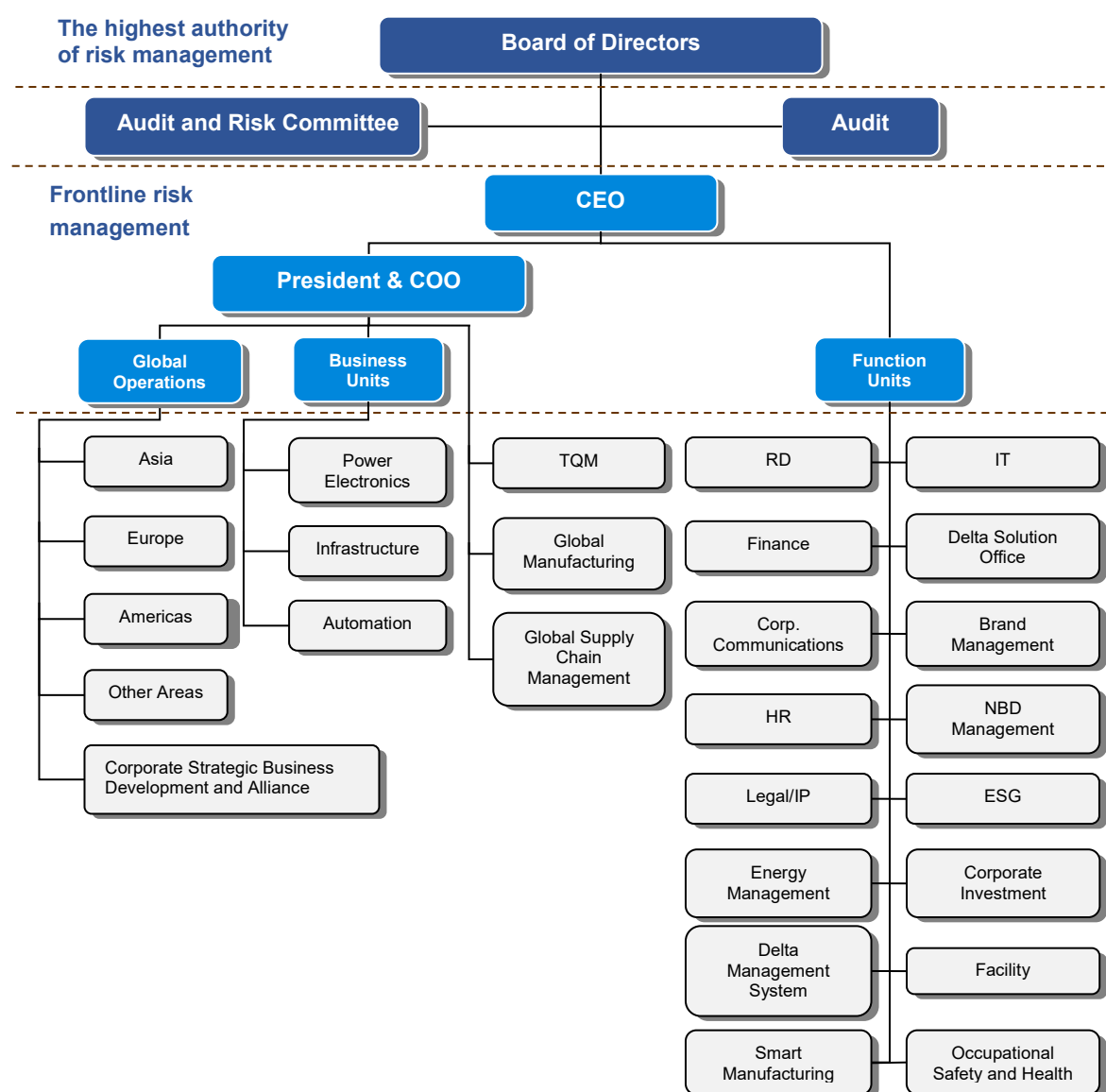


## Implementation of Delta Group Risk Management Policy

### 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 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

The Company engaged Marsh Insurance to conduct the maturity assessment of enterprise risk management this year (2023). The assessment had two phases including document review of policies and onsite interview of frontline risk management, and it covered five aspects which composed by 20 indicators. The Company's overall assessment result was better than the benchmarking entities and ranked at uniformed status due to 3 main achievements including 1) formulation of clear operational goals and strategies; 2) mature risk awareness and handling experience equip by the frontline risk management; and 3) frame of core strategies for geopolitics set by top management. The assessment had been reported to the Board of Directors on October 31, 2023. The Audit Committee and the Board of Directors of the Company approved to establish the Risk Committee that is composed of the entire number of independent directors and combine the Risk Committee with the Audit Committee into the Audit and Risk Committee on the same day. The Board of Directors of the Company as the highest risk governing body is responsible for supervising that the Group is compliance with laws, promoting and implementing the overall risk management of the Group. The Audit and Risk Committee assists the Board of Directors in supervising the implementation and effectiveness of risk management.