

Letter from the CEO

Although the financial tsunami means that many enterprises are fighting a battle for survival, the pace of CSR developments has not slowed as stakeholders raise their expectations. In recent years, not only have additional restrictions been introduced for environment-related substances in products⁴ but investors are now paying attention to a corporation's climate change risks, opportunities and strategies (e.g. the CDP questionnaire⁵). The supply chain's performance on environmental protection, human rights, and health and safety are now under the microscope as well. At the same time, leading vendors are increasingly forming alliances, and international standards such as AA1000, PAS 2050, ISO 26000 and ISO 50001⁶ are being drafted and published one after the other .

In response, CSR was formally included in Delta's corporate strategy in 2008. The internal company CSR organization was adjusted as well so CSR issues could become a part of everyday operations. At the same time, we have encouraged the support and participation of employees to give people greater leverage. At the end of 2008 for example, we worked with the Delta Electronics Foundation's (DEF) school network to launch a successful corporate volunteer program within the group. Delta employees visited elementary schools as energy education volunteers, and they not only learned more about saving energy but they also gained a sense of fulfillment from giving their time to support positive change. In this way, they experience for themselves that given the opportunity we can all help the next generation.

Apart from mobilizing Delta employees,

we recognize that Delta's customers and suppliers are not only our partners in business, but they also play an integral role when it comes to issues such as climate change, environment-related substances in products, labor health and safety, and human rights. We have therefore added the supply chain to our existing CSR commitment as well. Take restrictions on environment-related substances in products for example, by setting up Delta's "GPM (Green Product Management)" platform to collate information provided by suppliers, we now have a strict and systematic review process in place for materials. Reports can be generated in accordance with customer requirements to ensure product compliance with all relevant regulations. In addition to the supply chain, we have also joined together with leading Taiwanese enterprises to set up the "Taiwan Corporate Sustainability Forum." Through the continuous sharing of resources and experience between businesses as well as active communication with government departments and international non-profit organizations, we hope to enhance our understanding of social responsibility trends, and in turn, boost everyone's CSR performance.

We have also made excellent progress when it comes to disclosure and stakeholder communication. The investor service provided by the parent company Delta Electronics, for example, was rated A+ for information disclosure again by the Securities & Futures Institute in 2008. The IR Magazine also presented Delta with the Best Investor Meetings award for the Hong Kong and Taiwan regions. For internal employee feedback, apart from



Mr. Yancey Hai with Delta's solar module on the jobsite of Taichung Fire Power Plant.

routine communication with managers during the performance management process, Delta also commissioned professional consultants to conduct employee satisfaction surveys. The results on employee identification with aspects of company operations were used as a basis for further improvements, with the before and after survey results showing better identification among employees. In this CSR report, we used the GRI G3 Guidelines⁷ as reference for the presentation of Delta's CSR activities and performance in 2008. We have also improved the scope and depth of the report as part of our effort towards better international disclosure.

We believe in "Doing well by doing good." Be

it the pursuit of high standards in corporate governance, protecting shareholder rights, providing an ideal work environment, living up to the corporate mission of "To provide innovative, clean and efficient energy solutions for a better tomorrow" and social participation, Delta's CSR accomplishments will ultimately bring its own rewards for the company, stakeholders and the environment and produce a truly win-win outcome for all. I hope that everyone at Delta can work together and do their part for CSR.

Vice Chairman and CEO
of Delta Electronics

Footnotes

4. Restrictions on hazardous substances such as heavy metals in products.
5. The official website of the Carbon Disclosure Project : www.cdproject.net/en-US/Pages/HomePage.aspx.
6. AA1000 governs the disclosure principles and third-party verification standards for CSR and sustainability reports; PAS 2050 are guidelines for evaluating greenhouse gas emissions throughout the product or service lifecycle; ISO 26000 defines the standard for social responsibility; ISO 50001 is a standard for energy management systems.
7. The GRI G3 Sustainability Reporting Guidelines were defined by the Global Reporting Initiative to provide a guide for reporting on sustainable development. More than 1000 reports around the world adopted the GRI Guidelines in 2008.