

# Letter from the CEO



Dear Friends:

It is an honor for me to present Delta's second Corporate Social Responsibility Report (CSR Report). We have made real improvements to the scope and depth of this report. Apart from illustrating Delta's interactions with our stakeholders, we have carried out a preliminary assessment of our consumption of energy and major resources, GHG emissions, and waste generation for 2006. By introducing indicators such as the intensity of electricity consumption, water consumption and GHG emissions, we are able to present an objective look at Delta's environmental performance over the past three years and provide a basis for future improvements.

Delta is not only committed to fulfilling our social responsibility as a corporation, but we are also actively encouraging the support and participation of all employees. To celebrate Delta's 35<sup>th</sup> anniversary, in 2006 we published the world's first company-wide "Green Map" project that introduces sites, facilities, and accomplishments in terms of environmental friendliness, energy conservation and ecological value. Covering Delta's 13 locations around the world, the Green Map project along with its matching training CD and comprehensive e-Learning system was a breakthrough in corporate environmental education for employees. We hope this will popularize the ideals of Green Living with our employees, their families, and communities. A CSR column was also added to Delta's internally published Delta E-News to keep our people in touch with the latest CSR news and trends in Taiwan and overseas.

Delta's efforts to strengthen corporate governance and information transparency have also received outside recognition. In 2006, the parent company Delta Electronics was ranked A in "Information Transparency and Disclosure" by the Securities & Futures Institute. Standard & Poor's also ranked Delta as one of the top 50 companies with the best credit ratings in Taiwan. At the same time we now provide live webcasts of our analyst meetings to ensure that our shareholders all receive the most comprehensive and up-to-date information.

As for controlling hazardous substance use in products (RoHS), Delta has established dedicated teams at each factory to review suppliers' qualifications and then audit, counsel or request improvement as necessary. Our business



groups have also set up joint audit teams to ensure that RoHS is properly followed. Deficiencies in procedures and operations are identified and then tracked to make sure they are corrected. Apart from restrictions on the use of hazardous substances in products, customers are now turning their attention to a corporation's social and environmental responsibility. At Delta, we have established an inter-departmental project team to carry out self-assessments and gap analyses with the Electronic Industry Code of Conduct (EICC) as our guide. When Delta is audited by our customers, the team also serves as our liaison. At our main manufacturing sites, we have started programs to understand and improve our suppliers' performance on labor, health and safety, as well as environmental issues.

There are many aspects of corporate social responsibility Delta continues to improve upon in 2007 and beyond. In this report, we have included our plans and prospects for the future as we become a better, more effective corporate citizen, endeavor to achieve the company's mission, and fulfill the expectations of our stakeholders.

Vice Chairman and CEO  
of Delta Electronics

*Yancey Hsu*

