contribution to society through tax payments that support public infrastructure and social welfare programs.

From a financial perspective, business conduct and customer relationship management have been identified as material because of their potential implications for information security, regulatory compliance, customer trust, business reputation, and long-term business value.



Business conduct policies and corporate culture:

# Clear standards for ethical conduct and accountability

To manage the identified material IROs related to business conduct, we have established a set of group-wide policies and principles.

These policies provide the framework for preventing and mitigating risks related to corruption and bribery, protecting whistleblowers, promoting responsible business conduct, and supporting sustainable supply chain management.

The policies apply across our own operations and, where applicable, across our value chain, including suppliers, affiliated companies, and subsidiaries. Further information on supplier-related requirements is provided in the [Workers in the value chain \(S2\)](#) chapter.

Together, these policies support a consistent approach to ethical conduct, compliance, and accountability across our organization. The key policies and their scope are presented in the table below:

| Policy                                                                      | Material topics addressed                                                                  | Key stakeholders & scope                                                                                                     |
|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Delta Group Code of Conduct                                                 | Corporate culture (anti-corruption and bribery, protection of whistleblower)               | All Delta members*, affiliated companies, subsidiaries                                                                       |
| Ethical Corporate Management Best Practice Principles                       | Corporate culture (anti-corruption and bribery; protection of whistleblower)               | Delta and subsidiaries                                                                                                       |
| Delta Group Information Security and Personal Information Protection Policy | Labor-related human rights (privacy)<br>Information-related impacts for consumers or users | Delta Electronics Inc. and its subsidiaries, affiliates, and companies with direct or indirect substantive control worldwide |

\*All Delta members include: employees, managers, board of directors, supervisors





### Delta Group Code of Conduct

Our Code of Conduct establishes the principles for ethical and responsible business conduct across our global operations and value chain.

The Code strictly prohibits unethical behavior, including corruption and bribery, conflicts of interest, fraud, insider trading, unfair competition, and other

misconduct. It also promotes business integrity, accountability, transparency, and compliance with applicable laws and regulations.

Whistleblowing and grievance mechanisms are included in the Code, allowing employees and external stakeholders to report suspected misconduct, violations of applicable laws, or breaches of the Code confidentially and without retaliation.

Reports can be submitted through designated reporting channels and are handled in accordance with established investigation and response procedures.

Mandatory onboarding and annual training programs are used to communicate the Code and support implementation and awareness across the organization.

### Ethical Corporate Management Best Practice Principles

We have established internal operating procedures and management regulations to prevent unethical conduct. The Ethical Corporate Management Best Practice Principles formalize these requirements through the following: Ethical Corporate Management Risk Assessment and Prevention Mechanism, Whistleblowing System Management Regulations, and Management Regulations for Rewards and Penalties.

Under the Best Practice Principles, we are expected to comply with applicable laws and regulations relating to anti-corruption and anti-bribery, political contributions, conflicts of interest, and other ethical business practices. These Principles serve as a governance framework applicable to Delta and our subsidiaries globally and are approved by the Board of Directors.

### Delta Group Information Security and Personal Information Protection Policy

Our Information Security and Personal Information Protection Policy establishes the framework for safeguarding information assets and protecting personal data across our global operations.

The policy supports responsible digital operations by strengthening information security and protecting stakeholder privacy. It emphasizes regular training and

establishes clear procedures for handling information assets and personal data securely to prevent internal and external threats.

Relevant third parties are required to sign a Non-Disclosure Agreement (NDA), under which they must comply with applicable information security and personal data protection requirements.

In 2025, we updated this policy to strengthen risk and incident management. The updates include enhanced monitoring of information assets, clearer incident-response instructions, and stakeholder notification procedures in the event of data breaches.

The update also reinforced personal data protection governance mechanisms to support regular reporting and continuous improvement.



## Corruption and bribery:

# Preventing bribery through governance, controls, and training

We established the Ethical Management Committee in 2022 as the dedicated body responsible for overseeing ethical corporate management, anti-corruption, and anti-bribery measures.

The Committee reviews the implementation of related policies and prevention mechanisms and reports annually to the Board of Directors.

### Anti-corruption and anti-bribery management system

We introduced the ISO 37001 anti-bribery management system at our headquarters in Taiwan and achieved certification

in 2023. The system is now being progressively expanded to business units, business groups, and subsidiaries.

The implementation of ISO 37001 supports the continuous improvement of our anti-bribery procedures and internal controls and reinforces our commitment to ethical corporate management across our operations. Employees covered by the system are required to complete ISO 37001 training.

Under ISO 37001, ethical corporate management risk assessments are conducted annually for each business and

unit to support compliance with relevant regulations. Stronger controls and training are required for employees assigned to duties identified as medium- or high-risk in the corruption and bribery risk assessment. These measures are designed to strengthen anti-corruption and anti-bribery awareness and reduce the risk of misconduct.

### Training and communication

We provide regular anti-corruption and anti-bribery training to employees and members of the Board of Directors. All new employees are required to complete ethical corporate management orientation

training. Employees worldwide are also assigned annual refresher training on ethical corporate management and the Code of Conduct.

In 2025, 79,980 employees completed the training globally, with a coverage rate of 96.3%. Board members achieved a 100% training completion rate.

### Conflict of interest

To prevent conflicts of interest, all new employees are required to declare potential conflicts when joining the company. Existing employees receive annual reminders to update their declarations where necessary. In 2025, 3,234 employees proactively completed conflict-of-interest declarations globally.

**3,234**  
proactive conflict of  
interest declarations

### Whistleblower protection

We provide reporting channels in line with our policies and Whistleblower System Management Regulations. Both employees and external stakeholders can report

suspected illegal or dishonest business practices through designated channels, including supervisors, dedicated mailboxes, and other reporting mechanisms. Reports may be submitted either by name or anonymously.

We maintain strict confidentiality of reported information to protect whistleblowers from retaliation or inappropriate treatment. Any breach of confidentiality is handled in accordance with our regulations.

Under our Whistleblower System Management Regulations, if a report is verified and makes a significant contribution that generates economic benefits, the whistleblower may receive an appropriate reward, subject to local regulations.

In 2025, we recorded no convictions or sanctions for violations of anti-corruption or anti-bribery laws, and no fines were incurred in relation to such matters during the reporting period.



# Business conduct in our stakeholder relationships

We apply our business conduct principles consistently in our relationships with suppliers, customers, and industry organizations. Through transparent engagement and continuous dialogue, we seek to build long-term relationships, respond to stakeholder expectations, and support responsible business practices.

## Customers

We uphold a “customer first” approach and integrate customer feedback into business decision-making.

We maintain ongoing engagement with customers through customer-led supplier performance evaluations, including Quarterly Business Reviews (QBRs), and through our customer satisfaction survey. Feedback from these channels is systematically analyzed and translated into improvement measures.

In 2025, we collected effective feedback from 334 key customers, representing 85.9% of total targeted revenue. Areas identified for improvement included delivery, responsiveness, and service.

We will continue to monitor customer needs through ongoing customer engagement and market insights and proactively develop products and services in strategic high-growth areas such as networking, automation, and AI.

## Suppliers

Further information on supplier-related requirements is provided in the [Workers in the value chain \(S2\)](#) chapter.

## Participants in associations

We participate in associations and organizations to support business development, engage with regulatory and market requirements, strengthen industry networks, cultivate talent, and contribute to industry dialogue.

Our participation mainly takes the form of membership, although we may also serve as a director, chairperson, or similar representative in selected associations. Because associations have their own objectives and positions, our participation does not imply agreement with all views expressed by those organizations.

We have long focused on businesses and sectors including electronics and electrical machinery, automation, renewable energy, green buildings, healthy and smart buildings, electric vehicles, communication power supplies, leadership development, human resources, and corporate sustainability.

In 2025, our total global expenditures for association participation were approximately US\$530,000. Historical data regarding our participation in associations is available on [our website](#).

## Our participation in associations in 2025 includes, amongst others:

- Business Council for Sustainable Development of Taiwan (BCSD Taiwan)
- Center for Corporate Sustainability
- Taipei NeiHu Technology Park Development Association
- Taiwan Power Electronics Association
- Taipei Computer Association (TCA)
- Taiwan Climate Partnership (TCP)
- China Power Supply Society
- Shanghai Environment and Energy Exchange Carbon Neutral Action Alliance
- Federation of Thai Industries and Electric Vehicle Association of Thailand
- Japan Photovoltaic Energy Association



# Annex

| ESRS Topic | Related ESRS DR | Title                                                                                                                               | Page                       | Reference in report                                                               | Explanation & notes                                                                             |
|------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| ESRS 2     | BP-1            | Basis for preparation of the sustainability statement                                                                               | 7                          | How this report was prepared;                                                     |                                                                                                 |
| ESRS 2     | BP-2            | Specific information if the undertaking uses phasing-in options                                                                     |                            | Not applicable                                                                    | Delta has not applied the phase-in provisions referred to in ESRS 1 paragraphs 125, 126 or 127. |
| ESRS 2     | GOV-1           | The role of the administrative, management and supervisory bodies in relation to sustainability                                     | 19, 24                     | Clear oversight, defined responsibility;<br>Managing impacts with due diligence;  |                                                                                                 |
| ESRS 2     | GOV-2           | Integration of sustainability-related performance in incentive schemes                                                              | 20                         | Linking performance and accountability;                                           |                                                                                                 |
| ESRS 2     | GOV-3           | Statement on due diligence                                                                                                          | 24, 37, 55, 82, 92         | Managing impacts with due diligence;<br>Respective section mentioned;             |                                                                                                 |
| ESRS 2     | GOV-4           | Risk management and internal controls over sustainability reporting                                                                 | 27                         | Managing risk, controls, and reporting integrity;                                 |                                                                                                 |
| ESRS 2     | SBM-1           | Strategy, business model and value chain                                                                                            | 8                          | Technology with measurable purpose;                                               |                                                                                                 |
| ESRS 2     | SBM-2           | Interests and views of stakeholders                                                                                                 | 22                         | Listening before deciding;                                                        |                                                                                                 |
| ESRS 2     | SBM-3           | Interaction of material impacts, risks and opportunities with strategy and business model, and financial effects                    | 8, 28, 29                  | Technology with measurable purpose;<br>Material priorities;<br>Topical chapters;  |                                                                                                 |
| ESRS 2     | IRO-1           | Description of the process to identify and assess material impacts, risks and opportunities and material information to be reported | 24, 25                     | How we determine what matters;<br>Managing impacts with due diligence             |                                                                                                 |
| ESRS 2     | IRO-2           | Material impacts, risks and opportunities and disclosure requirements included in the sustainability statement                      | 28, 31, 50, 57, 66, 86, 94 | What matters most;<br>Topical chapters;                                           |                                                                                                 |
| E1         | E1-1            | Transition plan for climate change mitigation                                                                                       | 33                         | Climate change transition plan;                                                   |                                                                                                 |
| E1         | E1-2            | Identification of climate-related risks and scenario analysis                                                                       | 35                         | Climate change risk management and resilience;                                    |                                                                                                 |
| E1         | E1-3            | Resilience in relation to climate change                                                                                            | 33, 35                     | Climate change transition plan;<br>Climate change risk management and resilience; |                                                                                                 |
| E1         | E1-4            | Policies related to climate change mitigation and adaptation                                                                        | 32                         | Climate change policies;                                                          |                                                                                                 |
| E1         | E1-5            | Actions and resources in relation to climate change mitigation and adaptation                                                       | 39, 45                     | Climate change mitigation;<br>Climate change adaptation;                          |                                                                                                 |
| E1         | E1-6            | Targets related to climate change                                                                                                   | 33, 34                     | Climate change transition plan;<br>Our climate targets;                           |                                                                                                 |
| E1         | E1-7            | Energy consumption and mix                                                                                                          | 47                         | Energy management;                                                                |                                                                                                 |
| E1         | E1-8            | Gross scope 1, 2, 3 GHG emissions                                                                                                   | 40                         | GHG inventory and management;                                                     |                                                                                                 |
| E1         | E1-9            | GHG removals and GHG mitigation projects financed through carbon credits                                                            | 44                         | GHG removals and mitigation projects financed through carbon credits;             |                                                                                                 |



| ESRS Topic | Related ESRS DR | Title                                                                                                                                                   | Page               | Reference in report                                                                                                                            | Explanation & notes |
|------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| E1         | E1-10           | Internal carbon pricing                                                                                                                                 | 44                 | Internal carbon pricing;                                                                                                                       |                     |
| E1         | E1-11           | Anticipated financial effects from material physical and transition risks and potential climate-related opportunities                                   | 35                 | Climate change risk management and resilience;                                                                                                 |                     |
| E4         | E4-1            | Biodiversity and ecosystems transition plan                                                                                                             | 52                 | Biodiversity strategy and transition plan;                                                                                                     |                     |
| E4         | E4-2            | Policies related to biodiversity and ecosystems                                                                                                         | 51                 | Biodiversity and ecosystems policies;                                                                                                          |                     |
| E4         | E4-3            | Actions and resources related to biodiversity and ecosystems                                                                                            | 54                 | Biodiversity actions and resources;                                                                                                            |                     |
| E4         | E4-4            | Targets related to biodiversity and ecosystems                                                                                                          | 52                 | Biodiversity strategy and transition plan;                                                                                                     |                     |
| E4         | E4-5            | Metrics related to biodiversity and ecosystems change                                                                                                   | 54, 55             | Site assessment of our operations and supplier sites;<br>Conservation partnerships and restoration projects;                                   |                     |
| E5         | E5-1            | Policies related to resource use and circular economy                                                                                                   | 58                 | Circular economy policies;                                                                                                                     |                     |
| E5         | E5-2            | Actions and resources related to resource use and circular economy                                                                                      | 59, 60, 62, 63     | Our circularity approach;<br>Resource inflows;<br>Resource outflows                                                                            |                     |
| E5         | E5-3            | Targets related to resource use and circular economy                                                                                                    | 60, 63             | Sustainable raw material sourcing and procurement;<br>Waste: Increasing diversion and recovering material value;                               |                     |
| E5         | E5-4            | Resource inflows                                                                                                                                        | 60                 | Resource inflows;                                                                                                                              |                     |
| E5         | E5-5            | Resource outflows                                                                                                                                       | 62, 63             | Resource outflows;                                                                                                                             |                     |
| S1         | S1-1            | Policies related to own workforce                                                                                                                       | 70                 | Workforce policies and management approach;                                                                                                    |                     |
| S1         | S1-2            | Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy | 68, 82             | Engaging with our workforce;<br>Prevention of unlawful infringement in the workplace;                                                          |                     |
| S1         | S1-3            | Actions and resources related to own workforce                                                                                                          | 72, 75, 78, 81, 83 | Working conditions;<br>Health and safety;<br>Training and skills development;<br>Labor-related human rights;<br>Diversity and equal treatment; |                     |
| S1         | S1-4            | Targets related to own workforce                                                                                                                        | 76, 79             | Health and safety;<br>Training and skills development;                                                                                         |                     |
| S1         | S1-5            | Characteristics of the undertaking's employees                                                                                                          | 67                 | Employee profile and workforce composition;                                                                                                    |                     |
| S1         | S1-6            | Characteristics of non-employees in the undertaking's own workforce                                                                                     | 73                 | Number of non-employees in our workforce;                                                                                                      |                     |
| S1         | S1-7            | Collective bargaining coverage and social dialogue                                                                                                      | 73                 | Collective bargaining;                                                                                                                         |                     |
| S1         | S1-8            | Gender diversity in top management                                                                                                                      | 84                 | Women in managerial positions;                                                                                                                 |                     |
| S1         | S1-9            | Adequate wages                                                                                                                                          | 73                 | Adequate wages;                                                                                                                                |                     |



| ESRS Topic | Related ESRS DR | Title                                                                                                                                                | Page       | Reference in report                                                                                                                  | Explanation & notes                                                                                                                               |
|------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| S1         | S1-10           | Social protection                                                                                                                                    | 73         | Social protection;                                                                                                                   |                                                                                                                                                   |
| S1         | S1-11           | Persons with disabilities                                                                                                                            | 67, 84     | Employee profile and workforce composition;<br>Supporting diverse and underrepresented groups;                                       |                                                                                                                                                   |
| S1         | S1-12           | Training and skills development metrics                                                                                                              | 78         | Training and skills development;                                                                                                     |                                                                                                                                                   |
| S1         | S1-13           | Health and safety metrics                                                                                                                            | 76, 77     | Global health and safety management;<br>Work-related accident management;                                                            |                                                                                                                                                   |
| S1         | S1-14           | Work-life balance metrics                                                                                                                            | 74         | Work-life balance;                                                                                                                   |                                                                                                                                                   |
| S1         | S1-15           | Remuneration metrics                                                                                                                                 | 73         | Remuneration mechanism;                                                                                                              |                                                                                                                                                   |
| S1         | S1-16           | Incidents of discrimination and other human rights incidents                                                                                         | 81         | Labor-related human rights;                                                                                                          |                                                                                                                                                   |
| S2         | S2-1            | Policies related to workers in the value chain                                                                                                       | 88         | Policies and standards for workers in the value chain;                                                                               |                                                                                                                                                   |
| S2         | S2-2            | Engagement with workers in the value chain, existence of channels for workers in the value chain to raise concerns or needs and approaches to remedy | 87         | Engagement with workers in the value chain;                                                                                          |                                                                                                                                                   |
| S2         | S2-3            | Actions and resources related to workers in the value chain                                                                                          | 87, 89, 91 | Supplier relationship management;<br>Mentoring key suppliers;<br>Remediation process;                                                |                                                                                                                                                   |
| S2         | S2-4            | Targets related to workers in the value chain                                                                                                        | 89         | Supplier ESG performance improvement and engagement;                                                                                 |                                                                                                                                                   |
| G1         | G1-1            | Policies related to business conduct                                                                                                                 | 95, 97     | Business conduct policies and corporate culture;<br>Anti-corruption and anti-bribery management system;<br>Whistleblower protection; |                                                                                                                                                   |
| G1         | G1-2            | Actions related to business conduct                                                                                                                  | 91, 97, 98 | Corruption and bribery;<br>Business conduct in our stakeholder relationships;<br>Strengthening a sustainable supply chain;           |                                                                                                                                                   |
| G1         | G1-3            | Targets related to business conduct                                                                                                                  | 97         |                                                                                                                                      | Metrics related to business conduct (e.g. ethical management training rate) is disclosed. However, corresponding targets are not yet established. |
| G1         | G1-4            | Metrics related to corruption or bribery                                                                                                             | 97         | Whistleblower protection;                                                                                                            |                                                                                                                                                   |





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