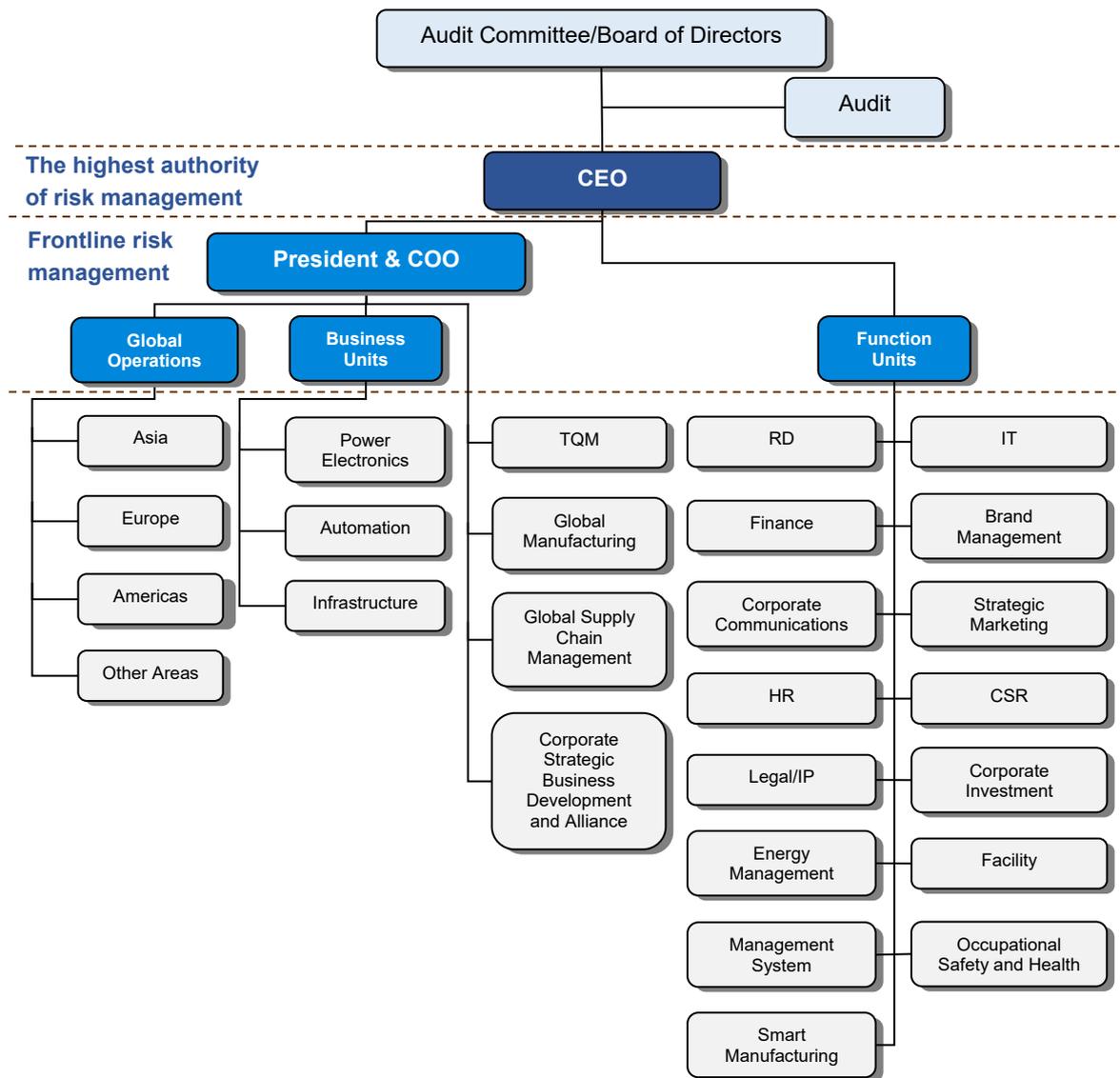


Implementation of Delta Group Risk Management Policy

Policy of Risk Management

The Board of Directors of the Company approved the establishment of Delta Group Risk Management Policy on July 29, 2020. From the perspective of Delta Group, Delta Group aims to reduce various risks to a tolerable and controllable range through identification, assessment, control, monitoring and communication of potential risks by qualitative or quantitative management methods, as well as to provide a reference for developing operational strategies. The Delta Group Risk Management Policy has been formulated in order to achieve the Group's strategic goals in a reasonable manner.

Organization of Risk Management



Procedure and Scope of Risk Management

Responsibility of departments for each risk factor is identified in the Delta Group Risk Management Policy, and each department shall implement a sound risk management mechanism, the following procedures of risk management, including risk identification, risk assessment, risk control, risk monitoring and communication, apply to each risk factor and the formulation of action plans towards appropriate risk management. For crisis events involving cross-departments or cross-plants, CEO or the person designated by CEO shall be responsible for direction and coordination to identify feasible strategies to prevent crisis events and formulate crisis management procedures and recovery plans.

The Delta Group has identified risk factors including strategic, operational, financial, hazardous events and compliance:

- A. Strategic
 - a) Changes in industry
 - b) Changes in technology
 - c) Establishment of business models
 - d) Responsiveness of organizational structure
- B. Operational
 - a) Market demand and capacity expansion
 - b) Business continuity operation (Business interruption risk including supply chain disruption or production disruption)
 - c) Information security
 - d) Supply chain management
 - e) Intellectual property rights
 - f) Customer concentration
 - g) Corporate image
 - h) Talent attraction, recruitment and training of personnel
 - i) Strategic investment
- C. Financial
 - a) Interest rate, foreign exchange rate and inflation
 - b) Taxation
 - c) Credit
 - d) Liquidity
 - e) High-risk and/or highly leveraged financial investments, derivative transactions

D. Hazardous Events

- a) Climate change
- b) Occupational safety and health
- c) Fire or other man-made disaster (inclusive of restriction of hazardous substances in products or manufacturing)
- d) Natural disaster

E. Compliance

- a) Environment regulations (inclusive of carbon pricing, energy tax, renewable energy regulations, and others.)
- b) Antitrust, anti-corruption and fraud
- c) Personal data protection

Implementation of Risk Management

This year (2021), CEO (the highest authority of risk management) reported the execution result of risk management to the Board of Directors on October 28 including the results of risk assessment for each risk factors, risk control procedures and risk monitoring procedures for the higher risk factors. CEO also reported countermeasures on the substantial risk events that the Group faced this year, such as shortages of materials due to COVID19, floods in Thailand, and energy consumption and intensity dual control in China. In the face of possible risks at all levels, the Company has formulated response control procedures and has continued holding internal meetings and irregular reviews on specific proposals to minimize the possibility and impact of risk events.