

Letter from the CEO

Energy is indispensable to human civilization. Our mass consumption of fossil fuels, however, plays a major role in global warming, and energy security has become a critical strategic issue at country level.

As a provider of energy-saving solutions, Delta contributes towards energy conservation and emission reduction by providing our clients and consumers with high-efficiency products and solutions. For daily operations Delta strives to make the most efficient use of energy. In 2009, we began introducing ISO 50001 energy management system concepts and the PDCA cycle at several of our key manufacturing sites in China and Thailand. The focus on saving energy through technical initiatives was upgraded to become energy management at the operational level with full employee participation. A short-term goal of reducing Delta's electricity intensity¹ in 2010 by 10% compared to 2009 values was set as a starting point for reducing our consumption of electricity and other fossil fuels.



At Delta Foundation, the "Delta Energy Education Volunteer" program launched at the end of 2008 received an enthusiastic response and new volunteers have continued to join this very meaningful activity. The TEEP teaching materials compiled by the Foundation and its partners have now introduced the concept of energy saving and carbon reduction to over 40,000 class attendances of children². The incorporation of interactive elements is aimed at bringing about change in these families as well. At the same time, the "Green Designer Workshop"³ set up by the Foundation offers architects and interior designers Taiwan's first training course combining both the theory and practice of green buildings. The course is meant to encourage the development of green collar talent and upgrade industry in Taiwan. Student satisfaction has been high since the start of the course as they acquire professional knowledge.

Apart from the issues addressed by Delta and the Foundation, many other issues related to corporate social responsibility (CSR) such as climate change, environment-related substances in products, labor safety & health and human rights are all gaining recognition. The result has been an integration of supply chains

and dissimilar industry alliances aimed at realizing maximum synergies. Delta has continued to take an active role in the discussions at the Taiwan Corporate Sustainability Forum (TCSF) (e.g. the Green Factory Working Group), and we have also joined the Taiwan Business Council for Sustainable Development (BCSD-TW). We hope to share experiences and resources on CSR and sustainable development with other leading domestic enterprises through the BCSD-TW, and look forward to receiving the latest updates from international organizations such as the World Business Council for Sustainable Development (WBCSD). The spotlight is now on a product's carbon footprint when it comes to customer and supplier support, and a product's water footprint is gaining notice as well. Our Dongguan factory cooperated with non-profit organizations to promote labor rights and introduce training based on guidelines issued by the Electronics Industry Citizenship Coalition (EICC)⁴. As a result, our key customer HP has presented Delta with their "Social and Environmental Responsibility Award" in recognition of our efforts.

Thanks to our continued commitment to transparency and disclosure, our parent company Delta Electronics Inc. was once again given an A+ rating in disclosure by the Securities & Futures Institute in Taiwan in 2009. Our internal audits department was recognized with the "Internal Audit Leading Practices" and "The Best Internal Auditor" awards in 2009 from the Institute of Internal Auditors. These awards highlight our outstanding performance in internal audits and exemplify the success of our corporate governance efforts.

CSR is an ongoing journey and we are achieving progress through the efforts of all of our employees. Delta is now active in establishing our own brand so the attention and expectations of society will only increase. We embrace Delta's CSR programs and everyone is dedicated to doing their part. I am looking forward to exceeding the expectations of our stakeholders and society as Delta strives to become an even better corporate citizen.

Vice Chairman and CEO

1) Electricity intensity is defined as Delta Group's annual power consumption (10,000kWh)/annual revenue (Million USD).

2) Combined total of Delta's own Energy Education Volunteers and outside volunteers.

3) Green Designer Workshop website: http://www.delta-foundation.org.tw/green_workshop/index.asp

4) The "Hewlett-Packard Labor Rights Training Program: Delta Electronics (Dongguan) Co., Ltd." Report and information about the cooperation are available on <http://sacom.hk/category/campaigns/sacom-hp-labor-rights-training>.