



# 2022 Delta Electronics ESG Report

Delta's Americas headquarters becomes the first LEED Zero Energy-certified green building in Fremont, CA



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## About the Report

Delta issued Taiwan's first Corporate Social Responsibility Report (ESG Report) in 2005 and has always upheld the business philosophy of "To provide innovative, clean and energy-efficient solutions for a better tomorrow". Delta has actively adopted international norms and remained committed to sharing our experience and carbon reduction results while working with industry partners and achieving our global goals. In 2022, Delta started a new chapter in sustainability with the support of our Board of Directors and set a long-term goal for attaining SBT Net-zero by 2050 to embrace the challenge of reducing Scope 3 emissions. We also incorporated biodiversity in Delta's sustainability strategy to expand our focus on climate change for environmental sustainability and protect the natural ecology.

Delta surpassed our original science-based target (SBT) of reducing carbon intensity by 56.6% by 2025 ahead of schedule in 2021 with a 71% reduction in carbon intensity. On this basis, we are committed to attaining RE100 and carbon neutrality for all global sites by 2030. In addition to expanding solar PV systems in Delta plants, we invested in the development of related solutions to increase the utilization rate of renewable electricity. We also implemented voluntary energy conservation, purchased Renewable Energy Certificates, and directly purchased green electricity to gradually increase the use of renewable energy. In 2022, Delta had already achieved 63% renewable electricity use at its global sites, and was creating RE100 trend related business opportunities. These opportunities included using Delta's energy storage system to adjust supply and demand and increase the RE ratio, as well as selling renewable electricity certificates with Delta's solutions from self-built solar power plants in Japan. In response to Taiwan's renewable electricity market and the global 24/7 carbon-free electricity trend, Delta also developed Renewable Energy Wheeling program software that optimizes the matching and decision-making of renewable electricity.

To support global efforts to control global warming in line with the 1.5°C pathway, Delta has established a long-term strategy to achieve our net-zero science-based target and reduce Scopes 1, 2, and 3 greenhouse gas emissions by 90% by

2050 compared with the base year of 2021. Meanwhile, we set a 2030 short-term target of reducing Scopes 1 and 2 greenhouse gas emissions by 90% and Scope 3 greenhouse gas emissions by 25% compared with the base year of 2021. We continue to implement energy conservation projects, use renewable energy, promote green building, invest in carbon offsetting and permanent removal, implement internal carbon pricing (ICP) to levy carbon fees, and invest in low-carbon innovations as Delta actively pursues the goal of SBT Net-zero. In 2022, Delta's global operations passed ISO 14064-1 verification and our Scope 1 and Scope 2 GHG emissions met the annual reduction target of 13.5%. Delta also set an internal carbon price of 300 USD per metric ton to support energy conservation and carbon reduction projects and renewable electricity and encourage investments in negative-carbon technologies and low-carbon innovations.

In response to Scope 3 carbon reduction challenges, Delta has completed the inventory of emissions from all categories in Scope 3 (15 categories) and set a near-term goal of having all tier 1 suppliers with continuous transactions pass the ISO 14064-1 Greenhouse Gas Inventory standards by 2025. We continue to organize ESG training for suppliers, lead suppliers in carrying out carbon inventory, and implement the Supply Chain Sustainability Partnership Program. We provide Delta's energy conservation and carbon reduction experience as well as product solutions to help suppliers reduce their carbon emissions. Each year, Delta calculates the manufacturing carbon footprint for nearly 40 customers participating in the CDP supply chain program and provides energy-saving technologies and carbon reduction benefits to reduce greenhouse gas emissions at each manufacturing step. Delta has also formed the "Taiwan Climate Partnership" with partners in the ICT industry to serve as a role model for leading carbon reduction in the supply chain, aligning with international initiatives, and achieving global goals.

In terms of actions and management implemented to protect biodiversity, Delta has worked with the Museum of Marine Science and National Museum of Marine Biology and Aquarium on coral restoration. We assembled approximately 60 Delta



marine volunteers and specially designed automation equipment for the restoration of coral reefs with the aim of growing and restoring 10,000 corals within three years. We organized the "Earth Pulsing-Nurturing Life Exhibition" which used technologies, ecology, culture, and art to showcase the abundant biodiversity and natural beauty of the Earth, and thereby call on people to support our environment. The internal biodiversity initiatives are supervised by the Board of Directors, which established seven commitments and standards including the introduction of biodiversity regulations of green building standards for new plants, reduction of the impact of raw materials on the ecology and prevention of deforestation, and minimization of the impact of renewable energy on the ecology. Delta departments participate in these actions based on their core competencies and work with upstream value chain partners to start by reducing damage to the natural environment. The short-term goal is to attain No Net Loss (NNL) and the long-term goal is to attain Net Positive Impact (NPI) by 2050.

Delta has continuously used its core competencies in power electronics and taken real actions to support sustainable development in daily operations for more than 50 years. Delta's business philosophy of "To provide innovative, clean and energy-efficient solutions for a better tomorrow" has become an essential part of our employees' values. As net zero emissions and sustainability become global goals, we aim to collaborate more broadly with global partners, strengthen environmental and social oriented efforts, and assist our supply chains, to expand our influence and create a sustainable future for Earth and the next generation.

Chief Sustainability Officer

If you have any comments or suggestions regarding the ESG Report of Delta Electronics, you are welcome to contact us at CSR@deltaww.com. We will respond as soon as possible.

## ESG Report Scope and Reporting Period

### Reporting Period

January 1, 2022 to December 31, 2022

### Scope

Considering the realities of information disclosure and actual managerial requirements, the scope of the data is consistent with the scope of the financial and annual reports. Any adjustment of the scope of data shall be specified in the Report. The subsidiaries included in the consolidated financial statements for which the Company retains more than 50% of shares shall be included in the scope of the ESG Report.

### Others

The exchange rates for currencies of different countries are based on the posted rates on December 31, 2022.

## Publication of the Report

The Sustainability Report is published on a yearly basis

**Publication date:** August 1, 2023

## This Report is Verified and Assured by a Third Party

### Verification

The Company contracted SGS Taiwan to verify that this report conforms to the GRI Standards and AA1000AS v3 Type II core standards with high-level assurance. Delta obtained SGS assurance based on SASB Standards and the Attestation Statement is attached in the Appendix.

### Assurance

The Company contracted PwC Taiwan to conduct a limited assurance engagement to confirm that the specific key performance information is provided in accordance with ISAE 3000. The assurance report for this ESG report is attached in the Appendix.



# A Word from the Management

## The Founder

Climate change and global warming continue to impact our environment and lives. High ocean temperatures recently broke 40-year records. The World Meteorological Organization (WMO) has also warned that the chance the planet's average temperature will rise by more than 1.5°C before 2027 has increased from 50% to 66%. In response to the climate crisis, all citizens of the Earth must work together and focus on environmental protection and sustainability to create a clean and bright future for the next generation. "To provide innovative, clean and energy-efficient solutions for a better tomorrow" is not only Delta's corporate mission but also our long-term goal.

Delta expanded from the production of components for TV sets into power and energy solutions beginning in the 1980s. We have always used our core power electronics technologies as the basis for continuous innovation to create better and more energy-efficient products and solutions for the next generation. With our employees' long-term commitment to environmental protection and technological innovation, the efficiency of Delta's power products has continuously improved each year and now exceeds 90%. Based on our calculations, the high-efficiency products shipped by Delta from 2010 to 2022 have saved customers an estimated 39.9 billion kWh of electricity, which is equivalent to reducing carbon emissions for the Earth by nearly 21.05 million tons.

In addition to our commitment to increasing energy efficiency, Delta has also expanded into renewable energy and aligned ourselves with global trends. In Europe, Germany's renewable energy power generation exceeded 50% in mid-May 2023. By April, power generation from fossil fuels in Europe decreased by 16% compared to the same period in the previous year. The percentage of coal-based power generation in the United Kingdom in the last three years fell below 2%. Delta's goal is to attain 100% use of renewable electricity at Delta's global business locations by 2030. It is also our RE100 pledge and we plan to attain RE100 objectives at our headquarters in Taiwan, and facilities in Mainland China, Northeast Asia, the Americas, as well as Europe, the Middle East and Africa (EMEA) by 2025.



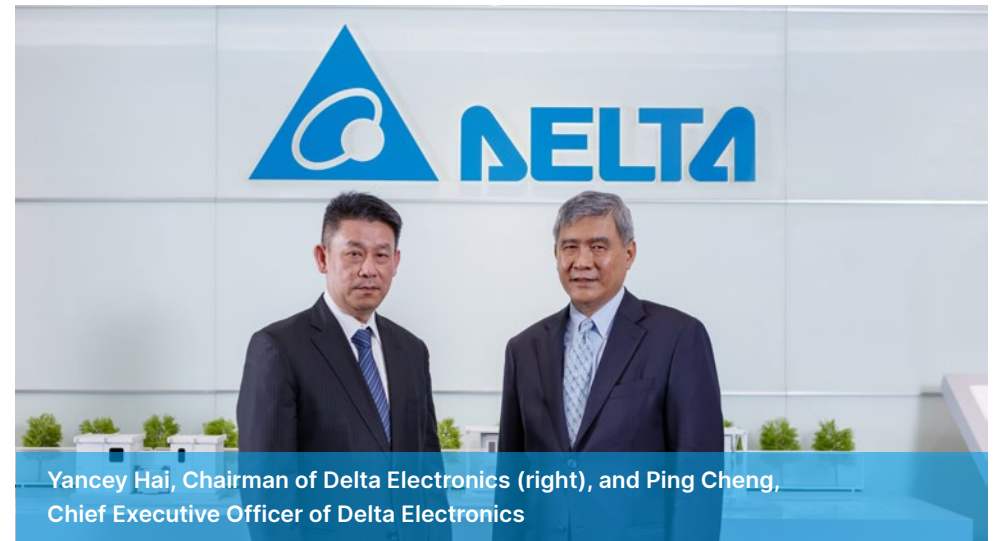
As buildings account for 30% to 40% of overall global energy consumption, energy conservation and emission reduction for buildings has become critical for attaining carbon neutrality and net zero emissions. Delta uses core technologies to develop smart energy-saving solutions for buildings to create an environmentally-friendly living environment that meets user demands and supports their health. From 2006 to 2022, Delta established 32 green buildings and 2 certified green data centers. In 2022, Delta's 17 certified green factory/office buildings and 5 donated campus buildings saved 26.91 million kWh of electricity and 15,400 tons of CO<sub>2</sub>e.

The Delta Americas' headquarters building inaugurated in 2016 employs a unique geothermal heat pump system with variable frequency equipment and rooftop solar power system. It received the LEED Zero Energy certification from the U.S. Green Building Council (USGBC) in 2022 and became the first green building with zero energy consumption in Fremont, California. Our new facility at the Automotive Campus in Helmond, the Netherlands, was inaugurated in October 2022, and is expected to consume 56% less electricity than traditional buildings annually through the implementation of Delta's smart energy-saving solutions and innovative eco-friendly design. It has been awarded a LEED Gold green building certificate. The construction of green buildings across the world demonstrates the importance of reducing the carbon emissions of buildings and encourages more professionals to dedicate themselves to increasing the energy efficiency of buildings and mitigating environmental impact.

In response to the threat of intensive competition and climate change in global industries, we encourage everyone to embrace the concept of sustainability and adopt a practical and persistent approach to continuously surpass their own achievements, use innovative technologies for energy conservation and carbon reduction, and pursue business continuity as well as stable growth.



## The Chairman and the CEO



Delta started its second 50 years of development in 2022. For the last half century, we have remained committed to integrating business development with sustainability goals and we constantly improve our core energy conservation technologies to create innovative, clean, and efficient products and solutions for the world and reduce carbon emissions for the Earth. After achieving our 2°C SBT target of reducing carbon intensity by 56.6% by 2025, four years ahead of schedule, Delta has formulated a long-term strategy and objective of achieving net-zero science-based targets at all global operating sites by 2050 in response to the 1.5°C pathway for keeping global warming under control. This makes Delta the first company in the technology hardware and equipment industry in Asia and the 125<sup>th</sup> company in the world to have passed the SBTi's net-zero science-based target review.

Delta has always been committed to corporate sustainability development. We have been selected for the DJSI World Index for 12 consecutive years and scored at the 100 percentile for the environmental and social dimensions of the global electronic equipment industry in 2022. Our industry-leading scores reflect Delta's commitment to innovation and R&D and enhancement of resource utilization efficiency while attaching importance to

supply chain management, striving to cultivate talents, safeguarding information security and privacy, and taking into account environmental, social, and economic development. As a result of this hard work and real actions, Delta was honored with double A list ratings by CDP for the second time for substantial contributions to climate change and water security issues and named Supplier Engagement Leader for the 6<sup>th</sup> consecutive year.

Delta promotes sustainability with technology and is committed to R&D and innovation in fields including power electronics, infrastructure, and automation. We have 73 R&D Centers across the globe and more than 10,000 R&D engineers to develop patent assets in R&D and manufacturing bases as well as major markets. As of the end of 2022, Delta's total number of patents approved has accumulated to nearly 13,000. Looking at the growth trends in India and Southeast Asia, Delta will continue accelerating its related regional portfolios going forward. Delta was once again selected by Clarivate as among the Top 100 Global Innovators™ with international recognition for innovation capacity and global patent development.

Delta continues to use our core competencies in power electronics to maintain our global lead in a variety of applications. Examples include the recently launched 3200W titanium-grade server power supply with its power density increased by 25% and power efficiency improved from 94% to 96%. For fluid automation systems, Delta's automation solutions can help customers reduce energy consumption by 34%. In terms of infrastructure, our data center solutions use the phase change of cooling liquid to remove heat and increase the heat dissipation efficiency, reducing energy consumption significantly.

In response to low-carbon transportation trends and demand, Delta has developed key components and power systems for electric vehicles and supplies the solutions to top global auto manufacturers. In addition to creating electric vehicle charging infrastructure solutions based on the microgrid concept, we took real action by announcing our support for EV100 in 2018, and committed to using electric vehicles or hydrogen vehicles for all companies by 2030. The Climate Group invited us to sign the ZEV Declaration in 2022 with the aim of using zero-emission vehicles for the Company's car and van fleets by 2030.

In response to the global net-zero trend, scope 3 carbon emissions reduction is an important direction of our efforts towards the goal. While strengthening cooperation

with the supply chain, we will actively implement circular economy practices and product carbon footprint management for environmental sustainability. Delta also continues to strengthen our human-centric core value as the world focuses on energy conservation and carbon reduction. We have won numerous international HR awards and hope to work with more like-minded talents to contribute to the sustainable development of the Earth. In 2022, Delta invested nearly 10 MUSD in social engagement and talent development accounted for the largest share with over 63%. We commenced industrial and academic collaboration with nearly 200 academic institutions across the world and invest over 3 MUSD in industrial and academic collaboration projects each year to attract top talents. The DeltaMOOCx online learning platform launched by the Delta Electronics Foundation in 2014 has also accumulated more than 18 million views and helped countless employees and students.

Delta invested nearly 10 MUSD in social engagement in 2022 and talent development accounted for the largest share with over 63%. We commenced industrial and academic collaboration with nearly 200 academic institutions across the world and invest over 3 MUSD in industrial and academic collaboration projects each year to attract top talents. Delta also spared no effort in participating in social welfare. The DeltaMOOCx online learning platform launched by the Delta Electronics Foundation in 2014 has accumulated more than 18 million views and helped countless employees and students.

We also participated in 15 consecutive sessions of the United Nations Climate Change Conference (COP) to continue to increase our influence. At a COP27 side event, we discussed energy transition with the local authorities of two islands of Spain. In the face of climate disasters, Delta has developed an energy storage solution to strengthen the resilience and reduce the carbon footprint of Orchid Island's electricity grid. In an Action Hub at the COP27, we shared our adaptation methods for successfully restoring about a thousand corals, which responded to an ocean restoration program that the host country, Egypt, is planning to launch.

Innovation and integration are essential for sustainable development in a rapidly changing environment. Delta continues to strengthen its core competencies, accumulate successful track records, and actively develop diverse application solutions for cities and the environment. We will also work with our partners to reduce the impact of human development on the environment and contribute to the global 1.5°C climate target.



# Overview



# 1

- 1.1 Delta Electronics Organizational Structure
- 1.2 Sustainable Business Development
- 1.3 Enhancing Brand Value

# Overview

**Established: 1971**

**2022 Delta Electronics, Inc. (DEI) revenue: 12,890 MUSD (NTD 384.44 billion) \*1**

Delta is a leader in power supplies and thermal management solutions, as well as energy-saving and new energy solutions with customers across the world. Delta has integrated its software and hardware system products in recent years and focused on strategic markets such as industrial automation, building automation, energy infrastructure facilities, ICT infrastructure, and electric vehicles to create smart and energy-efficient solutions for customers. Delta is headquartered in Taipei, Taiwan, and has main sales offices throughout the world, including nearly 40 countries in Europe, Asia, America, and Africa.

With our corporate mission: "To provide innovative, clean and energy-efficient solutions for a better tomorrow", Delta has always paid close attention to climate change issues and established a long-term strategy with a target of attaining net-zero emissions in global operations by 2050. We obtained the certification of the Science Based Targets initiative (SBTi) in 2022 and became the first technology hardware equipment company in Asia and the 125<sup>th</sup> company in the world to pass the review for "net-zero science-based targets".

Our participation in associations in Taiwan includes the Business Council for Sustainable Development of Taiwan (BCSD Taiwan), Center for Corporate Sustainability, Taiwan Corporate Governance Association (TCGA), Taiwan Optoelectronic Semiconductor Industry Association (TOSIA), Taipei Computer Association (TCA), and Taiwan Climate Partnership (TCP). In Mainland China, Delta is a member of associations such as the China Power Association, Chinese Association of Automation, China Communications Standards Association, and Carbon Neutrality Committee of China Energy Conservation Association. In Thailand, Delta is a member of the Electric Vehicle Association of Thailand and Thai Photovoltaic Association. In other overseas regions, Delta is a member of the EV100 Initiative and RE100 of the Climate Change Organization, International WELL Building Institute, and U.S. Green Building Council. We believe in fulfilling Delta's sustainability goals through sound corporate governance, balancing stakeholder interests, and supporting social progress.





# Global Operations

Delta has 156 sales offices, 51 plant sites, and 73 R&D centers, with over 10,000 R&D engineers throughout the world.

	Asia-Pacific	Americas	EMEA	Total
Global Sales Offices	98	27	31	156
Global Plant Sites	41	6	4	51
Global R&D Centers	48	10	15	73

- Main Sales Offices
- Main Plant Sites
- Main R&D Centers

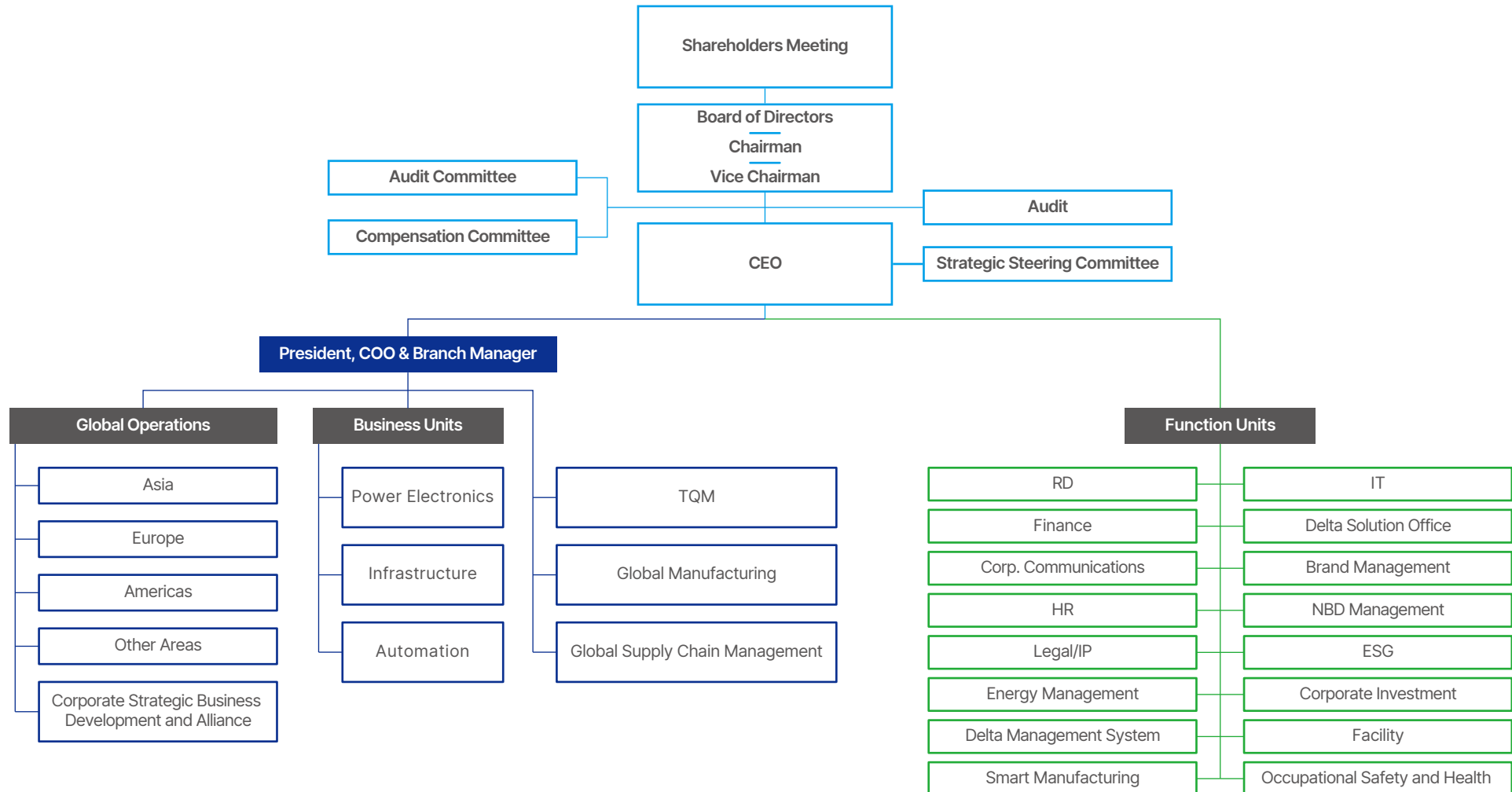


\*1 Please refer to the 2022 Delta Electronics, Inc. (DEI) annual report revenue boundary.



# 1.1 Delta Electronics Organizational Structure

Delta's corporate governance framework and highest governance unit is the Board of Directors. To strengthen corporate governance, Independent Directors are appointed in the Board of Directors and we have established functional committees such as the Compensation Committee and Audit Committee to improve the performance targets and compensation structure of Directors and managers of the Company. We have implemented effective internal controls and risk management to respond to potential crises and risks for the Company.



## 1.2 Sustainable Business Development

By leveraging our core competence in power electronics, Delta has developed innovative technologies in both hardware and software based on the needs of our clients. We provide innovative, clean, energy-efficient solutions and system integration services while striving to promote our brand and enhance our corporate image. According to statistics from 2012 to 2022, Delta has had 1,396 successfully completed cases all over the world. These projects have covered areas such as industrial automation and smart manufacturing, building automation, data center infrastructure, telecom power systems, intelligent monitoring & management systems, electric charging systems, and renewable energy. These projects have assisted clients in saving operations costs and improving their global competitiveness and helped reduce global warming.

### 1.2.1 High-Performance Product Development

Delta has divided its operations into three business categories based on its business continuity strategy. These include “Power and Electronics”, “Automation”, and “Infrastructure”, which account for 59%, 14%, and 27% of revenue, respectively. Delta maintains its leadership position in the ODM (Original Design Manufacturer) industry, and actively integrates product advantages with hardware and software technology. We focus on electric vehicles, smart manufacturing, smart green buildings, and energy storage and microgrid systems to provide customers with innovative, environmentally friendly, and high-performance total solutions.

#### Business Scope of Delta's Three Business Categories

### Business Categories

 **Power Electronics**

- Components
- Power and System
- Fans & Thermal Management
- Automotive Electronics

**Innergie**

 **Automation**

- Industrial Automation
- Building Automation

 **Infrastructure**

- ICT Infrastructure
- Energy Infrastructure & Industrial Solutions
- Display Solutions

**vivitek**



Delta Confidential

## Three Major Business Categories

### Power Electronics

The Power Electronics category includes components, power and system, fans and thermal management, and automotive electronics. Delta is a provider of power and thermal management solutions. We provide switching power supplies, DC fans, and passive components for renowned customers in the global ICT, consumer electronics, and industry sectors. Delta uses its core technologies for integrating electrical and electronic power systems to provide solutions and products for electric and power systems for electric vehicles and hybrid vehicles.

### Automation

The Automation category includes industrial automation and building automation. Delta provides customers with industrial applications including food, textiles, lifting, elevators, rubber and plastics, printing and packaging, tool machines, and electronics in the industrial automation sector. Delta also integrates its automation technologies and abundant knowledge in the industry to actively advance toward smart manufacturing. Delta uses IoT technologies to integrate equipment in buildings such as air-conditioning, lighting, energy, water supply and drainage, elevators, electricity, and security access systems to create flexible, scalable, and highly compatible building automation solutions.

### Infrastructure

The Infrastructure category includes ICT infrastructure and energy infrastructure. In the ICT infrastructure facilities sector, Delta is a main global supplier of ICT power systems, data center infrastructure, and networking systems and provides customers across the world with energy-efficient and reliable solutions. Delta also provides energy infrastructure facilities for multiple sectors including renewable energy, electric vehicle charging, and energy storage systems to create sustainable cities with customers. Delta is also a professional manufacturer of video displays and projectors that are used in family theaters, surveillance centers, large-scale concert halls, outdoor displays, and exhibition halls. The scope of the infrastructure also includes industrial power supply, medical power supply, and medical and health equipment.

## 1.2.2 Global Success Stories in the Implementation of SDGs

Delta actively provides one-stop service solutions to customers around the world. As of 2022, we have delivered 109 successful cases and actively developed high-performance products and solutions with significant benefits for our customers such as reduced operating costs, while enhancing customers' global competitiveness.

### Statistics of Delta's success stories with seven major solutions

Delta's Solutions	2012-2022	2020	2021	2022
Data Centers	434	58	29	15
Display and Monitoring	190	6	10	19
Electric Vehicle Charging	74	14	18	11
Industrial Automation and Smart Manufacturing	310	27	29	35
Renewable Energy	90	11	5	5
Building Automation	185	18	21	23
Telecom Power	86	3	0	0
Others	27	1	1	1
<b>Total</b>	<b>1,396</b>	<b>138</b>	<b>113</b>	<b>109</b>



### Case 1: Delta Electric Vehicle Charging Solution Provided Services at the G20 Summit in Indonesia



The 2022 G20 Summit was held in Bali, Indonesia to discuss geopolitical, economic, and environmental issues. The Indonesian government also dispatched a fleet of electric vehicles to delegates from different countries to demonstrate its resolve for promoting green transportation. Delta established long-term partnerships with Perusahaan Listrik Negara (PLN), PT Pertamina, and Hyundai Indonesia. Nearly 80% of the charging facilities in Bali are made by Delta. Delta and partners set up 250 AC/DC charging facilities at the convention center, nearby parking lots, and hotels to provide charging services to nearly one thousand electric vehicles during the Summit.



With its comprehensive hardware and software portfolio, Delta is the only EV charging supplier in Indonesia capable of charging all types of EVs, from e-Buses to passenger EVs to heavy e-motorbikes.

### Case 2: Delta Energy Storage System Installed on Orchid Island for Grid Stabilization on Offshore Island



The installed capacity of the system is 500kW/1.1MWh. It provides support for enhancing the stability of the grid on the offshore island and resolves electricity supply issues caused by the increase in peak electricity consumption due to the development of tourism on Orchid Island. Delta provided customized protection measures for the whole system in response to wind speed, rainfall, flood level, salt spray and other challenges posed by the island climate of Orchid Island. The measures include a 4-meter-high, 20-meter-wide RC windbreak wall next to the site. Delta also collaborated with the Lan An Cultural and Educational Foundation and invited 27 children to design and paint the wall to add the children's touch and a local connection to the grid stabilization energy storage system.



The 500kW/1.1MWh energy storage system Delta built at the power plant in Orchid Island, Taiwan, helps Taipower stabilize the power grid on the island.

## 1.3 Enhancing Brand Value

### Unceasing Innovation for a Better Living

Delta reached a brand-new milestone in 2022 as we started our second 50 years of development.

We have successfully transitioned from a component supplier to a provider of system integration solutions and we have become a leading global brand for industrial applications over the past 50 years. We have continued innovation and pursued market opportunities, and our business has continued to perform well with high growth in recent years despite the impact of the global pandemic. Delta now provides closer support to users than ever before by expanding from an industrial brand to a commercial brand with businesses encompassing electric vehicle charging, smart building, microgrid, and renewable energy to create a healthy and safe smart city based on human needs.

Delta continues to innovate and evolve based on the ideal. We launched a brand-new corporate identity system in 2022 to upgrade the visual representation of the brand, demonstrating that we not only develop individual components or products, but also offer innovative and energy-efficient solutions to attain unceasing innovation for a better living in global development.



Delta published its brand-new corporate identity slogan in 2022 — Unceasing Innovation for a Better Living.

### Brand Positioning

Delta's brand emphasizes innovation and energy conservation and features a combination of product development and sustainability. As a provider of electronics, power, and energy management solutions faced with global climate and environmental changes, Delta continues to invest in product R&D and technological innovation to provide more efficient and more reliable energy-efficient solutions and create sustainable low-carbon cities.

Delta is committed to its mission: "To provide innovative, clean and energy-efficient solutions for a better tomorrow." This commitment is Delta's pledge and its commitment to investors, customers, and employees. We believe deeply in bringing together leading technology and customer cooperation to continuously create highly efficient, reliable power and component products, industrial automation, energy management systems, and consumer products. Delta is dedicated to providing industry customers and consumers alike with a variety of products and services that support a smart, environmentally-friendly future.

### Best Taiwan Global Brands

Delta announced 2010 as the first year of a new era for Delta's brand, and applied innovation and a grander perspective to create an outstanding brand image and support more sustainable corporate development. We are honored to have attained more than ten years of stable growth in brand value.

Since 2011, Delta has been listed on Interbrand's brand valuation of the Best Taiwan Global Brands for 12 consecutive years. The brand value in 2022 increased by 8% compared to 2021 to 426 MUSD with ten years of consecutive growth.



Delta received the Best Taiwan Global Brands award with ten consecutive years of growth in brand value. Chief Brand Officer Ms. Shan-Shan Guo accepted the award on behalf of Delta.



## Becoming an ESG Brand

As Delta shares the fruits of technological innovation, we also closely integrate business operations with ESG to strengthen core competencies and product development and become an ESG brand.

The 27<sup>th</sup> United Nations Climate Change Conference (COP27) was held in November 2022. Delta and the Delta Electronics Foundation successfully held peripheral meetings and seminars on international initiatives at the official negotiation area to communicate Delta's energy storage solutions and the results of our coral restoration efforts. We exchanged ideas with leaders of global climate change initiatives to provide high-tech solutions for global warming and fulfill our sustainability strategy of attaining biodiversity. In addition, Delta also continues to support energy conservation and carbon reduction with innovation. The products shipped from 2010 to 2022 reduced customers' energy consumption by 39.9 billion kWh, which is equivalent to reducing global carbon emissions by 21.05 million tons. We also actively build healthy and energy efficient buildings and we have built 32 green plants and office buildings and 2 certified high-efficiency data centers across the world. The 17 certified green plants and offices and 5 certified green buildings donated to academic institutions saved 26.91 million kWh of electricity in 2022, representing approximately 15,400 metric tons of CO<sub>2</sub>e reduction. Delta will continue to pursue innovation and energy conservation to attain our zero carbon targets.

## Internal Brand Communication: Consolidating Employee Consensus

Delta has issued its Brand News bi-monthly for more than 10 years and continues to share Delta's branding practices and operations in different parts of the world. We launched the digital version of our bi-monthly newsletter a few years ago and have enhanced our video and social media connections. These creative measures enrich our employees' reading experience and allow us to share the achievements of the Delta brand to more external partners.

Delta's Brand Management and Human Resource Divisions work together to organize regular brand training courses on the development history of the Delta brand, brand positioning, and ESG sustainability actions. We help every employee understand the connection between Delta's core values and businesses and incorporate them into their DNA so that they become spokespersons for the Delta brand. We hope to work with internal and external partners and continue to enhance Delta's brand for the new era.



Chief Brand Officer Ms. Shan-Shan Guo recorded brand training courses and discussed Delta's transformation and brand value.



# Sustainable Management



## 2

- 2.1 Sustainable Management
- 2.2 Policies and Promotions
- 2.3 Responding to Global Sustainable Development

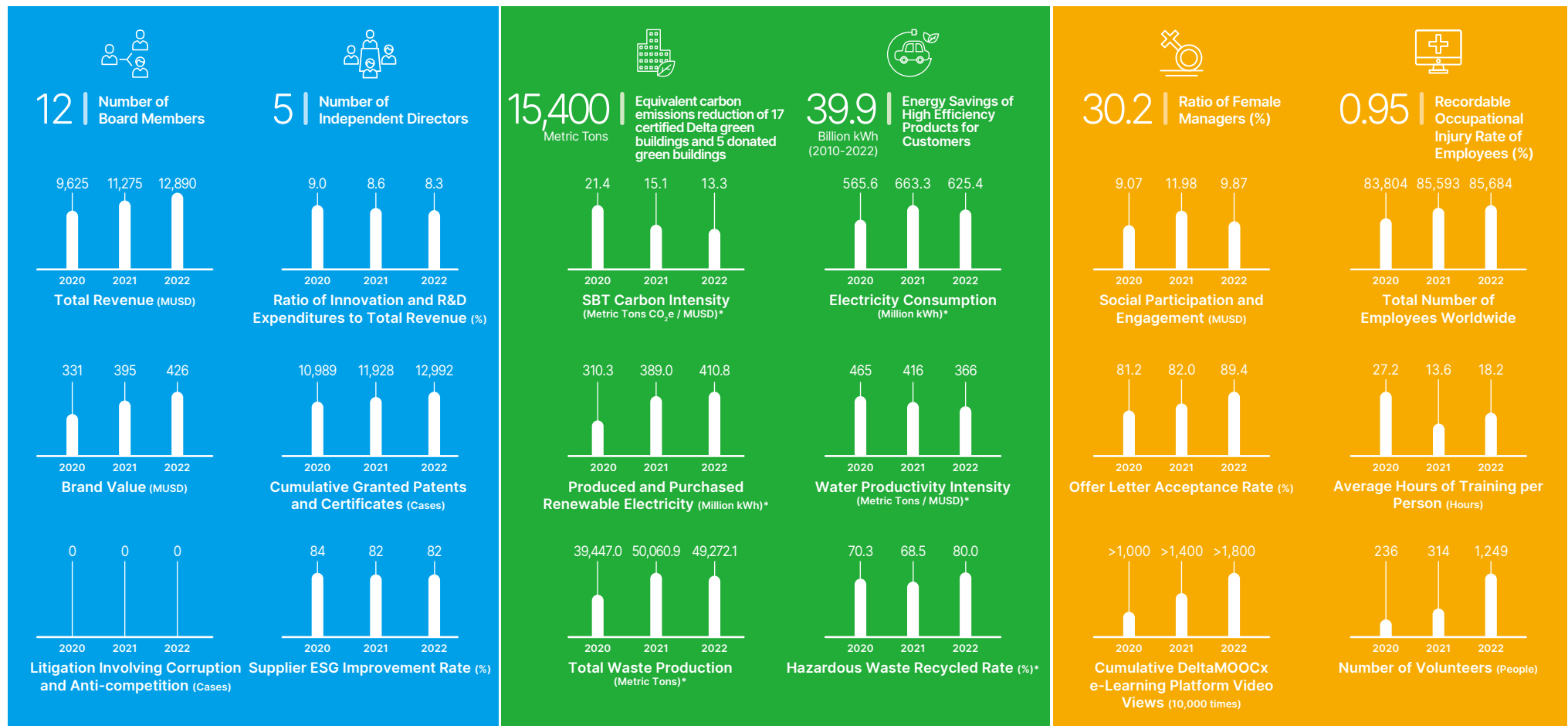
# 2.1 Sustainable Management

## 2.1.1 Sustainable Key Performance

### ECONOMY

### ENVIRONMENT

### SOCIETY



\* Overall production plants: Dongguan, Wujiang, Wuhu, and Chenzhou Plants in Mainland China; DET plant 1, 3, 5, and 6; Taoyuan plant 1, 2, 5, Pingjhen in Taiwan; Cyntec Hsinchu and Huafeng plants; Eltek (Americas and India plant) ; exclude Eltek (Americas and India plant) due to production adjustment in 2021; Taoyuan plant 5 and Pingjhen plant were added in 2022.

## 2.1.2 Awards and Recognition

Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

### Dow Jones Sustainability Indices

- Listed on the Dow Jones Sustainability World Index for 12 consecutive years
- Highest overall score in the electronic equipment, instruments & components industry in the Dow Jones Sustainability Indices (DJSI) for 7 years
- Listed in the Dow Jones Sustainability Emerging Markets Index for 10 consecutive years
- Delta Electronics (Thailand) was listed in the Dow Jones Sustainability World Index and Dow Jones Sustainability Emerging Markets Index

Delta Electronics, Inc.  
Electronic Equipment, Instruments & Components

**Top 1%**  
S&P Global ESG Score 2022

**85** /100

As of February 7, 2023. Position and Score are industry specific and reflect exclusion screening criteria. Learn more at [spglobal.com/esg/yearbook](http://spglobal.com/esg/yearbook).

S&P Global Sustainable1

### Sustainability Yearbook Assessment

- Ranked among the top 1% in the S&P Global ESG Score in Electronic Equipment, Instruments & Components in the S&P Global Sustainability Yearbook.



### CDP

- Awarded CDP Climate Change Leadership for the 7<sup>th</sup> time
- Included in the CDP Water Security and Supply Chain Engagement A List for three consecutive years



### Morgan Stanley Indexes

- Selected consecutively for the MSCI ACWI ESG Leaders Index
- Selected consecutively for the MSCI Emerging Markets ESG Leaders Index
- Selected consecutively for the MSCI Taiwan ESG Leaders Index



### FTSE4Good Index Series

- Selected consecutively for the FTSE4Good Emerging Indexes
- Selected as a constituent of FTSE4Good TIP Taiwan ESG Index (compiled by Taiwan Index Plus Corporation and FTSE Russell)



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

- Received "Best" rating in the evaluation





### Best Taiwan Global Brands

- Selected as one of the "Best Taiwan Global Brands" for the 12<sup>th</sup> consecutive year



### ENERGY STAR Sustained Excellence Award

- Received ENERGY STAR Sustained Excellence Award for the 5<sup>th</sup> consecutive year
- Received the ENERGY STAR Partner of the Year award for the 7<sup>th</sup> consecutive year



### The Taiwan Corporate Sustainability Award

- Delta received 7 major awards at the Taiwan Corporate Sustainability Awards and the Global Corporate Sustainability Award held by the Taiwan
- Institute for Sustainable Energy in 2022



### Honorable Legion of Corporate Sustainability

- Received the first "Honorable Legion of Corporate Sustainability" from CommonWealth Magazine



### Top 100 Global Innovators Award

- Selected by Clarivate among its Top 100 Global Innovators™ for two consecutive years



### Awards for Foreign Companies in China

- Ranked among the top 10 foreign companies in the "China Corporate Social Responsibility Development Index" published by the Chinese Academy of Social Sciences for the 8<sup>th</sup> consecutive year

- Delta Electronics (Thailand) was selected as one of the ASEAN Asset Class Listed Companies for the ASEAN Corporate Governance Scorecard
- Selected for the Thaipat Institute ESG100 for the 8<sup>th</sup> consecutive year
- Received the Thailand Energy Award presented by the Ministry of Energy of Thailand for the 7<sup>th</sup> year
- Received the 2022 "Excellence Award in Corporate Responsibility of the Year" and "Model Responsibility Enterprise of the Year" from "Southern Weekly", and ranked among the top 10 in the "China Enterprise Carbon Peaking and Carbon Neutrality Action Rankings" and top 10 in the "Enterprise Science and Innovation in the Electronic Component Industry"
- Selected as one of the "Excellent ESG Cases of Enterprises" by Xinhua.net



## 2.2 Policies and Promotions

### 2.2.1 ESG Policy and Mission

Delta has upheld the mission statement "To provide innovative, clean and energy-efficient solutions for a better tomorrow" since its founding. We are also committed to the brand promise of "Smarter. Greener. Together." Delta expresses its commitment to promoting economic, environmental and social sustainable development in its various aspects of operation. These include providing energy-saving products and green solutions, improving corporate governance, taking stakeholders' benefits into account, protecting the environment, focusing on energy conservation education, promoting environmental education, and more. Along with the continuous development of sustainability topics, we also focus on the relationship between Delta's value chain and the environment and society. We actively play our role as an international corporate citizen based on our core competencies.

As an international corporate citizen, Delta supports international responsible business principles and standards including the Universal Declaration of Human Rights, International Labor Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. Delta also complies with the Responsible Business Alliance Code of Conduct (RBA Code of Conduct) to implement our ESG policies and missions.

Delta's important policies are authorized for announcement by the Board of Directors to fulfill ESG responsibilities. The Board of Directors has clearly defined four major principles through "the Delta Corporate Social Responsibility Best Practice Principles" to fully secure ESG responsibilities: implement corporate governance, develop a sustainable environment, safeguard public welfare, and enhance the disclosure of corporate social responsibility information. Please refer to our official website to view the policies:

[Click here](#)

### OUR PROMISE

- ✓ Maintain good corporate governance and adhere to business ethics
- ✓ Adhere to all laws and regulations
- ✓ Create company value and improve shareholders' rights
- ✓ Invest in innovative R&D, develop intellectual property rights, and do our best to improve technology for humanity's social and economic development, and sustainable development of the global environment
- ✓ Develop environmental protection and energy saving products and implement environmental protection as a way to reduce our impact on the environment
- ✓ Provide a safe and healthy work environment for employees, space for their full talents, and reasonable compensation and benefits
- ✓ Actively participate in environmental protection and energy conservation education, and encourage employees to participate in social welfare activities
- ✓ Promote the concept and practice of sustainability in Delta's supply chain and jointly pursue better performance

## 2.2.2 Sustainable Promotion of Organizations

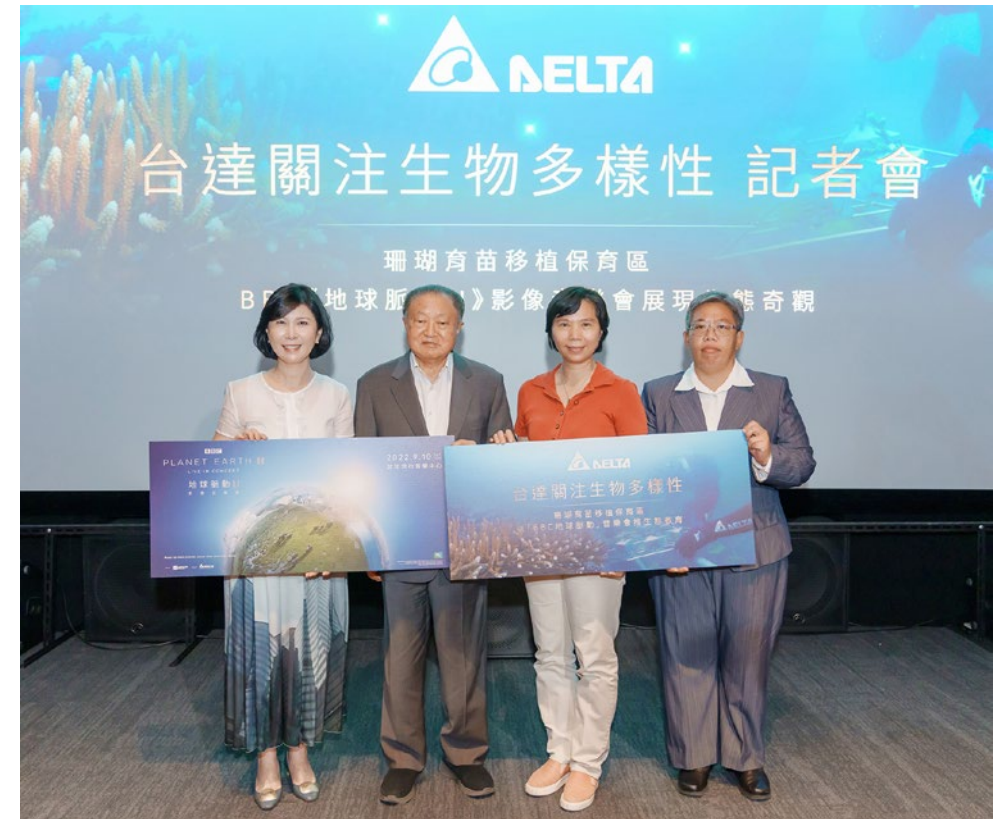
Delta's ESG Committee is its highest-ranking sustainable management organization. Since its founding in 2007, the committee has continuously evolved with sustainability development trends. Delta established the role of Chief Sustainability Officer (CSO) in 2019 to promote and intensify Delta's sustainable development.

Mr. Bruce Cheng, founder and honorary chairman of Delta, serves as honorary chairman of the committee, while Chairman Yancey Hai acts as the chairman. The ESG Committee oversees staff organizations and execution units including project teams and the Corporate Sustainability Development Department. Delta Electronics Foundation is also invited to attend meetings of the ESG Committee. The "Corporate Sustainability Development Department" serves as the secretariat which is responsible for analyzing international trends in sustainable development and understanding stakeholder expectations to identify material topics. It makes adjustments and mitigates possible impact of material topics such as climate change on operations and jointly plans application strategies and execution plans with various function subcommittees. It also drafts the Sustainability Report each year and submits it to the Delta ESG Committee for issuance.

The Committee oversees 10 project teams that focus on three major aspects of ESG goals including corporate governance, environmental protection and energy conservation, and employee relations and social participation. The "Biodiversity" project team was added to employee relations and social participation in 2022. The project teams are composed of business groups, region directors, and department directors. They are responsible for formulating Delta's project plans, development tools, and procedures and they organize regular meetings to plan annual sustainability strategies, review the operations of the Group and various functional committees, and supervise the effectiveness of the execution of major projects.

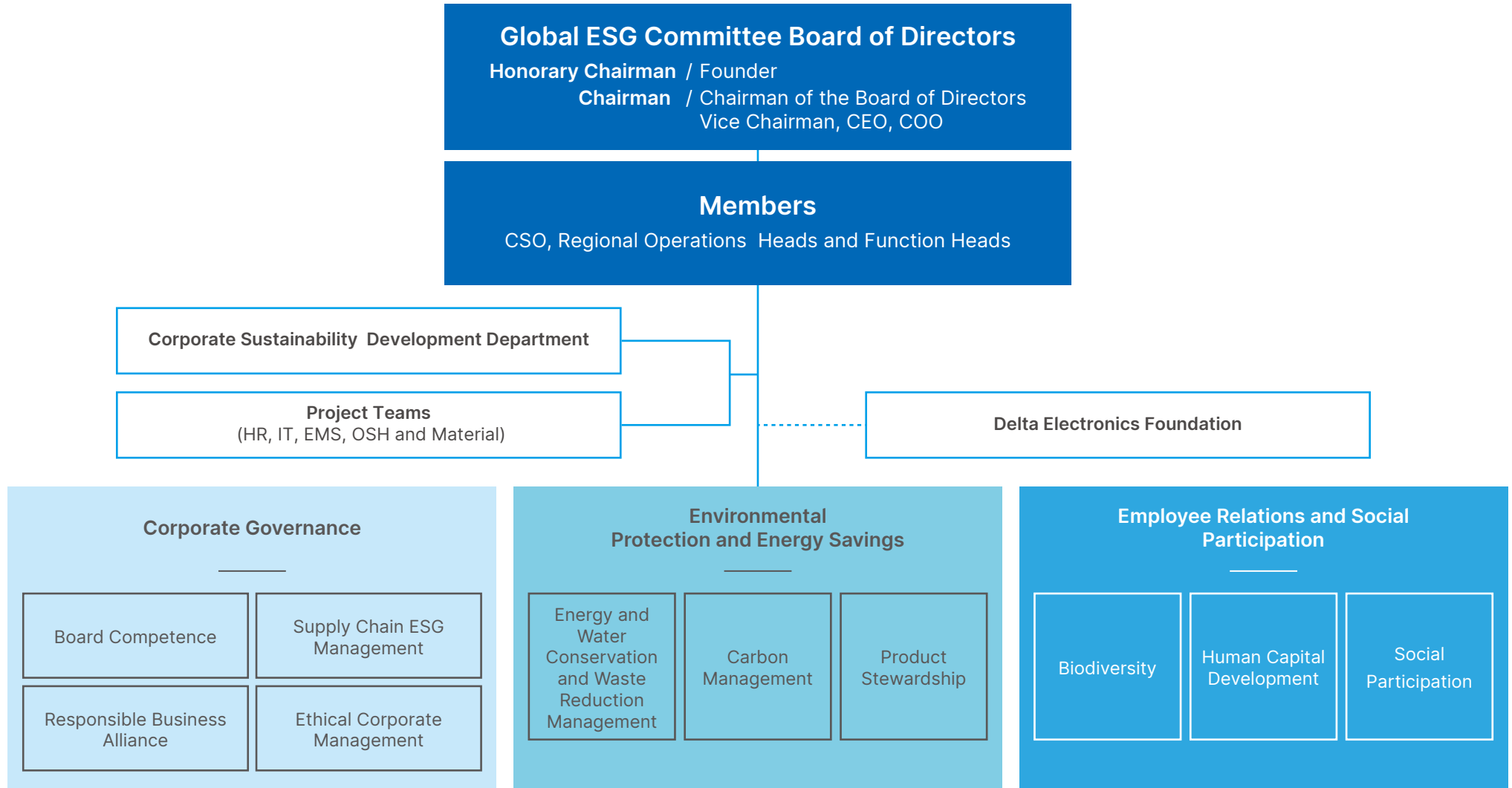
The CSO reports the implementation results and future work plans for sustainable development on behalf of the Company to the Board of Directors each quarter. The Committee held four meetings in 2022 and the proposals discussed included: (1) sustainable development topics and project progress reports; (2) analysis of important international ratings; (3) stakeholders and material issues; (4) progress of international

initiatives. The Board of Directors oversees and supervises the progress of sustainable development strategies and projects and provides necessary guidance.



In 2022, Delta completed the first phase of coral restoration, integrating biodiversity into their sustainability strategy.

## Delta ESG Committee










## 2.3 Responding to Global Sustainable Development

### 2.3.1 UN Sustainable Development Goals

The United Nations passed the Sustainable Development Goals (SDGs) in 2015, which set up 17 targets that are related to global sustainable development. The SDGs help Delta evaluate whether product development is in line with global demands and encourage us to think how to maximize the impact of our corporate mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow" and uncover opportunities. Delta's Corporate Sustainability Department is based on the company's core professional capabilities, and references international benchmark case analysis and customer success cases. The ESG Committee decided to focus on 7 SDGs for the future direction of Delta's key development plans.

#### Delta Focuses on Seven SDGs

 <p><b>Quality Education</b></p>	 <p><b>Affordable and Clean Energy</b></p>	 <p><b>Industry/Innovation Infrastructure</b></p>	 <p><b>Sustainable Cities and Communities</b></p>
<p>High quality education for all. Shaping the development of talent and improving knowledge. Delta is promoting education and life-long learning from 4 major aspects: Promoting basic subject education; promoting environmental education such as energy, water resources, and green buildings; assisting in improving educational opportunities in developing countries; and establishing talent cultivation mechanisms within the company to move towards lifelong learning.</p>	<p>Constructing a reliable and sustainable clean energy system is one of the global priorities. Delta is dedicated to developing solar power generation systems and renewable energy solutions, and discovering new business models from them. Delta also provides affordable renewable energy solutions for low development areas to help more people obtain sustainable modern energy.</p>	<p>Accelerating industrial innovation and assisting in the construction of resilient infrastructure are the best solutions for companies facing the dual pressures of climate change and sustainable development. Delta has implemented an internal incentive system to continuously accumulate innovative energy and provide diversified energy-saving solutions for global customers. Its applications include smart manufacturing and low-carbon transportation.</p>	<p>As cities grow larger and populations becomes more concentrated, sustainable cities have become key to balance human welfare and sustainable environmental and social development. Delta actively promotes green buildings and our green building solutions include building automation and energy infrastructure. We seek to build sustainable cities with stakeholders.</p>
 <p><b>Responsible Consumption and Production</b></p>	 <p><b>Climate Action</b></p>	 <p><b>Partnerships for the Goals</b></p>	
<p>Sustainable consumption and production are the basis for sustainable business operations. Delta upholds its mission of "To provide innovative, clean and energy-efficient solutions for a better tomorrow". It has implemented sustainable consumption and production into daily operations by promoting green production measures, green building factory management and the green operation concept.</p>	<p>Properly responding to climate change and its impact, and taking counter measures are a major challenge for the company's sustainable business strategy. Delta responds to climate-related risks by adaptation and mitigation, and continues to identify climate change opportunities. In addition, Delta uses "corporate self-motivated carbon reduction", "disclosure of climate change information", "participation in climate policy", "conversion to electric vehicles and expansion of charging facilities", and "promotion of 100% renewable energy" as strategies, and takes action from inside out.</p>	<p>As global citizens, companies participate in global partnerships to help activate sustainable development. Delta participates in international conferences on climate change, provides its views on sustainable development to the international community and increases the opportunities for industrial communication. Delta further promotes global partnerships by taking action responding to the "We Mean Business" commitments.</p>	



## 2.3.2 International Sustainability Initiatives

### Five Major Commitments for "We Mean Business"

Companies play a crucial role in sustainable development. Delta has long focused on the development of various international sustainability initiatives and identified topics that match Delta's ideals to make an active response and maximize the effects of company strategy. Climate change is an issue that Delta has focused on for a long time. Dealing with climate change has become an extension of Delta and our corporate social responsibility commitments. Delta was a leader in publishing the Delta Climate Action Plan in 2015. We signed the "We Mean Business" initiative promoted by the CDP and World Business Council for Sustainable Development (WBCSD), and committed to adopting a science-based carbon emissions reduction target, reporting climate change information in mainstream reports as a fiduciary duty, engaging in a responsible corporate climate policy, and conversion to electric vehicles and expansion of charging facilities. We also pledged to join the RE100 initiative (committed to using 100% renewable electricity) in 2021.

### Progress of the Five Major Commitments for "We Mean Business"

Initiative Topic	Delta's Strategic Direction	Milestones	Actions in 2022
<b>Commit to adopt a science-based emissions reduction target</b>	Adopt a science-based target (SBT) for driving carbon emissions reduction*1	<ul style="list-style-type: none"> <li>Became the first in Taiwan as well as the 87<sup>th</sup> company globally to pass the validation of the Science Based Targets initiative (SBTi) in 2017</li> <li>Became a member of the Business Ambition for 1.5°C Campaign in 2021</li> <li>Achieved carbon reduction targets for the current stage ahead of schedule in 2021</li> <li>Became the first among high-tech hardware equipment manufacturers in Asia as well as the 125<sup>th</sup> company globally to pass the net zero target validation of the Science Based Targets initiative (SBTi) in 2022</li> </ul>	<ul style="list-style-type: none"> <li>Delta's short-term reduction targets and net-zero targets passed the validation by Science Based Targets initiative (SBTi) in 2022 (detailed in Chapter 5)</li> </ul>
<b>Commit to report climate change information in mainstream reports as a fiduciary duty</b>	Promote climate-related financial information disclosure	<ul style="list-style-type: none"> <li>Became a signatory and supporter of the Task Force on Climate-related Financial Disclosures (TCFD) in 2018</li> <li>Continued to conduct climate scenario analysis and impact assessment for key topics starting from 2019</li> <li>Developed the Delta Climate-related methodology and Taxonomy starting from 2021</li> </ul>	<ul style="list-style-type: none"> <li>Assessed the medium to long-term impact of physical risks for climate change to renewable electricity generation in Taiwan</li> <li>Improved the Delta Electronics' Climate-related Product Taxonomy and compliance ratio based on international standards such as the EU Taxonomy.</li> </ul>

Initiative Topic	Delta's Strategic Direction	Milestones	Actions in 2022
<b>Commit to responsible corporate engagement in climate policy</b>	Provide advice to the government on green technology policies and pay attention to international climate policies	<ul style="list-style-type: none"> <li>Assisted the Business Council for Sustainable Development of Taiwan (BCSD Taiwan) in drafting the Energy and Climate Policy White Paper in 2015</li> <li>Collaborated with the reputable think tank American Council for an Energy-Efficient Economy (ACEEE) and provided urban energy conservation recommendations in 2018</li> </ul>	<ul style="list-style-type: none"> <li>Delta and seven other major tech companies in Taiwan formed the Taiwan Climate Alliance, officially registered in 2022, to promote climate policies. Yancey Hai, Chairman of Delta, serves as its first Chairman.</li> </ul>
<b>Conversion to electric vehicles and expansion of charging facilities</b>	Delta has set a goal for installing electric vehicle charging facilities in major operation sites and switching to using zero-emission vehicles for company vehicles before 2030. <sup>*2</sup>	<ul style="list-style-type: none"> <li>Delta joined the international initiative EV100 in 2018: EV100 is a global initiative launched by the Climate Group. Its goal is to bring together influential companies and government organizations to accelerate the transition to low-carbon transportation and ensure that the use of electric vehicles in transportation becomes the new norm before 2030.</li> <li>Delta joined the international initiative ZEV Declaration during COP27 in 2022 and the Company took a significant step towards the switch to zero-emission vehicles.</li> </ul>	<ul style="list-style-type: none"> <li>Attained the targets for installing charging facilities in major operation buildings and all main production plants in Taiwan</li> <li>The internal carbon pricing system encourages and subsidize global operations to replace old ICE vehicles with zero-emission vehicles</li> <li>As a member of EV100, Delta and the Climate Group have jointly presented policy recommendations to key decision makers in the European Parliament, calling on the European Commission to uphold the "Fit for 55 Package" proposal, and strengthen its implementation in the transition to zero-emission vehicles. The proposal has been published on the website of the Climate Group: <a href="#">Click here</a></li> <li>Delta was invited to join the international initiative ZEV Declaration and pledges to use zero-emission vehicles for 100% of company vehicles by 2030. Official website: <a href="#">Click here</a></li> </ul>
<b>Promote 100% renewable electricity</b>	Achieve the 100% renewable electricity target by 2030	<ul style="list-style-type: none"> <li>Joined RE100 in 2021</li> <li>Starting from 2022, the achievement rate of the RE100 initiative is included as a performance indicator for top executives. Became the first to link ESG indicators to the remuneration of top executives</li> </ul>	<ul style="list-style-type: none"> <li>Eight of Delta's global work groups expanded the possibility of purchasing Renewable Energy Certifications with actual electricity supply. Delta signed its first power purchase agreement (PPA) in Taiwan in 2021 and purchased green electricity products in Taiwan, Mainland China, Norway, Slovakia, and the United States in 2022.</li> <li>In 2022, the achievement rate of the RE100 initiative was included as a performance indicator for the top executives in each region</li> </ul>

\*1 Take 2021 as the base year and adopt the short-term target of reducing Scope 1+2 carbon emissions by 90% and reducing Scope 3 carbon emissions by 25% by 2030, and the long-term target of reducing Scope 1+2+3 carbon emissions by 90% by 2050.

\*2 Zero-emission vehicles are defined as pure electric vehicles and hydrogen vehicles.

### Conversion to Electric Vehicles and Expansion of Charging Facilities

Delta joined the EV100 low-carbon transportation initiative in 2018 and became the first EV100 member that is a provider of energy infrastructure facilities for electric vehicles. Delta has worked with leading companies and organizations in sustainable development across the world to jointly support low-carbon transportation. Delta is committed to providing charging facilities at Delta's operations and production plants within the scope of its global energy management and converting company vehicles to zero-emission vehicles such as pure electric vehicles and hydrogen vehicles before 2030. This will reduce carbon emissions from transportation and fulfill Delta's mission: "To provide innovative, clean and energy-efficient solutions for a better tomorrow."

As of 2022, Delta has installed charging facilities for electric vehicles in Delta's sites of operations in 25 cities across the world including Taipei, Taoyuan, Zhongli, Hsinchu, Tainan, Shanghai, Wujiang, Dongguan, Wuhu, Daimon, Ako, Samutprakarn, Chachoengsao, Gurgaon, Hoofddorp, Helmond, Eindhoven, Soest, Teningen, Bern, Dubnica nad Váhom, Warsaw, Fremont, Detroit, and Raleigh.



Delta joined the international initiative ZEV Declaration at COP27

#### Delta's targets in the different stages of conversion to zero-emission vehicles :

- ✓ Prioritize the purchase of zero-emission vehicles for Delta's new company vehicles starting from 2020.
- ✓ All new vehicles purchased starting from 2025 must be zero-emission vehicles.
- ✓ Replace all non-electric company vehicles with zero-emission vehicles by 2028 and attain the EV100 and ZEV Declaration commitment by 2030.

### 2.3.3 Participation in Associations

Delta participates in associations and various organizations to promote business, expand sectors of concern, meet business development conditions, meet regulatory requirements, enhance networking, cultivate talents, or demonstrate its leading position in the industry. Delta mainly joins organizations as members or serve as directors or the chairperson in certain associations. As associations have their own goals and intentions, Delta's participation as a member of such associations does not mean that Delta agrees with all opinions of the associations. Delta has long focused on businesses and sectors including electronics and electrical machinery, automation, renewable energy, green building, healthy and smart buildings, electric vehicles, communication power supplies, leadership development, human resources, and corporate sustainability. Delta's total global expenditures for participation in associations in 2022 totaled approximately 550,000 USD and the list of associations is disclosed on the Company's official website



# Communication with Stakeholders




## 3

- 3.1 Stakeholder Communication and Response
- 3.2 Materiality Assessment
- 3.3 Management of Material Topics



# 3.1 Stakeholder Communication and Response

Delta aims to be a global citizen committed to sustainable development and values communication with stakeholders. We deeply understand that each stakeholder has a unique and pivotal role that influences how an organization can achieve its goals. We must engage in sincere communication with stakeholders to obtain feedback and opinions, revise our sustainable development practices whenever necessary, respond to the expectations of the public, and demonstrate our social impact. We have defined six major stakeholders pursuant to the AA1000 Stakeholder Engagement Standard (AA1000 SES). They include employees, investors, media, customers, suppliers, and communities (research institutes, NPOs, communities, and other stakeholders). To establish effective interactions with stakeholders, we target four major goals for our communications: to be received, to be understood, to be accepted, and to get action. This ensures optimal communication and engagement to explain Delta's progress and response for sustainable management.



## Interactions with Stakeholders


Communication Target	To be received	To be understood	To be accepted	To get action
	Communication Platform	Issues of Concern	Response	Actions
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>Labor-management meetings (quarterly)</li> <li>Employee Welfare Committee (intermittently)</li> <li>Occupational safety and health committee (quarterly)</li> <li>Employee engagement survey (every two years)</li> <li>Delta corporate website (intermittently)</li> <li>Employee feedback mailbox (intermittently)</li> <li>Communication and work meetings of units and departments (intermittently)</li> </ul>	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Occupational Safety and Health</li> <li>Energy Management</li> <li>Green Products</li> <li>Net-Zero Commitment and Carbon Management</li> </ul>	<ul style="list-style-type: none"> <li>735 cases of internal opinions were filed at major production sites in 2022</li> <li>211 labor-management meetings and meetings related to employee welfare</li> </ul>	<ul style="list-style-type: none"> <li>Organized the "Integrity and Human Rights Code of Conduct Policy" online course which included a variety of major compliance topics. 82,007 participants in Delta's global operations completed training and the completion rate was 97%.</li> <li>Provided diverse communication channels and assigned dedicated personnel to listen to employees' opinions and take related measures, and maintain the confidentiality of information in the reports.</li> <li>Held safety and health training or organized safety knowledge Q&amp;A to build a culture of safety and health and enhance employees' abilities for identifying hazards in the work environment and their safety and health knowledge and concepts for disaster prevention and response.</li> <li>Established Global ESG Training Committee and planned learning maps with content including general ESG theories, energy and resource management, net-zero and carbon management, circular economy, and environmental sustainability topics to build employees' ESG knowledge and skills and facilitate communication with stakeholders.</li> </ul>



Communication Target	To be received	To be understood	To be accepted	To get action
	Communication Platform	Issues of Concern	Response	Actions
 <p><b>Investors</b></p>	<ul style="list-style-type: none"> <li>• Delta ESG website &amp; ESG Report (annually)</li> <li>• Delta website &amp; financial report (annually)</li> <li>• Investor forum (intermittently)</li> <li>• Annual shareholder meeting (annually)</li> <li>• Institutional investor visits (intermittently)</li> <li>• Investor services mailbox (intermittently)</li> <li>• Meetings with institutional investors (intermittently)</li> <li>• Institutional investors' conference (quarterly)</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Innovative Products and Services</li> <li>• Energy Management</li> <li>• Green Products</li> </ul>	<ul style="list-style-type: none"> <li>• External institutional investors' conference: 35 rounds</li> </ul>	<ul style="list-style-type: none"> <li>• Continued to actively engage investors in effective communication and explain the Company's financial and business information to investors.</li> <li>• Continued to share with investors the Company's recent development and future goals of ESG, and provide feedback on the investors' opinions and expectations such as the Company's carbon reduction targets, supply chain management, remuneration of the management, and corporate governance to create positive bilateral communication.</li> </ul>
 <p><b>Media</b></p>	<ul style="list-style-type: none"> <li>• Press releases (intermittently)</li> <li>• Press conferences (intermittently)</li> <li>• Media interviews (intermittently)</li> <li>• Delta PR contact (intermittently)</li> <li>• Major activity participation (intermittently)</li> <li>• Social media (intermittently)</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Strategy</li> <li>• Green Products</li> <li>• Net-Zero Commitment and Carbon Management</li> <li>• Energy Management</li> <li>• Circular Economy</li> </ul>	<ul style="list-style-type: none"> <li>• Press releases: 186 releases</li> <li>• Videos published: 36 releases</li> <li>• Media interviews: 170 rounds</li> <li>• Social media: More than 70,000 fans on Facebook</li> </ul>	<ul style="list-style-type: none"> <li>• Increased in-person events and press releases as the pandemic subsided, and launched a brand-new corporate identity system to communicate our transition from an industrial brand to a commercial brand as well as our corporate philosophy of promoting sustainable transformation through technology and our future smart low-carbon applications of innovative energy-efficient technologies.</li> <li>• Leveraged ESG international ratings/certification/initiatives as well as summits, forums, and speeches to share Delta's ESG experience and achievements and Climate Policy. Encouraged everyone to adopt an international perspective and respond to climate change together.</li> </ul>



Communication Target	To be received	To be understood	To be accepted	To get action
	Communication Platform	Issues of Concern	Response	Actions
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>Delta ESG website &amp; ESG Report (annually)</li> <li>Regular customer review meetings (annually)</li> <li>Channel partner meetings and business platform (annually)</li> <li>Customer Satisfaction Survey (annually)</li> <li>Brand News (every two months)</li> <li>Customer audits (intermittently)</li> <li>Delta website (intermittently)</li> </ul>	<ul style="list-style-type: none"> <li>Innovative Products and Services</li> <li>Code of Conduct</li> <li>Customer Relationship Management</li> <li>Circular Economy</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction score questionnaire responses: 331 suppliers</li> <li>Customer ESG survey responses: 47</li> <li>Customer-requested CDP questionnaire responses: 37 customers</li> <li>Satisfaction score: 79.26</li> </ul>	<ul style="list-style-type: none"> <li>Initiated a satisfaction survey to continue improvements if the customer has not rated their satisfaction.</li> <li>Identified customer issues at the product design phase, while also gaining an accurate understanding of end-market demands and exceeding customer expectations through consultations and recruiting experts from a variety of industries.</li> <li>Promoted the Code of Conduct, complied with Responsible Business Alliance (RBA) regulations, and implemented labor, ethical, health and safety, environment, and management reviews.</li> <li>Initiated circular economy projects in separate phases to plan Delta's circular economy blueprint.</li> </ul>
 <p><b>Suppliers</b></p>	<ul style="list-style-type: none"> <li>Delta ESG website &amp; ESG Report (annually)</li> <li>Supplier Training (annually)</li> <li>Supplier Platform (monthly)</li> <li>Environmental Hazardous Substances Management Platform (monthly)</li> <li>Initiatives and concerted actions in response to climate change (intermittently)</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Sustainability Management</li> <li>Code of Conduct</li> <li>Innovative Products and Services</li> </ul>	<ul style="list-style-type: none"> <li>3 training programs were held for 422 participants from suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Encouraged suppliers to implement energy conservation and carbon emissions reduction and provided them with support for basic GHG inventory to industrial energy conservation courses to achieve long-term plans for net-zero emissions.</li> <li>Complied with the code of conduct for the supply chain, and used supplier ESG surveys and conflict mineral surveys to identify high-risk suppliers to reduce the risks to the continuity of the supply chain. Used the results of the questionnaire to identify suppliers with potential for collaboration in ESG and prioritize them for assistance and collaboration.</li> <li>Engaged key suppliers to pave the way for long-term innovation and alternative low-carbon materials.</li> </ul>

Communication Target	To be received	To be understood	To be accepted	To get action
	Communication Platform	Issues of Concern	Response	Actions
 <p><b>Communities</b> (research institutes, NPOs, communities, and others)</p>	<ul style="list-style-type: none"> <li>Delta ESG website &amp; ESG Report (annually)</li> <li>Website of Delta Electronics Foundation (intermittently)</li> <li>Energy volunteers and climate salons (intermittently)</li> <li>Low Carbon Life Blog and IC Broadcasting (regularly)</li> <li>Facebook and PeoPo social media (intermittently)</li> <li>Online training courses for Green Collar Architects and energy management personnel (regularly)</li> </ul>	<ul style="list-style-type: none"> <li>Energy Management</li> <li>Social Engagement</li> <li>Net-Zero Commitment and Carbon Management</li> <li>Climate Strategy</li> <li>Green Products</li> </ul>	<ul style="list-style-type: none"> <li>Collaborating charity organizations: 22 organizations</li> <li>Volunteer service beneficiaries: 21,600 people</li> <li>Views on social network media: 13.23 million views</li> </ul>	<ul style="list-style-type: none"> <li>Continued to offer in-person courses on WELL healthy building standards and standard online courses LEED Zero to help people understand how to maintain a healthy indoor environment and build energy-saving buildings.</li> <li>Developed the ongoing DeltaMOOCx online learning platform to strengthen fundamental science education and reduce the gap between education and actual work. Cultivated talents and encouraged them to study abroad in disciplines related to the environment.</li> <li>Continued to organize online training courses for energy management personnel to communicate industry energy management tips and help companies achieve the goal of net-zero emissions.</li> <li>Trained Delta employees to take part in coral reef restoration and the actual construction of incubation sites. Organized the touring screening of marine life documentaries and exhibitions on the ecology to enhance public awareness of the importance of biodiversity.</li> <li>Assembled employees to carry out low-carbon transportation education programs in elementary schools near Delta plants to teach them about electric vehicles and increase the environmental protection awareness of the next generation.</li> <li>Used social media to communicate the latest energy and climate information and organize meetings in the United Nations Climate Change Conference to share energy transition case studies for islands.</li> </ul>

### Expand the Influence on Sustainability Issues

Delta is taking real action to respond to the severe challenges of climate change. We became the first company in Taiwan to pass the certification for Science Based Targets (SBT) and we support international sustainability initiatives such as TCFD, EV100, and RE100. We passed the SBTi net-zero science-based target review in 2022 to actively implement our corporate mission of "To provide innovative, clean and energy-efficient solutions for a better tomorrow". Delta is committed to implementing its responsibilities as a world-class corporate citizen in response growing public concern for the issues of climate change and net-zero emissions. We have taken on the responsibility of sharing our experience in sustainability issues and communicating the importance of energy conservation and carbon emissions reduction to the public. Delta and the Corporate Sustainability Development Department



Yancey Hai, chairman of Delta, spoke to hundreds of representatives from the ICT industry in a press conference and international forum for establishing the Taiwan Climate Partnership.

attended more than 192 internal and external ESG communication events in 2022 and communicated sustainable development issues with customers, suppliers, the media, investors, employees, NGO / NPO, and public / academic research institutions. We strengthened the awareness of the public and companies in regards to sustainability issues and increased Delta's business opportunities for sustainable development in energy conservation and carbon emissions reduction.



Delta organized the Side Event and Action Hub at COP27 and exchanged ideas with representatives of the governments of the Balearic and Canary Islands of Spain and an expert from RMI, a renowned energy think tank in the United States.

### Communication and Sharing of Sustainability Issues

Communication Target	Form of Communication	Communicating Sustainability Concerns
Customers	<ul style="list-style-type: none"> <li>• Communication meetings</li> <li>• Internal training</li> </ul>	<ul style="list-style-type: none"> <li>• Actions in response to climate change, energy conservation and carbon emissions reduction</li> <li>• RE100 and Net-Zero roadmap</li> <li>• Internal carbon pricing (ICP) and low-carbon innovation</li> <li>• Sustainability rating results</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Communication meetings</li> <li>• Internal training</li> </ul>	
Media	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Forums</li> <li>• Seminars</li> <li>• Award ceremonies</li> </ul>	
Investors	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Seminars</li> <li>• Communication meetings</li> </ul>	
Employees	<ul style="list-style-type: none"> <li>• Communication meetings</li> <li>• Internal training</li> </ul>	
Communities (research institutes, NPOs, communities, and others)	<ul style="list-style-type: none"> <li>• Communication meetings</li> <li>• Lectures</li> <li>• Seminars</li> </ul>	



## 3.2 Materiality Assessment

Only change can bring forth real impact and Delta explores challenges and opportunities for sustainability based on specific implementation of business operations. Each year, Delta regularly executes materiality assessment procedures to confirm and adjust sustainability issues and respond to the expectations and recommendations of stakeholders. We report in accordance with the principles of GRI Standards 2021 for the first time this year to establish three major analysis steps including identification, analysis, and confirmation. Delta also incorporated the principle of double materiality to verify the commitment of stakeholders for sustainability issues, the effect on Delta's operations, and the impact of sustainability issues on the economy, environment, and people/human rights, and identify material issues.

We established long-term targets for sustainability and adopted internal key performance indicator (KPI) verification, sustainability ratings, international trends, and comparison with competitors for regular evaluations of execution and effectiveness. We actively disclosed the progress and effectiveness of Delta's 2025 long-term sustainability goals to Delta's stakeholders.

### 3.2.1 Methodology

STAGE

01

#### IDENTIFICATION OF SUSTAINABILITY ISSUES

In terms of the identification of sustainability issues, Delta starts with the factors that may affect the Company's sustainability including internal and external economic, environmental, and social risks and opportunities. Delta adopted international sustainability regulations and standards (GRI Standards, ISO 26000 Guidance on Social Responsibility, RBA Code of Conduct, and UN SDGs), and sustainability ratings (DJSI, CDP, and MSCI ESG Index), stakeholder expectations and communications, internal management objectives, and previously-disclosed sustainability information to compile and consolidate sustainability issues. Compared to the sustainability issues of the previous year, we adjusted the titles of two issues for "Human Rights and Labor Relations" and "Occupational Safety and Health" to compile 23 sustainability issues related to Delta's operations.

#### Identification of Delta's Sustainability Issues

##### ESG Regulations/Standards



##### International Initiatives



##### Stakeholder's Feedback Delta's Six Major Stakeholders

##### Operation Strategy Delta Operation Objective

##### Sustainable Development Blueprint Delta ESG Consensus Meeting

#### 10 Economic Issues

- Corporate Governance
- Code of Conduct
- Risk Management
- Customer Relationship Management
- Innovative Products and Services
- Brand Image
- Supplier Sustainability Management
- Information Security Management
- Taxation
- Circular Economy

#### 7 Environmental Issues

- Climate Strategy
- Net-Zero Commitment and Carbon Management
- Energy Management
- Green Products
- Water Resource Management
- Waste Management
- Biodiversity

#### 6 Social Issues

- Diversity and Inclusion
- Social Engagement
- Occupational Safety and Health
- Talent Development
- Talent Attraction and Retention
- Human Rights and Labor Relations

STAGE

02

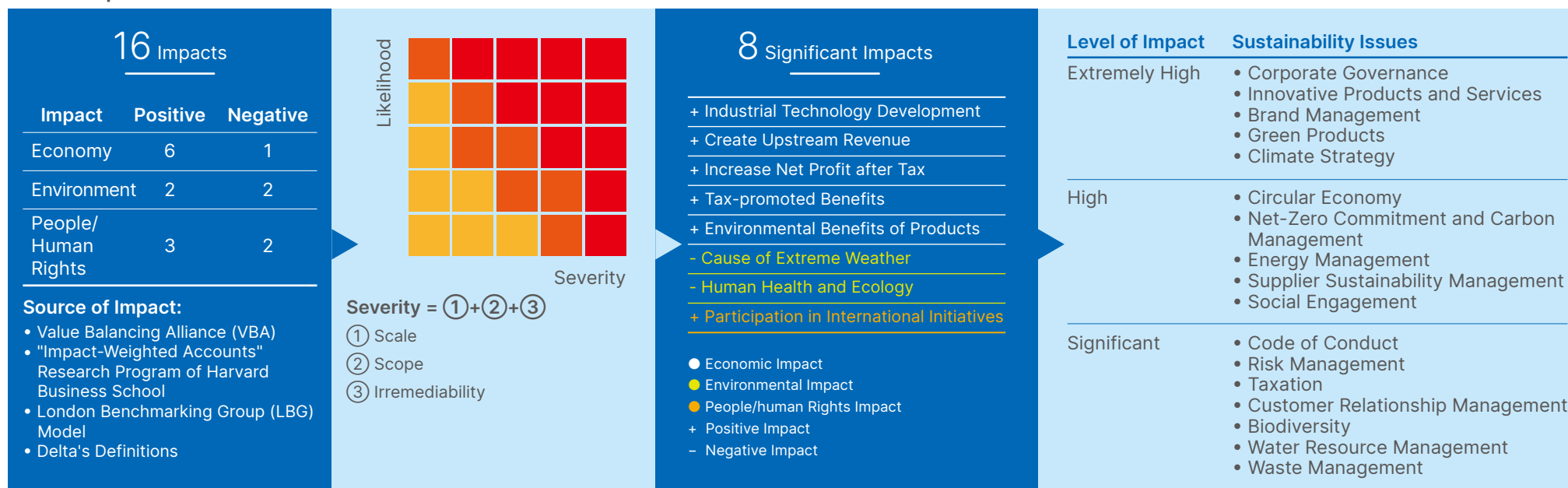
**ANALYSIS**

Delta implemented the materiality analysis and identified material issues based on the "level of concern to stakeholders" and incorporated the double materiality principle to identify material issues with significant impact in terms of the "impact on operations" and "impact on sustainable development". We conducted surveys on 23 sustainable issues. For the survey on the "level of concern to stakeholders", we targeted six major types of internal and external stakeholders with the questionnaire survey for the purpose of collecting

representative samples. For the assessment of the "impact on operations", we evaluated the level of impact of each issue on revenue growth, environmental sustainability, customer satisfaction, and best employer. The ESG team members jointly completed the analysis of the impact. This year, we adopted the methodology in GRI 3 Material Topics and added the significance assessment of the "impact of sustainable development". We used the methodology of the Value Balancing Alliance (VBA) for assessing economic, environmental, and social impact, the "Impact-Weighted Accounts" research

program of Harvard Business School, and the London Benchmarking Group (LBG) Model for measuring impact to determine the importance of topics based on the significance of their impact. According to the results of the aforementioned analysis, we used the results of discussions and confirmation of the ESG Committee, external experts, and senior executives and selected 16 material issues. Other issues were regarded as Delta's potential sustainability issues which also play critical roles in the operations of Delta and we shall continue to disclose the effectiveness of our execution in the ESG Report.

**Delta's Impact Assessment Procedures**



Define Positive and  
Negative Impacts

Analysis of the Significance of Impact

Sustainability Issues with Significant Impact

STAGE

03

**CONFIRMATION**

We selected 16 material sustainability issues which were reported to the Board of Directors for resolution and identified their impact in the Delta value chain. We also referenced the GRI Standards and disclose Delta's material topics. We followed the reporting requirements for collecting internal information, data, and management policies. In addition, we clearly defined the important meanings, strategies, management approach, long-term goals, and impact of each material sustainability issue. We followed up on the degree of completion of annual targets and the effectiveness of execution for flexible adjustments of the Delta's sustainable management. Delta also discloses the effectiveness of other potential sustainability issues of the current year in the ESG Report.

### 3.2.2 Results of the Analysis and Corresponding Section of the Value Chain

In 2022, out of 23 sustainable issues, 16 material issues were identified in the materiality assessment including risk management, innovative products and services, customer relationship management, supplier sustainability management, climate strategy, net-zero commitment and carbon management, green products, energy management, water resource management, waste management, talent attraction and retention, social participation, talent development, occupational safety and health, and human rights and labor relations. Diversity, and inclusion, and risk management were added as material issues this year. However, risk management issues is general disclosure for which the Company discloses implementation measures and results in the Company's Annual Report or ESG Report and does not set long-term targets. Non-material issues included corporate governance, code of conduct, information security management, brand image, taxation, circular economy, and biodiversity.

#### 2022 Material Sustainability Issues Matrix

##### Environmental Issues

- 1 Climate Strategy
- 2 Energy Management
- 3 Net-Zero Commitment and Carbon Management
- 4 Green Products
- 5 Water Resource Management
- 6 Waste Management

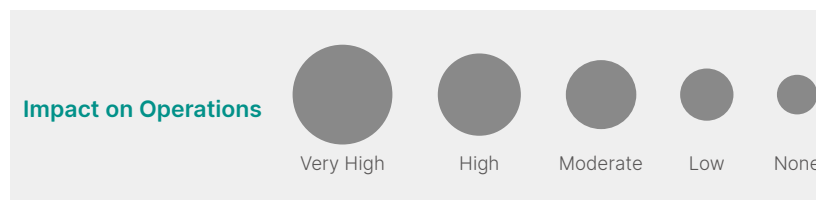
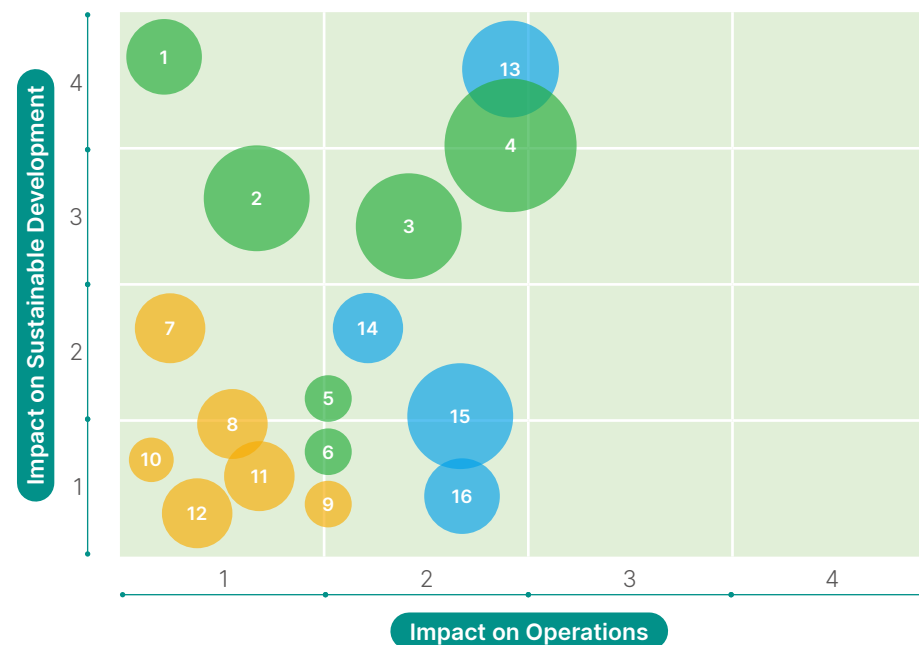
##### Social Issues

- 7 Social Engagement
- 8 Talent Development
- 9 Talent Attraction and Retention
- 10 Human Rights and Labor Relations
- 11 Occupational Safety and Health
- 12 Diversity and Inclusion

##### Economic Issues

- 13 Innovative Products and Services
- 14 Supplier Sustainability Management
- 15 Customer Relationship Management
- 16 Risk Management

\* Risk management issue is general disclosure for which the Company discloses implementation measures and results in the Company's Annual Report or ESG Report and does not set long-term targets.





ESG Material Issues	Rank	Impact on Operations of the Organization	Level of Concern to Stakeholder	Impact on Sustainable Development
Green Products	1	★★	★★★	★★★
Innovative Products and Services	2	★★	★★★	★★★
Net-Zero Commitment and Carbon Management	3	★★	★★★	★★★
Energy Management	4	★	★★★	★★★
Customer Relationship Management	5	★★	★★★	★
Risk Management	6	★★	★★	★
Climate Strategy	7		★★	★★★
Supplier Sustainability Management	8		★	★★
Social Engagement	8		★	★★
Talent Development	10	★	★	
Diversity and Inclusion	10	★	★	
Occupational Safety and Health	10	★	★	
Water Management	13			★
Waste Management	13			★
Human Rights and Labor Relations	13	★		
Talent Attraction and Retention	16	★		

**Non-Material Issues**

- Corporate Governance
  - Code of Conduct
  - Information Security Management
  - Brand Image
  - Taxation
- 
- Circular Economy
  - Biodiversity

Stage	Steps and Procedures	Results
Identification	<p><b>Step 1: Communication Target</b> Employees, investors, media, customers, suppliers, communities (research institutes, NPOs, communities, and other related stakeholders) are the main targets of communication identified by Delta based on the AA1000 Stakeholder Engagement Standard for communicating Delta's sustainability actions.</p>	6 categories of major stakeholders
	<p><b>Step 2: Sustainability Issues</b> To ensure the comprehensiveness of sustainable issues collected, we put together 23 sustainable issues based on ESG regulations/standards, sustainability initiatives, feedback from internal and external stakeholders, Delta's business strategy, and feedback from Delta executives.</p>	23 sustainable issues
Analysis	<p><b>Step 3: Survey the Level of Concern</b> Delta used an online survey to collect information on the level of stakeholder interest in sustainability issues and recovered a total of 963 valid questionnaires including 89 from customers, 172 from suppliers, 13 from investors, 599 from employees, 23 from the media, and 67 from the community.</p>	963 valid questionnaires
	<p><b>Step 4: Analyze Impact on Operations</b> We focused on the four major factors including revenue growth, environmental sustainability, customer satisfaction, and best employer and evaluated the impact of sustainability issues on the operations of the Group. A total of 90 ESG-related members and executives participated in the evaluation.</p>	90 senior executives
	<p><b>Step 5: Impact on Sustainable Development</b> We defined 11 positive impacts and 5 negative impacts based on the Value Balancing Alliance (VBA) approach, the "Impact-Weighted Accounts" research program of Harvard Business School, and the London Benchmarking Group (LBG) Model and determined the significance of the impact of sustainability issues.</p>	16 impacts
	<p><b>Step 6: Confirm Material Issues</b> Delta's internal ESG team members, external experts, and senior executives confirmed the material issues based on the results of the survey on the level of concern and the analysis of the impact on operations before confirming 16 material sustainable issues and producing the materiality matrix.</p>	16 material sustainable issues
Confirmation	<p><b>Step 7: Review Disclosed Contents</b> The 16 major sustainable issues that were identified will be matched with the 24 specific topics of the GRI Standards. The information disclosure boundary of Delta's value chain (supply chain management, operations, products, society) is then graphed based on these topics and used as the basis for reporting.</p>	18 GRI topics
	<p><b>Step 8: Formulate Long-Term Sustainability Goals</b> We formulated 3 major long-term goals based on the material issues to help Delta respond to the expectations of stakeholders in the implementation of sustainability plans and use them as the basis for internal performance evaluations on achievement status.</p>	3 major axes of long-term sustainability goals

### Delta's Materiality Issues and Value Chain

Aspect	Material Issues	"GRI Standard" Topic	Supply Chain	Operations	Products	Society	Corresponding Chapter
<b>Economic Issues</b>	Risk Management	General Disclosures	◊	●	◊	▲	4.8 Risk Management
	Innovative Products and Services	GRI 302; Energy		●	◊		4.3 Innovation
	Customer Relationship Management	GRI 418; Customer Privacy		●	◊		4.4 Customer Relationship Management
	Supplier Sustainability Management	GRI 204; Procurement Practices GRI 308; Supplier Environment Assessment GRI 414; Supplier Social Impact Assessment GRI 301; Materials	◊		◊		4.5 Supplier Sustainability Management
<b>Environmental Issues</b>	Climate Strategy	GRI 201; Economic Performance		●	◊	▲	5.2 Climate Strategy
	Net-Zero and Carbon Management	GRI 305; Emissions GRI 201; Economic Performance	◊	●	◊	▲	5.2 Climate Strategy
	Green Products	GRI 302; Energy		●	◊	▲	5.6 Green Products
	Energy Management	GRI 302; Energy	◊	●	◊		5.3 Energy Management
	Water Resource Management	GRI 303; Water		●			5.4 Water Resource Management
	Waste Management	GRI 306; Waste		●			5.5 Resources Management
<b>Social Issues</b>	Talent Attraction and Retention	GRI 201; Economic Performance GRI 401; Labor Relations GRI 405; Diversity and Equal Opportunity		●		▲	6.3 Talent Attraction 6.2 Diversity and Inclusiveness 6.5 Competitive Employee Compensation and Benefits
	Diversity and Inclusion	GRI 405; Diversity and Equal Opportunity		●			6.2 Diversity and Inclusiveness
	Social Engagement	GRI 203; Indirect economic impacts		●		▲	6.7 Social Engagement
	Human Rights and Labor Relations	GRI 406; Non-discrimination GRI 408; Child Labor GRI 409; Forced or Compulsory Labor	◊	●			6.6 Human Rights Protection
	Occupational Safety and Health	GRI 403; Occupational Health and Safety		●			6.8 Occupational Safety and Health
	Talent Development	GRI 404; Training and Education		●			6.4 Talent Learning Development

● Direct impact    ▲ Indirect impact    ◊ Business relations






## 3.3 Management of Material Topics

We formulated three major long-term goals based on the material issues to help Delta respond to the expectations of stakeholders in the implementation of ESG projects and effectively track and manage the actions and implementation results of material issues. The ESG Committee regularly oversees the results of the material topic projects and tracks the outcomes of action plans to mitigate risks. Based on the results of the analysis of material issues, any issue associated with Delta's risk factors are included in Delta's risk management procedures for risk assessment. If a project fails to reach its goals, we convene regular meetings for improvements and flexible adjustments. We learn from experience and use it as a reference for the future implementation of sustainability management.

### Three Major Long-term Goals and Material Issues



#### Economic Issues



	Commitment	KPI	Performance	Short, Medium, and Long-Term Targets	Impact	Action Plans
 <p><b>Innovative Products and Services</b></p>	<p>"To provide innovative, clean and energy-efficient solutions for a better tomorrow" was adopted as the Company's mission to transform its capacity for innovation into high-quality products and solutions</p>	<p>✔ Ratio of R&amp;D investment to total revenue</p>	<p>• 2022 target: &gt; 8%; Actual: 8.3% <b>Achieved</b></p>	<p>• 2023 target &gt; <b>8%</b> • 2025 target &gt; <b>8%</b></p>	<ul style="list-style-type: none"> <li>Industrial technology development</li> <li>Access to new business opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Focus on enhancing the energy efficiency of core products and establish a lively and systematic culture of innovation to build capacity for innovation</li> </ul>
 <p><b>Customer Relationship Management</b></p>	<p>By integrating its core competency in power and electronics and developing advanced energy conservation technology, Delta provides cleaner, more effective, and more reliable thermal power solutions to conserve more energy for its customers. The Company also focuses on reducing resource consumption and greenhouse gas emissions to create more value for customers.</p>	<p>✔ Customer Satisfaction Score<sup>*1</sup></p>	<p>• 2022 target: 79%; Actual: 79.26% <b>Achieved</b></p>	<p>• 2023: <b>80%</b> • 2025: <b>82%</b></p>	<ul style="list-style-type: none"> <li>Stability of revenue</li> <li>Industrial technology development</li> <li>Corporate image</li> </ul>	<ul style="list-style-type: none"> <li>Communicate with customers to understand customer issues during the product design phase</li> <li>Gain an accurate understanding of end-market demands and exceed customer expectations through consultations and recruiting experts from a variety of industries</li> </ul>

	Commitment	KPI	Performance	Short, Medium, and Long-Term Targets	Impact	Action Plans
 <p><b>Supplier Sustainability Management</b></p>	<p>Delta views its suppliers as long-term partners and critical partners in our promotion of the sustainable development of the value chain.</p>	<p>✓ Tier 1 supplier ESG survey response rate</p>	<ul style="list-style-type: none"> <li>2022 target: 90%; Actual: 91% <b>Achieved</b></li> <li>2021: 88%</li> <li>2020: 73%</li> </ul>	<ul style="list-style-type: none"> <li>2025: <b>95%</b></li> </ul>	<ul style="list-style-type: none"> <li>Create value and develop upstream industries development</li> <li>Increase the efficiency of the use of upstream resources</li> <li>Mitigate and adapt to climate change</li> </ul>	<ul style="list-style-type: none"> <li>Establish short and medium-term objectives, focus on climate change management as the top priority, and provide free training resources for greenhouse gas inventory, energy conservation, and carbon emissions reduction to global suppliers</li> </ul>
		<p>✓ Supplier ESG improvement rate in supplier audit based on RBA Principles</p>	<ul style="list-style-type: none"> <li>2022 target: 80% of suppliers; Actual: 82% <b>Achieved</b></li> <li>2021: 82%</li> <li>2020: 84%</li> </ul>	<ul style="list-style-type: none"> <li>2025: <b>85%</b></li> </ul>	<ul style="list-style-type: none"> <li>Continue to communicate and implement the Code of Conduct based on the risk rating and classification of suppliers</li> </ul>	
		<p>✓ Number of suppliers that joined our ESG training program</p>	<ul style="list-style-type: none"> <li>2022 target: 150 suppliers; Actual: 162 suppliers 422 participants <b>Achieved</b></li> <li>2021: 138 suppliers</li> <li>2020: 24 suppliers</li> </ul>	<ul style="list-style-type: none"> <li>2025: <b>180</b> suppliers and <b>470</b> participants</li> </ul>	<ul style="list-style-type: none"> <li>Engage key suppliers for more intensified collaboration on sustainability and evaluate the opportunities for promoting low-carbon materials in the future</li> </ul>	
		<p>✓ Short-term targets for reduction of emissions by suppliers</p>	<ul style="list-style-type: none"> <li>Activated in 2022</li> </ul>	<ul style="list-style-type: none"> <li>Set based on the SBTi Net-Zero Standard</li> </ul>		



\*1. Main targets of the survey consisted of customers who accounted for the top 60-80% of procurement from Delta in 2021/2022

**Environmental Issues**



	Commitment	KPI	2022 Targets and Performance	Short, Medium, and Long-Term Targets	Impact	Action Plans
 <b>Climate Strategy</b>	Participation in international initiatives and implementation of TCFD.	<ul style="list-style-type: none"> <li>✔ Inclusion of climate change issues in the quarterly reports of the Board of Directors</li> <li>✔ Disclosure of climate information and Delta's progress based on the TCFD framework each year</li> <li>✔ Continuously meet targets since 2018</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change information and progress are reported to the Board of Directors each quarter and the results are disclosed in the mainstream report each year</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce climate risks and expand business opportunities in the low-carbon market</li> </ul>	<ul style="list-style-type: none"> <li>• Impact on climate change</li> <li>• Align with international sustainability initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Respond to climate change: Recreate a comprehensive climate change management framework based on TCFD framework to manage risks and opportunities and regularly disclose the progress.</li> </ul>
 <b>Net-Zero Commitment and Carbon Management</b>	Respond to limiting global temperature increase within 1.5°C and meet net-zero target by 2050.	<ul style="list-style-type: none"> <li>✔ SBT Scope 1 and Scope 2 (market-based) absolute reduction (%)</li> </ul>	<ul style="list-style-type: none"> <li>• Target: ↓ 10%</li> <li>• Actual: ↓ 13.5% <span style="background-color: #90EE90; border-radius: 5px; padding: 2px;">Achieved</span> (baseline year: 2021)</li> </ul>	<ul style="list-style-type: none"> <li>• 2023: <b>20%</b> ↓</li> <li>• 2030: <b>90%</b> ↓ and attain carbon neutrality (baseline year: 2021)</li> </ul>	<ul style="list-style-type: none"> <li>• Impact on climate change</li> <li>• Align with international sustainability initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Align with international sustainability trends: Actively support international initiatives and attain specific achievements on the "We Mean Business" commitments and pass the SBTi net-zero science-based target review.</li> </ul>
		<ul style="list-style-type: none"> <li>✔ SBT Scope 3 absolute reduction (%)</li> </ul>	<ul style="list-style-type: none"> <li>• Target: ↓ 2.5%</li> <li>• Actual: ↑ 33.8% (baseline year: 2021)</li> </ul>	<ul style="list-style-type: none"> <li>• 2023: <b>5%</b> ↓</li> <li>• 2030: <b>25%</b> ↓ (baseline year: 2021)</li> </ul>		<ul style="list-style-type: none"> <li>• Internal carbon pricing mechanisms: Strengthen carbon reduction incentives and performance management, support carbon reduction projects, obtain renewable electricity, and invest in negative carbon technologies.</li> </ul>



	Commitment	KPI	2022 Targets and Performance	Short, Medium, and Long-Term Targets	Impact	Action Plans
 <b>Energy Management</b>	<p>Delta promotes its own energy conservation management to cultivate and accumulate energy-saving technology. We are committed to setting power consumption intensity targets and global renewable electricity targets.</p>	<p>✔️ Attainment rate in the use of renewable electricity in global operations</p>	<ul style="list-style-type: none"> <li>Target: &gt;60%</li> <li>Actual: 63% <span style="background-color: #90EE90; border-radius: 5px; padding: 2px;">Achieved</span></li> </ul>	<ul style="list-style-type: none"> <li>2025: <b>RE80</b></li> <li>2030: <b>RE100</b></li> </ul>	<ul style="list-style-type: none"> <li>Energy and resource consumption</li> <li>Impact on climate change</li> <li>Reduce the use of non-renewable resources</li> </ul>	<ul style="list-style-type: none"> <li>Promote renewable energy development: Actively develop renewable energy solutions and increase the use ratio of renewable electricity.</li> <li>Implement environmental protection and energy conservation in practice. All new production plants must implement green building designs, actively promote multiple energy-saving plans, and meet new conservation milestones.</li> </ul>
 <b>Water Resource Management</b>	<p>In response to climate change and to stabilize water supply, Delta is committed to reducing its overall water productivity intensity by an additional 10% by 2025, using 2020 as the base year.</p>	<p>✔️ Water Productivity Intensity (WPI) of production plants = water usage / production value in MUSD</p> <p>✔️ Water Consumption Intensity (WCI) of buildings; WCI of buildings = water usage / number of people</p>	<ul style="list-style-type: none"> <li>Target: ↓ 4%</li> <li>Actual: ↓ 21.3% <span style="background-color: #90EE90; border-radius: 5px; padding: 2px;">Achieved</span> (baseline year: 2020)</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Target: ↓ 4%</li> <li>Actual: ↓ 23% <span style="background-color: #90EE90; border-radius: 5px; padding: 2px;">Achieved</span> (baseline year: 2020)</li> </ul>	<ul style="list-style-type: none"> <li>2023: <b>6% ↓</b></li> <li>2025: <b>10% ↓</b> (baseline year: 2020)</li> </ul> <hr/> <ul style="list-style-type: none"> <li>2023: <b>6% ↓</b></li> <li>2025: <b>10% ↓</b> (baseline year: 2020)</li> </ul>	<ul style="list-style-type: none"> <li>Increase the environmental benefits of products</li> <li>Consumption of resources</li> </ul>	<ul style="list-style-type: none"> <li>Establish risk assessment mechanisms and reduce the impact of droughts and floods</li> <li>Establish management targets, implement water consumption monitoring, promote consumption reduction at the water source, and improve water recycling and reuse to implement sustainable management of water resources</li> </ul>





	Commitment	KPI	2022 Targets and Performance	Short, Medium, and Long-Term Targets	Impact	Action Plans
 <b>Waste Management</b>	<p>In pursuit of sustainable use of resources and avoiding the depletion of resources on earth, we will continue to improve the conversion rate of waste through reduction, reuse, and recycling to reduce the environmental impact. Delta pledges a 100% waste diversion rate by 2025 in the overall production plants.</p>	<p>✔ Waste conversion rate</p>	<ul style="list-style-type: none"> <li>Target: 94%</li> <li>Actual: 99% <b>Achieved</b></li> </ul>	<ul style="list-style-type: none"> <li>2023: <b>96%</b></li> <li>2025: <b>100%</b></li> </ul>	<ul style="list-style-type: none"> <li>Increase the environmental benefits of products</li> <li>Consumption of resources</li> <li>Reduce the use of non-renewable resources</li> </ul>	<ul style="list-style-type: none"> <li>Promote environmental management, set reduction goals, and reduce the impact of production on the environment</li> <li>Promote the circular economy and introduce cyclical indicator evaluation methodologies</li> </ul>
 <b>Green Products</b>	<p>Delta continues to enhance product energy efficiency through technical innovations of products. We also mitigate environmental impact by introducing green designs in each phase of the product life cycle to facilitate product responsibility and green consumption.</p>	<p>✔ Product energy savings pass ISAE 3000 assurance</p> <hr/> <p>✔ No breach of legal regulations or standards for product/service provision and related usage</p>	<ul style="list-style-type: none"> <li>Target: &gt;=11 products</li> <li>Actual: 11 products <b>Achieved</b></li> </ul> <hr/> <ul style="list-style-type: none"> <li>Target: 0</li> <li>Actual: 0 <b>Achieved</b></li> </ul>	<ul style="list-style-type: none"> <li>Product energy savings continued to pass ISAE 3000 assurance</li> <li>No breach of legal regulations or standards for product/service provision and related usage</li> </ul>	<ul style="list-style-type: none"> <li>Industrial technology development</li> <li>Increase the environmental benefits of products</li> <li>Consumption of resources</li> <li>Impact on climate change</li> </ul>	<ul style="list-style-type: none"> <li>Intensify development of environmentally friendly products: Continue to develop energy-saving products and solutions.</li> </ul>

Social Issues

	Commitment	KPI	2022 Targets and performance	Short, Medium and Long-Term Targets	Impact	Action Plans
 Diversity and Inclusion	DEI's Corporate culture of DEI (Diversity, Equity, Inclusion) focuses on people and fosters respect, inclusiveness, and communication	✓ Percentage of female employees in all management positions (%) <sup>*1</sup>	<ul style="list-style-type: none"> <li>New material issues in 2022</li> <li>Actual: 32%</li> </ul>	<ul style="list-style-type: none"> <li>2023-2024 target: <b>32.3%</b></li> </ul>	<ul style="list-style-type: none"> <li>Protect diverse values</li> </ul>	<ul style="list-style-type: none"> <li>Treat employees from diverse backgrounds with respect and tolerance and incorporate diverse perspectives to build a corporate culture of innovation and teamwork.</li> <li>✓ New employees: Use the Expert Adventure Program to encourage new employees to explore Delta's culture and quickly adapt to the work environment.</li> <li>✓ Foreign employees: Carefully plan dedicated annual holiday events.</li> <li>✓ Visually impaired employees: Maintain monthly salary despite reduced work hours during the COVID-19 epidemic.</li> <li>✓ Indigenous employees: Provide annual ritual leave superior to regulations and appoint campus ambassadors of indigenous peoples.</li> </ul>
 Talent Attraction	Create a high-quality work environment and improve the employer's brand.	✓ Offer letter acceptance rate <sup>*2</sup>	<ul style="list-style-type: none"> <li>Target: 78%</li> <li>Actual: 89%</li> </ul> Achieved	<ul style="list-style-type: none"> <li>2023: <b>80%</b></li> <li>2024: <b>82%</b></li> <li>2027: <b>84%</b></li> </ul>	<ul style="list-style-type: none"> <li>Quality of life of employees</li> </ul>	<ul style="list-style-type: none"> <li>With rapid recruitment programs in all regions across the globe, we leverage the integration of a complete range of resources of the industry, government, and academia and flexible use of social media to strengthen Delta's employer brand and attract talents from around the world.</li> <li>Build upon R&amp;D capacities, create an ecosystem for talents, and work with nearly 200 schools across the globe for diverse talent cultivation.</li> </ul>

	Commitment	KPI	2022 Targets and performance	Short, Medium and Long-Term Targets	Impact	Action Plans
 <p>Talent Learning Development</p>	<p>Provide a diverse range of learning resources to ensure that employees have the capabilities and skills for completing their work. Establish a comprehensive system and become the benchmark in the market. Work with global partners to improve the capabilities of talents.</p>	<ul style="list-style-type: none"> <li>✔ Employees ranked manager and above with 3 hours of lectures*<sup>3</sup></li> <li>✔ Ratio of individual users of the online learning platform*<sup>4+5</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Target: 90%</li> <li>• Actual: 96%</li> </ul> <p>Achieved</p>	<ul style="list-style-type: none"> <li>• 2023-2024 target: <b>95%</b></li> <li>• 2023-2024 target: <b>60%</b></li> </ul>	<ul style="list-style-type: none"> <li>• Quality of life of employees</li> <li>• Cultivation of professional talents</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to identify and develop key talents and use diverse talent development programs to strengthen the organization.</li> <li>• Improve a full range of online courses for all employees worldwide and create offline activities to enhance learning.</li> </ul>
 <p>Human Rights and Labor Relations</p>	<p>Compliance with international human rights principles and Delta's Human Rights Policy</p>	<ul style="list-style-type: none"> <li>✔ Global humans rights course completion rate*<sup>6</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Target: 90%</li> <li>• Actual: 97%</li> </ul> <p>Achieved</p>	<ul style="list-style-type: none"> <li>• 2023-2024 target: <b>97%</b></li> </ul>	<ul style="list-style-type: none"> <li>• Labor rights violations</li> </ul>	<ul style="list-style-type: none"> <li>• Communicate human rights policies such as anti-discrimination and prohibition of child labor, and implement a zero-fee system for the employment of foreign migrant workers.</li> <li>• Delta implements compliance self-examinations and third-party assessments for identified human rights risks each year. We take mitigation and corrective measures and implement continuous improvements based on the results of risk assessment and internal and external audits.</li> </ul>

	Commitment	KPI	2022 Targets and performance	Short, Medium and Long-Term Targets	Impact	Action Plans
 <p>Social Engagement</p>	<p>Delta monitors major issues and climate trends of the globe and continuously adjusts strategies to meet the requirements for knowledge and actions around the world. The Company also continues to invest resources in environmental protection, energy conservation, carbon emissions reduction, and education.</p>	<p>✔ Cumulative DeltaMOOCx e-learning video views</p>	<ul style="list-style-type: none"> <li>Target: 14.5 million</li> <li>Actual: 18 million <b>Achieved</b></li> </ul>	<ul style="list-style-type: none"> <li>2023: <b>18.5</b> million</li> <li>2024: <b>19</b> million</li> <li>2025: <b>19.5</b> million</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the environment or quality of life for the community or disadvantaged</li> </ul>	<ul style="list-style-type: none"> <li>Delta continues to develop projects for energy conservation and climate education, popularizing green buildings and low-carbon transportation, and talent development to promote the low-carbon transformation of industries, buildings, and transportation. We also take actions for coral reef restoration and marine protection.</li> </ul>
		<p>✔ Delta Electronics Foundation cumulative views on social network media</p>	<ul style="list-style-type: none"> <li>Target: 12.16 million <b>Achieved</b></li> <li>Actual: 13.23 million <b>Achieved</b></li> </ul>	<ul style="list-style-type: none"> <li>2023: <b>13.8</b> million</li> <li>2024: <b>14.4</b> million</li> <li>2025: <b>15</b> million</li> </ul>		
 <p>Occupational Safety and Health</p>	<p>Pay attention to the safety and health of the work environment of workers and commit to creating a safe and healthy workplace</p>	<p>✔ Lost-Time Injury Frequency Rate (LTIFR)<sup>*7</sup></p>	<ul style="list-style-type: none"> <li>Target: 0.95</li> <li>Actual: 0.95 <b>Achieved</b></li> </ul>	<ul style="list-style-type: none"> <li>2023: <b>0.94</b></li> </ul>	<ul style="list-style-type: none"> <li>Physical and mental health of employees</li> </ul>	<ul style="list-style-type: none"> <li>Establish the ISO 45001 Management System for all major plants across the globe and implement preventive safety and health management</li> </ul>

\*1 Definitions of management roles: Those with leadership and management duties for the management of subordinates, including professional technical and management personnel and management personnel among OPs (including production line assistants).

\*2 Offer letter acceptance rate = number of people who accepted offers for global professional technical and management personnel openings / number of issued offers.

\*3 Three hours of lectures for employees ranked managers or above = number of employees ranked managers or above who have produced one e-learning course or three hours of lecture by the end of the year / number of employees ranked managers or above at the end of the year.

\*4 Ratio of individual users of the online learning platform = number of individual users of the year / number of employees of the year.

\*5 Starting in 2023, employees from professional and technical positions and management positions will be the primary analysis targets to strengthen the development of professional and management functions.

\*6 Global human rights course completion rate = for employees who reported for duty before the end of November of the current year who are still employed at the end of December, the number of trainees of human rights courses in the current year / the total number of employees who reported for duty before the end of November who are still employed at the end of December.

\*7 Lost-Time Injury Frequency Rate (LTIFR) = (recordable number of occupational injuries + recordable number of occupational diseases)/total work hours \* 1,000,000



# Corporate Governance



## 4

- 4.1 Key Performance Indicators and Strategies
- 4.2 Enhancing the Board of Directors' Functions
- 4.3 Innovation
- 4.4 Customer Relationship Management
- 4.5 Supplier Sustainability Management
- 4.6 Information Security Management
- 4.7 Personal Data Protection Management
- 4.8 Risk Management

## 4.1 Key Performance Indicators and Strategies

Delta Revenue

**12,890**  
MUSD

Brand Value

**426**  
MUSD

Customer Satisfaction Score

**79.26%**

Ratio of R&D Investment to Total Revenue

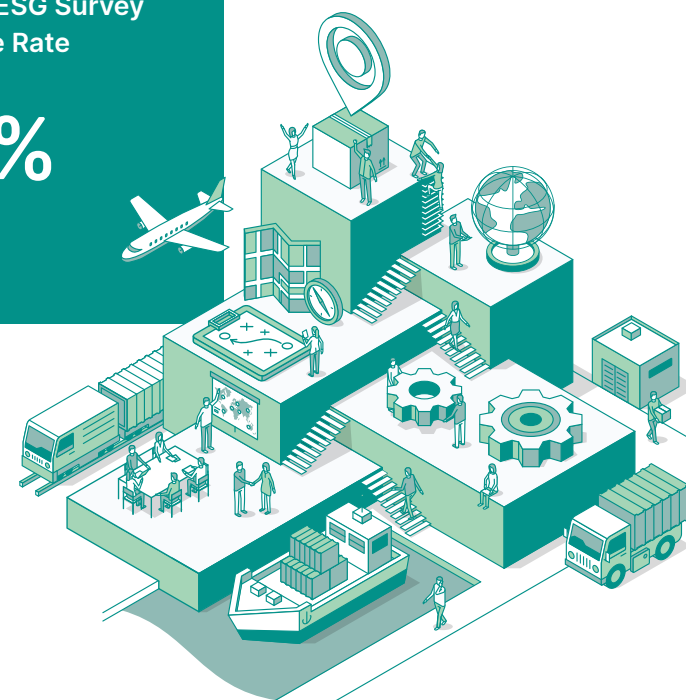
**8.3%**

Cumulative Granted Patents

**12,992**

Tier 1 Supplier ESG Survey Response Rate

**91%**





## 4.2 Enhancing the Board of Directors' Functions

The Chairman leads the Board of Directors of the Company. The members of the Board of Directors meet the diversity requirements and have the expertise necessary for the development of the Company. We established regulations such as the Corporate Governance Best Practice Principles, Rules and Procedures of the Meetings of Board of Directors, Director's Election Regulations, Audit Committee Charter, and Rules Governing the Scope of Powers of Independent Directors to strengthen the effectiveness of the operations of the board and implement a good board governance system. The Company established the Audit Committee and Compensation Committee under the jurisdiction of the Board of Directors. They consist of all Independent Directors of the Company and leverage professional division of work and their independence to assist the Board of Directors with decision making and actively implement corporate governance by strengthening oversight and management functions. If a Director or a corporate entity that the Director represents is considered an interested party in the agenda, the Director shall state the important aspects of the interested party relationship at the board meeting in accordance with Article 15 of the Company's Rules and Procedures of the Meetings of Board of Directors. If the said interest is harmful to the interests of the Company, the Director shall not participate in discussion and voting, shall recuse himself/herself from discussion and voting, and shall not represent other Directors as a proxy to exercise their voting rights. Please refer to page 23 and page 24 of the 2022 Annual Report for the recusal of Directors from proposals involving conflicts of interest in 2022. For more information on the number of shares and shareholding ratio of Directors in the Company's invested enterprises, please refer to page 57 and page 358 to page 371 of the 2022 Annual Report.

The Board of Directors of Delta Electronics consists of 12 Directors including 5 Directors who are employees (Executive Directors), 2 Directors who are not employees (Non-Executive Directors), and 5 Independent Directors with a term of 3 years. The role of the Chairman is filled by a Non-Executive Director and is not the same person as or a relative within the first degree of kinship with the CEO, President, or COO. Please refer to page 11, page 16 and page 18 of the 2022 Annual Report.

### 4.2.1 Board of Directors and Duties

#### Diversity among Members of the Board

The overall consideration for the composition of Delta's Board of Director is based on Delta Electronics' Director's Election Regulations and Corporate Governance Best Practice Principles. Members of the Board come from different genders, ages, races, nationalities, cultures, professional backgrounds, and working fields, etc. Members of the Company's Board of Directors have professional backgrounds and experience in business administration, control engineering, electrical engineering, industrial engineering, law, mass communication, marketing, and accounting necessary for the Company's business operations. So as to provide strategic guidance in the Company's operations. Please refer to page 16 and page 17 of the 2022 Annual Report.

#### Professionalism of the Board Members

The members of the Board of Directors possess professional experience in fields related to the industries which the company has presence or active developments in, and are highly sensitive and quick to respond to risks and impacts. The Company's Chairman Yancey Hai, Director Bruce Cheng, and four Executive Directors have served in management roles of the Company for more than 20 years. Independent Director Mr. Chi-Jen Li has a bachelor's degree in industrial engineering from National Tsing Hua University, and also served as a deputy administrator in Yulon Motor. Independent Director Mr. Hsueh-Chin Lu has a bachelor's degree in engineering science from National Cheng Kung University and a PhD in electrical engineering from the University of Hawaii. Independent Director Mr. Jih-Tsan Huang currently serves as Special Advisor to the CEO of Yulon Group and Special Advisor to the Chairman of Tai Yuen Textile Co., Ltd. Other Directors and Independent Directors of the Company also have expertise necessary for the Company including mass communication, marketing, and accounting.

Delta conducts training for its Board members each year to develop and improve the highest governing body's overall knowledge of economic, environmental, and social issues, and also continues to improve the risk management capabilities of its Board of Directors. The Company opened courses in 2022 for the continuing education of Directors including the latest developments and amendments of international and domestic tax laws and net zero emissions, carbon neutrality, and compliance. Please refer to page 35 of the 2022 Annual Report for details of the continuing education of Directors in 2022.

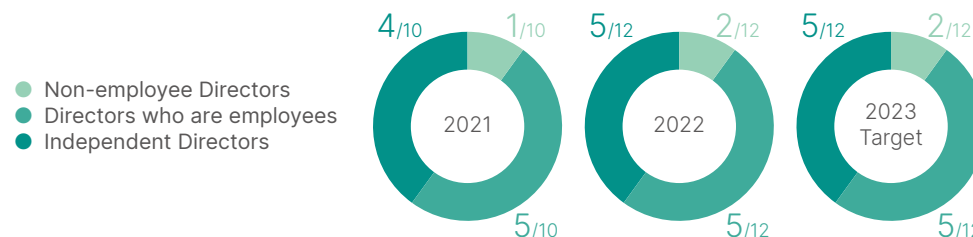
## Enhance the Effectiveness of Board Operations

The Company's Board of Directors passed the Rules of Performance Evaluation of Board of Directors, and the Company implements the performance evaluation of the Board of Directors, individual Directors, Audit Committee, and Compensation Committee each year. In addition, an external independent professional institution or a panel of external experts and scholars shall be appointed to conduct the board performance evaluation at least once every 3 years. The six evaluation categories include a familiarity with the goals and missions of the Company, awareness of the duties of a Director, participation in the operation of the Company, management of internal relationships and communications, the director's professionalism and continuing education, and internal control. They are used to ensure the effective operations of the Board of Directors and manage the risks and crises of the Company. The Company engaged an external professional and independent institution for the 2022 performance evaluation of its Board of Directors and the evaluation results were reported to the Board of Directors in 2023. The 2022 self-evaluations of the Board of Directors, individual Directors, Audit Committee, and Compensation Committee were completed and reported to the Board of Directors before the end of the first quarter of 2023. The overall performance of the Board of Directors was deemed effective. Please refer to page 25 and page 26 of the 2022 Annual Report.

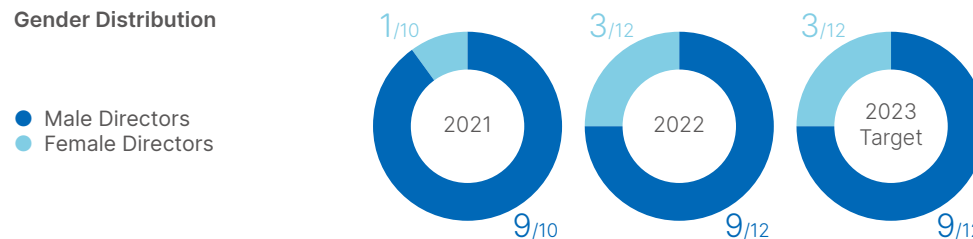
## Reports of Materials Issues to the Board of Directors

The agendas of the reports submitted to the Board of Directors encompass all aspects of ESG and amount to 80 in quantity, including reports on business operations, financial statements, internal audit reports, intellectual property management, information and communication security management, risk management, integrity management and implementation, board performance evaluation, communication with stakeholders, RE100, SBT, carbon pricing, biodiversity, and green power. Meanwhile, the Company communicates with its Board of Directors on the following major agendas, including business plans, audit plans, financial statements (including earnings distribution), quarterly consolidated financial reports, employee and director compensation, managerial compensation proposals, mergers and acquisitions, issuance of corporate bonds, acquisition and sale of real estate, group shareholding restructuring, effectiveness of internal control systems, evaluation of the independence of CPAs, amendments of corporate governance regulations, election of Directors and Independent Directors, appointment of members of the Compensation Committee, non-compete restrictions on managers, non-compete restrictions on Directors and Independent Directors, and convening of general shareholders' meetings. For more information, please refer to the Company's material information posted on the Market Observation Post System or page 51 to page 53 of the 2022 Annual Report.

### Composition of the Board of Directors

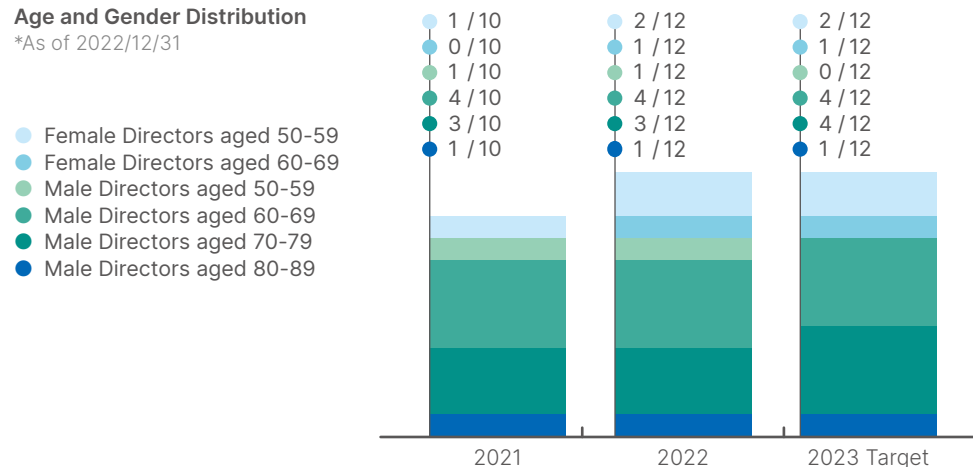


### Gender Distribution






### Age and Gender Distribution

\*As of 2022/12/31





Committee	Description of Responsibilities
 <p><b>Board of Directors</b></p>	<p>The Board of Directors of the Company is responsible for overseeing the attainment of the Company's operational goals, improving operational performance, and providing strategic guidance to the management team as well as upholding the guiding principles for corporate sustainability. Board meetings are convened at least once every quarter to assess corporate business performance and discuss strategy topics and review ESG issues, including the impacts, risks, and opportunities in relation to regulations, economics, environment, and society. Five Board of Directors meetings were held in 2022 and the overall attendance rate was 100%.</p>
 <p><b>Audit Committee</b></p>	<p>The Audit Committee performed key tasks annually including overseeing the Company's financial statements, engaging CPAs based on their independence and performance, effectively implementing internal controls, ensuring that the Company follows relevant laws and regulations, and assessing possible and potential risks to the Company. Meetings of the Audit Committee are convened at least once every quarter and five meetings were held in 2022, with an overall attendance rate of 100%.</p>
 <p><b>Compensation Committee</b></p>	<p>The Compensation Committee establish and regularly review the performance evaluation and policy, system, standards and structure relevant to compensation of directors and managerial officers periodically and also evaluate the compensation of directors and managerial officers periodically. Delta set up the Compensation Committee to facilitate the link between the compensation of Directors and managers and the corporate operations performance to decide the ratio of dividend distribution. The Committee gives compensation policy suggestions based on industry competition, corporate operations performance, and the market rate to construct a company-level compensation policy. Delta participates in industry and consulting companies' salary surveys and evaluates how fair Delta's compensation is compared to the current market. Four meetings were held in 2022, with an average attendance rate of 100%.</p>

## 4.2.2 Ethical Corporate Management

Ethical corporate management is a core value of Delta and is part of its corporate DNA. It is deeply rooted in Delta's corporate culture and systems. The Human Resources Division used to be responsible for the implementation of ethical corporate management, and jointly with the Legal Affairs Division for the establishment of ethical corporate management policies. To integrate the resources of the departments more effectively, the Company referenced practices in the industry and set up the "Ethical Corporate Management Committee" as the dedicated unit for promoting ethical corporate management based on a resolution of the Board of Directors on October 27, 2022. The Ethical Corporate Management Committee will report to the Board of Directors on the policies of ethical corporate management, plans for preventing unethical conduct and their implementation status once each year. To ensure compliance with ethical corporate management policies, it develops programs and measures to prevent unethical conduct, regularly reviews implementation results and continues to make improvements. The CEO serves as the Chair of the Ethical Corporate Management Committee and the General Counsel leading the promotion groups and members in the implementation of ethical corporate management plans and affairs.

After the establishment of the "Ethical Corporate Management Committee" and the completion of the self-assessment of the Company's ethical corporate management risks for 2022, the priority plan of the Committee is to introduce ISO 37001 anti-bribery management system to Delta's Head Office in Taiwan (i.e., functional units with head office functions) and obtain ISO37001 certification. The ISO 37001 standards will further reinforce the framework of ethical corporate management for the Company and optimize the management system.

### Main tasks planned

- Analysis of the differences between existing practices and ISO 37001 standards
- Establishment of ISO 37001 management mechanisms and optimization of policies and procedural forms
- Establishment of audit system and audit groups pursuant to ISO 37001 standards
- Trainings for key work items

### Establishment of Policies and Systems

The Company established the "Ethical Corporate Management Best Practice Principles" and "Delta Group Code of Conduct" to clarify the Company's policies and the code of conduct for employees. They are disclosed on the Company's website and apply to all members of Delta including subsidiaries, directors, managers, and employees. The Company established operating procedures and management regulations such as the "Ethical Corporate Management Risk Assessment and Prevention Regulations", "Whistleblower System Management Regulations", and "Management Regulations for Rewards and Penalties" to prevent unethical conduct. We plan to review and optimize the aforementioned procedures and regulations during the introduction of ISO 37001 standards in accordance with its requirements. The procurement contracts signed with suppliers include the Delta Integrity Declaration, Responsible Business Alliance (RBA) Code of Conduct, fair competition, and anti-trust clauses.

### Training and Communication

New employees are required to attend orientation training for ethical corporate management and the attendance rate is 100%. Employees take refresher online courses on ethical corporate management/Code of Conduct each year. 82,007 employees worldwide completed the course in 2022 and the completion rate was 97.0%, which saw an increase compared to the previous year. The Company's Directors also attend online courses on ethical corporate management / Code of Conduct each year and the training completion rate is 100%. In 2022, the Company invited experts in the industry to organize a practical course on "Anti-corruption and Trade Secrets". Case studies were used to help Directors and senior executives learn more about the regulations and penalties for insider trading under Article 157-1 of the Securities and Exchange Act and prevent unethical conduct such as corruption and bribery. It also strengthened the awareness of the risks of unethical conduct. In addition, ethics and integrity have always been included in the evaluations of values and skills in employees' performance evaluation.

### Whistleblowing and Protection

The Company provides a reporting channel for employees and stakeholders. If any illegal or dishonest business practices are found, the whistleblower can choose to report to the supervisor, a dedicated mailbox, or use other channels, either on a named or an anonymous basis. The Company maintains strict confidentiality of reported information to protect whistleblowers from retribution or inappropriate treatment, and any breach of confidentiality will be punished in accordance with the Company's regulations.

According to the Company's Whistleblower System Management Regulations, where a report is verified as true and its contribution generates significant economic benefits, the whistleblower may be provided with a suitable amount of rewards based on local regulations. In 2022, the Company did not have litigation or losses involving violation of corporate governance, anti-corruption/bribery, or competition laws.

### Evaluation and Prevention

To implement the Code of Conduct and avoid conflicts of interest, the Company require all new employees to report conflicts of interest when they report for duty. Current employees are reminded to file reports every year and 2,095 employees actively completed the report globally in 2022.

The Company has established risk management mechanisms for ethical corporate management and business and functional units to conduct self-assessment of risks each year. In 2022, a total of 34 risk assessment forms were filled out (with a completion rate of 100%), and improvement measures to address the risks were also provided accordingly.

## Refresher online courses on ethical corporate management / Code of Conduct: Records of training completion by region and employee category\*<sup>1</sup>

Region	Employee Category	Employee Category		Management roles / non-management roles				Total
		OP (including production line assistants)	Professional technical and management personnel	Senior level	Mid-level	Junior level	Non-management	
Taiwan	Eligible Trainees	3,939	10,294	284	1,366	162	12,421	14,233
	Trainees that Completed Training	3,727	10,045	275	1,337	161	11,999	13,772
	Completion Rate	94.6%	97.6%	96.8%	97.9%	99.4%	96.6%	96.8%
China	Eligible Trainees	30,026	12,060	98	1,736	2,467	37,785	42,086
	Trainees that Completed Training	29,842	11,944	96	1,714	2,455	37,521	41,786
	Completion Rate	99.4%	99.0%	98.0%	98.7%	99.5%	99.3%	99.3%
Asia Pacific	Eligible Trainees	19,158	5,038	55	590	390	23,161	24,196
	Trainees that Completed Training	18,528	4,726	46	548	387	22,273	23,254
	Completion Rate	96.7%	93.8%	83.6%	92.9%	99.2%	96.2%	96.1%
Europe, Africa, and Middle East	Eligible Trainees	944	2,177	31	166	7	2,917	3,121
	Trainees that Completed Training	910	1,634	23	121	3	2,397	2,544
	Completion Rate	96.4%	75.1%	74.2%	72.9%	42.9%	82.2%	81.5%
Americas	Eligible Trainees	87	802	28	75	5	781	889
	Trainees that Completed Training	68	583	15	56	1	579	651
	Completion Rate	78.2%	72.7%	53.6%	74.7%	20.0%	74.1%	73.2%
Total	Eligible Trainees	54,154	30,371	496	3,933	3,031	77,065	84,525
	Trainees that Completed Training	53,075	28,932	455	3,776	3,007	74,769	82,007
	Completion Rate	98.0%	95.3%	91.7%	96.0%	99.2%	97.0%	97.0%

Note 1: Global ethical corporate management / Code of Conduct course completion rate = the number of trainees of relevant courses in the current year among employees who reported for duty before the end of November of the current year who are still employed at the end of December / the total number of employees who reported for duty before the end of November who are still employed at the end of December

## 4.3 Innovation

### 4.3.1 Delta's Internal Innovation Mechanisms

To reward outstanding accomplishments and to cultivate a culture of innovation, Delta established the Delta Innovation Awards in 2008, with the management team serving as members of the judging committee. The annual awards are designed to encourage employee innovation across the globe as well as to reward exceptional innovation. The 15th Innovation Awards in 2022 included four grand prizes for "Intellectual Property Rights", "New Products," "Production," and "New Business Models and Processes." The "Intellectual Property Rights" award included "Elite Designer Award" and "Excellent Patent Planning". These awards are presented to recognize individual and team development and to establish patent planning for commercial value. Competition in the Delta Innovation Awards was extremely intense and it demonstrated Delta's sustained commitment and capabilities for innovation across the world. In the final round, the judges decided to present the highest honors for innovation at Delta to 10 teams and 10 individuals. Since 2008, 94 teams and 68 individual awards and 6 Outstanding Contribution Awards have been presented with over 3.52 MUSD in incentives.



At the 15<sup>th</sup> Delta Innovation Awards, the highest honors for innovation at Delta was presented to 10 teams and 10 individuals.

### 4.3.2 Intellectual Property Rights Applications

#### Innovation, R&D, and Patent Planning

Delta promotes sustainability with technology and is committed to R&D and innovation in fields including power and electronics, infrastructure, and automation. The Company has established 73 R&D Centers across the world with more than 10,000 R&D engineers. In recent years, we have continuously invested at least 8% of total revenue in R&D and innovation. The investment reached 8.3% of total revenue in 2022 as the Company remained committed to creating innovative and energy-efficient solutions. In terms of intellectual property rights, Delta has maintained its long-term commitment to patents and assets in terms of R&D, manufacturing bases, and main markets to maintain its competitiveness.

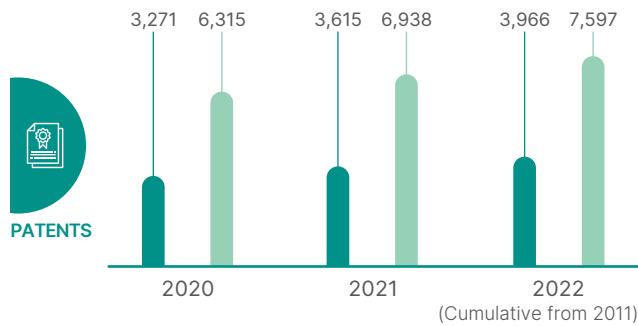
#### Patent Applications and Awards

To encourage employees to focus on R&D and proactively apply for patents from patent offices in Taiwan and other countries of the WTO, Delta has established Intellectual Property (IP) Patent Incentive System Procedures and assisted business units in compiling a risk map for IP rights. As of the end of 2022, Delta has accumulated nearly 13,000 patents across the globe and obtained 1,064 patents in 2022 mainly in the United States, Mainland China, Taiwan, and Europe. The accumulation of patents has made Delta one of Clarivate's Top 100 Global Innovators™ for two consecutive years since 2022.



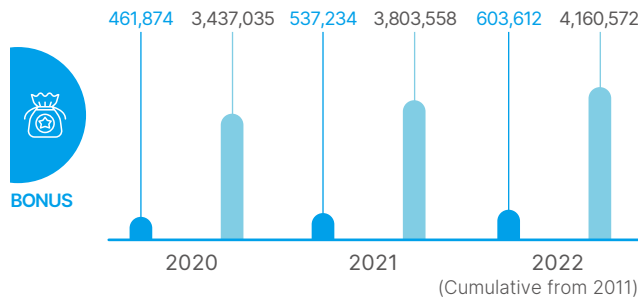


### Total Number of Patents



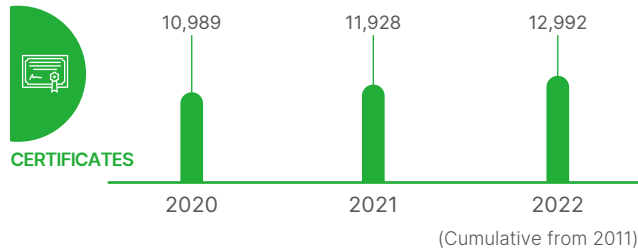
- Cumulative Number of Patent Granted with Incentives Given
- Cumulative Number of Patents Proposal with Incentives Given

### Total Incentives Given



- Cumulative Incentives Given for Proposals (USD)
- Cumulative Incentives Given for Patents Granted (USD)

### Number of Granted Patents and Certificates



- Cumulative Granted Patents and Certificates

## 4.3.3 Open Innovation and the Latest Technology Exchanges

Delta Research Center was established in 2013 and headquartered in Taipei. We have set up R&D operations in Hsinchu, Tainan, and Singapore and we are committed to incorporating emerging technologies into Delta's next-generation products to expand the future market. We also actively collaborate with industries, government, academia, and research ecosystems to create an open innovative model and an ecosystem for mutual prosperity.

The team actively uses data analysis, IoT, and information security technologies to improve Delta's internal manufacturing and operational efficiency, accelerate new product development, and increase product value and customer satisfaction.

### Improved Capacity for Production and Operations

- **Increased production efficiency:** We use the Digital Twin technology to automate design and shorten product design time in the design phase of Delta's products. In the product manufacturing process, we use production line simulation to provide production line optimization strategies to reduce the need for labor and other resources and increase production capacity and the utilization rate.

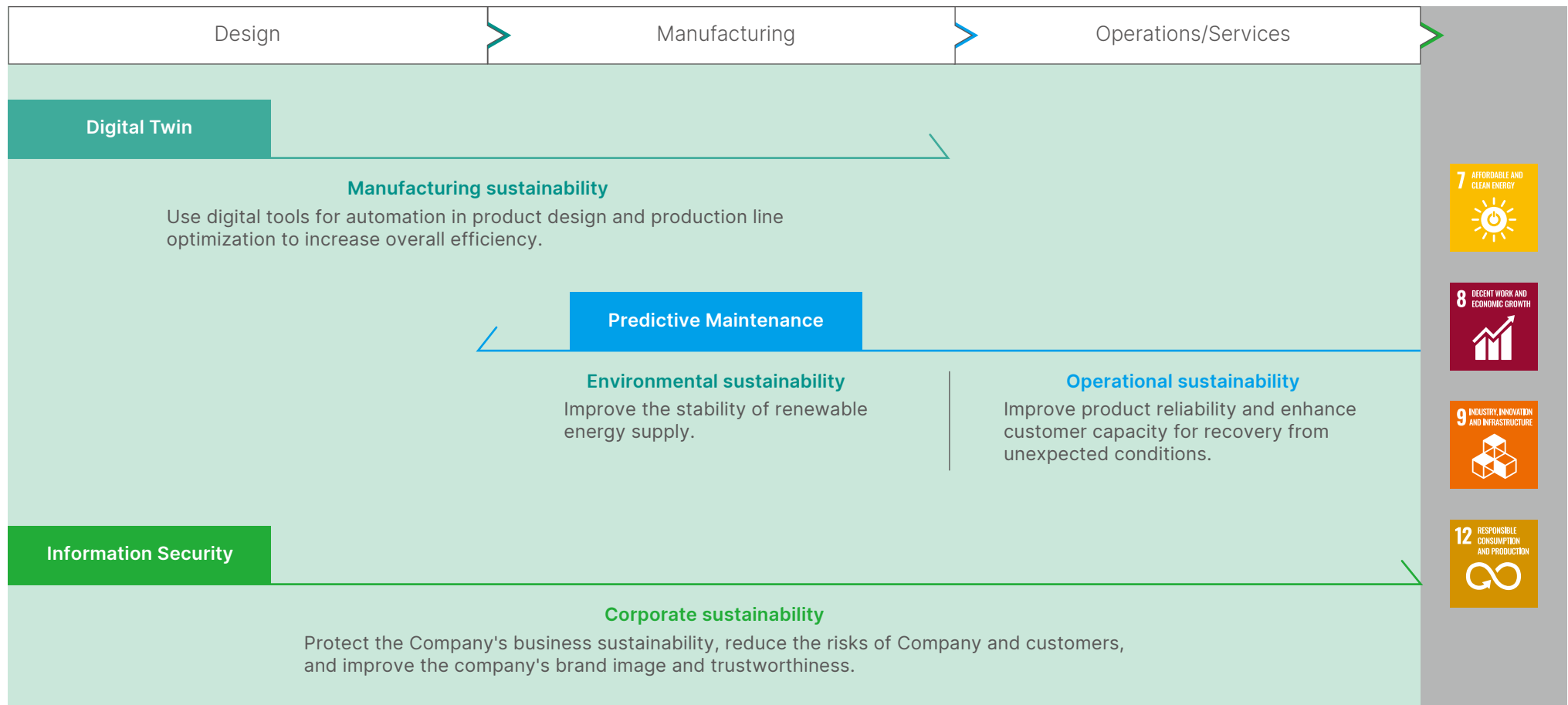
### Increase Product Value and Customer Satisfaction

- **Help customers reduce operational risks:** The R&D team works with business units to improve the existing uninterruptible power supply (UPS) systems of semiconductor manufacturers in Taiwan. The team incorporates special predictive maintenance (PdM) for special projects to improve product reliability and ensure that customer operations can continue normally and minimize losses when the power supply is unstable.
- **Ensure the stable supply of renewable electricity:** The team applies predictive maintenance to Delta's PV inverters to detect abnormalities early and provide early warning to improve the reliability of renewable energy power generation and overall system efficiency.

### Increased Information Security Resilience

- **Reduce the impact of online attacks on the Company:** Incorporate information security specifications or standards into Delta product designs and test and evaluate the information security risks of Delta's products. In addition, the Company provides tools to reduce the risks of blackmail with corporate data when the Company is attacked and reduce the losses from the intrusion of malicious software.

**Tools for Open Innovation Case Studies and Expected Benefits**



## 4.4 Customer Relationship Management

### Customer Satisfaction Survey

Delta has sought to achieve a deep understanding of customer requirements and issues through observation of user operating environments and usage habits, seeking constant improvement to find the most appropriate solutions. We make it a point to gather the responses of customers and end users through focus groups, individual interviews, and online questionnaires. The results are given an in-depth analysis of their needs and expectations, which is then used to improve the basis for technology research and development, system design, and program development.

The customer satisfaction survey consisted of two components which are consolidated for analysis. These included the Quarterly Business Review (QBR) with information actively provided by customers and the Delta Satisfaction Survey, which is a satisfaction survey actively initiated by Delta when the customer has not rated their satisfaction. Delta continues improvements based on customer recommendations and Delta engineers are encouraged to communicate directly with customers. This allows engineers to understand customer issues at the product design phase, while also gaining an accurate understanding of end-market demands and exceeding customer expectations through consultations and recruiting experts from a variety of industries. To achieve an in-depth understanding of customer satisfaction with Delta's products and services, we organize annual customer satisfaction surveys and use the results of the evaluation and surveys as an important basis for improving customer relations. We analyze surveys for intensified interactions with customers to explore potential market opportunities and improve product design to meet customer demands and build win-win cooperation. In the past, each business unit adopted the survey system it had designed instead of a systematic universal questionnaire for the customer satisfaction survey. To effectively maximize customer satisfaction and continuously improve the customer service management process, we focused on seven major components such as technology, quality, response, delivery, cost, service, and global ESG, and adopted an analysis process including questionnaire collection, system analysis, dashboard display, FA/CA/PA, and effect verification to develop and design the Customer Satisfaction Survey System for the entire Group. The main targets of the customer satisfaction survey consisted of customers who accounted for the top 80% of procurement from Delta in 2021/2022. We distributed 616 questionnaires and recovered 331 copies with a response rate of 54%. The impact of

the COVID-19 epidemic in recent years has reduced the parties' activities and reduced customers' willingness to participate in the satisfaction survey. The customer satisfaction rate is 79.26% in 2022, which reached the 79% target.

Many new customers in new markets have appeared as Industry 4.0 progresses. There have been significant changes in customers' industry types and Delta has noted the potential of Internet and telecommunication customers. To collect feedback from these potential customers, Delta will continue to send mail for customer satisfaction surveys and uncover potential needs of customers in order to identify more opportunities for providing services and increase customers' satisfaction with Delta each year.

### Distributor and ASP Service ISO 9000 Quality Certification

Delta seeks to maximize customer satisfaction. To provide customers with consistent services, we ensure that both authorized service partners (ASPs) and authorized distributors have the same quality management capabilities as Delta. Delta started to communicate the ISO 9000 quality management regulations to existing distributors and ASPs in 2020 to ensure that the services and operations of ASPs and distributors are consistent with Delta standards in order to provide customers with good service quality. In 2022, Delta has implemented operation standard surveys on ISO 9000 standards for existing distributors and Authorized Service Partners (ASPs). The results showed that only 21% of the distributors and ASPs had obtained ISO 9000 certification. To promote ISO 9000 quality management regulations, Delta decided to provide ISO 9000 training and appointed TÜV Rheinland in 2021 and 2022 to provide Delta distributors and ASPs with ISO 9000 training. Subsequently, the ratio of distributors and ASPs that participated in ISO 9000 training or obtained ISO 9000 certification increased to 31%, which met the 30% target set for 2022.

As Delta has distributors and ASPs who use different languages and have different work hours, Delta created the ISO 9000 online e-learning courses in both Chinese and English in 2023 and plans to offer these courses to Delta Group distributors and ASPs in 2023 so that they can learn online from anywhere at any time.

## 4.5 Supplier Sustainability Management

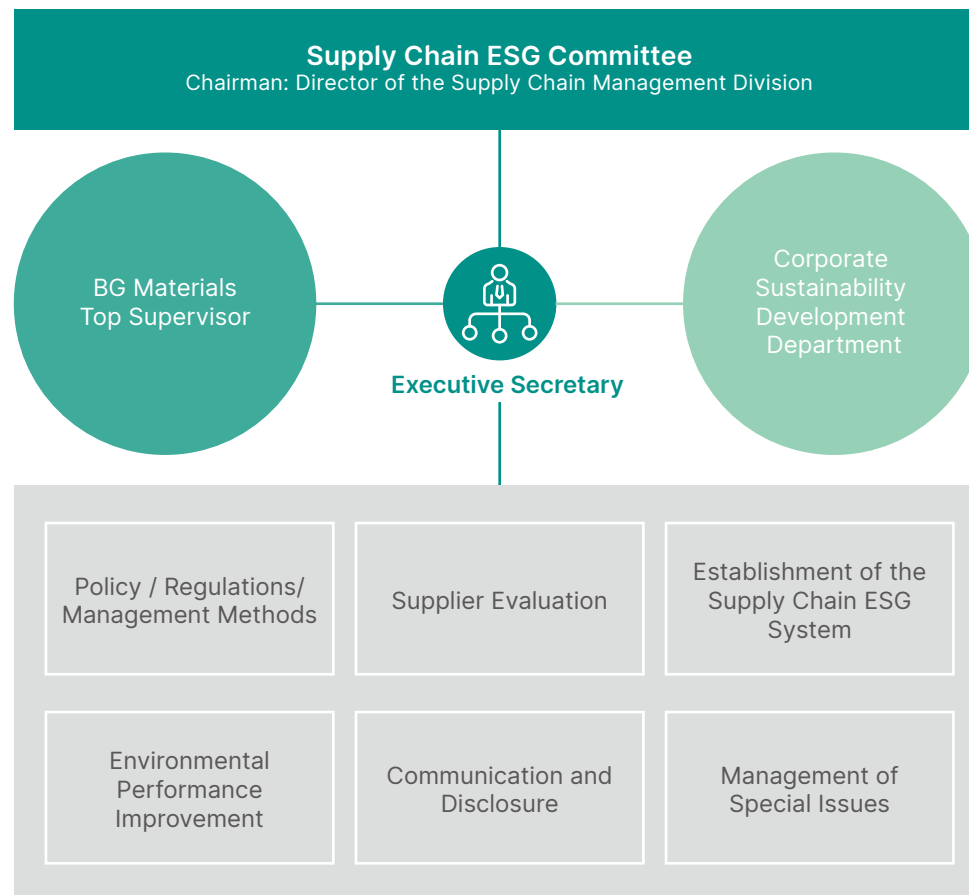
### 4.5.1 Overall Measures for Supplier Sustainability Management

#### Delta Supply Chain

Suppliers work with Delta as our most important strategic cooperation partners. In addition to providing customers with valuable products and services, we also focus on social and environmental values by actively fulfilling our corporate mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow" as we work toward creating a sustainable supply chain. Delta jointly carries out its social and environmental obligations with the supply chain on the basis of cooperation. Delta's suppliers include suppliers of materials/components, agents, and contractors. Their head offices are mainly located in Mainland China, the United States, and Taiwan. Their manufacturing sites are located in Mainland China, Taiwan, Thailand, and other countries.

#### Supply Chain ESG Committee

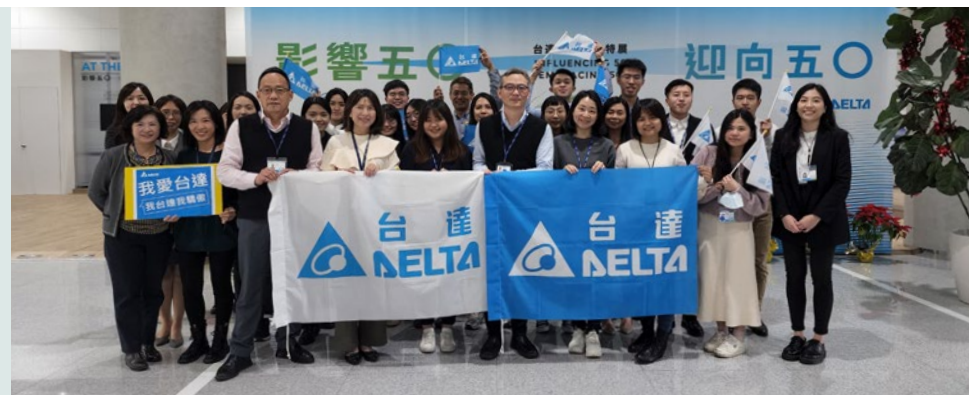
The Company established the Supply Chain ESG Committee to effectively implement sustainable management for the supply chain and integrate Delta's global procurement systems. The Committee is chaired by the Director of the Supply Chain Management Division and members are comprised of procurement managers of business groups. The Committee is assigned an executive secretary to take charge of planning and implementing project activities and the Corporate Sustainability Development Department serves as the consulting team. The six major project categories include "amendment of rules/management regulations", "supplier evaluation", "supply chain ESG system platform setup", "environmental performance improvements", "communication and disclosure", and "management of special issues". The Supply Chain ESG Committee reports on the progress of each project to the COO each quarter, and on the annual KPI attainment rate and future plans to the ESG Committee. The communication continues with external communication and internal training such as courses on greenhouse gas inventory and supplier ESG risk management for procurement personnel. Approximately 80 participants attended training for procurement personnel in 2022.





## Supply Chain Management Procedures

Delta's supply chain management include selection and recognition of new suppliers, continuous ESG risk management, performance evaluation, and supplier engagement and long-term improvements. The targets include suppliers of materials/components, agents, and contractors.



01



### Selection and recognition of new suppliers

New material suppliers must have ISO 9001 certification and meet requirements for environmental management substances. We encourage suppliers to obtain ISO 14001 certification. Only companies that pass onsite audits for procurement, quality, technology, and hazardous substances can become official suppliers of Delta. Delta's procurement contracts include product liability and confidentiality clauses as well as the Supplier Code of Conduct, Responsible Business Alliance (RBA) Code of Conduct on environmental protection, conflict minerals, fair competition, and anti-trust. In the screening of new suppliers in 2022, the Company evaluated the environmental and social standards of 100% of the candidates.

02



### Continuous ESG risk management

Delta continues to use survey forms and documents for the first round of document audit to investigate potential risks of the supplier in labor, health and safety, environment, ethical corporate management, management systems, potential risks for supplier management, and compliance with the Code of Conduct to evaluate ESG risk ratings and ESG capability ratings. We also distribute the survey form for conflict minerals to complete our due diligence investigation for conflict minerals in the supply chain. We use the risk map to identify high-risk suppliers. Delta uses systematic tracking, on-site audits, and requests for improvement based on the categories of high-risk issues and the level of urgency. Delta makes use of its extensive ESG experience to create training materials to be shared with suppliers. If a high-risk supplier fails to implement any improvement measure and causes damage to Delta, its customers, or any third party, the supplier shall bear liabilities for all compensation. Delta shall have the right to withdraw, terminate, or discontinue any partnership agreement with the supplier.

Delta identifies significant suppliers each year and defines them as suppliers of high concern for subsequent identification of high-risk suppliers. Suppliers of high concern are determined based on factors such as continuous transactions, transaction amount, types of service or material provided by the supplier, labor, environment, safety, and climate change performance. Special issues such as water risks and biodiversity risks are also included in the risk information by country and by industry. After identifying suppliers of high concern, the Company focuses on high-risk conditions such as "suppliers with labor, environmental, safety, or integrity-related violations that have not implemented corrective or mitigating measures, and those that do not comply with Delta's Supplier Code of Conduct for child labor, minor labor, student labor, interns, and migrant workers". We identify high-risk suppliers from among the suppliers of high concern and implement improvement surveys.

03



Performance evaluation

To incorporate ESG sustainability performance as incentives, Delta implements the Quarterly Business Review (QBR) for technology, quality, service, lead time, and cost, and selects the Most Valuable Partner (MVP) and Most Improved Partner (MIP) based on the suppliers' ESG risk rating and capabilities. We seek to use the influence of the Delta brand to power the continuous improvement of the supply chain. In 2023, Delta included suppliers' ESG compliance into the response (R) to the QBR to increase incentives. The ESG indicators incorporated into overall scores included ESG survey response speed, whether the supplier has provided greenhouse gas inventory data and obtained the ISO 14064-1 Greenhouse Gas Inventory certificate. These indicators account for 10% of the score.

Delta also provides supplier ESG programs and technical support programs to help suppliers improve ESG performances, take corrective actions, and build capacity.

04



Supplier engagement and long-term improvements

Delta started the Supply Chain Sustainability Partnership Program in 2021 which targeted long-term suppliers for interviews on the needs for energy-saving products. We also introduced Delta's energy saving case studies and technologies, and provided Delta's energy-saving products and solutions that matched their needs to help suppliers perform energy conservation diagnoses and plan improvement projects such as energy management systems and intelligent energy-saving plant management systems. Delta aims to create a paradigm for energy conservation and promote the continuous improvement of the entire supply chain.

For a certain semi-conductor manufacturing company, the investment totaled approximately 1.764 million and the annual electricity savings is approximately 14 million kWh, which reduced their electricity bill by approximately 1.152 MUSD.

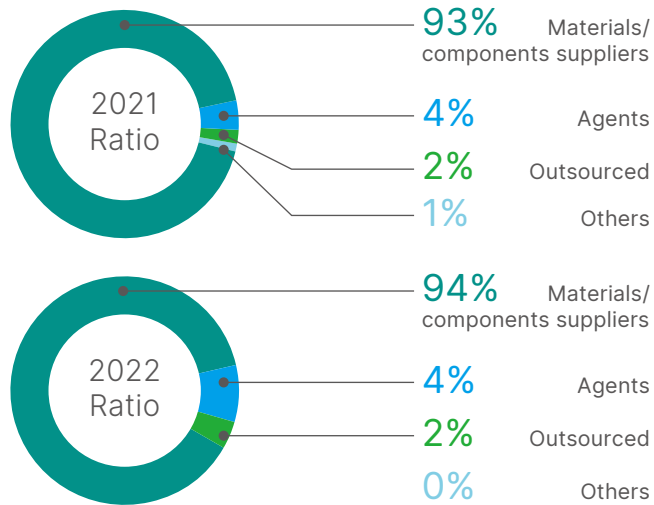


## 4.5.2 Ratio of Localized Procurement and Materials

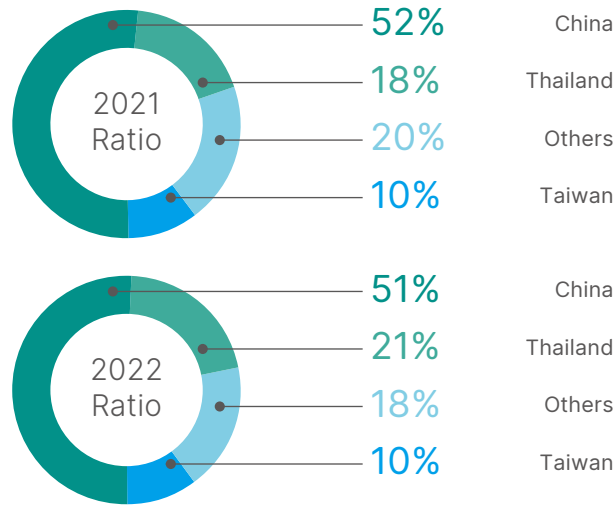
### Localized Management

Delta's products and services cover three major areas including Power Electronics, Automation, and Infrastructure. Delta's suppliers are divided into three types: production-related direct materials, non-production-related indirect materials, and labor. For historical purchasing expenditures, direct materials constitute the major proportion, accounting for 94% in 2022. There are three types of direct material suppliers: raw material/component suppliers, agents, and outsourced suppliers. In recent years, Delta has focused on R&D and innovation for core technology and products, and the Company has rapidly expanded its role as a solution provider through M&A and by integrating its own professional competencies. The scale of Delta's supply chain continues to expand. In addition, Delta continues to implement local procurement strategies and construct a green supply chain to build close relations with local partners, promote local social and economic development, and reduce carbon dioxide emissions produced in production and transportation. The percentages of global and local procurement of direct materials for major production sites in Mainland China, Taiwan, and Thailand are shown in the figure below.

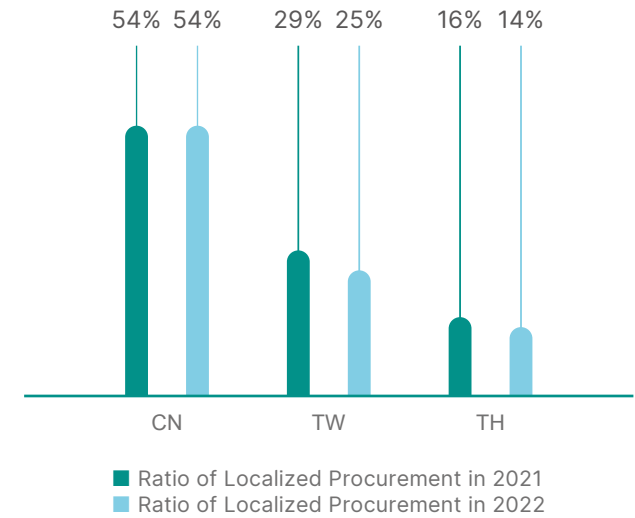
#### Procurement ratio by supplier type



#### Percentage of purchase amount by region (%)



#### Ratio of localized procurement



### Materials Management

The main materials used by Delta include metals, plastics, chemicals, packaging or buffer packaging materials, and other materials. Based on the weight of procured materials in 2022, metal materials accounted for 70.1% (288,937 metric tons), packaging materials accounted for 18.0% (74,064 metric tons), plastic materials accounted for 11% (45,416 metric tons), chemicals accounted for 0.5%, and other materials accounted for 0.4%.

Paper packaging materials with recycled pulp or recycled fiber accounted for 50.4% (18,218 metric tons), and those made with blended recycled fiber accounted for 18.3%. Among metal materials, 0.8% (347 metric tons) of the aluminum is recycled metal, which is used in the thermal fin of inverters and drivers.

### Key Suppliers

Key suppliers of Delta are defined as suppliers with large purchase volumes (annual purchase amount greater than NT\$5 million), suppliers of key components or irreplaceable raw materials, and suppliers whose materials are needed by many business groups and have a significant impact on the quality and delivery of the Company's products.

The total value of procurement from 175 key suppliers in 2022 accounted for 64%. And the total number of significant suppliers in non Tier-1 was 671.

## 4.5.3 Supplier ESG Risk Assessment and Due Diligence Research on Conflict Minerals

### Supply Chain ESG Risks

In 2022, Delta continued to optimize the Supplier Code of Conduct and added seven major categories including climate change, labor, occupational health and safety, environment, ethics, management systems, and supply chain management in the supply chain management chapter in accordance with the Responsible Business Alliance Code of Conduct (RBA) 7.0. We use the "Delta Supplier Code of Conduct" as important guidance to encourage compliance by suppliers.

Delta uses the "Delta Supplier Annual ESG Management Survey" for management and risk assessment to learn about the suppliers' RBA implementation and possibilities for promoting sustainable development, and identify possible opportunities. The distribution targets were tier 1 suppliers with whom we have continuous transactions including product manufacturers, branch companies of manufacturers, external processing manufacturers, agents, and service companies.

The 2022 "Delta Supplier ESG Management Survey" included labor, occupational health and safety, environment, ethics, management systems, and supply chain management. We designed questionnaires based on the nature of suppliers, (including the specific risks related to the countries they operate, the sectors they belong, and the commodities they provide) RBA high-risk issues, and subsequent management goals. We also provide the survey in traditional Chinese, simplified Chinese, English, and Thai. The Supply Chain ESG Committee also organized webinars to help suppliers understand Delta's expectations, the importance of ESG, and the requirements of the questions.

### Analysis and Results of the 2022 Questionnaire

The 2022 questionnaire added supply chain management categories, including whether suppliers have formulated effective processes to convey the RBA Code of Conduct to their suppliers, and investigated the improvement measures of suppliers in each category. After collecting the questionnaire responses, we will conduct systematic review on key information and supporting evidence, such as third parties' certification. The overall response rate for ESG management in 2022 was 91%. According to the analysis results for suppliers with different ratings, 39% of the suppliers exhibited high levels of sustainability. It means that they have high risk management and ESG capabilities and are suitable for long-term partnerships for sustainability. 32% of the suppliers were regarded as suppliers of high concern and 119 were defined as high-risk suppliers. In terms of supplier categories, 106 were manufacturers, 9 were distributors, and 4 were outsourced service providers. In terms of regions, 47 were located in Taiwan, 49 were in China, and 23 were in other regions.

In addition, 21% of the suppliers are classified as suppliers with high potential. It means that they have high risk management but require improvements in their ESG capabilities. They can thus be prioritized for mentoring resources later on. No suppliers were identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment in 2022.

We analyzed the performance of risk management across the categories and found that the average deficiency rate was higher in the labor category and lower in the environment,



ethics, and supply chain management categories. This shows that the high-risk issues mostly lie in the labor category for which 11.9% of the suppliers lost points. The issues included lack of related policies for human rights protection and overtime work hours of workers. Delta will continue to follow up with tracking, audits, and requests for improvement plans. The suppliers who voluntarily introduced RBA VAP accounted for 10.8% of the effective questionnaires.

### Delta's key supply chain ESG management issues and response measures:

#### Integrity

All suppliers must sign and agree to comply with the Delta Supplier Code of Conduct and sign the Delta Integrity Declaration to become a qualified supplier.

#### Labor and Human Rights

Delta pays special attention to issues such as child labor, underage workers, migrant workers, overtime work, and violations of local labor regulations. We use questionnaires to learn about current conditions, track progress of improvements with written documents, and use publicly available information to verify the authenticity of the information.

#### Environmental Protection

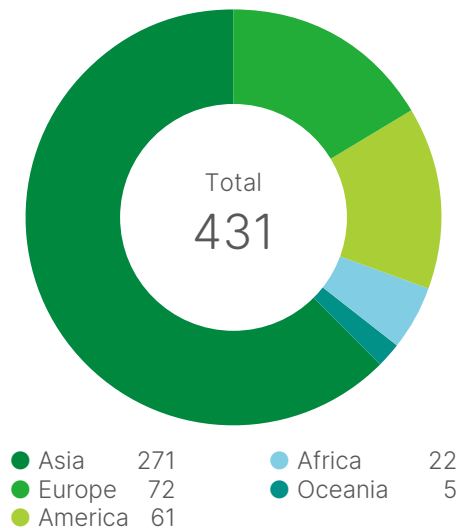
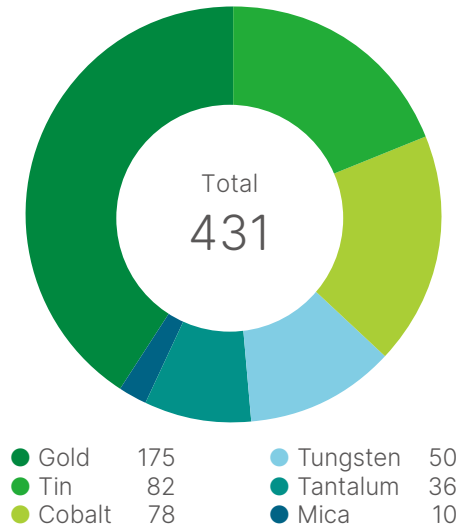
Delta pays special attention to climate change and greenhouse gas management issues. Starting in 2021, we encouraged all suppliers to provide information on greenhouse gas emissions and the percentage of renewable electricity. We also request suppliers to voluntarily provide data verified by a third party starting from 2022 and obtain a third-party verification statement for greenhouse gas inventory data before 2025 Q4.

### Conflict Minerals

The Responsible Minerals Initiative (RMI) research discovered that rebel groups in the Democratic Republic of Congo and neighboring countries in Central Africa use forced labor, child labor, and other illegal means to mine tungsten, tin, tantalum, gold, cobalt, and mica, and sell them in exchange for weapons, thereby causing regional instability. Minerals obtained through illegal means are referred to as conflict minerals. Tungsten, tin, tantalum, gold, cobalt, and mica are essential for the functions of electronic products. To avoid the use of conflict minerals obtained from illegal operations, we have established the Responsible Mineral Procurement Policy and the Due Diligence Investigation on Conflict Minerals of Suppliers. Delta also organized webinars to communicate directly with suppliers and help them understand Delta's targets for joint implementation. In the due diligence investigations of suppliers, we disclosed and required suppliers to gradually shift purchases of minerals to qualified refineries. Delta will include mica, which has received more attention from stakeholders, in the scope of due diligence investigation.

We use the CMRT 6.22, EMRT 1.11, and PRT template for conversion into online questionnaires and the most recently updated list of refineries announced by RMI for the overall assessment. According to the investigation, Delta's supply chain sourced materials from 431 refineries in 2022, including 431 which were included in the most recently updated list of qualified refineries. According to the analysis, most of the qualified refineries are located in Asia while others are located in Europe.

### Percentage and distribution of qualified refineries



## 4.5.4 Value Chain GHG Emissions

The Supply Chain ESG Committee and Business Groups commenced the comprehensive carbon footprint pilot program for products of Delta Group in 2022. Business Groups established a product carbon footprint implementation team. They will take the initiative to improve the carbon footprint of their products and commence quantitative programs as medium-term objectives. They also established mechanisms to respond to the carbon footprint requirements of customer products. In terms of long-term developments, all products were included in Delta's product carbon footprint calculation system to support the R&D of low-carbon products and continue engagements, communication, and incentives for value chain partners to accelerate product carbon footprint reduction and meet international standards, customer requirements, and related regulations.

### The key measures implemented were as follows:

1. Pay attention to developments in international carbon border taxes, complete inventories and calculation of the carbon footprint of products based on international standards, and ensure that the methodology and data quality comply with the regulations.
2. Establish a product carbon footprint implementation team in Business Groups to strengthen product carbon footprint awareness and knowledge in all functional groups and facilitate the long-term development of low-carbon products.
3. Incorporate data from international carbon emission factor databases and set requirements for material suppliers to provide data on carbon emissions for continuous updates of Delta's carbon emissions database for materials.
4. Analyze product carbon footprint hot spots and opportunities for carbon reduction. Consider the use of circular business models, green product design, partnerships with low-carbon raw material suppliers, energy conservation and renewable power operation in plants, setup of green logistics, waste management, and more, to plan carbon footprint reduction actions.

Delta views its suppliers as long-term partners and critical partners in Delta's promotion of sustainable development. In addition to competitive quality, technology, delivery, and cost, Delta also pays close attention to their performance in governance, environmental protection, and society, including actions taken in response to climate change. To help suppliers who have not yet conducted a GHG inventory measure their annual GHG emissions in accordance with ISO standards, Delta invited external consultants to provide a two-day GHG inventory training program in Chinese, which was provided free of charge to Delta's tier 1 suppliers. The course on ISO 14064-1 Greenhouse Gas Inventory Standards included an analysis of the requirements and the terminology. We then introduced quantitative tools and inventory calculation formulas to show the GHG inventory process and matters of note with real case studies. We also provided information on the organizational structure of the report and the key points for verification. More than 400 supplier representatives attended the course. We also organized the course in English for 22 participants from approximately 22 suppliers. Delta will continue to organize related external education training programs to enhance the overall ESG capabilities in the supply chain.

Starting in 2022, Delta's suppliers will be required to measure their annual GHG emissions and provide the necessary product-based GHG data to meet Delta's requirements for information on product carbon footprint. We also require suppliers to obtain third-party verification statements for GHG inventory data before Q4 of 2025.

	2021 data	2022 data
<b>Number of suppliers and participants in GHG inventory course in Chinese</b>	116 suppliers; A headcount of 250 people	140 suppliers; A headcount of 400 people
<b>Number of suppliers and participants in GHG inventory course in English</b>	NA	22 organizations; A headcount of 22 people
<b>Ratio of type A companies with GHG inventory data</b>	39%	42%
<b>Ratio of type B companies with GHG inventory data</b>	16%	19%
<b>Ratio of type A companies with ISO 14064</b>	6%	8%
<b>Ratio of type B companies with ISO 14064</b>	4%	6%

\*Type A companies are manufacturers and type B companies are agents.

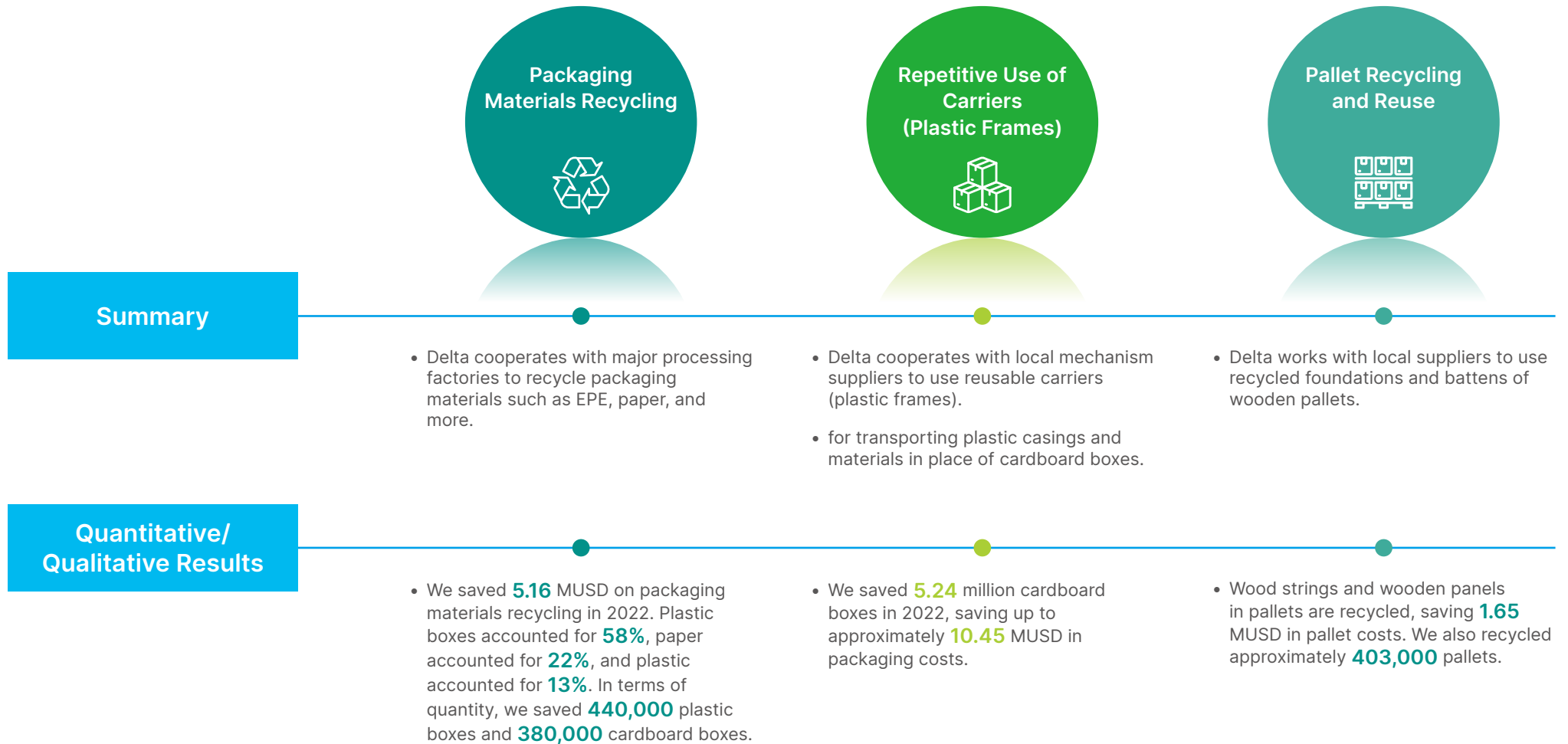
## 4.5.5 Supply Chain Audits

To lower ESG risks in the supply chain and to improve competitiveness, Delta began providing RBA audits and mentoring in 2012 for high-risk critical suppliers. Key suppliers are selected based on the performance of materials in inventory, production process, and overall user-end quality. We select key components and list suppliers that account for the top 80% of all purchases as key suppliers. In January each year, we make such choices based on the performance, transaction volume, and environmental safety and health, or labor and ethics and designate suppliers for key audits and improvements in the current year.

In 2022, Delta's Supply Chain ESG Committee appointed a consulting company to plan Delta's Supply Chain Social Responsibility Standards and Audit System based on the Responsible Business Alliance (RBA) Code of Conduct 7.0. It includes the completion of the Delta Self-Assessment Questionnaire (SAQ), establishment of the Delta Supply Chain Onsite Audit Protocol, and training of Delta advisors and observers. In 2022, around 2200 suppliers are assessed via desk assessment for ESG and conflict minerals, 119 of them are assessed with potential negative impacts - 100% of them have submitted corrective action plans thus none of them were terminated. In 2022, we conducted 50 on-site audits by our audit teams and conducted 5 onsite audits by third parties. We also plan to complete the onsite audits, support, and improvements for 15 suppliers in 2023. The practical experience gained from the 15 suppliers can be used to create comprehensive audit, support, and improvement procedures. Delta will continuously provide audit and support services for high-risk suppliers with the aim of reducing the number of high-risk suppliers each year and attaining growth with downstream suppliers.

## 4.5.6 Supply Chain Environmental Performance

To fulfill our corporate commitment "To provide innovative, clean and energy efficient solutions for a better tomorrow," Delta continuously cooperates with suppliers to reduce carbon emissions. This not only lowers operational costs for both Delta and the supplier, but also increases the competitiveness of the entire supply chain.



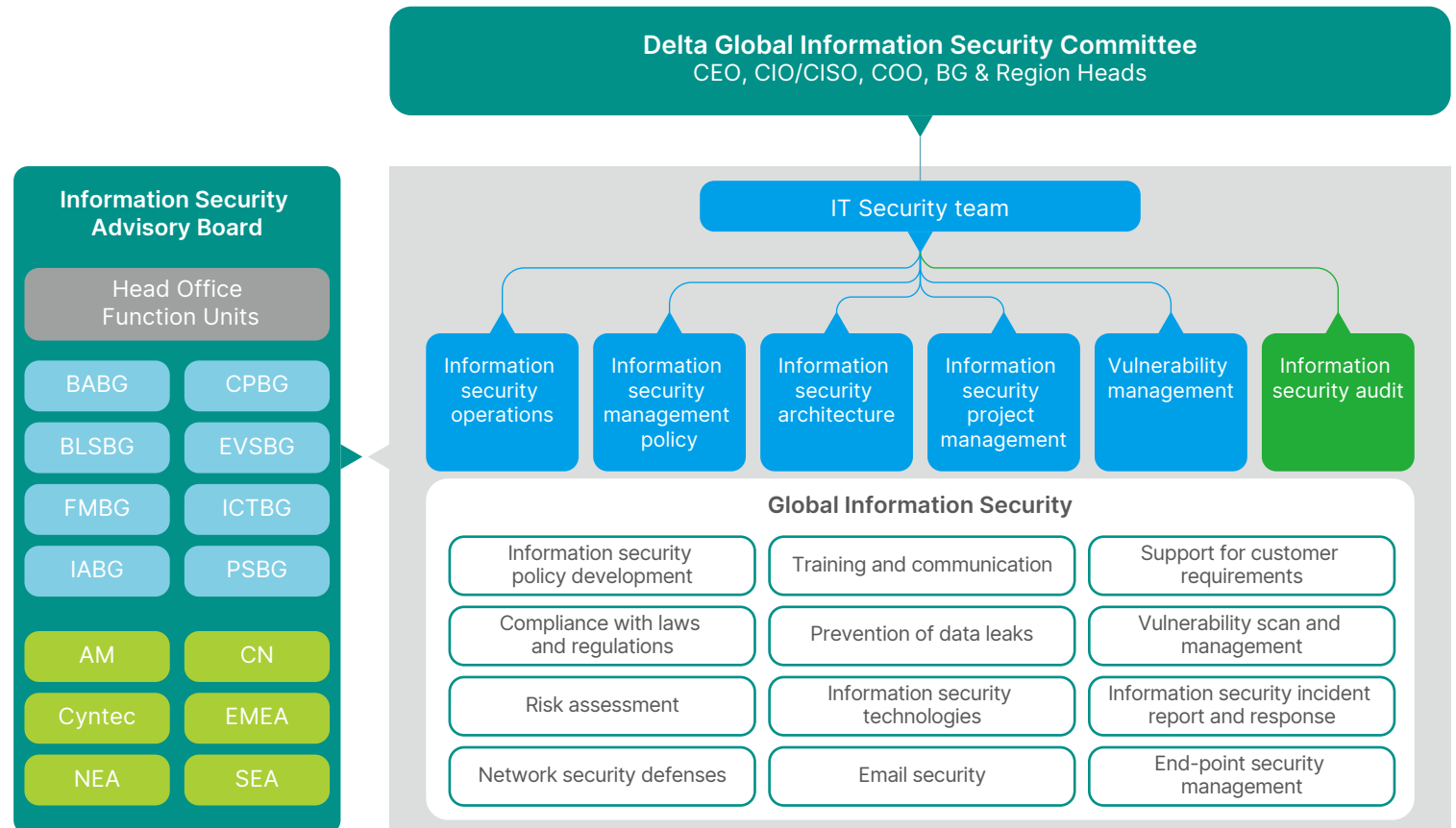


## 4.6 Information System Safety and Management

Delta established an information security organization which is responsible for formulating information security policies to ensure the information security of Delta's IT infrastructure, information application systems, and products, and the data security of customers. Delta expanded the ISO 27001 information security certification to Europe in 2022 and introduced the ISO 27701 personal data management system to enhance the security of personal data. In October 2022, Delta obtained both ISO 27001 and ISO 27701 certifications. Delta will continue to enhance the protection of information infrastructure and application systems and implement data security and personal data protection mechanisms.

### 4.6.1 Information Security Organization

Delta's information security organization is shown in the figure below. The Chief Executive Officer, Chief Information Officer, Chief Information Security Officer, Chief Operating Officer, and senior executives of Business Groups are responsible for supervision and review. They lead the information security teams to oversee information security operations, information security policy management, information security architecture, information security project management, vulnerability management, and information security audits. We also appointed information security officers in each region across the globe to ensure that information security policies and controls are implemented in Delta's business units.



## 4.6.2 Establishment of the Information Security Policy and Processing Procedures

The Information Security Team formulated Delta's Information Security Policy in accordance with requirements in the ISO 27001 international information security standards. It includes Information Device Usage Guidelines, Mobile Device Usage Principles, Password Usage Guidelines, Company Email Usage Guidelines, Internet Usage Guidelines, Information Handling Guidelines, Software Usage and Licensing Guidelines, Removable Computer Media Device Usage Principles, Visitor Security Guidelines, Anti-Virus and Data Leakage Prevention Software Deployment Principles, Remote Access Guidelines, Information Security Incident Management Guidelines, External Network Application Information Security Requirements, and Company Resource Usage Guidelines. Employees that violate the Information Security Policy shall be punished in accordance with the Delta Group Reward and Punishment Management Regulations, and the maximum punishment may be the termination of employment. The Information Security Team reviews the Information Security Policy every year, updates the contents based on the progression of information technology, and requires all employees to sign and comply with the contents. In 2022, 8 employees in Taiwan were penalized for violation of Delta Group's Information Security Policy and 2 employees were dismissed.

Delta also organizes information security training for new employees to continuously enhance employees' information security awareness. Professional technical and management personnel must complete the annual information security training and pass the test. In 2022, 40,986 participants completed the annual online and in-person information security training courses with 100% coverage rate. The IT Department issues monthly information security electronic newsletters to remind employees of the latest information security risks and zero-day vulnerability. The IT Department also set up a mailbox for information security issues. All employee mailboxes are equipped with a phishing email notification button, which allows the person in charge of operations to process information security issues and investigate phishing emails.

### Information Security Incident Response

After an information security incident in early 2022, Delta enhanced information security training and social engineering exercises for all Delta employees across the globe. The IT team also enhanced mail screening mechanisms and continued to upgrade network and system monitoring and security management to reduce information security risks and create a more secure work environment.



## 4.7 Personal Data Protection Management

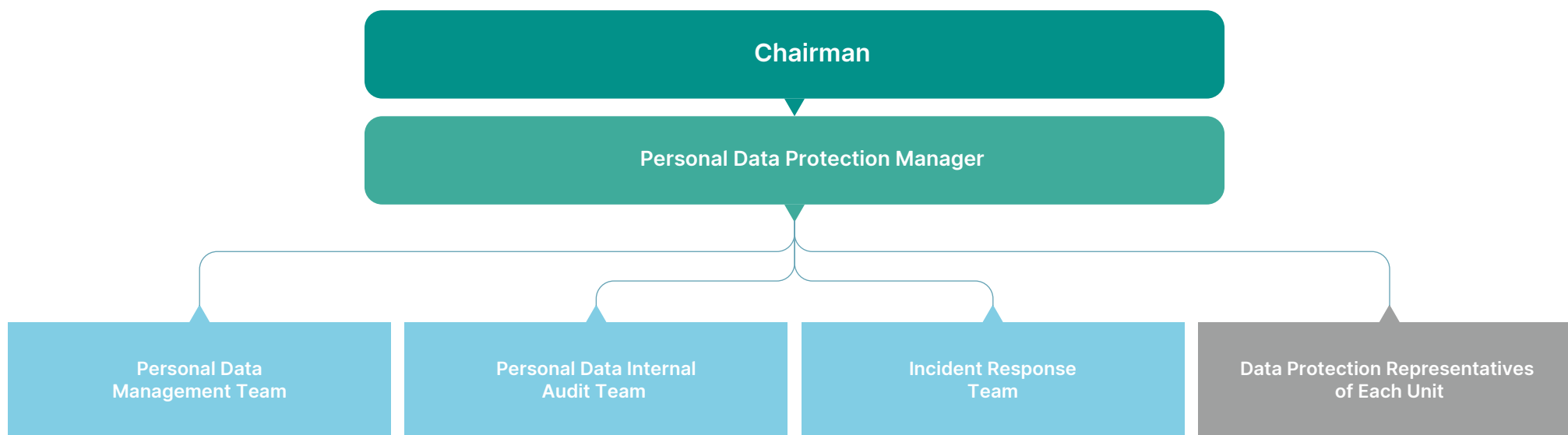
Delta complies with the Personal Data Protection Act and related regulations and established the "Personal Data Protection and Management Policy", "Privacy Policy", and related operating procedures. We also set up the "Personal Data and Privacy Protection Team" as the unit responsible for the operations of the personal data protection system. It supervises all units in regular personal data inventories, risk assessments, and internal audits in accordance with ISO 27701. All current employees have signed the Personal Data Protection Management Policy and Notification of Collection, Processing and Use of Personal Data Statement. And new employees are also required to sign the Statement and take online courses for personal data management to strengthen their personal data protection awareness. A total of 4,950 participants attended personal data courses in 2022.

To demonstrate our commitment and responsibility for creating an environment that values privacy, Delta obtained the ISO 27701 international privacy information security management system certification in 2022. The scope of the verification included the

human resources procedures, marketing and supply chain procedures for Europe, completion of the privacy and security risk assessment, management system design and implementation, physical control management enhancements, and internal audits. We adopted a systematic approach to assess potential risks and ensure the confidentiality, integrity, and availability of privacy information. This demonstrates Delta's capabilities and commitment to privacy protection and the rights and interests of clients, employees, and stakeholders.

Delta upholds the rights of individuals for exercising their legal rights on personal data and accepts complaints. We also provide contact information on the Company's website. If the Company receives a complaint or discovers an incident involving personal data infringement, the Company shall notify authorities, process the infringement, and punish perpetrators in accordance with the "Personal Data Incident Response Management Procedure". In 2022, there were no complaints arising as a result of infringements of customer privacy.

### Organization Structure of the Personal Data and Privacy Protection Team



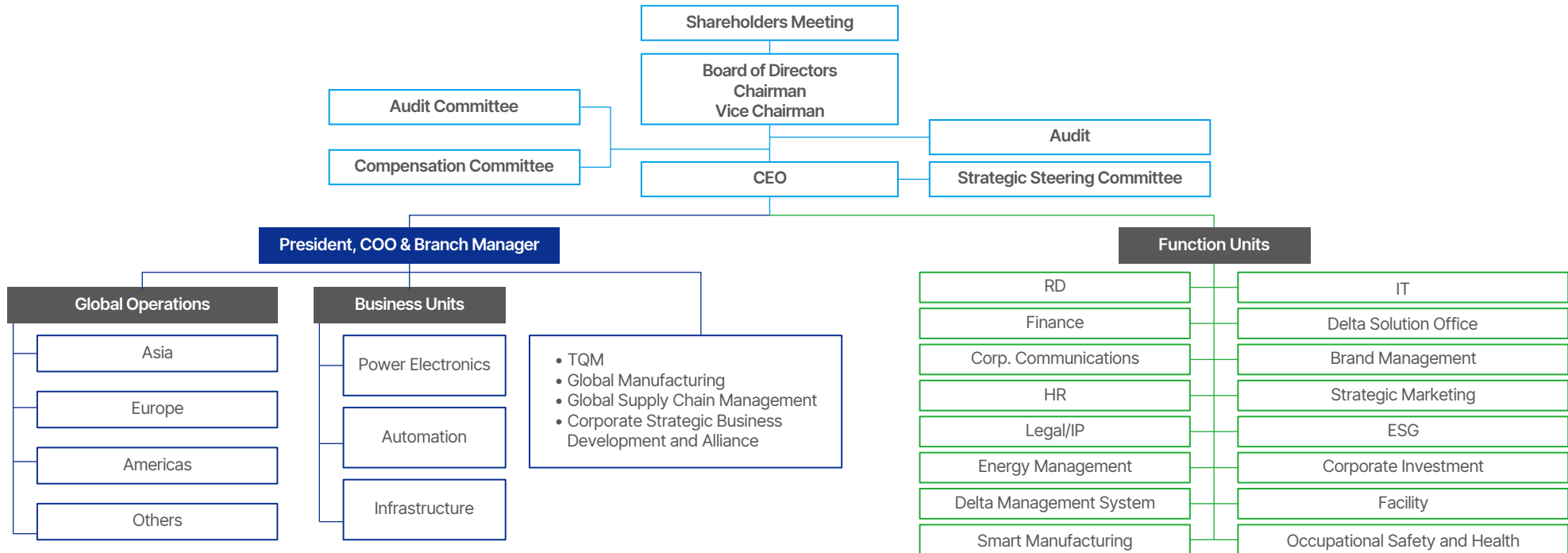
# 4.8 Risk Management

Delta adopted a preventive policy for risk management. In addition to setting up a rigorous internal control system and assigning internal auditors to conduct audits at regular and irregular intervals, Delta has also set up committees and crisis management teams to implement risk management. Delta's Board of Directors passed the Delta Group Risk Policy in 2020 to specify the units responsible for various risk factors. The units-in-charge use risk identification, risk assessment, risk control, risk monitoring, and communication management procedures to ascertain the scope of risks and take appropriate measures to ensure the adequate management of related risks. For crises involving several departments or plants, the CEO or personnel designated by the CEO are responsible for directing and coordinating the response.

### Duties are as follows:

- **Board of Directors:** To approve risk management architecture and policies and bear ultimate responsibilities for risk management.
- **Audit:** To be responsible for the audits of the internal control system.
- **Highest-ranking manager for risk management:** To understand the impact of different risk types of the Group, ensure the effectiveness of risk management, and coordinate the interactions and communication of risk management among the departments. The CFO, who is designated by the CEO, reports the implementation and the Group's Risk Assessment Results to the Board of Directors once a year.
- **First-line risk management personnel (President and COO, BG Heads, Functional Heads, and Region Heads):** To ensure timely and accurate communication of risk information, effective implementation of risk management, determine and recommend response methods based on changes in the external environment and internal strategies.

### Group Risk Management Organization Architecture and Procedures





The risk management of Delta (including companies of the Group) involves the use of the aforementioned risk identification, risk assessment, risk control, risk monitoring, and communication management procedures by means of qualitative or quantitative managerial approaches.

<b>Risk Identification</b>	The risks identified by the Group include strategy, business, financial, hazardous incident, and compliance risks.
<b>Risk Assessment</b>	The business, functional, and regional units analyze and identify the risks within the Group's defined risk management scope. They analyze the likelihood of a risk event occurring and the degree of negative impact if it occurs, and multiply the results to gauge the impact of the risk on the Company. In the event of an incident that increases the Company's risks, they assess the potential increase in the risk category and response methods, and review the possible response measures.
<b>Risk Control and Monitoring</b>	<p>(I) The risks in the day-to-day operations of units are controlled and monitored by each responsible unit.</p> <p>(II) Risk assessments on crises across departments or plants shall be implemented involving the departments or plants concerned. The CEO or personnel designated by the CEO are responsible for directing and coordinating the response to identify feasible strategies for the identification and prevention of crises. They shall also formulate crisis management procedures and recovery plans based on the risks.</p> <p>(III) The deficiencies found in risk monitoring and control shall be reported through normal channels.</p>
<b>Risk Communication</b>	The highest-ranking manager for risk management or his/her designated personnel shall report the Company's risk management operations to the Board of Directors once a year.



## 2022 Risk Assessment Results



Based on the results of the overall self-assessment in 2022, the prioritized risk categories with higher multiplication results than the previous year included business and financial risks. The strategy and hazard risks were also assessed to be high but the Company continues to monitor risks on all levels and has implemented corresponding management and control measures ahead of schedule. The results of the self-assessment were the same as the previous year. Besides, in the self-assessment, the legal compliance risk was deemed lower than the previous year due to the Company's active implementation of related policies.

## Major Risk and Mitigating Actions in 2022

- I. The Russo-Ukrainian War has triggered an energy crisis and protectionism in trade, which was assessed as a medium-term risk. The Company has adopted response measures including: 1) development of new customers; 2) increasing the number of suppliers; 3) product optimization and enhanced market monitoring.
- II. The Zero-COVID epidemic prevention policy and electricity supply restrictions in China were assessed as short-term risks. The Company has adopted response measures for human resources, machinery, materials, and the environment including: 1) separated work areas and movement of personnel; 2) advance preparation of machinery and equipment and rapid-response mechanisms; 3) enhanced inventory adjustments and strategic inventories of key materials; and 4) signing of supply contracts with suppliers and the development of alternative suppliers.
- III. The West has tightened monetary policies and increased interest rates to combat inflation, which have caused a decline in consumer market demand. It was assessed as a short-term risk and the Company has adopted response measures including: 1) continuous development of new customers and introduction of new products and new applications; 2) close monitoring of overall market development and customer demand to invest resources at the appropriate time; and, 3) the issuance of corporate bonds at fixed interest rates to diversify the risks of rising interest rates.

## Emerging Risks

Emerging Risk	 <b>Failure of Technology Governance</b>	 <b>Failure of Climate Action</b>
<b>Description</b>	<p>The emerging technologies of the Fourth Industrial Revolution pose great risks to economic development, given the speed and scale at which digital applications and systems can be deployed across the traditional border. How these technologies are harnessed and regulated to encourage innovation and accelerate growth plays a vital role in a business environment. Technology governance is important to a business's ability to survive and thrive in the future digital world while ensuring risks are identified and managed. Failure of technology governance is the lack of globally accepted frameworks, institutions or regulations for the use of critical digital networks and technology, as a result of different states or groups of states adopting incompatible digital infrastructure, protocols or standards. The technology areas it focuses on are Artificial Intelligence, Internet of Things, mobility, medical technology, drones and unmanned air systems, which are highly related to our business operations.</p>	<p>Delta have been accelerating climate adaption and mitigation actions. The uncertainty of how climate change will affect our planet means that every strategy or action carries a certain degree of risk. Thus, planning climate actions sometimes builds on imperfect information that leads to failure. Climate adaptation and mitigation failure is when action to climate change goes beyond wrong. Not just failing to create resilience to climate risk, but failing to adapt to climate change could even cause impacts on our business operations or lead to unexpected outcomes. It is hard to guarantee or perfectly define the success of climate action in the short term, it might take several years to assess the outcomes.</p> <p>Delta has been involved and building on our experience in developing climate solutions and products such as our core energy technologies, and sustainable mobility. Also, implement resource efficiency practices that contribute to efficiency and sustainability. For example, we invest in renewable energy and energy technologies development projects, energy and resources management, as a part of climate adaptation. Besides, participating in nature-based solutions with mitigation co-benefits that contribute to net-zero goals is one of Delta's long-term strategies.</p>
<b>Impact</b>	<p>Automation is the key engine that we highly focus on. While technology governance is closely related to automation, impacts include:</p> <ol style="list-style-type: none"> <li>1. Long-term profit loss: Failure to monitor or identify the technology trend may impact Delta's long-term market share and revenue.</li> <li>2. Business failure costs: Invalid product strategy and lack of internal control mechanism in the decision-making process may cause invalid investments such as stranded assets and wasted capital.</li> <li>3. The limited or lack of regulation such as the IoT cybersecurity breaches issue may affect Delta's product development, IP strategy.</li> </ol>	<p>Failure of climate action might not be easy to observe in the preliminary implementation phase but might cause a significant impact in the later stages. Those impacts include:</p> <ol style="list-style-type: none"> <li>1. Business failure costs: Invalid investments such as stranded assets and wasted capital might occur due to wrong scenario analysis and planning for climate change that leads to wrong climate strategy.</li> <li>2. Reputation damaged: resulting from strategy failure that would harm stakeholders' trust.</li> </ol>

Emerging Risk	 <b>Failure of Technology Governance</b>	 <b>Failure of Climate Action</b>
<b>Impact</b>	<p>4. Human capital development loss: Failure of technology governance could cause technological unemployment and wrong talent strategy.</p> <p>5. Ethical disputes or litigious concerns: Fail to establish a robust approach to identify vulnerabilities may cause privacy ethics issues, misuse or unintended use of technology and data.</p> <p>6. The liability and accountability issue may raise stakeholders' concerns.</p>	<p>3. Long-term profit loss: Failure to efficiently allocate resources (human resources, R&amp;D investment etc.) or adopt an invalid business strategy for future sustainability-oriented markets.</p> <p>4. Negative unexpected outcomes: In order to achieve RE100 and Net Zero goals, the investment in renewable electricity sites, which is originally implemented with good intentions but might result in a negative impact on ecology and biodiversity loss.</p>
<b>Mitigating actions</b>	<p><b>1. Reinforce and manage internally:</b></p> <ul style="list-style-type: none"> <li>a. Strengthen the technological competence of the board by structuring a board with technology professional backgrounds.</li> <li>b. Reinforce Intellectual Property management by establishing dedicated authority, including identifying market trends and avoiding future infringement.</li> <li>c. Regularly hold Strategic Steering Committee meetings to analyze technology-related topics to adjust and respond to rapid technological progress instantly.</li> </ul> <p><b>2. Engage and leverage externally:</b></p> <ul style="list-style-type: none"> <li>a. Participate in technology and standard-related associations and engage policymaker. Become a member of associations to get access to the latest standards, participate in task forces, and latest specifications, and receive qualifications. Coordinate with public sector to exchange insights.</li> <li>b. Cooperate with customers, supply chain and academia for joint development and shared knowledge to stay ahead of the technology trend toward a commercial solution business.</li> </ul>	<p><b>1. Reinforce and manage internally:</b></p> <ul style="list-style-type: none"> <li>a. Fortify the ability to take in climate-related risk: Strengthen the ability and accuracy of the quantification and scenario planning by TCFD project. Critically analyze the climate change risks, from physical exposures to policy changes to transition challenges to financial impact. To provide a robust basis for internal decision-making of overall business plan.</li> <li>b. Undertake adaptive strategy: proactively review the strategy through learning and feedback by regularly holding Strategic Steering Committee meetings and catching adaption or mitigation failure before it happens.</li> <li>c. Conduct the renewable electricity due diligence project to minimize ecological impacts while reaching RE100, which would minimize the negative unexpected outcome.</li> <li>d. Established Delta climate-related product taxonomy and ICP mechanism, which not only quantifies the low carbon-related cost, revenue and environmental benefits in the review process, but also provides a better alignment basis with sustainable economic activities to lessen the financial impact.</li> </ul> <p><b>2. Engage and leverage externally:</b></p> <ul style="list-style-type: none"> <li>a. Cooperate with governments, academia and multi-stakeholder to develop better climate-risk models and likely future weather patterns to make appropriate adaption decisions and avoid the design flaws in strategies.</li> <li>b. Participate in international communities that promote action on climate action and share collaborative outcomes to leverage resources and experiences.</li> </ul>

## Violations of Laws

There were no cases of penalties for antitrust conflicts of Interest, money Laundering or Insider trading,, product safety, corruption, environmental protection, or labor laws in 2022. However, there was one case of a minor violation of the Occupational Safety and Health Act. In 2022, an employee in Tainan Plant was burned by sparks as a result of a short circuit that occurred during test operations. It was a violation of the Occupational Safety and Health Act and the Company was fined NT\$110,000 (USD 3,630) by the Southern Taiwan Science Park, National Science and Technology Council. The plant conducted a full review of related operations and adopted improvement measures including installation of an emergency cutoff device for the equipment, enhanced electrical safety training for employees, and regional safety and management measures to ensure the safety of employees in operations.

In 2021, there were one case of labor, one case of environmental protection, and one case of occupational safety violations which resulted in penalties. The case involving environmental protection was deemed as a material violation. The labor case in 2021 was mainly due to an employees' extended work hours for processing personal affairs and failure to correct the attendance records, for which the Company was fined NT\$20,000 (USD 723). The Company later enhanced its communication of overtime work procedures. If an employee logs a delayed departure time due to reasons other than overtime work, the employee is required to verify the correction of the departure time to prevent the recurrence of abnormal work hours. The environmental protection case in 2021 was mainly caused by the failure to complete the review and approval procedures for the environmental impact of the newly added processing project for steel alloy powder semi-finished products. The two new exhaust gas processing equipment were not inspected for acceptance and the Plant failed to adopt preventive measures for the emissions of VOCs for the acetone exhaust gas from the baking process of the steel alloy powder semi-finished products. The exhaust gas was directed into the exhaust gas processing facilities for processing to reach emission standards. The Company was fined USD 122,982 and has completed the pipeline improvements and added exhaust gas treatment facilities. The occupational safety case in 2021 occurred when an employee at Pingzhen Plant slipped while walking on a wet floor in the warehouse. The employee suffered a fracture of the left elbow. It constituted a violation of the Occupational Safety and Health Act and the Company was fined NT\$60,000 (USD 2,169) by the labor inspection authority of Taoyuan City Government. The Plant later set up warning signs in the area and applied

anti-slip tape or sprayed anti-slip agents on the floor. It also enhanced training for cleaning personnel and required them to set up warning signs when the floor is not yet dry.

Material violations of labor regulations are defined as cases with a penalty of NT\$1 million (USD 33,000) or above. Material violations of environmental protection regulations are defined as cases with a penalty of USD 100,000 or above. Major occupational accidents refer to cases that meet one of the following occupational accident conditions, including deaths, accidents involving three or more people, leaks of chemical substances such as ammonia, chlorine, hydrogen fluoride, phosgene, hydrogen sulfide, or sulfur dioxide, accidents involving one or workers who require hospitalization, and other accidents designated and announced by the central competent authority.







# Devoted to Environmental Protection and Energy Savings

## 5

- 5.1 Key Performance Indicators and Strategies
- 5.2 Climate Strategy
- 5.3 Energy Management
- 5.4 Water Resource Management
- 5.5 Resources Management
- 5.6 Green Products
- 5.7 Biodiversity
- 5.8 Environmental Management

## 5.1 Key Performance Indicators and Strategies

Energy-saving of High-efficiency Products  
for Worldwide Customers

**39.9**

billion kWh  
2010-2022

Energy Saving Practices at Global  
Green Building Plants

**25.14**

million kWh

Use of Renewable Electricity at Delta's  
Global Operation sites

**63%**

SBT Decrease in Scope 1+2 Emissions

**13.5%**

Compared to 2021

Decrease in  
Plant EI

**22%**

Compared to 2020

Reduction in Electricity Consumption  
of Non-IT Equipment

**6.0%**

Compared to 2020

Decrease in  
Plant WPI

**21.3%**

Compared to 2020

Waste Diversion  
Rate

**99%**

Environmental Protection  
Expenditures

**44.87**

MUSD

## Aligning with UN Sustainable Development Goals and key Implementation Measures



### No Poverty

In 2017, worked and assisted with the United Nations Development Programme in developing countries by providing renewable energy solutions and enhancing energy accessibility.

**Corresponding material topics:** Energy Management



### Clean Water and Sanitation

Set water reduction goals and improved water resource usage efficiency. Developed green building and water-saving technology.

**Corresponding material topics:** Water Resource Management



### Affordable and Clean Energy

Developed solar power systems, increased the popularization of renewable energy, and enhanced renewable electricity usage in our plants.

**Corresponding material topics:** Energy Management



### Industry, innovation and infrastructure

Promoted a variety of integrated energy-saving solutions to accelerate industry innovation.

**Corresponding material topics:** Green Products



### Sustainable Cities and Communities

Developed electric vehicle charging solutions and joined the EV100 initiative in 2018 to promote sustainable transportation. Developed green buildings to assist in sustainable urban development.

**Corresponding material topics:**

- Climate Strategy
- Energy Management



### Responsible Consumption and Production

Implemented sustainable manufacturing to reduce plant impact on the community. Improved the efficiency of energy and raw materials usage. Implemented green design, green packaging and circular economy.

**Corresponding material topics:**

- Energy Management
- Resources Management
- Green Products



### Climate Change

Established and committed to a science-based target (SBT) of carbon reduction and joined the Business Ambition for 1.5°C Campaign to exert a wider positive influence. Committed to the fight against climate change and seizing related business opportunities.

**Corresponding material topics:**

- Climate Strategy



### Life on Land

Promoted green buildings to increase land biodiversity and reduce corporate operations' ecological impact.

**Corresponding material topics:**

- Energy Management



### Partnerships for the Goals

Assisted the Taiwan Business Council for Sustainable Development in compiling energy and climate policy white papers and called upon the local government to focus its attention on related policies. Responded to the five commitments behind We Mean Business\* by committing to adopt a science-based emissions reduction target.

**Corresponding material topics:**

- Climate Strategy

Organizations such as the World Business Council for Sustainable Development (WBCSD), CDP, and The Climate Group proposed initiatives and invited enterprises across the world to join the We Mean Business Coalition and commit to taking actions to respond to climate change.

Link: [\\_https://www.wemeanbusinesscoalition.org/companies/#region=Asia%20Pacific&country=Taiwan](https://www.wemeanbusinesscoalition.org/companies/#region=Asia%20Pacific&country=Taiwan)



## 5.2 Climate Strategy

### 5.2.1 Climate Strategy and Climate-Related Financial Disclosure

As global warming gradually impacts the global economy and climate change becomes a global risk, the 2023 Global Risks Report published by the World Economic Forum (WEF) listed the failure of climate-change adaptation and failure to mitigate climate change as one of the most severe long-term risks for the world.

By leveraging our core competence in power and electronics, Delta provides more than 10,000 products and solutions for the world. Our products span across three major business areas including power electronics, infrastructure, and automation. The Group maintains operations in different climate zones across major continents and climate change is thus a major factor in Delta's sustainable development. As a company with a long-term focus on climate change and energy efficiency as its core business, climate

change has been integrated into Delta's business strategy and sustainability goals. Delta is not only concerned about the direct and indirect impacts of climate change on human life, but also how to respond more proactively to the coming era of climate change. Starting from 2004, Delta has focused on how to use green buildings to mitigate and adapt to climate change. Delta has conducted in-depth research on the impact of climate change since 2007. We have actively communicated with Delta employees regarding the importance of climate change mitigation and increased public awareness of climate change. Delta set the 2°C scientific-based target (SBT) of carbon reduction in 2017, passed the SBTi review, and introduced an internal carbon fee mechanism in 2021. We formally committed ourselves to "promoting 100% renewable electricity" in 2021, set a net-zero SBT and passed the SBTi review in 2022.



## Key Achievements for Climate Change Mitigation



### Carbon Information Disclosure

- 2010 • Product carbon footprint disclosure
- 2014 • The only company in Greater China selected as CPLI (Carbon Performance Leadership Index) and CDLI (Carbon Disclosure Leadership Index) for CDP (Carbon Disclosure Project)
- 2015 • Selected as CDLI (Carbon Disclosure Leadership Index) of CDP for two consecutive years
- 2016 • Selected as CDP Climate Change Leadership Level A-
- 2017 • Disclosed climate change information in the Financial Report based on the TCFD framework for the first time
- 2018 • Selected as CDP Climate Change Management Level and Supplier Engagement Leader
- 2019 • Awarded the CDP Climate Change Leadership Level A- and Supplier Engagement Leader
- 2020 • Awarded the CDP Climate Change and Water Security Leadership Level A and Supplier Engagement Leader
- 2021 • Awarded the CDP Climate Change Leadership Level A-, Water Security A List, and Supplier Engagement Leader
- 2022 • Included in the CDP Climate Change and Water Security A List, and Supplier Engagement Leader  
• All business groups completed the product carbon footprint trial program



### Greenhouse Gas and Energy Management

- 2010 • Greenhouse Gas Inventory ISO 14064-1 certification
- 2011 • ISO 50001 compliance certification
- 2015 • Dongguan, Wujiang, Wuhu, Cytotec Hsinchu and Cytotec Huafeng plants achieved ISO 14064-1 certification
- 2016 • 100% of Delta's main production plants have achieved ISO 14064-1 certification
- 2017 • 100% of Delta's overall production plants (including Eltek) have achieved ISO 14064-1 certification
- 2019 • 100% of Delta's overall production plants and main buildings in Taiwan have achieved ISO 14064-1 certification
- 2022 • Delta's global operation sites have achieved ISO 14064-1 certification



### Green Buildings / Plants

- 2011 • India Rudrapur Plant (LEED-India Gold)
- 2012 • Taoyuan R&D Center (EEWH Diamond Grade and LEED Gold)  
• India Gurgaon Plant (LEED-INDIA Platinum)
- 2013 • Taipei Headquarters - Ruey Kuang Building (EEWH-RN Diamond)  
• Shanghai R&D Building (LEED Gold)
- 2015 • America Headquarters (LEED Platinum)
- 2016 • Beijing Office Building (LEED Silver)  
• Taoyuan Plant 5 (EEWH Gold and LEED Gold)  
• India Mumbai office Building (LEED Platinum)  
• Taipei Headquarters - Ruey Kuang Building (LEED Platinum)
- 2017 • EMEA Headquarters (BREEAM Very Good)  
• DET Plant 5 (LEED Gold)  
• Shanghai R&D Building (LEED Platinum)
- 2018 • Chungli R&D Building (LEED Gold)  
• Multi-purpose building in AKO Energy Park in Japan (LEED Gold)  
• Wujiang Data Center (LEED Gold)
- 2019 • Green data center in Taipei Headquarters (LEED Platinum)
- 2021 • DET Plant 7 (LEED Gold)
- 2022 • Taichung Plant 1 (LEED Gold Grade & EEWH Diamond Grade)  
• Chungli Plant 5 (LEED Gold)  
• America Headquarters (LEED Zero-Energy Consumption Certification)



### Green Operations

- 2014 • Reduced electricity intensity of main plants by 50% compared to 2009
- 2015 • Expanded the scope of energy saving to new plants, buildings, and data centers  
• Commitment to the We Mean Business initiative
- 2017 • Submitted Delta's SBT and became the 87th company in the world to pass the SBTi compliance validation  
• Official Establishment of Internal Carbon Pricing
- 2018 • Joined the EV100 Initiative  
• Became the world's first TCFD supporter for the technology manufacturing industry
- 2020 • Completed climate change risks and opportunities assessment (comprehensive survey every 3 years)
- 2021 • Joined the RE100 Initiative and pledged to attain RE100 by 2030  
• Met the 2025 Delta science-based target (SBT) carbon reduction targets ahead of schedule  
• Delta signed a long-term green power purchase agreement with a wind power generation company, which was Delta's first renewable energy transaction  
• Officially joined the Business Ambition for 1.5°C Campaign
- 2022 • Submitted Delta's net-zero SBT and became the 125th company in the world to pass the SBTi compliance validation

## Task Force on Climate-related Financial Disclosures (TCFD)

Delta published its first Corporate Social Responsibility Report in 2005 to disclose the energy conservation and carbon emissions reduction achievements of its plants. Delta joined the "We Mean Business" initiative in 2015 and committed to Report Climate Change Information in Mainstream Reports as a Fiduciary Duty. After the Financial Stability Board (FSB) published the Task Force on Climate-related Financial Disclosures (TCFD) in 2017, Delta became the first company to disclose the required information in its annual financial report since the publication of the TCFD Recommendations and registered to become a TCFD supporter in February 2018. We continue to promote climate change management and disclosure based on the four core elements of TCFD including climate governance, strategy, risk management, and metrics and targets.

### 5.2.1.1 Governance

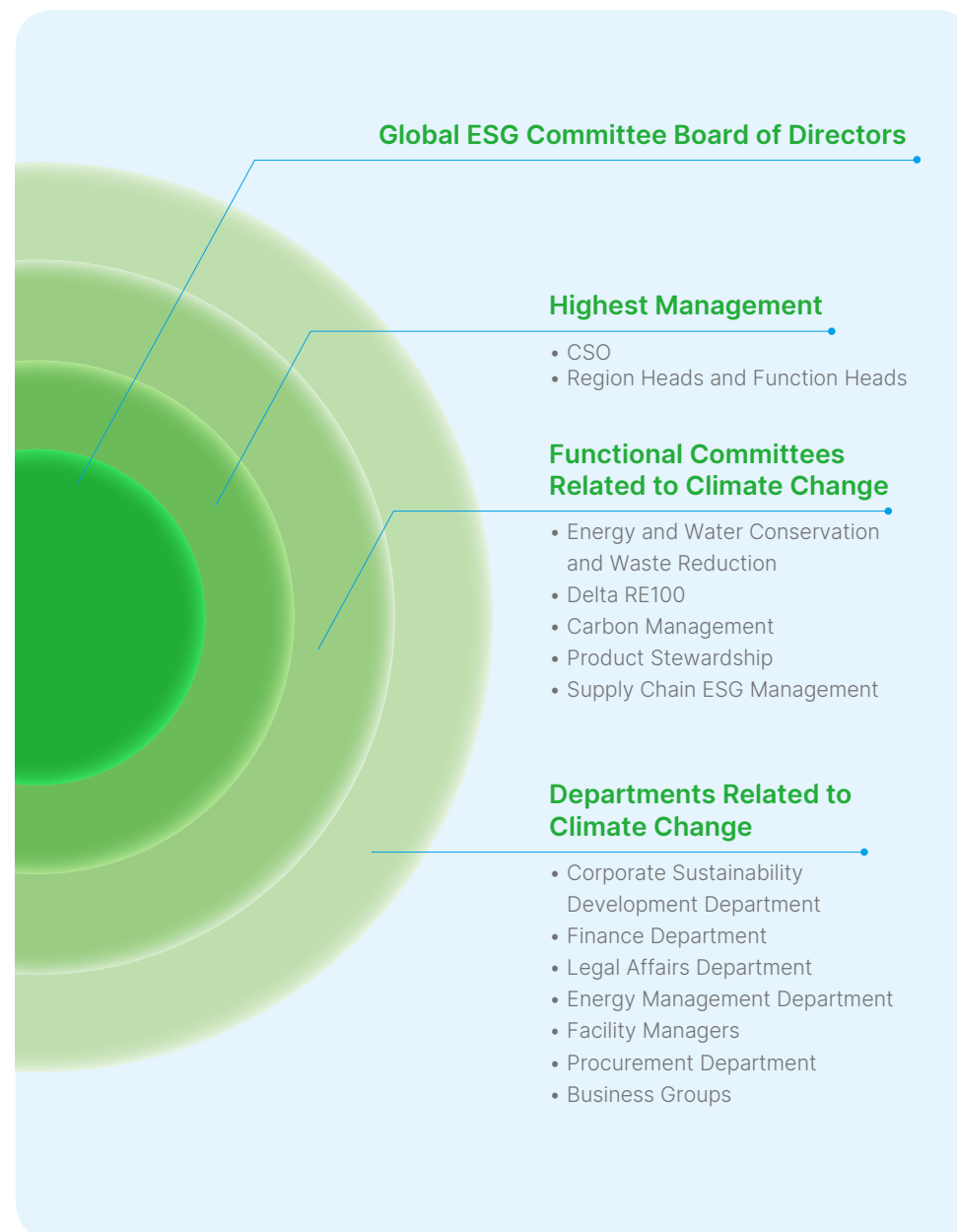
#### ► Board's Oversight

The members of Delta's Board of Directors have participated in international events, understand the latest climate change development for many years and climate change-related knowledge has become a key part in the board's professional functions. More than half of the board members participate in meetings of the Delta ESG Committee, energy efficiency management, water and waste reduction management, and renewable electricity.

Global ESG Committee Board of Directors oversees Delta's actual management of climate change risks and opportunities, and is Delta's highest level internal climate risk and opportunity supervision body.

#### ► Management's Role

The Chief Sustainability Officer reports the progress of climate change management to the Global ESG Committee Board of Directors on a quarterly basis, including important trends, key metrics, effectiveness of disclosure and external evaluation results, and the overall implementation results of the energy conservation and carbon emissions reduction budget. The Board of Directors oversees the Company's sustainable management strategies and actions.



## 5.2.1.2 Climate Strategy

Delta has set climate-related performance indicators with sound climate governance and organization, and actively takes real actions to fulfill its commitment to sustainability. We analyze the climate-related risks and opportunities based on the latest internal and external regulations, scenario analysis, and strategies, and implement management on the basis of "mitigation" and "adaptation". The mitigation measures include the measurement and the settings for commitments and objectives. We also strengthen the circular economy, renewable energy, and energy-saving products. In terms of adaptation, we focus on water resource management and the Delta's Climate-related Product Taxonomy for addressing climate change. Delta uses the TCFD and decision-making tools such as internal carbon pricing mechanisms to continue to encourage low-carbon innovation. We continuously uncover business opportunities through technologies to respond to climate change challenges and we regularly disclose our climate-related management results and performance.

▼ Solar energy system at Delta's Helmond office, the Netherlands

### Climate Governance

Governance and Organizational Structure

Climate-related Disclosure

Climate-related KPI

Climate-related  
Risks and  
Opportunities

Regulation

Scenarios

Strategies

Measurement

Targets

Value Chain  
Measures

Decision-making Tool

Adaptation

Water Resources

Products

Innovation

## Climate-related Risk and Opportunities and the Impact

The scope of climate risks and opportunities identified by Delta includes upstream, own operations and downstream activities such as in products and services, supply chain, adaptation and mitigation activities, research and development, investment, and operations. We assess the probability of occurrence and the impact of events for each risk and opportunity. We launched a pilot program in 2018 to analyze the possible impact on operating costs and revenue as well as capital expenditures and allocations of different products to determine the possible financial impact of the event on the organization and develop response strategies. Delta defines short-term plans as those within two years, medium-term plans as those between two and five years, and long-term plans as those above five years according to the internal carbon reduction objectives.

Risk Type	Risk Factors	Possible Financial Impact					
		Decreased Revenue	Increased Expenditures	Impact on Assets or Discarding	Increased Liabilities	Decreased Capital	Financing Difficulties
Short term	Domestic and international GHG reduction requirements	✓	✓	✓	✓	✓	✓
	Carbon tax and related regulations	✓	✓	✓			
	Customers change criteria for supplier selection	✓	✓	✓	✓	✓	
	Requirements for suppliers to reduce greenhouse gas emissions		✓				
	Increase in the severity of extreme weather events	✓	✓	✓	✓		
	Renewable energy regulations	✓	✓	✓	✓		✓
Medium term	Voluntary regulations	✓	✓	✓	✓		
	Uncertainties in laws and policies	✓	✓	✓	✓		
	Mandatory regulations for products and services	✓	✓	✓		✓	✓
	Products and services replaced by other low-carbon products and services	✓	✓	✓		✓	✓
	Cost of the transition to low-carbon technologies	✓	✓	✓			
	Customers change product specifications and requirements	✓	✓	✓	✓		
	Increase in the cost of raw materials	✓		✓	✓		
	Consumers shift to low-carbon products	✓	✓	✓			
	Changing rainfall patterns and severe weather patterns	✓	✓	✓	✓		
	Rise in average temperatures	✓	✓	✓			
Long term	Risks of litigation	✓	✓			✓	✓
	Failed investment in new technologies	✓	✓	✓		✓	
	Lack of contribution from company in climate change, which affects investors' and banks' willingness to invest	✓				✓	✓
	Industry stigmatization	✓				✓	✓
	Adverse news on climate change that damages the Company's reputation	✓			✓	✓	✓
	Rise in average sea level	✓	✓	✓	✓		



## Scenario Analysis

Delta identifies risks and opportunities in accordance with corporate strategies, big data on climate risks, research reports, and external evaluation and indicators. We screen key indicators and use climate scenarios to analyze the impact on the market size, costs, and overall strategies. We have selected climate scenarios for the most pressing transition and physical risks for analysis and included quantification factors. The results of the analysis have been incorporated into the internal decision-making process.

### ► Transition Risks and Opportunities

#### Business opportunities for Delta's ventilator and air quality solutions

<p><b>Background</b></p>	<p>The Sixth Assessment Report (AR6) of the IPCC pointed out the link between air pollution and global warming, and that as global warming becomes more severe, air pollution indicators will deteriorate. Delta has long been committed to environmental issues and offers air quality solutions. Due to the vast differences in the degree of air pollution across the globe, Delta adopted IPCC-AR6 to simulate future warming scenarios with air pollution.</p>	
<p><b>Scenario and Assumptions</b></p>	<p><b>Global</b></p>	<p><b>Taiwan</b></p>
<p><b>Simulation Results</b></p>	<p><b>SSP1-2.6 scenario</b></p> <p>Severe pollution is concentrated in China, South Asia, West Asia, Equatorial Africa, Western Australia, and the Southern Cone of South America. Air pollution levels in South Asia and China may decrease slightly by the middle and end of the century.</p>	<p>Under SSP1-2.6 and SSP5-8.5 scenarios, the air pollution increases.</p> <p><b>SSP1-2.6 scenario</b></p> <p>Air pollution on the western half of the island is much more severe than the eastern half.</p> <p>Air pollution in the north is mainly affected by pollution from outside the country which decreases as in the middle to latter periods of the century.</p>
	<p><b>SSP5-8.5 scenario</b></p> <p>As opposed to SSP1-2.6 scenario, the air pollution changes in the middle and latter periods of the century do not subside and the pollution expands to North America and Central America.</p>	<p><b>SSP5-8.5 scenario</b></p> <p>Air pollution continues to increase until the middle of the century, and the impact of pollution from outside the country expands beyond the scope in the 2.6 scenario and reaches southern Taiwan, with only a slight decrease towards the end of the century.</p>
<p><b>Response Measures</b></p>	<ul style="list-style-type: none"> <li>• We have analyzed the changes of air pollution around the globe as a key reference for determining Delta's global marketing strategy for ventilation and air quality solutions.</li> <li>• We develop and design different product lines and solutions for different regions to meet different market requirements.</li> </ul>	

### Business opportunities for Delta's energy storage solutions

#### Background

Renewable energy is one of the options for mitigation and adaptation for responding to climate change. However, as the proportion of renewable energy increases, the impact on the power grid will be more pronounced, thereby creating the need for energy storage systems through operational requirements.

#### Scenario and Assumptions

##### Taiwan

We adopted the NDC scenario and Beyond 2°C scenario (B2DS) to simulate different climate scenarios and evaluate the business opportunities for energy storage products under the two renewable energy scenarios. In addition to the estimated amount of energy storage installations, Delta's energy storage system specifications, prices, market and customer demand, and estimated installation capacity were also included as parameters for analysis.

#### Simulation Results

The results showed that before 2025, Delta's internal strategy for energy storage solutions is consistent with the NDC climate scenario. In the NDC scenario simulation, the energy storage market is expected to double in 2030 compared to the market in 2025. In the B2DS scenario simulation, we see an opportunity to increase the revenue growth by twofold compared to the benchmark.

#### Response Measures

- We joined the RE100 international initiative and continue to expand the proportion of renewable energy and set up demonstration sites for energy storage solutions at many operation locations. We implement practical integration of power applications and energy management systems to maximize the effectiveness of grid frequency regulation.
- Both the installation capacity market for short-term microgrid stabilization and the energy market for long-term power shortage supply are critical market developments for the future.



► Physical Risks and Opportunities

**Impact of external renewable power generation purchased by Delta**

**Background** Renewable energy generation relies on natural resources such as solar power, hydropower, wind power, geothermal, and biomass. Due to the impact of climate change and extreme weather, Delta must carefully evaluate whether the renewable energy sources that provide the electrical power purchased by Delta can generate power continuously and steadily to maximize benefits.

**Scenario and Assumptions** **Taiwan**  
We analyzed the long-term changes in power generation of Taiwan's hydropower generation units for the next 10 years (2022 to 2031) under four future warming scenarios (RCP2.6, RCP4.5, RCP6.0, and RCP8.5).

**Simulation Results** According to estimates of the power generation capacity under each RCP scenario, the highest amount is under RCP4.5 and the lowest is under RCP6.0. However, the average difference between the scenarios in the next 10 years is insignificant. As an example, the lowest estimated value of total generation capacity under RCP4.5 is in 2029 and the highest estimated value is in 2031.

**Response Measures**

- The impact of long-term climate and short-term weather variability on renewable energy generation will be evaluated from time to time, so as to respond to the impact in advance and adjust the strategy of purchasing renewable power on a rolling basis.
- Incorporate the analysis results in the selection of renewable energy sites and suppliers.

**Impact of water shortage in production plants in Taiwan**

**Background** As extreme weather events become more frequent, companies will experience extreme weather events such as droughts and floods more frequently and those that did not occur frequently in the past may cause substantial losses to operations.

**Scenario and Assumptions** **Taiwan**  
Delta evaluated the current conditions and future water shortage risks according to RCP 2.6 (2°C warming) and RCP 8.5 (Business as Usual, BAU) scenarios of IPCC AR4 as well as the local water restriction policies and measures.

**Simulation Results** Under RCP2.6 conditions, the probability and number of days of severe droughts in the future will increase. The demand for cooling water in the plant will increase by 3% to 4% due to the rising temperatures. In response to the significant increase in the number of drought days, it is necessary to improve the current water use efficiency by approximately 30%.

**Response Measures**

- The impact of long-term climate and short-term weather variability on renewable energy generation will be evaluated from time to time, so as to respond to the impact in advance and adjust the strategy of purchasing renewable power on a rolling basis.
- Incorporate the analysis results in the selection of renewable energy sites and suppliers.

### Climate Risk and Financial Impact Analysis

Delta allocated a budget of approximately 120 MUSD through an internal carbon pricing mechanism fund in 2022 to promote investment in renewable energy and energy technology development, energy and resource management, and low-carbon innovations and initiatives. Delta also incorporated climate change factors into consideration, and focused on uninterruptible power supply (UPS) systems and electric vehicle auto power to analyze the potential climate-related financial impact.

Background	Related Issue	Scenario	Possible Financial Impact
<b>Delta Uninterruptible Power Supply (UPS)</b>  As the demand for electricity continues to soar and the ratio of renewable power gradually increases, the importance of UPS products in mitigating climate change is self-evident. Among them, high-efficiency UPS, green data center UPS and modular UPS products are our key research and development categories.	<ul style="list-style-type: none"> <li>Products/services replaced by low-carbon technology</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to invest research and development resources in maintaining or enhancing the high energy efficiency of UPS products to increase product competitiveness.</li> </ul>	R&D Expenditures
	<ul style="list-style-type: none"> <li>Development or expansion of low carbon products and services</li> </ul>	<ul style="list-style-type: none"> <li>Visiting customers to collect specification information and strategically developing the 3 major categories of UPS products.</li> </ul>	Operating Income ↑ R&D Expenditures ↑
	<ul style="list-style-type: none"> <li>Rise in average temperatures</li> </ul>	<ul style="list-style-type: none"> <li>Based on the IPCC AR5 RCP8.5 scenario, the average annual temperature increase is calculated to be 0.03 degrees.</li> </ul>	Operating Costs ↑ Fixed Assets ↑
<b>Electric Vehicle Auto Power</b>  Electric vehicles are low-carbon vehicles. As governments launch electric vehicle policies and auto makers convert ICE vehicles to electric vehicles, the market for electric vehicle parts and components is expected to rise.	<ul style="list-style-type: none"> <li>Products/services replaced by low-carbon technology</li> </ul>	<ul style="list-style-type: none"> <li>Lower sales of non-high-performance products results in lower revenue, lower marketing expenses, and lower operating costs.</li> </ul>	R&D Expenditures ↑ Operating Revenue ↓ Production Costs ↑
	<ul style="list-style-type: none"> <li>Uncertainty of market information</li> </ul>	<ul style="list-style-type: none"> <li>Increase in customized project equipment expenses</li> </ul>	Production Costs ↑
	<ul style="list-style-type: none"> <li>Responding to changes in consumer preferences</li> </ul>	<ul style="list-style-type: none"> <li>Increased consumer demand for electric vehicles results in higher revenue, higher operating costs, and higher R&amp;D expenses</li> </ul>	Operating Income ↑ Operating Costs ↑ R&D Expenditures ↑

\*Refer to CDP for related case studies



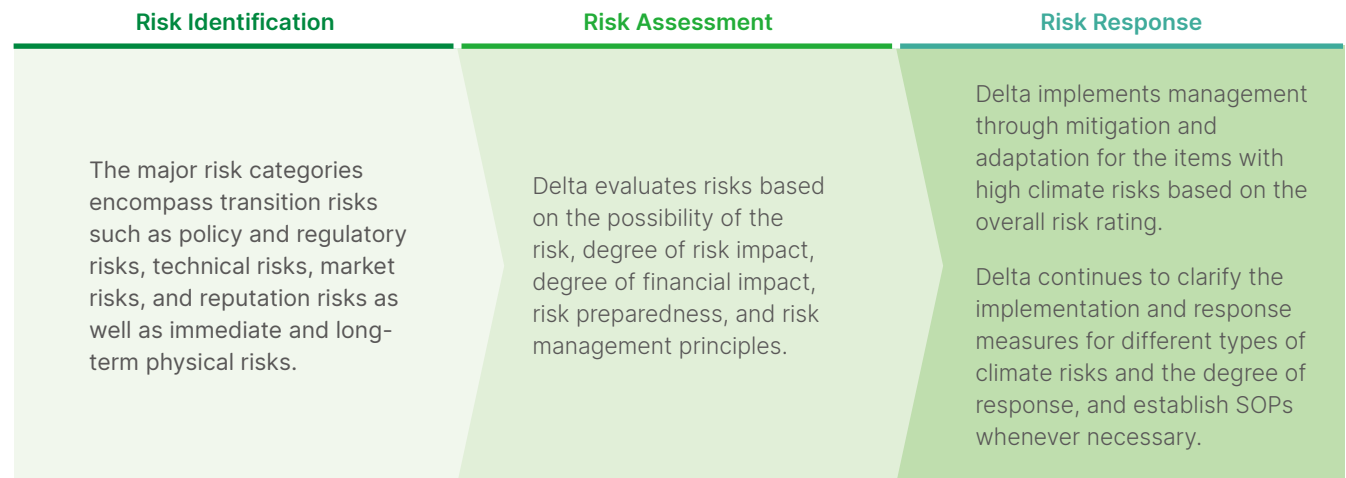


### 5.2.1.3 Climate Risk Management

Climate-related risks factors are integrated into Delta Group risk management policy and uses regular risk identification, assessment, control, monitoring, and communication management procedures to clarify the scope of climate change risks. The Board of Directors tasked the ESG Committee to manage climate issues, take charge of the identification of climate risks and opportunities, and manage the implementation of relevant countermeasures and programs under the TCFD framework. The ESG Committee divided risks into transition risks and physical risks based on the Climate Change Report, Risk Assessment Report, stakeholder feedback, issues of concern in the ESG evaluation, and the risk framework of the Recommendations. It analyzed the impact of policy and regulations, technologies, markets, business reputation, and acute and chronic climate events.

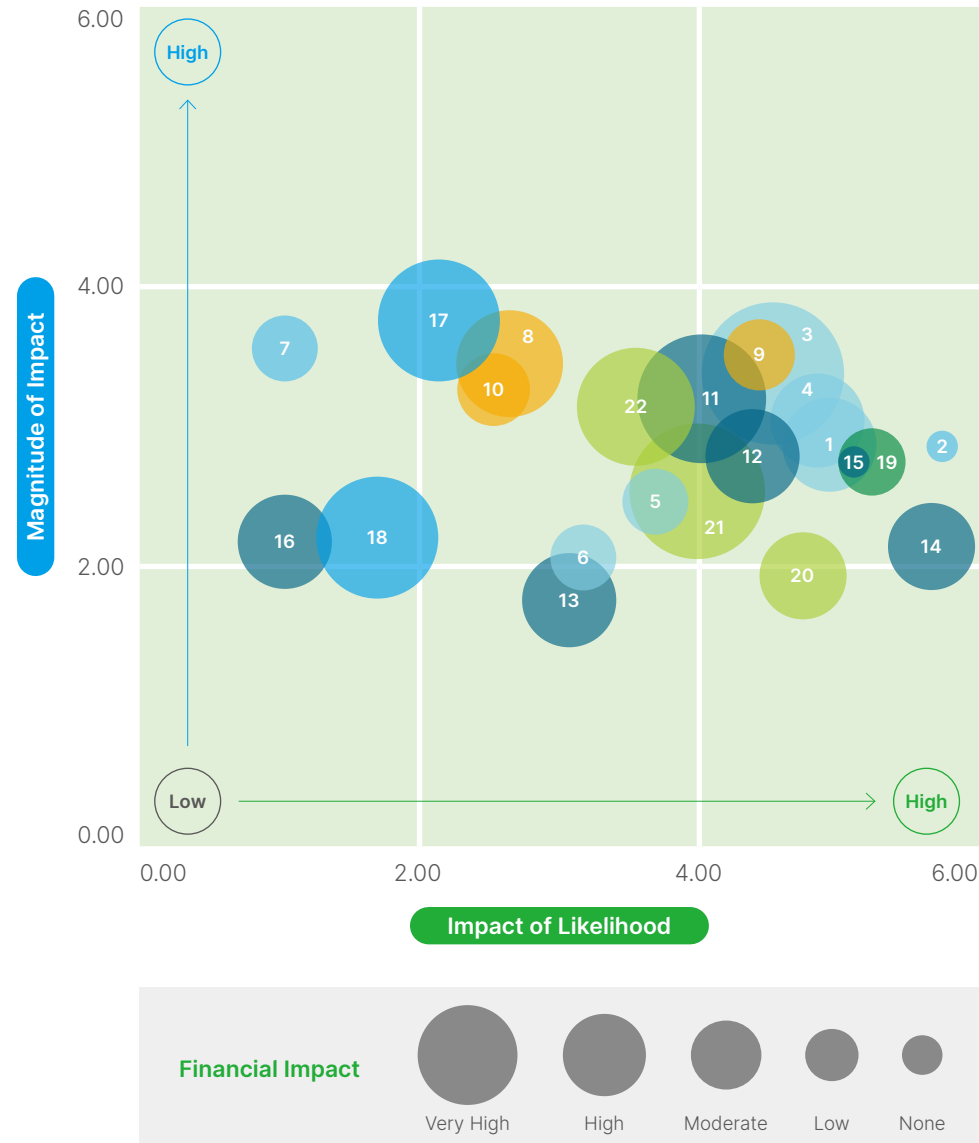
#### Climate Risk Identification and Assessment Procedures

Delta organizes a major survey every three years and an annual review to gather information on the views of key global players. We also consider the information in the latest international research reports, TCFD Knowledge Hub, climate change and weather data of local government, local regulations, and local market reports to continue to optimize and improve risk management tools. Delta uses probability and impact of the risks to screen high-risk items in the list of climate risks based on short-term, medium-term, and long-term strategies and evaluations of the possibility of the risk, degree of risk impact, degree of financial impact, risk preparedness, and risk management principles.



- The types of climate-related risk** → Current and Emerging Regulation, Technology, Legal, Market, Reputational, Acute Physical and Chronic Physical Risk.
- The value chain stages covered** → Own operations, upstream activities, and downstream activities or clients.

## Delta Climate Risk Analysis Matrix



### Current and Emerging Regulatory and Legal Risks

- 1 Domestic and international GHG reduction requirements
- 2 Voluntary regulations
- 3 Uncertainties in laws and policies
- 4 Carbon tax and related regulations
- 5 Mandatory regulations for products and services
- 6 Renewable energy regulations
- 7 Risks of litigation

### Technology Risks

- 8 Products and services replaced by other low-carbon products and services
- 9 Cost of the transition to low-carbon technologies
- 10 Failed investment in new technologies

### Market Risks

- 11 Customers change criteria for supplier selection
- 12 Customers change product specifications and requirements
- 13 Consumers shift to low-carbon products
- 14 Requirements for suppliers to reduce greenhouse gas emissions
- 15 Increase in the cost of raw materials
- 16 Lack of contribution from company in climate change, which affects investors' and banks' willingness to invest

### Reputational Risks

- 17 Industry stigmatization
- 18 Adverse news on climate change that damages the Company's reputation



### Acute Physical Risks

- 19 Increase in the severity of extreme weather events

### Chronic Physical Risks

- 20 Changing rainfall patterns and severe weather patterns
- 21 Rise in average temperatures
- 22 Rise in average sea level

## Risks of High Concern to Delta

Cost of the Transition to Low-carbon Technologies Type   Transition risks - technology risks		Major Risk 01	Uncertainties in Laws and Policies Type   Transition risks - policy and regulatory risks	
<p><b>Potential Path and Method of Impact</b></p> <ul style="list-style-type: none"> <li>• Required purchase of low-carbon technology equipment</li> <li>• Required sourcing of low-carbon materials</li> <li>• Increased R&amp;D costs</li> <li>• Possible loss of customers during the Transition</li> <li>• Insufficient investment in low-carbon technology and resources</li> </ul>			<p><b>Potential Path and Method of Impact</b></p> <ul style="list-style-type: none"> <li>• Increased risks of operational and product compliance due to uncertainties of domestic and foreign regulations</li> <li>• Continuous increase in energy prices due to uncertainties in international energy policies</li> <li>• Miscommunication between the Company and internal and external stakeholders may affect the Company's reputation.</li> </ul>	
<p><b>Response to Risks</b></p> <ul style="list-style-type: none"> <li>• Introduce internal carbon pricing mechanisms to accelerate internal carbon reduction actions</li> <li>• Encourage investments in negative carbon technologies and low-carbon innovations to uncover business opportunities</li> <li>• Intensify R&amp;D talent development and retention</li> <li>• Continue to develop the circular economy and low-carbon materials</li> </ul>			<p><b>Response to Risks</b></p> <p>Continue to monitor legislative changes in different countries</p>	
<p><b>Financial Impact</b></p> <p>Decreased revenue, increased expenditures, impact on assets or discarding</p>	<p><b>Description</b></p> <p>In response to the global trend and customer demand for carbon reduction, Investment may occur in low-carbon technology Transition such as increasing the use of renewable energy, enhancing the capacity of power storage technologies, and improving the energy efficiency of production processes, which incur increased costs of research and development as well as applications.</p>	<p><b>Description</b></p> <p>The lack of regulatory measures may make it difficult for enterprises to obtain the necessary policy support. The impact of new regulations and policies may create uncertainties and make it impossible for enterprises to respond accordingly.</p>	<p><b>Financial Impact</b></p> <p>Decreased revenue, increased expenditures, impact on assets or discarding, increased liabilities, decreased capital, financing difficulties</p>	
<p><b>Potential Opportunities</b></p> <ul style="list-style-type: none"> <li>• Continue to strengthen low-carbon technologies, reduce product carbon footprint, and increase product competitiveness</li> <li>• Business opportunities and market development for energy storage solutions</li> </ul>	<p><b>Impact Likelihood</b></p> <p>Virtually certain</p>	<p><b>Impact Likelihood</b></p> <p>Virtually certain</p>	<p><b>Potential Opportunities</b></p> <p>Implement the RE100 commitment and net-zero commitment</p>	
	<p><b>Level of Impact</b></p> <p>Moderate</p>	<p><b>Level of Impact</b></p> <p>Moderate</p>		

## Carbon Tax and Related Regulations

Type | Transition risks - policy and regulatory risks

**Major Risk**  
**03**

**Major Risk**  
**04**

## Domestic and International GHG Reduction Requirements

Type | Transition risks - policy and regulatory risks

### Potential Path and Method of Impact

- With the carbon border tax required by Europe and the U.S., Delta must calculate the carbon footprint of products and set reduction targets. If it fails to do so, carbon tax expenses will increase and affect product profitability, and may prevent the sales of products on the international market.
- After Taiwan's Climate Change Response Act goes into effect, companies will incur additional carbon expenses and their operating costs will increase.

### Response to Risks

- Continue to use the internal carbon pricing to accelerate internal carbon reduction and low-carbon innovations and applications
- Launch the product carbon footprint project and set active carbon reduction targets
- Set the classification tree diagram for Delta's climate-related products based on their characteristics, method of application by customers, and the EU Taxonomy

### Financial Impact

Decreased revenue, increased expenditures, impact on assets or discarding

### Potential Opportunities

Continue to strengthen low-carbon technologies, reduce product carbon footprint, and increase product competitiveness



### Description

The governments of foreign countries and Taiwan have established related laws and regulations for carbon taxes and carbon fees, and set carbon reduction targets and carbon trading mechanisms. These measures increase the cost of carbon emissions for companies.

### Impact Likelihood

Very likely

### Level of Impact

Moderate



### Description

Many countries have announced their carbon reduction commitments and formulated carbon reduction policies to support the international carbon reduction initiatives. They thus require enterprises to comply with greenhouse gas reduction policies and attain specific carbon reduction results.

### Impact Likelihood

Very likely

### Level of Impact

Moderate

### Potential Path and Method of Impact

- It may affect the reputation of companies and the willingness of investors to invest
- Carbon reduction measures may lead to higher operating costs
- If suppliers are levied high carbon taxes or fines, the costs will be passed on to Delta

### Response to Risks

- Continue to use the internal carbon pricing to accelerate internal carbon reduction and low-carbon innovations and applications
- Actively implement the RE100 commitment
- Enhance supplier sustainability management and collaboration with upstream/downstream industries

### Financial Impact

Decreased revenue, increased expenditures, impact on assets or discarding, increased liabilities, decreased capital, financing difficulties

### Potential Opportunities

- Develop innovative carbon reduction technologies for manufacturing processes
- Consider carbon trading or include forestry carbon sinks in the work plan to obtain carbon credits





**Major Risk**  
**05**

**Customers Change Criteria for Supplier Selection**

Type | Transition risks - market risks

**Potential Path and Method of Impact**

- Failure to meet customers' supplier selection criteria may result in a loss of orders which will impact revenue and the corporate image
- Customers impose increasingly stringent requirements for Delta's greenhouse gas reduction, which requires more energy-efficient and carbon-reducing production.

**Response to Risks**

- Set net-zero strategies, pathways, and targets and continuously manage carbon reduction performance
- Monitor customers' sustainability developments and incorporate them into Delta's product R&D strategies to actively respond to customer demand

**Financial Impact**

Decreased revenue, increased expenditures, impact on assets or discarding, increased liabilities, decreased capital

**Potential Opportunities**

- Provide customers with innovative energy conservation solutions and services
- Enhance Delta's sustainability impact by participating in international evaluations and supporting international initiatives (SBTi, RE100, etc.)



**Description**

As the sustainability and environmental protection awareness of corporate customers increase, they may opt for suppliers that provide products for adapting to the new climate. The selection criteria for suppliers will thus change.

**Impact Likelihood**

Very likely

**Level of Impact**

Moderate

## Climate Risks Response Measures

In terms of responding to climate risks, Delta continues to clarify the implementation and response measures for different types of climate risks and the degree of response, and establishes SOPs whenever necessary. Delta implements management through mitigation and adaptation for the items with high climate risks based on the overall risk rating.

### Mitigation

Actively reduce greenhouse gas emissions to slow down the rate or scale of climate change issues.

#### Response measures

#### Energy Management

Build the Company's own renewable energy equipment, energy conservation projects, and green building to enhance energy efficiency and reduce Delta's dependence on energy. Refer to Ch 5.3 Energy Management in this Report

#### Internal Carbon Pricing

Support Delta's RE100 and net-zero targets as the basis for obtaining energy conservation, water and waste reduction and carbon emissions reduction projects and renewable energy to encourage, track, and promote investment in renewable power and energy technology development, energy resource management, low-carbon innovation and initiatives. Refer to Ch 5.2.2 Net-Zero Commitment - Internal Carbon Pricing

### Adaptation

Develop renewable and other alternative clean energy sources, and create a sustainable business plan for climate-related physical risks. Analyze and monitor the impact of climate change and develop strategies to provide customers with integrated solutions for helping them adapt to climate change.

#### Response measures

#### Risk Identification with International Databases

We used the online tools launched by the partnership between the Global Facility for Disaster Reduction and Recovery (GFDRR) and the World Bank to gain a preliminary understanding of Delta's medium to long-term physical risks at major production sites over the next five years, five to ten years, and 11 or more years.

#### Business Continuity Plan (BCP)

In response to the pandemic and the frequent occurrence of climate-related disasters, Delta has developed Business Continuity Plans (BCPs) for epidemics, floods, fires, earthquakes, and typhoons with reference to international standards such as "ISO 14090: Adaptation to climate change — Principles, requirements and guidelines" and "ISO 22301: Business continuity management systems" to prevent interruptions in the Company's business operations and protect critical business operations from major failures or disasters.

## Climate-related product classification

We set the classification tree diagram for Delta's climate-related products based on their characteristics, method of application by customers, and the EU Taxonomy. It facilitates the internal management of the ratio of Delta's revenue that meet climate change trends and meets international green investment requirements. Based on the impact of climate change, we classified products into stable products (e.g., UPS products), adaptation products (e.g., fan products), and emerging products (e.g., electric vehicle auto power) in 2019. In 2022, we analyzed the EU Taxonomy and continued to optimize the climate-related classifications of Delta products.

## 5.2.1.4 Metrics and Targets

Delta has continuously implemented energy, water and waste conservation solutions for internal energy conservation targets and targets set in international initiatives since 2009. We pledged to attain the 2030 renewable electricity targets in the RE100 and in 2021 and we passed the net-zero target compliance evaluation of the Science Based Targets initiative (SBTi) in 2022.

	Name or Type	Metrics and Targets	Corresponding chapters/sections in the Report
External targets	SBTi: 2°C SBT	56.6% reduction in carbon intensity of Scope 1 and 2 greenhouse gas emissions in 2025 compared to 2014 (achieved targets ahead of schedule in 2021)	
	SBTi: Net-Zero SBT	90% reduction in GHG emissions in Scope 1 and 2 by 2030 compared to 2021 and 25% reduction in Scope 3 compared to 2021 90% reduction in net-zero science-based target in Scope 1, 2, and 3 by 2050 compared to 2021	Ch 5.2.2 Net-Zero Commitment Ch 5.2.3 Greenhouse Gas Inventory
	RE100	100% use of renewable electricity at global business locations by 2030	5.3.2 RE100 International Initiative and Renewable Electricity Promotion
	EV100	Provide charging facilities at Delta's operations and main production plants within the scope of its global energy management and converting company vehicles to zero-emission vehicles such as pure electric vehicles and hydrogen vehicles by 2030.	Ch 2.3.2 International Sustainability Initiatives
Internal targets	Attainment rate in the use of renewable electricity in global operation sites	2022 target: >60%	Ch 5.3 Energy Management
	Water Productivity Intensity (WPI) of overall production plants	2022 target: 4% reduction (2020 as baseline year)	Ch 5.4 Water Resource Management
	Water Consumption Intensity (WCI) of buildings	2022 target: 4% reduction (2020 as baseline year)	
	Waste diversion rate	2022 target: 94%	Ch 5.5.2 Waste Generation and Effectiveness



	Name or Type	Metrics and Targets	Corresponding chapters/sections in the Report
Sustainable Key Performance	Green building	<ul style="list-style-type: none"> <li>• Green building and plant electricity savings practices and carbon reduction</li> <li>• Data center power usage effectiveness (PUE)</li> </ul>	
	Electricity consumption intensity	Overall plant electricity intensity per unit production value (EI)	Ch 7.4 Summary of Information Assured (ISAE 3000)
	Water Productivity Intensity	Overall plant water productivity intensity per unit production value (WPI)	
	Electricity savings and carbon emissions of high-efficiency products	Ballast, server power, fans, AC-DC adapters, PVI, EV DC chargers, LED high bay lights, UPS, TVP, LED drivers, Computer and Networking Power	





## 5.2.2 Net-Zero Commitment

Delta actively supports international initiatives. Since 2015, we have implemented the policies of the We Mean Business Coalition for "commit to adopt a science-based emissions reduction target", "commit to report climate change information in mainstream reports as a fiduciary duty", "commit to responsible corporate engagement in climate policy", and "conversion to electric vehicles and expansion of charging facilities". In 2021, we also pledged to "use 100% renewable electricity" and joined the "Business Ambition for 1.5°C" Campaign to actively respond to the United Nations Race to Zero initiative to limit global temperature rise to 1.5°C before industrialization.

### Delta's Net-Zero Commitments and Action Strategies

Low-Carbon Growth				Road to Net-Zero Emissions	
Commit to "We Mean Business"	Pass SBTi 2°C Evaluation	Commit to EV100	Commit to RE100 & Carbon Neutrality	Pass SBTi 1.5°C Evaluation	
2015	2017	2018	2021	2022	
	✓ SBT 2°C Commitment <ul style="list-style-type: none"> <li>Reducing carbon intensity by 56.6% by 2025 with 2014 as the base year</li> </ul>		✓ SBT 2°C Target Achieved <ul style="list-style-type: none"> <li>CI reduction: 71%</li> <li>Use of RE: 55%</li> </ul>	✓ SBT 1.5°C Commitment <ul style="list-style-type: none"> <li>Achieving SBT Net-zero by 2050</li> </ul>	
				2030 & 2050	
				✓ SBT 1.5°C Target <b>Short-term</b> <ul style="list-style-type: none"> <li>Scope 1+2 ↓90%</li> <li>Scope 3 ↓25%</li> <li>Base year: 2021</li> </ul> ✓ RE100 ✓ EV100 ✓ Carbon Neutrality	✓ SBT 1.5°C Target <b>Long-term</b> <ul style="list-style-type: none"> <li>Scope 1+2+3 ↓90%</li> <li>Base year: 2021</li> </ul>
Continue to adopt energy conservation solutions and renewable electricity	Continue to promote green buildings	Set internal carbon pricing and accelerate carbon reduction		Invest in carbon offsetting and removal	
Delta continues to reduce carbon emissions by implementing energy conservation projects, self-generation and use of renewable electricity, purchasing renewable electricity, and purchasing Energy Attribute Certificates.	Starting from 2006, Delta has pledged to use green building construction methods and Delta's green building solutions for all new plants.	Delta set an internal carbon price of 300 USD per metric ton to promote renewable electricity and energy technology development, energy resource management, and low carbon innovation and initiatives.		Delta will use offsetting and permanent carbon removal to neutralize remaining emissions and reduce emissions outside the value chain.	

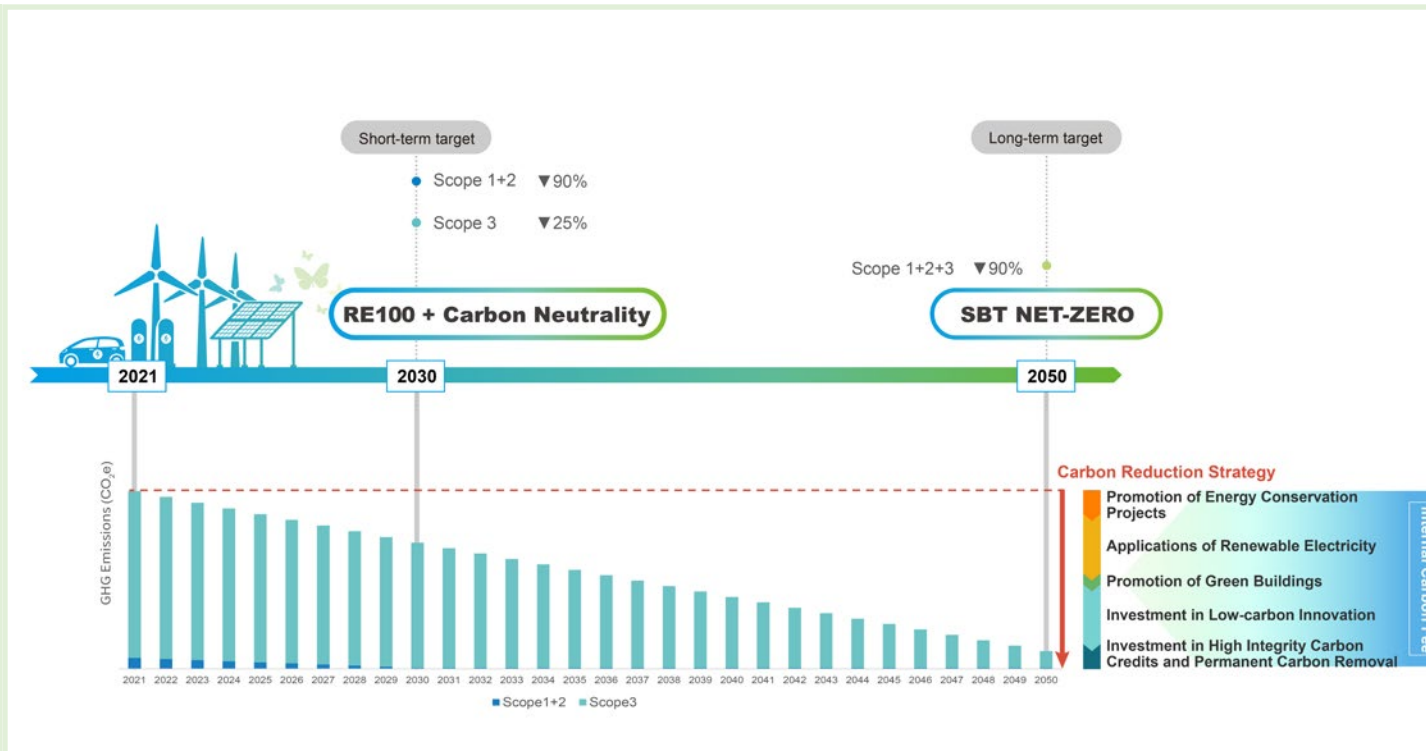
### Delta's Net-Zero SBT

Delta met its science-based target (SBT) set in 2017 four years ahead of schedule in 2021. We continued to actively pursue a 1.5°C reduction pathway in 2022 in accordance with the Net-Zero Standard published by the Science Based Targets initiative (SBTi) at the end of 2021. We obtained the SBTi validation in the same year and became the first high-tech hardware equipment company in Asia and the 125th company globally to pass the review for net-zero science-based targets.

We proposed our SBT with 2021 as the baseline year for reducing absolute Scope 1 and Scope 2 emissions by 90%, reducing absolute Scope 3 emissions by 25% by 2030, and attaining net-zero emissions in global operation sites by 2050. We also continue to implement emission reduction measures for limiting global warming to 1.5°C to reduce carbon emissions in internal operations, empower the internal low-carbon transition, and develop innovative products and services.

In 2022, Delta expanded the inventory of the emissions in global operation sites and reduced carbon emissions by implementing energy conservation projects, self-generation and use of renewable electricity, purchasing renewable electricity, and purchasing Unbundled Energy Attribute Certificates. These measures demonstrated Delta's resolve and long-term commitment to attaining SBTs and promoting the growth of the low-carbon economy with value chain partners.

### Delta's SBT carbon reduction pathway



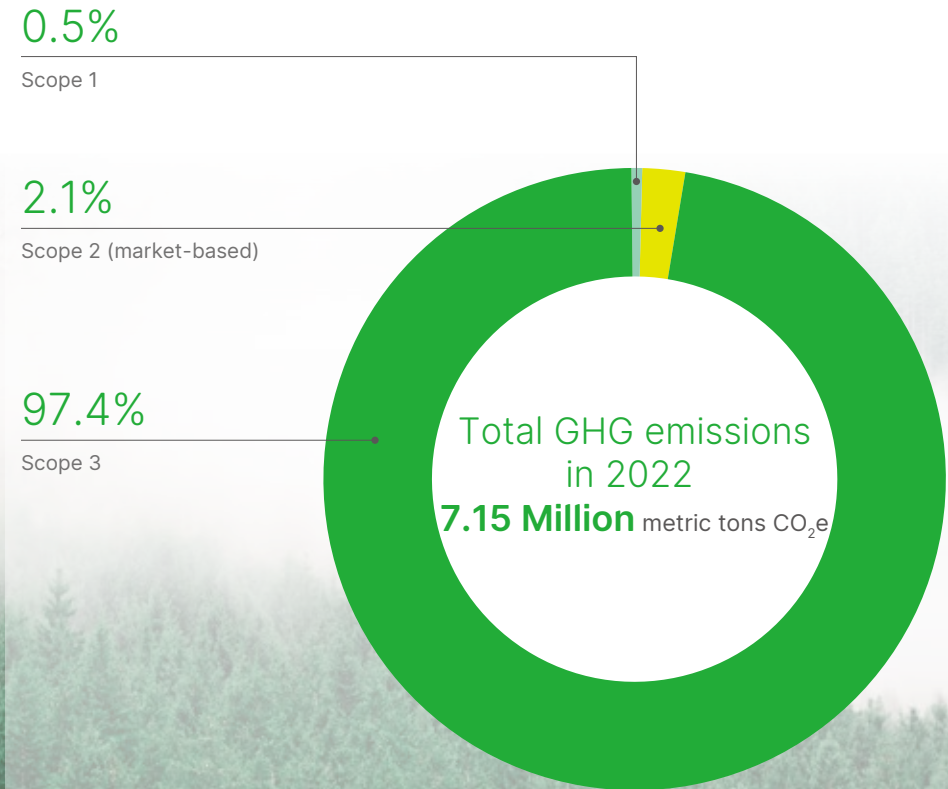
## 5.2.3 Greenhouse Gas Inventory

### Reduction of GHG Emissions in the Value Chain

Since 2007, Delta has participated in CDP to disclose the Group's greenhouse gas emissions. Delta overall production plants have passed ISO 14064-1 certification. We gradually expand the scope of certification to buildings, overseas operations, and subsidiaries. Our global operation sites have achieved the ISO 14064-1 certification.

Delta's value chain consist mainly of Scope 3 emissions (accounting for more than 94% by market-based) while Scope 1 and 2 emissions account for 0.5% and 2.1%, respectively. In the future, we will continue our carbon reduction measures in Scope 1 and 2 and expand our efforts to upstream and downstream sections of the value chain to actively discuss, communicate, and encourage value chain partners to join us on our path to 1.5°C reduction.

### Delta's Greenhouse Gas Emissions in 2022



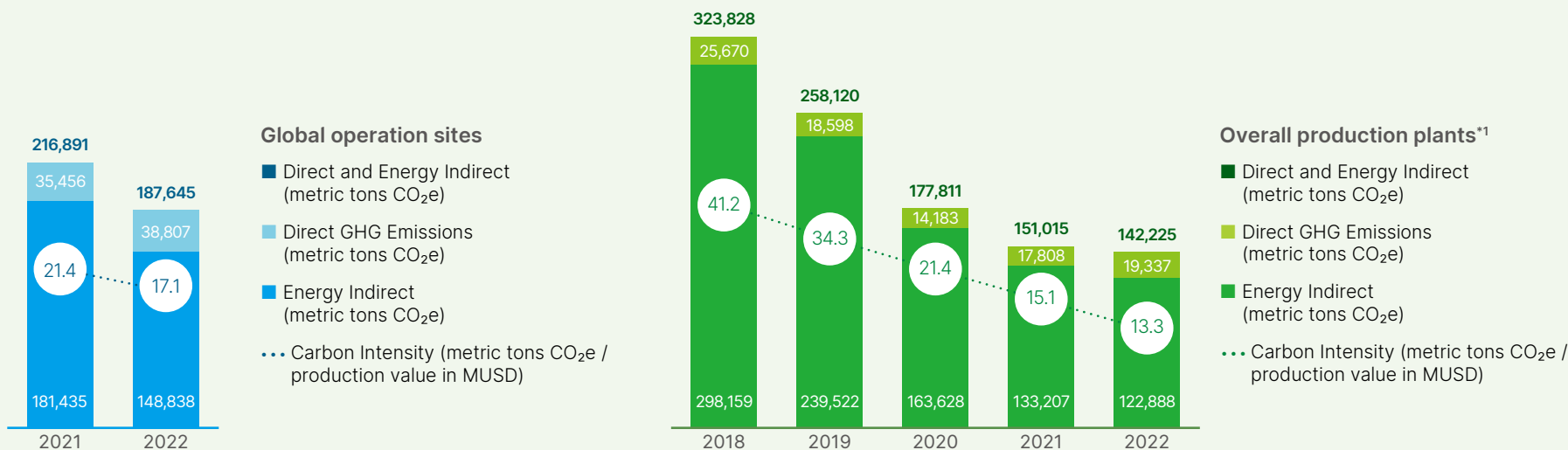
## Direct Emissions and Energy Indirect Emissions (Scope 1 and 2)

According to the results of greenhouse gas inventories in past years, Delta's Scope 1 and Scope 2 GHG emissions consisted mainly of Scope 2 emissions (accounting for more than 91% by location based or more than 79% by market based). Therefore, Delta's greenhouse gas emissions reduction strategy is based primarily on energy management and adoption of renewable electricity.

We completed the GHG inventory of global operation sites in 2021 and 2022 for the first time. Our global operation sites can be divided into seven regions including Taiwan, China, Southeast Asia, Northeast Asia, India, Europe, the Middle East & Africa (EMEA), and Americas. China (approximately 35% by location based), Southeast Asia (approximately 32% by location based) and Taiwan (approximately 23% by location based) are the main regions of Delta's GHG emissions and the distribution is consistent with the locations of overall production plants. Direct emissions and energy indirect greenhouse gas emissions of global operation sites in 2022 was 187,645 metric tons CO<sub>2</sub>e (by market-based), which was a 13.5% reduction compared to the previous year. It was mainly the result of continuous voluntary energy conservation and the increase in the use of green electricity in 2022 to 63%, including the installation of solar power generation equipment in plants, signing long-term green power purchase agreements, the purchase of green electricity products, and the purchase of unbundled energy attribute certificates (unbundled EACs).

Direct emissions and energy indirect greenhouse gas emissions of overall production plants in 2022 was 142,225 metric tons CO<sub>2</sub>e (by market-based), which was a 5.8% reduction compared to the previous year.

### Greenhouse Gas Emissions (Market-based)



\*1.Overall production plants: Dongguan, Wujiang, Wuhu, and Chenzhou Plants in Mainland China; DET plant 1, 3, 5, and 6; Taoyuan plant 1 and 2 in Taiwan; Cynotec Hsinchu, Huafeng, and Wuhu plants; and the production plants of Eltek acquired after 2015 (plants in the United States and India).

\*2.In 2021, plants of Eltek in the United States and India were removed due to product line adjustments and we added Taoyuan Plant 5 and Pingzhen Plant.



### Statistics of Greenhouse Gas Emissions in 2022(market-based)

	Global operation sites	Overall production plants
CO <sub>2</sub>	164,265	131,953
CH <sub>4</sub>	6,505	5,285
N <sub>2</sub> O	113	27
HFCs	16,384	4,581
PFCs	179	179
SF <sub>6</sub>	199	199
NF <sub>3</sub>	-	-
<b>Total</b>	<b>187,645</b>	<b>142,225</b>

Unit: metric tons CO<sub>2</sub>e



### Other Indirect Emissions (Scope 3)

Delta identifies significant emissions and calculates GHG emissions based on the requirements of ISO 14064-1:2018. We have also conducted an inventory of indirect GHG emissions in each category in accordance with the GHG protocol methodology. Emissions from all categories in Scope 3 were reviewed. The increase in 2022 compared to the previous year was mainly due to the significant increase in product sales in 2022. Our main categories of Scope 3 emissions are Category 11 use of sold products (accounting for 60.9%) and Category 1 purchased goods and services (accounting for 22.5%). In the future, we will continue to focus on reducing emissions in three key areas including low-carbon product development, low-carbon supply chain engagements, and low-carbon transportation.

### Other Indirect Greenhouse Gas Emissions

Unit: metric tons CO<sub>2</sub>e

	Scope 3 Category	Emissions in 2022
Category 1~8	Purchased Goods and Services	1,568,772.62
	Capital goods	346,435.89
	Fuel- and Energy-related activities Not Included in Scope 1 or Scope 2	51,990.43
	Upstream transportation & distribution	177,397.56
	Waste generated in operation	7,223.53
	Business travel	4,827.10
	Employee commuting	76,262.03
	Upstream leased assets	18.75
Category 9~15	Downstream transportation & distribution	151,809.80
	Processing of sold products	48,602.60
	Use of sold products	4,240,197.05
	End-of-Life treatment of sold products	176,356.63
	Downstream leased assets	4,127.84
	Franchises	N/A
	Investments	109,269.85

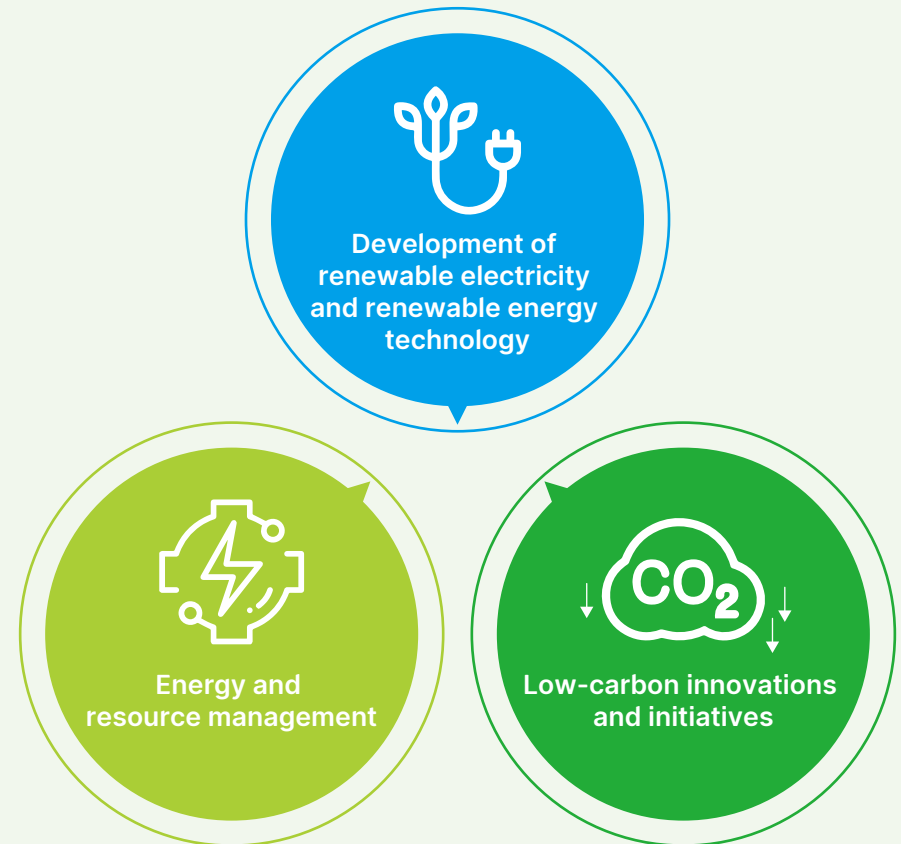
### Delta's Internal Carbon Pricing

Delta has long focused on the trend for internal carbon pricing and has internalized the economic costs of carbon emissions from operating activities. Delta established a consistent internal carbon pricing management strategy for all global operation sites in 2017 and updates its internal carbon pricing annually based on carbon reduction developments as a strategic tool to help our internal decarbonization efforts, as well as to serve as a risk management tool.

To enhance incentives for reducing carbon emissions and performance management, Delta introduced carbon price mechanisms in 2021 and set the internal carbon price at 300 USD per ton based on the internal and external carbon costs of our global production plants including regulatory penalties, carbon trading prices, case studies of benchmark international companies, and the Company's investment in renewable energy solutions and renewable electricity purchase costs. The price was consistent with the expected carbon price for limiting global warming to within 1.5°C by 2030 as specified in the Sixth Assessment Report of the IPCC. The rate was implemented after it was approved by the Board of Directors and the Sustainability Committee.

Delta's implementation system for its internal carbon pricing mechanisms collects carbon fees from business groups and units at a rate of 300 USD per metric ton. The carbon fee charged by the ICP mechanism is regarded as one of the costs in the monthly financial management reports and is related to KPIs of the BG heads. The fees are included in the carbon payment fund which incentivizes investments in carbon reduction applications in production plants and R&D units. The three major applications of Delta's internal carbon pricing include supporting energy conservation and carbon emissions reduction projects, obtaining renewable electricity, and investments in negative carbon technologies and low-carbon innovations. We seek to uncover business opportunities in technologies as reference for decision making by business groups and integration of carbon cost management.

### Three major applications of Delta's internal carbon pricing



## 5.3 Energy Management

To increase industrial production capacity, expand production output, reduce energy consumption in production, and improve economic efficiency, Delta's overall global production plants have passed third-party certification of the ISO 50001 energy management system. We have also developed the Delta Energy Online (EnOL) management system to provide real-time energy consumption and load analysis through methods such as energy planning, efficiency, consumption analysis, and equipment management. It optimizes equipment operations, enhances power consumption efficiency, and analyzes the current energy consumption of each system as the basis for evaluating energy-saving improvements and ensuring accurate control of energy cost.

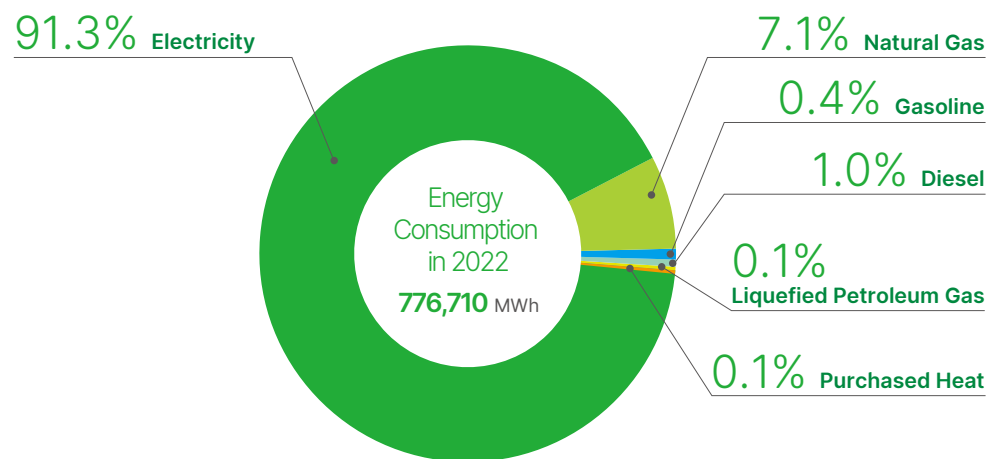
### 5.3.1 Energy Management and Performance

Delta's energy consumption in global operation sites includes electricity, fossil fuels (e.g., natural gas, diesel, petroleum, and liquid petroleum), and purchased heat. Electricity accounts for approximately 91.3%. The energy consumption in overall production plants<sup>\*1</sup> includes electricity and fossil fuels (e.g., natural gas, diesel, petroleum, and liquid petroleum). Electricity accounts for approximately 93.4%. Fossil fuels are mainly used to power emergency power generators, lawn mowers, forklifts, company vehicles, as well as boilers (including dormitories and cafeterias).

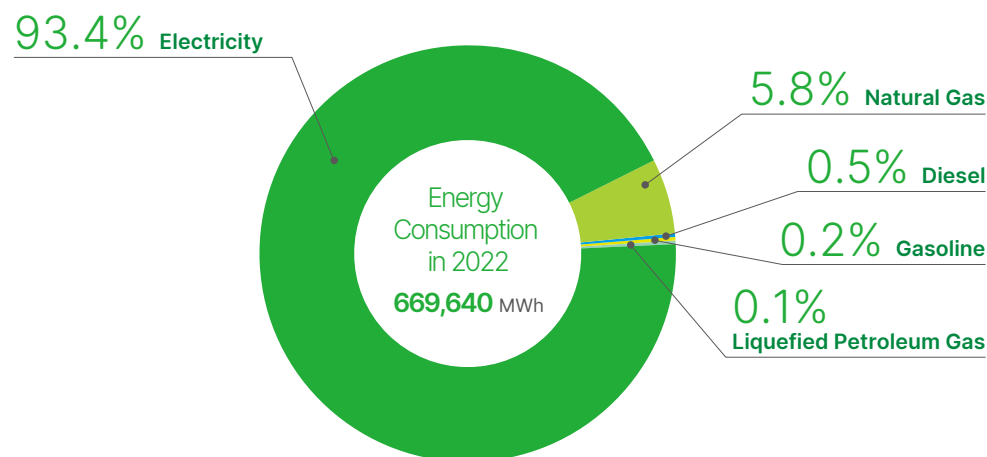
In recent years, Delta has not made significant changes to the ratio of its fossil fuel consumption. In 2022, due to expand the production lines, the fossil fuels are increase. Our management practice include replacing diesel to natural gas, optimizing the efficiency of boiler fuels to reduce consumption and purchasing electricity vehicles to replace diesel vehicles.

\*1 Overall production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China, DET plant 1, 3, 5, and 6, and Taoyuan plant 1, plant 2, Plant 5, Pingzhen in Taiwan, Cyntec Hsinchu and Huafeng plants.

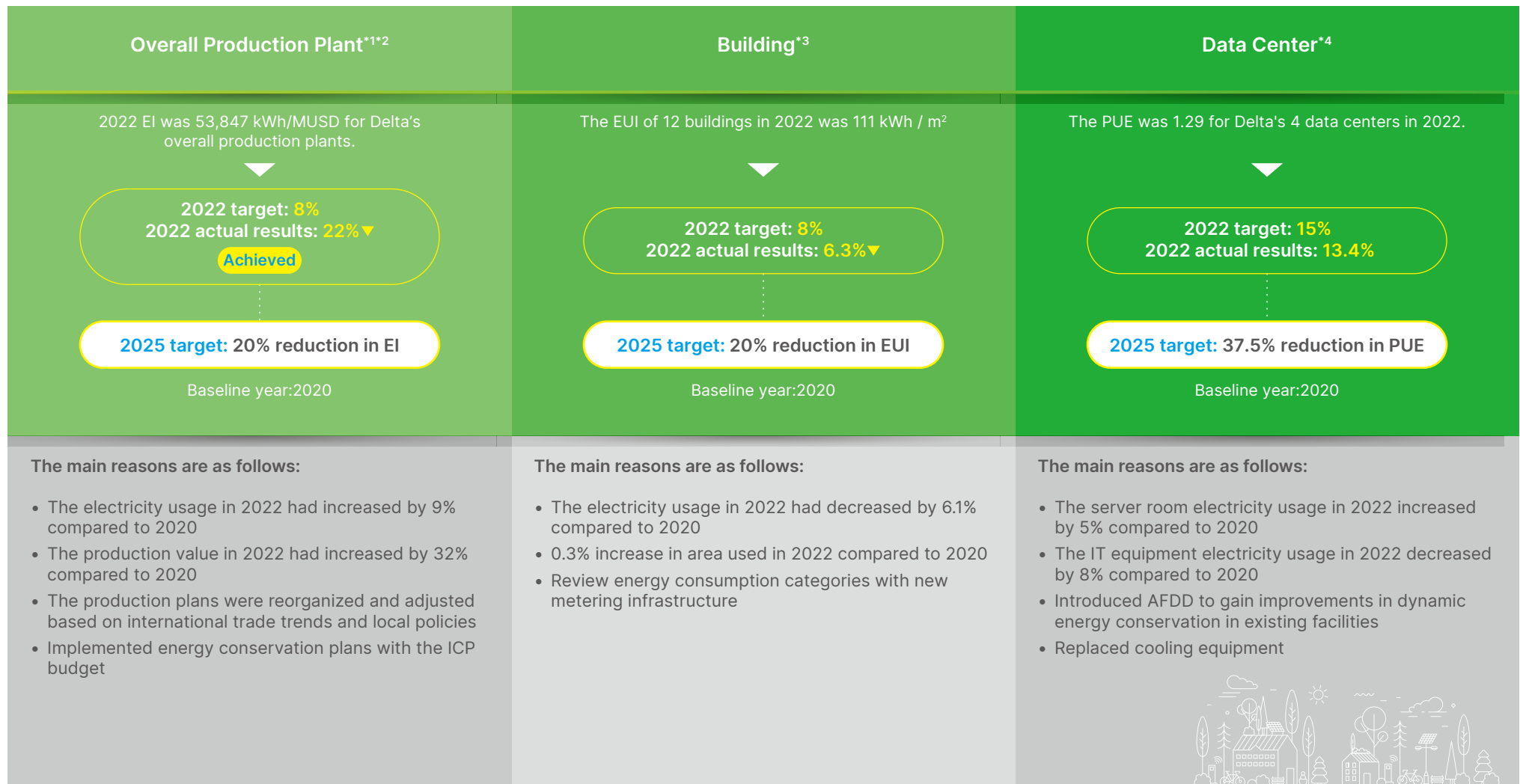
Energy Consumption in Delta's Global Operation Sites in 2022



Energy Consumption in Delta's Overall Production Plants in 2022



## Energy Conservation Performance of Delta's Energy Utilization in 2022



\*1.The total electricity consumption does not include the self-generated and consumed renewable electricity from solar energy

\*2.Overall production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China, DET plant 1, 3, 5, and 6, and Taoyuan plant 1, plant 2, plant 5, Pingzhen in Taiwan, Cyntec Hsinchu and Huafeng plants.

\*3.12 Buildings including Ruey Kuang, Yang Guang, Taoyuan Plant 3, Chungli R&D, Tainan 1&2, Dongguan R&D, Wujiang R&D, Shanghai R&D, Japan, DAF, and Soest.

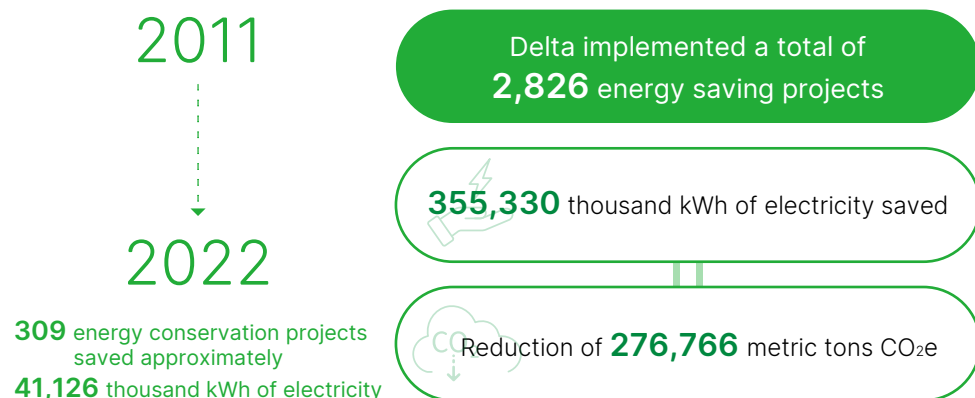
\*4.Four data centers (Taipei Headquarters, Wujiang, DET, and American Headquarters).



### Establishment of Delta Energy Online and Continuous Promotion of Energy Conservation Projects

In 2011, Delta established a cross functional energy management committee, and an Energy-Saving Technology Team was further organized within the Committee. Over the years, the team has implemented various energy conservation and improvement measures for public facilities such as the sintering furnace, reflow furnace, wave soldering furnace and burn-in production plant. By coordinating firsthand experience with energy conservation from internal and external consultants, the team is able to implement these practices at all primary production plants around the world.

From 2011 to 2022, Delta's overall production plants have continued to implement energy conservation and carbon reduction measures (see the table below). The company put 309 energy conservation projects into practice in 2022 and saved approximately 41,126 thousand kWh of electricity, equivalent to approximately 31,687 metric tons CO<sub>2</sub>e. Delta implemented a total of 2,826 energy saving projects from 2011 to 2022 with an estimated 355,330 thousand kWh of electricity saved, equivalent to a reduction of 276,766 metric tons CO<sub>2</sub>e.



### Energy Saving Practices for Overall Production Plants from 2011 to 2022

No.	Energy Saving Subject	Statistical Item	2022	Cumulative 2011-2022*
1	Air Conditioning Ventilation Systems	Cases	66	629
		Electricity Savings (MWh)	8,467	70,198
		Carbon Reduction (Metric tons)	6,113	51,332
2	Air Compressors	Cases	25	253
		Electricity Savings (MWh)	8,079	33,205
		Carbon Reduction (Metric tons)	6,254	24,844
3	Injection Molding Machines	Cases	3	34
		Electricity Savings (MWh)	461	16,033
		Carbon Reduction (Metric tons)	365	13,697
4	Lighting Systems	Cases	36	223
		Electricity Savings (MWh)	2,421	16,021
		Carbon Reduction (Metric tons)	1,896	16,367
5	Burn-in Recovery Systems	Cases	13	143
		Electricity Savings (MWh)	2,988	57,468
		Carbon Reduction (Metric tons)	2,374	43,237
6	Process Improvements	Cases	141	1,036
		Electricity Savings (MWh)	17,349	90,439
		Carbon Reduction (Metric tons)	13,612	70,248
7	Other (Management, etc.)	Cases	25	508
		Electricity Savings (MWh)	1,361	71,966
		Carbon Reduction (Metric Tons)	1,073	57,040
<b>Total</b>		<b>Cases</b>	<b>309</b>	<b>2,826</b>
		<b>Electricity Savings (MWh)</b>	<b>41,126</b>	<b>355,330</b>
		<b>Carbon Reduction (Metric tons)</b>	<b>31,687</b>	<b>276,766</b>

\*The electricity emission coefficient cited included the electricity emission coefficient of 0.509 kg CO<sub>2</sub>e/kWh for Taiwan in 2021; the emission coefficients of Mainland China's regional power grid in 2019 were 0.7921 kg CO<sub>2</sub>e/kWh in Eastern China, 0.8587 kg CO<sub>2</sub>e/kWh in Central China, and 0.8042 kg CO<sub>2</sub>e/kWh in Southern China; the electricity emission coefficient in Thailand in 2019 was 0.4999 kg of CO<sub>2</sub>e/kWh.

## 5.3.2 RE100 Renewable Electricity

Delta announced in 2021 that it has joined the global renewable electricity initiative RE100 as a Gold Member, and pledged to achieve the goal of 100% renewable electricity and carbon neutrality by 2030 for all of Delta's global operation sites. Delta officially established the Delta Global RE100 Committee in 2021 with the Chairman, Vice Chairman, CEO, COO, and CSO as the main members who oversee eight work groups in more than 30 countries. Each work group is led by the president of regional operations, who establishes a regional promotion organization to expand management to all locations. It is responsible for the promotion and attainment of renewable electricity targets for all locations in each region.

Delta's global operation sites continued to promote renewable electricity in 2022. The sites studied and reviewed local renewable electricity regulations and policies, market trends, prices and costs, and the integrity of traceability information, and gradually consulted with renewable electricity suppliers or electricity retailers. They also considered the long-term sustainability of renewable power and evaluated the benefits and feasibility of building or investing in renewable power plants. The sites also identified bottlenecks for using renewable electricity in the process. They learned about the reasons for these bottlenecks and sought opportunities for improvement.

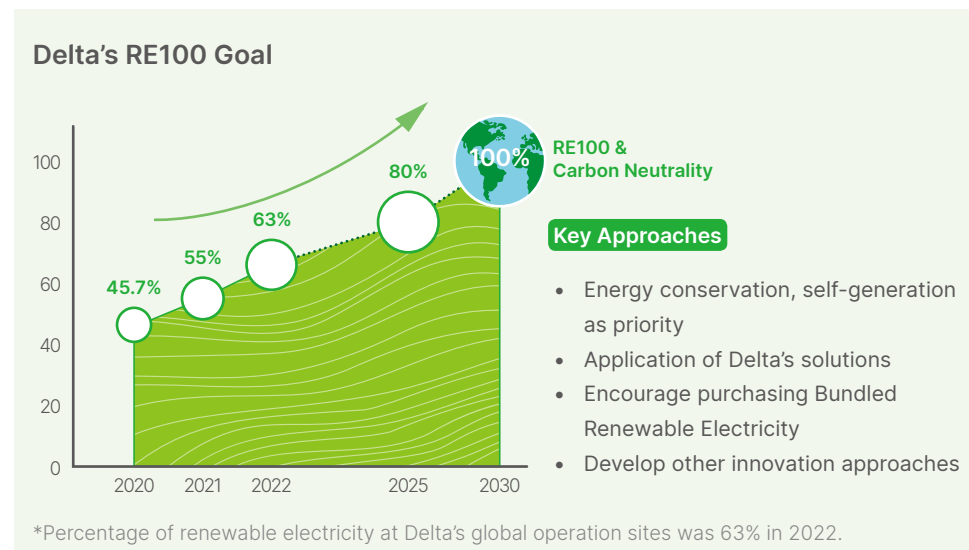
In 2022, the attainment rate of the use of renewable electricity was included as performance indicators of the Chairman, CEO, and highest-ranking officers of the work groups for the first time, and it accounted for 5% to 15% of their total remuneration and incentives. Renewable electricity must comply with RE100 technical documents. To avoid double counting and manage data quality, Delta strengthened awareness in meetings, training programs, and internal audits in 2022. We then used the ISO 14064-1 verification process to ensure the integrity of electricity consumption data.

Delta strategically promotes renewable power by setting procurement priorities and linking different types of procurement projects to their internal carbon fees. In terms of the methods for attaining the targets, Delta uses energy conservation as the basis for reducing electricity consumption and adopted a strategy of self-generated and consumed renewable electricity as the highest priority. The second category is direct purchase of renewable power (e.g., Power Purchase Agreements (PPAs) and green electricity

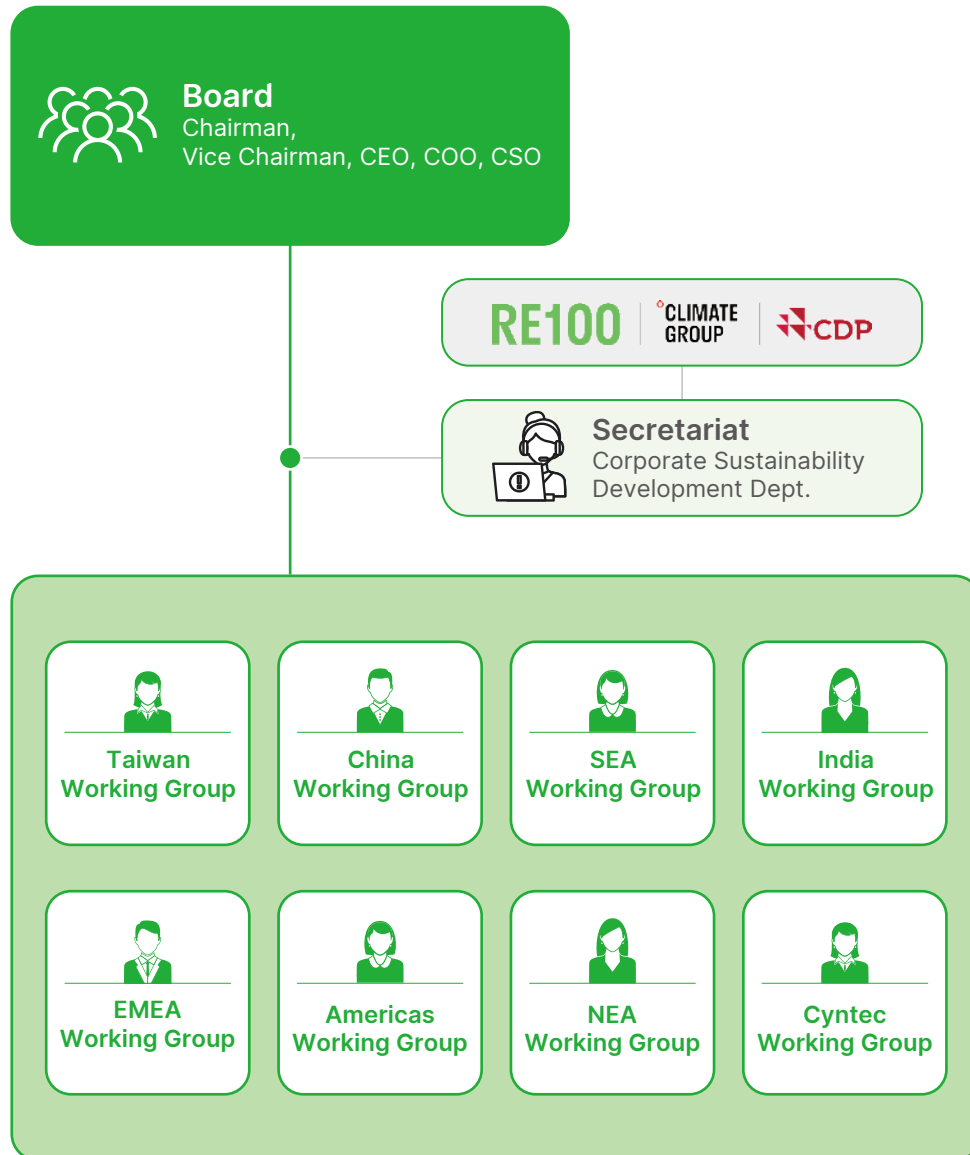
products) with bundled renewable electricity and certificates. The third category is unbundled energy attribute certificates (unbundled EACs). In full compliance with the RE100 technical manual, Delta developed other categories of innovation to encourage innovative measures for increasing the percentage of renewable electricity use. The mechanisms are also partially linked to the internal carbon pricing system to encourage all sites to prioritize the use of self-generated and consumed renewable electricity and bundled renewable electricity.

### Overall Progress in 2022

Delta promotes the target of attaining 100% renewable electricity at global operation sites by 2030. In 2022, the use of renewable electricity at global business locations reached 63%. Total electricity consumption was 709,484 thousand kWh (MWh), including 447,002 thousand kWh of renewable electricity. The sources of renewable electricity included 25,454 thousand kWh (4%) from self-generated and consumed solar power, 51,808 thousand kWh (7%) from the direct purchase of PPA renewable electricity, 88,313 thousand kWh (12%) from green electricity products, and 281,427 thousand kWh (40%) from unbundled EACs.



### Delta Global RE100 Committee



### Delta's Renewable Electricity Promotion History

- 2014** Dongguan, Wujiang and Wuhu Plants in Mainland China have partaken in the "Golden Sun Demonstration Engineering" project, in which solar power generation systems were established at the plants.
- 2016** Taoyuan Plant 2, Cyntec Huateng and Huafeng Plant (hereinafter referred to collectively as Cyntec Huafeng Plant) established solar power generation systems at the plants.
- 2017** Chenzhou Plant in Mainland China established solar power generation systems.
- 2018**
  - Wujiang and Wuhu Plants in Mainland China expanded their solar power generation systems.
  - Purchased International Renewable Energy Certificates (I-RECs) in Mainland China.
- 2019** 10% of the contracted capacity of renewable electricity has been installed in Taiwan.
- 2020** Negotiated long-term Renewable Electricity Power Purchase Agreements (PPAs) in Taiwan.
- 2021**
  - Became a RE100 Gold Member.
  - Established the Delta Global RE100 Committee.
  - Completed Delta's first renewable electricity transaction.
- 2022** The RE100 achievement rate was officially included as a performance indicator for Delta's top executives

### 5.3.3 Promotion of Energy Conservation by Green Buildings

Since the construction of Delta's first green building at the Southern Taiwan Science Park in 2006, Delta actively promised that all future new Delta plants and offices shall implement green building concepts. In 2022, the office buildings and plant buildings in both Taichung Plant 1 and Chungli Plant 5 obtained LEED Gold and EEWB Diamond Grade certification in 2022. By December 2022, Delta built and donated 32 green buildings and two green data centers around the world.

Delta continues to expand products and energy-efficient solutions in green buildings and received certification from the US Green Building Council (LEED), the UK Building Research Establishment (BRE), BREEAM, Ecology, Energy-Saving, Waste Reduction, and Health (EEWH) system in Taiwan, and the Green Building Evaluation Standards in China. With the inauguration of green buildings, Delta has incorporated diverse greening into plant areas, ecological ponds, and other environmentally-friendly designs with positive benefits for biodiversity. Delta also joined the narrative in the United Nations Climate Change Conference, sponsored green building design contests, organized green building exhibitions, published books such as "Build Green Buildings with Delta", and released microfilms to promote green buildings.

Delta has autonomously set standards to establish comparison standards based on the EUI (kWh/m<sup>2</sup>) of local building standards each year. We calculate energy savings of green buildings including 17 plants and office buildings as well as 5 green buildings donated to academic institutions in reference to the ISAE 3000 Assurance standard. In 2022, Delta's global certified green plants and buildings collectively saved, in total, 26.91 million kWh of electricity\* and reduced carbon emissions by approximately 15,400 metric tons CO<sub>2</sub>e.

In addition, Delta uses the power usage effectiveness (PUE) of data centers as a baseline to evaluate electricity savings. In 2022, Delta's certified green plants and buildings collectively saved, in total, 53,557 kWh of electricity and reduced carbon emissions by approximately 27.51 metric tons CO<sub>2</sub>e.

\*Refer to page 106-108 for the literature on the EUI calculation methodology used for Delta's green buildings. The items below were excluded for the calculation of the building EUI: Electricity consumption in the laboratories (Ruey Kuang Building of Taipei Headquarters, Taoyuan R&D Center, Taoyuan Plant 5, Chungli Plant 5, Chungli R&D Center, Taichung Plant, Tainan Branch Office Phase I & II, and Shanghai R&D Building), electricity consumption in the production process (Taoyuan Plant 5 and Chungli Plant 5), and electricity consumption of data centers (Ruey Kuang Building of Taipei Headquarters and American Headquarters) and floor area in indoor parking lots, floor area in data center area and floor area in unused area.



▲ Delta's LEED Gold-certified green building at the Automotive Campus in Helmond, the Netherlands



## Energy-saving Solutions Adopted by Delta Green Buildings and Their Benefits

### EMEA Headquarters (Inaugurated in 2017) BREEAM Very Good

- 2022 EUI: 144 > EUI Baseline: 133.17<sup>\*7</sup>
- Highest energy saving rate to date: 65%(Compared to non-residential buildings)



### Shanghai R&D Building (Inaugurated in 2011)

- LEED Gold  
WELL Health-Safety Rating
- 2022 EUI: 47 < EUI Baseline: 89.8<sup>\*3</sup>
  - Highest energy saving rate to date: 49%(Compared to large-scale civil buildings)

### Beijing Office Building (Inaugurated in 2012) LEED Silver

- 2022 EUI: 31 < EUI Baseline: 124<sup>\*4</sup>
- Highest energy saving rate to date: 73%(Compared to traditional offices)



### Wujiang IT Data Center (Inaugurated in 2014) LEED V4 ID + C Gold

- 2022 PUE: 1.30
- Highest energy savings rate to date: 57% (compared to 2015)
- Electricity savings: 215,762 kWh



### India Rudrapur Plant (Inaugurated in 2008) LEED-India Gold

- 2022 EUI: 60 < EUI Baseline: 210<sup>\*5</sup>
- Highest energy saving rate to date: 76%(Compared to traditional commercial buildings)

### India Gurgaon Plant (Inaugurated in 2011) LEED-India Platinum

- 2022 EUI: 88 < EUI Baseline: 210<sup>\*5</sup>
- Highest energy saving rate to date: 60%(Compared to traditional commercial buildings)

### India Mumbai Office Building (Inaugurated in 2015) LEED Platinum

- 2022 EUI: 94 < EUI Baseline: 210<sup>\*5</sup>
- Highest energy saving rate to date: 77%(Compared to traditional commercial buildings)



### DET Plant 5 (Inaugurated in 1990) EEWH

- 2022 EUI: 604 < EUI Baseline: 640<sup>\*8</sup>
- Highest energy saving rate to date: 23%(Compared to pre-renovation plant)

\*1.<Bureau of Energy, Ministry of Economic Affairs>2021 Energy Audit Annual Report for Non-Productive Industries (P.28): 153.1 kWh/m<sup>2</sup> (office buildings, parking lots not included).

\*2.<Architecture and Building Research Institute, Ministry of the Interior>2019 Green Building Evaluation Manual of the Architecture and Building Research Institute of Ministry of the Interior-Basic Version (P.180): 154 kWh/m<sup>2</sup> (air-conditioned general factory operation area).

\*3.<Shanghai Municipal Commission of Housing and Urban-Rural Development>2021 Shanghai Government Office Building and Large Public Building Energy Consumption Monitoring and Analysis Report (P.28): 89.8 kWh/m<sup>2</sup> (office buildings, parking lots not included).

\*4.<The Energy Foundation> Study on Energy Conservation Potential and Promotion Mechanism for Civil Buildings in Beijing (P.25): 124 kWh/m<sup>2</sup> (office buildings, parking lots not included).

\*5.<UN and Indian Bureau of Energy Efficiency> Energy Efficiency Improvements in Commercial Buildings (P.14): 210 kWh/m<sup>2</sup> (office buildings, parking lots not included).

\*6.<ENERGY STAR> Technical Reference of the 2018 U.S. Energy Use Intensity by Property Type (P.4): 166.88 kWh/m<sup>2</sup> after conversion (office buildings).

**Delta Headquarters IT Data Center**

(Inaugurated in 2014)

LEED V4 ID + C Platinum  
(first in the world)

- 2022 PUE: 1.29
- Highest energy saving rate to date: 26.7%(compared to 2015)
- Electricity savings: 169,672 kWh

**Multi-purpose Building in AKO  
Energy Park in Japan**

(Inaugurated in 2017)

LEED Gold

- 2022 EUI: 109 < EUI Baseline: 165.57\*<sup>9</sup>
- Highest energy saving rate to date: 50%(Compared to green building application documents)

**America Headquarters**

(Inaugurated in 2015)

LEED Zero-Energy Consumption  
Certification  
LEED Platinum

CBE Annual Livable Buildings Award  
WELL Health-Safety Rating

- 2022 EUI: 0 < EUI Baseline: 166.88\*<sup>6</sup>
- Highest energy saving rate to date: 100%(Compared to traditional offices)\*<sup>10</sup>

**Taipei Headquarters -  
Ruey Kuang Building**

(Inaugurated in 1999)

EEWH-RN Diamond  
WELL Health-Safety Rating

- 2022 EUI: 75 < EUI Baseline: 153.1\*<sup>11</sup>
- Highest energy saving rate to date: 58%(Compared to traditional offices)

**Taoyuan R&D Center**

(Inaugurated in 2011)

LEED Gold  
EEWH Gold

WELL Health-Safety Rating

- 2022 EUI: 88 < EUI Baseline: 153.1\*<sup>11</sup>
- Highest energy saving rate to date: 53%(Compared to traditional offices)

**Chungli R&D Center**

(Inaugurated in 2017)

LEED Gold

- 2022 EUI: 86 < EUI Baseline: 153.1\*<sup>11</sup>
- Highest energy saving rate to date: 45%(Compared to office buildings)

**Tainan Plant Phase I**

(Inaugurated in 2006)

EEWH Diamond Grade  
WELL Health-Safety Rating

- 2022 EUI: 101 < EUI Baseline: 153.1\*<sup>11</sup>
- Highest energy saving rate to date: 38%(Compared to traditional offices)

**Taoyuan Plant 5**

(Inaugurated in 2015)

LEED Gold  
EEWH Gold

- 2022 EUI: 138 < EUI Baseline: 154\*<sup>2</sup>
- Highest energy saving rate to date: 19%(Compared to traditional offices)

**Chungli Plant 5**

(Inaugurated in 2021)

LEED Gold

- 2022 EUI: 91 < EUI Baseline: 154\*<sup>2</sup>

**Taichung Plant 1**

(Inaugurated in 2021)

LEED Gold Grade & EEWH  
Diamond Grade  
WELL Health-Safety Rating

- 2022 EUI: 49 < EUI Baseline: 154\*<sup>2</sup>

**Tainan Plant Phase II**

(Inaugurated in 2013)

EEWH Diamond Grade

- 2022 EUI: 66 < EUI Baseline: 153.1\*<sup>11</sup>
- Highest energy saving rate to date: 65%(Compared to traditional offices)

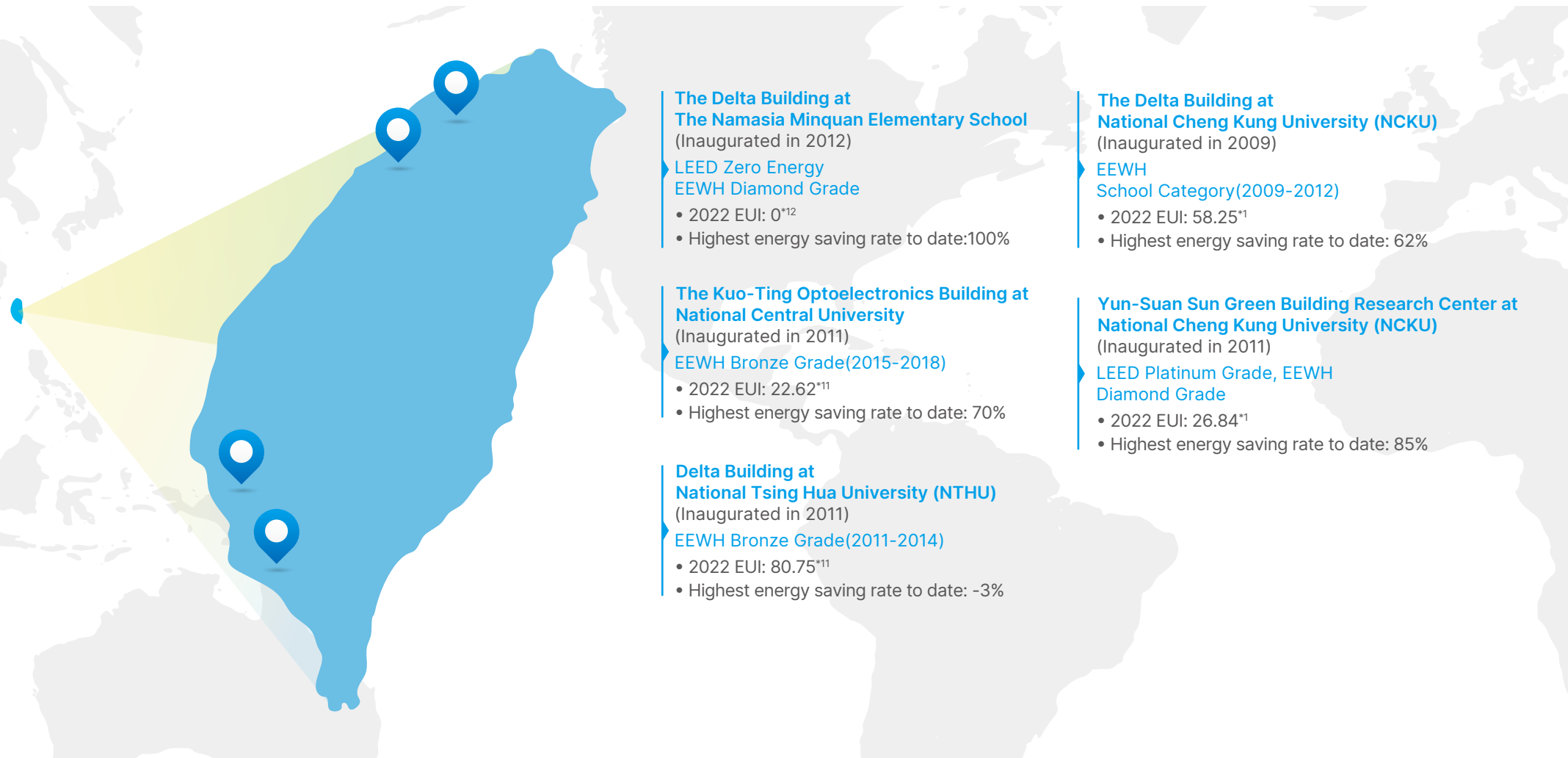
\*7.<European Commission>European Commission Buildings Database: 133.17 kWh/m2 (2014 Netherlands nonresidential buildings) As the pandemic subsided and business transactions increased in Europe in 2022, the number of employees and total work hours increased, which resulted in higher electricity consumption.

\*8.< LEED 2009 for Existing Buildings Operations and Maintenance Rating System>DET Plant 5 Green Building Application (According to the LEED 2009 for Existing Buildings Operations and Maintenance)-Baseline year 2010-2012 average EUI: 640 kWh/m2.

\*9.AKO green building application documents (according to LEED v4 commercial interiors, retail, hospitality minimum energy performance simulation requirements) simulation baseline value: 165.57 kWh/m2.

\*10.The American Headquarters was designed to have net zero energy consumption. It is equipped with 1.1MW of self-generated, and the self-generated and consumed renewable energy exceeded the purchased gray energy consumption in 2022 and therefore the EUI = 0.

## Energy-saving Solutions Adopted by Green Buildings Donated by Delta and Their Benefits



\*11.<Bureau of Energy, Ministry of Economic Affairs>2021 Energy Audit Annual Report for Non-Productive Industries (p.28): 76.6 kWh/m<sup>2</sup>(general university EUI, indoor parking lots not included)

\*12.<Ministry of Economic Affairs and Ministry of Education> Energy Conservation Action Plan for Government Agencies and Schools (page 19) approved by the Executive Yuan in 2021 elementary school group 2 EUI: 24 kWh/m<sup>2</sup>

## 5.4 Water Resource Management

### 5.4.1 Identification of Water Risks and Response Measures

#### Establishing Risk Assessment Mechanisms

Delta continues to strengthen operation management and risk identification to achieve sustainable cooperation with partners in the value chain and conduct indepth analyses of the risks of supply chain interruptions caused by risks of droughts derived from climate change. Delta uses the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI) to identify the risks of Delta's supply chain and global operation sites. We scored each risk based on the risk elements and the final results were used as the basis for Delta's internal decision making. We formulated corresponding measures to ensure adequate response capabilities, make adjustments before risks arise, and implement sustainable management of water resources. Delta shall continue to use the assessment methodology for high-risk plants and plan suitable measures for adaptation.

Value Chain	Risk Factors	Baseline water stress				
		Extremely High	High	Medium - High	Medium-Low	Low
<b>Supply Chain</b> <b>Entities at Risk</b> Tier 1 suppliers with whom we have continuous transactions in 2022	<ul style="list-style-type: none"> <li>Hazards: Use the tools of the World Resources Institute (WRI) for hazard classification</li> <li>Exposure: Rating based on the amount of purchases made from suppliers</li> <li>Vulnerability: Determined by the industry characteristics (sensitivity to water usage) of the supply chain</li> </ul>	2.9%	20.1%	5.5%	3.5%	68.1%
<b>Global Operation Sites</b> <b>Entities at Risk</b> Sales offices, plant sites and R&D centers	<ul style="list-style-type: none"> <li>Hazards: Use the tools of the World Resources Institute (WRI) for classification</li> <li>Dependency: Classification based on the water consumption and standard deviation of the plant in previous years</li> <li>Severe: Classification based on the production value and standard deviation of the plant in previous years</li> <li>Probability: Past flooding/droughts are used as the criteria</li> </ul>	13.6%	13.1%	13.1%	5.7%	54.5%
		<b>Total water withdrawal (ML)</b>				
		246.2	1,803.1	306.6	38.6	1,915.8



## Water Risk Adaptation and Response

### Supply Chain

- According to the weighted score, the risk distributions of suppliers are medium-high (18.6%), low-medium (78.4%), and low (3.0%).
- Delta shall share the water conservation experience of Delta's own plants and green buildings with suppliers in high-risk areas to plan for climate change mitigation and adaptation.
- Delta shall evaluate suppliers' water resource management and short, medium, and long-term response strategies based on the feedback in the questionnaire to strengthen the sustainability of the value chain and enhance the Company's influence in achieving corporate sustainability.

### Global Operation Sites

- According to the weighted score, Delta Thailand 1 is classified as a plant at risk. We proposed related water conservation measures to reduce water consumption demand.
- With regard to direct operations, Delta has established its own water conservation targets and evaluated the current conditions and future water shortage risks according to RCP 2.6 (2°C warming) and RCP 8.5 (Business as Usual, BAU) scenarios of IPCC AR4 to enhance regional water resource resilience and achieve sustainability in water consumption. The risk values derived from the analysis are used as the basis for financial impact estimates.
- Delta shall continue to use the assessment methodology for high-risk plants and plan suitable measures for adaptation. In addition to reducing the impact of floods, these measures will also increase the number of days for sustained operations.
- Increase wastewater treatment and recycling: Reduce dependency on tap water
- Delta evaluated individual risks of the sources of water resources for formulating corresponding measures to ensure adequate response capabilities and to make the most resilient adjustments before risks arise, in order to implement sustainable management of water resources.



▲ High efficiency water pump system



▲ Smart monitor

## 5.4.2 Consumption and Effectiveness of Water Resources

### Implementing Water Resources Management

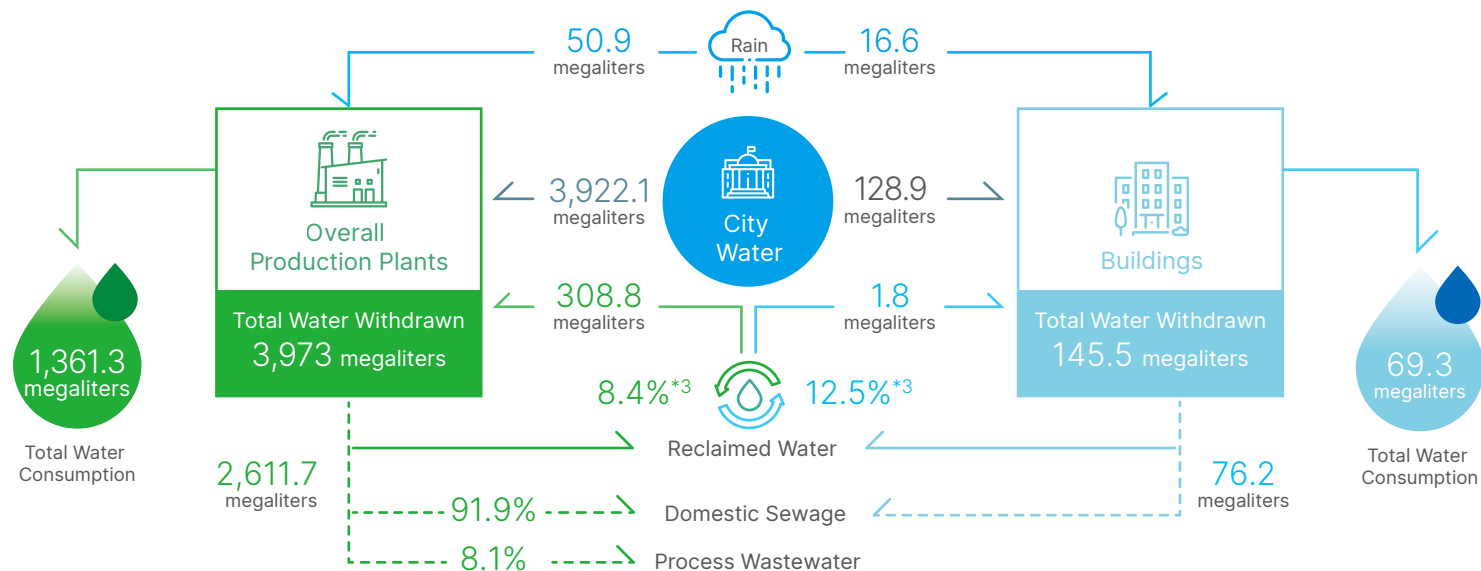
Delta is keenly aware of the connections between water safety and the welfare of people and industries. The issues have been extended from the environment to human rights and economic development. Among the 17 Sustainable Development Goals of the United Nations, SDG 6 "Clean Water and Sanitation" aims to ensure availability and sustainable management of water and sanitation for all.



### Promoting Water Conservation and the Use of Recycled Water

The sources of water of Delta's overall production plants<sup>\*1</sup> consist mostly of tap water (99.0%) which is mainly used in cooling towers, restaurants, and daily general sanitation for cleaning bathrooms. In 2022, Delta's total volume of water withdrawn for overall production plants was 3,973 ML (rainwater reuse 50.9 ML). Total water consumption was 1,361.3 ML and water discharge was 2,611.7 ML (91.9% domestic sewage and 8.1% process wastewater). Total volume of water recycled was<sup>\*2</sup> 359.7 ML and recycled water usage rate was<sup>\*3</sup> 8.4%. The total volume of water withdrawn for buildings<sup>\*4</sup> was 145.5 ML (rainwater reuse 16.6 ML). Total water consumption was 69.3 ML and water discharge was 76.2 ML. Total volume of water recycled was 18.4 ML and the recycled water usage rate was 12.5%.

A total of 37 new solutions for production sites and buildings have been implemented in 2022, including: rainwater retention and reuse, condensate recycling, outlet pressure control, and equipment adjustment and improvement, saving a total of 108.8 ML of water consumption.



Production Plants	Buildings
<p>2022 Water productivity intensity (WPI) was 366 metric ton/MUSD for Delta's overall production plants. A decrease of 21.3% compared to 2020. The main reasons are as follows:</p> <ul style="list-style-type: none"> <li>• Inclusion of the cooling water circulation system for machinery</li> <li>• Recycling of concentrate discharge from the RO pure water system</li> <li>• Installation of conductivity control pumps/drainage for machinery</li> </ul>	<p>The WCI of 7 buildings in 2022 was 16.9 metric tons / number of people/year, a decrease of 23% compared to 2020 mainly due to the following reasons:</p> <ul style="list-style-type: none"> <li>• Fish pond filtering system update reduced water replacement frequency</li> <li>• Adjustment of the control valve for the pure water system to electronic control</li> </ul>

\*1.Overall production plants: Dongguan, Wujiang, Wuhu, and Chenzhou Plants in Mainland China; DET plant 1, 3, 5, and 6; Taoyuan Plant 1, Taoyuan Plant 2, Taoyuan Plant 5, and Pingzhen Plant in Taiwan; Cynotec Hsinchu and Huafeng Plants  
 \*2.Total water recycled= (reclaimed water + rainwater).  
 \*3.Recycled water recycling rate = total water recycled / (total water withdrawn + reclaimed water).  
 \*4.Seven buildings including Ruey Kuang, Yang Guang, Taoyuan Plant 3, Chungli RD, Tainan 1 & 2, and Shanghai Technology Development; excluding Dongguan Technology Development, Wujiang Technology Development, Japan, USA, and Germany.

## Wastewater Management

All waste (sewage) water from Delta's overall production plants and buildings is either properly treated by suitable wastewater treatment facilities, or directly discharged to waste (sewage) water plants designated by the local management center. For sites where no flow meter is installed, the sewage discharge is estimated to be 80% of the water consumption; while wastewater discharge of Taoyuan Plant 5, Pingzhen Plant, Cytotec Hsinchu, and Cytotec Huafeng is calculated by actual monitoring and inspection of discharge volume.

The quality of discharge across all plants is in compliance with current legal regulations, and we regularly test the waste (sewage) water quality to ensure that no material impact occurs to the surrounding environment from receiving the water. No material leakage or overflow occurred at any production plant in 2022.

## Water Discharge by Quality and Destination

Region	Production Plants	Discharges (ML)	Concentration of Effluent (mg/L)			Processing Unit	Receiving Water
			Total Suspended Solids	Biochemical Oxygen Demand	Chemical Oxygen Demand		
Taiwan HQs	Taoyuan Plant 5	1.5	58.5	103.0	222.0	Guishan Industrial Park Wastewater Treatment Company	Nankan River
	Pingzhen	1.2	31.6	34.9	52.2	Treatment within the plant	Dakengque River
	Cytotec Hsinchu	174.5	3.6	5.6	25.1	Hsinchu Science Park Wastewater Treatment Company	Keyaxi River
Mainland China	Cytotec Huafeng	34.7	116.7	33.8	109.9	Yundong Wastewater Processing Company	Wusongjiang River



## 5.5 Resources Management

### 5.5.1 Enhancing Circular Recycling and Reuse

#### Promotion of the Circular Economy in Separate Stages

Delta offers a diverse range of software and hardware products with its three major business groups for power electronics, automation, and infrastructure. Its product portfolio includes components, power and system, fans and thermal management, automotive electronics, automation equipment, communication power systems, data center infrastructure, network systems, electric vehicle charging, and energy storage systems. To strengthen resource recycling and reuse, Delta will promote the circular economy in separate stages from the introduction of an assessment methodology to focusing on strategies and indicators, and setting targets for formulating a circular economy plan.

From 2021 to 2022, we proposed 17 products for trial operations in the circular economy evaluation meetings to introduce the evaluation methodology for product circular economy programs. We inventoried the current state of the products and value chain resources and discussed a total of 60 potential circular economy solutions. Then we used the above evaluation process to focus on four major circular strategies that fit the characteristics of Delta's products and services, including the design for circularity, circular sourcing and manufacturing, shifting from products to services, and product value recovery. From these strategies, we defined quantifiable indicators that will serve as the basis for future objectives in the circular economy plan.

#### Expansion of the Use of Recyclable and Renewable Building Materials

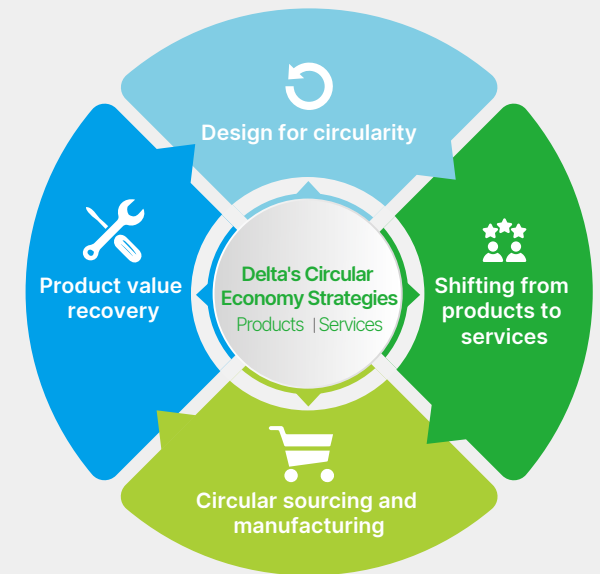
To fulfill and expand its responsibilities as a producer, Delta set source and output waste reduction targets in 2017 and created a venous economy supply chain with the discarded scraps of PCBs from the production process and connections with all partners in 2020. The supply chain starts with Delta's production and we work with waste disposal and processing companies, circular material design consultants, renewable building material producers, architects, and construction companies to create a renewable building material demonstration and application project.

With Delta's active support, recycled building materials were used for the exterior walls of the control building and weighing room of the Taoyuan Biomass Energy Center in 2022. We used approximately 8 metric tons of waste PCBs to produce 550 square meters of recycled building materials, which was equivalent to reducing nearly 12 metric tons\* of carbon emissions. In the same year, Delta successfully used the renewable building materials for footpaths and landscaping in the greening areas in Taoyuan Plant 3 and Taoyuan Plant 5. In late May, Delta used renewable building materials as an anti-corrosion decorative wall in the "Zero-Carbon Community" exhibition in COMPUTEX Taipei to support the theme of the exhibition of using technology to empower the transition to sustainability. In early October of the same year, Delta's "Sustainable Island" installation art made with recycled materials was exhibited at the Taiwan Design Expo, which attracted the attention of visitors. It was moved to the lobby of Delta's Taoyuan Plant 3 in late October for use by employees and visitors as a place to rest. It also served as a demonstration of the circular economy to inspire more innovation.

\*1.The project used 8 metric tons of PCB waste with approximately 43% glass fiber powder (3.44 metric tons) and the carbon reduction benefits included:

- Reduction of emissions due to incineration totaling 0.617 metric tons of greenhouse gas emissions X 3.44 metric tons of glass fiber = 2.12 metric tons CO<sub>2</sub>e;
- Reduction of emissions due to the reduced extraction of new materials totaling 2.76 metric tons of greenhouse gas emissions X 3.44 metric tons of glass fiber = 9.5 metric tons CO<sub>2</sub>e

#### Delta's Circular Economy Strategies



"Sustainable Island" installation art made with recycled materials was exhibited at the Taiwan Design Expo

## 5.5.2 Waste Generation and Effectiveness

### Implementation of Waste Management

Delta established its "Water Conservation and Waste Reduction Management Committee" in 2016. In order to achieve sustainable use of resources and ensure proper handling of waste, the Committee analyzed the sources and types of waste output, and identified potential for reuse by combining respective internal and external resources. In 2019, Delta began to introduce the UL 2799 zero waste landfill certification and production sites in Dongguan and Wujiang obtained UL 2799 Platinum certification. Delta continued to promote waste reduction measures, and a total of 61 waste reduction projects were implemented in the overall production plants in 2022<sup>\*1</sup>, including recycling of packaging materials, adjustments to reduce the use of solvents, and sludge moisture content reduction, which resulted in a total of 1,480 metric tons of waste production savings and reduced expenses by approximately 0.4 MUSD.

The data on Delta's waste generation were reported by the plants in the internal ESG data platform at regular intervals and placed under the centralized management of the system. The plants and buildings retain the weighing records and government report data for reference. The management units track the vehicles of the institutions responsible for disposal and perform audits from time to time.

Statistically, the total weight of waste for overall production plants which are disposed by qualified disposal institutions was approximately 49,272 metric tons in 2022, of which, non-hazardous waste accounted for 45,352 metric tons (92%), and hazardous waste accounted for 3,920 metric tons (8%).

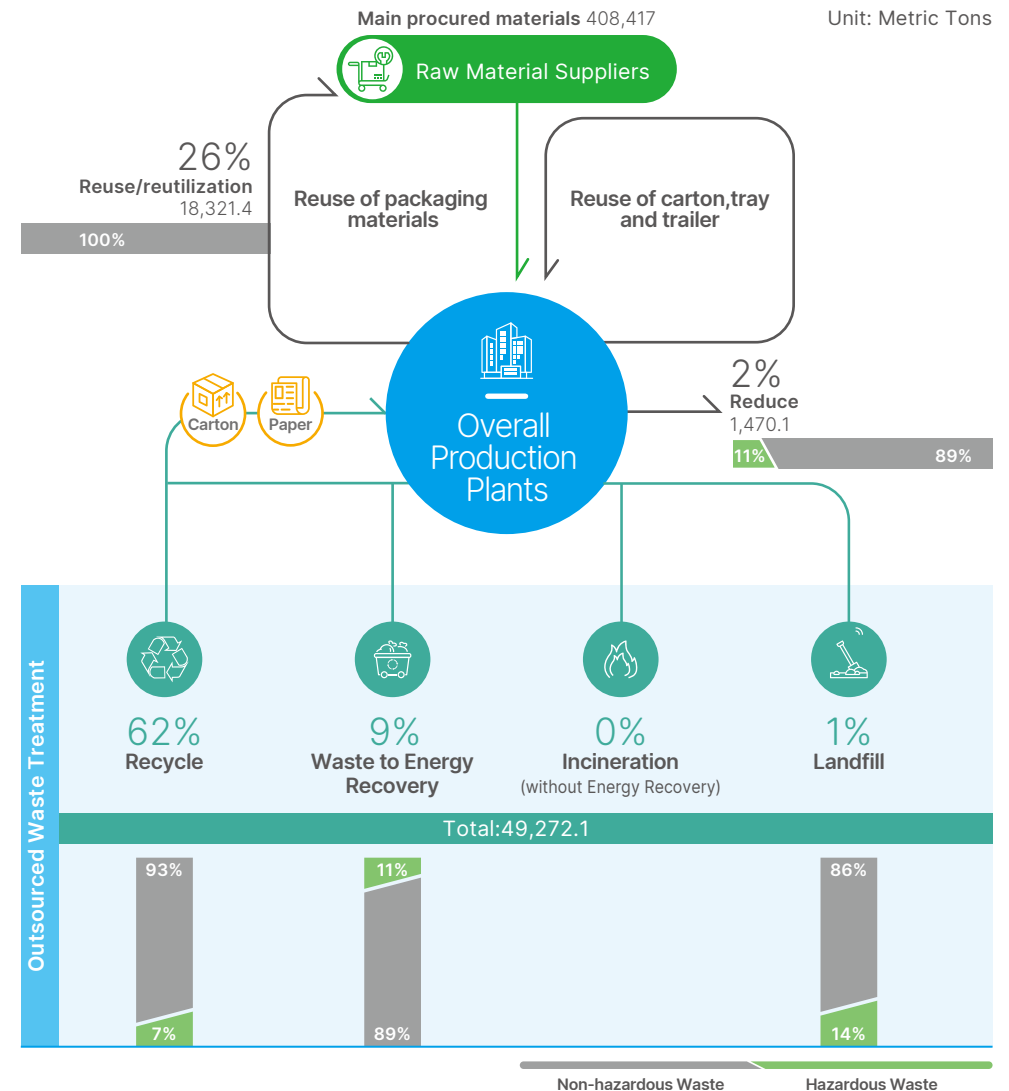
### Waste Reduction in Value Chain

Delta's waste reduction starts with its own improvements and it collaborates with the value chain to facilitate effective use of resources and reduce waste. Delta's overall production plants have quantified value chain collaboration and overall effectiveness. The total amount of waste generated was 69,064 metric tons, and the total amount of all waste diverted was 68,403 metric tons, with a diversion rate<sup>\*2</sup> of 99%. The income from waste recycling totaled 16.193 MUSD.

\*1. Overall production plants in Dongguan, Wujiang, Wuhu, and Chenzhou Plants in Mainland China; DET plant 1, 3, 5, and 6; Taoyuan Plant 1, Taoyuan Plant 2, Taoyuan Plant 5, and Pingzhen Plant in Taiwan; Hsinchu and Huafeng Plants,

\*2. Waste diversion rate = reuse + reduction + recycling + waste energy recovery + anaerobic digestion + biofuel + composting / total weight of waste generated; of which, the percentage of waste energy recovery must be less than 10%.

Value Chain Waste Flow Chart of Overall Production Plants





## 5.6 Green Products

### 5.6.1 Green Design

#### Life Cycle Assessment

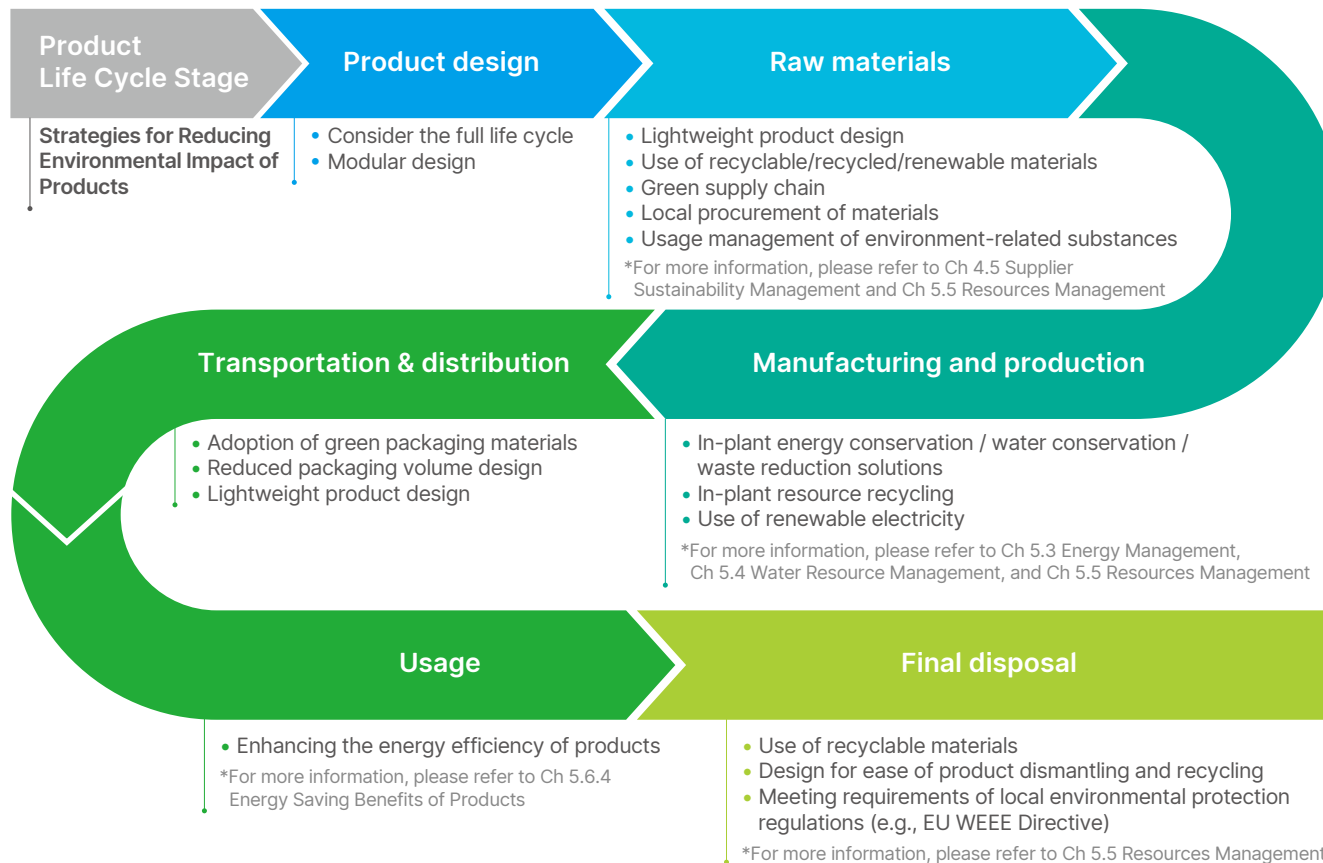
Life Cycle Assessment (LCA) is a systematic analysis method for environmental impact caused in each phase of input and output from acquisition of raw materials, manufacturing and assembly, transportation and distribution, and use to final disposal. In order to reduce the impact of products on the environment, Delta conducted a full-scale LCA and Screening LCA on the environmental impact of respective products according to the international standards ISO 14040 and ISO 14044 in each phase, and introduced green design.

Since 2010, Delta has selected several representative products to perform product carbon footprint research based on the Life Cycle Assessment methodology in accordance with PAS 2050 and ISO 14067 standards. This included the carbon footprint inventory of notebook external power supply units (adapters), DC fans, PV inverters, high-efficiency rectifier modules, switching power supply, and DC/DC modules for EV powertrain, for which third-party certificates were obtained. By summarizing the results of several products' LCA, it shows that the environmental impacts from the "use phase" of Delta's core products is currently most significant during their actual life cycle, while "acquisition of raw materials" comes in second.

Delta has a large variety of products, and for this reason, we calculate our product carbon footprint in separate phases. In 2022, the Supply Chain ESG Committee assembled a business group for the comprehensive product carbon footprint system project and published the Delta Group's Product Carbon Footprint Strategies. We expanded the types of products including an adapter, power choke, stator, DC fan, LED high bay lights, wireless AP, electric vehicle charger IC-CPD, digital projector, and integrated low-voltage DC brushless vehicle motor for the carbon footprint calculation and verified in accordance with ISO 14067. We adopt the existing Delta Material Carbon Emission Database and established a product carbon footprint calculation mechanism as well as international carbon emission factor databases to create a platform of knowledge. We analyze product carbon footprint hot spots and opportunities for carbon reduction, and will use circular business models, product green design, partnerships with low-carbon raw material suppliers, energy conservation and renewable power operation in plants, setup of green logistics, waste management, and continuous engagement, communication and encouragement for value chain partners to jointly accelerate product carbon footprint reduction actions.

## Continuous Reduction of the Environmental Impact of Products

Delta has upheld the mission statement "To provide innovative, clean and energy-efficient solutions for a better tomorrow" and prioritizes green design and circular design throughout the product life cycle from the design of source products to the final disposal. We continue to develop and innovate energy-efficient products and solutions to provide efficient and reliable integration solutions and services for energy conservation. We continue to provide training programs for circular design, including the principles of making changes at the source, using waste as resources, maintaining high-value use, and considering pathways for the circular economy. We introduce strategies for circular design, choosing smart materials, providing product access, extending product life, and creating product residual value to design products or services from a product life cycle perspective and reduce resource consumption and environmental impacts.



2018 → NOW

Delta's brand Innergie has gradually reduced the size of product packaging and uses environmentally friendly packaging materials

Since the end of 2022, Innergie has adopted zero-plastic packaging for its flagship One For All charger in separate phases across the globe. We completely removed the plastic window and the inner linings of the products and replaced them with FSC Mix paper. We also performed a complete inventory of the volume of products and digitalized the instruction manual. We continued to utilize structural design to maximize shared use, which provides products that have the same dimensions with packaging materials of the same specifications across the world to support the spirit of One for All.

Based on 2022 sales statistics, Innergie's transition to zero-plastic packaging is expected to reduce plastic use by at least 2.5 metric tons each year. The transition will reduce the volume of the same products by up to 60% compared to the old packaging, and will significantly increase the efficiency of logistics.



## 5.6.2 Hazardous Substance Policy and Management

Since 2002, Delta has established the Delta Environmental Hazardous Substance Management Policy and Regulations. Delta's product design to manufacturing process, including the components, process chemicals, jigs, and packaging materials that make up Delta's products, are all included in the management system in order to achieve the most comprehensive management. It is Delta's responsibility and contribution as a global citizen to insist on producing excellent products that meet green regulations and enhance performance.

Monitoring Legislative Changes	Delta's Hazardous Substance Process Management System	Implementation	Disclosure of Hazardous Substances
<p>In line with Delta's diverse product development, Delta continues to pay attention to various regulations related to hazardous substances, such as the "Restriction of Hazardous Substances in Electrical and Electronic Equipment Directive" (RoHS), which is the main regulation for electronic products in the European Union; the European Union's "Registration, Evaluation, Authorization and Restriction of Chemicals" (REACH); "Persistent Organic Pollutants Regulations" (POP); the automotive industry's mainstream "Global Automotive Declarable Substance List" (GADSL); the Safe Drinking Water and Toxic Enforcement Act of the United States, also known as "California Proposition 65" (Prop 65); the "Toxic Substances Control Act" (TSCA) list of the U.S. Environmental Protection Agency; to Japan's "Chemical Substances Control Law" (CSCL). We pay advance attention to these regulations, and at least one year before the implementation of the regulation, we incorporate into our management standard and implement the introduction.</p> <p>EU and US regulatory authorities have shifted their focus to per- and polyfluoroalkyl substances (PFAS) in recent years. The US TSCA and the EU's POP/REACH directives have added new management plans, and the electronics industry is trying hard to respond and adjust to the changes.</p>	<p>Delta introduced the IECQ QC 080000 Hazardous Substance Process Management System to ensure a consistent set of standards for hazardous substance management. We also set up a comprehensive internal process for hazardous substance management from material evaluation and material numbering to material procurement with Product Lifecycle Management (PLM) and enterprise resource planning (ERP). We use the Delta EC Suppliers exchange platform as an interface to publish the latest hazardous substance management regulations. We will then subsequently obtain a declaration based on the material number and conduct new supplier evaluations based on the same management regulations.</p> <p>We currently impose restrictions on more than 500 hazardous substances in approximately 13 categories including heavy metals, flame retardants, plasticizers, and persistent organic pollutants.</p>	<p>When there are significant adjustments to external laws and regulations or Delta's policies, the Delta Environmental Hazardous Substance Management Policy and Regulations content will be discussed across business groups to reissue the regulations and confirm the schedule. The frequency of adjustment is once a year. Under the management regulations, each plant has established detailed control procedures, including material recognition, testing requirements, reports, and declaration requirements. Each plant has a dedicated staff responsible for handling quality abnormalities and preparing environmental management material implementation plans. We have also incorporated supplier-end management and audit into the management scope by integrating VQA (Vender Quality Assurance) supplier audits with incoming material inspection and sampling, parts engineering units, and materials units to establish a complete hazardous material management system.</p>	<p>The composition of electronic products is complex, and the most major concerns of customers are the substances of very high concern under EU REACH and RoHS exclusion-related statements. Take power supplies as an example, there are mainly 17 disclosed substances in Delta's electronic products, including resin materials and additives, metal surfaces, electrical contact alloys, electrolyte additives, ceramic material additives, flame retardant, such as antimony trioxide, boric acid, and siloxane.</p> <p>In addition to disclosing hazardous substances in response to customer demand, Delta has also begun to compile data on all of Delta's hazardous substance management indicators in response to investor expectations. All products in the power supply business group comply with the IEC 62474 Material Declaration for Products of the Electrotechnical Industry. We also completed the International Material Data System (IMDS) reference settings for automotive product lines.</p>

## Progress on the Response to the Latest Legislation

In 2022, the European Commission proposed to add tetrabromobisphenol A (TBBP-A) and medium-chain chlorinated paraffins (MCCPs) to the list of restricted substances in the RoHS Directive. Delta had evaluated and completed the phasing out of such substances many years ago and will thus be compliant with the latest RoHS changes in the shortest possible time.

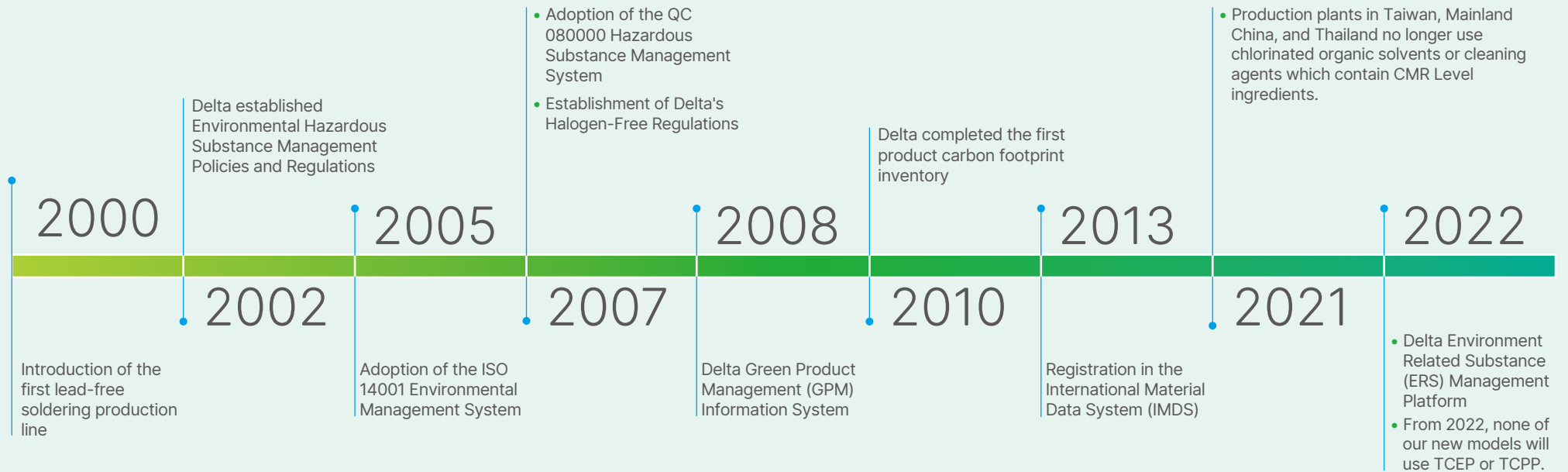
EU and US regulatory authorities have shifted their focus to per- and polyfluoroalkyl substances (PFAS) in recent years. As PFAS is both carcinogenic and non-degradable in the natural environment, the industry must exercise greater caution in its use. Due to its stable nature and high performance, PFAS is commonly used in electronic products. Delta will launch an inventory in 2023 and a reduction plan is expected to be proposed in 2024.

## Delta's Phase-Out Program for Hazardous Substances

Since Delta's introduction of the first lead-free soldering production line in 2000, it has eliminated hazardous components that do not comply with regulations, and has actively reviewed the materials used. In 2007, we established the Delta Halogen-Free Standard to ensure that Delta's products comply with market trends and regulatory requirements for the use of halogenated substances.

## Targets and progress for flame retardants and plasticizers

Delta also continues to carry out more control and evaluations of flame retardants and plasticizers for continuous optimization. For example, phosphorus-based flame retardants were used in the past to replace brominated flame retardants to achieve the halogen-free goal (chlorine and bromine). But several phosphorus-based flame retardants were later found to be more biotoxic so they were phased out again, while a number of phosphorus-based flame retardants and plasticizers with higher biotoxicity have been banned. The phasing out is expected to be completed by 2023 to be above the regulatory requirements. In new products produced after 2024, we will adopt higher standards to provide safer products and services. Our ultimate goal is to achieve seamless conversion and we continued to incorporate halogen-free replacements. From 2022, none of our new models will use Tris(2-chloroethyl) phosphate (TCEP) or Tris(1-chloro-2-propyl) phosphate (TCPP).



### Rare Metals





Delta uses rare metals for certain elements of its electronic components, particularly rare metals defined by SASB such as cobalt, gallium, graphite, tantalum, and palladium. In response to the issue of the scarcity of metals, Delta conducts regular inventories and evaluates the feasibility of product use in the circular economy to manage the use of rare metals. Gallium plays a critical role in the next generation of semiconductor power components. Rare elements such as cobalt, tantalum, palladium, and antimony are widely adopted in a variety of passive components such as resistors, capacitors and magnetic components. Rare earth elements are also indispensable parts of passive components.

## 5.6.3 Eco-labels and Eco-declarations

### Type I . Eco-labels

Type I Eco-labels conform to the specification standards of organizations or governments, and have been verified by third parties. Trademarks are easily identified by clients and consumers.

#### Delta's Type I Eco-labels

	Taiwan Green Mark	45 projector products have obtained the Taiwan Green Mark
	Taiwan Energy Label	87 products have obtained the Taiwan Energy Label (including indoor lightings, road lightings, bathroom exhaust fans)
	China Environmental Labelling	71 products were certified by China CEC*1
	ENERGY STAR Most Efficient Products	95 products received ENERGY STAR's highest certification for efficiency (including ceiling fans and ventilating fans)
	80 PLUS Certification	442 power supply products certified by 80 PLUS




\*1.They do not include phased-out products

### Type II . Environmental Declarations

Data collected from Streamlined Life Cycle Assessments (SLCA) of several of our products shows that the environmental impact from the use phase of Delta's core products is most significant during their actual lifecycle. We therefore implement product environmental information disclosure while improving product energy efficiency, and integrate this with the ISO 14021 Self-Declared Environmental Claims and the ISO 14025 Environmental Product Declaration (EPD).

Delta launched the "EnergE" program for telecom power supply in 2010, which assigns different ratings based on product performance in energy efficiency. These include a green label for 95% to 96%, gold label for 96% to 97%, and purple label for efficiency higher than 97% to help customers distinguish between products.

#### EnergE Product Label Examples

	▶	Efficiency > 97%
	▶	Efficiency 96% ~ 97%
	▶	Efficiency 95% ~ 96%



## 5.6.4 Energy Saving Benefits of Products

Delta continues to enhance product energy efficiency and to develop integrated green energy products, energy-saving products and solutions, which help clients conserve more energy and achieve even higher cost-effective performance. Based on the shipment of power supplies, direct-current fans, uninterruptible power supplies, variable-frequency drives, LED lamps, electrical ballasts, PV inverters, and direct-current EV chargers shipped between 2010 and 2022, Delta's high efficiency products saved customers an estimated 39.9 billion kWh of electricity and reduced carbon emissions by 21.05 million metric tons CO<sub>2</sub>e.

In 2022, Delta's products saved, in total, 4.02 billion kWh of electricity and reduced carbon emissions by approximately 2.046 million metric tons CO<sub>2</sub>e<sup>\*1</sup>. In 2015, Delta was the first in the industry to introduce product energy-saving calculations into ISAE 3000 assurance. Since then, Delta has added product items each year and accomplished assurance of ISAE 3000 product energy conservation for 11 products by 2022. For more information, please refer to Appendix Ch 7.4 Summary of Information Assured (ISAE 3000)

\*1.The electricity emission coefficient cited was based on the electricity emission coefficient of 0.509 kg CO<sub>2</sub>e/kWh for Taiwan in 2021.

### Eleven Types of Products Assured by ISAE 3000 in 2022

5.5 million kWh  
LED High Bay

32 million kWh  
Electronic Ballast

108 million kWh  
TV Power

115 million kWh  
AC-DC Adapter

58 million kWh  
LED Driver

44 million kWh  
LED Street Lights

31 million kWh  
Ventilating Fans (Bathroom Exhaust Fans)

5.5 million kWh  
PV Inverter (PVI)

3.39 billion kWh  
Computer and Networking Power

192 million kWh  
Uninterruptible Power Supply (UPS)

42 million kWh  
EV DC Charger



## 5.7 Biodiversity

Biodiversity loss has accelerated due to the impact of climate change. Humans' overconsumption of natural resources has also created systemic risks of the collapse of the ecosystem. In addition to its long-term focus on climate change, Delta incorporated biodiversity into its sustainability strategy in 2022. We will continue to support the Sustainable Development Goals (SDGs) with real actions and the core competencies of the Company.

### 5.7.1 Biodiversity Management and Implementation

Delta's Board of Directors passed the Delta Group Biodiversity Policy in 2022 to implement avoidance, minimization, restoration, offset and additional actions within the scope of corporate actions. Delta also works with upstream value chain and partners to achieve No Net Loss (NNL). We aim to achieve the ultimate goal of Net Positive Impact (NPI) by 2050.

In the same year, Delta started the analysis and establishment of related methodologies and organized internal biodiversity training programs to help employees learn about biodiversity issues and understand the relationship between climate change and biodiversity. Externally, we actively connect with domestic and international initiatives and have become a member of the TNFD Forum and a founding member of the Taiwan Nature Positive Initiative (TNPI). We monitor international trends and industry developments, and leverage the resources of internal and external partners to actively implement Delta's management of biodiversity issues.

**Delta Group Biodiversity Policy** [Click here](#)

#### Renewable Electricity Due Diligence Investigation Project

Delta joined RE100 and committed itself to attaining the goal of using 100% renewable electricity by 2030. To effectively reduce the potential ecological impact caused by the use of renewable electricity, Delta works with an ecological consulting company to create checklists and evaluation procedures for Delta's ecological due diligence for renewable electricity. We have conducted a literature review and learned about the potential impact of different types of renewable energy sites on the ecology. For instance, the direct

environmental impacts of flat-panel solar PV farms include the loss and fragmentation of natural habitats as well as the death of birds or bats that fly into the panels. Their indirect impacts include the shading created by the PV panels which changes the vegetation type and the composition of species. We thus compiled the types of impacts during the site selection, design, and operation phases. We also referenced the environmental and ecological evaluation and management procedures of renewable electricity sites domestically and internationally. We will develop methods to reduce the impact or implement restoration to minimize the ecological impact of the use of renewable electricity.

#### External Organizations/Initiatives

##### Taiwan Nature Positive Initiative (TNPI)

Delta was one of the first to join the Taiwan Nature Positive Initiative (TNPI) as a founding member in 2022. We work with domestic companies to take local actions for supporting the global target of "Net Positive by 2030 | Full Recovery by 2050". We also increased the resilience and management capacity of companies when responding to natural risks and opportunities. In addition to participating in courses and workshops, we also used the WBCSD Nature Readiness Assessment tool to examine our readiness for protecting nature. Delta will continue to participate in platform activities and work with members to maximize our local influence.



##### Member of the TNFD Forum

The Taskforce on Nature-related Financial Disclosures (TNFD) launched the beta framework in 2022 and Delta disclosed the corresponding information for the four pillars for the first time in the 2021 ESG Report. To continue to monitor the latest trends, Delta evaluated its potential membership in the TNFD Forum in late 2022 and became an official member in 2023. We will participate in several online seminars organized by the TNFD Secretariat to obtain updates of the framework and related knowledge.

### 5.7.2 Task force on Nature-related Financial Disclosures (TNFD)

The Kunming-Montreal Global Biodiversity Framework (GBF) that passed towards the end of 2022 stated that the private sector must manage and disclose biodiversity-related risks to ensure a sustainable production model. Delta introduced the TNFD framework to establish a framework for nature risk management and disclosure. We will work to identify, assess, manage, and disclose nature-related dependencies, impacts, risks, and opportunities and continue to develop assessment methodologies to support global biodiversity targets by taking real actions. The 2022 data based on the Beta v0.4 framework published by TNFD in March 2023 are as follows:

Governance	
Guiding Principles	Response Measures

**Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.**

The highest-ranking supervisory authority of nature-related risks and opportunities is the ESG Committee. Mr. Bruce Cheng, founder and honorary chairman of Delta, serves as honorary chairman of the committee, while Chairman Yancey Hai acts as the chairman. The committee is composed of the following members: vice chairman, CEO, COO, CSO, and top regional operations and functional executives. The ESG Committee oversees staff organizations and execution units. The biodiversity implementation plans have been reported to the Board of Directors, which passed the Delta Group Biodiversity Policy in 2022.

**Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.**

Each department has different core businesses and capabilities, and their roles in nature-related issues are described as follows:

- The Corporate Sustainability Development Department is currently responsible for the analysis and evaluation of nature-related frameworks (TNFD, SBTN, and EP&L) and the development methodology to gradually intensify the Company's implementation of biodiversity issues and lead internal projects.
- The Supply Chain ESG Committee encourages suppliers to reduce their dependency and impact on key nature capital.
- Delta Electronics Foundation participates in international initiatives and uses the Company's core products to work with external partners for the restoration of coral reefs.

As the number of nature-related management issues increases, we expect other departments such as plant operations, human resources, and business groups to play different management roles in the future.

**Strategy**

**Guiding Principles**

**Response Measures**

**Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium, and long term.**

**Dependencies and impacts**

We used Encore to conduct a dependency and impact analysis. Delta's main production activities are electronics and hardware production, which has moderate dependencies on surface water and groundwater, and low dependencies on the dilution effects of the atmosphere and ecosystem. In terms of impact, as chemicals are often used in the production of electronic components, it has significant impact on water pollution and soil pollution. In addition, the production process creates solid waste and the noise affects the environment. They are defined as moderate impacts.

**Risks**

Delta defined short-term risks as those within two years, medium-term risks as those between two and five years, and long-term risks as those above five years according to the risk management framework and definitions.

- Short term: Use of renewable energy may cause the loss of biodiversity and damage the functions and integrity of habitats.
- Medium term: Water shortages may affect us through the supply chain (above tier 1 and tier 2) and water shortages may also directly affect our operation sites.
- Long term:
  - Ecosystem degradation.
  - Supply chain disruptions caused by shortages of raw materials.
  - Negative impact on the physical and mental health of employees due to the loss of biodiversity.
  - If the Company's operations affect the stability of the ecosystem, it will impact the community and other stakeholders and generate negative perceptions of the Company.

**Opportunities**

- Delta's Plant Factory is an integration of Delta's automation technologies, fan and heat dissipation solutions, LED lighting, and other products and systems. Its water consumption is lower than that of traditional farming and it is committed to providing a stable, toxic-free, low-carbon, and high-quality source of vegetables.
- The introduction of the circular economy can increase the use of renewable resources and reduce the impact on the environment.
- In addition to providing high-quality products, we work with customers to build smart and eco-friendly energy solutions.

**Describe the effect nature-related risks and opportunities have had and may have on the organization's businesses, strategy, and financial planning.**

We are currently evaluating suitable tools to analyze the impact of nature-related risks on upstream activities (tier 1 and above), company operations, downstream activities, and customers, and developing opportunities to create benefits for the ecosystem.

In terms of upstream raw materials, based on the weight of procured materials in 2022, metal materials accounted for 70.1% (288,937 metric tons), packaging materials accounted for 18.0% (74,064 metric tons), plastic materials accounted for 11% (45,416 metric tons), chemicals accounted for 0.5%, and other materials accounted for 0.4%.

We also used the research reports of external units to learn about the possible impact. For instance, the PwC report stated that although the electronics industry is less dependent on natural resources for the gross value added (GVA), it has a moderate dependence of 40% on the value chain, which can affect prices, procurement channels, and the volume of raw material procurement.



**Strategy**

**Guiding Principles**

**Response Measures**

Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios.

Discussion in progress.

Disclose the locations where there are assets and/or activities in the organization's direct operations, and upstream and/or downstream and/or financed where relevant, that are in priority areas.

- Overall assessment: We used Taiwan local data (open data such as protected areas, major habitats and biodiversity hotspots) and IUCN World Database on Protected Areas (WDPA) data to identify the spatial relationships between global operation sites, suppliers and the ecosystem. The current result showed that our overall production plants didn't locate in areas with significant biodiversity on a national or international level.
- Water shortage assessment: We used the Aqueduct Water Risk Atlas of the World Resources Institute (WRI) to screen overall production plants and tier 1 suppliers with whom we have continuous transactions in 2022 located in areas with high water risks. The results detailed in to 5.4.1 Identification of Water Risks and Response Measures.

**Risk and Impact Management**

**Guiding Principles**

**Response Measures**

Describe the organization's processes for identifying and assessing nature-related dependencies, impacts, risks and opportunities in its direct operations.

- Location data collection: We have collected the location information of Delta's global operation sites and some suppliers in 2022, and will continue to update the changing location information in the future and improve the accuracy and completeness of supplier location information.
- Spatial distribution map: We used Taiwan local data and international resources for preliminary site assessment. We will keep study more tools such as GloBio, iNaturalist, Biodiversity Networks and National Geospatial Information Database(Taiwan) to realize more the spatial relationships between sites and the ecosystem.

Describe the organization's approach to identifying nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s) and financed activities and assets.

- We are currently conducting a questionnaire survey based on the LEAP (Locate, Evaluate, Assess, and Prepare) assessment process to identify the nature-related dependencies, impacts, and risks to our direct operations, upstream and downstream value chains. We will keep develop methodologies to identify the nature-related opportunities.

**Risk and Impact Management**

**Guiding Principles**

**Response Measures**

<p><b>Describe the organization's processes for managing nature-related dependencies, impacts, risks and opportunities and actions taken in light of these processes.</b></p>	<p>We have set our strategies and principles in policies and commitments. To determine the sequence and process, the measures we adopted include avoidance, minimization, restoration, offset, and additional conservation actions.</p> <ul style="list-style-type: none"> <li>• Avoidance: We established a Biodiversity Policy and pledged that the Company should avoid setting up operations in or near recognized areas with significant biodiversity on a national or international level.</li> <li>• Minimization:             <ul style="list-style-type: none"> <li>-Site level: Adopt green building standards which comprehensively consider energy, greenhouse gas, water, waste, and biodiversity-related criteria.</li> <li>-Product level: Develop new products and business models that require fewer natural resources and pose lower pressure on the ecosystem.</li> <li>-Value-chain level: Include nature-related risks as one of the key items in the supply chain evaluation and due diligence investigation.</li> </ul> </li> <li>• Restoration: Fulfill the biodiversity criteria listed in the green building standards; build partnerships with our supply chain to reduce the negative impact on the ecosystem of raw material sourcing activity by sharing knowledge and evaluating the methods of acquiring materials.</li> <li>• Offset: Research the methodologies with experts and develop our process of assessing the feasibility of natural-based solutions such as non-deforestation and preserving biodiversity, by investing in permanent carbon removal and Natural Climate Solutions (NCS) credits.</li> <li>• Additional conservation actions: Partner with professional marine conservation teams to restore coral reefs, increase biodiversity, and sustain the ecosystem.</li> </ul>
<p><b>Describe how processes for identifying, assessing and managing nature-related risks are integrated into the organization's overall risk management.</b></p>	<p>Discussion in progress.</p>
<p><b>Describe how affected stakeholders are engaged by the organization in its assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.</b></p>	<p>Discussion in progress.</p>

**Metrics and Targets**

**Guiding Principles**

**Response Measures**

**Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.**

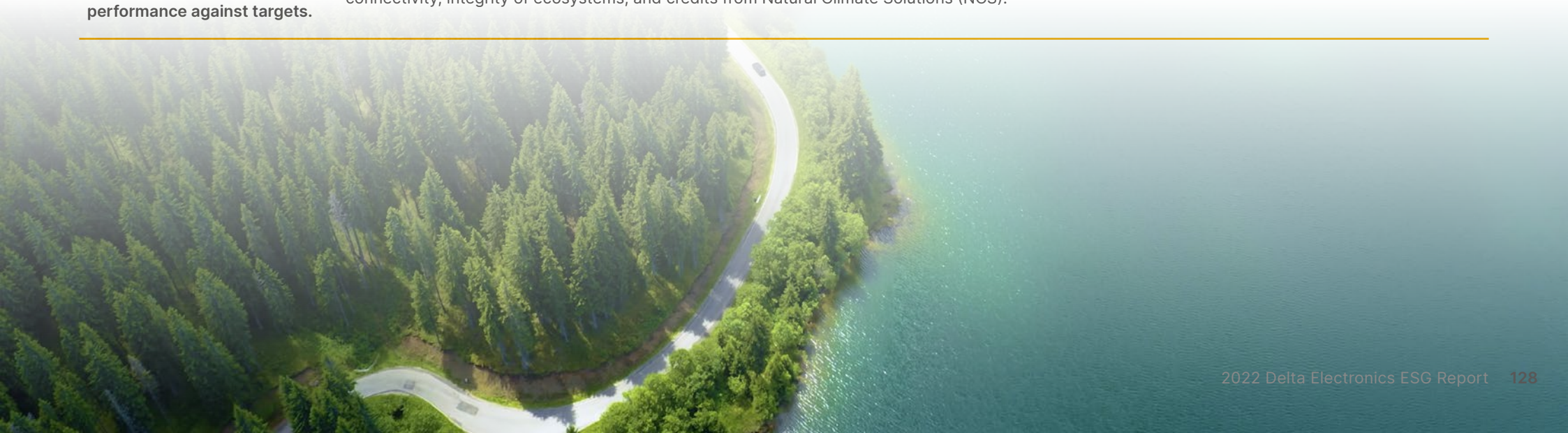
- Percentage of purchased printing papers with labels or certificates that prove non-deforestation.
- No beef provided in cafeterias.
- Amount of coral restoration planted and survived – which fulfill the health standard by the Coral Health Chart.
- Overall biodiversity scorecard.

**Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature.**

Discussion in progress.

**Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks and opportunities and its performance against targets.**

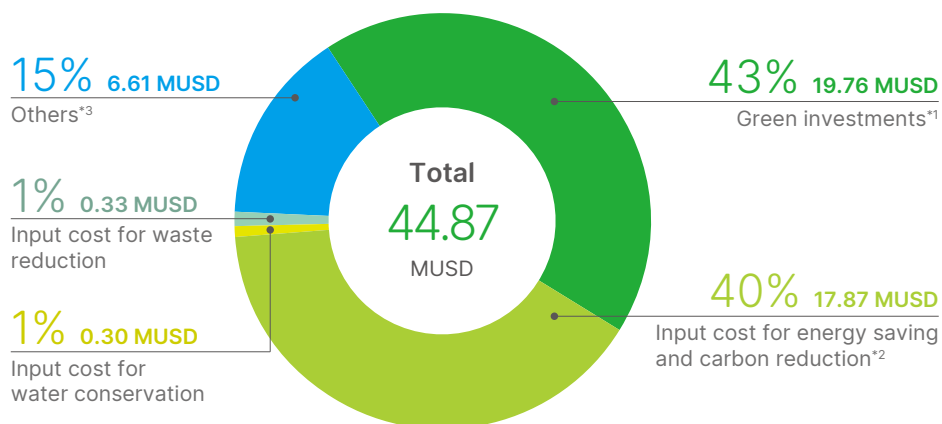
- We aim to purchase the Forest Stewardship Council (FSC) certificated printing paper only to reach a no deforestation target and has positive impacts on the environment, social development and governance by 2025.
- We aim to restore 28 coral species and plant more than 10,000 coral fragments propagate by 2025.
- We plan to reach a Net Positive Impact (NPI) target in 2050. The overall biodiversity score considers populations of specific target species, area, connectivity, integrity of ecosystems, and credits from Natural Climate Solutions (NCS).



## 5.8 Environmental Management

Delta upholds its corporate mission of "To provide innovative, clean and energy- efficient solutions for a better tomorrow". All production plants across the globe have passed third-party certification of the ISO 14001 Environmental Management System and promote environmentally friendly performance management.

### 5.8.1 Environmental Protection Expenditures



\*1.Including the construction of energy storage facilities, investments in low-carbon transportation (including EVs and charging facilities), energy attributes certificates (EACs), and the Company's solar PV facilities.

\*2.Including energy saving and PPA.

\*3.Including waste, air pollution and waste (sewage) water treatment fees, environmental testing fees, and management system verification costs.

### 5.8.2 Air Pollution Prevention and Management

All of Delta's plants have obtained emission permits in compliance with local environmental regulations and used best available treatment technologies for each pollutant type to ensure that environmental loads around the plants are minimized; moreover, gas monitoring is regularly scheduled at discharge outfalls of the plants. Currently, air pollutants generated by Delta include Volatile Organic Compounds (VOCs), Nitrogen Oxides (NO<sub>x</sub>), Sulfur Oxides (SO<sub>x</sub>), and particulate matter (PM).

The total VOCs in 2022 were calculated based on data from monitoring reports and operation time. The total emissions amount declared of VOCs in overall production plants was 439.1 metric tons. The VOCs mainly came from escaped asphalt (filled in electronic ballast) during the heating process, and volatile organic solvents (such as fluxes and isopropyl alcohol) and others. Nitrogen oxides (8.3 metric tons) and sulfur oxides (0.3 metric tons) came from testing or the emergency use of generators at plants, or from hot water furnaces in dormitories and kitchens, and both were in minute quantities. The total amount of suspended particulate matter generated was 45.4 metric tons.



# Employee Relations and Social Participation



## 6

- 6.1 Key Performance Indicators and Strategies
- 6.2 Diversity and Inclusiveness
- 6.3 Talent Attraction
- 6.4 Talent Learning Development
- 6.5 Competitive Employee Compensation and Benefits
- 6.6 Human Rights Protection
- 6.7 Social Participation
- 6.8 Occupational Health and Safety

## 6.1 Key Performance Indicators and Strategies

Number of All Employees

**85,684**  
people

Ratio of Female Managers

**32.0%**

Global Offer Letter Acceptance

**89.4%**

Ratio of Managers and Above with 3 Hours of  
Lectures<sup>\*1</sup>

**96%**

Ratio of Unduplicated Individual Users of the  
Online Learning Platform<sup>\*2</sup>

**60%**

Social Engagement Expenditures

**9.87**  
MUSD

Number of Volunteers

**1,249**  
people

Cumulative DeltaMOOCx  
E-Learning Video Views<sup>\*3</sup>

**>18**  
million

Lost-Time Injury Frequency Rate (LTIFR)<sup>\*4</sup>

**0.95**

\*1 Three hours of lectures for employees ranked managers or above = number of employees ranked managers or above who have produced one e-learning course or three hours of lecture by the end of the year / number of employees ranked managers or above at the end of the year.

\*2 Ratio of individual users of the online learning platform = number of individual users of the year / number of employees of the year.

\*3 Cumulative from 2015.

\*4 Lost-Time Injury Frequency Rate (LTIFR) = (recordable number of occupational injuries + recordable number of occupational illnesses) / total work hours \* 1,000,000.

## Aligning with UN Sustainable Development Goals



### Good Health and Well-being

- Delta offers EAP counseling, spiritual fulfillment, and club subsidies, and encourages employee engagement for mutual support towards better mental and physical health;
- Promotes prevention-oriented safety and health management systems to ensure worker safety;
- Regularly inspects workplace safety



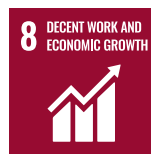
### Quality Education

- Delta continues to develop the DeltaMOOCx online learning platform and high-quality education to ensure that students who are unable to attend courses in schools can continue their studies during the epidemic;
- Offers incentives for talents to study abroad in disciplines related to the environment;
- Provides necessary and diversified learning resources to ensure that employees have the capabilities for completing their work;
- Continues to organize online training courses for energy management personnel to communicate industry energy management tips and help companies achieve the goal of net zero emissions.



### Gender Equality

- Delta implements gender equality measures that ensure female colleagues can sufficiently participate in decisions and enjoy equal opportunities for leadership roles in various fields and levels;
- Receives recognition such as the 2022 Excellent Enterprise Award from Taoyuan City in Welfare Benefits and Gender Equality



### Decent Work and Economic Growth

- Delta promotes courses for the Responsible Business Alliance and Delta's Code of Conduct to provide full employment and equal pay to persons with disabilities and minority groups;
- Utilizes diverse learning platforms such as in-person, e-Learning, and podcasts to achieve technology upgrades and innovative improvements that elevate the continued development of knowledge among colleagues.



### Industry, Innovation and Infrastructure

- Use cooperation between the industry, government, and academia to provide digital video and audio tools and actual experience to help students connect to the workplace seamlessly.
- Protect equal employment opportunities and provide diverse employment opportunities by launching comprehensive online and offline recruitment channels across the world and encourage talent retention by reinforcing long-term incentive measures.
- Ensure the presence of a talent pool for succession and the Company's stable operations





### Responsible Consumption and Production

- Delta comprehensively implements waste categorization and recycling, and prohibits the use of disposable plastic products and utensils in all factories.



### Life Below Water

- Delta trains its employees to take part in coral reef restoration;
- Organizes tours for screening marine life documentaries and exhibitions on the ecology to enhance public awareness of the importance of biodiversity.



### Climate Change

- Delta continues to offer in-person courses on WELL healthy building standard and LEED Zero online courses to help people understand how to maintain a healthy indoor environment and build energy-saving buildings;
- Organizes employees to carry out low-carbon transportation education programs in elementary schools near Delta plants to teach them about electric vehicles and increase the environmental protection awareness of the next generation.



### Peace, Justice and Strong Institutions

- Delta promotes a corporate culture of peace, compassion, diversity, and inclusion while practicing human rights management.



### Partnerships for the Goals

- Delta uses social media to communicate the latest energy and climate information and organize events at the United Nations Climate Change Conference to share energy transition case studies for islands.



## 6.2 Diversity and Inclusiveness

### 6.2.1 Diverse and inclusive employee composition

#### Diverse and inclusive policies

Delta has implemented DEI to build a diverse and inclusive workplace that is human-centric, open and embracing of new thinking, respects compassion and multi-party exchanges, and creates a highly collaborative environment. We value the diverse recruitment and staffing of persons with disabilities, gender diversity, ethnic and racial minorities. The circumstances of implementation are tracked annually to shape the composition of employees and executives at all levels.

#### Employee awareness and engagement

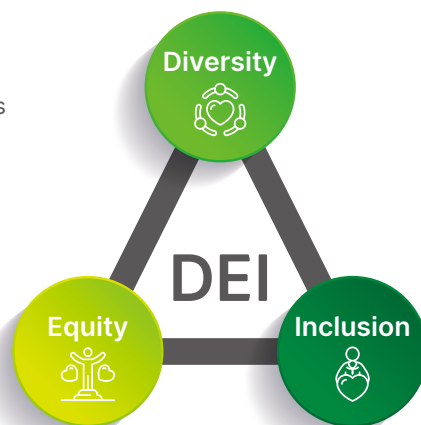
- Diverse recruitment and staffing channels and candidates
- Host DEI seminars and unconscious bias courses
- Events to celebrate International Women's Day

#### Data analytics of diverse groups

- Ratio of persons with disabilities and minorities groups amongst employees
- Ratio of female executives
- Analysis of remuneration according to gender

#### Collaboration between departments

- Established a department to conduct engagement surveys
- Factories provide migrant workers with dormitories and facilities



#### Employee Composition

Delta hires local workers and is concerned with employment opportunities for disadvantaged groups throughout the Company's global factories and operating locations. As of the end of 2022, the Company has directly employed a total number of 85,684 employees, including 30,620 technical specialists and management personnel, 55,064 operators (including production line assistants), and has 2,507 workers who are not directly-hired employees\*1. Due to the continued expansion of production capacity in the APAC, the number of employees increased by 4,546 (the growth rate of approximately 22.4%) compared to 2021 making it the highest growing region. Due to expansions to the R&D and engineering teams as well as new business developments, the number of employees in Taiwan increased by 2,438 (the growth rate of approximately 20.4%); the exceptional performance of smart manufacturing in the China region decreased the total number of employees by 7,282 (approximately 8.6%) compared to 2021.

Due to factors such as the nature of the tech industry and supply-demand of the employment market, Delta's management level and technical personnel are predominantly male. Delta's sustainable policy of diverse recruitment and staffing has allowed the ratio of female employees to exceed 60% in roles such as finance, human resources, manufacturing, and quality assurance resulting in the total ratio of female employees to achieve 50.6% or a 2.3% increase compared to 2021; at the end of the current year, the number of employees who were persons with disabilities totaled 1,144 and the number of employees from minority groups\*2 totaled 2,082.

\*1 Please refer to the Distribution of Workers Who are not Directly-hired Employees.

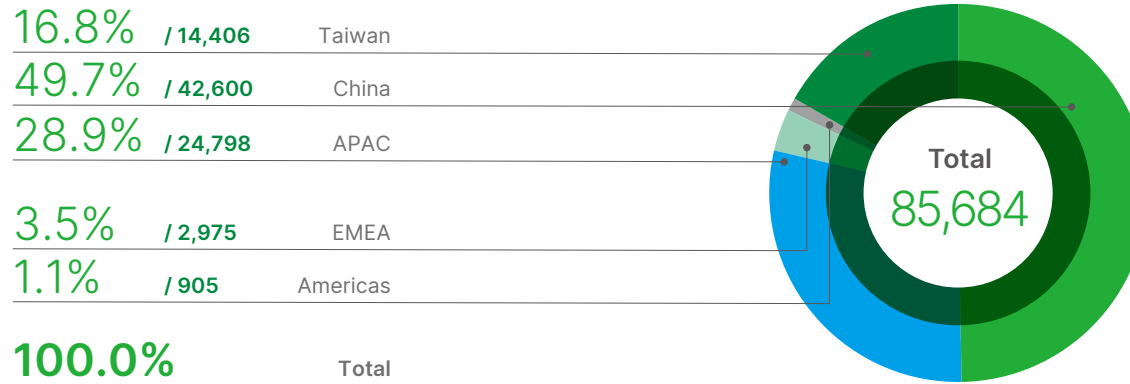
\*2 Definition of minorities:

Taiwan: Indigenous peoples of Taiwan totaling 102 persons

Mainland China: Non-Han ethnic Chinese peoples totaling 1,649 persons;

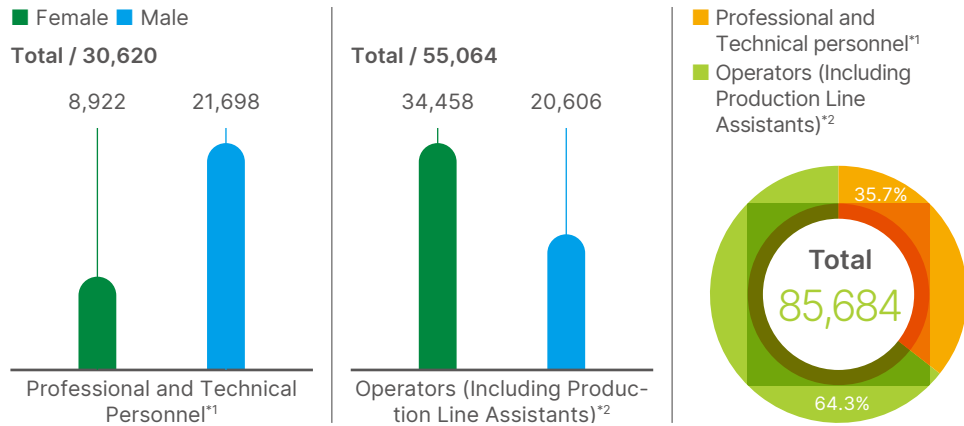
Americas: Native Hawaiians or other Pacific Islanders (non-Hispanic or Latino), American Indians or Natives Alaska (non-Hispanic or Latino), Asians (non-Hispanic or Latino), Hispanic or Latinos, Black of African Americans (non-Hispanic or Latino) and other ethnicities, totaling 331 persons.

### Ratio of Employees by Region \*3

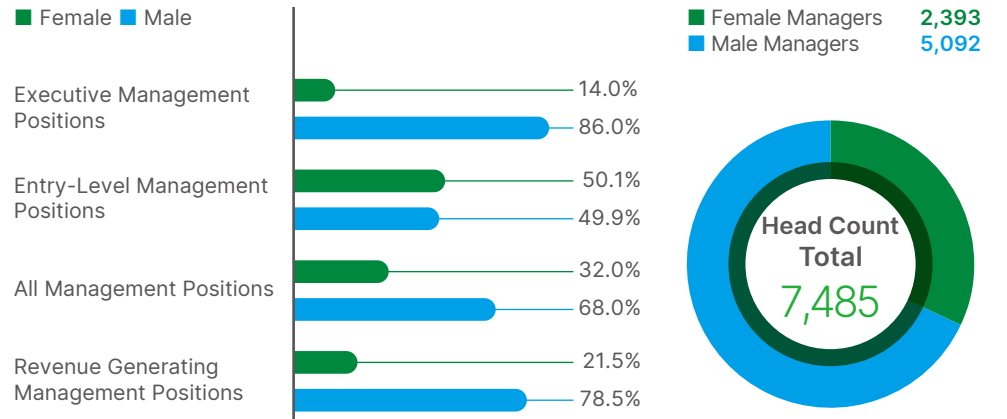


\*3 The number of employees in Taiwan includes manpower of Delta (Taiwan) along with subsidiaries Cyntec (Taiwan) and Vivotek (Taiwan); The APAC region refers to regions in Asia outside of Taiwan and Mainland China, including the locations of operations in countries in Southeast Asia and Northeast Asia.

### Gender Distribution of Employees



### Gender Distribution of Management Personnel\*3\*4



\*1 Definition of Professional and Technical personnel: Management coordinators or engineers directly related to production activities such as quality management administrators, materials management administrators, R&D engineer, sales and marketing specialists, human resources administrators, and others.

\*2 Operators (including production line assistants) are defined as: Employees directly related to production activities such as system assembly personnel, quality management personnel, warehouse management personnel, production technicians, and others.

\*3 Managerial roles are defined as the supervisors who are responsible for the leadership and management of subordinates. The executive management positions are above the manager level, entry-level management are senior Foreman or Foreman; revenue generating management positions: Managerial roles involving business planning and operations.

**Total Distribution of Employees According to Region, Gender, and Type\*1**

Contract Type	Taiwan		China		APAC		EMEA		Americas		Total		Percentage
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
<b>Permanent Employees</b>	5,689	8,597	17,745	24,855	18,699	6,066	905	2,059	256	647	43,294	42,224	99.8%
<b>Temporary Employees</b>	67	53	0	0	12	21	6	5	1	1	86	80	0.2%

Hiring Type	Taiwan		China		APAC		EMEA		Americas		Total		Percentage
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
<b>Full-time Employees</b>	5,729	8,633	17,745	24,855	18,709	6,087	868	2,044	257	648	43,308	42,267	99.9%
<b>Part-time Employees</b>	27	17	0	0	2	0	43	20	0	0	72	37	0.1%

\*1: Employees without non-guaranteed hours employee.

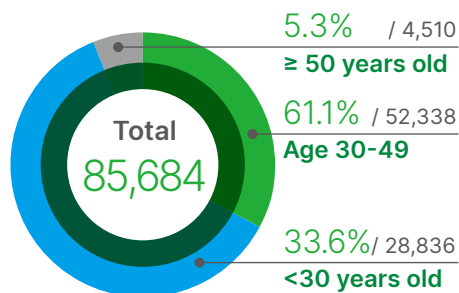


### Distribution and Ratio of Employees in the United States by Race/Ethnicity\*1

Employee Category		Ethnicity							Total
		Asian	Black/African American	Hispanic/Latino	White	Others(Native/Multiracial)	More than Two Ethnicities	Not Disclosed/Not Applicable	
Management	Female	7	0	0	4	0	0	3	14
	Male	33	3	0	28	0	2	2	68
	Head Count	40	3	0	32	0	2	5	82
	Percentage	8.2%	0.6%	0.0%	6.6%	0.0%	0.4%	1.0%	16.9%
Technical Personnel	Female	7	0	0	3	0	0	0	10
	Male	18	1	5	9	0	0	0	33
	Head Count	25	1	5	12	0	0	0	43
	Percentage	5.1%	0.2%	1.0%	2.5%	0.0%	0.0%	0.0%	8.8%
All Other Employees	Female	68	3	12	18	1	2	10	114
	Male	114	11	25	66	5	14	12	247
	Head Count	182	14	37	84	6	16	22	361
	Percentage	37.4%	2.9%	7.6%	17.3%	1.2%	3.3%	4.5%	74.3%
Total	Head Count	247	18	42	128	6	18	27	486
	Percentage	50.8%	3.7%	8.6%	26.4%	1.2%	3.7%	5.6%	100.0%

\*1 This table discloses the distribution and ratio of employees in the United States by race/ethnicity in accordance with the SASB Standards, including: The management is defined in accordance with the EEO-1 job categories and includes executive/senior level officials and managers and non-executive (senior) management. Technical personnel refers to employees classified as Group 15-0000 (Computer and Mathematical Occupations) or Group 17-0000 (Architecture and Engineering Occupations) in the 2018 U.S. Bureau of Labor Statistics Standard Occupational Classification System; all other personnel are not classified as the aforementioned management or technical personnel; The "ethnicity of employees in the United States" shall be disclosed in accordance with the classifications in the EEO-1 Survey: Asian, Black/African American, Hispanic/Latino, White, Other (Native/Multiracial), more than two ethnicities, or not disclosed/not applicable.

### Age Distribution



### Distribution of Workers Who are not Directly-hired Employees

Region	Dispatched workers	Onsite personnel of outsourced service providers and suppliers	Consultants	Interns who are not in official internship programs*2	Total
Taiwan	75	459	40	0	574
China	0	882	0	0	882
APAC	168	383	22	17	590
EMEA	201	126	0	0	327
Americas	105	21	0	8	134
<b>Total</b>	<b>549</b>	<b>1,871</b>	<b>62</b>	<b>25</b>	<b>2,507</b>

\*2 Interns who are not in official internship programs are generally short-term workers during winter and summer vacation.



Delta's 2022 monthly average turnover rate of 2.9% was a 0.18% decrease compared to 2021 that was due to manpower adjustment factors stemming from the upgrade of smart production lines that is accelerating year after year. In the future, the Company will continue to offer professional training for all roles and create better workplace environments and facilities to retain exceptional talent.

#### Average Monthly New Recruit and New Hire Rate: All Employees by Region, Gender, and Age<sup>\*2\*3</sup>

Region		Taiwan		China		APAC		EMEA		Americas		Total	
Gender	Age	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate
Female	≥ 50 years old	1	< 0.05%	0	0.0%	< 0.5	< 0.05%	1	< 0.05%	1	0.1%	3	< 0.05%
	Age 30-49	64	0.5%	393	0.9%	174	0.8%	8	0.3%	3	0.4%	642	0.8%
	<30 years old	76	0.6%	325	0.7%	633	2.8%	4	0.1%	1	0.1%	1,039	1.2%
Male	≥ 50 years old	3	< 0.05%	1	< 0.05%	1	< 0.05%	3	0.1%	2	0.2%	10	< 0.05%
	Age 30-49	70	0.5%	569	1.2%	52	0.2%	17	0.6%	5	0.6%	713	0.8%
	<30 years old	56	0.4%	722	1.6%	149	0.7%	9	0.3%	2	0.2%	938	1.1%
Monthly Average		270	2.1%	2,010	4.4%	1,009	4.5%	42	1.5%	14	1.7%	3,345	3.9%

Average Monthly Resigned Employees and Turnover Rate: All Employees by Region, Gender, and Age<sup>\*2\*4</sup>

Region		Taiwan		China		APAC		EMEA		Americas		Total	
Gender	Age	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate	Head Count	Rate
Female	≥ 50 years old	1	< 0.05%	3	< 0.05%	2	< 0.05%	1	< 0.05%	1	0.1%	8	< 0.05%
	Age 30-49	36	0.3%	410	0.9%	65	0.3%	4	0.1%	3	0.4%	518	0.6%
	<30 years old	20	0.2%	310	0.7%	155	0.7%	1	< 0.05%	1	0.1%	487	0.6%
Male	≥ 50 years old	2	< 0.05%	2	< 0.05%	2	< 0.05%	4	0.1%	3	0.4%	13	< 0.05%
	Age 30-49	49	0.4%	596	1.3%	28	0.1%	8	0.3%	5	0.6%	686	0.8%
	<30 years old	20	0.2%	674	1.5%	34	0.2%	2	0.1%	1	0.1%	731	0.9%
Monthly Average		128	1.0%	1,995	4.3%	286	1.3%	20	0.7%	14	1.7%	2,443	2.9%

\* 2 The calculations of global new recruits and turnover are based on the average monthly number of employees, which is the total annual number of employees in each value divided by 12 and rounded to the nearest integer, excluding the following non-voluntary turnover such as: employment termination due to retirement, severance, or dismissal, in accordance with laws, and the expiration of employment contract or internship program; or Operators (including production line assistants) who have not stayed with the Company for more than 30 days since they first joined, or professional technical and management units personnel who have not stayed with the Company for more than 90 days since they first joined.

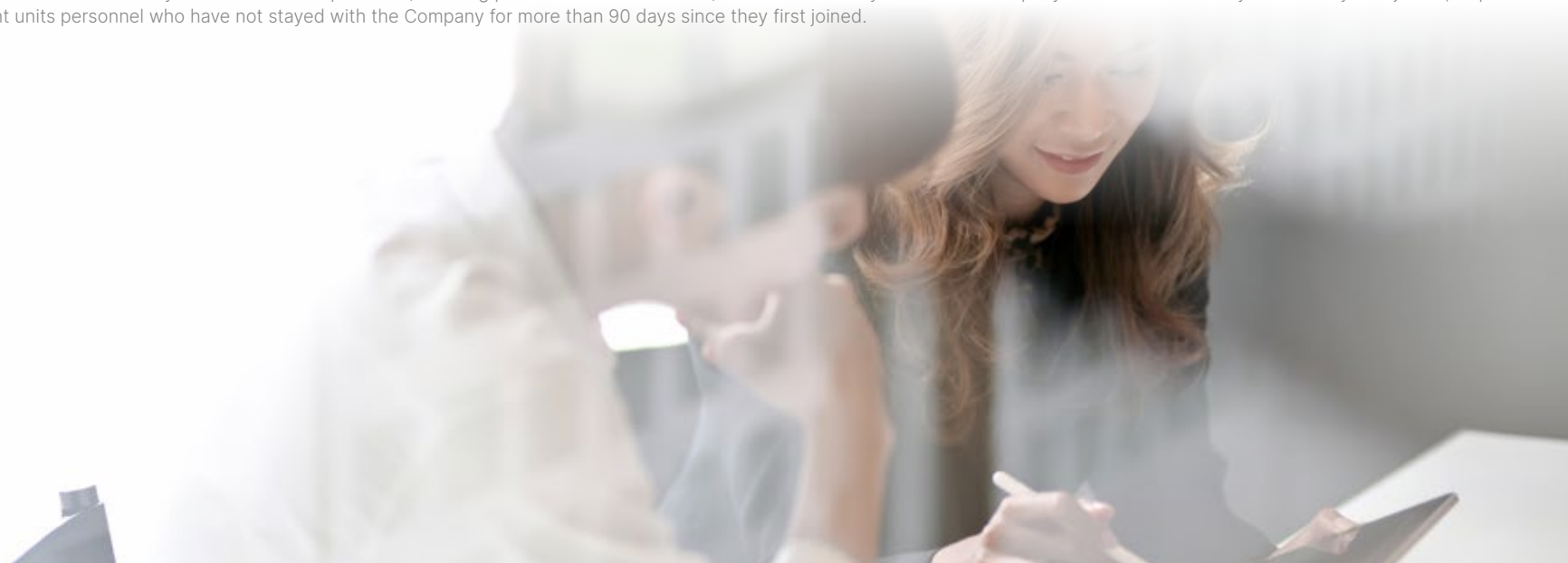
\* 3 Average monthly percentage of new employees = average monthly number of new employees / average number of employees in the year; The average number of employees in the year is defined as (initial head count + end head count) / 2, initial head count is the end head count of the previous period (previous year).

\* 4 Average monthly turnover rate = average monthly turnover / average number of employees in the year; The average number of employees in the year is defined as (initial head count + end head count) / 2, initial head count is the end head count of the previous period (previous year).

### Turnover Rate Analysis of the Past 3 Years

	Item	Average Monthly Turnover Rate in 2020	Average Monthly Turnover Rate in 2021	Average Monthly Turnover Rate in 2022
<b>Employment Category</b>	Full-time Employees	3.4%	3.3%	3.7%
	Dispatch and Temporary Employees	0.7%	0.8%	< 0.05%
<b>Turnover Category</b>	Voluntary Turnover	2.3%	3.0%	2.9%
	Non-voluntary Turnover	1.8%	1.0%	0.9%
<b>Categorization by Direct/ Indirect</b>	Operators (including production line assistants)	3.9%	3.7%	3.4%
	Professional Technical and Management Units Personnel	0.3%	0.4%	0.4%
<b>Uncategorized Total Turnover<sup>*1</sup></b>		4.1%	4.1%	3.7%

\* 1 The scope of statistics of the total turnover is the Company's direct employees and does not include those who have not stayed with the Company for a certain number of days; Employees who have not stayed with the Company for a certain number of days are defined as Operators (including production line assistants) who have not stayed with the Company for more than 30 days since they first joined, or professional technical and management units personnel who have not stayed with the Company for more than 90 days since they first joined.



## 6.2.2 Equal Workplace Opportunities

### Gender Equality and Voluntary Role Transfer

Delta strives to build an equal and inclusive workplace by providing various measures that exceed the standards set forth by laws and regulations:

- In order to improve birth rates and relieve the stress of childcare for working parents in Taiwan, Child Care Subsidy was initiated in October 2022. As of the end of 2022, this has benefited 2,234 Delta babies and resulted in a 63.8 times expenditure increase compared to 2021.

Child Care Subsidy	Before Implementation (2021/1~2021/12)	After Implementation (2022/10~2023/10)
Amount of Contributions	US \$65.12 per child	Maximum subsidy of US \$12,300 per child
Eligibility	Newborns	Ages 0-6
Delta Babies	274	2,600
Cost Expenditure/Year	US \$17,800	US \$5,270,000

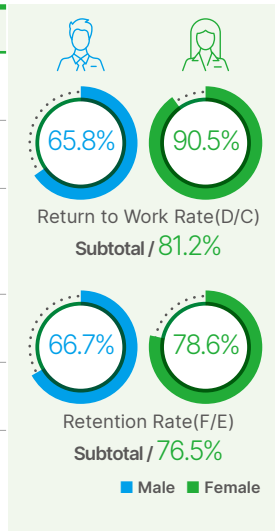
- Implemented a supply station in the workplace for parents that consolidated benefits and health information; a total of 130 persons in Taiwan participated in the mother-child care program throughout the year, resulting in a 100% consultation rate.
- Comfortable breast-feeding rooms as well as information to childcare facilities and similar institutes are provided in factories.
- Implemented measures such as accessible parking spots and meal priority for individuals with mobility impairments.
- Colleagues may apply to work remotely due to operations or other special requirements. Flexible work hours have been implemented in regions such as Europe and Thailand while plans for Taiwan shall be implemented in 2023.
- Factories in the China Region offer childbirth gifts and the occasional organization of events attended by charitable individuals.
- Hazard evaluations for workplace environments and operations are conducted for female employees of childbearing age in order to adjust the content and environment of their work. For instance, measures include implementing seated positions for jobs

that originally require standing, dormitories for pregnant women, and reserving the bottom bunk in dormitories.

- The total number of female managers has reached 32.0% as female colleagues with great potential are provided with various channels for education.
- Performance and remuneration are evaluated based on employees' duties and work performance. The ratio of male to female remuneration is regularly analyzed and tracked on a year-by-year basis.
- Employees who have worked for more than a year may apply for transfer to other departments within the Company, group affiliates, or foreign regions.

### Statistics for Parental Leave in Taiwan

Statistical Item	Male	Female
Number of employees qualified for unpaid parental leave in 2022(A) <sup>*1</sup>	990	280
Number of employees applying for unpaid parental leave in 2022(B)	28	51
Number of employees expected to apply for unpaid parental leave and reinstatement in 2022(C)	38	63
Number of employees applying for unpaid parental leave and reinstatement in 2022(D)	25	57
Number of employees reinstated after unpaid parental leave in 2021(E)	9	42
Number of employees reinstated after unpaid parental leave in 2021 and continued working for no less than one year(F) <sup>*2</sup>	6	33



\*1 Number of Taiwan employees qualified for unpaid parental leave in 2022 (A): Employees who applied for maternal leave of more than 56 days and paternity leave for more than 1 day in the 3 years from January 1, 2020 to December 31, 2022.

\*2 Number of Taiwan employees reinstated after unpaid parental leave in 2021 and continued working for no less than 1 year (F): Number of reinstated employees who continued to work no less than 1 year after reinstatement from parental leave in 2021.



### Care for Migrant Workers

In response to global manufacturing strategies and customer demands, production lines in Taiwan's factories employ more than 1,900 Thai and Vietnamese workers. The Company upholds the spirit of diversity and inclusion by offering immediate, unobstructed channels of communication, a Zero Placement Fee upon employment, venues for religious practice, and dormitories for migrant workers within factory areas. Rooms with air conditioning, antibacterial chambers, antibacterial lighting, hand sanitizers, and other high-tech facilities as well as dedicated gyms are provided

in all internal and external dormitories. The provided standards exceed specifications set forth by the government mandated Service Plan for the Care of Foreign Workers, and dormitory competitions are organized to encourage stay as well as maintaining clean environments. Additionally, the production of a podcast for interviewing migrant workers allows colleagues to better understand their emotional experiences. Dedicated festivals are also planned to integrate the cultures of Taiwan, Thailand, and Vietnam to convey the compassion of the Taiwanese people.

#### Unobstructed Channels of Communication

Delta values communication with every employee regardless of nationality, ethnicity, and gender. Workplace environments are friendly and provide comprehensive care through measures such as communication channels that are efficient, accessible and without obstruction, quarterly seminars, and 24-hour Thai and Vietnamese life counselors stationed in dormitories.

#### Diversity and Inclusion, Building Migrant Worker Villages of Happiness

Events corresponding to Taiwanese, Vietnamese, and Thai holidays are organized to enhance employee's sense of belonging and morale, improve relationships with supervisors, and relieve feelings of homesickness. These events include: Dragonboat racing during the Dragonboat Festival, Mid-Autumn Festival lantern crafting, Southeast Asia Carnival (Songkran), and New Years blessing events; Additionally, external events organized by the government are also attended: events such as talent competitions, model migrant workers offer celebrations that allow the shared experience of cultures, establish platforms for communication, and creates migrant worker villages of happiness.

#### Zero Placement Fee, Secure Employment

Delta practices the Zero Placement Fee of RBA and offers secure employment guarantees by providing full payment of all pre and post employment costs when hiring migrant workers. Each worker results in an additional appointment cost of approximately NT \$1.3 million but has resulted in an increased number of applicants and their willingness to extend at the end of their 3 year period. During the COVID-19 pandemic, the Company provided payment for PCR testing, transportation, and COVID-19 insurance to ensure safety and health in both work and daily life.



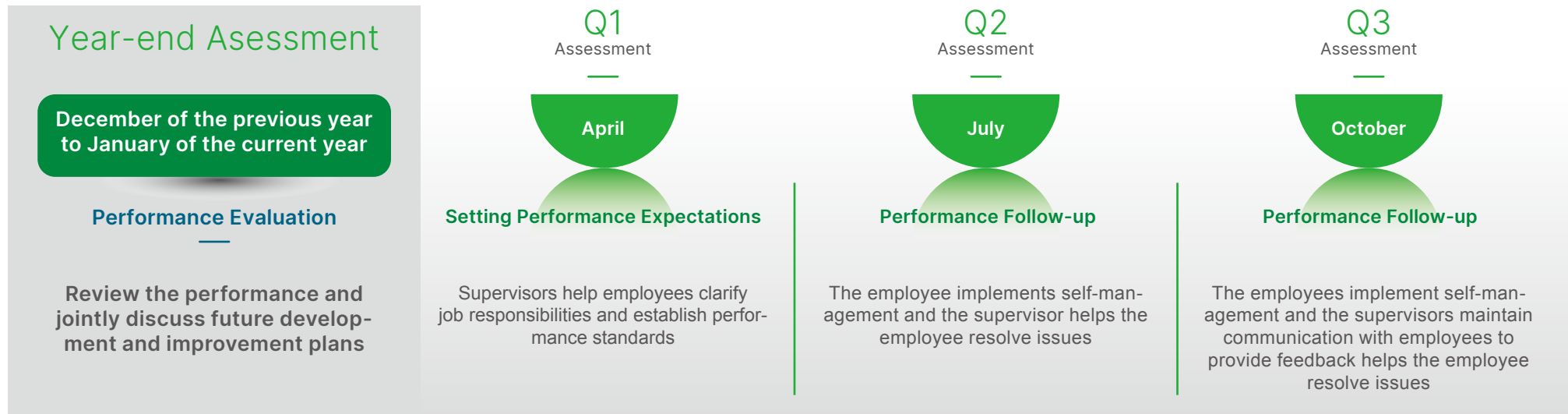
▲ Delta's high-tech facilities installed at dormitories for migrant workers' health

## Performance Feedback and Development

At the start of every year, departments establish organizational objectives in alignment with the company's strategy. The supervisor aids colleagues in understanding their job responsibilities and establishes individual goals for employees that align with the organizational goals. Throughout the year, supervisors maintain communication with employees to provide feedback and support them in reaching their goals. Our performance management is based on annual and quarterly evaluations of individual performance indicators (IPI) as well as the shared values and competencies (CPI) to measure individual performance and team contribution, which provide continuous feedback to ensure that targets are met. Employees may utilize a system to initiate or offer work evaluations, provide 360 degree feedback, and request affirmation or suggestions from others. Managers may utilize the system to comprehensively evaluate and manage talent.

- Performance records are utilized as the basis for subsequent training and development. Employees are trained based on their ability to enhance organizational performance. Delta uses comprehensive performance management to closely integrate the goals of the organization and individuals with talent development, and jointly pursue performance improvements for the Company.
- Leadership Development Committee(LDC) and Talent Development Committee(TDC) composed of diverse committee members are utilized to evaluate salary adjustments and promotions to prevent bias and unequal pay for identical work.

## Performance Management Procedures for Delta Employees



## 6.2.3 Happy and Inclusive Workplace

The "3E Strategy" (Employee, Empower, and Earth) was planned for 2022 to maintain innovative employee experiences, expand participation to all employees, increase

employee autonomy, embrace and practice the philosophies of diversity and inclusion, and create a friendly workplace environment.

### Physical and Mental Health

Prioritize employees and strive to provide better benefits and care

### Social Participation

Corresponds to Delta's values of co-existence with our Earth and an emphasis on the philosophies of giving back to society and upholding diversity and equality



### Home Court for Employees

Emphasize the concept of "My Workplace, My Home Court" and increase employee autonomy, allow employees to participate in the completion of activities

## Establish Diversity and Inclusive Thinking

Delta strives to promote the values of gender equality, diversity, inclusion, and was awarded the 2022 Excellent Enterprise Award of Taoyuan City for Welfare Benefits and Gender Equality. In 2022, the "Exceptional Thinking, Journey of the Heart" series of seminars was attended by 1,461 people across all factory areas and received a high level of praise from employees. They acknowledged the Company's inclusion of varying differences and care for diverse groups and offered employees new perspectives to internalize their experiences into a part of their personal lives.

New employees attended the Master's Adventure Program and completed a map exploration, gaining experience points to understand ethical corporate management, human rights policies, and the Code of Conduct to quickly adapt to the work environment.

- Since 2021, the Thailand factory has organized the "Say It Out Loud" Pride Month event in June.

LLGBT colleagues from the Company were invited to share their personal experiences on the significance of Pride Month as well as equality and respect in their work environments. Each individual enjoyed the right to freedom of expression and individuality. A harmonious workplace atmosphere can be established through better mutual understanding.

- A themed event for women was organized for the 2022 International Women's Day to celebrate and thank women for their many accomplishments and contributions
  - In Taiwan, the "I See Brave Women" article and video submission event was organized
  - In India, health examinations and a healthcare conference were organized for all female employees
  - EMEA Round Table Conference - Female executives share stories of their careers





## Comprehensive Health Management and Promotion

Delta strives to care for the mental and physical health of all employees. The Company's new diverse and group-based health promotion plan expands employee participation and allows employees to enhance their health empowerment and individual management to become the leaders of their healthy lifestyle.

### ■ Innovative Employee Experiences

In continuing the online sports courses of 2021, Delta utilized dedicated cloud software in 2022 to organize the "Delta Ironman Online Games". Participants were given group missions without restrictions on time or location to challenge online sports missions, and a reward program was designed for middle-aged employees (50 or above) in the hopes of universal participation. Employees took action to support the trend of sports technology and it became the sports event with the highest ever number of applicants—1,293 employees, who lost the combined weight of 1085.5Kg.

### ■ Balancing Life and Work

Delta has maintained the Company's original intention to care for employees, spread kindness and compassion, and empower employees so they may realize their passion for work as well as enjoy happiness in their lives.

- Build Morale and Embark on the Pursuit of Dreams  
Delta celebrates the athletic spirit by hosting enterprise events such as sport matches, marathons, and cycle sports to meet the needs of various groups and generations. In 2022, Delta expanded its scope of

events by hosting the first "Power Dragonboat Race" and became the industry's only enterprise to host a dragonboat racing competition. The feat showcased Delta's innovative and unconventional spirit and saw participation of 22 teams with more than 300 colleagues from various business divisions who worked together to achieve glory for their teams. In addition to having approximately one-third female participants, more than 30 Thai and Vietnamese migrant workers also applied. Clubs were encouraged to gather manpower and resources for the company event to showcase Delta's diverse and collaborative culture through company-wide attendance to the sporting event.



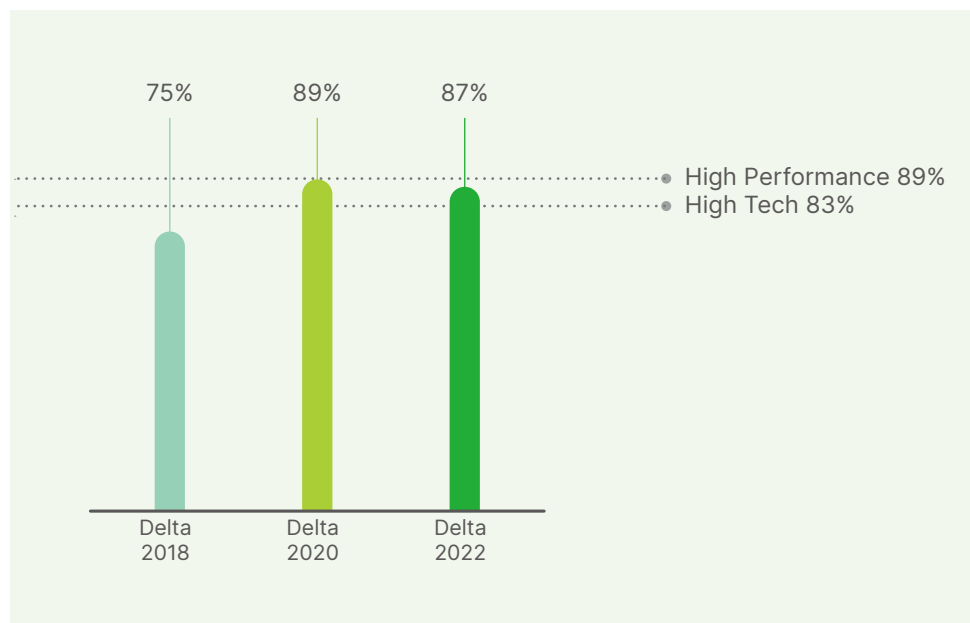
## Employee Engagement Survey and Optimization Actions

Every two years, Delta conducts a global employee engagement survey and takes actions on important issues based on survey results to increase employee rapport. In 2022, the survey covered 88% of all employees and achieved a 90% response rate. The questionnaire items include job satisfaction, clear purpose of job, happiness, working stress, and others. The overall engagement score is 88 points (meaning that 88% of the positive feedback is above 4 points on the 5-point scale).

Of the subjects, surveys were only issued to technical and management personnel who have worked for more than

6 months. The survey was outsourced to a professional global consulting company to achieve independent and fair analysis. A total of 21,188 effective surveys were received for an 82% response rate. The questionnaire items cover 14 aspects, and the engagement score was 87 points. With a market value of 83 points ahead of global high-tech companies, it is close to the market value of global high-performance companies with a market value of 89 points. Because of the excellent overall engagement score, Delta has become one of the global high-professional consulting company's benchmark enterprises.

## Engagement Score of Technical and Management Personnel



Employees from around the world provided feedback to the Company's innovation, culture of diversity and inclusion, competitive remuneration, and resources for development and training. They also expressed the hope of improving their understanding of the Company's strategic targets. As such, managers in various regions and business divisions have enhanced strategic communications. In addition, the Chief Brand Officer created a brand training course for colleagues, guiding employees to review the Company's founding era, mission, and core values. Subsequent improvement plans shall focus on advancements in the following three aspects:



**Purpose**

Strengthen our vision and direction, as well as make improvements based on past survey results



**Support**

Committed to enhancing our ability to respond quickly and efficiently through the application of technology



**Retention**

Seek to provide more personalized welfare and systems, along with more support for career transitions

Operators (including Production Line Assistants) working for more than three months were also targeted in this engagement survey with the scope expanding from China two years ago to now include Taiwan, Southeast Asia, and India. 30,022 people responded for a response rate of 97%. Survey results indicate that 89% of employees exhibit positive feedback on issues of engagement and more than 90% of employees are satisfied with their environments. This indicates that the Company has implemented effective and tangible efforts to improve work, leisure, living, and housing environments.

## 6.3 Talent Attraction

Delta promoted talent solutions for the post-pandemic era and integrated industry, government, and academia resources to organize recruitment activities. Integrating virtual and real channels to create a high-quality work environment with competitive salaries and benefits, Delta increased its global offer letter acceptance rate\* to 89.4% in 2022, which was higher than that of the previous year.

\* 1 Offer letter acceptance rate = the number of people who accepted offers for global professional technical and management personnel openings/ number of issued offers.

### 6.3.1 Flexible Use of Social Media to Enhance Delta's Employer Branding

Delta continues to manage official accounts on platforms such as Facebook, LinkedIn, and WeChat with an increasing number of followers each year, with 2022 reporting growth of 23% compared to the previous year. Posts are published according to a series of themes encompassing recruitment, employee training and education, benefits, and events. The Delta 360 online showroom allows participants to understand the Company's principles and view exhibits. A branded bimonthly magazine is published regularly to enhance exposure and interaction with target groups and improve employer branding.

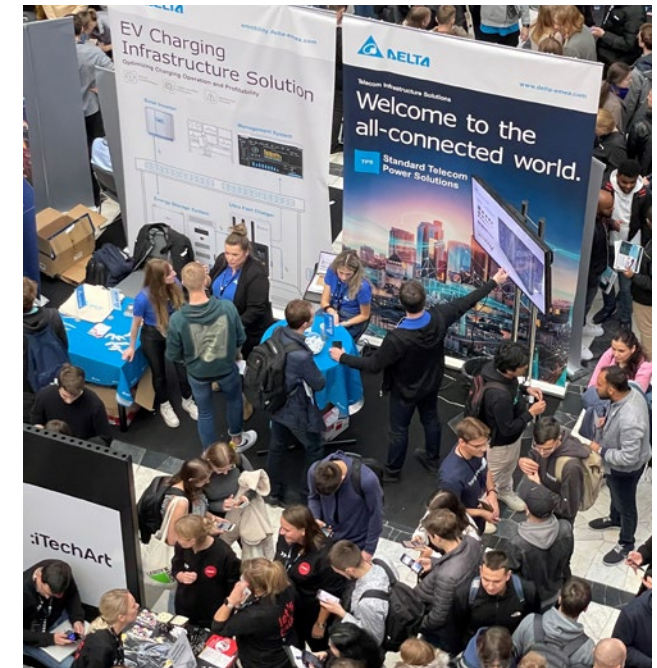
#### Global Recruitment Activities - Flourishing Development

In 2022, Delta organized a total of 140 in-person or online campus recruitment activities at job fairs around the world. Events such as career forums, enterprise briefings, or live-streamed seminars invited Delta's Chairman, CEO, CHRO, and high-level executives from various business divisions to share their experiences and offer students worldwide a glimpse into Delta as well as explore its career opportunities.

Delta's human resources team in Europe traveled to Poland for the first time in 2022 to attend a job fair at Warsaw University of Technology to recruit talent in information communication, attracting many students to submit their resumes. The recruitment team for Japan attended the Ministry of Economic Affairs' first talent recruitment delegation and conducted activities in Kyushu University, Osaka Institute of Technology, Kyoto University, and more, while also establishing direct channels of communication with career centers to strengthen relationships with each campus. In India, Delta programs were implemented in six universities to cultivate 81 cooperative education students. In Thailand, the human resources team proactively participated in recruitment seminars and achieved exceptional results at several renowned universities such as Chulalongkorn University and Mahidol University.



Delta's chairman speaks at National Taiwan University's campus recruitment event.



Delta EMEA attends job fair at Poland's Warsaw University of Technology.



## 6.3.2 Diverse Internship Programs - Cultivating Future Cross-border Talent

Internships in all regions have recovered due to the global pandemic. Compared to 43 interns in 2021, the global internship program grew by 272% in 2022 with a total of 160 interns. Aside from regularly organizing internship activities in each region, the easing of border restrictions has allowed Delta to work with foreign units and excellent domestic universities to provide cross-regional internship programs.

In addition to an increase in the number of overseas internship positions and partner universities, the general manager and human resources of Delta EMEA personally visited Taiwan to sign internship agreements and conduct interviews at Taiwan's best universities, welcoming exceptional students to their overseas internship opportunities. Additionally, attendance at events such as the "NTU International Mentorship Program" organized by National Taiwan University, "IT-Connects 2022" organized by the Taipei Economic and Trade Office of Jakarta, Indonesia, and the "2nd Annual NTUST International Alumni Gathering in Taiwan" organized by National Taiwan University of Science and Technology allowed Delta to engage with international students and alumni and continue to cultivate high potential talents in sustainability and innovation.



Delta EMEA internship event.



### 6.3.3 Build Upon R&D Capacities and Create a Talent Ecosystem

Delta established joint R&D centers for artificial intelligence, smart manufacturing, electric vehicles, energy storage, and information and communication technologies with renowned domestic universities to expand its innovation and increase R&D capacity. In 2022, Delta worked with more than 56 professors and 179 graduate students in 41 research programs. We invested an average of more than NT\$100 million each year (equivalent to 3.256 MUSD\*) to create an environment on campus similar to that of the industry, staffed by Delta personnel. The environment ensures that industrial and academic developments are on the same track and the R&D centers also serve as internship sites that help students on campus grasp the keys to the future. The outstanding achievements from the joint research center between Delta and National Taiwan University of Science and Technology as well as the results of the electric vehicle project established with National

Taiwan University were awarded subsidies from the National Science and Technology Council's Academia-Industry Research Center(AIR Center) and forward-looking industry plan.

Delta also provided the R&D scholarship, overseas internship opportunities, and favorable salary offers for talents, to attract students with high potential to join the R&D Center. We create Master of Industry Programs with different schools to train students through the industrial and academic projects of the R&D Center. In 2021, Delta partnered with National Cheng Kung University to construct the "Academy of Innovative Semiconductor and Sustainable Manufacturing" and partnered with the National Taiwan University of Science and Technology in 2022 for the "Industry-Academia Innovation College" in a joint venture to cultivate key R&D talents.

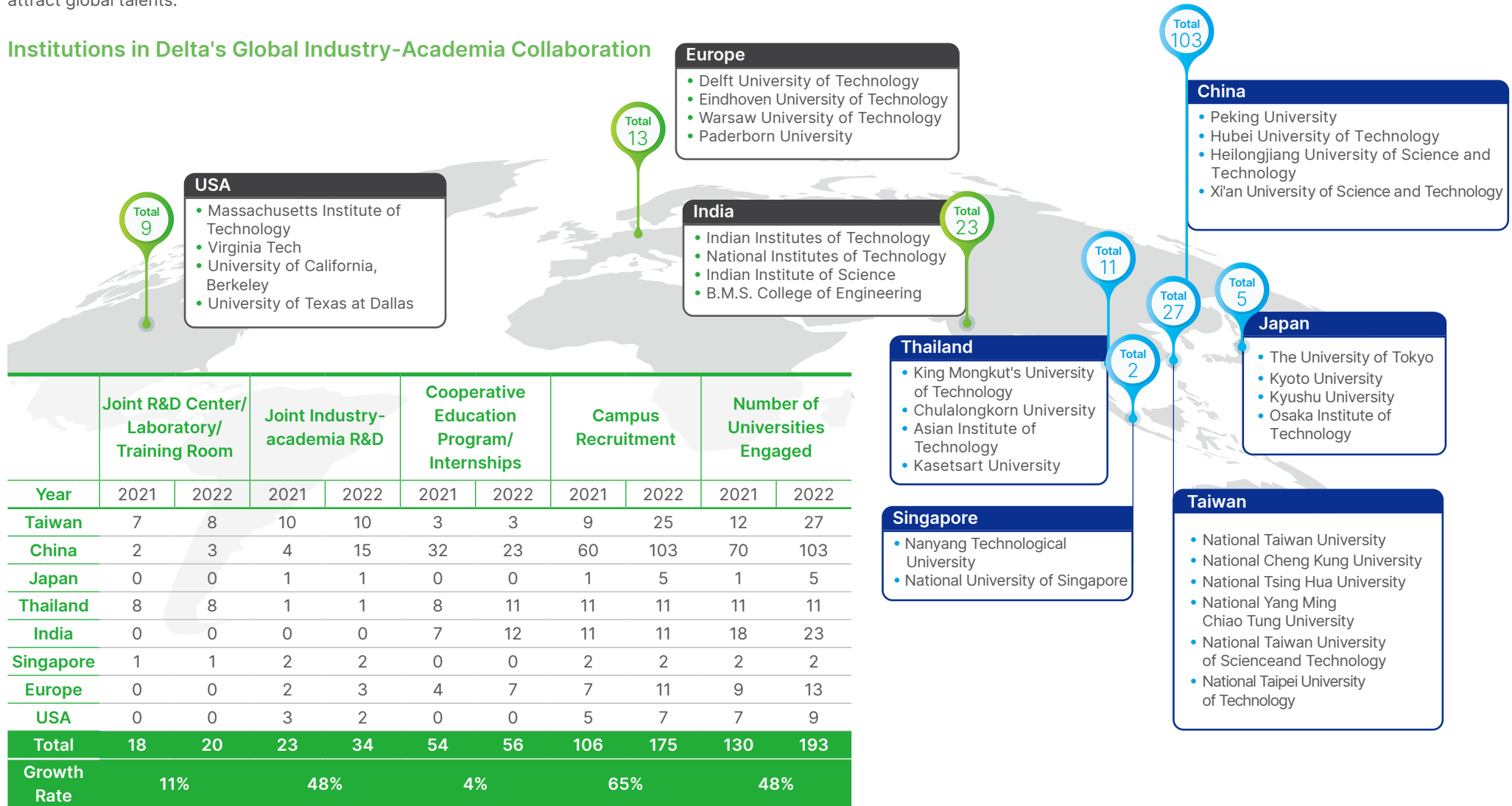
#### Overview of Joint R&D Centers Established with Top Universities

Industry-academia Program	Partner Institution	Partner Department	Target Candidates	Resources Committed	Partnership Overview
Joint R&D Center	<ul style="list-style-type: none"> <li>National Taiwan University</li> <li>National Tsing Hua University</li> <li>National Cheng Kung University</li> <li>National Taiwan University of Science and Technology</li> <li>National Taipei University of Technology</li> <li>National Yang Ming Chiao Tung University</li> <li>National Central University</li> </ul>	<ul style="list-style-type: none"> <li>Department of Electrical Engineering</li> <li>Department of Computer Science and Information Engineering</li> <li>Department of Mechanical Engineering</li> <li>Department of Biomedical Engineering</li> </ul>	<ul style="list-style-type: none"> <li>Undergraduate Students</li> <li>Graduate Students</li> <li>Students of Master of Industry Program</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, the amount of NT\$100 million (equivalent to 3.256 MUSD) was invested into R&amp;D partnerships</li> <li>For industry graduate students jointly cultivated with universities, an investment of NT\$300,000 (approximately US\$ 9,770) was invested in each student, totaling 46 students in the last 3 years</li> </ul>	<p>We conduct joint research on related R&amp;D topics with professors and students. We also recruit students of the Master of Industry Program and provide them with R&amp;D scholarships.</p>

### Cultivation of Diverse Talents Through Partnerships with 200 Global Universities

Delta has been dedicated to universities across all regions in recent years, contacting a total of 130 schools in 2021 and increasing that number to 193 schools in 2022 for a growth rate of 48%. Through partnerships with each university, Delta targets outstanding local talent and enhances employer branding within campuses to greatly improve the Company's ability to attract global talents.

### Institutions in Delta's Global Industry-Academia Collaboration



### Create an Employer Brand with Multiple Global Honors

Delta received multiple awards across the world in 2022 for the results of our continuous investments in employer branding with the most iconic awards listed below:

- ★ Selected for the Dow Jones Sustainability Indexes for 12 consecutive years, and the Dow Jones Emerging Markets Index for 10 consecutive years. For social scores, Delta received full marks in the category of global electronic equipment industry, attaining the highest score in the criteria of "attracting and retaining talent".
- ★ Delta India earned distinction as the "Best Employer Brand" in the "APAC HRM Congress Awards" organized by The Times of India.
- ★ Received the "2022ai Quality Workplace Model Enterprise Award" organized by People's Daily Shanghai, CIIC Shanghai, and CIIC Guanaitong for the third consecutive year.
- ★ Awarded the distinction of "China Top 100 Model Employer" by China's largest recruitment website "51job.com".
- ★ Awarded the "Greater China Outstanding HR Awards - 2022 Greater China Outstanding Employer" by China's human resources website "HRoot".
- ★ Awarded the "1111 Happy Enterprise Award" for technology research and development by the Taiwanese website 1111 Job Bank.



▲ Delta India earned distinction as the "Best Employer Brand" in the "APAC HRM Congress Awards" organized by The Times of India.



▲ Through diverse recruiting and training pipeline, emphasis on performance and actively promoting employee's welfare, Delta was recognized by HRoot, and awarded with "2022 Greater China Outstanding Employer".

## 6.4 Talent Learning Development

### Average Training Hours Per Person, Total Hours, and Total Expenses\*1 in All Global Regions

Delta is dedicated to promoting online courses globally, increasing the variety of courses in 2022 and optimizing student learning experiences. Compared with 2021, the average number of hours per person grew by 34%.

Classification		Taiwan	China	APAC	EMEA	Americas
Gender	Male	15.3	18.4	8.7	4.8	3.6
	Female	7.2	33.6	9.1	4.0	2.2
Employee Category	Operators (Including Production Line Assistants)	2.7	25.5	8.7	0.3	6.5
	Professional, Technical and Management Units Personnel	16.1	16.7	11.0	6.4	2.8
Management Roles / Non-Management Roles	Senior Level	15.6	8.5	31.7	11.7	1.9
	Mid-Level	22.2	19.9	12.8	7.3	5.1
	Junior Level	13.7	15.9	14.4	3.7	0.1
	Non-management	10.8	24.5	8.9	4.3	3.1
Age	≥ 50 Years Old	6.8	38.9	8.7	4.3	3.8
	Age 30-49	12.5	23.4	9.4	5.1	3.2
	<30 Years Old	13.7	24.6	8.8	3.2	3.0
<b>Total Training Hours</b>					<b>2,609,644.1 hours</b>	
<b>Global Average Training Hours per Person*2</b>					<b>18.2 hours</b>	
<b>Total Expenses</b>					<b>1,914,616 USD</b>	

\* 1 The main components of the training fee are the teacher's hourly fees, education material fees, and lecturers and employees' travel fee for training. The fee does not include the cost of time for training across the globe; total training expenses are calculated based on the foreign exchange rate of each currency against the USD on December 31, 2022.

\* 2 Calculations based on total training hours for the year show global average hours of training per person = total hours/total number of individuals employed by Delta in the year (143,021); all regions and categories have adopted the same calculation logic.



## 6.4.1 Pipeline Readiness and Transformation Drivers

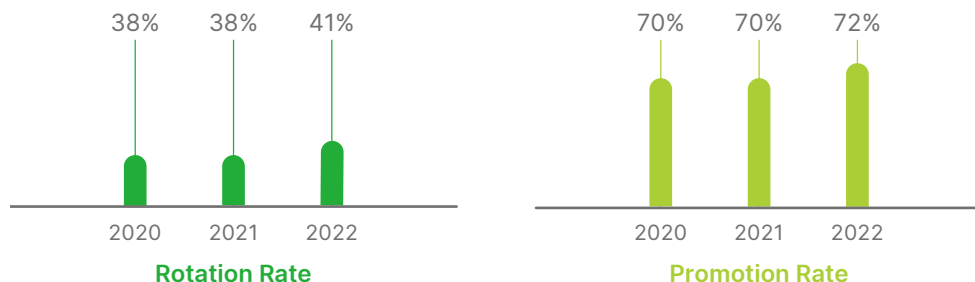
### Advanced Preparation of Global Organization and Management Mechanisms

In order to accelerate overall talent development at the Company, a joint discussion was held in mid 2022 with each business division to plan the "Global Expatriate Rotation Policy" which was officially announced in January 2023. The Company offers the option of a dual career system that allows employees to confirm their career advancement towards managerial or purely technical roles based on the Company's requirements or personal will and capability. The policy's purpose is to allow those with the potential of advancement to key managerial roles to gain the necessary expatriate rotation experience required prior to promotion. Experience is classified into three major categories: cross-functional, cross-organizational, and cross-regional. This policy will be combined with the promotion system and included in the review conditions for year-end promotions. This will establish indicators to determine promotions into professional roles and act as a basis of reference for the technical and human resource committees during their review.

### Continuous Development of the Pipeline Talents Readiness

The management and senior executives convene meetings of the Leadership Development Committee (LDC) once every six months for talent development plans and pipeline talents. The LDC's business strategy and enterprise development perspectives facilitate rotations and overseas assignments and increase the talent readiness for key roles. The headquarters' LDC model was successfully duplicated in Business Groups and regions who formed their own Talent Development Committee (TDC) to enhance their talent readiness.

### Steady Increase in Pipeline Development



\*The rotation and promotion rates are average values in the past 3 years

### Selection of Solution Business Talents as Transformation Drivers

Solution businesses are important development strategies of the Company. This business model focuses on becoming business consultants to our customers. As such, Delta has planned a 3-year talent development program and began selecting ten of global emerging Solution Business Talents based on the development focuses of "cross-regional" and "sales" capabilities. The program's goal is to rotate 50% of talents to solution teams or promote them to managerial roles in relevant teams upon completion of the program. As of the project completion date in June 2022, 48% of the talent have successfully completed rotations or promotions and become ambassadors advocating for headquarters' solution frameworks and systems. Additionally, they act as sources for frontline feedback to ensure the successful promotion of collaborative solutions between headquarters and all regions.

### Open Recruitment and Selection of New Business Talents to Power Future Growth

New Business Development (NBD) has become an important strategy for the growth of Delta. We developed the 3-year "NBD Leader Incubation Program" in 2021. The initial program adopted an open recruitment system with three stages of selection, ultimately resulting in dozens of talents being selected. The goal is to ensure that project talents can be rotated to NBD or promoted to managerial roles on the NBD team. Development activities officially began in March 2022 through online and in-person courses that helped employees understand the history and future developments of new business units. A new business proposal competition was organized for teams with the CEO, COO and new business units executives appointed as judges and sharing information on "A Good Business Recognized by Company". General activities in 2022 achieved an average satisfaction score of 4.7 out of 5 points.

## 6.4.2 Key Training Programs and Diverse Learning Resources

### Focus on Leadership Professionalism, Sales & Marketing

01

#### Leadership

- In response to the Company's transformation strategy and a new edition of Leader Quality, comprehensive adjustments were made to the structure of learning and development by focusing on leadership at different levels, professionalism, mental resilience of managers, and digital productivity. An announcement was made to the six major global regions to plan courses and offer learning resources based on this new structure.
- A 96% achievement rate in 2022 was completed for the continued promotion of courses/shared objectives for personnel at the manager level and above.

02

#### Professionalism

- In 2022, 11 Global Training Committee participated in the promotion of courses for an achievement rate of 90%, 200% growth rate, and an average of 15 hours per person. Moreover, ESG Committee completed the training road and became Delta's 12th core committee.
- Define and provide the 4 major Core Proficiency and learning resources of Delta: Problem Analysis & Solving, presentation skills, Project Management, Digital Transformation & Tools Application.

03

#### Sales & Marketing

- The Global Sales and Marketing Committee strengthens shared skills in the six major regions of business and sales. There are 11 e-courses with topics such as consulting sales, brands, and sales procedures. We have achieved 3,251 learning hours in total.
- In 2022, smart search functionality was optimized for the internal knowledge management platform (DMS) to effectively assist employees in quickly identifying key knowledge and management documents out of the 220,000 pieces of data in the Sales Enablement community.

Delta's comprehensive training system won the following honors in the year:

- 2022 Taiwan Corporate Sustainability Awards - Leader in Talent Development
- Gold Globee Winner, 2022 Globee Business Excellence Awards - Achievement in the Use of Blended Learning
- Silver Globee Winner, 2022 Globee Business Excellence Awards - Achievement in Learning Technology Implementation
- Silver Globee Winner, 2022 Globee Business Excellence Awards - Achievement in the Most Innovative Learning and Development Program



Delta received the 2022 Taiwan Corporate Sustainability Awards - Leader in Talent Development.

### Diverse Learning Channels



### Delta Provides Diverse Learning Channels to Enhance Employees' Knowledge and Skills.

Delta provides employees with diverse channels of learning and continues to promote global online learning resources, perform systematic optimizations of the online learning platform, and actively integrate offline events and expert sharing to further learning. In 2022, Delta Academy has accumulated 332,146 users for an annual growth rate of 212%. The number of unique courses has reached 1,227, a growth of 54%. The number of individuals who have completed training in the year reached 253,778, a 31% growth from the previous year and indicative of the popularity of Delta's global resource sharing. Delta also organizes course competitions or diverse learning formats around the world. For instance, Taiwan Delta's E-course online competition [Exceptional Talent] attracted colleagues to form 35 teams with more than 3,500 people studying themes ranging from professional technologies to general management. Diverse learning methods have been maintained in 2022 due to COVID-19. For example, Delta Book Club hosted 11 sessions for an overall satisfaction rate of 4.6 points (out of 5 points). Delta's Podcast encompassed themes such as "Voice of Delta" or the newly launched "Green Technology Charging Station " in 2022. The new theme was also available to the public and accumulated 12,714 listeners, both internal and external, and allowed the public to learn about Delta's latest environmentally-friendly technologies. At the end of 2022, the Company extended a special invitation to the Chief Brand Officer to record a course of Delta's brand transformation, guiding employees to review Delta's founding and early stages while also reminding them of the Company's

## 6.5 Competitive Employee Compensation and Benefits

Delta attracts and retains exceptional talent through a competitive remuneration structure and rewards employee performance with a reasonably designed relevance between the Company's operating performance and employee salaries. Dynamic adjustments are implemented according to demand for talent as well as conditions of market supply and demand to ensure that general remuneration is superior to the levels in the tech industry. In 2022, Delta remained in the Top 100 Index for the highest salaries.

### 6.5.1 Performance and Compensation of the Senior Management Team

The salary structure of senior managers is highly correlated to the Company's performance. The Company determines the managers' salary proposals in accordance with the Company's performance indicators and submits the proposals to the Remuneration Committee for review and to the Board of Directors for resolution. Starting in 2023, an employee share purchase plan with 5 year vesting period and clawback policy shall be used as a long-term initiative for senior managers(CEO included) to ensure that the Company's long-term performance and shareholder's interests are aligned.

Since 2021, we have included the achievement rate of the RE100 initiative as a performance indicator for the top executives in each region, and it accounts for 5% of the total score. The ESG indicators of the chairman's performance indicators included DJSI, CDP, MSCI ESG with a weight of 15% and RE100 with a weight of 15%. The results are reviewed starting in 2022. The CEO's total remuneration is approximately US \$2,483,452, the ratio of the CEO's annual salary to the median annual salary<sup>\*1</sup> of US \$10,488 for all employees excluding the CEO is approximately 237:1. The ratio of the CEO's annual salary to the mean annual salary of US \$22,276 for all employees excluding the CEO is approximately 111:1.

<p><b>60%</b></p> <p><b>Company Performance Indicator</b></p>	<p><b>20%</b></p> <p><b>Annual Key Strategic Target Achievement Rate</b></p>	<p><b>20%</b></p> <p><b>ESG Indicators<sup>*2</sup></b></p>
<p>Annual ROE, annual net interest rate, and annual revenue achievement rate</p>	<p>Original brand manufacturer (OBM) revenue ratio, key strategic business operation target achievement rate, and increase in productivity per capita</p>	<ul style="list-style-type: none"> <li>External Evaluation: DJSI, CDP, MSCI ESG with a weight of 10%</li> <li>Autonomous Initiatives: Achievement rate of RE100 initiatives with a weight of 10%</li> </ul>

\* 1 The employees' annual salaries refer to the actual salary amount for the current year paid to all employees, and include the basic monthly salary, fixed cash remuneration, bonuses, and cash dividends.

\* 2 The ESG indicators from the table above can be applied to the vice chairman, CEO, and COO, but not the chairman; The ESG indicators of the chairman's performance indicators included DJSI, CDP, MSCI ESG with a weight of 15% and RE100 with a weight of 15%.



## 6.5.2 Long-term Retention Plans for Key R&D Talents

Talent retention measures for key R&D talents across the world are taken according to local market rates. The R&D and sales team in Shanghai were offered special retention plans while R&D managers were offered retention bonuses based on individual and organizational performance. Key R&D talent in regions such as India and Europe are also offered retention plans while the starting salary standards and general remuneration of R&D talent in Taiwan have been continuously raised to remain competitive.

### Increasing Salaries in Manufacturing Plants

In April 2022, Delta implemented annual salary adjustments based on the performance of all employees, with 6% to 8% in plants in Mainland China and 3% to 5% in the other plants. Increasing the fixed salary market positioning of indirect personnel in Chinese plants effectively retained manufacturing talent. Besides fixed monthly wages/salaries, employees in Taiwan are eligible for three major bonuses including year-end bonuses, performance-based bonuses, and profit sharing. The salary structures of specialists and above were adjusted for two consecutive years in order to retain high-performing employees and recruit exceptional talent to assist with organizational expansion, transformation, and technology upgrades. A portion of variable salary was converted to fixed salary plus adjustments to year-end bonuses, which resulted in employees with M grade (achieved target) or above receiving average salary adjustments of more than 17% in 2022. Production plants in Dongguan, Wujiang, Wuhu, and Chenzhou provided a salary structure adjustment in 2022 for OPs, converted quarterly and annual bonuses to monthly salaries, and increased the subsidies for evening shifts. In addition, the basic salaries of production plants in Dongguan, Wuhu, and Chenzhou are superior to those required by local regulations.

## 6.5.3 Flexible Benefits for International Transfers

The planning of global labor strategy and flexible expatriate measures is for the purpose of increasing the attractiveness of assignments in response to continuing global expansion of the organization.



Each year, the salary and benefits of expatriates are reviewed to ensure they meet market standards. In 2022, expatriate salaries were increased, subsidies for family members in aspects such as children's education, transportation, and housing were also increased to promote talent mobility and employee willingness, allowing expatriates to work overseas without worry.



We provide employees and their family members with comprehensive group insurance and 24-hour international medical assistance services.




We increased the hardship allowances for areas with lower living standards. We increased the allowances for assigning employees from plants in Mainland China to India, and increased the allowances for assigning mid-level managers from Taiwan to Mainland China. We also increased insurance coverage for employees assigned to plants in Thailand.







As risks of the COVID-19 epidemic rose, we increased the allowances for employees assigned to plants in India to support employees' relocation across borders despite pandemic risks.

### Global Annual Salary Ratio Based on Gender

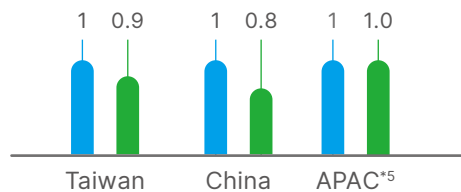
	Executives Ranked Managers and Above (basic salary)	Executives Ranked Managers and Above (full salary)	Other Management Personnel (basic salary)	Other Management Personnel (full salary)	Non- management Personnel (basic salary)
	1	1	1	1	1
	1.0	0.9	0.9	0.9	0.8

### Salaries of Operators (including production line assistants)<sup>\*1</sup> Compared to Local Minimum Wage at Major Regional Production Sites

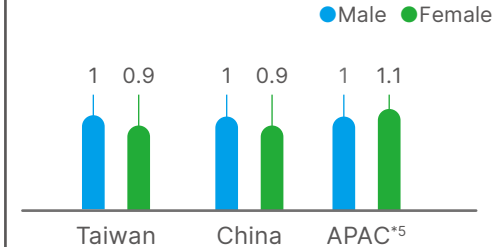
Taiwan		China <sup>*2</sup>		APAC <sup>*3</sup>	
	1.1:1.0		1.1:1.2		1.2:1.2
					

### Average Annual Salary<sup>\*4</sup> for Professional, Technical and Management Personnel at Major Regional Production Sites

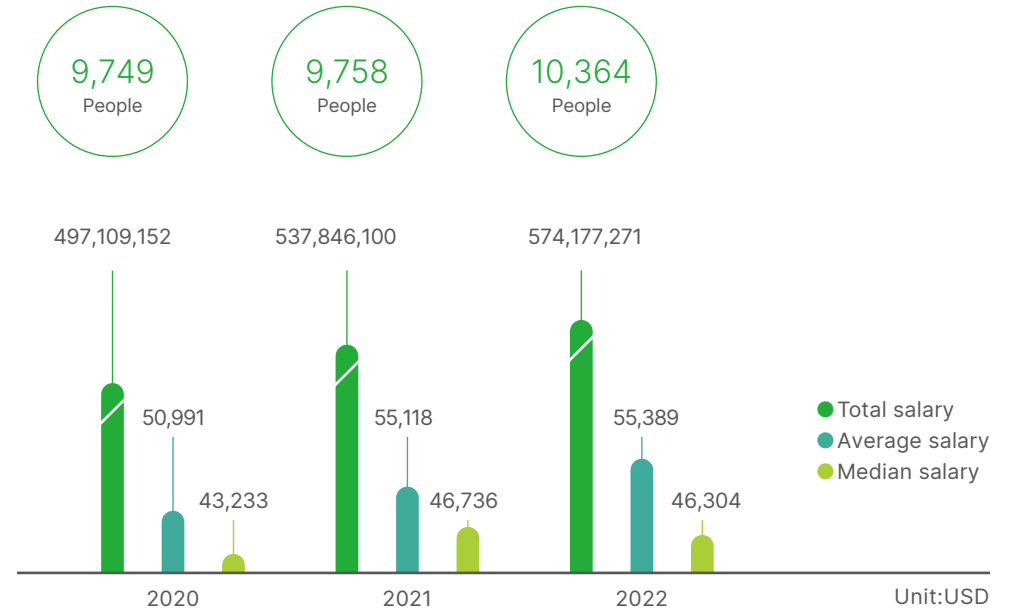
#### Professional Technical and Management Personnel



#### Operator (including production line assistants)

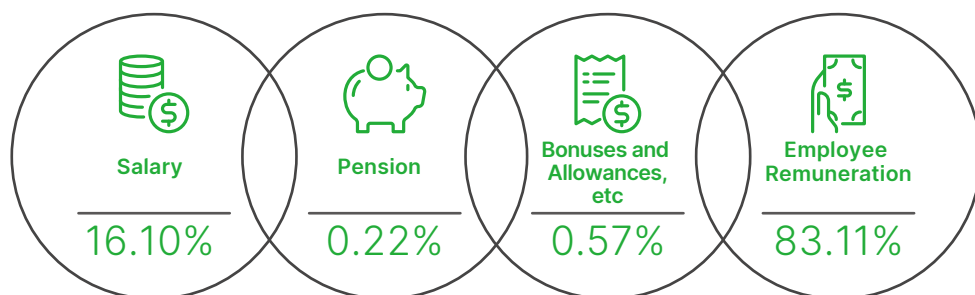


### Salaries for Full-Time Employees in Taiwan<sup>\*6\*7</sup> Who are Not in a Management Position



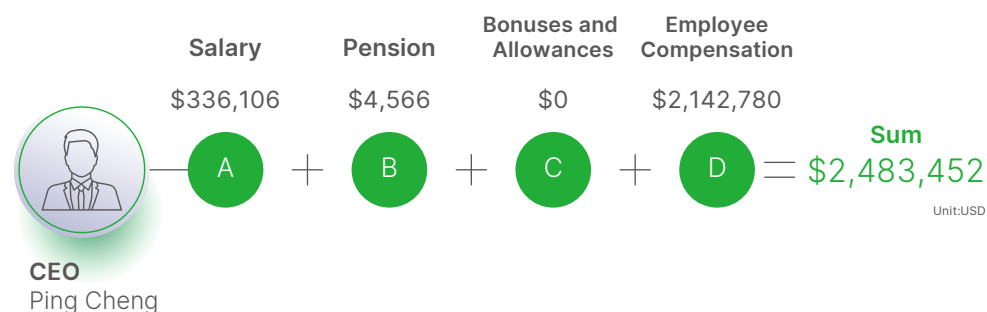
- \* 1 The salary of Operators (including production line assistants) is defined as "average monthly salary of Delta OPs (including production line assistants) in the region."
- \* 2 The minimum wage in Mainland China is different for each province and city. Therefore, the average minimum wage for male and female OPs is used as the basis for calculation.
- \* 3 APAC region production sites are plants in India and Thailand.
- \* 4 The employees' annual salaries include the basic monthly salary, fixed cash remuneration, bonuses, and cash dividends.
- \* 5 APAC Region production sites are plants in India and Thailand.
- \* 6 Full-time employees who are not in a management position: All employees minus managerial officers, directors who serve concurrently as employees, employees of overseas branches, and employees on reduced hours.
- \* 7 The information is disclosed in accordance with the "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies" promulgated by the Taiwan Stock Exchange. The information was audited by PwC Taiwan.

### Remuneration of President and Vice President\*1



\*1 The percentage in this table was obtained through the total salaries of the Operating Strategy Management Committee's chair, CEO, and vice president including Mark Ko, Ping Cheng, and Simon Chang divided by three.

### 2022 Composition of CEO Remuneration



## 6.5.4 Encouraging Long-term Retention through Long-term Incentive Measures — Delta Encourages Employees to Stay with the Company

The Company established long-term incentives to retain key talents, encourage employees, and increase employee morale. We also calculate the number of shares allocated to employees based on the Company's business performance, employee performance, and the stock prices of the current year. We then convert the bonus to cash based on the stock price in the year of distribution.

We plan diverse long-term talent retention measures and create an environment for long-term development. We also identify and track young recruits with potential through our talent management mechanism and pay attention to their development potential within our businesses. Delta also encourages employee participation through the annual Delta Innovation Awards to generate an innovative spirit within the Company.

## 6.5.5 Stable Pension Provision Plan

Plants in Taiwan process retirement applications and pension provision standards in accordance with the Labor Standard Act and Labor Pension Act. The Company appoints an actuary to submit an actuarial report on the labor pension preparatory fund each year and appropriates the pension under the old system to the Trust Division of the Bank of Taiwan. After the launch of the new labor pension system, we allocate 6% of the employee's monthly salary to their personal pension account under the new system. Employees may apply for retirement once they meet legal retirement conditions. Pensions for overseas subsidiaries, branches, and affiliates use the defined benefit plan. Social security funds including pension and healthcare are filed each month in accordance with regulations of local governments.

## 6.6 Human Rights Protection

### 6.6.1 Human Rights Risk Identification and Assessment

Delta complies with international labor and human rights standards as well as the laws and regulations in the country of operations. Suppliers are prohibited from modern slavery for any other purposes and the progress of human rights management is disclosed annually in accordance with The Modern Slavery Act of the UK. In response to ESG development trends, Delta's human rights management policy added an article for "diversity and inclusion" in 2022, emphasizing a diverse and inclusive culture that respects gender equality and different groups. Each year, a risk assessment is performed to identify human rights issues through regulatory-compliant self-assessments in factories, and third-party evaluations. Mitigation and correction measures are adopted based on the results of risk assessments and deficiencies discovered in internal/external audits, and improvements are made continuously to achieve the purpose of risk management. The Company complied with local labor regulations and related rules and there was no violation of any regulations in 2022. RBA compliance training was hosted in China to improve the industry chain's level of liability and social responsibility management capabilities to assist in creating sustainable development for "enterprise, environment, and society". Self-assessments of human rights risks were also conducted in affiliated companies and joint ventures, and the findings identified human rights risks as low risk.

#### Human Rights Due Diligence Investigation and Mitigation Measures



Topics of Concern	Targets and Actions	Management and Mitigation Measures
<b>Freely Chosen Employment and Prohibition of Forced Labor</b>	<ul style="list-style-type: none"> <li>✔ Formulate the Human Rights Policy, Code of Conduct, and Recruitment and Hiring Management Regulations to allow freely chosen employment and prevent non-voluntary labor services.</li> <li>✔ Regulate and promote freedom of movement policies in the workplace.</li> <li>✔ Establish a policy for requiring zero payment from foreign migrant workers.</li> <li>✔ Policy to ban the use of child labor.</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen human rights management, implements the zero-payment policy</li> <li>• Optimize the hiring process, provide payment for health examination fees of new employees</li> <li>• Ban the employment of child labor, check the age documentation of new recruits</li> </ul>
<b>Working Hours and Salary</b>	<ul style="list-style-type: none"> <li>✔ Salary must meet the legal requirements for minimum wage, overtime, and benefits; salary deductions may not be used as a disciplinary measure.</li> <li>✔ Cater to the mental and physical health of employees by managing extended work hours and ensuring that overtime pay exceeds the standards of regular pay.</li> <li>✔ Provide sufficiently detailed payroll information for each payroll period.</li> <li>✔ Comply with local laws and regulations in the hiring of temporary workers, contractors, and labor outsourcing.</li> <li>✔ Equal salary regardless of gender, age, or ethnicity.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish effective recruitment plans based on sales and marketing meetings, update daily recruitment conditions, prepare labor reserves in advance.</li> <li>• Reinforce production line labor in phases to maintain operations for 6 out of 7 days of the week, rigorously manage working hours to below 60 hours per week.</li> <li>• Employees in China agree to a social insurance payment base as required by local laws and regulations</li> <li>• Meetings cannot be scheduled before business hours.</li> </ul>



Topics of Concern	Targets and Actions	Management and Mitigation Measures
<b>Diverse Recruitment and Staffing and Anti-discrimination</b>	<ul style="list-style-type: none"> <li>✔ Respect religious freedom and establish application procedures for employees' religious venues</li> <li>✔ When executing M&amp;A projects, identify whether the target company contains human rights risks related to gender, ethnicity, or religious discrimination.</li> </ul>	<ul style="list-style-type: none"> <li>• Employ aboriginal people and provide more than the 3 days annual ceremony leave as required by laws and regulations</li> <li>• Employ personnel with visual and hearing disabilities</li> <li>• Customize forums and events to care for the human rights of migrant workers</li> </ul>
<b>Freedom of Association</b>	<ul style="list-style-type: none"> <li>✔ Create an environment with freedom of expression and communication and provide employees with the legal right to establish, participate in, or refuse to join associations or group agreements.</li> </ul>	<ul style="list-style-type: none"> <li>• All personnel are free to associate with or organize unions; collective bargaining may be conducted between union representatives and the Company</li> </ul>
<b>Sexual Harassment Prevention and Unlawful Infringement in the Workplace</b>	<ul style="list-style-type: none"> <li>✔ Taiwan issues written statements for workplace violence prevention</li> <li>✔ Create a friendly workplace environment and set up sexual harassment grievance hotline, mailbox, and heartwarming delivery services</li> <li>✔ Establish a global report management mechanism and execute the handling and investigation procedures for unlawful infringements in the performance of duties</li> </ul>	<ul style="list-style-type: none"> <li>• Establish an online course for sexual harassment prevention and track the training employee completion rate</li> <li>• Organize training for prevention of unlawful infringement and sexual harassment in the workplace</li> <li>• Revise Taiwan's management procedures for unlawful infringement in the workplace by adding settlement procedures in cases where grievance committees are not convened</li> </ul>
<b>Safety and Health</b>	<ul style="list-style-type: none"> <li>✔ Establish the ISO 45001 Management System for all major plants across the globe and implement preventive safety and health management.</li> <li>✔ Pay attention to the safety and health of the work environment of workers and commit to creating a safe and healthy workplace.</li> </ul>	<ul style="list-style-type: none"> <li>• Posting GHS chemical labels and exhaust pipeline label.</li> <li>• Protective equipment is placed in the designated temporary storage area, and the wearing and storage regulations are publicized.</li> <li>• Check bulletin boards quarterly to ensure that employee policies are up to date.</li> </ul>

## 2022 Human Rights Management Achievements

Employment of Employees with Disabilities	Audit of Human Rights Standards Global Sites	Human Rights Policy Training	
<ul style="list-style-type: none"> <li>• We employed <b>1,144</b> people with disabilities worldwide including,</li> <li>• <b>97</b> employees in the Taiwan plant.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>24</b> internal audits</li> <li>• <b>101</b> external audits</li> <li>• Risk ratio<sup>*1</sup> was approximately <b>2.6%</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>82,007</b> employees completed training globally<sup>*2</sup></li> <li>• <b>97.0%</b> completion rate</li> <li>• <b>10,934</b> training hours</li> </ul>	<ul style="list-style-type: none"> <li>• <b>13,772</b> employees completed training in Taiwan</li> <li>• <b>96.8%</b> completion rate</li> <li>• <b>1,836</b> training hours</li> </ul>

\* 1 The risk ratio calculation was based on the methodology of the Dow Jones Sustainability Indices.

\* 2 The number of participants in training included Cyntec employees.





## 6.6.2 Employee Rights and Communication

Delta adopts open communications with employees and a good two-way communication mechanism, achieving a global group bargaining and union coverage rate of 53.6%.

Compared to the previous year, the coverage rate has decreased as new employees in Thailand and India have not yet been selected to join their respective unions. Remaining employees who "have not joined a union or are not covered by collective bargaining" and those in "operating sites or subsidiaries without unions" enjoy work conditions and employment clauses that comply with local labor regulations, labor contracts, working rules, or which have been confirmed by labor negotiation channels instated by law.

Delta also strives to expand diverse communication channels by implementing a good and fast communication mechanism that swiftly deploys correct company information and allows the voices of employees to be heard and answered. As such, the expectations and sentiments of both parties can be consolidated to solidify labor-management relations. In addition, any reported information is kept confidential to protect the rights and interests of all employees. In 2022, Taiwan received 243 cases of internal suggestions or feedback, 29 of which were reports of labor standards violations. There are 5 cases of sexual harassment among the reports of labor standards violations and only two of them were put on record. There were no other cases were reported as discrimination. All cases were dealt with at once and improvement measures were taken accordingly.

### 2022 Communication Channels and Statistics of Employee Feedback in Major Manufacturing Sites\*1

	<b>47</b> Cases	<b>Union and Labor-management Meetings</b>	<ul style="list-style-type: none"> <li>Organized quarterly to promote harmonious labor-management relations</li> <li>Assisted troubled workers with applying for holiday and condolence subsidies from unions</li> </ul>
	<b>164</b> Cases	<b>Welfare Related Meetings</b>	<ul style="list-style-type: none"> <li>Organized quarterly to promote an exchange of ideas for welfare activities</li> <li>Improved dining environment (replaced tables and chairs) and added foreign cuisines</li> <li>Revised procedures for reviewing and managing clubs, added supplementary content, and encouraged clubs to engage in cross-plant competitions</li> </ul>
	<b>187</b> Cases	<b>Seminars</b>	<ul style="list-style-type: none"> <li>Executive manager seminars conveyed the organization's vision, principles, and listened to employee demands</li> <li>Dormitory seminars, face-to-face discussions clarified employee demands, and improved dormitory environments (repaired air conditioning, hot water supply facilities)</li> </ul>
	<b>337</b> Cases	<b>Mailbox for Employee Complaints and Suggestions</b>	<ul style="list-style-type: none"> <li>Implemented an online and physical mailbox and provided a channel for anonymous suggestions</li> <li>A suggestion platform was implemented in the public areas of each plant (scan QR code for messenger service)</li> <li>Provided mechanisms for reports and complaints, and management of unlawful infringement in the workplace</li> </ul>

\*1. The main manufacturing sites include Taiwan, China, and APAC's Thailand and India plants.

## 6.7 Social Participation

### 6.7.1 Social Engagement

Complying with sustainable development goals in response to the world's shared values, continue to support socially innovative enterprises on the path of mutual benefit with the environment to achieve the goal of a sustainable homeland.

#### Regional Revitalization

Delta insists on green procurement and has extended its walking events in Taiwan from previous years, organized short travel vacations in the spring, improved the right to speak for local areas, supported regional revitalization, and contributed to protecting the beauty of Taiwan. For three consecutive years, Delta has received the second-place award for "Socially Innovative Procurement of Products and Services". In 2022, Delta combined the principles of social welfare and resource sustainability to connect regions and collaborate to expand its social influence. As a result, Delta was awarded the Ministry of Economic Affairs' Buying Power Special Charity Award and third place in charitable procurement.

#### Light Up! Spark Dreams and Revitalization

For four consecutive years, the charity donation program has spread love through the donation of quality second-hand goods and crowd-funded purchases to help 15 charity organizations gather more than 5,300 supplies and more than NT \$160,000 in donations. Collective power was utilized to achieve improved supplies and spark dreams to create a better living environment.



**地方創生 大自然春遊療癒小旅行**  
出發囉~  
環保旅行，共同守護台灣土地的美好

#南北春遊五條線  
#當地文化深度旅行  
#五感療癒輕體驗

**2022年獲得經濟部Buying Power-公益特別獎**

公益關懷與資源永續，四大創新元素讓每個行動都具有影響力  
系統創新：開發捐物系統，七廠區精準媒合，更有效率完成物資捐贈。  
企劃創新：非一次性的捐物活動，結合公益關懷與資源永續。  
公益創新：不同公益單位剪輯介紹影片，期許同仁持續關注及支持。  
永續創新：以不同的型態或使用方式，帶來新的生命和價值。

**Light Up!! 點亮夢想共創新生**  
再續你我愛心 助弱勢

**認捐物資**  
從北至南幫助15家不同公益單位  
募集超過5,300件物資，幫助偏鄉弱勢孩童、身心障礙者、失智長輩、動物保護...等。

**圓夢計畫**  
小額募款完成物資採購  
涼快一夏，放心學習 | 募集金額81,000元，採購4台冷氣機。  
安心飲水，守護孩子 | 募集金額81,500元，採購3台飲水機及16組防護地墊。

**物資改造**  
每一個物品都值得被更好的對待，委由石門老梅社區媽媽將同仁捐贈  
閒置不用的牛仔褲透過改造賦予新的樣貌與生命，使牛仔褲變身為  
環保提袋，公司進行採購贈出。

## 6.7.2 Popularizing Green Buildings and Low-Carbon Transportation

### Official Opening of Namasia Dist. MinQuan Elementary School and Preschool Donated by Delta

After Typhoon Morakot in 2009, Delta assisted in the reconstruction of Kaohsiung's Namasia District MinQuan Elementary School. Once completed, the project received Taiwan's highest diamond-grade Green Building Label and it has since been used as an evacuation center for local residents during typhoons and heavy rainfall disasters. In 2021, it became Asia's first school to obtain LEED Zero certification. As the indigenous population grew, Delta Electronics Foundation has continued its commitment to the green campus by further donating to a preschool in 2021. The project was also designed around the local environment and renewable energy to create an energy-conserving and safe green campus; the project was completed and officially opened in 2022.

### Further Evolution of LEED ZERO and WELL Building Standard Courses

Delta continued to organize LEED ZERO certification courses in 2022, teaching the details of certification application and adding net zero smart building technologies to share viable pathways for reducing carbon in buildings. The content of the WELL Building Standard course is constantly updated based on the latest health-safety evaluation criteria to improve health management quality during epidemic prevention as well as provide a universal standard for enterprise indoor environmental quality (IEQ). The two courses attracted more than 1600 applicants.

### Delta Buildings Featured in UN Climate Report and Renowned Academic Journal

In 2022, the UN Intergovernmental Panel on Climate Change (IPCC) released its 6th Assessment Report (AR6), recognizing Delta's donation of the NCKU Y. S. Sun Green Building Research Center for its exceptional performance in energy conservation and one of the global models for low energy consumption



buildings. Also, a 2021 project between Delta and the New Taipei City Government utilized the temperature, humidity, and comfort analysis from weather forecasts to adjust the air conditioning temperature of public buildings. Without the addition of any equipment, the project achieved the benefit of 9% energy conservation. The case study was featured in issue 221 of the renowned international academic journal Building & Environment in 2022.

### GreenBIM Microclimate Platform Completes ASHRAE Monitoring at 400 Sites Across Taiwan

GreenBIM Microclimate Platform, a joint venture between the Delta Electronics Foundation, Taiwan's Central Weather Bureau, Taiwan Architecture & Building Center, and International Climate Development Institute introduced an energy efficiency tool developed by UC Berkeley in 2022 to build an energy efficiency standard "Taiwan BETTER" that is more suitable for the island's buildings. The platform has implemented paid ASHRAE data points across Taiwan, allowing architects and air conditioning technicians to accurately utilize microclimate data to improve the energy efficiency of air conditioning systems.

### Promotion of Electric and Low Carbon Transportation Enters Elementary Schools for the Third Year

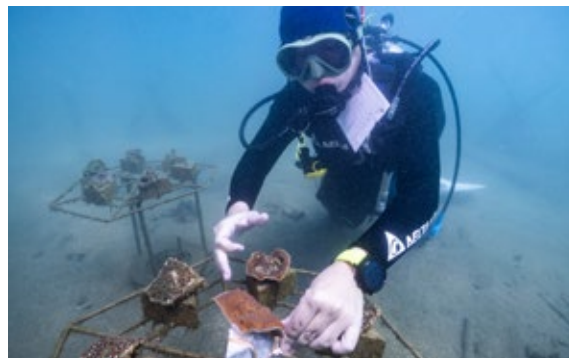
By utilizing science experiments that can be done by elementary students, Delta promotes the early teaching of low carbon transportation, and introduces the issues of transportation and air pollution as well as the scientific principles of electric vehicles. In 2022, the lesson plan was revised to include air quality monitoring for roads as well as air quality control zones to help children understand the importance of transitioning to electric vehicles and the dangers of remaining idle. The efforts will hopefully allow students and teachers to proactively drive changes to campus transportation policies to improve air quality.



## 6.7.3 Energy Conservation and Climate Education

### Founded Coral Conservation Center - Trained Volunteers to Obtain Monitoring License

From 2021-2022, Delta successfully transplanted 1200 fragments to the conservation center under the guidance of a professional marine conservation team, completing the goal three years earlier than expected. The project introduced LED lighting and PLC equipment developed by Delta to accelerate the coral restoration process. Volunteers arranged to undergo training with the international coral monitoring network CoralNet to learn to identify coral, transplant fragments, and mark and monitor larvae. As of 2022, the number of licensed Delta volunteers accounts for 80% of qualified volunteers in Taiwan; a portion of coral fragments have been transplanted to Chaojing Bay Resource Conservation Area



### Delta Cup Themed on Research Station for Giant Panda - Exploring Harmonious Development Between Humans and Nature

The 2022 Delta Cup international solar energy building design competition was centered on the theme of "Sunshine & Station in the Scenery" by collecting design submissions for a research station in the nature conservation area for giant pandas located in Guanba Village of Sichuan Province's Pingwu County. Guanba Nature Conservation Area is an important protected habitat rich in biodiversity resources, including tens of precious plants and animals such as giant pandas. In 2021, it was selected into the "Convention on Biological Diversity" to become the "100+ Global Cases of Biodiversity" at COP 15. The competition received 171 valid entries and was ultimately won by the project "Light - Shadow - Alleys" completed through collaboration by the Architectural Design & Research Institute of Zhejiang University, the National University of Singapore, and the East China Architectural Design & Research Institute. The project cleverly combined active/passive technologies and architecture design, utilizing a creative "light tower" design to win the praise of the judges panel and stand out from other submissions. Since the contest began

in 2005, it has attracted submissions from 9,999 teams across the globe and received 2,044 eligible entries. After conceiving their detailed designs, five of the winning entries have been constructed to help make the designers' dreams come true. [Click here](#)



First place entry "Light - Shadows - Alleys"

### Continued Growth of Social Media Influence

Delta's long-term commitment to the "Low Carbon Life Blog" and Voice of IC "Climate Battle in Taiwan" radio program has allowed the blog to accumulate 5.95 million views and its exposure in major online media outlets with social media posts has accumulated a reach of 13.23 million people. The radio program focuses on themes such as climate news, the AR6 climate report, carbon reducing technologies, and UN conferences relating to the environment. Annual clicks have exceeded 65,000 or 58% growth while also taking Taiwan's top spot in the "nature" category for many days on Apple Podcast.

### Delta Produced Marine Documentary Receives Honors at the Houston Film Festival

Delta commissioned a professional Japanese photographer to travel to islands in the Pacific Ocean to film 8K ultra high-definition documentaries "Life in the Coral Reefs" and "Swimming with Humpback Whales" to raise public awareness for marine conservation. Both documentaries won gold awards at the 2022 55th WorldFest - Houston International Film Festival.

### Delta Earth Film Festival Tours Taiwan

In 2022, Delta initiated the "Earth Pulsing" Film Festival and toured Taiwan for showings of all 13 episodes of the BBC's epic nature documentaries. Delta also partnered with WildView Taiwan in environmental topics to raise public awareness of climate change and how it has impacted Earth's ecosystems by touring museums and high school campuses. Additionally, an ecological concert of the fantastic music in the BBC's "Planet Earth II" was once again organized. Together, the film festival and concert received more than 6,500 attendees.

### Earth Pulsing - Nurturing Life Exhibition - Pioneering Use of Renewable Energy

Delta and Asia University co-organized "Earth Pulsing - Nurturing Life Exhibition" which not only included a BBC authorized still image exhibition of "Planet Earth II" and "Blue Planet II", but also featured projection technology and ecological art to explore life on earth and sustainable development. All electricity used during the four-month long exhibition was sourced from renewable energy and the exhibition attracted more than 10,000 visitors.

### Delta's Green Practices are Featured Once Again on the International Stage

In 2022, Delta presented its latest coral restoration efforts at the world's largest sustainability forum Sustainability Research & Innovation (SRI). Additionally, Delta attended the UN Conference of the Parties (COP) for the 14th time and organized side events in the official area, offering its experience in enhancing power grid resilience with the governments of the Balearic Islands, Canary Islands, and energy think tank RMI. Delta also hosted its first action initiatives forum at COP, inviting experts such as Scripps Institution of Oceanography and UC San Diego Vice Chancellor Prof. Margaret Leinen and National Museum of Marine Biology and Aquarium Deputy Director Te-Hao Chen to take the stage and speak on diverse topics such as coral restoration and the thermo tolerance gene.

### Energy Management Personnel Training Cultivates Green Talent for the Industry

In 2022, Delta continued to organize training for energy conservation management personnel through partnership with Taiwan's largest industry group, the "Chinese National

Federation of Industries". New courses related to foundational knowledge in climate change, weather services, and energy conservation financing were added in response to climate and financial trends. A total of two online training programs were held with a total of 2,300 applicants and later, 75 individuals who applied for examination and obtained licenses.

## 6.7.4 Talent Cultivation

### DeltaMOOCx Adds Flexibility to Learning Courses

DeltaMOOCx, developed with technical and vocational education at its core, combines industry trends and industrial design automation curriculums to extend the learning of natural science subjects in vocational high schools. Due to COVID-19, all open courses on the platform allowed students to learn with more flexibility, accumulating more than 18 million views in 2022.

### Cultivating Environmental Talent and Giving Back to Society

Delta has long fostered exceptional talent that benefits society through scholarships. As of 2022, a total of 138 exceptional students from Northern Thailand area have received overseas study scholarships. Over a hundred academic talents with Master's and Ph.D. degrees have received scholarships to travel the world and study environment-related subjects. In addition, the Delta Electronics Foundation also provides civil servants with scholarships for overseas studies and we have helped train more than 60 outstanding civil servants that have achieved awards. 2022 marks a decade since the Delta Electronics Foundation established the "Tseng Hsu-pai Journalism Award - Delta Energy and Climate Special Award". Since then, the award has been issued to 38 news reports for climate and energy-related topics and continues to award reporting on the climate crisis.

### China Science Education Development Plan - New Power System to Promote Energy Transformation

Established in 2000, Delta has since continued the "Delta Power Electronics Science Education Development Program" and "Zhongda Scholars Program". Starting in 2023, the programs' 10 original key universities, saw the addition of the North China Electric Power University. The new "Power Electronics Power System" subject encourages the cultivation of interdisciplinary talent

in science and technology innovation to achieve significant, next-generation results in scientific research. In August 2022, Delta, organized the "2022 Delta Power Electronics Technology Seminar" in Wujiang, Suzhou. The seminar marked the first discussion on the key subject of building new power systems for energy transformation. The "Delta New Power Electronics Power System Summit Forum" was organized, inviting expert scholars, faculty, and students in the fields of electronics and power to conduct meaningful exchanges.

## Recent Research into Power Electronics Systems – Timely and Necessary



Luo An, professor and academician of the Chinese Academy of Engineering, Zhongda Scholar in 2015, spoke at the seminar on behalf of the faculty and students of all universities involved in the "Dual Science Education Program". He thanked Mr. Bruce C.H. Cheng for his unwavering support of Prof. Fred C. Lee and initiatives from other senior scholars in power electronics to cultivate a group of practical talent to act as the backbone for the rapid development of power electronics in China. This year, the addition of research in power electronics systems closely follows this generation's context and is an important pathway to achieve the dual targets of clean energy and carbon transformation. At a high level, this research is timely and necessary.

The 2022 "Science Education Program" sponsored research grants for 15 scientific subjects. "Zhongda Scholar Program" selected Professor Zeng Rong for the distinction and title of "Zhongda Scholar". Associate Professor Professor Wang Yijie was awarded the "Zhongda Young Scholar Award". A total of 61 graduate students from ten universities received scholarships. As of 2022, there were 317 innovative research subjects that have received grants; 41 received awards for exceptional research, with 33 outstanding professors receiving the distinction of being a "Zhongda Scholar", 24 were selected for the "Zhongda Young Scholar Award", and 20 sponsored as "Delta Visiting Scholars". Scholarships have been awarded to 1,422 exceptional graduate students.

### Delta Physical World Revised to Inspire Interest in STEM Education

The "Physical World" exhibit donated to the National Museum of Natural Science by Delta, completed small scale revisions in 2022 which included the use of Delta robotic arms combined with the precise computation of Coriolis force as well as experimental designs to enhance acoustics and optics. Since "Physical World" was reinstated in 2014, it has attracted more than 10 million visitors and more than 442 student volunteers from Taichung First Senior High School who have been the primary force acting as guides for the exhibit. For nine consecutive years, the Delta Electronics Foundation has partnered with the Wu Chien-Shiung Education Foundation to organize annual science camps for high school students. The partnership has attracted more than 1,200 high school students to the STEM camp and inspired their interest in fundamental science.

### More than a Decade of Environmental Law Program - Protecting Nature through the Power of Law

Since 2011, Delta has established the "Delta Environmental Law Scholar Program" and "Delta Environmental Law Education Promotion Program" in order to support environmental resources and energy law subjects in eight key universities. In the decade since the program began, distinctions have been awarded to nine "Delta Environmental Law Scholars" and 21 "Delta Environmental Law Young Scholars". The "Delta Environmental Law Outstanding Thesis Award" has been issued to 60 people while the "Thesis Scholarship" has been awarded to 362 people. A total of nine environmental law forums have been organized and the contributions of experts and scholars on environmental topics have received affirmation from the academic field of environmental law. On December 10-11, 2022, Delta Group, with support from Zhengzhou University

Law School and Zhengzhou University Institute of Natural Resources Protection Law, organized the "2020-2022 Delta Environmental Law Forum". The online event invited experts in environment and natural resource protection law to join faculty and students to explore topics such as "Research of Laws Relating to Ecological Protection and High-Quality Development of the Yellow River", attracting over 4,000 viewers to the forum's live stream.

### Supporting Education with Love -- Allowing Pearl Students to Shine

There is a group of "Pearl Students" who are academically exceptional but have trouble completing their education due to special circumstances at home. Since 2008, Delta has acted as a "Pearl Cultivator" through the "Hope For Pearl", providing subsidies towards three years of high school life for Pearl students. As of 2022, a total of 980 students from the five provinces of Fujian, Hebei, Shanxi, Anhui, and Hunan have received support totaling RMB 7.35 million (approximately 1.057 MUSD).

Most students in the "Delta Pearl Class" have attained exceptional results in the National College Entrance Examination after graduation through their own hard work and guidance from their instructors. In 2022, 90% of 130 Delta Pearl students sponsored by Delta since 2019 from Anhui Suzhou No. 2 Middle School, Hunan Yiyang No. 1 Middle School, and Ningde Nationality Middle School got admitted to the undergraduate university. Upon entering university, Pearl students have comparatively few resources and lack opportunities for growth but Delta has continued to show concern through events such as freshmen welcoming parties, winter camps, and recruitment seminars. In 2022, Delta participated in Xin Hua Education Foundation's first annual cloud recruitment event, providing more than 100 positions to "pearl university students" across the nation. To date, nearly 20 Pearl students have joined the Delta Wujiang plant and other locations, allowing Pearl students to continue showcasing their efforts.



## 6.8 Occupational Health and Safety

### 6.8.1 Occupational Health and Safety

#### Occupational Safety and Health Management System

Providing employees with a safe and healthy workplace is one of Delta’s most fundamental obligations as a corporate citizen. The Company's main production plants in Taiwan and Mainland China and the Thailand Plant comply with the P-D-C-A strategy for the Occupational Safety and Health Management System to systematically promote occupational safety and health management tasks. Regions and plants with ISO 45001 certification: Taiwan: Taoyuan Plant 1, 2, 3, and 5, Chungli Plant 1, 5, and RD Plant, Pingzhen Plant, Tainan Plant 1, and Cytotec in Hsinchu. Mainland China: Dongguan Plant, Wujiang Plant, Chenzhou Plant, Wuhu Plant, and Huafeng Plant; DET Plant 1, 2, 5, and 6 in Thailand; Taoyuan Plant 1, 2, 3, and 5, Tainan Plant 1, and Pingzhen Plant also passed

CNS 45001 certification and obtained the TOSHMS certification. We set up safety and health management units in all plants and appointed professional personnel to take charge of safety and health management planning, implementation, supervision, and audits. Delta has established industrial safety departments in production-oriented plants in Mainland China and Thailand which report directly to the highest-ranking local supervisor. In R&D and administration-oriented units in Taiwan, an occupational safety and health management department reports directly to the Chief Executive Officer. All plants follow requirements of local regulations for labor and management to jointly form an Occupational Safety and Health Committee which convenes regular meetings to review, coordinate, and propose recommendations for safety and health management.

#### Key Discussions of Delta's Regional Occupational Safety and Health Management Committees in 2022

Regions	Taiwan (Delta & Cytotec)	China (Delta & Cytotec)	Thailand
<b>Key Discussion Topics</b>	<ul style="list-style-type: none"> <li>COVID-19 disease prevention</li> <li>Extending production line controls</li> <li>Review cases of occupational accidents</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening the safety management of machinery and equipment</li> <li>Rectify and prevent work safety incidents</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening inspection of unsafe equipment</li> <li>Reinforcing emergency response drills in plants</li> <li>COVID-19 disease prevention</li> </ul>
<b>Percentage of Total Employees</b>	43%	37% No applicable requirements	54%
<b>Supplementary Description</b>	<ul style="list-style-type: none"> <li>Number of employee representatives: 98 people</li> <li>Number of committee members: 226 people</li> </ul>	<ul style="list-style-type: none"> <li>Number of employee representatives: 64 people</li> <li>Number of committee members: 172 people</li> </ul>	<ul style="list-style-type: none"> <li>Number of employee representatives: 54 people</li> <li>Number of committee members: 99 people</li> </ul>

## Risk Assessment and Management

To effectively prevent the occurrence of occupational hazards, the Company has established safety and health hazard identification and assessment procedures for risks and opportunities to identify potential hazardous factors of the work environment, process, activities, products, and services. We identify potential hazards, assess their risks, specify unacceptable risk levels, and prioritize engineering control measures for unacceptable risks. We identify and assess risks of contractor personnel and discuss operational risks and control measures in construction meetings or toolbox meetings. In terms of the procurement of new equipment and process upgrades, we manage changes, implement pre-purchase safety evaluations, and increase safety measures for mechanical equipment. We also select low-hazard chemicals to replace high-hazard chemicals and adopt source control measures to ensure personnel and plant safety and health. We implement regular hazard identification and risk assessment for work procedures and control unacceptable risks. The responsible units must file applications for operations with higher risks and levels of hazards, and the operations can only be carried out with the approval of related units. To ensure safe operations of power equipment and facilities, our manufacturing plants regularly use an infrared thermal imaging camera to undertake non-blackout inspections for early detection of any abnormalities and rapid response with effective improvement measures.

## Occupational Health and Safety Assessment

The plants shall conduct automatic inspections and self-inspections in accordance with government regulations and the Company's operation standards to ensure the safety of employees and plants. Safety and health management department personnel shall carry out routine occupational safety assessments and inspections. They must also perform sampling inspections on contractors' operational safety. Plants in each region shall promote inter-industry health and safety inspection activities. Inspectors include safety and health management department employees of other plants, factory occupational safety and health personnel, and departmental occupational safety and health promotion employees. Through the observational learning of cross-industry inter-inspector activities, factory personnel safety and health management exchanges and interactions were improved as were manufacturing plant audits. Certain main production plants shall include inspection results in the safety and health evaluation activity. The units with the most improvement shall receive commendations and bonuses as well as rewards for the implementation personnel to encourage improvements in how employees practice safety and health management in their work.

## Management of Hazardous Chemical Substances and Workplace Monitoring

To prevent the use of hazardous substances from affecting employee health, plants must prioritize the use of low-hazard chemicals and set up regional ventilation equipment to effectively remove hazardous gases. If the plants need to purchase new chemicals or replace chemicals used in the manufacturing process, they must follow the management procedures of the plant for implementing changes. They must conduct risk assessments for hazard ratings for the use of such chemicals and obtain approval from related units before they can be used in the plant. We use personal respiratory protection equipment that meets the requirements of local laws and regulations based on the conditions of the use of chemicals. For processes with a higher risk of respiratory protection hazards, we implement corresponding air-tightness tests to ensure their effectiveness. If a plant has employees of other nationalities, the plant translates information on the hazardous chemicals into the language used by the employees to ensure that all workers understand related hazards. Our respective plants, pursuant to practical operational hazardous situations and regulatory requirements, regularly appoint monitoring institutions to implement workplace monitoring to control the dispersion of hazardous factors in the workplace. Delta then uses the results of these tests to carry out onsite improvements, thereby lowering the occurrence of workplace illnesses. Delta has implemented the monitoring of operating environments for both chemical and physical factors. After collection and analysis, data sorting found the top four monitored chemical factors to be isopropanol, tin (IV) oxide, methanol, and carbon dioxide; the top three monitored physical factors include noise, illuminance, and wind speed. Additionally, few workers in certain plants engage in radiation operations. We work to prevent employee workplace exposure to hazardous elements and their causes according to local statutory regulations. As such, operators that handle hazardous materials undergo special health checks and the results of the checks are used for tiered management.

## Training and Communication

To improve workers' safety and health knowledge and ability to respond to emergencies, we held safety and health education training in accordance with regulatory requirements. We used emails and bulletin boards to post or organize safety knowledge Q&A to increase employees' ability to identify hazards in the work environment and their safety and health knowledge and concepts for disaster prevention and response, and to thereby prevent the occurrence of occupational hazards. In 2022, Delta Taiwan, Mainland China, and

Thailand (including the subsidiary Cyntec) implemented workplace safety and health training for new recruits and current employees (course contents included hazardous chemicals, machinery and equipment operations, electrical safety, and respiratory protection), emergency response and fire drills for licensed employees required by regulations (e.g., first aid personnel, forklift operators, fixed crane operators, and organic solvent operations supervisors), and personnel safety training for the introduction of new equipment or new technologies. We recorded a total of 176,000 participants for related internal (external) on-the-job training who registered with more than 432,000 hours of training. Courses are conducted in local languages or the languages used by non-native employees. We also administered post-training tests to evaluate the effectiveness of the training. We established the safety, health, and environmental protection regulations for contractors to enhance the safety and management of contractors in plants. We require contractors to abide by occupational health and safety laws and Delta's regulations. Contractor personnel who intend to enter Delta plants must receive the necessary occupational safety and health training, pass tests, and sign the hazard notice before they may enter the plants for operations. Contractor personnel in Taiwan, Dongguan, Wujiang, and Thailand Plants have recorded more than 36,000 hours of safety training.

### Occupational Accident Management

To ensure rapid response of related units in the event of an occupational accident, the Company has established accident notification and processing procedures for employees and workers in plant areas under Delta jurisdiction. In the event of a near miss, occupational injury, or occupational disease, first aid, reporting, investigations, and improvement measures must be implemented for each incident. The Company must also propose improvement measures for the root cause of the incident. All improvement measures must be horizontally expanded to prevent the recurrence of similar incidents. If employees who have returned to work after an occupational injury or occupational disease still have concerns regarding occupational injuries or occupational disease in the

workplace, they may address the concerns with employees of the Occupational Safety and Health Department of each plant at any time. The Company prioritizes the safety and health of employees above all and continues to implement corresponding improvement measures to ensure the safety and health of employees.

Delta's occupational hazard statistics are calculated based on the definitions in the Occupational Safety and Health Act and indicators of critical disabling injuries published by the Global Reporting Initiative (GRI). Delta employees recorded more than 240 million work hours in 2022. The statistics of occupational injuries and illnesses in Delta operations in different regions are specified in the table below: The number of occupational injury-induced deaths rate and recordable disease rate were both zero in the current year; the severe occupational injury rate was zero; the Lost- Time Injury Frequency Rate (LTIFR) was 0.95, thus achieving the 2022 target of LTIFR 0.95, and critical Disabling Injury Frequency Rate (FR) was 0.54. The LTIFR in terms of injury type consisted mainly of clamping or coiling injuries. To prevent the hazards of such mechanical injuries, plants shall implement equipment source management, install safety devices when purchasing machinery, and list them as routine inspection items.

The occupational injury-induced death rate of other workers was zero; the severe occupational injury rate was zero; the LTIFR was 6.49 and critical Disabling Injury Frequency Rate (FR) was 5.61; In 2022, an employee in Tainan Plant was burned by arc flash as a result of a short circuit that occurred during test operations. It was a violation of the Occupational Safety and Health Act and the Company was fined NT\$110,000 by the Southern Taiwan Science Park, National Science and Technology Council. The plant conducted a full review of related operations and adopted improvement measures including installation of an emergency off device for the equipment, enhanced electrical safety training for employees, and regional safety and management measures to ensure the safety of employees in operations.

### Statistics of Occupational Injuries and Disease in 2022

		Major Production Sites				Operations Sites and R&D Center			Total
		Taiwan	China	Thailand	India	Taiwan	China	Other overseas regions	
<b>Employees</b>	Occupational injury-induced death rate	0	0	0	0	0	0	0	0
	Severe occupational injury rate	0	0	0	0	0	0	0	0
	Lost-Time Injury Frequency Rate (LTIFR)	1.63	0.37	2.37	0.11	1.04	0.00	2.31	0.95
	Occupational disease-induced death rate	0	0	0	0	0	0	0	0
	Recordable occupational disease rate	0	0	0	0	0	0	0	0
<b>All Workers Who are Non-employees but Whose Work and/ or Workplace is Controlled by the Organization</b>	Occupational injury-induced death rate	0	0	0	0	0	0	0	0
	Severe occupational injury rate	0	0	0	0	0	0	0	0
	Lost-Time Injury Frequency Rate (LTIFR)	1.23	0	0	15.27	2.45	0	0	6.49
	Occupational disease-induced death rate	0	0	0	0	0	0	0	0
	Recordable occupational disease rate	0	0	0	0	0	0	0	0

#### Formula

Lost-Time Injury Frequency Rate (LTIFR)= (recordable number of occupational injuries + recordable number of occupational illnesses)/total work hours \* 1,000,000.

Occupational injury-induced death rate = number of deaths caused by occupational injuries/total hours worked \* 1,000,000

Severe occupational injury rate = number of severe occupational injuries/total hours worked \* 1,000,000

Recordable occupational injury rate = recordable number of occupational injuries/total work hours \* 1,000,000

Occupational disease-induced death rate = number of deaths caused by occupational illnesses/total hours worked \* 1,000,000

Recordable occupational illness rate = recordable number of occupational illnesses/total work hours \* 1,000,000

\* 1 Total work hours included overtime work hours.

\* 2 The recordable occupational injuries do not include traffic accidents during commutes.

\* 3 The occurrence rate is accurate to two digits after the decimal point and the third digit is rounded off unconditionally.



# Appendix



## 7

- 7.1 Environmental Data**
- 7.2 Social Data**
- 7.3 Index of GRI Standards Indicators and SASB Index**
- 7.4 Summary of Information Assured (ISAE 3000)**
- 7.5 TCFD Index**
- 7.6 External Assurance Statement and Report**

## 7.1 Environmental Data

Attribute	Category	Item	Overall Production Plants <sup>*1</sup>				Global Operation Sites	
			2019	2020	2021 <sup>*2</sup>	2022	2021	2022
Input	Energy <sup>*3</sup>	Purchased non-renewable electricity (MWh)	330,557	255,257	274,261	214,631	372,911	262,482
		Self-generated and consumption renewable electricity (MWh)	23,231	25,322	31,068	22,130	25,232	25,454
		Externally Purchased renewable electricity (MWh)	170,000	285,000	357,990	388,687	389,796	421,548
		Total electricity consumption (MWh)	523,788	565,579	663,319	625,448	787,939	709,484
		Purchased non-renewable electricity (GJ)	1,190,005	918,925	987,340	772,672	1,342,478	944,936
		Self-generated and consumption renewable electricity (GJ)	83,632	91,159	111,845	79,668	90,833	91,635
		Purchased renewable electricity (GJ)	612,000	1,026,000	1,288,764	1,399,273	1,403,266	1,517,573
		Total electricity consumption (GJ)	1,885,637	2,036,084	2,397,949	2,251,613	2,836,577	2,554,144
		Natural gas (GJ)	89,329	89,522	113,952	139,116	149,824	199,196
		Diesel (GJ)	8,162	7,321	28,337	13,322	41,663	27,613
		Gasoline (GJ)	3,371	5,128	5,615	4,848	12,182	12,423
		Liquid petroleum gas (GJ)	154,092	154,944	4,700	1,804	5,286	2,292
		Purchased heat (GJ)	0	0	0	0	508	489
		Total energy consumption (GJ)	2,140,591	2,292,999	2,540,553	2,410,703	3,046,040	2,796,157
	Water Resources	Tap water (Megaliters)	3,753.2	3,854.6	4,160.2	3,922.1	4,564.2	4,306.6
		Groundwater (Megaliters)	-	-	-	-	2.9	3.7
		Rainwater (Megaliters)	37.1	37.1	48.7	50.9	67.4	92.8
		Total water withdrawal (Megaliters)	3,790.3	3,891.7	4,208.9	3,973.0	4,634.5	4,403.1
		Water productivity intensity (Metric ton/MUSD)	499.0	465.0	416.0	366.0	450.0	392.0
		Total water recycled (Megaliters)	430.9	508.7	546.1	359.7	567.3	406.7
Recycled water usage rate (%)		10.3%	11.9%	11.6%	8.4%	11.0%	8.6%	



Attribute	Category	Item	Overall Production Plants <sup>*1</sup>				Global Operation Sites	
			2019	2020	2021 <sup>*2</sup>	2022	2021	2022
Output	GHG Emissions	Scope 1 (metric tons CO <sub>2</sub> e)	18,598	14,183	17,808	19,337	35,456	38,807
		Scope 2 (metric tons CO <sub>2</sub> e) market-based	239,522	163,628	133,207	122,888	181,435	148,838
		Scope 1 + Scope 2 (metric tons CO <sub>2</sub> e) market-based	258,120	177,811	151,015	142,225	216,891	187,645
		Scope 2 (metric tons CO <sub>2</sub> e) Location-based	378,648	390,868	415,448	355,651	482,842	395,447
		Scope 1 + Scope 2 (metric tons CO <sub>2</sub> e) Location-based	397,246	405,051	433,256	374,988	518,298	434,254
		Carbon intensity (metric tons CO <sub>2</sub> e/MUSD)	34.3	21.4	15.1	13.3	21.4	17.1
	Water Discharge	Domestic sewage (Megaliters)	2,470.6	2,303.4	2,514.7	2,399.8	2,879.9	2,786.2
		Process wastewater (Megaliters)	186.7	216.9	249.4	211.9	249.4	212.2
		Total water discharge (Megaliters)	2,657.3	2,520.3	2,764.1	2,611.7	3,129.3	2,998.4
	Water Consumption	Water consumption (Megaliters)	1,133.0	1,371.4	1,444.8	1,361.3	1,505.2	1,404.7
	Non-hazardous Waste	Incineration without energy recovery (Metric Tons)	33.9	13.6	29.1	0	29.9	0
		Landfill (Metric Tons)	481.4	366.4	7.3	567.8	983.9	1,137
		Waste to energy recovery (Metric Tons)	6,737.8	7,297.8	7,074.2	5,369.9	7,533.7	5,746
		Recycling (Metric Tons)	31,989.9	28,081.9	38,931.6	39,414.5	39,900.5	40,889.0
		Subtotal (Metric Tons)	39,243.0	35,759.7	46,042.2	45,352.2	48,448.0	47,773
	Hazardous Waste	Incineration without energy recovery (Metric Tons)	383.2	231.0	143.3	0	145.0	117
		Landfill (Metric Tons)	39.2	36.7	58.1	93.10	262.6	212
		Waste to energy recovery (Metric Tons)	634.3	828.4	1,062.9	689.0	1,110.3	964
		Recycling (Metric Tons)	2,344.4	2,591.2	2,754.4	3,137.8	2,936.5	5,097
		Subtotal (Metric Tons)	3,401.1	3,687.3	4,018.7	3,919.9	4,454.3	6,390
	Waste	Total waste generation (Metric Tons)	42,644.1	39,447.0	50,060.9	49,272.1	52,902.4	54,162.9
		Hazardous waste recycled rate (%)	68.9%	70.3%	68.5%	80.0%	65.9%	79.8%
	Air Pollution Emissions	Volatile organic compounds (Metric Tons)	128.2	135.9	308.9	439.1	327.4	462.9

\* 1 Overall production plants: Dongguan, Wujiang, Wuhu, Chenzhou plants in China; DET plant 1, 3, 5, and 6; Taoyuan plant 1, 2, 5 and Pingjhen in Taiwan; Cyntec Hsinchu and Huafeng plants; Eltek (Americas and India plant) was merged in 2015

\*2 Exclude Eltek (Americas and India plant) and add Taoyuan 5 and Pingjhen Plant due to production adjustment in 2021

\*3 Energy calorific value is calculated with a fixed value; natural gas: 9,000 kcal/m<sup>3</sup>, diesel: 10,200 kcal/kg, gasoline: 10,300 kcal/kg; Unit conversion: 4.1868 kJ/kcal.

## GHG Emissions Scope 3

Unit: metric tons CO<sub>2</sub>e

Item	2019	2020	2021	2022	Calculation methodology in 2021 and 2022
<b>C1 Purchased Goods and Services</b>	13,274.1	7,855.45	921,240.26	1,568,772.62	Calculated by the weight of the purchased goods
<b>C2 Capital Goods</b>	-	-	377,367.45	346,435.89	Calculated by the figure disclosed in the financial report
<b>C3 Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2 )</b>	-	-	37,628.54	51,990.43	Calculated by the fuel and energy consumption
<b>C4 Upstream Transportation and Distribution</b>	7,145.7	11,762.29	121,232.00	177,397.56	Calculated by the transportation expenditure
<b>C5 Waste Generated in Operations</b>	328.5	374.61	8,744.24	7,223.53	Calculated by the weight of the waste and the treatment
<b>C6 Business Travel</b>	4,823.2	440.78	1,342.63	4,827.10	Calculated by the business travel distances
<b>C7 Employee Commuting</b>	-	-	76,181.04	76,262.03	Calculated by the employee's commuting transportation and average distances
<b>C8 Upstream Leased Assets</b>	-	-	0	18.75	Calculated by the leased assets that are not included in Scope 1 or Scope 2
<b>C9 Downstream Transportation and Distribution</b>	38,561.7	69,786.25	112,709.35	151,809.80	Calculated by the distances and methods of the products' transportation
<b>C10 Processing of Sold Products</b>	-	-	59,026.07	48,602.60	Calculated by the processing of the sold products
<b>C11 Use of Sold Products</b>	277,624.6	440,946.42	3,259,014.14	4,240,197.05	Calculated by the product power consumption and lifespan
<b>C12 End-of-Life Treatment of Sold Products</b>	-	-	104,787.06	176,356.63	Calculated by the global recycle rate
<b>C13 Downstream Leased Assets</b>	6,242.1	9,464.63	9,420.08	4,127.84	Calculated by the scope 1 and scope 2 of the leased assets
<b>C14 Franchises</b>	-	-	-	-	Not applicable since Delta has no franchises
<b>C15 Investments</b>	-	-	115,248.87	109,269.85	Calculated by the figure disclosed in the financial report

Note 1: The data calculated by the figure disclosed in the financial report refers to the UK Standard Industrial Classification of Economic Activities, the rest of the data refers to the IPCC AR5 GWP in SimaPro Ecoinvent database.

Note 2: The Scope 3 emissions data has been verified as meeting the requirements of GHG protocol or ISO 14064-1.



## 7.2 Social Data

Category	Item	2019	2020	2021	2022
<b>Education</b>	Average hours of training per person (hours) <sup>*1</sup>	47	27.2	13.6	18.2
<b>Employees Worldwide</b>	Total number of employees worldwide (persons)	80,545	83,804	85,593	85,684
<b>Talent Attraction</b>	Offer letter acceptance rate (%)	75.6	81.2	82.0	89.4
	Percentage of vacancies filled by internal employees (%) <sup>*2</sup>	23.6	27.8	16.8	11.4
<b>Human Rights Protection</b>	Retention rate of reinstated employees after parental leave (%)	93.0	97.8	90.6	76.5
	Global humans rights course completion rate (%)	n.a.	85.2	96.1	97.0
<b>Social Participation</b>	Social participation and engagement (MUSD)	6.99	9.07	11.98	9.87
<b>Diversity and Inclusion</b>	Percentage of female employees in the Company (%)	44.9	46.8	48.3	50.6
	Percentage of female employees in all management positions (%)	29.8	32.8	32.3	32.0
	Percentage of female employees in entry-level management positions (%)	50.5	57.8	56.7	50.1
	Percentage of female employees in the highest management positions (%)	12.2	13.2	13.8	14.0
	Percentage of female employees in revenue-generating positions (%)	18.7	20.1	20.5	21.5
	Percentage of female employees in STEM positions (%)	21.7	21.9	21.8	21.3
	Percentage of employees with disabilities in the Company (%)	0.7	1.1	1.7	1.3
	Percentage of employees from ethnic minorities in the Company (%)	2.6	2.9	2.6	2.4
<b>Engagement Survey Response</b>	Total engagement score of all employees <sup>*3</sup>	75	91	91	88
	Coverage rate <sup>*4</sup>	26.8	64.3	64.3	88
	Response rate <sup>*5</sup>	59	92	92	90
<b>Engagement Score: Employee Category<sup>*6</sup></b>	Senior executives	90	96	96	94
	Mid-level managers	82	91	91	90
	Entry-level managers (including production line assistants)-	79	88	88	87
	General employees	74	88	88	87
	OP (including production line assistants)-	-	93	93	89

Category	Item	2019	2020	2021	2022
<b>Engagement Score: Gender</b>	Male		90	90	87
	Female		92	92	88
<b>Engagement Score: Age</b>	61 and above	No detailed classification in past years	89	89	89
	51-60		94	94	89
	41-50		93	93	89
	31-40		92	92	87
	30 and below		89	89	83
<b>Occupational Safety and Health</b>	Employee - Fatalities	0	0	1	0
	Employee- Number of Lost-Time Injury Cases	130	164	244	236
	Employee - Lost-Time Injury Frequency Rate (LTIFR)	0.91	0.96	0.99	0.95
	Employees' Disabling Injury Frequency Rate (FR)	0.59	0.38	0.58	0.54
	Contractors - Fatalities	0	0	1	0
	Contractors- Number of Lost-Time Injury Cases	0	0	16	37
	Contractors- Lost-Time Injury Frequency Rate (LTIFR)	NA	NA	2.31	6.49
Contractors' Disabling Injury Frequency Rate (FR)	NA	NA	1.594	5.61	

\* 1. Calculated from annual training records, global average hours of training per person = total hours (2,609,644.1 hours)/total number of employees in the year (143,021 employees)

\* 2. Percentage of vacancies filled by internal employees is defined as: (Number of vacancies filled by internal transfers + number of employees promoted to management positions)/(number of internal and external vacancies + number of employees promoted to management positions)" in the current year.

\* 3. The total 2022 engagement score of technical and management personnel is 88 points, OPs (including production line assistants) scored 89 points; this is the average weight of the two

\* 4. Coverage rate is defined as: Employees who received the survey/(technical and management personnel working more than 6 months + OPs (including production line assistants) working 3 or more years) = 51,210/56,646= 88%.

\* 5. Response rate of technical and management personnel and OPs (including production line assistants) in 2022 were 82% and 97%, respectively; overall response rate of 90%

\* 6. Senior managers refers to executives and above, mid-level managers refers to section chiefs/senior associates, entry-level managers refers to team leaders/senior team leaders.

## 7.3 Index of GRI Standards Indicators and SASB Index

The 2022 Sustainability Report published by Delta Electronics is reported in accordance with the GRI Standards. The scope of data and information is sourced from the period of January 1, 2022 to December 31, 2022. The structure of this report is in accordance with the Global Reporting Initiative's (GRI) "GRI Sustainability Reporting Standards (2021)" (GRI Standards), GRI 1: Foundation 2021. We also referenced the SASB Electrical Electronic Equipment Standard (2018) and Hardware Standard (2018).

The various GRI and SASB indexes have been verified by a third party (Refer to 7.5 Declaration of Third-Party Verification and Confidence Report).

### GRI 1 version used GRI 1: Foundation 2021

Index No.	Disclosure Title	Chapter	Page No.	Description
<b>GRI 2: General Disclosures 2021</b>				
<b>Organization and Reporting Practices</b>				
2-1	Organizational details	About the Report 1 Overview	7-8	
2-2	Entities included in the organization's sustainability reporting	About the Report	2	
2-3	Reporting period, frequency, and contact person	About the Report	1-2	
2-4	Restatements of information	-	-	No significant change
2-5	External assurance	About the Report	2	
<b>Activities and Workers</b>				
2-6	Activities, value chain and other business relationships	4.5.2 Ratio of Localized Procurement and Materials	60-61	
2-7	Employees	1 Overview 6.3 Talent Attraction	7 148-152	
2-8	Workers who are not employees	1 Overview 6.3 Talent Attraction	7 148-152	
<b>Governance</b>				
2-9	Governance structure and composition	1.1 Delta Electronics Organizational Structure 2.2.2 Sustainable Promotion of Organizations	9 20-21 48-50	

Index No.	Disclosure Title	Chapter	Page No.	Description
2-10	Nominating and selecting the highest governance body	4.2 Enhancing the Board of Directors' Functions	48-50	
2-11	Chair of the highest governance body	4.2 Enhancing the Board of Directors' Functions	48-49	
2-12	Role of the highest governance body in overseeing the management of impacts	2.2.2 Sustainable Promotion of Organizations 3.2 Materiality Assessment 4.2 Enhancing the Board of Directors' Functions	20-21 32-34 48	
2-13	Delegation of responsibility for managing impacts	2.2.2 Sustainable Promotion of Organizations	20-21	
2-14	Role of the highest governance body in sustainability reporting	2.2.2 Sustainable Promotion of Organizations 3.2.1 Methodology	20-21 32-34	
2-15	Conflicts of interest	4.2 Enhancing the Board of Directors' Functions	48	
2-16	Communication of critical concerns	4.2 Enhancing the Board of Directors' Functions	49	
2-17	Collective knowledge of the highest governance body	4.2 Enhancing the Board of Directors' Functions	48	
2-18	Evaluation of the performance of the highest governance body	4.2 Enhancing the Board of Directors' Functions	48-50	
2-19	Remuneration policies	6.5 Competitive Employee Compensation and Benefits	157-160	
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2-21	Annual total compensation ratio	6.5 Competitive Employee Compensation and Benefits	157-159	
<b>Strategy, Policies and Practices</b>				
2-22	Statement on sustainable development strategy	A Word from the Management	3-5	
2-23	Policy commitments	2.2.1 ESG Policy and Mission 4.2.1 Board of Directors and Duties 6.6 Human Rights Protection	19 48-50 161-163	
2-24	Embedding policy commitments	2.2.1 ESG Policy and Mission 3.1 Stakeholder Communication and Response 4.5.1 Overall Measures for Supplier Sustainability Management 6.6 Human Rights Protection	19 27-31 57-59 161-163	



Index No.	Disclosure Title	Chapter	Page No.	Description
2-25	Processes to remediate negative impacts	3.3 Management of Material Topics	38-45	
		5.2 Climate Strategy	77-99	
		5.3 Energy Management	100-108	
		5.4 Water Resource Management	109-113	
		5.5 Resource Recycling	114-115	
		6.6 Human Rights Protection	161-163	
2-26	Mechanisms for seeking advice and raising concerns	4.2.2 Ethical Corporate Management	50-52	
		6.6 Human Rights Protection	161-163	
2-27	Compliance with laws and regulations	4.8 Risk Management	73	
2-28	Membership of associations	2.3.2 International Sustainability Initiatives	23-25	
		2.3.3 Participation in Associations	25	
<b>Stakeholder Engagement</b>				
2-29	Approach to stakeholder engagement	3 Communication with Stakeholders	27-30	
		3.2 Materiality Assessment	32-33	
2-30	Collective bargaining agreements	6.6 Human Rights Protection	161-163	
<b>GRI 3: Material Topics 2021</b>				
3-1	Procedures for resolving material topics	3.2.1 Methodology	32-34	
3-2	List of material topics	3.2 Materiality Assessment	35	
3-3	Management of material topics	2.2.2 Sustainable Promotion of Organizations	20	
		3.3 Management of Material Topics	38-45	
<b>GRI 201 Economic Performance * 2016</b>				
201-1	Direct economic value generated and distributed	-	-	Refer to the Delta Electronics 2022 Annual Report, English Edition pages 13
201-2	Financial implications and other risks and opportunities due to climate change	5.2 Climate Strategy	77-91	-

Index No.	Disclosure Title	Chapter	Page No.	Description
<b>GRI 203 Indirect Economic Impacts * 2016</b>				
203-1	Infrastructure investments and services supported	6.7 Social Participation	164-169	-
<b>GRI 204 Procurement Practices * 2016</b>				
204-1	Proportion of spending on local suppliers	4.5.2 Ratio of Localized Procurement and Materials	60	-
<b>GRI 205 Anti-corruption 2016</b>				
205-2	Communication and training about anti-corruption policies and procedures	4.2.2 Ethical Corporate Management	50-52	-
<b>GRI 206 Anti-competitive Behavior 2016</b>				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	-	Delta was not involved in legal actions for anti-competitive behavior, anti-trust, and monopoly practices in 2022.
<b>GRI 207 Taxation 2019</b>				
207-1	Tax payment method	-	-	Refer to the official website for disclosures relating to tax policy and annual tax report
<b>GRI 301 Materials * 2016</b>				
301-1	Materials used by weight or volume	4.5.2 Ratio of Localized Procurement and Materials	60-61	-
<b>GRI 302 Energy * 2016</b>				
302-1	Energy consumption within the organization	5.3 Energy Management 7.1 Environmental Data	100-108 175	-
302-2	Energy consumption outside of the organization	5.6.4 Energy Saving Benefits of Products	122	-
302-3	Energy intensity	5.3 Energy Management	100-108	-
302-4	Reduction of energy consumption	5.3 Energy Management	102	-

Index No.	Disclosure Title	Chapter	Page No.	Description
302-5	Reductions in energy requirements of products and services	5.6.4 Energy Saving Benefits of Products	122	-
<b>GRI 303 Water * 2018</b>				
303-1	Interactions with water as a shared resource	5.4.1 Identification of Water Risks and Response Measures	109-110	-
303-2	Management of water discharge related impacts	5.4.2 Consumption and Effectiveness of Water Resources	111-113	-
303-3	Water Withdrawal	5.4.2 Consumption and Effectiveness of Water Resources	112	-
303-4	Water Discharge	5.4.2 Consumption and Effectiveness of Water Resources	112	-
303-5	Water Consumption	5.4.2 Consumption and Effectiveness of Water Resources	111-113	-
<b>GRI 305 Emissions * 2016</b>				
305-1	Direct (Scope 1) GHG emissions	5.2.3 Greenhouse Gas Inventory	96-97	-
305-2	Energy indirect (Scope 2) GHG emissions	5.2.3 Greenhouse Gas Inventory	96-97	-
305-3	Other indirect (Scope 3) GHG emissions	5.2.3 Greenhouse Gas Inventory	96-98	-
305-4	GHG emissions intensity	5.2.3 Greenhouse Gas Inventory	97	-
305-5	Reduction of GHG emissions	5.2.2 Net Zero Commitment 5.2.3 Greenhouse Gas Inventory	94-95 96-99	-
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	5.8.2 Air Pollution Prevention and Management	129	-
<b>GRI 306 Waste * 2020</b>				
306-1	Waste generation and significant waste-related impacts	5.5.2 Waste Generation and Effectiveness	115	-
306-2	Management of significant waste-related impacts	5.5.2 Waste Generation and Effectiveness	115	-

Index No.	Disclosure Title	Chapter	Page No.	Description
306-3	Waste generated	5.5.2 Waste Generation and Effectiveness	115	-
306-4	Waste disposal and transfer	5.5.2 Waste Generation and Effectiveness	115	-
306-5	Waste directed to disposal	5.5.2 Waste Generation and Effectiveness	115	-
<b>GRI 308 Supplier Environment Assessment * 2016</b>				
308-1	New suppliers that were screened using environmental criteria	4.5.1 Overall Measures for Supplier Sustainability Management	57-59	-
308-2	Negative environmental impacts in the supply chain and actions taken	4.5.3 Supplier ESG Risk Assessment and Due Diligence Research on Conflict Minerals	61-62	-
<b>GRI 401 Labor Relations * 2016</b>				
401-1	New employee hires and employee turnover	6.2.1 Diverse and Inclusive Employee Composition	134-140	-
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.5 Competitive Employee Compensation and Benefits 6.2.3 Happy and Inclusive Workplace	151-154 144	-
401-3	Parental leave	6.2.2 Equal Workplace Opportunities	141	-
<b>GRI 403 Occupational Health and Safety * 2018</b>				
403-1	Occupational safety and health management system	6.8 Occupational Health and Safety	170	-
403-2	Hazard identification, risk assessment, and incident investigation	6.8 Occupational Health and Safety	170-173	-
403-3	Occupational health services	6.2.3 Happy and Inclusive Workplace	144-147	-
403-4	Worker participation, consultation, and communication on occupational health and safety	6.8 Occupational Health and Safety	170-173	-
403-5	Worker training on occupational health and safety	6.8 Occupational Health and Safety	170-173	-
403-6	Promotion of worker health	6.2.3 Happy and Inclusive Workplace	144-147	-



Index No.	Disclosure Title	Chapter	Page No.	Description
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.8 Occupational Health and Safety	172	-
403-8	Workers covered by an occupational health and safety management system	6.8 Occupational Health and Safety	170	-
403-9	Work-related injuries	6.8 Occupational Health and Safety	173	-
403-10	Work-related ill health	6.8 Occupational Health and Safety	173	-
<b>GRI 404 Training and Education * 2016</b>				
404-1	Average hours of training per year per employee	6.4 Talent Learning Development	153	-
<b>GRI 405 Diversity and Equal Opportunity * 2016</b>				
405-1	Diversity of governance bodies and employees	6.2.1 Recruitment Diversity and Inclusion	134-138	Refer to the Delta Electronics 2022 Annual Report, English Edition pages 24
405-2	Ratio of basic salary and remuneration of women to men	6.5 Competitive Employee Compensation and Benefits 6.2.3 Happy and Inclusive Workplace	159 145	-
<b>GRI 406 Non-discrimination * 2016</b>				
406-1	Incidents of discrimination and corrective actions taken	-	-	No discrimination occurred
<b>GRI 408 Child Labor * 2016</b>				
408-1	Operations and suppliers at significant risk for incidents of child labor	4.5.3 Supplier ESG Risk Assessment and Due Diligence Research on Conflict Minerals 6.6.1 Human Rights Risk Identification and Assessment	62 161	-
<b>GRI 409 Forced or Compulsory Labor * 2016</b>				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.5.3 Supplier ESG Risk Assessment and Conflict Minerals 6.6.1 Human Rights Risk Identification and Assessment	61-62 161-162	-

Index No.	Disclosure Title	Chapter	Page No.	Description
<b>GRI 414 Supplier Social Impact Assessment * 2016</b>				
414-1	New suppliers that were screened using social criteria	4.5.2 Ratio of Localized Procurement and Materials	58-59	-
<b>GRI 415 Public Policies 2016</b>				
415-1	Political donations	NA	-	No political donations
<b>GRI 418 Customer Privacy * 2016</b>				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	-	No lawsuits or fines received due to customer privacy in 2022

Note: Topics marked with \* are considered material topics

## SASB

Theme	Calculation Index	No.	Measurement Unit	Corresponding GRI & Delta's Response
Supply Chain Management	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	TC-HW-430a.1	%	The suppliers who voluntarily introduced RBA VAP accounted for 10.8% of the effective questionnaires. <hr/> (a) 10.8% * 91% = 9.828% <hr/> (b) No high-risk facilities (The suppliers who voluntarily introduced RBA VAP did not have a score lower than 65 points)
		TC-HW-430a.2	Rate	4.5.4 Value Chain GHG Emissions for Key Suppliers <hr/> (a) The supplier improvement rate with mentoring provided by Delta was 82% in 2022
Procurement of Materials	Description of the management of risks	TC-HW-440a.1	NA	5.6.2 Hazardous Substance Policy and Management
	associated with the use of critical materials	RT-EE-440a.1		

Theme	Calculation Index	No.	Measurement Unit	Corresponding GRI & Delta's Response
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	RT-EE-510a.1	NA	4.2.2 Ethical Corporate Management
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	RT-EE-510a.2	Reporting Currency	0 USD (4.2.2 Ethical Corporate Management)
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	RT-EE-510a.3	Reporting Currency	0 USD (4.2.2 Ethical Corporate Management)
Product Information Security	Description of approach to identifying and addressing data security risks in products	TC-HW-230a.1	Na	All DNI units have passed ISO 27001 certification with processes including systems development and the handling and protection of customer data. Aside from the cyber security incident at the beginning of 2022, Delta has not suffered any other cyber security incidents. Nor have there been any cyber security vulnerabilities or data security incidents related to products provided to customers. In addition to ISO 27001 external audits conducted annually to verify the effectiveness of data security measures within the organization, customers also have security requirements for their products. Contracts include provisions requiring regular annual audits to ensure the security of products delivered by Delta.
Product Safety	Number of recalls issued, total units recalled	RT-EE-250a.1	Number	4.8 Risk Management
	Total amount of monetary losses as a result of legal proceedings associated with product safety	RT-EE-250a.2	Reporting Currency	4.8 Risk Management
Product Lifecycle Management		TC-HW-410a.1		
	Percentage of products by revenue that contain IEC 62474 declarable substances	RT-EE-410a.1	%	We selected the Power Supply Business Group for an evaluation based on "revenue from products of Power Supply Business Group compliant with IEC 62474 / revenue from products of Power Supply Business Group in 2022" and found that all products complied with IEC 62474 requirements. Please refer to 5.6.2 Hazardous Substance Policy and Materials Management for related management policies
	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	TC-HW-410a.2	%	Most Delta products are sold to other businesses and the EPEAT product categories do not apply. Therefore, Delta is not responsible for applying for certification and does not compile statistical data.

Theme	Calculation Index	No.	Measurement Unit	Corresponding GRI & Delta's Response
Product Lifecycle Management	Percentage of eligible products, by revenue, meeting ENERGY STAR criteria	TC-HW-410a.3	%	The compliance of Delta's UPS products is calculated based on "UPS product revenue with ENERGY STAR certification shipped to the US market by OBM in 2022 / overall product revenue shipped to the US market by OBM in 2022" and 41% of products met requirements for ENERGY STAR certification.
	Percentage of eligible products, by revenue, that meet ENERGY STAR criteria	RT-EE-410a.2		The compliance of Delta ventilation fans is calculated based on "ventilating fan product revenue with ENERGY STAR certification in 2022 / overall ventilating fan product revenue in 2022" and 73.7% of the product revenue met requirements for ENERGY STAR certification.
	Weight of end-of-life products and e-waste recovered, percentage recycled	TC-HW-410a.4	Metric Tons%	As most Delta products are sold to other businesses, collecting information in the current stage remains difficult.
			% by Revenue	As most Delta products are sold to other businesses, collecting information in the current stage remains difficult.
	Revenue from renewable energy-related and energy efficiency-related products	RT-EE-410a.3	Reporting Currency	5.6.4 Energy Saving Benefits of Products
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-EE-130a.1	Gigajoules (GJ),	7.1 Environmental Data
			Percentage (%)	(1) Total energy consumption was 2,796,157 GJ
				(2) Grid electricity totaled 2,462,509 GJ, which accounted for 88.1% of total energy consumption
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-EE-150a.1	Metric Tons (t),	5.5.1 Enhancing Circular Recycling and Reuse
			Percentage (%)	7.1 Environmental Data
	Number and aggregate quantity of reportable spills, quantity recovered	RT-EE-150a.2	Number, Kilograms (kg)	Overall plants and buildings: 3,919.9 metric tons, recycling: 80.0% 4.8 Risk Management



Theme	Calculation Index	No.	Measurement Unit	Corresponding GRI & Delta's Response
Employee Diversity and Inclusiveness	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-HW-330a.1	%	6.2.1 Diverse and Inclusive Employee Composition
	Number of units produced by product category	TC-HW-000.A RT-EE-000.A	Number	Trade secret not disclosed
Activity Indicator	Area of manufacturing facilities	TC-HW-000.B	Square Feet (ft <sup>2</sup> )	Trade secret not disclosed
	Percentage of production from owned facilities	TC-HW-000.C	Percentage (%)	Trade secret not disclosed
	Number of units produced by product category	RT-EE-000.A	Number	Refer to the Delta Electronics 2022 Annual Report, pages 128
	Number of employees	RT-EE-000.B	Number	6.2.1 Diverse and Inclusive Employee Composition

## 7.4 Summary of Information Assured (ISAE 3000)

No.	Assured Item	Information Assured	Page	Reporting Criteria
1	Electronic Ballast annual energy savings in 2022	Electronic Ballast annual energy savings were 32 million kWh.	122	<p>The annual energy savings is calculated by assuming that end-users replace existing Magnetic Ballast with Electronic Ballast, for shipments of Delta Electronic Ballast (excluding High-Intensity Discharge), for Fluorescent Lamps to 7 major customers in 2022.</p> <p>Annual Energy Savings (kWh) = <math>[\sum(A \times B) \times C] \div 1000 \times 8 \text{ (hr)} \times 365 \text{ (day)}</math>.                      A: Maximum input voltage (W) of different models of Electronic Ballast installed in the compatible Fluorescent Lamp based on the data from customer's product brochure.                      B: Quantities of products of each model are exported from SAP shipment record from 1/1/2022 to 12/31/2022.                      C: Energy Savings=10%.</p>
2	Computer & Networking Power annual energy savings in 2022	Computer & Networking Power annual energy savings were 3.39 billion kWh.	122	<p>The annual energy savings is calculated by comparing the efficiency of Delta Computer &amp; Networking Power to that of 80 Plus Bronze requirements, for each product model total shipment quantity over 15K in 2022.</p> <p>Annual Energy Savings (kWh) = <math>[\sum(A \times B \times C) \times D] \div 1000 \times 24 \text{ (hr)} \times 365 \text{ (day)}</math>.                      A: Rated output power (W) of each Delta server power model.                      B: At the 50% load condition, efficiency difference between Delta server power and 80 Plus Bronze requirements.                      C: Quantities of products of each model are exported from SAP shipment record from 1/1/2022 to 12/31/2022.                      D: Percentage of load=50%</p>
3	Ventilating Fans (Bathroom Exhaust Fans) annual energy savings in 2022	Ventilating Fans (Bathroom Exhaust Fans) annual energy savings were 31 million kWh.	122	<p>The annual energy savings is calculated by comparing the efficiency of Delta Ventilating Fans (Bathroom Exhaust Fans) to that of USA Energy Star or Taiwan Energy Label requirements, for shipments of products that have been certified by the USA Energy Star or Taiwan Energy Label in 2022.</p> <p>Annual Energy Savings (kWh) = <math>\sum(A \times B \times C) \div 1000 \times 1671 \text{ (hour/Year)}</math> *1.                      A: Rated output power (W) of each Delta ventilating fan model at 0.1 in w.g. static pressure                      B: Energy saving rate (efficiency difference between Delta ventilating fan and USA Energy Star/Taiwan Energy Label requirements divided by that of USA Energy Star/Taiwan Energy Label requirements).                      C: Quantities of products of each model are exported from SAP shipment record from 1/1/2022 to 12/31/2022.                      *1 Usage time of 1671 hours/year refers to Japanese Industrial Standards (JIS C 9921-2).</p>

No.	Assured Item	Information Assured	Page	Reporting Criteria
4	LED Street Lights annual energy savings in 2022	LED Street Lights annual energy savings were 44 million kWh	122	<p>The annual energy savings is calculated by assuming that end-users installed Delta LED Street Lights to replace mercury street lights, for the shipments of LED street lights to Taiwan in 2022.</p> <p>Annual Energy Savings (kWh) = <math>\sum(A \times B) \times 12 \text{ (hr)} \times 365 \text{ (day)} \div 1000</math>.  A: Power consumption (W) difference between Delta LED street lights and theoretical replaced mercury street lights.  B: Quantities of products of each model are exported from SAP shipment record from 1/1/2022 to 12/31/2022.</p>
5	AC-DC Adapter annual energy savings in 2022	AC-DC Adapter annual energy savings were 115 million kWh.	122	<p>The annual energy savings is calculated by comparing the efficiency of Delta AC-DC adapters to that of EU eco-design requirements for External Power Supplies (EU 2019/1782), for shipments of the 76 main AC-DC Adapter models*1 in 2022.</p> <p>Annual Energy Savings (kWh) = <math>\{[\sum(A \times B) \times C \times 39.9 \text{ (hr/week)} \times 52 \text{ (week)}] + [\sum(D \times B) \times 56.05 \text{ (hr/week)} \times 52 \text{ (week)}] \} \div 1000</math>  A: On charge mode, power loss (W) difference between Delta product and EU requirements at corresponding average efficiency.  B: Quantities of products of each model are exported from SAP shipment record from 1/1/2022 to 12/31/2022.  C: Percentage of load=56% (Refer to (EC) No 278/2009 analysis report *3).  D: On no load mode, efficiency difference between Delta product and EU requirements.</p> <p>*1 Main product models are ADP-45BG BA, ADP-45BG BC, ADP-45BW Z2M, ADP-45DG BB, ADP-45EG AB, ADP-45EG BB, ADP-45FE FA, ADP-45FE FC, ADP-45FE FD, ADP-45HG BA, ADP-45KE BA, ADP-45ZE BE, ADP-60BW NTA, ADP-63AW BTA, ADP-65AE BA, ADP-65AE BB, ADP-65CE BC, ADP-65CE BE, ADP-65DE BA, ADP-65DW Z2M, ADP-65FD BH, ADP-65GD D2L, ADP-65HW CA, ADP-65JW BZT, ADP-65KE BA, ADP-65KE BB, ADP-65ME BA, ADP-65ME BC, ADP-65TH KB, ADP-65UE BA, ADP-65XD AD, ADP-65XD AF, ADP-65XD BB, ADP-65XD BD, ADP-65XD BF, ADP-65XD BH, ADP-65YD BA, ADP-90DE BC, ADP-90DE BE, ADP-90FE DA, ADP-90LD FA, ADP-90LE BA, ADP-90LE BC, ADP-90LE BD, ADP-90ME BA, ADP-90RE BA, ADP-90WH KR, ADP-90XD BD1, ADP-90XD DA, ADP-100FR AE, ADP-100WB BA, ADP-110EB BA, ADP-120CR AE, ADP-120VH BB, ADP-120WH BB, ADP-120WH BF, ADP-120WH BG, ADP-180MB DB, ADP-180MB DD, ADP-180MB PA, ADP-180MB PB, ADP-180TB BA, ADP-180TB FR, ADP-180TB HA, ADP-180TB HB, ADP-180TB HM, ADP-240AB DB, ADP-240AB FA, ADP-240AB FB, ADP-240CB BA, ADP-240CB BB, ADP-240EB BC, ADP-240EB BD, ADP-240EB DB, ADP-240GB BA, ADP-240GB BB</p> <p>*2 Usage time refers to Page 22, Additional assessment in the frame of the review study on commission regulation (EC) No. 278/2009 External Power Supplies.  *3 Percent loading of 56% refers to Page 21, Additional assessment in the frame of the review study on commission regulation (EC) No. 278/2009 External Power Supplies.</p>

No.	Assured Item	Information Assured	Page	Reporting Criteria
6	PV Inverter (PVI) annual energy savings in 2022	PV Inverter (PVI) annual energy savings were 5.5 million kWh.	122	<p>The annual energy savings is calculated by comparing the efficiency of Delta PV Inverter (PVI) to the minimum average efficiency 97.5%<sup>*1</sup> of the ENERGY STAR Market and Industry Scoping Report, for the shipments of three phase PVI models<sup>*2</sup> to North America and main sales countries of Europe<sup>*3</sup> in 2022.</p> <p>Annual Energy Savings (kWh) = <math>\Sigma(A \times B \times C \times D \times T) \times 365 \text{ (day)} \div 1000</math>                      A: Rated output power (W) of each Delta PVI model.                      B: Efficiency difference between Delta PVI and the ENERGY STAR market investigation.                      C: Percentage of load=100%.                      D: Quantities of products of each model are exported from SAP shipment record from 1/1/2022 to 12/31/2022.                      T: Usage time of various hours/day refers to NASA Daily solar radiation of the Delta PVI's shipping destination.</p> <p>*1 ENERGY STAR Market and Industry Scoping Report                      *2 Three phase product models and series are M125HV, M125HV_110, M125HV_111, M60U_121, M60U_122, M80U_121, M80U_122, M88H_121, M88H_122, RPI M10A, RPI M15A_220, RPI M20A_220, RPI M30A_230, RPI M50A_260, RPI M6A, RPI M70A, RPI M8A.                      *3 Main sales countries in Europe are Germany and France. US states of shipments to North America are Arkansas, Arizona, California, Colorado, Minnesota, New York, Tennessee, Oregon.</p>
7	EV DC Charger annual energy savings in 2022	EV DC Charger annual energy savings were 42 million kWh.	122	<p>The annual energy savings is calculated by comparing the efficiency of Delta EV DC Charger to the minimum efficiency 90% regulated by CHAdeMo, for the shipments of EV DC Charger in 2022.</p> <p>Annual Energy Savings (kWh) = <math>\Sigma(A \times B \times C) \times D \times 8 \text{ (hr)} \times 365 \text{ (day)} \div 1000</math>                      A: Rated output power (W) of each Delta EV DC Charger model.                      B: Efficiency difference between Delta EV DC Charger and CHAdeMo requirements.                      C: Quantities of products of each model are exported from SAP shipment record from 1/1/2022 to 12/31/2022.                      D: Percentage of load=100%.</p>



No.	Assured Item	Information Assured	Page	Reporting Criteria
8	LED High Bay annual energy savings in 2022	LED High Bay annual energy savings were 5.5 million kWh.	122	<p>The annual energy savings is calculated by Assuming that end-users installed Delta LED high bays to replace Metal Halide high bays, and by comparing the efficiency of Delta LED high bays to the minimum efficiency requirements for the procurement of Metal Halide high bays (Distribution: Direct, LER: Closed) issued by the United States Department of Energy, for the shipments of LED high bays in 2022.</p> <p>Annual Energy Savings (kWh) = <math>\Sigma[(A+B) \times C] \times 12 \text{ (hr)} \times 260 \text{ (day)} \div 1000</math>                      A: Rated lumens (lm) of each Delta LED high bay model.                      B: Efficiency difference between Delta LED high bay and United States Department of Energy's HID high bay requirements.                      C: Quantities of products of each model are exported from SAP shipment record from 1/1/2022 to 12/31/2022.</p>
9	Uninterruptible power supply (UPS) annual energy savings in 2022	Uninterruptible Power Supply (UPS) annual energy savings were 192 million kWh.	122	<p>The annual energy savings is calculated by comparing the efficiency of Delta Uninterruptible Power Supply (UPS) to that of EU Code of Code on Energy Efficiency and Quality of AC Uninterruptible power supply systems (EU UPS CoC Version 2.0, 2021), for the shipments of the main UPS models*1 in 2022.</p> <p>Annual Energy Savings (kWh) = <math>\Sigma[(A \times B) \times C \times D] \times 24 \text{ (hr)} \times 365 \text{ (day)} \div 1000</math>                      A: Rated output power (W) of each Delta UPS model.                      B: On charge mode, weighted efficiency difference between Delta UPS product and EU CoC requirements on different load mode.                      C: Quantities of products of each model are exported from SAP shipment record from 1/1/2022 to 12/31/2022.                      D: Weighted percent of load.</p> <p>*1 Main product models and series are the single-phase UPS models which contains "RT" in the part number, and the three-phase UPS models which contains "DPH", "DPM", "DPS", "HPH", "NH", "NH+" and "RT" in the part number.</p>

No.	Assured Item	Information Assured	Page	Reporting Criteria
10	TV Power annual energy savings in 2022	TV Power annual energy savings were 108 million kWh.	122	<p>The annual energy savings is calculated by comparing the efficiency of Delta Open frame TV power to that of the minimum energy efficiency required by customer's specifications <sup>*1</sup>, for shipments of the 33 main Open frame TV power models<sup>*2</sup> in 2022.</p> <p>Annual Energy Savings (kWh) = <math>\{[\Sigma(A \times B \times C) \times D \times 2.9(\text{hr})] + [\Sigma(E \times C) \times 21.1(\text{hr})]\} \times 1 \times 7(\text{day}) \times 52(\text{week}) \div 1000</math></p> <p>A: Rated output power (W) of each Delta TVP product                      B: On charge mode, power loss (W) difference between Delta TVP product and the customers' minimum efficiency specifications.                      C: Quantities of products of each model are exported from SAP shipment record from 1/1/2022 to 12/31/2022.                      D: Percent of load required for the customer's specifications for performance.                      E: On no load mode, efficiency difference between Delta product and the customer's minimum efficiency specifications.</p> <p><sup>*1</sup> The minimum energy efficiency requirement of customer specifications mentioned above is 80%-85%, varied by the customer.  <sup>*2</sup> Main product models and series are AP-P130AM A, AP-P239AM A, AP-P239AM B, AP-P239AM-1 A, AP-P265AM A, AP-P265AM-1 A, AP-P313AM A, AP-P313AM B, AP-P321AM B, AP-P341AM C, AP-P397AM-1 A, AP-P397AM-2 A, AP-P397AM-3 A, AP-P410BM B, AP-P410BM C, AP-P412BM A, AP-P412BM B, AP-P419AM A, AP-P479AM B, AP-P479AM D, AP-P484BM B, AP-P510AM B, AP-P510AM D, AP-P525AM A, AP-P527AM B, AP-P527AM C, AP-P527AM D, AP-P547AM A, AP-P597AM B, AP-P597AM C, AP-P597AM D, AP-P662AM A, AP-P89AM A  <sup>*3</sup> Usage time refers to the result of AMERICAN TIME USE SURVEY.</p>
11	LED Driver annual energy savings in 2022	LED Driver annual energy savings were 58 million kWh.	122	<p>The annual energy savings is calculated by comparing the efficiency of Delta LED driver to that of EU eco-design requirements for light sources and separate control gears<sup>*1</sup>, for the shipments of the Delta OBM and 1 EU major customer in 2022.</p> <p>Annual Energy Savings (kWh) = <math>\Sigma(A \times B \times C) \times D \times 8(\text{hr}) \times 365(\text{day}) \div 1000</math></p> <p>A: Rated output power (W) of each Delta LED driver model                      B: Efficiency difference between Delta LED driver and the EU requirements.                      C: Quantities of products of each model are exported from SAP shipment record from 1/1/2022 to 12/31/2022                      D: Percentage of load=100%.</p> <p><sup>*1</sup> laying down eco-design requirements for light sources and separate control gears pursuant to Directive 2009/125/EC of the European Parliament and of the Council and repealing Commission Regulations (EC) No 244/2009, (EC) No 245/2009 and (EU) No 1194/2012.</p>

No.	Assured Item	Information Assured	Page	Reporting Criteria
12	Electricity intensity in 2022 and 2020	<p>2022 EI was 53,847 kWh/MUSD for Delta's overall production plants.</p> <p>2020 EI was 68,697 kWh/MUSD for Delta's overall production plants.</p>	101	<p>Delta's 2022 and 2020 overall production plants include China (Dongguan, Wujiang, Wuhu, Chenzhou and Cyntec in Huafeng), Taiwan (Taoyuan Plant 1, Taoyuan Plant 2, Taoyuan Plant 5, Pingzhen and Cyntec in Hsinchu) and DET (plants 1, 3, 5 &amp; 6).</p> <p>Electricity intensity = [Annual electricity usage (kWh) - electricity usage (kWh) of excluded areas] / Production value (million USD).</p> <p>Annual electricity usage refers to purchased non-renewable and renewable electricity extracted from energy bills.</p>
13	Data center power usage effectiveness in 2022 (Power Usage Effectiveness, PUE)	The PUE was 1.29 for Delta's 4 data centers in 2022.	101	<p>Global average= average PUE of four Delta data centers (Taiwan Headquarters, Wujiang, DET Plant 5 and American Headquarters). PUE is calculated with methodology provided by The Green Grid as follows: PUE=Total Data Center Energy (kWh) /IT Equipment Energy (kWh)</p> <p>IT equipment energy includes the energy associated with all of the IT equipment (e.g., compute, storage, and network equipment) along with supplemental equipment (e.g., KVM switches, monitors, and workstations/ laptops used to monitor or otherwise control the data center).</p> <p>Total data center energy includes all IT equipment energy as described above plus everything that supports the IT equipment using energy, such as: A: Power delivery components, including UPS systems, switchgear, generators, power distribution units (PDUs), batteries, and distribution losses external to the IT equipment B: Cooling system components, such as chillers, cooling towers, pumps, computer room air handling units (CRAHs), computer room air conditioning units (CRACs), and direct expansion air handler (DX) units C: Other miscellaneous component loads, such as data center lighting</p>

No.	Assured Item	Information Assured	Page	Reporting Criteria
14	Electricity savings of green plants and buildings in 2022	In 2022, Delta's global certified green plants and buildings collectively saved, in total, 25.14 million kWh of electricity.	106	<p>The seventeen green factory/office buildings are the following: Taiwan Headquarters, Taoyuan Technology Center, Taoyuan Plant 5, Tainan Plant Phase I, Tainan Plant Phase II, Chungli R&amp;D Center, Chungli Plant 5, Taichung Plant, India Rudrapur Plant, India Gurgaon Plant, India Mumbai Office, Shanghai R&amp;D Center, American Headquarters, Beijing Office Building, Thailand Plant 5, EMEA Headquarters and Japan Ako Energy Park.</p> <p>Electricity savings (kWh) = (EUI in literature cited – Actual EUI of green buildings) * Floor area of green buildings</p> <p>EUI = Annual Electricity usage (kWh)/Floor area (m2). Annual electricity usage refers to purchased non-renewable and renewable electricity extracted from energy bills. Floor area is based on area as of December 31, 2022.</p>
15	Electricity savings of donated green buildings in 2022	In 2022, Delta Group's five donated green buildings reduced, in total, 1.77 million kWh of electricity.	108	<p>The five donated green buildings are the following: the Delta Building and the Y. S. Sun Green Building Research Center at National Cheng Kung University (NCKU), the Kuo-Ting Optoelectronic Building at National Central University (NCU), the Delta Building at National Tsing Hua University (NTHU), as well as the Namasia Ming Chuan Elementary School.</p> <p>Electricity savings (kWh) = (EUI in literature cited – Actual EUI of green buildings) * Floor area of green buildings.</p> <p>EUI = Annual Electricity usage (kWh)/Floor area (m2). Annual electricity usage refers to purchased non-renewable and renewable electricity extracted from energy bills. Floor area is based on area as of December 31, 2022.</p>
16	Water productivity intensity (WPI) in 2022 and 2020	<p>2022 Water productivity intensity (WPI) was 366 metric ton/MUSD for Delta's overall production plants.</p> <p>2020 Water productivity intensity (WPI) was 465 metric ton/MUSD for Delta's overall production plants.</p>	112	<p>Delta's overall production plants include China (Dongguan, Wujiang, Wuhu, Chenzhou and Cyntec in Huafeng), Taiwan (Taoyuan Plant I, Taoyuan Plant II, Taoyuan Plant V, Pingjen Plant, Cyntec in Hsinchu) and Thailand plant (plants 1, 3, 5 &amp; 6). Statistics are exported from tap water bills.</p> <p>Water productivity intensity = [Annual purchased water usage (metric ton)/Production value (million USD)]</p>

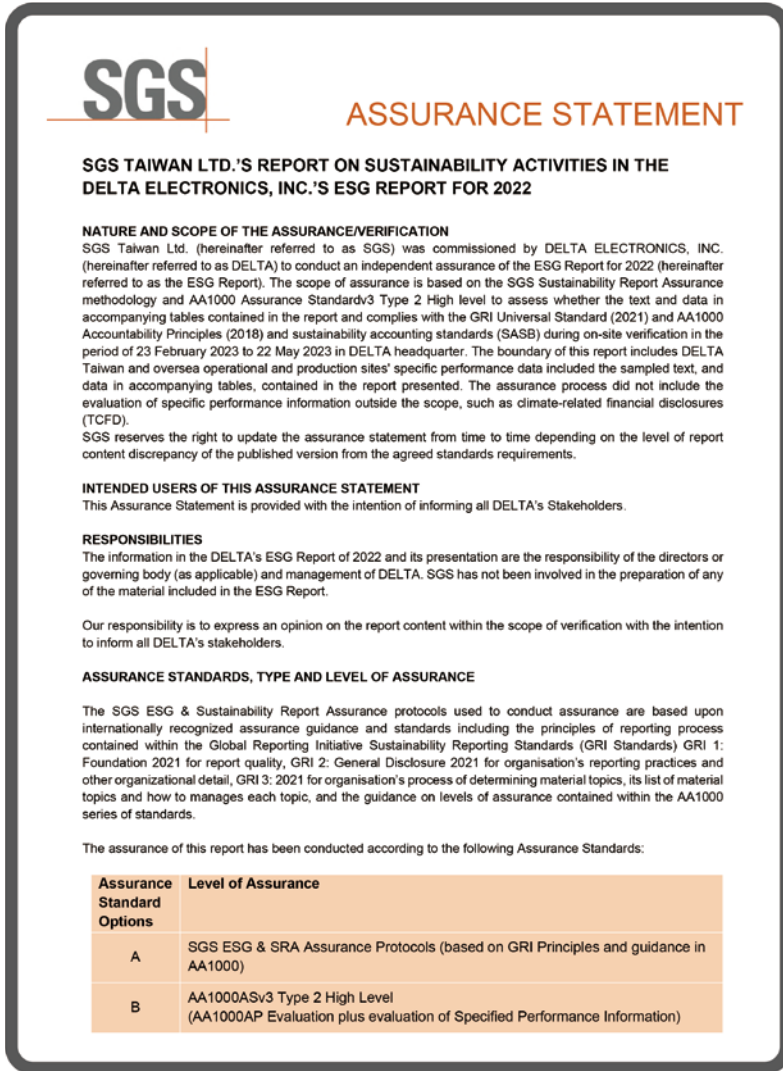


## 7.5 TCFD Index

Dimension	TCFD Disclosure Recommendation	Chapter	Page
Governance	Describe the board's oversight of climate related risks and opportunities.	5.2.1.1 Governance	79
	Describe management's role in assessing and managing climate-related risks and opportunities.		
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	5.2.1.2 Climate Strategy	81
		5.2.1.3 Climate Risk Management	86
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	5.2.1.2 Climate Strategy 5.2.1.3 Climate Risk Management	81,85 88-90
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	5.2.1.2 Climate Strategy	82-85
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	5.2.1.3 Climate Risk Management	86
	Describe the organization's processes for managing climate-related risks.	5.2.1.3 Climate Risk Management	91
		5.2.1.4 Metrics and Targets	92
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	5.2.1.3 Climate Risk Management	86
Metrics & Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	5.2.1.4 Metrics and Targets	92
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.		

# 7.6 External Assurance Statement and Report

## SGS Assurance Statement - GRI Standards, AA1000 and SASB



**SGS** ASSURANCE STATEMENT

**SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE DELTA ELECTRONICS, INC.'S ESG REPORT FOR 2022**

**NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION**  
 SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by DELTA ELECTRONICS, INC. (hereinafter referred to as DELTA) to conduct an independent assurance of the ESG Report for 2022 (hereinafter referred to as the ESG Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 2 High level to assess whether the text and data in accompanying tables contained in the report and complies with the GRI Universal Standard (2021) and AA1000 Accountability Principles (2018) and sustainability accounting standards (SASB) during on-site verification in the period of 23 February 2023 to 22 May 2023 in DELTA headquarter. The boundary of this report includes DELTA Taiwan and overseas operational and production sites' specific performance data included the sampled text, and data in accompanying tables, contained in the report presented. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD).  
 SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

**INTENDED USERS OF THIS ASSURANCE STATEMENT**  
 This Assurance Statement is provided with the intention of informing all DELTA's Stakeholders.

**RESPONSIBILITIES**  
 The information in the DELTA's ESG Report of 2022 and its presentation are the responsibility of the directors or governing body (as applicable) and management of DELTA. SGS has not been involved in the preparation of any of the material included in the ESG Report.

Our responsibility is to express an opinion on the report content within the scope of verification with the intention to inform all DELTA's stakeholders.

**ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE**  
 The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2: General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3: 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B	AA1000ASv3 Type 2 High Level (AA1000AP Evaluation plus evaluation of Specified Performance Information)

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**SCOPE OF ASSURANCE AND REPORTING CRITERIA**  
 The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options	
1	GRI Universal Standard (2021) (In Accordance with)
2	AA1000 Accountability Principles (2018)
3	SASB (TECHNOLOGY & COMMUNICATIONS SECTOR- HARDWARE INDUSTRY STANDARD, VERSION 2018-10 and RESOURCE TRANSFORMATION SECTOR- ELECTRICAL & ELECTRONIC EQUIPMENT INDUSTRY STANDARD, VERSION 2018-10)
4	GHG Protocol- Scope 3

- evaluation of content veracity of the sustainability performance information in relation to the determined material topics at a high level of scrutiny for DELTA and moderate level of scrutiny for subsidiaries and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018);
- evaluation of the report against the requirements of Global Reporting Initiative Universal Standard 2021 (GRI 2, GRI 3, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with; and
- evaluation of the report against the SASB Disclosures and Metrics included in the TECHNOLOGY & COMMUNICATIONS SECTOR- HARDWARE INDUSTRY STANDARD, VERSION 2018-10 and RESOURCE TRANSFORMATION SECTOR- ELECTRICAL & ELECTRONIC EQUIPMENT INDUSTRY STANDARD, VERSION 2018-10 and conducted alongside an evaluation of accuracy assurance at moderate level of scrutiny.

**SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE**  
 DELTA's ESG Report contents including its Environment, Social and Governance performance are adequately in line with GRI Standard and SASB Disclosures and Metrics of Hardware and Electrical & Electronic Equipment (Version 2018-10) and meet the reporting requirements and quality criteria for the identified material topics listed in DELTA's ESG report of 2022 of GRI Standards Index and SASB Index.  
 The GHG Protocol Scope 3 disclosures have been verified and listed as follows:

Category 1: Purchased goods and services
Category 2: Capital goods
Category 4: Upstream transport
Category 7: Employee commuting
Category 10: Processing of sold products
Category 12: End-of-life treatment of sold products
Category 15: Investments

TWLP5008 Issue 2305

**ASSURANCE METHODOLOGY**

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, ESG committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

**LIMITATIONS AND MITIGATION**

Financial data drawn directly from independently audited financial accounts and Task Force on Climate-related Financial Disclosures (TCFD) has not been checked back to source as part of this assurance process.

**STATEMENT OF INDEPENDENCE AND COMPETENCE**

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from DELTA, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

**VERIFICATION/ ASSURANCE OPINION**

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

**AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

**Inclusivity**

DELTA has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, DELTA may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

**Materiality**

DELTA has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

**Responsiveness**

DELTA has established policy and strategy statements in this report which responded to the material topics and to its stakeholders in a timely and transparent manner.

**Impact**

DELTA has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

**GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

The report, DELTA's ESG Report of 2022, is adequately in accordance with the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following the guidance defined in GRI 3: Material Topic 2021, and the relevant 200/300/400 series Topic Standards related to Material Topic have been disclosed. The report has properly disclosed information related to DELTA's contributions to sustainability development. For future reporting, it is recommended to have more descriptions on how the organization has applied due diligence as a method for the identification and the evaluation of its impacts on the economy, environment, and people, including impacts on their human rights as well as the role of the highest governance body in overseeing these processes.

**SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

DELTA has referenced with SASB's Standard, TECHNOLOGY & COMMUNICATIONS SECTOR- HARDWARE INDUSTRY STANDARD, VERSION 2018-10 and RESOURCE TRANSFORMATION SECTOR- ELECTRICAL & ELECTRONIC EQUIPMENT INDUSTRY STANDARD, VERSION 2018-10 to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed information correspond to the DELTA's ESG Report of 2022. DELTA used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. DELTA has determined which disclosure topics and associated metrics are financially material to its business and has illustrated appropriately in the content index. By using both GRI and SASB standards together, the efficiency of communication and the identification of material issues are substantially increased during the whole reporting preparation process. Besides, it is best practice to implement a gap analysis and comparison of reported issues and benchmark within or across sectors in next reporting.

Signed:  
For and on behalf of SGS Taiwan Ltd.



Stephen Pao  
Knowledge Deputy General Manager  
Taipei, Taiwan  
24 June, 2023  
[WWW.SGS.COM](http://WWW.SGS.COM)



## ISAE 3000 Limited Assurance Report



**資誠**  
Independent Limited Assurance Report  
PwCR23000053

To Delta Electronics, Inc.

We have been engaged by Delta Electronics, Inc. ("the Company") to perform assurance procedures on the sustainability performance information identified by the Company and reported in the 2022 ESG Report, and have issued a limited assurance report based on the result of our work performed.


**Subject Matter Information and Applicable Criteria**  
The sustainability performance information identified by the Company (hereinafter referred to as the "Subject Matter Information") and the respective applicable criteria are stated in the "Summary of Subject Matter Assured" on page 191-197 of the 2022 ESG Report. The scope of the aforementioned Subject Matter Information is set out in the "Scope and Boundary" on page 2 of the 2022 ESG Report.

The respective applicable criteria referred to above are the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability and FAQ issued by TWSE Listed Companies and related laws and regulations, the latest edition of the GRI Sustainability Reporting Standards (the "GRI Standards") and the GRI Sector Disclosures published by the Global Reporting Initiative (the "GRI") and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.

**Management's Responsibilities**  
The Management of the Company is responsible for the preparation of the sustainability performance information disclosed in the 2022 ESG Report in accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports and FAQ issued by TWSE Listed Companies and related laws and regulations, the latest edition of the GRI Standards and the GRI Sector Disclosures published by the GRI and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported, and for such internal control as management determines is necessary to enable the preparation of the sustainability performance information that is free from material misstatement, whether due to fraud or error.

**Our Responsibilities**  
We conducted our assurance work on the Subject Matter Information disclosed in the 2022 ESG Report in accordance with the International Standard on Assurance Engagements 3000, issued by the International Auditing and Assurance Standards Board, to identify whether any amendment is required of the Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable

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**資誠**

criteria, and issue a limited assurance report.

We conducted our assurance work in accordance with the aforementioned standards including identifying the areas where there may be risks of material misstatement of the Subject Matter Information, and designing and performing procedures to address the identified areas. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

The extent of the assurance work we performed were based on the identified risk areas and determined materiality, and given the circumstances of the engagement, we designed and performed the following procedures:

- Made inquiries of the persons responsible for the Subject Matter Information to understand the processes, information systems (if any), and the relevant internal controls relating to the preparation of the aforementioned information, to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed analytical procedures on the Subject Matter Information and performed selective testing including inquiry, observation, inspection, and reperformance to obtain evidence for limited assurance.

We do not provide any assurance on the 2022 ESG Report as a whole or on the design or operating effectiveness of the relevant internal controls.

**Compliance of Independence and Quality Management Requirement**  
We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Standard on Quality Management 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" in the Republic of China, this Standard requires the firm to design, implementation, and operate the system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



**資誠**

**Inherent Limitation**  
Certain Subject Matter Information involves non-financial data which is subject to more inherent limitations than financial information. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

**Limited Assurance Conclusion**  
Based on the procedures we have performed and the evidence we have obtained, we are not aware of any amendment that is required of the Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria

**Other Matter**  
The Management of the Company is responsible for maintaining the Company's website. If the Subject Matter Information or the applicable criteria are modified after this limited assurance report is issued, we are not obliged to re-perform the assurance work.

*Chao, Yung-Chieh*

CHAO, YUNG-CHIEH  
For and on behalf of PricewaterhouseCoopers, Taiwan  
July 14, 2023



[www.deltaww.com](http://www.deltaww.com)