



Modern Slavery and Human Trafficking Statement 2021

The U.K. Modern Slavery Act of 2015 (the “Act”) requires commercial organizations that supply goods or services in the U.K. and which have a total annual turnover above a certain threshold to publish a slavery and human trafficking statement each financial year. This statement describes the actions taken by Delta Electronics Thailand and its subsidiaries (“Delta”) during the fiscal year 2021 to prevent modern slavery and human trafficking in our business and supply chain.

STRUCTURE, BUSINESS AND OPERATION:

Delta Electronics (Thailand) Public Company Limited has grown from strength to strength since our founding in 1988. The company is a subsidiary of Delta with the mission statement, “To provide innovative, clean and energy-efficient solutions for a better tomorrow,”. Today Delta Thailand has become the regional business head office and manufacturing center for our businesses in India and Southeast Asia. The company has been at the forefront of power management solutions and the manufacturing electronic components, i.e. cooling fan, electromagnetic interference filter (EMI) and solenoid. Our current power management products include power systems for information technology, automotive, telecommunications, industrial applications, office automation, medical industries, EV chargers, DC-DC converters and adapters. Delta Thailand has also been aggressively growing our solution businesses in EV chargers, industrial automation, data center infrastructure and energy management in the region.

Delta Thailand has gradually ascended to the Stock Exchange of Thailand benchmark index (SET50) since listing in 1995 with consolidated revenue now exceeding USD 1.3 billion. The company is continuously growing through sustainable development with innovative business processes, astute M&A activities and relentless pursuit of greener solutions across the company’s products and organization.

Related information:

1. Global Operation <https://www.deltathailand.com/en/global-operations>
2. Investment structure <https://www.deltathailand.com/en/investment-structure>



POLICY AND CODE OF CONDUCT

Delta Electronics Code of Conduct (the “Code”) and the Delta Group Employment Policy (the “Policy”) apply to our own operation and cover the entire Delta globally. The Code and Policy provide specific standards on human rights as well as customer expectations. Our Policy references generally accepted international principles such as the Universal Declaration of Human Rights, the International Labor Office Tripartite Declaration of Principles, and the OECD Guidelines for Multinational Enterprises to reflect Delta’s compliance with the international labor and human rights standards.

The main commitments of Delta are:

- To comply with applicable labor or employment laws and international standards
- To prohibit hiring forced labor or child labor—all jobs shall be taken voluntarily
- To ensure that employees can voluntarily leave the company within a reasonable period after giving notice
- To prohibit any form of harassment and inhumane treatment
- To hire employees based on capabilities with non-discrimination
- To establish a management mechanism for working hours in line with labor laws and regulations
- To provide employee compensation and benefits to meet the applicable laws, including minimum wages, holidays with pay, and welfare provided in the law

RISK MANAGEMENT and DUE DILIGENCE PROCESSES

As part of initiatives to identify and mitigate the risk of modern slavery, Delta carries out appropriate due diligence to assert Delta’s respect for human rights and opposition to human trafficking.

1. Our own operation:

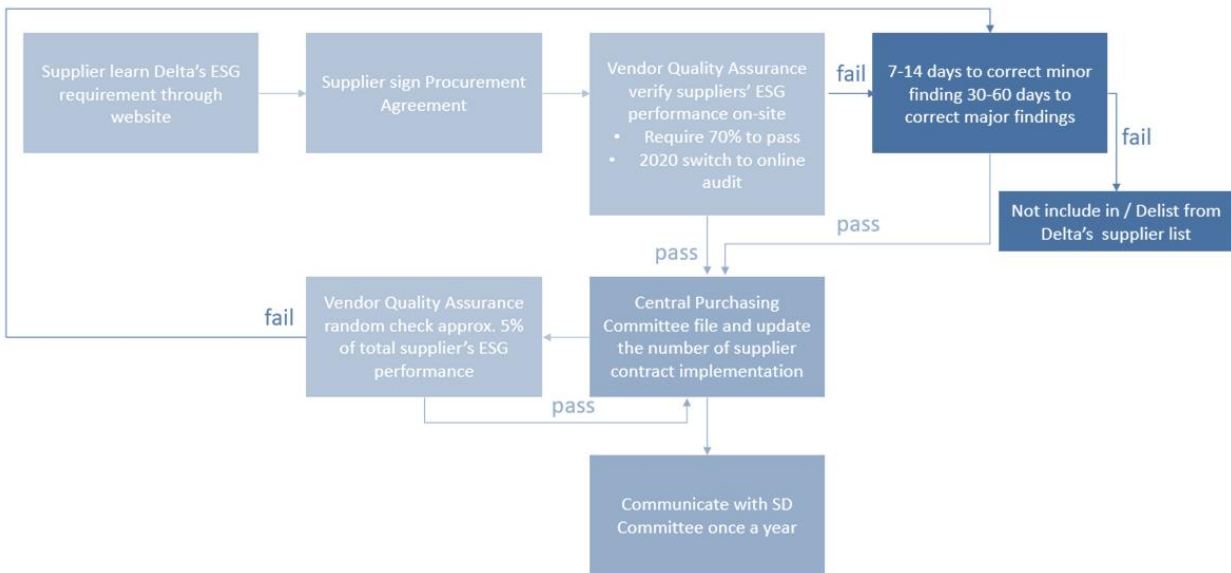
- 70% of employees are covered by collective bargaining agreements or labor unions.
- An annual review is conducted through internal auditing processes according to the guidance of the Responsible Business Alliance (RBA).
- The major risk issue identified is work overtime (factories workers and RD engineers are the high risk area), OHS management for worker’s health during the Covid-19 and patient personal data protection.



- Corrective actions have implemented to mitigate risks. For example, four factories have proposed corrective plans for working hours in China.
- The company target “ZERO” fatality from Covid-19 at work place for 3 years. Relevant preventive actions, measurement, facilities and training has implemented in accordance with world-recognized standards.

2. Suppliers

- All suppliers has requested to sign an RBA commitment statement.
- In 2021, 100% of our new suppliers has screened by using social and environmental criteria.
- In 2021, we surveyed a total of 100% Tier 1 and 19 Tier 2 suppliers through an ESG questionnaire survey to identify those with a high risk for human rights issues in the supply chain. We identified a total of 10 Tier 1 critical high risk suppliers, for a high risk rate of 4.9%



Delta's new suppliers screening by using social and environmental criteria process as part of GRI 308-1 and GRI 414-1 verified by independent auditor

TRAINING

It is important to us that our employees are aware of modern slavery issues and support Delta's values. During new hire orientation, every employee receives Delta Electronics Code of Conduct training to ensure awareness of his/her rights and interests. Such training helps raise the awareness of employees and improves their understanding of human rights issues. Code of



Conduct training, ethics in supply chain, Human rights and RBA courses had 7,614 participants and a total of 181,808.73 hours in 2021.

NEXT STEP

1. Continuously update and review the company's supply chain practice with the latest internationally recognized initiatives and standards.
2. Continue to build management capacity on modern slavery risk assessments, and enhance the depth and breadth of our due diligence practices.
3. Regularly review and update our policies, code of conduct, and training materials related to human rights. Employees shall receive review training every year.
4. Identify high-risk suppliers, strengthen our ESG audit management mechanism, and implement improvement activities.
5. Encourage related stakeholders to disclose their key ESG performance periodically.



REFERENCES

1. Thailand's Emergency Decree Amending the Anti-human Trafficking Act, B.E. 2551, B.E. 2562
http://www.ratchakitcha.soc.go.th/DATA/PDF/2562/A/045/T_0001.PDF?fbclid=IwAR3OIpM3BtEFAAapx06y_I5xvMf5q6lJOtpxW42MXuwg6N8oT-GGJ7V_DU (Thai language)
2. Thailand's Emergency Decree Amending the Anti-human Trafficking Act, B.E. 2551, B.E. 2562
<https://www.mol.go.th/wp-content/uploads/sites/2/2019/07/row-humantrafficking-eng-23april2019.pdf> (English translation)
3. Global Operation <https://www.deltathailand.com/en/global-operations>
4. Investment structure <https://www.deltathailand.com/en/investment-structure>
5. Delta's Corporate governance Policy
https://www.deltathailand.com/en/pdf/about/governance/CG_DET_revised_E_2019.pdf
6. Responsible Business Alliance (RBA) Code of Conduct
https://www.responsiblebusiness.org/media/docs/RBACodeofConduct6.0_English.pdf
7. Delta's code of conduct
[https://www.deltathailand.com/en/pdf/about/governance/2019_Code_of_Conduct_20190101_E%20\(28Oct 19\).pdf](https://www.deltathailand.com/en/pdf/about/governance/2019_Code_of_Conduct_20190101_E%20(28Oct%2019).pdf)
8. Delta's Human Rights Policy <https://www.deltathailand.com/en/pdf/about/governance/DET-Human-RightsPolicy.pdf>
9. Delta's Employment Policy
https://www.deltathailand.com/en/pdf/sustainable/SDSM/Employment%20Policy_EN.pdf
10. Delta's Supplier Corporate Social Responsibility Policy
https://www.deltathailand.com/en/pdf/sustainable/Supplier%20Corporate%20Social%20Responsibility%20Guide_EN.pdf
11. Delta's Suppliers' Social Responsibility Management Measures
https://www.deltathailand.com/en/pdf/sustainable/Supplier_Management_Measure.pdf