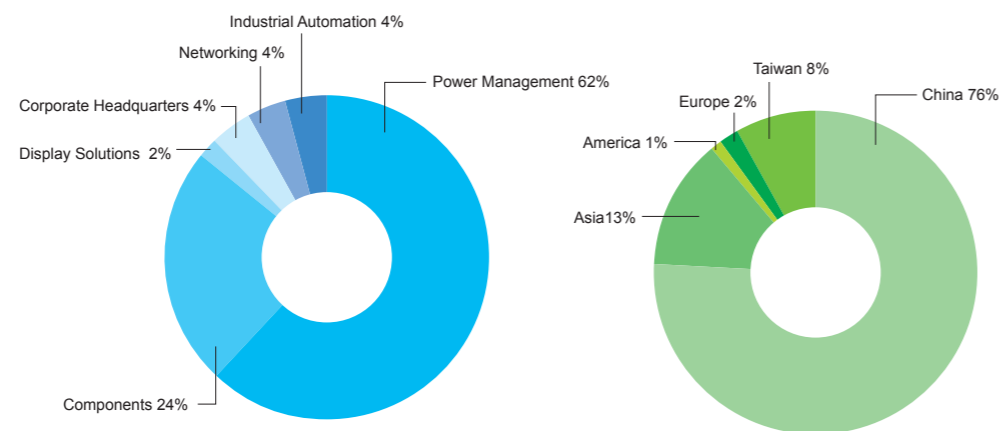


Commitment to Stakeholders' Balanced Interest

As a corporate citizen, balancing the interests of our stakeholders is always a priority at Delta. In this section we will describe how Delta grows and prospers together with our employees, shareholders, customers and suppliers.

Delta and Employees

At the end of 2009, the Delta Group employed nearly 70,000 people around the world and distributed among several business divisions: Power Management, Components, Video Displays, Industrial Automation and Delta Networks (network communications products). Geographically speaking, most are located in Taiwan, China and Thailand. In 2009, the distribution of employees in the main business divisions as well as indirect employees is shown below.



Employee Policy and Communication Channels

Employees are the company's most valuable assets. We have a sound employee policy in place and strictly abide by the following :

1. The use of forced or child labor is prohibited. Workers are free to leave their employment when reasonable notice is given. Workers under the age of 18 may not perform hazardous tasks.
2. Employees shall be protected against harassment and discrimination. No employee or applicant shall be discriminated against due to race, religion, color, nationality, age, gender, disability or other factors that are unrelated to the legitimate business interests of Delta.
3. Employee compensation shall comply with all applicable wage laws and local practices. This includes those relating to minimum wage and legally mandated benefits.

At the parent company Delta Electronics, the Compensation Committee decides the remuneration strategy at the company level based on industry competition and the going rate in benchmark markets. Compensation is then differentiated according to personal potential, future value and performance to date in the hopes of attracting, retaining and encouraging outstanding employees.

Employees' performance evaluations are conducted using the Performance Management and Development (PMD) system. In principle, the remuneration of higher ranking executives is more closely linked to business performance. Not only are the performance of labor safety, factory administration and human resources managers linked to the performance in labor safety, environmental protection and labor indicators, plant managers must also undergo related evaluations as well.

In 2009, the number of Chinese employees accounted for 75% of all Delta employees. Since the "Labor Contract Law" took effect two years ago in China, all compensation, insurance and employee benefits for local employees meet the requirements set out in the "Labor Contract Law". Due to changes in Chinese industrial policy and manpower structure introduced in 2009, Delta also began adjusting our compensation structure and benefits based on local laws and markets in order to stay competitive in the manpower market. The human resources department also has cooperative education agreements in place with local schools to ensure the stable supply of manpower.

In addition to our basic employee policy, we have always paid attention to our employee's opinions and hope to allow every employee to live up to their potential. To gain a better understanding of employee's opinions on work and management, Delta commissions impartial international consulting companies to conduct employee opinion surveys to ensure the validity and confidentiality of the results. The survey gives employees the opportunity to offer the company their thoughts and suggestions regarding management, interactions, workplace environment and personal issues for future improvement.

In 2009 we commissioned the US-based Watson Wyatt (now Towers Watson) consulting company to conduct an opinion survey among employees at the group's parent company Delta Electronics (Taiwan). Shown in the table below are employees' responses to each survey question. When compared to the results of the same survey from 2007, we found that:

- In general, Delta's performance in "Employee Commitment" was above industry average. Improvements were also made in six aspects compared to the 2007 survey, including "Improvement and Innovation", "Immediate Superior", "Work Environment", "Job itself", "Leadership and Management" and "Teamwork".
- The item with the highest level of employee agreement was "Customer focus", a newly added item. The item that exceeded the industry average by the greatest margin was "Leadership and Management" with a 12% lead and a 19% improvement over the results of the last survey.

The overall results indicate that employees recognize Delta management's efforts are guided by customer needs in strategic planning and everyday management. The solid performance of the company during the first half of 2009 when the global economy was still weak can be attributed to this practical approach. The results of the employee opinion survey also show that Delta now possesses the most important sustainable asset an enterprise can have – highly committed employees. The human resources department and the company's management team have used the survey results as a reference to make further software and hardware upgrades. By building a work environment where employees can realize their potential, we can work together to create growth and profits. This will in turn realize Delta employees' desire for the company to be successful in business. Delta will continue to conduct similar employee opinion surveys in the future to provide a basis for further improvements in company management.

>>The five highest level of identification with the company

Item	Level
My company conducts its business activities with honesty and integrity.	88%
People are held accountable for the quality of products/services provided to customers.	87%
My company clearly communicates its expectations for ethical behavior.	85%
My company makes customer satisfaction a top priority.	83%
It is clear to me how the work I do on a day-to-day basis impacts our external customers.	83%

>>The five Level of identification exceeding the market average the most

Item	Level	Exceeding the market average by:
My company does a good job providing information on how well the company is performing against its financial goals.	69%	20%
I have confidence in the long-term business success of my company.	82%	19%
My company does a good job attracting highly qualified employees.	50%	15%
The top/senior managements of my company grow the business.	61%	13%
I feel valued as an individual at my company.	77%	11%

Employee Training and Development

Delta considers our employees to be our most important assets and has always placed a strong emphasis on personnel cultivation and development. Training courses are provided to meet the needs of employees in different countries and regions. Our training and development framework for strengthening individual skills, core competency and management leadership includes :

A. Learning and Development System

- (1) New recruit or manager orientation training
- (2) Professional/competency training
- (3) Middle/High-level management training
- (4) General knowledge training (including the EICC Code of Conduct and introduction to greenhouse gases)
- (5) Direct employee training
- (6) Project-oriented training
- (7) Self-development (language classes, etc.)
- (8) Courses on energy saving and environmental protection designed by the Delta Foundation

Learning and Development Framework

OJT	Off-JT	
Departmental Training, Job Rotation, Project Assignments	1. General Staff * Basic training (by Job Family) - New Hire Orientation training - Labor safety regulations * Individual Development Plan	2. Managerial Training Managerial competency training (by Level) Low/Mid-Level, Senior/High-Level and Executives - Internal Trainers Training - Talent Development
	3. Topics, Projects, Activities - Spring & Autumn Forum - Case study - Benchmark and Best Practice Sharing - External training management	4. Professional Training - Sales management - Quality management - Manufacturing management - R&D management - Finance management - Human resources management - Operation Flow
	Self-Development	
	e-Learning platform TAB Forum	
	Green Human Capital	

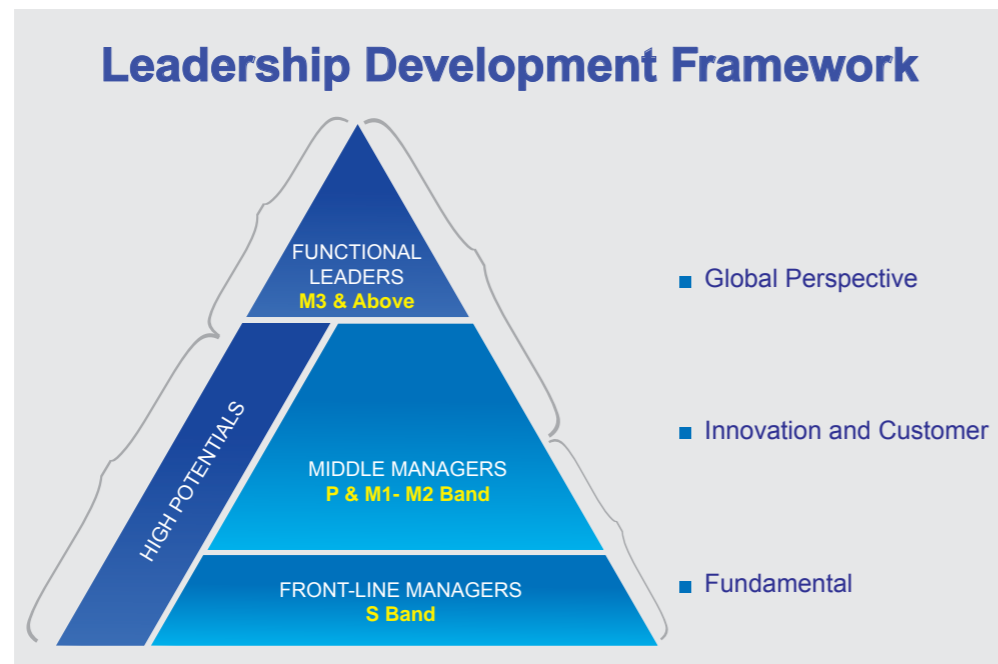
The courses on energy saving and environmental protection set up by employees through the Delta Foundation puts the ideas and methods into actual practice in the workplace, resulting in a quality work environment and healthy, happy employees. This is one of the goals of "Green Human Capital".

We also provide a range of learning environments to improve the effectiveness of learning, including :

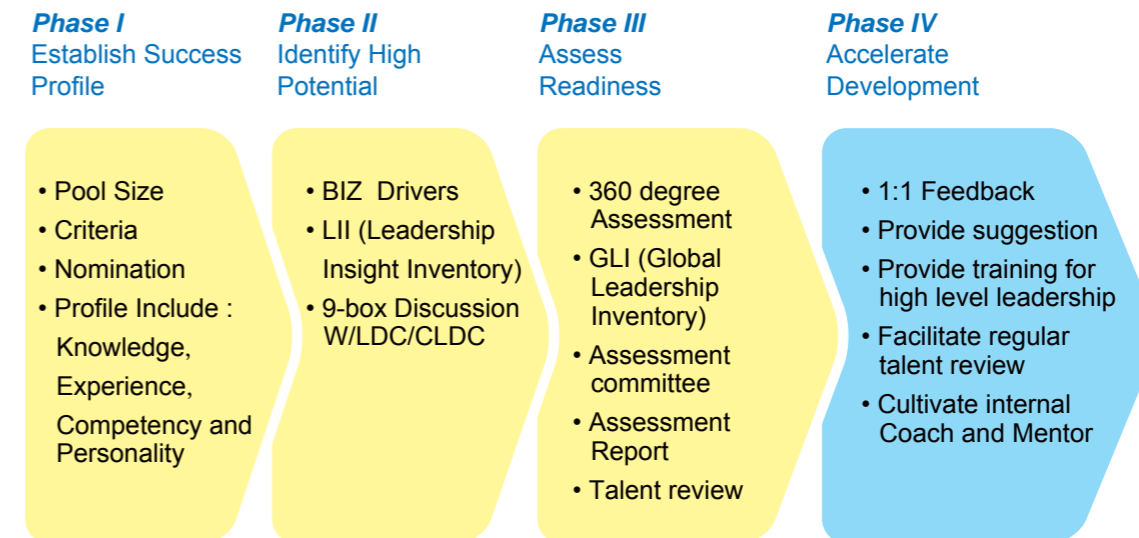
1. A high-tech training system to help managers develop their subordinates' ability and improve their work performance. Employees can find out about available courses online and set up their own flexible learning program.
2. World-class technical symposiums and seminars. The world-class technical symposiums and seminars held regularly every year provide R&D centers around the world with a platform for networking and learning.
3. Support for external training courses and in-service learning.

At Delta, the training and performance management systems have now been integrated to maximize employee potential and help employees achieve new heights in their career.

B. Leadership Development/Critical High-Potential Personnel Development Plan



Talent Development Process



Outstanding high-level talent is critical to the globalization process at Delta. With the guidance and assistance of a consulting company, we have made the cultivation of high-level talent a strategic part of Delta Group's operations. Starting in 2009 a complete system has been implemented with the support of the Delta Leadership Committee targeted at outstanding employees with great potential. The system ensures that the quality and ability of high-level talent (BU/BG and MFG managers) will meet the needs of Delta's future development. For example, we organized learning and networking sessions on management development for cross-strait managers on topics such as "International Perspective and Cross-Cultural Communications" and "Maximizing Personal Influence". Delta Electronics' CEO and COO attended the workshop and discussions to talk about Delta's mission, management philosophy and leadership vision as well as to listen to the trainees' presentations and answer related questions.

Occupational Health and Safety

1. OHS Management System and Organization

"Provide employees with a safe and healthy work environment" is one of Delta's most fundamental responsibilities as a corporate citizen. For many management issues, environmental protection and OHS in the workplace are often two sides of the same coin. Apart from the plants that already have ISO 14001 and OHSAS 18001 certification, Taoyuan plant 1 and Tainan plant received OHSAS 18001 certification in 2009.

Full-time OHS personnel are stationed at all Delta plants with responsibility for the planning, execution and auditing of the plant's OHS management. To ensure safety in production and employee health, a dedicated labor safety department was established in China, directly overseen by the executive director for the China region. For the R&D-and-administration-oriented offices in Taiwan, an OHS committee was organized and reports directly to the COO. System introduction teams have also been set up at the Dongguan, Wujiang plants as well as the offices in Taiwan. We hope that this model will encourage all plant units to become involved with the OHS management system, improve employees' OHS awareness to reduce OHS injuries, review the system through internal audits, and further continuously improve the system with P-D-C-A measures.

2. Professional OHS Inspection

Besides internal OHS inspections carried out at each plant in accordance with the law, we also organize cross audits in Taiwan, conducted jointly by OHS committee members and audit personnel, to ensure the proper implementation of the OHSAS 18001 management system and identify potential risks. Targeted accident prevention audits are also implemented at the plants for special or critical equipment. Examples



➤ Delta has set high standards for health and safety, which employees follow closely at work.

include electrical safety audits (using thermal imaging to check for potential electrical hazards), the soldering pot, chemical use, SMT equipment, specialist equipment, ventilation equipment, contractors' specialist operations (cranes, fire), EICC - EHS execution, and other specialist checks.

The executive directors on each site also convene monthly OHS meetings to review OHS performance. For the sites in Taiwan and Mainland China, the annual improvement rate of the items found during internal audits reached 99% in 2009.

3. Health and Safety Education and Emergency Response Training

Delta conducts environmental, health and safety training at each of our plants to improve employees' knowledge of occupational health and safety issues. In 2009 for example, our plants in Taiwan and China organized occupational health and safety training, emergency response and firefighting training, and external specialist training for new and current employees. Over 110,000 people took part in nearly 250,000 man-hours of training to ensure personnel safety and reduce the impact of accidents.

4. Accident Investigation and Prevention

If traffic accidents outside the plants while commuting to and from work are excluded, the leading cause of accidents on Delta sites in 2009 with at least one day lost was still due to improper operation of machinery. The next most common cause was reasons such as falls or cuts, followed by being struck or crushed by objects. Accidents by plant transportation (including forklifts) and by improper operation of machinery produced the highest average number of days lost.

Whenever an OHS accident occurs, not only is the cause of incident analyzed by OHS personnel, we also prioritize process improvements and employee OHS education to ensure the accident does not happen again. For example, to prevent machinery related injuries, the OHS department uses conclusions reached from accident analysis to carry out regular targeted or total machinery safety audits to identify and rectify potential safety hazards. To minimize the risks of machinery operation, if a machine is found to be high risk, then "fool proofing" is incorporated into the design. Measures such as requiring both hands to be on the buttons, photo-electronic sensors, protective shields and micro-switches are used to prevent further injuries. We have also adopted F.R. (Disabling Frequency Rate) and S.R. (Disabling Severity Rate) as the indicators and set up targets for Taiwan and China regions to minimize the occurrence of OHS incidents.

5. OHS Information Exchange

To boost the exchange of OHS information, the OHS department uses the company intranet and suggestion boxes to convey OHS messages to employees in a timely manner. Employee feedback on OHS issues are also collected and studied. We hope that the creation of a smooth, two-way communication channel will help to boost employees' safety awareness and involvement, and in turn, help to ensure the safety and health of all employees.

6. Work Environment Inspection

Based on the potential risk at each plant, not only are regular work environment inspections conducted but also exposure to hazardous substances is constantly monitored. The readings are used to correct work practices or make engineering improvements to reduce the risk of occupational disease.

7. Employee Health Promotion

Apart from routine health examinations, Delta also partners with professional medical and health organizations to organize fitness testing, disease screening, flu vaccination and health seminars at Delta plants. The company also encourages and helps employees with setting up clubs and taking part in healthy sports. Employees can both focus on their work and keep an eye on their current health. Plants continue to promote greening initiatives so employees enjoy "living green" even in their offices. Delta also promises to follow the principles of green building in all new buildings to maximize employee productivity by providing a healthy and comfortable environment.

The mental health of employees is also a concern for Delta. We provide a variety of facilities to help employees relax and relieve stress. At our main plants in Dongguan and Wujiang for example, employees not only have access to permanently-staffed medical clinics but also libraries, movie theaters, billiards rooms, canteens, employee service centers and a "Heart-to-Heart Station" for psychological counseling. These facilities are intended to provide employees with a place to relax outside of work or to further enrich themselves.



➤ In the Delta-adopted No.3 Wende Park, Delta's eco-volunteers show neighbors how to get close to nature through interactive games.

The plants also invite well-known personalities from the arts and culture community to give speeches to employees. Delta hopes that apart from developing new products and businesses, employees will discover new inspiration by interacting with these personalities.

Volunteering with the Foundation

Guided by our business philosophy of "Care for the Environment, Energy-saving and Our Green Earth" Delta Electronics' Corporate Communications Department, the Human Resources Department, the Delta Foundation as well as Delta Group subsidiaries Delta Networks, Cyntec and DelSolar partnered to launch the "Delta Energy Education Volunteer" program in November, 2008. The program has continued to receive strong support and new volunteers have continued to join this very meaningful activity. The TEEP teaching materials co-developed by the Foundation and our partners have enabled Delta and outside volunteers to introduce energy saving and carbon reduction concepts for over 40,000 class attendances. This number continues to rise.

The new "Green Family Tour" eco-guide activity launched by the Foundation has seen many Delta employees become eco-volunteers on the weekend. A volunteer roster now organizes interactive games every Saturday morning at the No.3 Wende Park in Taipei so families can learn about the urban heat island effect and reducing carbon emissions in their daily lives.



➤ A "Heart-to-Heart Station" at Delta's plants provides employees with a place for psychological counseling and solving everyday problems.



➤ Greening the office leads to a more comfortable and healthier work environment.

Delta and Shareholders

The effects of the global financial crisis continued to be felt in 2009. Nevertheless, our adherence to the principles of integrity, quality, agility, teamwork and innovation in this environment saw the Delta Group meet the challenge and profits grew by 8% compared to 2008. It is our belief that the industries related to alternative energy, energy-saving, telecommunications, environmental protection and infrastructure development are not only areas where national governments are now making significant investments but also areas that are essential to humanity's sustainable development. This reflects Delta's mission and the direction of our product development. As we shift from the IT to the ET (Energy Technology) industry and develop our own brand, we are committed to realizing group synergies by ensuring that long-term R&D leverages our core technologies and resources to expand the range of applications. At the same time, we continue to seek out complementary resources to enhance shareholder interests.

Information disclosure has always been an important area of focus for Delta. For example parent company Delta Electronics began submitting semi-annual consolidated financial reports to accountants for audit and publication even before the relevant requirements became law. Delta Electronics' announcements to the Taiwan Stock Exchange are also updated in real-time. From Delta's website, the chairman's report to shareholders, financial statements, corporate governance regulations, share price and dividend information, as well as the content of analyst meetings can be downloaded, and most are available in both Chinese and English for the benefit of local and foreign investors. We also continue to improve the content of our annual report.



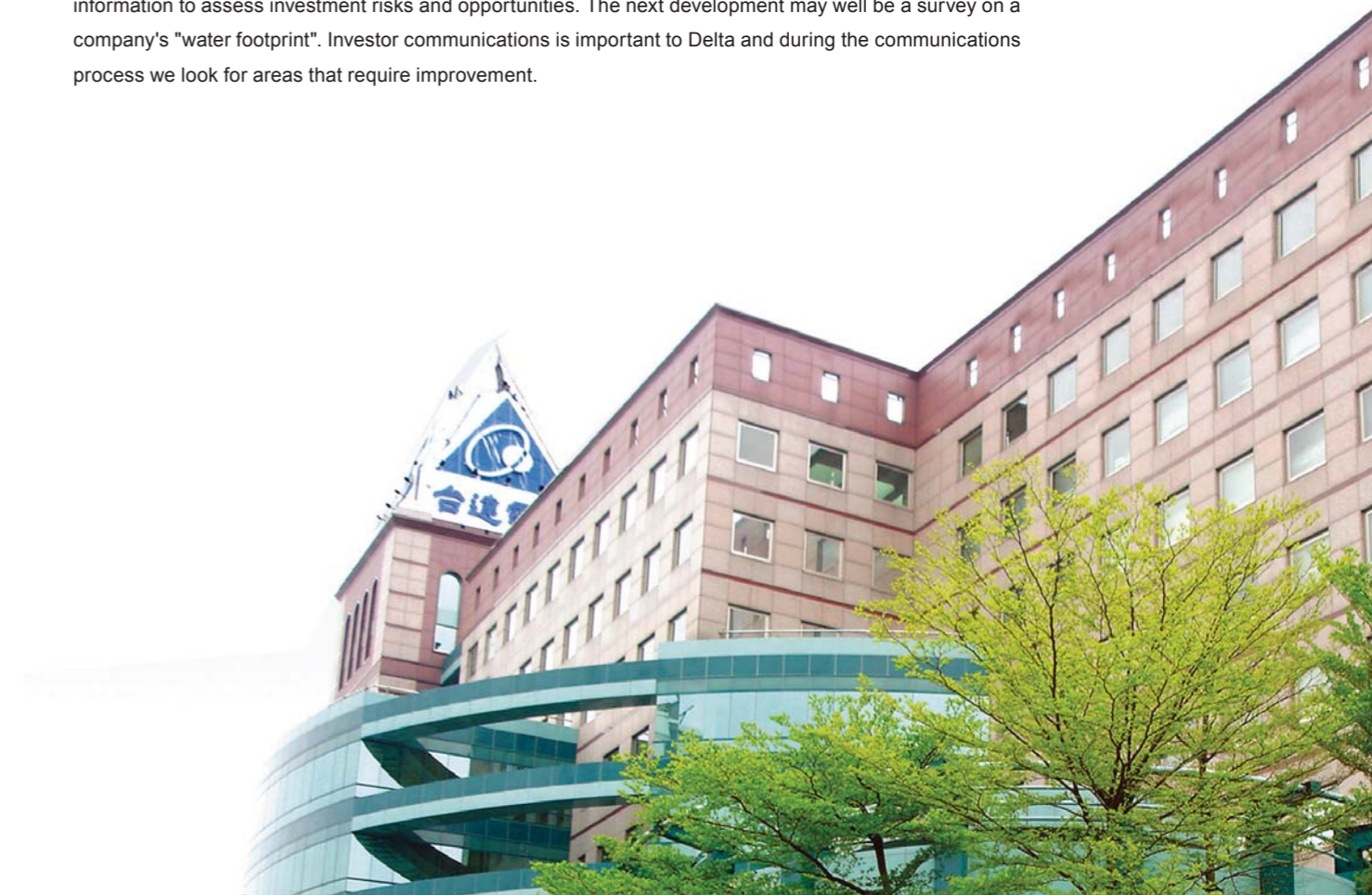
➤ An analyst meeting is held on a regular basis for external parties to better understand Delta's business performance.

Additionally, Delta hosts analyst meetings on a regular basis where we announce and explain each quarter's consolidated financial data, business performance and future plans. These meetings are webcast live over the Internet. Our efforts once again saw parent company Delta Electronics receive an A+ rating from the Securities and Futures Institute in Taiwan in 2009.

As foreign investors hold the greater part of all Delta shares, communicating with foreign investors is especially important to us. We participate in a wide range of investors' forums each year and visit foreign shareholders directly in Asia, Europe and the United States. Apart from providing them with updates on the company's operations, we also welcome constructive feedback on our operations, finances and governance. At the same time, Delta welcomes visits from local and foreign investors, and we also arrange visits to our major manufacturing sites.

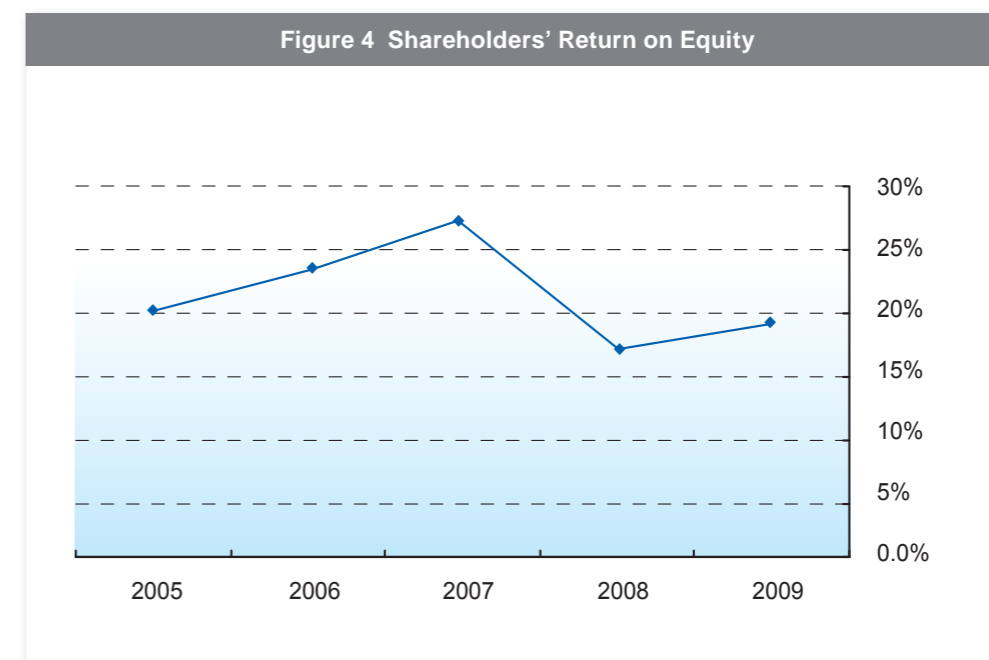
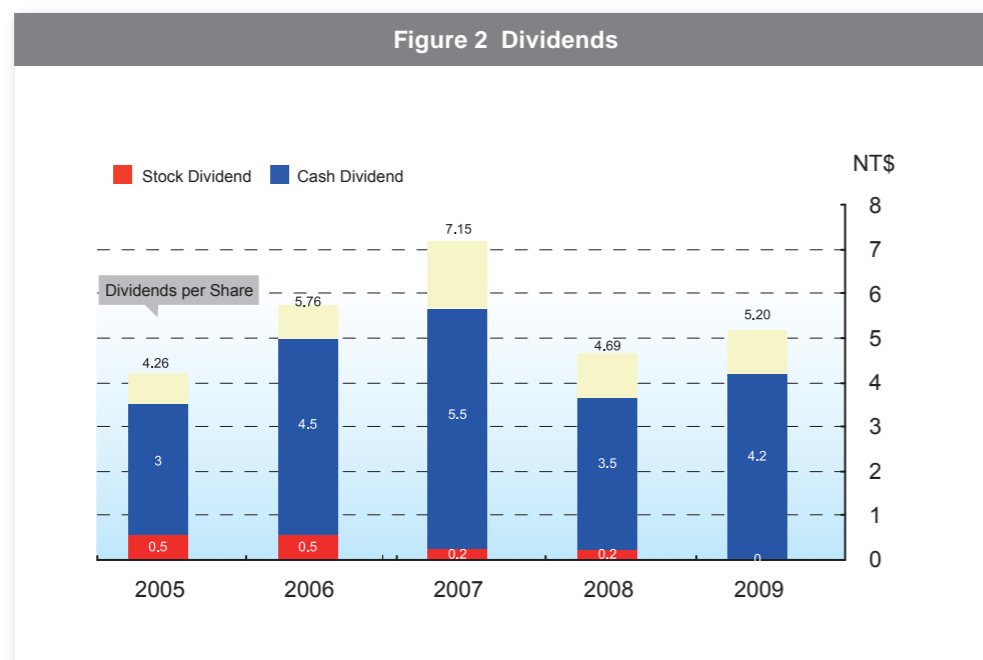
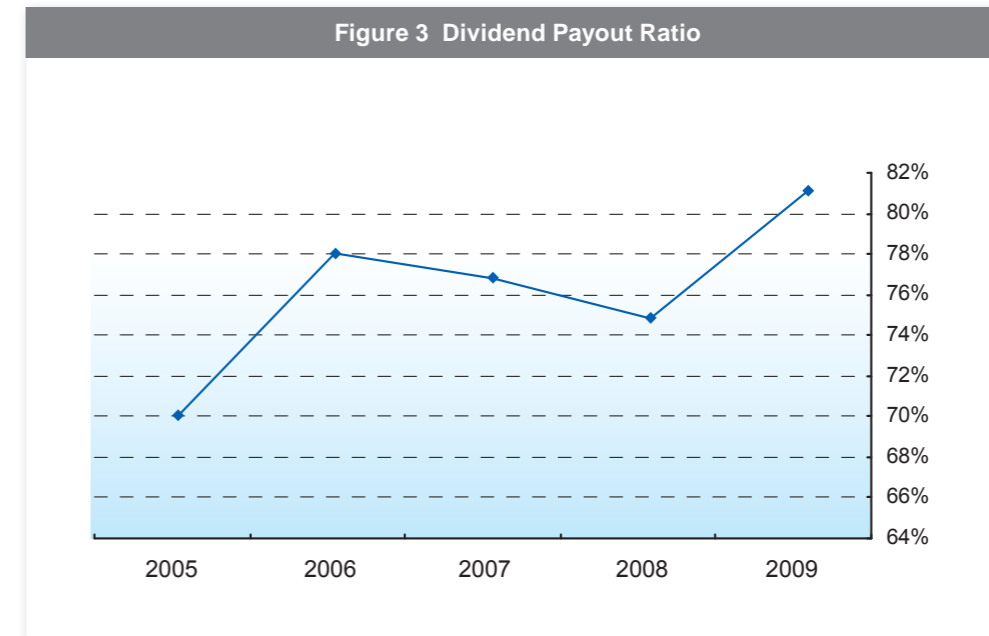
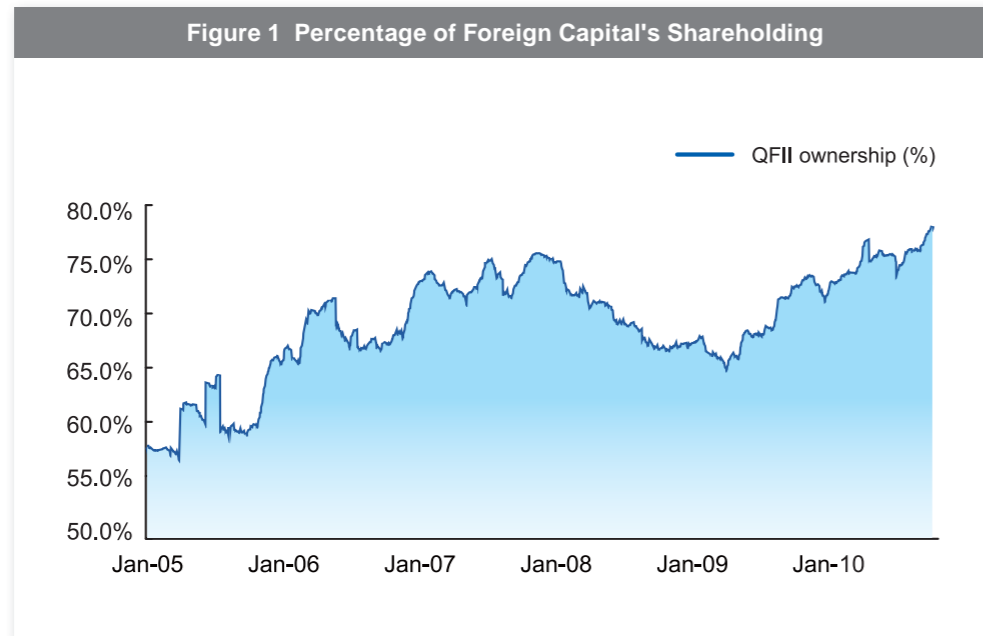
Individual investors are just as important to us as institutional investors. In addition to having staff dedicated to answering inquiries from individual shareholders in detail, we also actively respond to questions and suggestions raised by shareholders at the annual shareholder meeting to improve Delta's service and fulfill their needs.

In the past few years, key international institutional investors have begun looking beyond financial statements and at sustainable development strategies, potential risks and opportunities using tools such as the Dow Jones Sustainability Index (DJSI) and Bloomberg Sustainability Survey. Other initiatives include the "Carbon Disclosure Project (CDP)" that asks participating enterprises to disclose their climate change related information each year using a standard survey and database. Investors can then use the information to assess investment risks and opportunities. The next development may well be a survey on a company's "water footprint". Investor communications is important to Delta and during the communications process we look for areas that require improvement.



In recent years, Delta has remained one of the top Taiwanese shares in terms of our proportion of foreign institutional investors (see Fig. 1). Despite the continued impact of the global financial crisis in 2009, parent company Delta Electronics' return on investment for shareholders showed a recovery of 2% compared to

2008 (Fig. 4). In the long-term, we hope to maintain return on investment at around 25%. Share dividends (Fig. 2) and distribution (Fig. 3) have increased compared to 2008 as well.



Delta and Customers

Predict customer requirements and exceed customer expectations

The global push for green energy means that customers now have a greater demand and higher expectations for energy saving solutions. With a business philosophy of "Caring for the environment, energy-saving and our green Earth", Delta Electronics now defines itself as a provider of customized energy saving solutions. By leveraging our core competency in power electronics and combining it with advanced energy-saving technologies we can now provide our customers with cleaner and more efficient solutions. We also reduce the consumption of the Earth's resources and emissions of greenhouse gases at the same time to create even more value for customers. The 1MW rooftop solar power system Delta installed at the World Games Stadium in Kaohsiung for example demonstrates the feasibility of integrating a high-efficiency power generation system with a living environment for Delta Electronics' customers and society.

To fulfill our commitment to customers, Delta Electronics not only studies the needs of end users to identify opportunities for continued improvement but also assists our distribution partners with improving their business operations to effectively respond to end customers. End customer relations management at Delta Electronics emphasizes listening to the voices of customers. Apart from conducting large-scale customer surveys we also commission consultants to conduct end customer satisfaction surveys, focus groups, individual interviews and online surveys. The in-depth understanding of customers' requirements



➤ A grand conference for distributors demonstrates Delta's determination to develop its own brand.

and expectations serve as the basis for improvement in technical R&D, system design and solutions concepts. We strive to provide total solutions that exceed the customer's expectations while also looking for opportunities to develop new products and services.

Delta Electronics also adopts an active approach to building long-term partnerships with large distribution partners to improve our service to end customers. Here the selection of a distributor with a similar business philosophy plays an essential role. Delta Electronics regularly shares industry/market trends and business analyses with distributors so they can track long-term changes in customers

and the market. We introduced the Authorized Service Partner scheme to help distributors set up an after-sales service capability and give our full support for advertising and marketing activities. Only by helping our distributors set up a stable business in the long-term can they become a long-term strategic partner capable of providing end customers with timely and efficient support services.

In recent years we have become more proactive in holding activities for our distributors. For the distributors' conferences held at Lijiang in China's Yunnan Province, for example, around 300 distribution partners for industrial automation products and uninterruptible power supplies (UPS) from throughout China attended the respective conferences. The Vice Chairman and CEO of Delta Group Mr. Yancey Hai as well as other top executives attended the conference, which highlighted the importance of the Chinese market and local distribution partners to Delta Electronics. During the conference, Delta not only thanked our partners for working together to achieve outstanding results in 2009 but we also explained our plans for business expansion, improving efficiency, brand development and product line expansion. In addition to these strategic initiatives, Delta will provide our partners with advanced energy-saving products and solutions as well as strengthen technical support and consulting services so distributors can focus on developing the market and fulfilling Delta Electronics' customer commitment.



➤ Delta's "Da Vinci Innovation Award" encourages colleagues to pursue new and ground-breaking innovations.

Perseverance in technical R&D and continued pursuit of innovation

Technology and talent are Delta's twin foundations. We believe that deep roots achieves a solid foundation. For this reason, the corporate culture at Delta accepts the possibility of failure during the innovation process. We are willing to endure short-term labor pains in return for the possibility of giving birth to breakthrough technologies. Such an approach is instrumental to continued innovation at Delta so we do not sacrifice investment in R&D even during economic downturns. Proof of this can be seen in 2009 when Delta's global R&D spending accounted for 4.6% of our revenues, an increase from 4% in 2008.

In addition to the "Da Vinci Innovation Award" organized by headquarters in recent years, our business units have hosted innovation competitions at different times in a bid to generate new, practical ideas that can be commercialized to meet customer requirements. The brainstorming competition hosted by the Chungli plant, for example, invited plant employees to predict future challenges for the company and devise appropriate counter measures. The competition involved innovations in technology, product, process, management, strategy and business model, and a very strong field of 38 submissions was received. COO Mark Ko and CTO R.C. Liang not only praised all of the contestants for their spirit of innovation but also encouraged everyone to seek out new and unprecedented innovations that would create tangible value for the organization. Our components business unit organized an LED street light styling design competition open to all employees that attracted many entries as well.

Aside from emphasizing the cultivation of in-house technical capabilities, Delta is also open to cooperative partnerships. As of now, Delta has over 100 cooperative projects in progress with research organizations all around the world. The Corporate R&D Center at Delta for example has 15 local and overseas partner universities working on technologies with tremendous future potential such as 3rd generation solar power, medical electronics and fuel cells. These partnerships are a win-win situation for both Delta and the universities. Only through continued innovation can Delta stay ahead of the market. Continued innovation is also the only way to provide customers with the best products and services.

Improving quality and pursuit of excellence

Quality is one of the core values of Delta's culture. In addition to ISO-9001 certification of plants in Taiwan, China, Thailand, India and Slovakia, Delta Electronics' COO has led joint "Quality Diagnosis" initiatives by business groups/units and top regional executives since 2005. Delta strives to continually pursue high quality, strengthen organizational quality planning and execution, and boost learning and competitiveness. This quality initiative has now been held eight times, and recent topics include best practice in Design Quality Assurance (DQA), innovative energy-saving design and quality assurance systems for commercial challenges and material quality management. This has also guided the development of related training programs by the Human Resources Department.

The latest quality diagnosis meeting was held at the Wujiang plant. The management team, the business unit managers and the regional managers for China took to the field to look at material quality

management, supplier management and reliability improvement methods used by each business unit over a period of two days. Constructive suggestions were also made and teams sent out to the production line to diagnose opportunities for improvement. Participating managers agreed that an in-depth examination of how the various management models and techniques at main production plants can be integrated. The distribution of resources and knowledge management are key to maintaining Delta's quality and productivity advantages in the future.

Various quality improvement projects are also underway at each business unit and plant. In the 6 Sigma project, for example, business units continue to train personnel for Green Belt and Black Belt certification while running training courses such as Design for 6 Sigma (DFSS). Main production sites such as Dongguan have continued to conduct 6 Sigma training and tracked the results with five Black Belt classes and twelve Green Belt classes conducted to date. The program is complemented by an improvement incentive scheme that has led to over 300 improvement projects and generated financial returns worth over US\$3 Million. Other plants such as Wujiang are now rapidly increasing their number of trained personnel and completed projects as well.

Requirements of Social and Environmental Responsibility

Climate change, restrictions on environment-related substances in products as well as labor safety & health and human rights have all become important CSR issues in recent years. Each of these issues requires its own approach. For climate change the emphasis is on the carbon footprint of the product lifecycle; environment-related substances in products requires controls at the source of materials supply; while the focus in labor safety & health and human rights is on suppliers scattered all across the world. Responding to these issues therefore requires a total approach to the entire supply chain. Recent issues such as the new version of the RoHS directive now being drawn up by the European Union, the "Conflict Metals"¹² boycotted by international NGOs, as well as the upcoming issue of "water footprint" due to shortages of water resources, will all require close cooperation with the supply chain to achieve optimal results.

Using the "EICC Code of Conduct" promoted by the Electronic Industry Citizenship Coalition (EICC) as a reference, Delta has compiled online training materials for promoting standards for labor rights, safety & health and the environment. These materials will help improve the performance of Delta plants and suppliers in social and environmental responsibility. The Dongguan factory for example cooperates with non-profit organizations Students and Scholars against Corporate Misbehavior (SACOM) and the Labor Education and Service Network (LESN) to promote labor rights and introduce training based on the EICC standard. As a result, our key customer HP presented Delta with their "Social and Environmental Responsibility Award" in recognition of our efforts. Delta is aware there are still many areas that need improvement. We continue to learn from international benchmark enterprises and exceptional customers and we strive for improvement.

12) The ongoing war in the Democratic Republic of Congo (DRC), waged by the Rebel armies, has reached an extreme level of violence. The primary financing source of the war is the mining of valuable metal ores containing tantalum, tin, tungsten, gold and others. The metals derived from minerals originating in the DRC or adjoining countries are called "conflict metals". These metals are consumed on a vast scale by the electronics industry.

At the same time, the "CDP Supply Chain Program" set up by the CDP and leading enterprises in various industries now conducts an annual survey of suppliers on climate change related risks, opportunities and corporate strategies. The information is used to determine whether climate change will have a potential impact on the enterprise itself. Delta attaches great importance to our communications with customers on this issue. Apart from responding to the survey each year we also use the questions as a guide to identifying potential improvements. In 2010 the "CDP Supply Chain Program" began distributing the "Water Footprint" survey to over 300 enterprises involved in water-intensive industries or located in regions with water shortages. We are now closely following related developments.

Customer Recognition

Our innovation, quality and responsive service over the years have resulted in customer satisfaction and recognition. This is the main reason why Delta's market share and business continues to grow. We also receive outstanding supplier awards from our customers every year. In 2009, our customer awards included Black & Decker's "2009 Supplier of Excellence Award", Fujitsu's "Best Vendor Award", BSNL's "Best Telecom Equipment Manufacturer Award", Rockwell Automation's "Supplier of the Year Award – Productivity Award", as well as Pegatron and Unihan Corporation's "Best Partner Award". We share these honors with all Delta employees and continue to enhance the quality of our products and services to ensure our customers' satisfaction.



➤ Quality diagnosis meetings ensure the best management of quality during production.

Delta and Suppliers

Our thousands of suppliers around the world are Delta's business partners, and they are essential to our efforts in addressing environment-related substances in products, climate change, labor safety & health, human rights as well as newer issues such as "conflict metals" and "water footprint". Delta is committed to using our influence to promote the relevant concepts or methods to our upstream supply chain.

Cooperation with Suppliers

Honesty and integrity are the most important criteria when Delta chooses suppliers. Delta thinks of our suppliers as long-term partners. For the partnership to endure, our suppliers must have a similar corporate culture. Our suppliers must also offer competitive quality, technology, delivery and pricing.

Delta has an information platform that links together our end customers, system integrators and suppliers. Comprehensive information and logistics management allows for flexibility in demand change notices, long lead-time materials and capacity planning reviews. When the reduction in upstream output after the global financial crisis led to a period of material shortages, the platform enabled us to reduce the impact on Delta and our customers to a minimum.

Delta also works with suppliers to make high quality and competitive parts the standard design in our products, enabling suppliers to leverage economies of scale and reduce costs to the ultimate benefit of our customers. Where necessary, we also assist suppliers in improving their technology or management standards so they can grow together with Delta.

Learning from Outstanding Partners in Sustainable Development and Innovation

Delta has many supplier partners that we've worked closely with over the years and they often provide us with role models in sustainable development and innovation. The 3M Company for example is famous for innovation and 3M tape was used on our power transformers when Delta was first founded. Years later, 3M still remains a close business partner. The 3M corporate culture of embracing new challenges and innovation is a very close match for Delta's own corporate culture of "Dare to change, and pursue sustainability". In 2009 the "3M Innovation Day" was organized as a special event by 3M and Delta. The former 3M "Chief Scientist" for the Asia-Pacific was also invited as part of Delta Chungli plant's "Master Series" to speak on organizational innovation and growth. In addition to sharing 3M's efforts in innovation, we hope that extensive networking between the two companies will enhance mutual understanding in product development and market requirements in fields such as renewable energy.

Delta has organized similar experience sharing events with other partners such as DuPont. The opportunity to network and learn from these sustainable enterprises that have endured and prospered for centuries has been of great benefit to Delta.



"To provide innovative, clean and efficient energy solutions for a better tomorrow" is Delta's corporate mission. Delta is committed to protecting the Earth's environment by developing eco-friendly and energy-saving products, adopting environmentally friendly practices and reducing our impact on the environment.

Management of Environment-Related Substances

The materials, quality control and purchasing departments in Delta's various business groups/units have established "Green Product Working Groups" responsible for setting up management systems and regulations. These groups combined with the "Environment-Related Substances Working Group" at each production facility ensure the proper implementation of the QC080000 hazardous substance management system. Delta's operations encompass hundreds of thousands of parts, and the number of substances subject to regulation continues to expand. Meanwhile, international regulations and customer demands are increasing, which requires managing massive amounts of information. Thus, the "Green Product Working Groups" review the process of part approval as well as the convenience and coverage of Delta's GPM system for use by internal staff and suppliers to ensure information accuracy and compliance with all applicable standards.

Requirements of Social and Environmental Responsibility

As previously noted, the cooperation and participation of the entire supply chain is needed to achieve optimum results for CSR issues. Since 2007, Delta has drawn on the EICC Code of Conduct to tailor courses to Delta's main suppliers that teach the Code's contents and implications. We also conduct questionnaire surveys or carry out onsite surveys to learn about and improve suppliers' performance in labor rights, health and safety, and the environment.

Another example is the "CDP Supply Chain Program" that surveys suppliers on greenhouse gas emissions and controls to determine the potential impact on the enterprise itself. Delta not only actively communicates with our customers but also conducts carbon footprint verification for a notebook computer adapter product¹³. The results showed that a very large part of a business-to-business (B2B) product's carbon footprint comes from the sourcing of materials, followed by transportation to customers or manufacturing at Delta plants. We are working with several corporate members of the TCSF to develop a greenhouse gas inventory proposal targeted at common suppliers. Through supplier education and training, we will conduct an accurate inventory of greenhouse gas emissions related to our operations and then work together to come up with ways of reducing the main emission sources.

13) The product studied was a 90W adapter. Based on the international carbon footprint standard PAS 2050, the associated GHG emissions at the stages of material sourcing, manufacturing, and transportation to the customer was inventoried. The result (7.91kg CO₂e as the product's carbon footprint) was verified at the Limited Level of Assurance by an independent third party.