

**Promotion of Sustainable Development and Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies"**

Promoted Items	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and the Reason(s)
	Yes	No	Abstract Illustration	
1. Has the Company established a governance structure to promote sustainable development and set up an exclusively (or concurrently) designated unit to promote sustainable development, and has the Board of Directors authorized senior management to deal with and supervised the promotion of sustainable development?	√		<p>The Delta ESG Committee is the highest-level sustainability management unit within Delta. Since its establishment in 2007, it has continuously transformed in response to sustainability trends. Delta created the position of Chief Sustainability Officer (CSO) in 2019 for the promotion and in-depth sustainable development of the Company. The implementation results are reported to the Board of Directors on a quarterly basis.</p> <p>The Delta ESG Committee has Mr. Bruce Cheng, founder and honorary chairman of Delta, serving as honorary chairman of the committee, while Delta Chairman Mr. Yancey Hai acts as the chairman. The committee is composed of board members, including the vice chairman, CEO and COO as well as CSO and top executives from regional and functional management. It has assisting and execution subordinate units, including various task forces and a Corporate Sustainability Development Office.</p> <p>The chairman of the Delta ESG Committee reports results from the implementation of sustainable development and future work plans to the Board of Directors every quarter. In 2021, the committee convened a total of four meetings, whose contents of motion included: (1) reports on sustainable development issues (RE100, power purchase agreements (PPA) in relation to green power wheeling, internal carbon pricing, CDP, and carbon tax regulations); (2) stakeholder issues; (3) the current status of circular economy promotion; (4) "Race to Zero", a global campaign for net zero carbon emissions.</p> <p>The Board of Directors listens to sustainable development reports presented by the management team each quarter while reviewing the progress of the Company's sustainable development strategies and offering necessary guidance.</p>	Compliance with the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	√		<p>Delta ESG Committee, pursuant to the AA1000 Stakeholder Engagement Standard (AA1000 SES), has defined stakeholders based on local and international trends in sustainable development as well as the needs of business operations. Delta and subsidiaries adopt diverse channels to communicate with stakeholders. We identify key issues of concern for stakeholders through materiality analysis and take the necessary countermeasures to enhance the content of our information disclosures. The Board of Directors has clearly defined four main "Corporate Social Responsibility Principles": implement corporate governance, develop a sustainable environment, maintain social welfare, and enhance information disclosure of corporate social responsibility programs.</p>	Compliance with the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies

Promoted Items	Implementation Status (Note 1)			Deviations from the “Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies” and the Reason(s)
	Yes	No	Abstract Illustration	
			<p>Environment: The Delta Group always strives to promote environmental protection and energy conservation based on its business mission of “To provide innovative, clean, and energy-efficient solutions for a better tomorrow”. The Company’s sustainability development office has identified possible risks and impacts of climate change on business operations, and developed adoption and mitigation strategies as well as an execution plan, which include Science Based Targets (SBTs), that was approved, reducing greenhouse gas emissions, saving energy, conserving water, and reducing waste, with the help of all functional committees. Social: Delta values the balanced development of employees and is committed to providing a safe and healthy work environment. It identifies possible risks in daily operating activities of all departments and continuously enhances prevention mechanisms, such as engineering control and operation management. Delta conducts risk control by regularly identifying hazards and performing risk assessments to ensure safe operating procedures. In addition, the Company is committed to developing and manufacturing products that comply with international environmental protection regulations. It has established a product-related substance management system and management regulations. Delta also holds discussions with employees from different departments regarding material, quality, and purchasing, and regularly conducts evaluation of its supply chain management’s environment, social, and governance (ESG) efforts as well as an ESG sustainability assessment to identify suppliers with high risk, while performing audits and providing guidance. Corporate governance: In 2020, the Board of Directors of the Company approved the establishment of the “Delta Risk Management Policy” for risk management and execution. The Company has also appointed a Corporate Governance Officer to assist directors with regulatory compliance and more. Please refer to Chapter 4 of this annual report for more details.</p>	
<p>3. Environmental issues (1) Has the Company established environment management systems based on its industrial characteristics?</p>	√		<p>The Company’s main factories are in accordance with local and national environmental regulations, and have the ISO14001 environmental management system and ISO14064-1 greenhouse gas emission certifications. There are several main factories that have the energy conservation system certifications listed below. The Company adopts these systems (i.e., energy conservation and carbon reduction, reduction of greenhouse gas emissions, water conservation and waste reduction) in its policy.</p> <p>Main factories which have environmental management system certifications:</p>	Compliance with the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies

Promoted Items	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and the Reason(s)
	Yes	No	Abstract Illustration	
(2) Is the Company committed to improving the utilization efficiency of various resources and using recycled materials with low environmental impacts?	√		<p>Dongguan Plant ISO14001:2015 (Issue date: July 13, 2020; expiry date: July 12, 2023)</p> <p>Taoyuan Plant 2 ISO14001:2015 (Issue date: January 10, 2021; expiry date: January 10, 2024)</p> <p>Cyntec Hsinchu Plant ISO14001:2015 (Issue date: June 21, 2020; expiry date: June 20, 2023)</p> <p>Main factories which have energy management system certifications: Cyntec Hsinchu Plant ISO 50001 (Issue date: August 20, 2021; expiry date: March 3, 2024)</p> <p>Dongguan Plant GB / T23331-2012 / ISO 50001:2011 (Issue date: January 16, 2020; expiry date: January 15, 2023)</p> <p>Wujiang Plant GB / T23331-2012 / ISO 50001:2011 (Issue date: October 23, 2021; expiry date: August 30, 2023)</p> <p>The Company continues to promote energy management and renewable energy applications as well as the recycling of electricity, heat, water, and packaging materials. It also improves the utilization efficiency of energy resources through energy conservation, water saving, and green design. At the same time, it adopts green packaging materials, including corrugated fiberboard/cardboard, carton, and wooden boxes, for transportation, and recycles and reuses waste packaging materials.</p>	
(3) Has the Company assessed the present and future potential risks and opportunities of climate change for the entity, and taken measures to respond to climate-related issues?	√		<p>The Company reviews the risks and opportunities arising from climate change every year and carries out complete assessments every three years in accordance with the TCFD framework announced by the Financial Stability Board.</p> <p>The Company completed its latest climate risk assessment at the end of 2020, focusing on four major risks out of the 22 climate risks based on the degree of relevance to the countermeasures taken. On top of that, the Company reviewed the need for relevant adjustments in 2021. With a view to reducing risks, the Company identifies the feasibility of opportunities and management methods at the same time. Key results are summarized in Chapter 4 "ESG" of this Annual Report and 2021 Delta ESG Report.</p>	
(4) Has the Company calculated its GHG emissions, water consumption and total waste weight in the past two years, and formulated policies for energy conservation, carbon reduction, GHG and water consumption or other waste management?	√		<p>The Company has long upheld its mission of "To provide innovative, clean, and energy-efficient solutions for a better tomorrow." It continuously promotes energy conservation and carbon reduction within the enterprise, and improves the performance of energy and resource efficiency, waste reduction, and pollution prevention. Details are disclosed in the Delta ESG Report. Since 2010, Delta has participated in CDP to disclose its GHG emissions. Since 2016, 100% of Delta's main production plants have achieved ISO 14064-1 verification. Please refer to the 2021 Delta ESG report, Chap 5.3 Net zero commitment and carbon management.</p> <p>The emission data of Delta overall production plant in 2021 is as follow:</p>	

Promoted Items	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and the Reason(s)															
	Yes	No	Abstract Illustration																
			<p>The emission data of Delta overall production plant in 2021 is as follow:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>GHG Emissions Scope 1 + Scope 2 (Metric ton-CO2e) Location-based</td> <td>405,050.79</td> <td>435,553.52</td> </tr> <tr> <td>GHG Emissions Scope 1 + Scope 2 (Metric ton-CO2e) Market-based</td> <td>177,811.15</td> <td>151,014.89</td> </tr> <tr> <td>Tap Water Consumption (Megaliters)</td> <td>3,751.5</td> <td>4,160.2</td> </tr> <tr> <td>Total Waste Generation (metric tons)</td> <td>39,447.0</td> <td>50,060.9</td> </tr> </tbody> </table>	Category	2020	2021	GHG Emissions Scope 1 + Scope 2 (Metric ton-CO2e) Location-based	405,050.79	435,553.52	GHG Emissions Scope 1 + Scope 2 (Metric ton-CO2e) Market-based	177,811.15	151,014.89	Tap Water Consumption (Megaliters)	3,751.5	4,160.2	Total Waste Generation (metric tons)	39,447.0	50,060.9	
Category	2020	2021																	
GHG Emissions Scope 1 + Scope 2 (Metric ton-CO2e) Location-based	405,050.79	435,553.52																	
GHG Emissions Scope 1 + Scope 2 (Metric ton-CO2e) Market-based	177,811.15	151,014.89																	
Tap Water Consumption (Megaliters)	3,751.5	4,160.2																	
Total Waste Generation (metric tons)	39,447.0	50,060.9																	
<p>4. Social issues</p> <p>(1) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Labor and Human Rights?</p> <p>(2) Has the Company formulated and executed reasonable employee benefits measures (including remuneration, leaves, and other benefits), and had the operating performance or results properly reflected in employee compensation?</p>	√	√	<p>The Company complies with relevant labor laws and regulations. It formulates employee policies and relevant management rules based on international labor and human rights standards, including the RBA Code of Conduct, Universal Declaration of Human Rights, International Labor Office Tripartite Declaration of Principles, and OECD Guidelines for Multinational Enterprises; and practices systems, such as fair employment. Policies have been released in the corporate governance section of the Company's official website, and the management results are disclosed in the annual ESG Report and the modern slavery statement. Please refer to 4. ESG, 4.1 I. Balanced interests for all stakeholders, 4.1.1 Human rights, employee rights and employee relations and the 2021 Delta ESG Report, Chap 6.4 Human rights protection.</p> <p>The Company's compensation packages are above that of the technology industry and talent is retained through a competitive compensation structure. Special attention is paid to the design for the relevance and reasonableness between operating performance and employee salaries. With a view to retaining high-performing employees and recruiting outstanding talents, the Company adjusted its salary structure for employees of the rank of executive (specialist) and above in 2021. As far as leave is concerned, the Company offers paid personal leave and other types of leave that are more generous than what is required by law, including travel leave and a travel subsidy of NT\$10,000 annually. In addition, the Company attaches great importance to workplace diversity and equality—the ratio of female employees is 48.3%, and the ratio of female supervisors is 32.3%. Please refer to Chap 6.4 Human rights protection.</p>	Compliance with the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies															

Promoted Items	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and the Reason(s)
	Yes	No	Abstract Illustration	
(3) Has the Company provided employees with a safe and healthy work environment as well as offered classes on safety and health to employees on a regular basis?	√		Delta considers the importance of providing a safe and healthy workplace as one of its basic corporate social responsibilities. Delta's plants have been awarded the ISO 45001 Occupational Health and Safety Standard certification. Based on the 3E concept consisting of three interconnecting components, namely the Employee Assistance Program (EAP), ESG Indicators (ESG), and Employee Value Proposition (EVP), the Company has built a comprehensive welfare system using a systematic approach to health management aimed at creating a friendly workplace. In conjunction with the theme of the Health Promotion Administration for 2021 titled "Creating a new life in the workplace during the post-pandemic era", the Company kept its activities going during the outbreak by adjusting the planning of such activities in real time and on a rolling basis as well as organizing them digitally or in the cloud. This helped to continuously promote workplace health and facilitate work through the concerted efforts of everyone at the Company. With the aim of enhancing workers' safety and health knowledge as well as their disaster response capabilities, the Company conducts relevant safety and health training courses in accordance with the relevant laws and regulations as well as its operational needs. The Company also raises employees' awareness of workplace hazards and safety and health knowledge and concepts required for disaster prevention by sending e-mails, putting posters on bulletin boards, and holding safety knowledge quizzes to prevent occupational mishaps. The recordable occupational injury rate was 0.99 in 2021. In terms of injury type, they consisted mainly of clamping or coiling injuries. Factories shall implement equipment source management, install safety devices when purchasing machinery, and list them as routine inspection items.	
(4) Has the Company established effective career and competence development and training plans?	√		On skill enhancement and career support, the Company's committees for all position grades worldwide drive professional skill enhancement for their respective position grades. The Company also accelerates the development of employees at all levels by encouraging them to take part in job rotations, key talent development programs, emerging talent development programs, and its NBD talent development programs. In mid-2021, the Company launched the three-year "Pioneer Leadership Training Program for New Business Groups" in the hope of getting more outstanding colleagues with innovative minds to join its new business teams. Please refer to 4. ESG, 4.1 I. Balanced interests for all stakeholders, 4.1.1 Human rights, employee rights and employee relations, 4.1.1.2 Talent attraction and retention and the 2021 Delta ESG Report, Chap 6.2 Talent Attraction.	

Promoted Items	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and the Reason(s)
	Yes	No	Abstract Illustration	
(5) Does the Company comply with relevant regulations and international standards in terms of customer health and safety, customer privacy, and marketing and labeling of products and services and formulate relevant consumer protection policies and complaint procedures?	√		All Company products follow international safety or environmental standards. We also label relevant information, such as compliance on products or packaging in accordance with environmental regulations for products at shipment locations. In addition, we indicate information related to conformity with environmental marks or seals such as the US Energy Star or 80 PLUS on product labels in line with customers' requirements for green product marketing. Concurrently, the Company sets up points of contact and a customer service mailbox, as well as establishes product safety and warranty policies to protect the rights of customers and consumers. The company's official website has a customer service link as follows, <a href="https://www.deltaww.com/zh-TW/customerService">https://www.deltaww.com/zh-TW/customerService</a> . Delta follows a personal data protection policy and is committed to safeguarding the privacy of the personal information that we gather from our customers. We inform them of what information we collect from them.	
(6) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues, such as environmental protection, occupational safety and health, or labor rights, and the implementation results?	√		Delta has established the Delta Group Supplier Code of Conduct in response to the development of international supply chain management, customer requirements and local regulations, in combination with years of ESG promotion experience. The supply chain is required to comply with local laws, supply chain ESG policy, and relevant codes of conduct (e.g., RBA Code of Conduct) in terms of labor and human rights, health and safety, environment, ethics, and management system. Also, pursuant to the due diligence principle, Delta's supply chain is required to comply with relevant regulations in order to build a sustainable supply chain management mechanism.	
5. Has the Company referred to the internationally accepted report preparation standards or guidelines for its preparation of CSR or other reports which disclose the Company's non-financial information? Has the aforementioned reports obtained a third-party assurance or verification statement?	√		<p>Delta's ESG Report has been verified and assured by a third party. The third-party verification statement and assurance report are expected to be received on June 30, 2022.</p> <p>(1) The Company contracted SGS Taiwan to conduct the report in accordance with the core options of GRI Standards and high-level assurance of AA1000 Type II. In addition, Delta was assured based on SASB standards by SGS Taiwan in 2021.</p> <p>(2) The Company contracted PwC Taiwan to conduct a limited assurance engagement on specific key performance information in accordance with ISAE3000.</p>	Compliance with the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies

Promoted Items	Implementation Status (Note 1)		Abstract Illustration	Deviations from the “Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies” and the Reason(s)
	Yes	No		
<p>6. Where the Company has stipulated its own sustainable development principles according to the “Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies”, please describe actual activities taken by the Company and deviations from the prescribed best practices:</p> <p>The Company has established the “Delta Corporate Social Responsibility Best Practice Principles”, which is implemented in day-to-day operations in terms of corporate governance, sustainable environment, social welfare, and ESG information disclosure. For corporate governance, please see Chapter 3 “Corporate Governance Report” of this Annual Report. As for sustainable environment, social welfare, and ESG information disclosure, please see Chapter 4 “ESG” of this Annual Report.</p>				
<p>7. Other material information that can help to understand how sustainable development is promoted in the Company:</p> <p>Please see Chapter 4 “ESG” of this Annual Report for further explanation.</p>				

Note 1: If “Yes” is checked under Implementation Status, please state specifically the important policies, strategies, and measures adopted and the implementation status. If “No” is checked under Implementation Status, please explain the deviations from the “Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies” and the reasons for such deviations, and state the plans for adopting relevant policies, strategies, and measures in the future.

Note 2: The materiality principle refers to environmental, social, and corporate governance issues which have significant influence on the Company’s investors and other stakeholders.

Note 3: For more details on the disclosure method, please refer to the sample annual reports provided on the website of the Corporate Governance Center of the Taiwan Stock Exchange.