

Letter from the Chairman



Dear Friends and Colleagues:

As a corporation we pursue profit and growth, yet we must not forget that we are members of society. Society provides us with the environment to grow and prosper so we in turn have a responsibility to society that we must live up to. Over the past year the issue of global warming has attracted unprecedented international attention. At the beginning of 2007, the UN Intergovernmental Panel on Climate Change (IPCC), made up of more than two thousand scientists from over one hundred and ten countries, released a report concluding with 90% confidence that Mankind has emitted excessive amounts of green house gases such as CO₂ over the past century. This has led to global warming, causing glaciers and the polar ice caps to melt, changes in ocean currents and climate as well as a rise in sea level. If we cannot stop CO₂ concentrations in the atmosphere from exceeding 450 ppm by 2015, scientists say average global temperatures will increase by two degrees Celsius by the end of the century compared to the 1990s. The consequences would leave billions of people without access to water and extreme climate conditions would create environmental refugees as well as threaten 30% of all species with extinction. This shows how severe and urgent this problem is.

Environmental protection and energy conservation has been a long-standing mission at Delta. As a responsible corporate citizen, Delta must do our part to slow global warming. We have dedicated ourselves to improving the efficiency of our products, to developing alternative energy sources, and to educating our employees on putting the principles of green design into practice.

In the solar energy sector, we are manufacturing multi-crystalline silicon solar cells through our subsidiary DelSolar, and developing a III-V concentrating solar cell receiver assembly with a conversion efficiency of over 35% with overseas partners. In daily operations, we have upgraded our factories, insulated equipment, improved the energy efficiency of air-conditioning systems and put into place waste recycling to save energy and minimize pollution. We are adopting green building design for all new construction. Delta's new plant in Tainan, for example, was the first industrial building in Taiwan to receive a "Gold-rated" Green Building Certificate, making it a landmark in eco-friendly design in Taiwan. Using 30% less energy and 40% less water than conventional buildings,



the plant also received the “Best Green Building Award of 2006” from the Ministry of Interior. In addition, we will carry out a greenhouse gas (GHG) inventory to understand Delta Group’s carbon footprint and work to reduce our GHG emissions. This will not only help the Earth’s environment but will also generate new business opportunities.

For the future, we will continue to innovate and develop products with high added value. We will provide employees with a work environment where they can reach their full potential while generating the maximum benefits for our shareholders, employees, and community. We will also continue to uphold the ideal of “Quality First” to improve customer satisfaction and work more closely with our customers and suppliers to ensure that Delta’s products fully comply with all applicable restrictions on hazardous substances.

Our efforts at fulfilling our CSR obligations are beginning to bear fruit. In 2006, we were chosen by Commonwealth Magazine as the benchmark company in the electronics industry for the 5th year in a row. We also received the CSR award from Global Views magazine for the 2nd successive year and were named by Commonwealth Magazine as one of the best corporate citizens. From our customers we received best supplier awards from Nortel and Intel, as well as awards from Microsoft, Sony, and Fujitsu Siemens. There is still room for improvement and we continue to integrate our corporate resources more effectively to develop energy-saving products and projects to help reduce the burden on the Earth’s environment. In this way, we shall live up to our social responsibility and strive to be an outstanding corporate citizen.

Chairman of Delta Electronics and
Chief Environmental Officer

Bruce Cheng

