

IFRS S2 Climate-Related Disclosures Report 2023

Delta Electronics (Thailand) Public Company Limited



General Information

Delta Electronics (Thailand) Public Company Limited

IFRS Industry: B49 –Electrical & Electronic Equipment
CIGS Industry : 45203020- Electronic Manufacturing
Services

ISIN Number.
Local TH0528A10Z06.
Foreign TH0528A10Z14

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INTRODUCTION

Since the founding of Delta Thailand, we have put sustainability at the heart of our operations as guided by Delta Group's mission statement "To provide innovative, clean and energy-efficient solutions for a better tomorrow."

Our ever-evolving sustainable strategy and contingency measures for ESG matters enable the company to respond appropriately and responsibly to unexpected disruptions. This long-term commitment to sustainability in our mission and strategy allows Delta to always uncompromisingly deliver on our promise of, "Smarter. Greener. Together." to our stakeholders

When our Taiwan HQ, the publication of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2017, Delta Electronics (Thailand) PCL. became TCFD supporter since February 2023. As a company with a long-term focus on climate change and energy efficiency as its core business, climate change has been integrated into Delta's business strategy and sustainability goals. However, as global warming gradually impacts on the global economy and climate change becomes a global risk, we are not only concerned about the direct and indirect impacts of climate change, but also how to respond more proactively to the coming era of climate change.

Goal of Net-Zero target by 2050

Delta commits to reach net-zero greenhouse gas emissions across the value chain by 2050 from a 2021 base year that passed the compliance review by SBTi. Near-term targets is to reduce absolute scope 1 and 2 GHG emissions 90% by 2030 and scope 3 GHG emission 25% within the same timeframe.

RE100 target by 2030

Delta also commits to increase annual sourcing of renewable electricity from 55% in 2021 to 100% by 2030. Long-term targets to maintain at least 90% absolute scope 1 and 2 GHG emission reductions from 2030 through 2050 from a 2021 base year and commits to reduce absolute scope3 GHG emissions 90% by 2050 from a 2021 base year.

EV100 target by 2030

Delta is committed to providing charging facilities at Delta's sites and changing the company's vehicles to plug-in hybrid vehicles, pure electric vehicles, and hydrogen vehicles by 2030.



CLIMATE ACTION JOURNEY



2010

- Delta Thailand's first GHG Inventory report
- Inaugurate Delta Smart Manufacturing Steering team

2011

- Thailand plants achieved ISO 50001 and 14064-1 compliance certification
- India Rudrapur (LEED- INDIA Gold)
- Delta Thailand join CDP disclosure for the first time.

2012

- Thailand's Prime Minister Industry Award for Outstanding Energy Management
- India Gurgaon (LEED- INDIA Platinum)

2013

- Participation of Thailand's Voluntary Emission reduction Program



2017

- Thailand plants achieve LEED Gold
- India Mumbai Building LEED Platinum

2016

- 100% of Delta's main production plants certified ISO 14064-1.
- Co-work with Taiwan HQ to R&D the SBTi and methodology
- Inaugurate Delta Volunteer to educate the risk of Climate Change



2015



- Expanded the scope of energy saving to new plants, buildings, and data centers
- SET up green revenue target.
- Low Emission Support Scheme (LESS)
- Carbon Footprint Reduction Award (CFR)

2014

- Delta Thailand Carbon credit recorded by TGO for further offset
- Setting Group-wide comparison base year for electricity intensity reduction



2019



- Delta Thailand Solar Rooftop 3.2MWp
- Adopt SCADA and Industrial Automation solutions to improve energy performance at Delta Thailand HQ

2018



- Achieved Delta's SBT in the first year
- First EV charger donation to Thailand EGAT



2020

- India Mumbai Building (LEED Platinum)



2021

- Announced Internal Carbon Pricing target & methodology
- Announce RE100 participation target
- DET Plant 7 Gets LEED Gold Certification
- Receives the 2020 and 2021 Thailand Energy Awards
- Include EI reduction as president KPI

2023



- Thailand Energy Award 2023
- Launch Green Product EV charger and DeltaGrid EVM software
- Solar Rooftop for New plant 7, 8, 9 total 3.47 MWp
- EV Partners Summit Event to support the EV business
- Engage key suppliers to fasten energy transition and increase recycled material used in production process.



2022

- Science-base target commitment
- ISO14067 implementation for target products
- Participate Thailand Carbon Neutral Network
- Achieved Climate leader Asia Pacific List by the Financial Time and Nikkei Asia



- RE100 initiative
- Internal Carbon Pricing initiative
- Achieved UL 2799 ZWTL

NET
ZERO

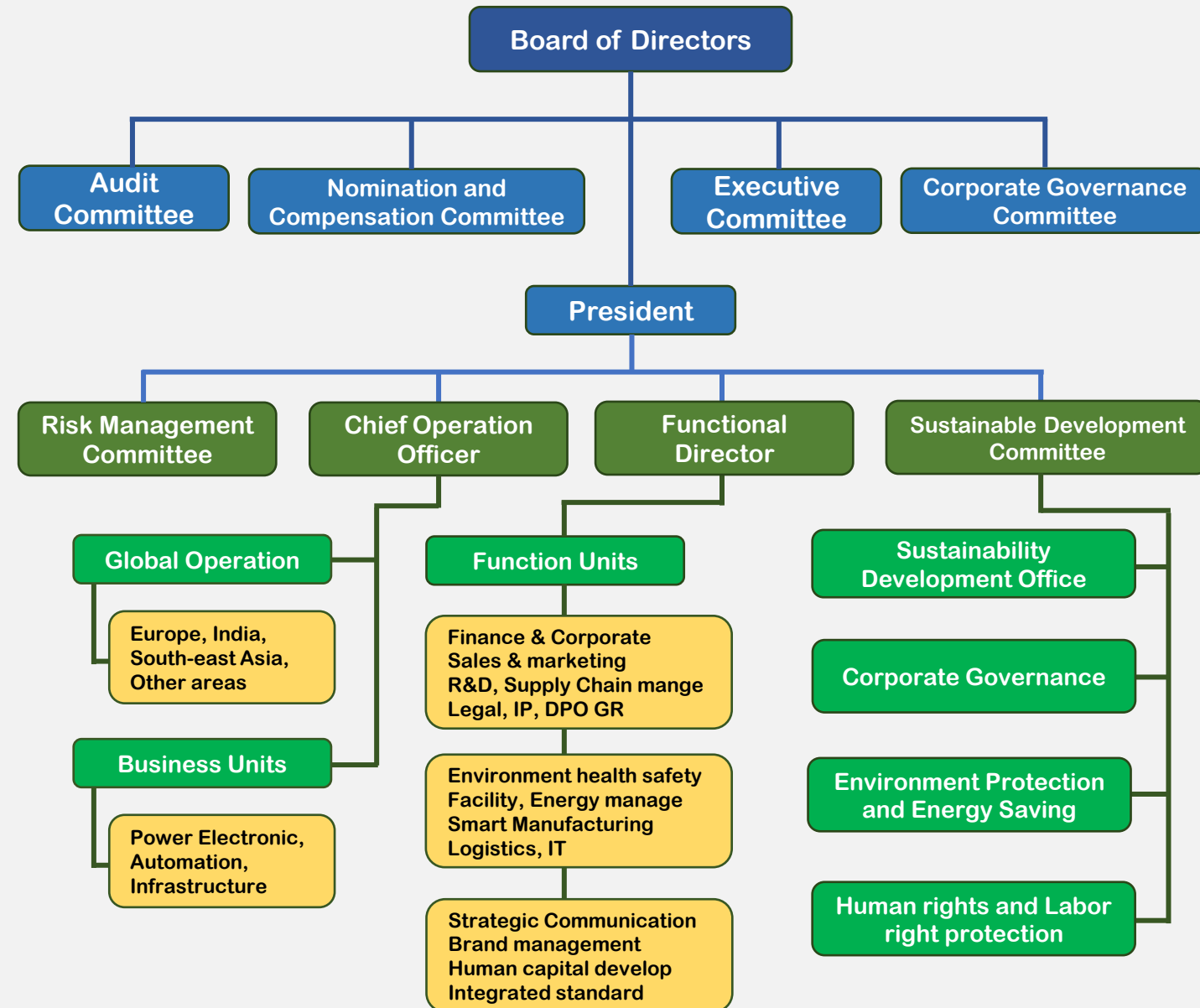
GOVERNANCE

The Delta Sustainability Committee, under the jurisdiction of the Board of Directors, is Delta's highest-level internal climate risk and opportunity supervision body. The Committee comprises a number of board members, operational team members, Chief Sustainability Officer (CSO), regional operations directors, and functional directors. The CSO reports to the board on a quarterly basis on climate change trends and Delta's climate related management progress.

The majority of the board has a long-standing interest in climate change and has a full understanding of its importance and impact. The board takes climate change issues into account when considering major capital investment projects, including the construction of green buildings, solar energy facilities, and green energy investments

The Corporate Sustainability Development Office under the Sustainable Development Committee is responsible for following international climate change trends, as well as promoting and coordinating projects related to climate change and renewable energy. The business groups are responsible for developing various energy-efficient products and solutions, and developing products and services that contribute to climate change mitigation and adaptation. The Energy Management Service Department is responsible for providing energy efficiency improvement services.

In addition, Delta Electronics Foundation participates in important international climate change conferences each year to gain insight on the development of climate change policies and scientific research.

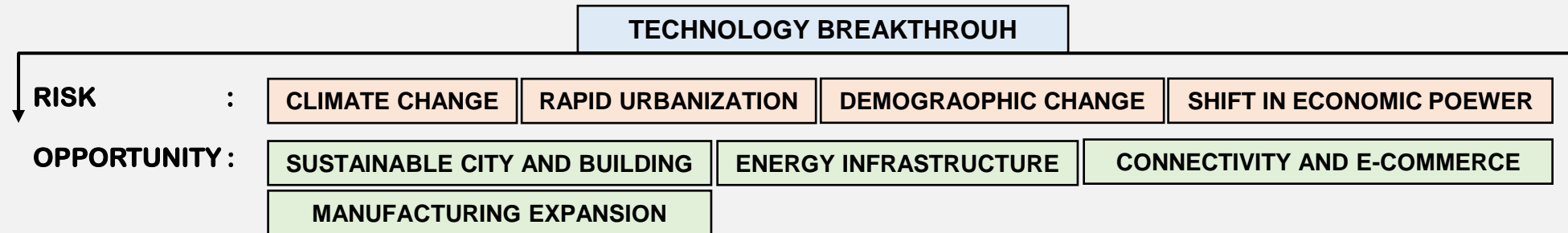


STRATEGIES

To understand which of the many climate change risks Delta should prioritize and address, we conduct a major survey every 3 years and a review every year to identify key climate risk items. Delta's latest company climate risk survey was completed just before the end of 2021. For this survey, our optimization measures include:

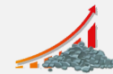
- Collecting relevant cases from around the world and adjusting the issues to keep up with the times.
- Redesigned risk impact level: Quantitative thresholds are used to design the financial impact levels
- New quantitative difficulty indicator added: We have established a judgment in considering each climate change risk.
- Using international databases: Supplemented by an online climate risk information platform.

The megatrends Risks and opportunities of Delta Value Chain have been assessed.



With over 70 representatives from business groups and functional groups, as well as expert opinions and external literature adjustments, the 4 risks identified.

1) Increasing raw material costs



Scarcity of raw materials resulting from high demand, but limited supply more severe by trade conflicts. This can lead to delays in production and delivery times, impacting customer satisfaction and potentially damaging relationships with suppliers.

2) Renewable energy regulations



Increasing costs of complying with renewable energy regulations, such as investing in renewable energy infrastructure or purchasing renewable energy credits and possibility in a new market for businesses involved in renewable energy production.

3) Increasing severity of extreme climate events



Extreme weather events such as drought, floods and high surface temperature can disrupt supply chains, damage infrastructure, and halt production, leading to significant financial losses.

4) Changing rainfall patterns and severe weather patterns



The availability and quality of raw materials sourced is affected by severe weather events such as floods or droughts that disrupt transportation networks, damage infrastructure, and increased costs to mitigate the impacts of changing rainfall patterns.

Climate - Related Risks and Opportunity

Climate change creates emerging risks and opportunities for our business throughout the value chain.

Delta pay attention to integrate financial, strategic, business impact and climate driver to evaluate the potential impact.

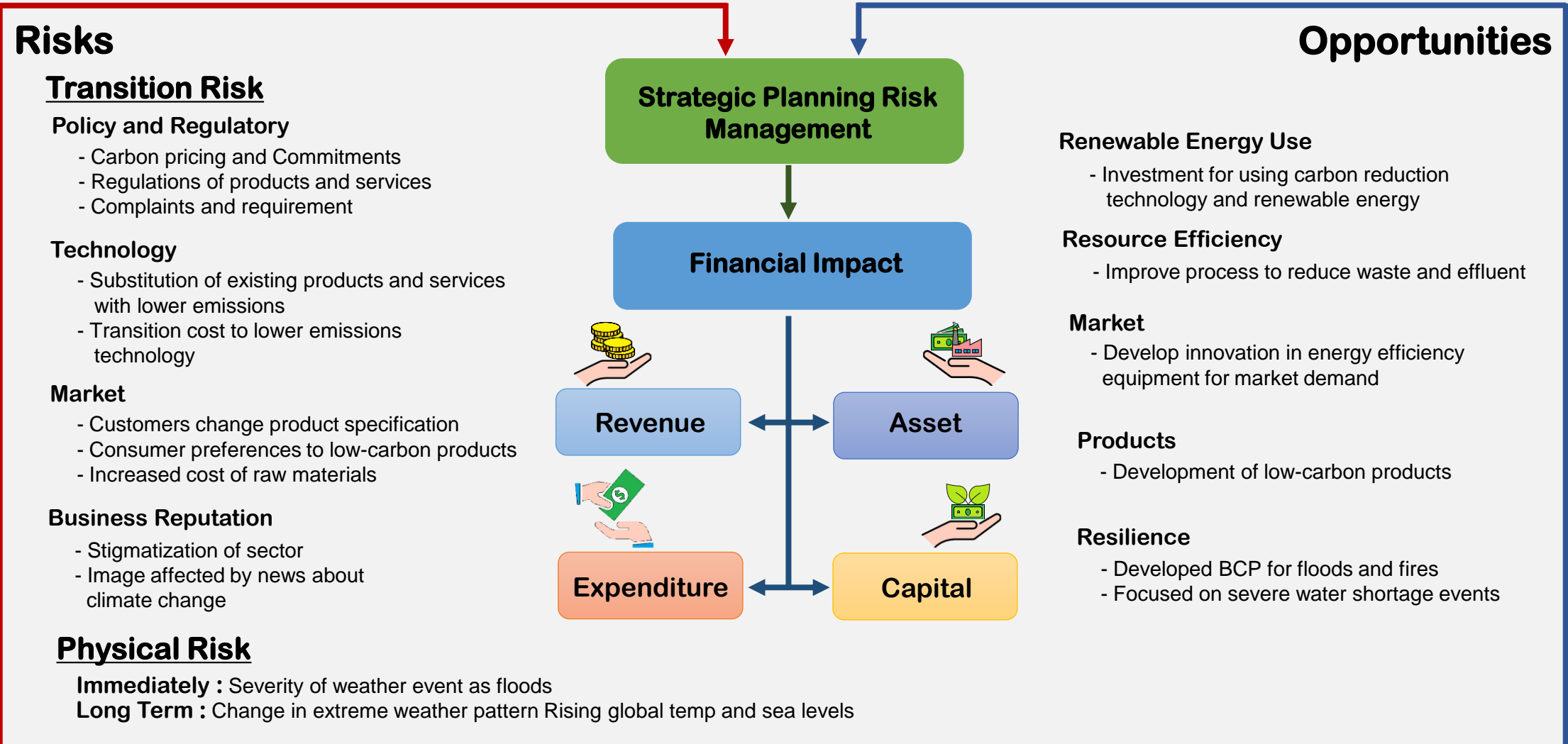
The time horizons are designed to assess the climate-related risk and opportunities in line with the Delta's sustainability framework

Time Period

Short Term : 0 - 5 Year

Medium Term: 5-10 Year

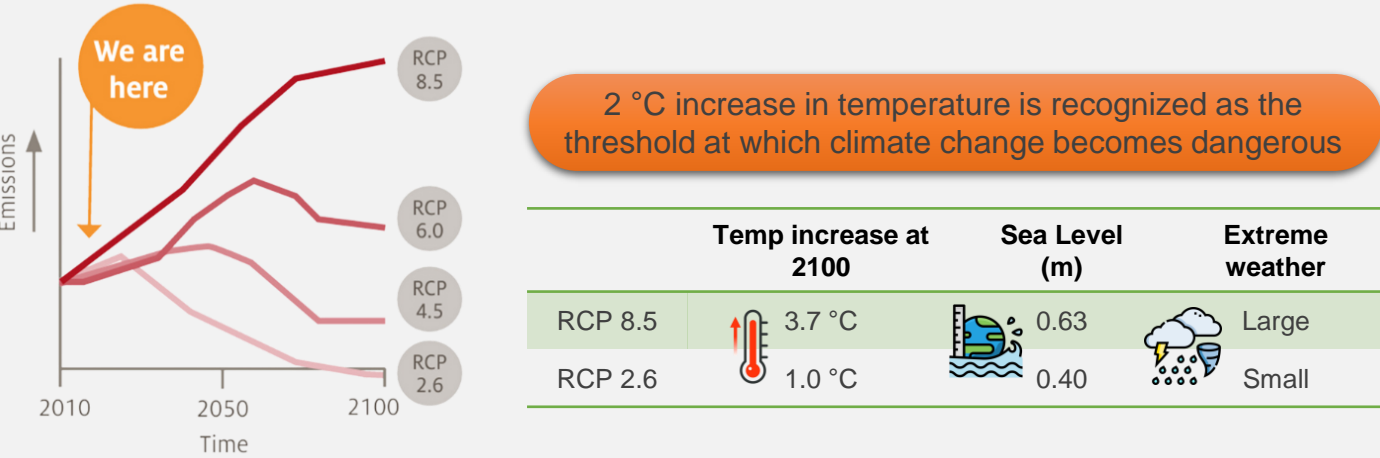
Long Term : More than 10 Year



RCP 2.6 and RCP 8.5 scenario

The RCPs predict the trends of climate change in future in term of greenhouse gases concentrations as a result of human activities, with the range from very low RCP2.6 through to very high RCP8.5 the concentrations in 2100.

RCP 8.5 leads to much greater temperature increases, and this means greater impacts and greater costs. To adapt to these changes will also cost more. A balance must be struck between the cost of impacts and the cost of adaptation.

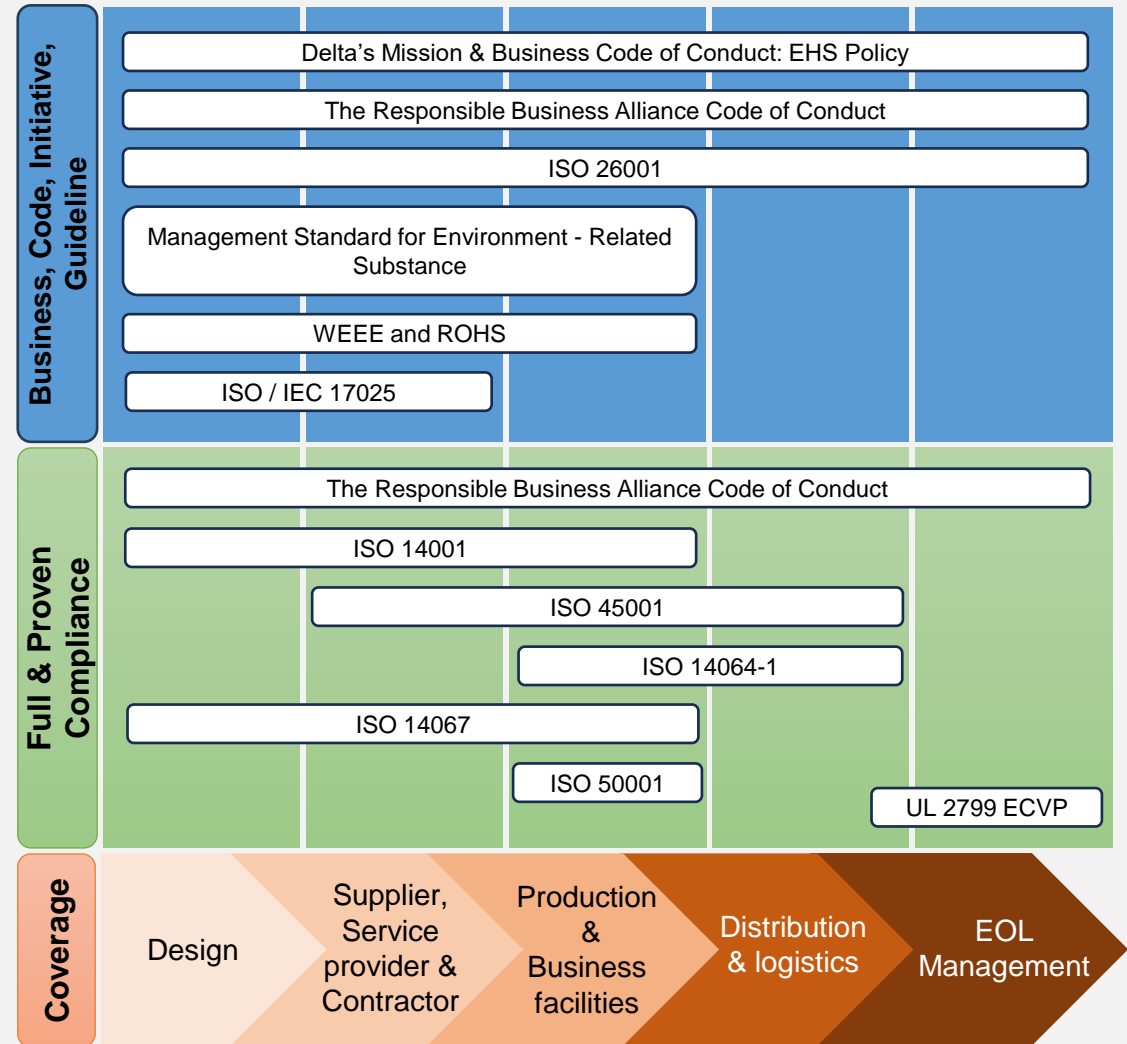


According to RCP 2.6 and RCP 8.5 scenario, Delta complies with international standards to minimize environmental footprint and mitigate climate change impact from our business process such as ISO 50001, ISO 14064-1, ISO 14067 etc. These standards help us to deliver our commitment to provide innovative, clean and energy efficient solutions for a better tomorrow from every business process.

An eco-efficient operation requires continuous effort in reducing a business' environmental impact. Our Environmental, Health and Safety Policy is showing our sincere attempt and partnership with global citizens to make a smarter and greener future.

The system allows us to cope with various contexts of quality, economic, social and environmental requirements and stakeholders’ expectations, which employees at all the levels can continue applying as part of their daily activities.

Strategic Response and Compliance with recognize standard



Remark:

- WEE and RoHS Standard communicated to our stakeholders through eco-label that our end-of-life product can be easily disassembles and 80% of the dissembled part is recyclable.
- We based on the validation of standard certificate to declare full & proven compliance

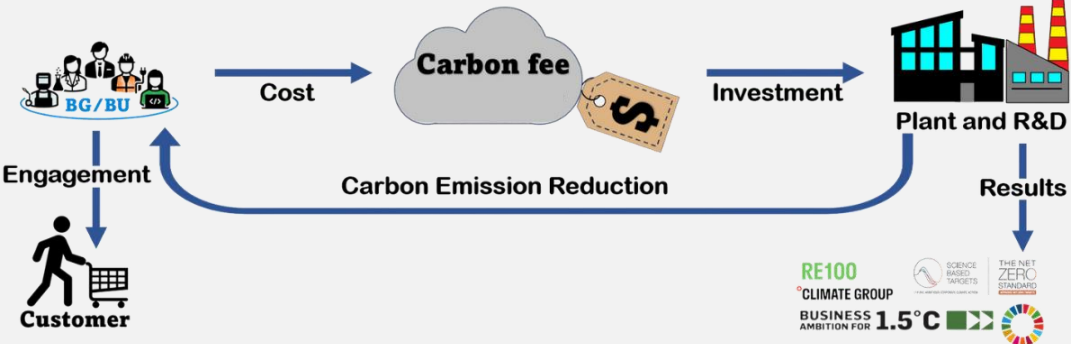
Internal Carbon Pricing (ICP)

Scenario Analysis

Our company determined the structured of Internal Carbon Price (ICP) mechanism since 2020 by alignment with the trend of international carbon pricing. When the carbon emissions generated in the Delta production, carbon fee was charged by the business groups.

These carbon fees are collected as a Carbon Reduction Fund which used to motivate the investment in the project of energy conservation, renewable energy and low-carbon products. Therefore, Delta is committed to reduce carbon emissions continually to meet the RE100 and the 1.5°C global warming target. In addition, business groups will be able to respond to clients' demand for green power, support each other for sustainability business.

Calculation Methodology of Carbon Fee





- Electricity expense except renewable electricity, Bundled Energy Attribute Certificates.
- Conversion factor is reviewed by SD committee and update every year.
- The internal carbon fee items are integrated in the monthly financial management report to reveal profit-and-loss.

ICP Operating Management

The internal carbon fees as a fund to reward each business unit for carbon reduction project.

Category

E	Renewable energy and energy technologies development	<ul style="list-style-type: none"> - Building in-house solar energy. - Renewable Energy Certificates (REC). - Renewable energy power plant. 
R	Energy and Resources Management	<ul style="list-style-type: none"> - Improving energy efficiency of utility equipment. - Improving water conservation recycling and Reuse. - Waste reduction, recycling and Reuse. - Low-carbon Transportation Investment 
I	Low-carbon innovation and Initiatives	<ul style="list-style-type: none"> - Cooperating with value chains to promote low-carbon activities. - Energy-saving on manufacturing process innovation. - New business models developing resource recycling.

Management Review

ICP Manager	Region ESG Manager	ICP Expert	Corp ESG	CSO	CEO
Budget Plan	Pre - Review	Expert Review	Global review	SDE Review	Approve

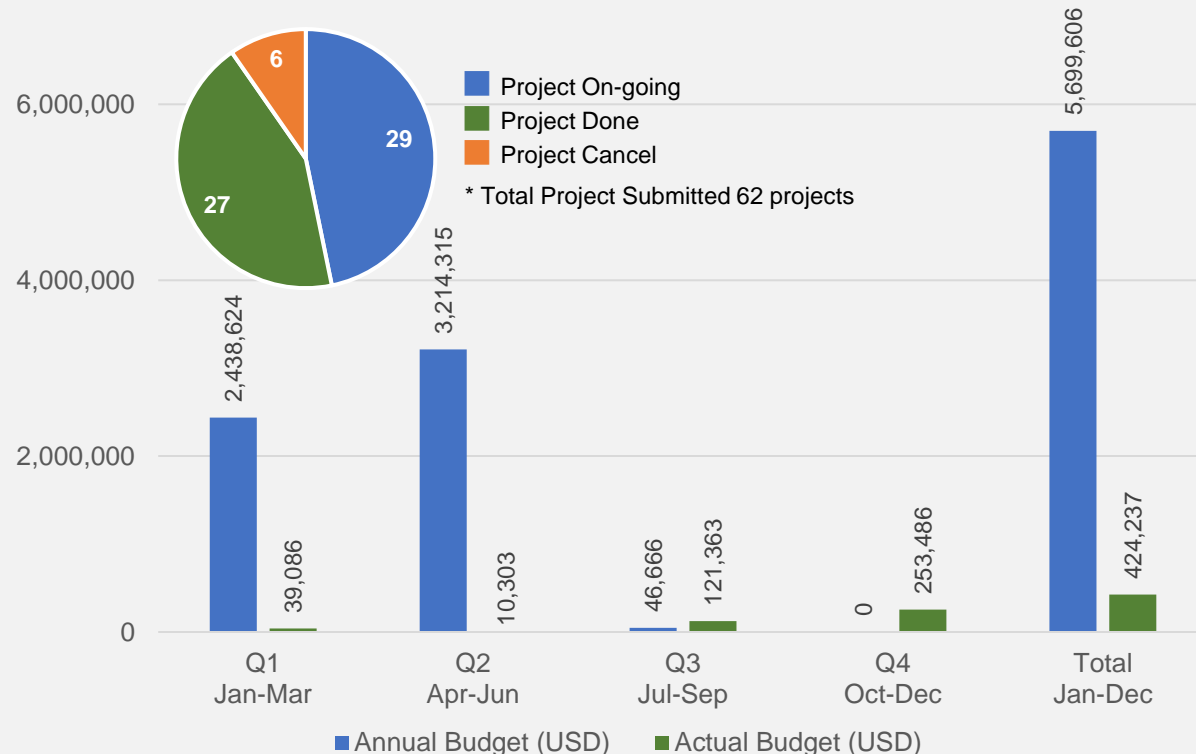
The reasonableness of the project shall be reviewed, including the specifications of the project equipment, the accuracy of the payback period calculation, confirmation of environmental benefits such as electricity and water conservation, carbon reduction, and whether Delta's solution is being utilized.

Internal Carbon Pricing (ICP)

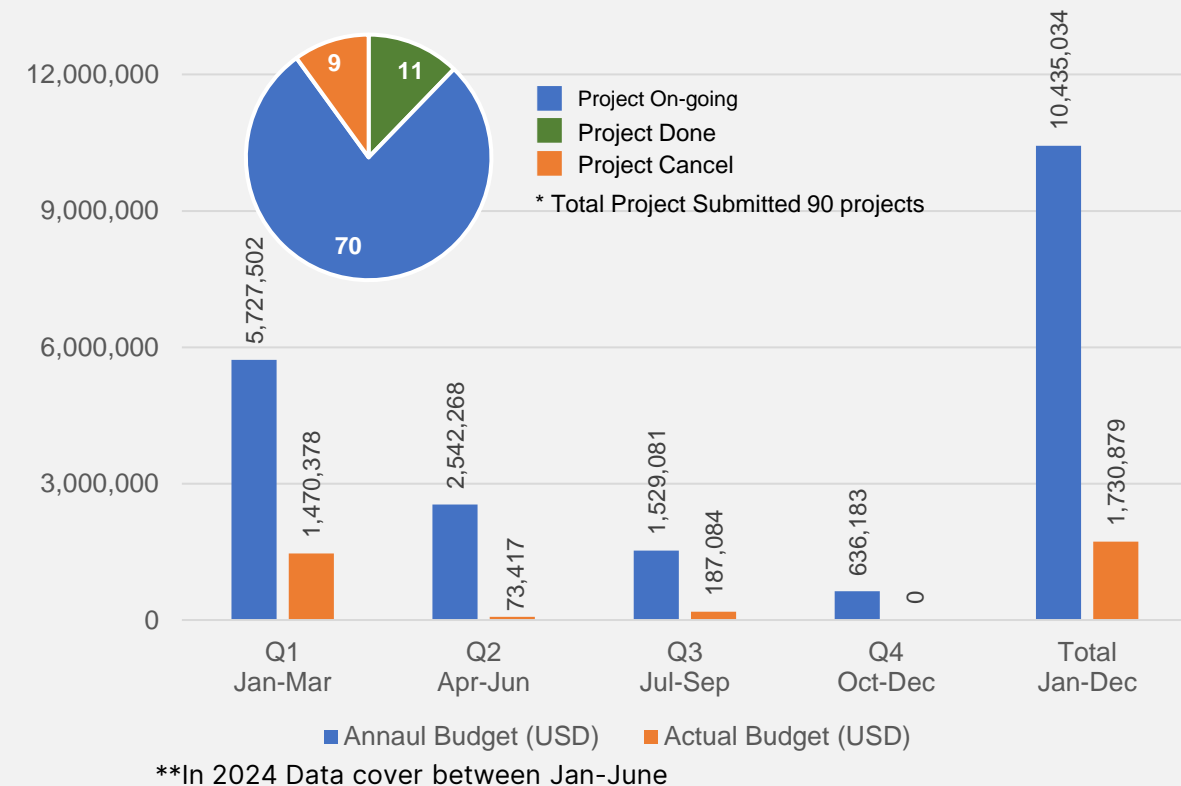
Summary ICP Project in 2023

The Delta's ICP pilot project have begun since 2022, and implemented for a full year in 2023, with the project done was 43.55% of total project submitted. There are still challenges affecting the number of projects completed. However, ICP team and the processed have been improved to eliminate the gap of operation that reflect the performance in the 2nd quarter of 2024, the actual budget are 80% of planning budget. There are 29 projects from 62 projects submit on going will be complete in 2024 which the possibility of energy saving are 16,838,367 kWh with the rate 1.61 kWh/USD.

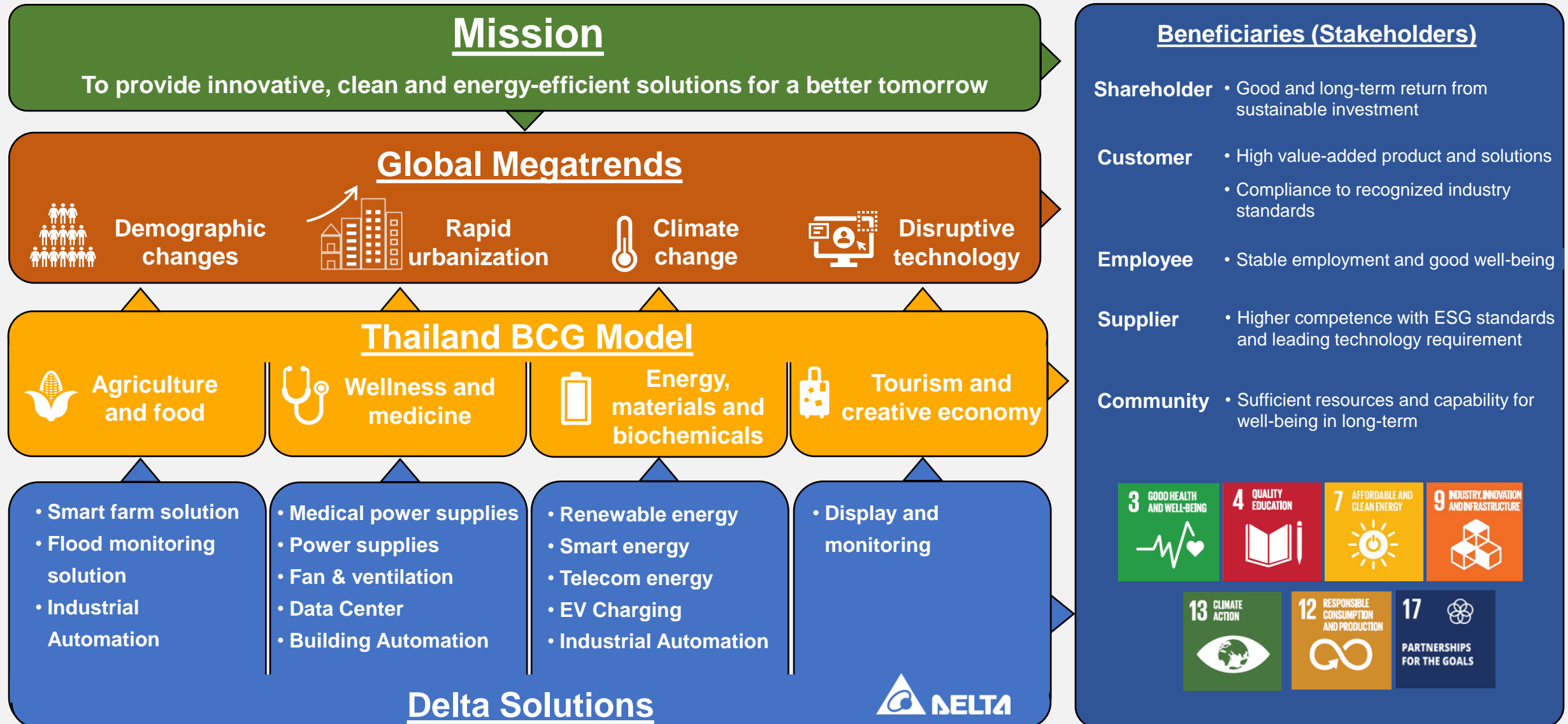
Budget and Number of ICP Project 2023



Budget and Number of ICP Project 2024



A Company Built On Sustainable Development



Target Deployment

Delta deploy climate-related target through our value chain and to every level of our organization to ensures that climate-related ambitions and goals are embedded throughout the company and that management is held accountable for the achievement of these goals. In addition to the annual execution of compensation plans, these incentives, linked to key performance indicators (KPIs) at all organizational levels, will be utilized to implement long-term incentive schemes for employees. At least 10% of the KPIs associated with the long-term target year will be triggered upon reaching key milestones in green revenue growth, adherence to the RE100 commitment, and the attainment of carbon neutrality by 2030. These KPIs will serve as the basis for both monetary and non-monetary rewards.

Organization	KPIs Deployment	Reward
BOD	Sufficient contribution / review / execute climate-related investment	\$
CEO	Green revenue Growth and Energy intensity reduction	\$
CG Committee	Management competences and performance, % law compliance	\$
NCC Committee	Board & executive diversities & competence	\$
EC Committee	Management competences and performance	\$
AC / IA Committee	% law compliance	\$
CFO	ICP and related Financial ROI	\$
CIO / CTO / CHRO	Zero loss from cyber attack. Cost reduction from process digitalization, HC ROI	\$
ESG Managers/ SD Office	Stakeholder satisfaction for on-demand ESG information, leading ESG index listed, Zero emission GRI disclosure, 100% on AA1000-verified, 100% BU PCF verified, SD working team participation rate, 100% reviewed ICP project approved	\$
Risk Committee	Effective ESG risk management to maintain at least 10% growth annually, training hours for risk culture promotion	\$
Corporate Governance	Finance: Sufficient liquidity for eff cost control, carbon tax simulation report Government relation: No financial loss from regulation risk Legal: No significant legal fine, No IP breaches, zero loss from personal IT: Manufacturing / business processes digitalization, zero information breaches, zero financial impacted by cyber attack, user satisfaction rate Investor relation: % earning per share, intangible asset growth Com sec: Zero corruption, BOD training Supply chain management Integrate management system: Key ISO compliance. Customer satisfaction rate Sales: Customer satisfaction, green revenue growth	\$

Organization	KPIs Deployment	Reward
Environment Protection and energy savings	Production: Production waste reduction PIT: Manufacturing process digitalization, ECRS improvement Industrial Engineering: Standard time improvement Energy Management system: ISO50001 compliance, % renewable energy mix, % low environment impact, I-rec & PPA sourcing, carbon credit increment. R&D: Patent of green product & solutions, Eff improvement, % lower carbon tax Component Eng: Substitute by non-HZ chemical / % recycled input material VQA: Supplier ESG compliance & quality CPC: ESG supplier sourcing, supplier localization Environment Eng: Intensity of Water Waste reduction, no Envi significant fine. WH: Electric folk lift conversion rate Logistics: % of air freight decrement from based year 2022, % of renewable energy used by 1st tier freight service provider, % of work order shipped by FTL.	\$
Human rights and labor rights protection	HR: Satisfaction rates, critical position recruited, HC ROI, Talent retention rate. Training: Training hours, % passed test, specific training, % internal candidates. Employee relation: Employee engagement rate, Employee satisfaction rate. Occupational health and safety: Zero accident, Zero fatality. Volunteer & community relation: Innovation dissemination hours	\$

KPIs linked to all primary and supporting functions’ performance to implement organization transformation to achieve net zero target.

Primary Activities		Support Activities	
Marketing & Sales	- Green Revenue Growth - Customer satisfaction	Firm Infrastructure	- BOD's contribution, promotion of BOD knowledge & experience - Employee's ethic and integrity
Inbound Logistics	- % of supplier localization - % of recycled input material used at supplier site	Human Resource Development	- Talent pool expansion - Average training hour
Operation	- GHG intensity reduction - Energy intensity reduction - Increase RE consumption	Technology Management	- R&D Investment - DSM Implementation - Patent increment
Outbound Logistics	- Green energy consumption in Logistics process - Air freight expense reduction	Procurement	- Number of signed ESG agreement - Green procurement - No deforestation for goods and material purchased
Services	Customer satisfaction		

Board and Management <https://deltathailand.com/en/sustainable-development-committee>

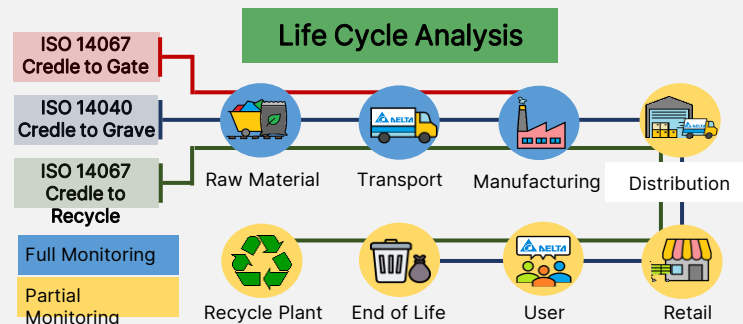
Eco-friendly operation

Delta Thailand has been consistently investing in R&D and continue collaborate with universities to keep up with new technology, provide R&D expertise to seek out the new perspectives in business and product innovations.

The Eco-Friendly operation principle will be implemented in R&D efforts aimed at developing new products and process, with the goal of mitigating environmental impacts. This entails reducing energy consumption for end-users and minimizing Scope 3 greenhouse gas emissions. Moreover, the new products will increase the company's revenue by Eco-Friendly design.

In addition, the environmental regulations of target market such as EU RoHS, WEEE directives, US Energy star and China measures for controlling Pollution shall be labeled to ensure Eco-friendly design.

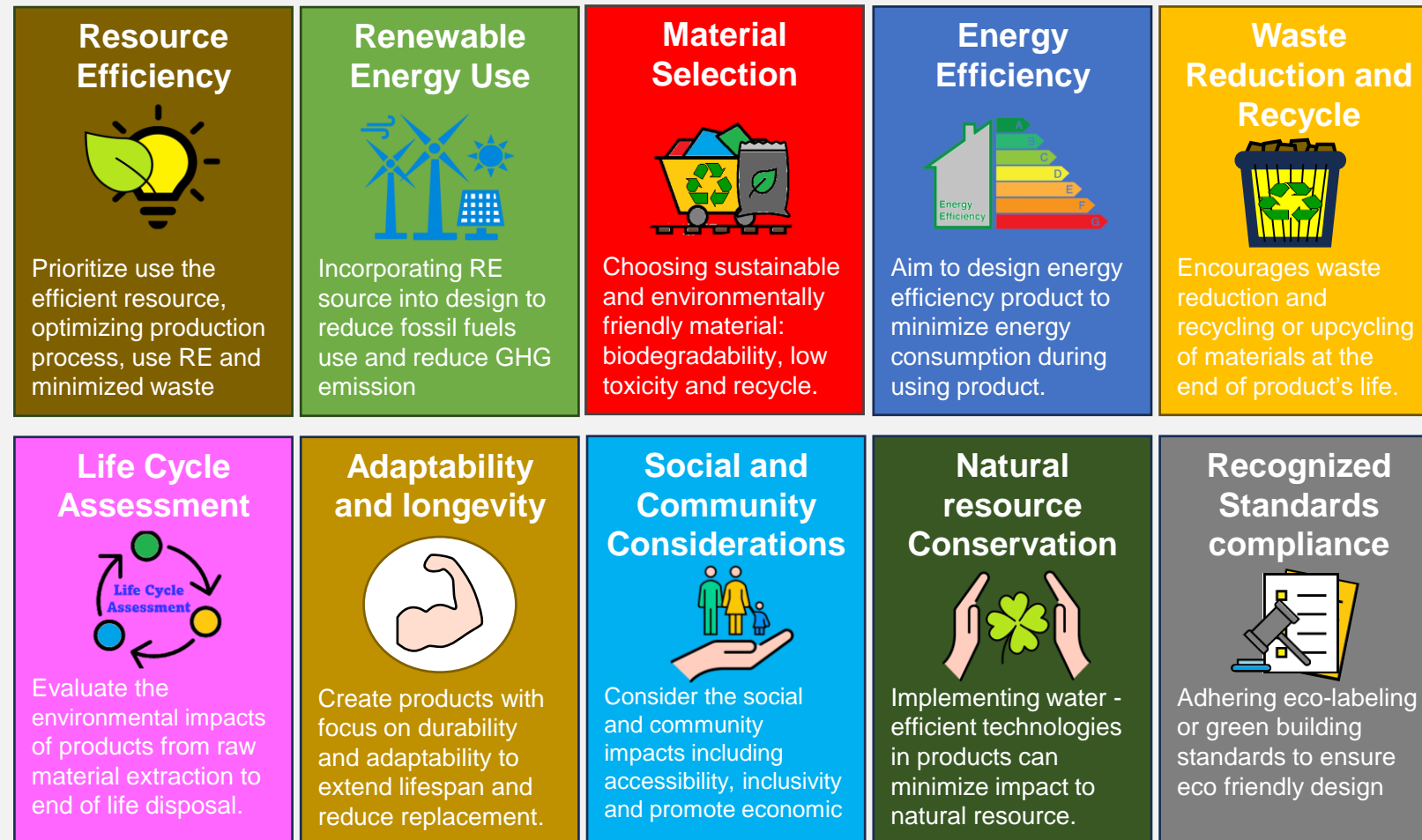
Life Cycle Assessment represents an Eco-Friendly design approach that systematically examines the environmental impact of a product across its entire life cycle, encompassing material extraction, manufacturing, transportation, product use, and disposal phases. This comprehensive analysis serves to support greenhouse gas emission assessments, particularly in addressing Scope 3 emissions.



Strategic Response and Adaptation plan

To ensure the Eco-Friendly design, Delta Thailand have been defined the action plan as follow

1. Launch market leading new technology every 2 years.
2. Annual increase in power efficiency for the products
3. Continuously reduce carbon footprint in product and improve process efficiency.
4. Maintain high R&D budget above industry average.



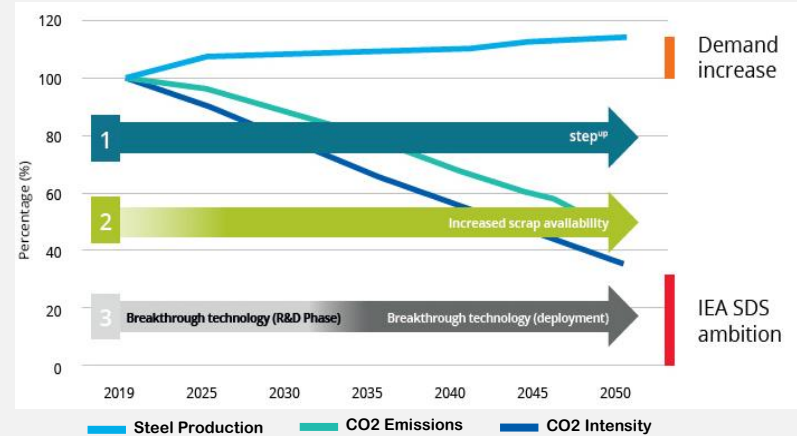
Sample of scenario on material requirement: Iron Ore Demand and supply

The long-term demand growth has a more significant influence on steel production from virgin materials in 2100 (Fig. 3b). A negative requirement for steel production from virgin materials was actually visible for the case of reducing short-term growth to between 0% and 1% combined with a negative long-term growth (the blue and grey curves crossing the x-axis in Fig. 3b). In this case, the negative requirement for steel production from virgin materials indicates that society would supply steel production with recycled material to the degree of being self-sufficient without the need for virgin materials.

This confirms the conclusion of Grosse (2010), that a demand growth rate lower than 1% is required for recycling to make a difference in the conservation of the iron resource.

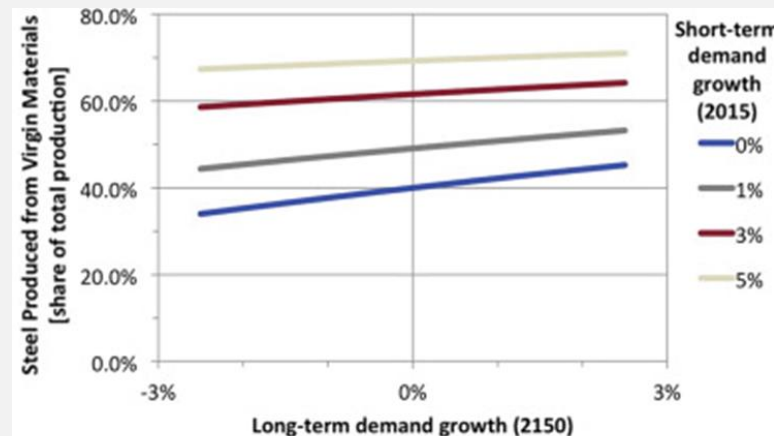
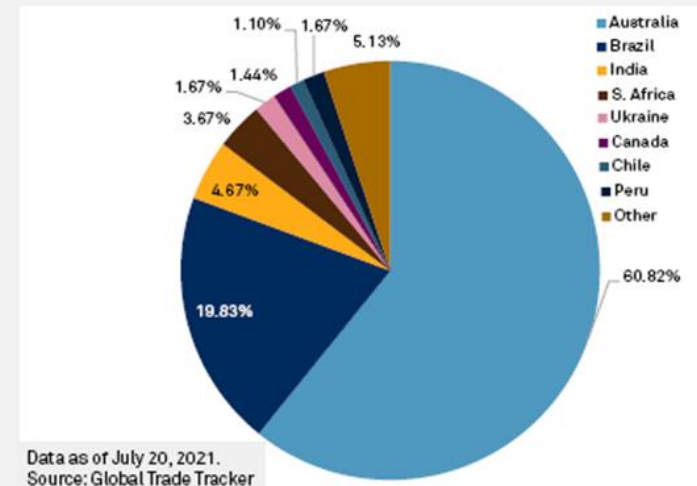
However, reducing global demand growth drastically in the short-term and aiming for negative growth in the long-term (i.e. for 2100 and beyond) is not plausible considering the future requirement of steel products in developing regions (Pauliuk et al., 2013). This means that even if we drastically reduce the growth of steel demand in the short-term, there would still be a significant requirement for steel production from virgin materials in 2050. Unless we aim at negative demand growth in the long-term, there will still be a requirement for steel production from virgin materials, even by 2100.

Steel production, total CO₂ emission and CO₂ intensity, 2019 – 2050 under the internal Energy Agency (IEA) Sustainable Development Scenario (SDS)

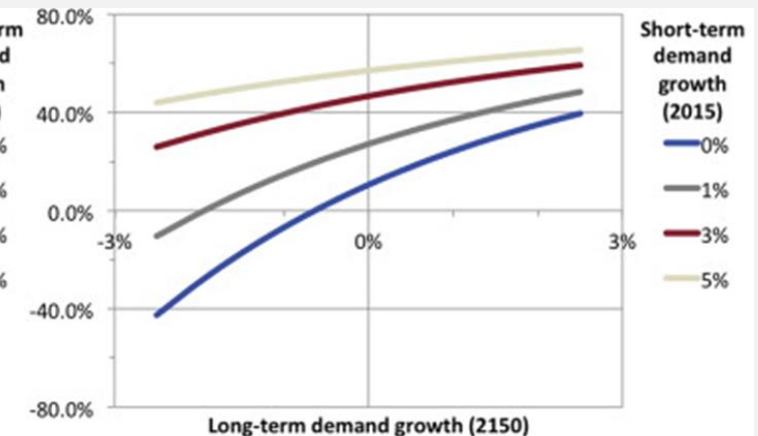


Based on data provided in the IEA's Iron and Steel Technology Roadmap, October 2020

Australian iron ore dominates Chinese imports in Jan-May 2021



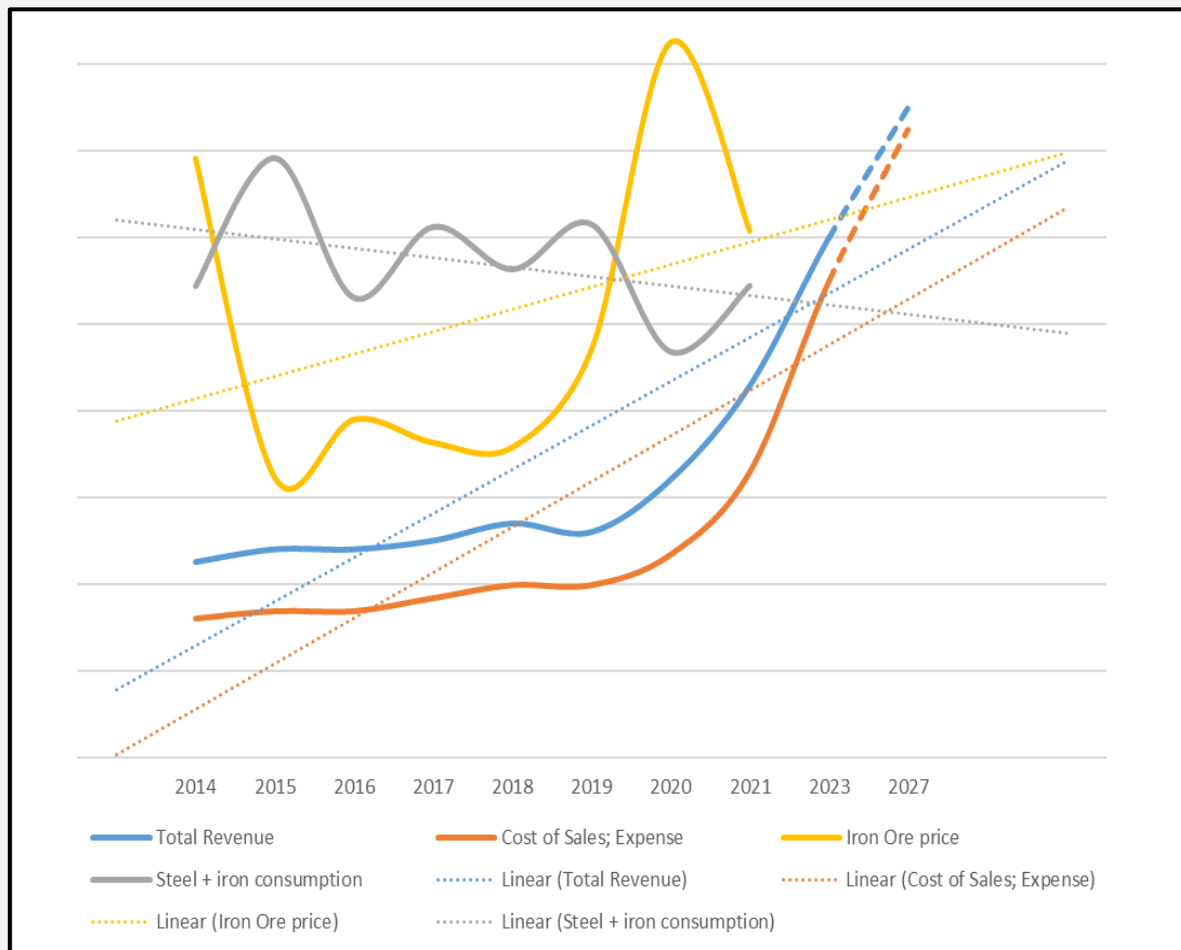
a. Steel produced from virgin materials in 2050



b. Steel produced from virgin materials in 2100

- In 2050, 50% of global steel production will still require virgin materials.
- Global climate targets strongly influence technology choice for steel production.
- Hydrogen-based steel production is an important future technology option.
- Future crude steel prices of 500 USD per tonne, provided that CCS is available.

Sample of scenario on material requirement: Iron Ore Demand and supply



Mitigation plan

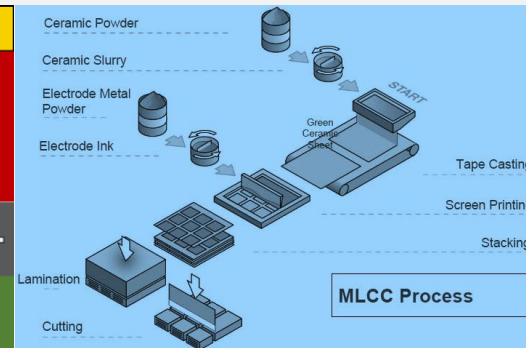
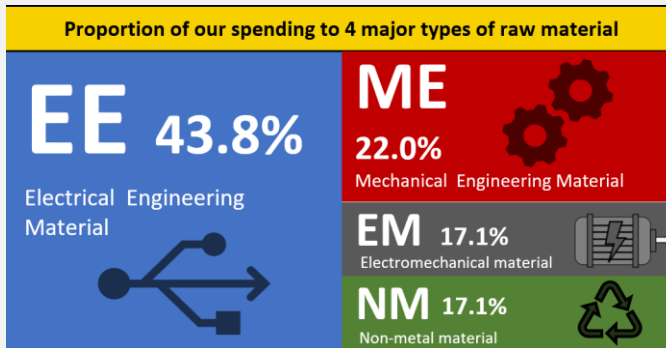
- Engage suppliers to raise the awareness of the reducing volume of metal in the Earth.
- Promote the consumption of recycled input material
- Diversify supply sources for steel and metal material
- Comply with WEEE requirement to ease recycling process after end-of-life.
- Disseminate the importance of waste sorting to broader communities to prevent depreciation of recyclable waste quality.

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit or loss:				
Revenues				
Sales	144,732,458,271	117,211,365,609	124,797,226,630	103,379,372,088
Service income	1,638,889,992	1,346,601,076	198,735,843	171,878,668
Other income				
Gain on exchange	675,371,014	449,870,986	712,908,539	889,724,991
Insurance compensation income due to flooding	-	330,678,795	-	330,678,795
Compensation for contract decommitment	545,775,325	68,611,791	526,500,872	68,697,723
Others	574,501,882	478,065,868	442,180,801	342,558,650
Total revenues	148,166,996,484	119,885,194,125	126,677,552,685	105,182,910,915

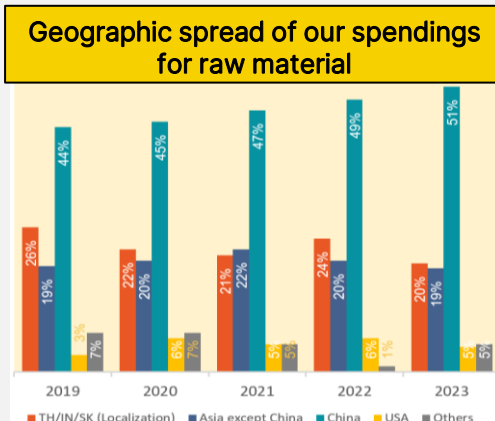
Category of risk	Possible impacts to Delta business
Strategic	<ul style="list-style-type: none">Failure to implemented green revenue targetFailure of supplier localizationHigher importance of recycled input material development
Operational	<ul style="list-style-type: none">Order fulfillment disruption
Financial	<ul style="list-style-type: none">Failure to implemented green revenue targetHigher operation cost from downstream's higher cost
Compliance	<ul style="list-style-type: none">Higher environmental standards
Social / Environment	<ul style="list-style-type: none">The cross-border mining sites

Sample of Scenario on Water Consumption in Chip Capacitor Industry

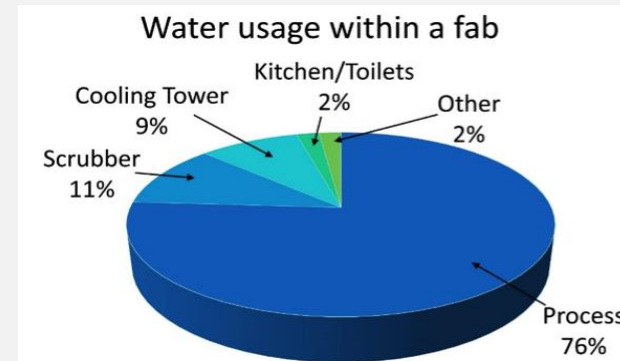


According to our recent supply chain analysis, over 40% of our material consumed yearly is “Electrical and Electronics Engineering” parts which are the semi-manufacture part/ component with embedded circuit and chip capacitor. A key component of these chip capacitor is so called “fab”. A [semiconductor](#) fab is a manufacturing plant in which raw silicon wafers are turned into integrated circuits.

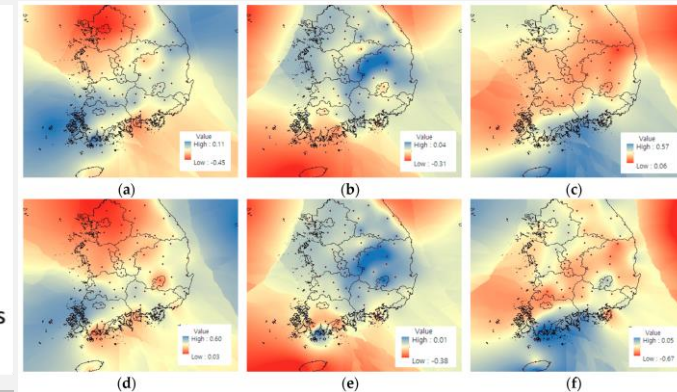
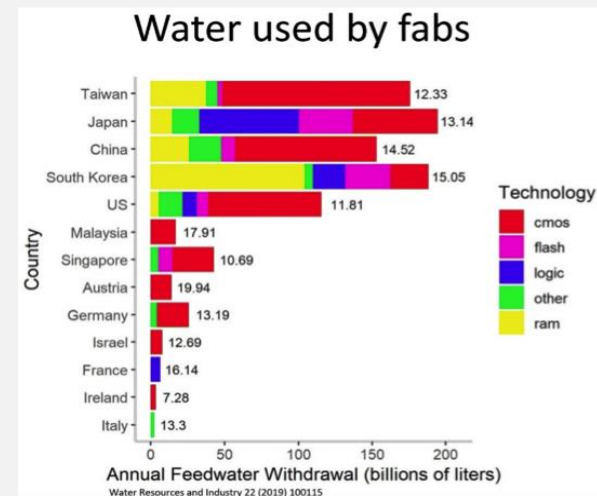
As the [Semiconductor Digest's report](#), this industry consumes copious amounts of water, as much as 264 billion gallons per year, a resource likely to become more scarce in a changing climate. An individual fab can use tens of millions of gallons of water per day. The largest use of water (about three-quarters) in a fab is process related, with much of that being converted to ultra-pure water (UPW) needed for production itself, followed by the facility scrubber and cooling tower (both about one-tenth) (Fig 1). Fabs typically have separate circuits for ultrapure water (UPW), which can be hot and cold, and lower purity (LP) water. UPW generation is a complex, multi-step process that also consumes significant amounts of power. Most fabs have some level of UPW reclamation, although rates vary widely among fabs and processes within a fab.



Climate change will have a negative impact on the availability of water in many regions where semiconductor devices are manufactured. It is also important to understand the balance between recycle efficiency, energy usage, and carbon footprint. Innovative approaches that involve the fabs, local, and national governments are needed to manage this water risk as production increases.

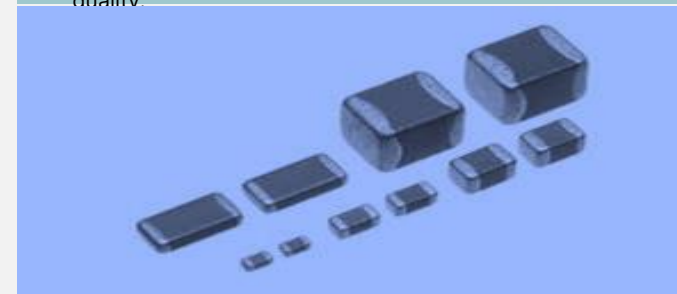


Fab water usage (feedwater withdrawals in billions of liters per year) for several semiconductor-producing countries. The top five are all using well over 100 billion liters per year. The numbers at the right end of each country show the consumption per square centimeter of product. Various types of product are represented in the color key.



Mitigation plan

- Engage suppliers to raise the awareness of climate risk
- Promote the consumption of recycled water, recycled input material, refurbish material
- Diversify supply sources for steel and metal material
- Comply with WEEE requirement to ease recycling process after end-of-life.
- Initiate co-program with supplier and local startups to develop substitute material.
- Disseminate the importance of waste sorting to broader communities to prevent depreciation of recyclable waste quality.

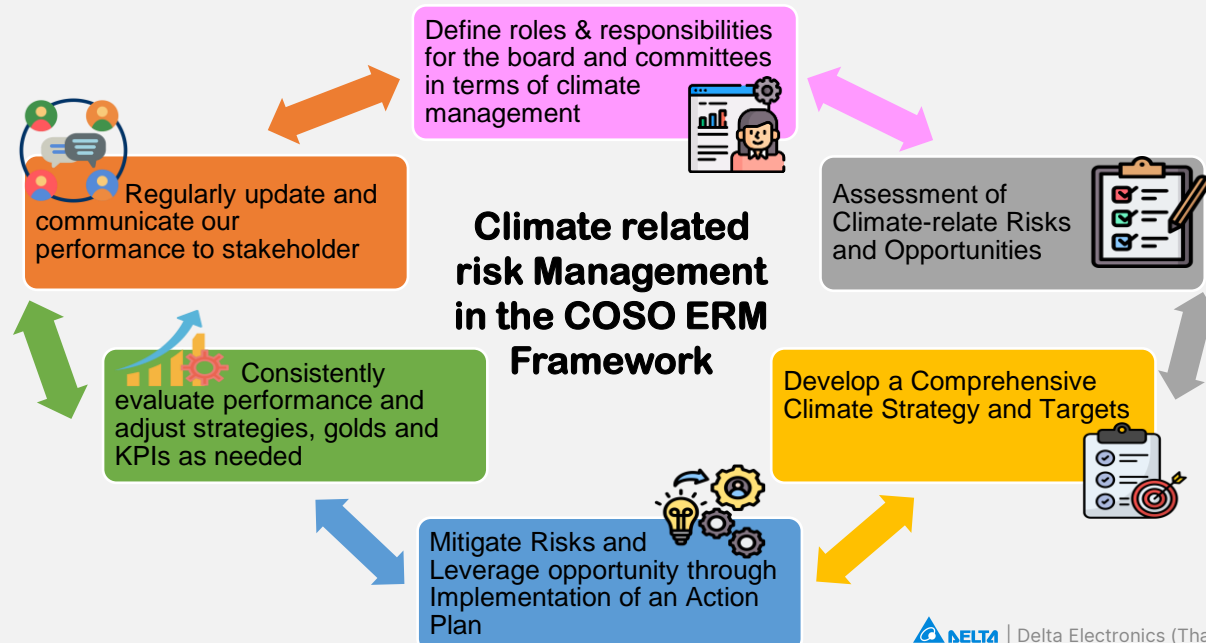


CLIMATE RISK MANAGEMENT

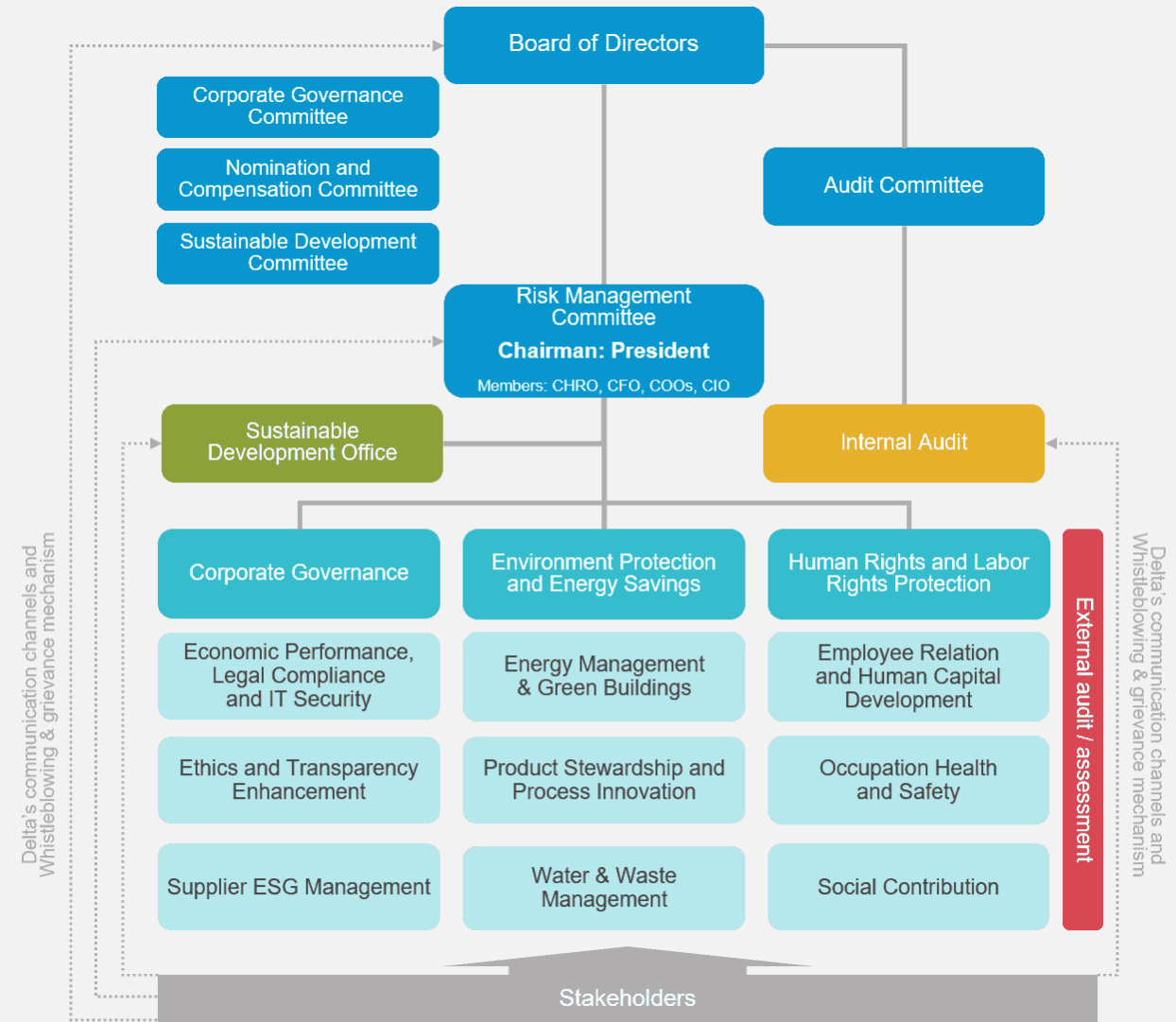
Delta Thailand has identified short-, medium-, and long-term climate-related risks and opportunities. We have conducted assessments to the probability and impact of these factors on the company. These climate-related issues have been integrated into Enterprise Risk Management Policy and corporate sustainable management strategy. This strengthen the company's resilience in the face of climate change.

Delta Group's Enterprise Risk Management (ERM) policy, founded on ISO 31000 and COSO ERM frameworks, is designed to systematically identify, assess, and mitigate a wide array of risks to maintain them within acceptable and manageable thresholds.

The company has framework for managing climate change that covers our entire supply chain. We determine policies and targets that encompass energy efficiency, renewable energy use, and waste management.



In addition, the company communicates our performance on climate change impact management and mitigation plan to stakeholders through various channels including, our Sustainability Report, the Communication on Progress to the UN Global Compact, and CDP's climate change disclosure system.

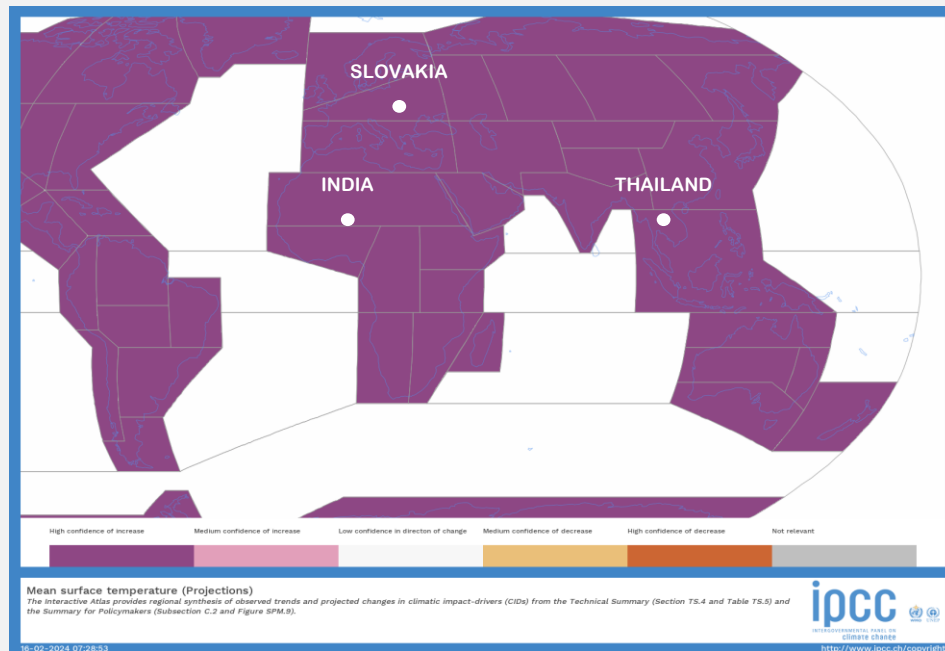


IPCC climate change projection assessment

Scenario Analysis

The IPCC WGI Interactive Atlas is used to analysis and project the trend of in key atmospheric and oceanic variables, extreme indices and climatic impact-drivers (CIDs).

The information will be used to forecast and establish mitigation plan for climate action.



Significant climate risk

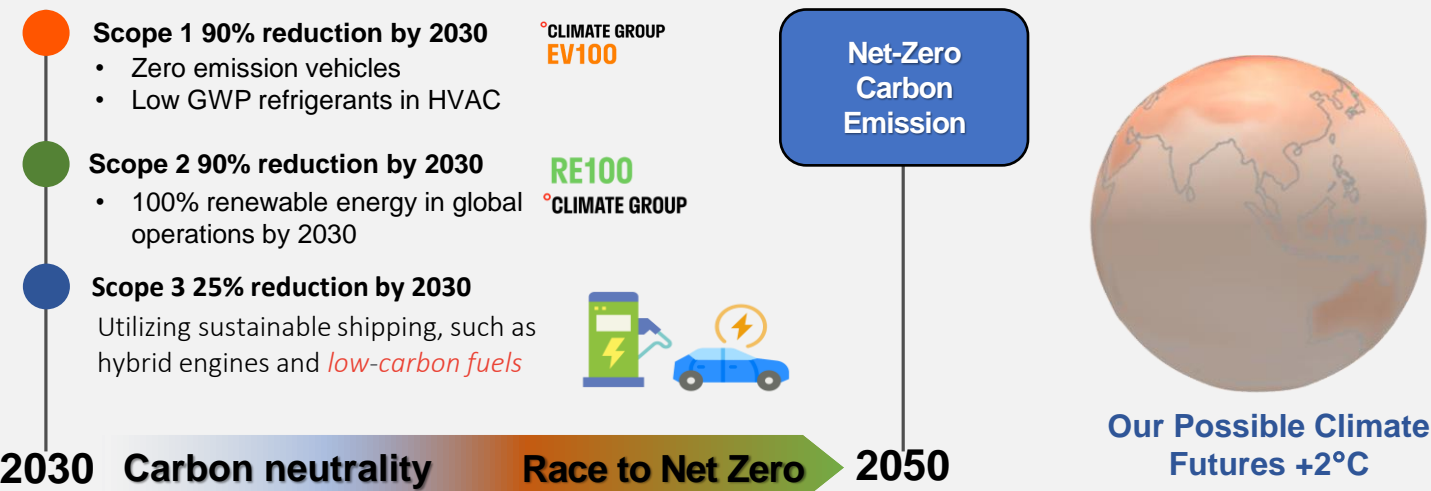
Mean surface temperature	Extreme heat	
Relative sea level	Heavy precipitation and pluvial flood	
Coastal erosion	Coastal flood	Ocean acidity
Atmosphere CO2 at surface		

Climate risk Impact

- Climate impact can reshape market dynamics and disrupt traditional business models.
- Trigger a new regulations, policies, and incentives aimed at mitigating climate change.
- Disrupt the global supply chains, affecting the availability, quality, cost, delays, and shortages.
- Ability to damage infrastructure, disturb operations, lead to production delays or shutdown.
- Availability of critical resources such as water, energy, and raw materials.

Strategic Response and Adaptation plan

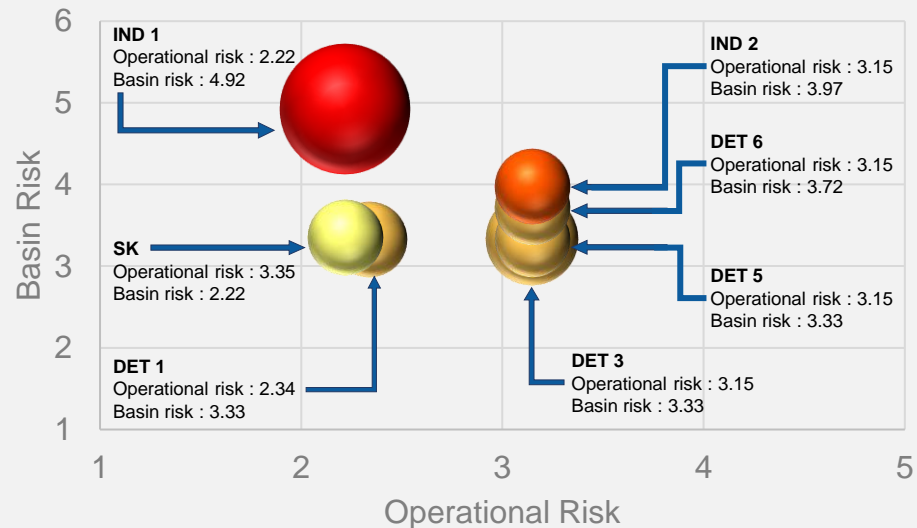
- Establish a climate related risk management team to assess and define mitigation plans.
- Regularly review risk profiles to ensure strategies remain effective and aligned with climate trends.
- Continually monitor scientific research, reports, in climate risks and potential impact.
- Engage and collaborations with partnerships, industry associations, research institutions, and government organizations to share best practices.
- Develop and regularly update business continuity plans (BCP).
- Invest in renewable energy and improve high energy efficiency to offset the company's emissions.



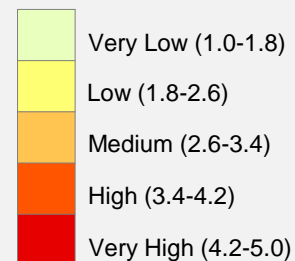
Thailand's Water Risk Assessment Scenario Analysis

The **WWF Water Risk Filter** is used to analyze and assess activities, volumes of water to understand the potential relates between local basin risks, operation risks and other factors for planning water management to ensure its activities do not impact to stakeholders or communities.

WWF Water Risk Filter for Physical impact 2024



WWF Water Risk Filter levels



Physical risk type include:

1. Water Scarcity
2. Flooding
3. Water Quality
4. Ecosystem Services Status

Basin water risks: the nature and conditions of the basins are impact to the operation site.

Operation water risks: how the sites depend upon and potentially impact water.

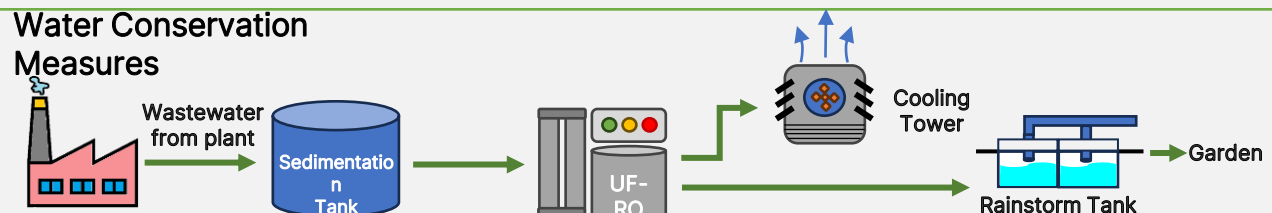
The results of this assessment illustrate the importance of climate impacts on our businesses, include Water Scarcity, Flooding, Water Quality and Biodiversity Importance.

Water Risk Impact

Strategic Response and Adaptation plan

- | Water Risk Impact | Strategic Response and Adaptation plan |
|---|--|
| 1 Flooding may be affected to delay or stop production and transportation process throughout the value chain. | <ul style="list-style-type: none">- Monitor flood situation and the water level on the drainage canal of the industrial estate.- Business Continuity Management Plan (BCP) and- Develop Smart Water Level Monitoring System and automatic drainage system for industrial estate. |
| 2 Water Scarcity is directly impacted to production process and sanitary use. | <ul style="list-style-type: none">- Daily monitor available water supply from Metropolitan Waterworks Authority.- Water treatment system for supply reuse water to cooling tower.- Recycle rainwater for gardening system. |
| 3 Water Quality will be impacted to product by impurity water and contaminated water sources can lead to diseases and health issues. | <ul style="list-style-type: none">- Monitor water supply quality in daily from Metropolitan Waterworks Authority.- Install water filter for operation and drinking water. |
| 4 Biodiversity Water pollution disrupts the ecosystem and harms aquatic life. | <ul style="list-style-type: none">- Regular monitor and control wastewater quality before releasing to public.- Improve wastewater treatment system to maintain effectiveness. |

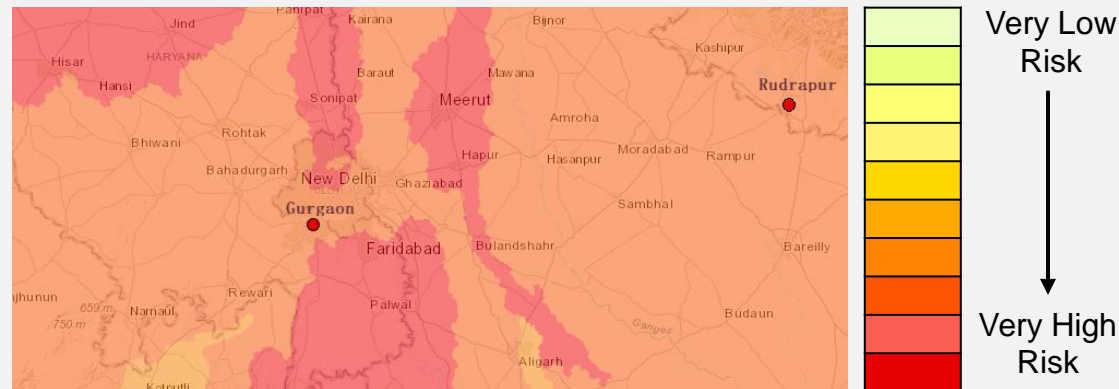
Water Conservation Measures



Water Risk Assessment in India, Slovakia and China

As the result of water risk assessment for **Delta India**, Gurgaon and Rudrapur site, the score of basin physical risk is in high and very high level which illustrate the **physical impacts** on our businesses, include Water Scarcity, and Water Quality due to population growth, unequal distribution of water resources, and unsustainable groundwater extraction.

Moreover, there are also **reputation impact** such as culture impact on a rich cultural heritage which attract tourists interested in experiencing unique traditions, media scrutiny can significantly impact a basin's reputational risk by shaping public perception and influencing travel decision-making and Conflict Violence, political instability, and media coverage of conflict-related incidents can deter tourists and diminish the basin's appeal as a destination.



Central Ground Water Authority (CGWA) by Government of India has set the groundwater block categorization as regulation of groundwater development for domestic and industrial water use purpose. Haryana state, Gurgaon is in the list of “Notified Areas” and categorized in “Over-exploited” Area which withdrawal permit for Non-water intensive industries should not exceed 50% of the recharged quantity and In notified areas abstraction of ground water is not permissible for any purpose other than drinking and domestic use.

(<http://cgwa-noc.gov.in/LandingPage/Areatype/ListNotified.pdf>)

Delta Slovakia's risk assessment score of basin physical risk is in low to medium level with only 1 seriously basin risk about water quality which plays a significant role in maintaining the health and well-being of both humans and the ecosystem. Ensuring clean and uncontaminated water sources is vital for preventing waterborne diseases and supporting the overall ecological balance. Proper management of water quality involves measures such as effective treatment systems, reducing pollution sources, and promoting sustainable practices to safeguard the health of residents and the environment in Dubnica's basin. Collaboration among stakeholders is key to ensuring the preservation and improvement of water quality standards in the region

Rising water scarcity & water stress in China

China has limited water resources and its national renewable water resources per capita averaged 2,100 m³ for the last decade (2012-2021).

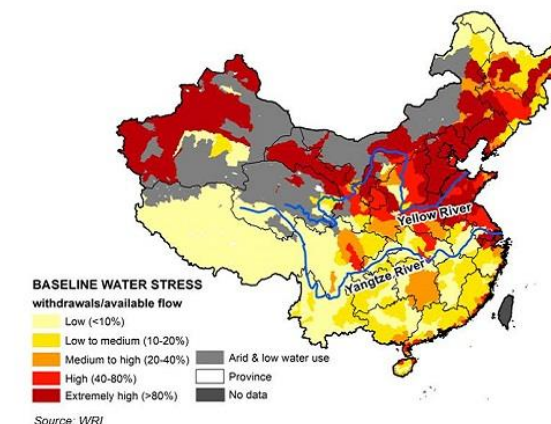
This is just above the 2,000 m³ level below which the UNDP, UNEP, the World Bank, and the World Resources Institute define as “water stress”; whereas “water scarcity” is defined as below 1,000 m³ threshold.

However, water is not evenly distributed across China's provinces, municipalities and autonomous regions; and 10 of these have per capita water resources below the scarcity threshold level of 1,000 m³ per year.

(Ref: CWR, China ICT running dry? The rise of AI & climate risks amplify existing water risks faced by thirsty data centres)

Due to China is the main materials supply for Delta Thailand, the water resources in term of water scarcity and water stress shall be continuously monitored and determined water conservation measure to prevent production interrupt.

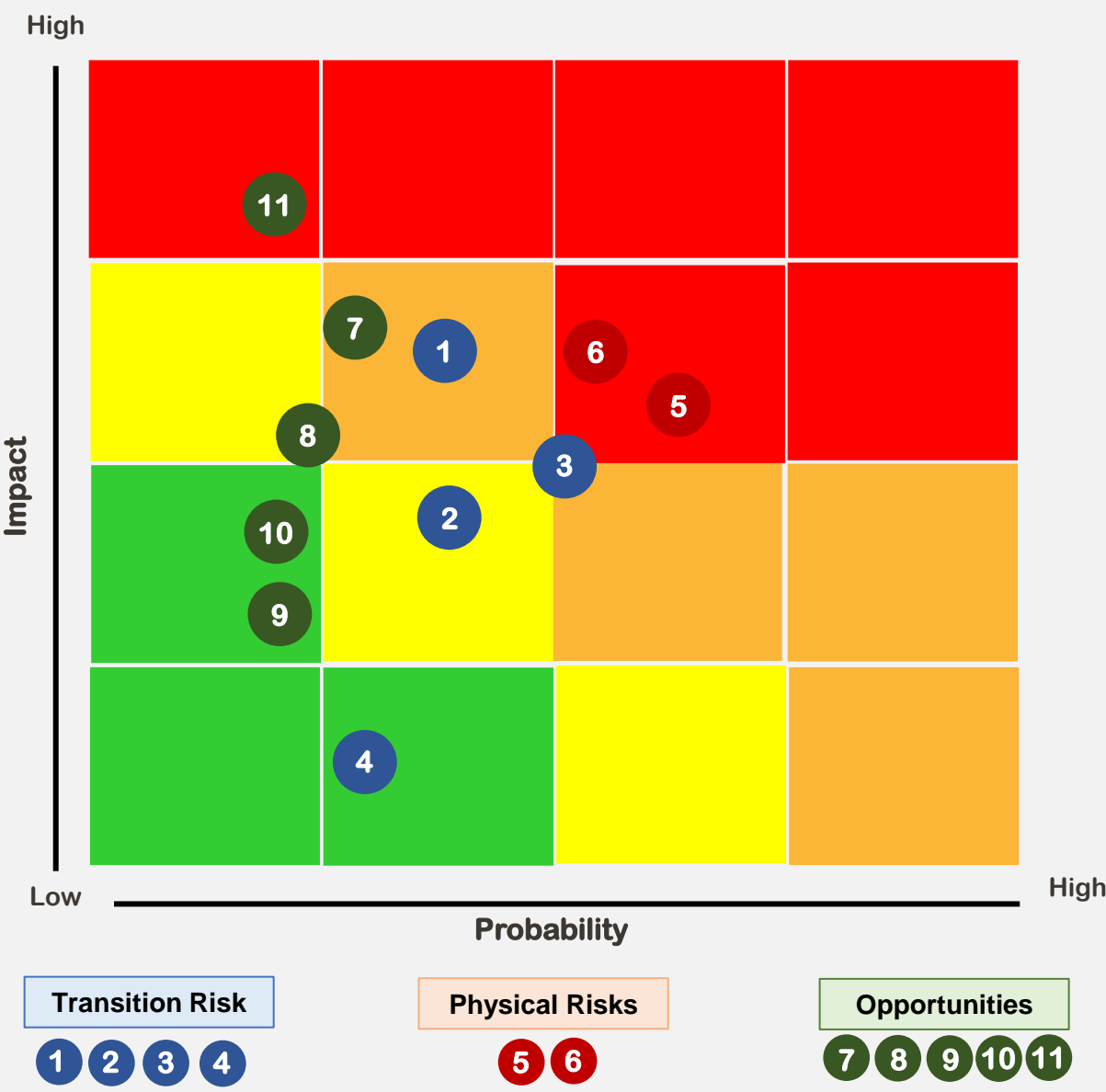
Freshwater Baseline Water Stress China 2010









DELTA’s Climate-related Risks and Opportunities

The climate-related risk and opportunities have been assessed to understand the impacts on businesses and recognize potential financial impacts on revenues, expenditures, values of assets, liabilities, capital, and financing. Furthermore, the specific actions to mitigate these risks and apply opportunities are designated to move forward.

Climate Relate Risks and Opportunities	Short Term (2020-2025)	Medium Term (2025-2030)	Long Term (2030 - 2050)
Transition Risk			
1) Policy and Regulatory		●	
2) Technology			●
3) Market		●	
4) Business Reputation	●		
Physical Risks			
5) Acute	●		
6) Chronic			●
Opportunities			
7) Renewable Energy Use		●	
8) Resource Efficiency	●		
9) Market			●
10) Products			●
11) Resilience	●		



DELTA's Climate-related Risks, Impact and Strategic response

Risk Type		Climate Risk and Impact	Time Period	Impact Level	Strategic Response
Transition Risk	Policy and Regulatory	<ul style="list-style-type: none">- International sector and Voluntary agreements- Uncertainty surrounding regulation and policies.- Carbon tax and related regulation.- Requirement of decreasing indirect greenhouse emissions- Mandates on and regulation of existing products and services- Renewable energy regulation- Exposure to litigation	Short to Medium term		<ul style="list-style-type: none">- Introduce internal carbon pricing to encourage investment in renewable energy project- Joined RE100 and set renewable electricity targets.- Actively pay attention to carbon border tax, renewable electricity regulations, and participate in the Power Purchase Agreement (PPA).
	Technology	<ul style="list-style-type: none">- Substitution of existing products and services with lower emissions options- Costs to transition to lower emissions technology	Short term		<ul style="list-style-type: none">- Development in the new technologies and products for Electric Vehicle, batteries, green automation buildings, and ESG applications.- Investment in the Electric Vehicle field more for the own use and first-tier supplier.
	Market	<ul style="list-style-type: none">- Customers change supplier selection criteria.- Customers change product specification requirements.- Shifts in consumer preferences to low-carbon products- Emissions reduction requirements to suppliers- Increased cost of raw materials- Investors evaluate climate change efforts in investment decision.	Short term		<ul style="list-style-type: none">- Development in high energy efficiency products to meet customer specification requirement.- Introduce ESG and other related measures in advance to meet regulatory and customer requirements
	Business Reputation	<ul style="list-style-type: none">- Stigmatization of sector- Corporate image affected by news about climate change.	Short term		<ul style="list-style-type: none">- Continue to monitor international legislative changes and trends- Follow up and study to implement necessary international standard.
Physical Risks	Acute	<ul style="list-style-type: none">- Increased severity of extreme weather events as cyclones and floods- Disruptions in the transportation of materials and goods.	Medium term		<ul style="list-style-type: none">- Implemented policies on the Green Building Standard to all the new Delta's building- Developed a Business Continuity Plan (BCP) for floods caused by heavy rainfall and fires caused by extreme high temperatures.
	Chronic	<ul style="list-style-type: none">- Changes in precipitation patterns and extreme variability in weather patterns- Rising mean temperatures- Rising sea levels	Long term		<ul style="list-style-type: none">- Consider on severe water shortage events and taken measures to adapt to climate change

Remark: Impact Level Low Medium High**Time Period**

Short term 0-5 year,

Medium term 5-10 year,

Long term more than 10 year



Acute Physical Risks and Adaptation Plan

Time frame ≤ 5 years

Risk	Impact to Delta	Adaptation plan to be completed
Mean surface temperature	<ul style="list-style-type: none">• Changing market dynamic• Regulatory and policy changes• Supply chain disruptions• Physical disruptions• Increased maintenance and repair costs• Asset devaluation• Insurance costs• Resource scarcity and availability• Reputation and stakeholder expectations	<ul style="list-style-type: none">• Stay informed: Stay updated on climate trends and projections related to mean surface temperatures. Monitor scientific research, reports, and forecasts to anticipate changes in temperature patterns and assess their potential impact on operations and markets.• Diversify product offerings: Consider diversifying product lines to include energy-efficient and climate-resilient technologies.• Adapt infrastructure: Assess the vulnerability of company facilities and infrastructure to temperature changes. Implement appropriate insulation, cooling, or heating systems to maintain optimal operating conditions for equipment and personnel.• Implement contingency plans: Develop and regularly update contingency plans to address operational disruptions caused by extreme temperature events.• Evaluate insurance coverage: Review existing insurance policies to ensure coverage for potential losses related to extreme temperature events.• Conduct cost-benefit analysis: Evaluate the financial implications of implementing climate resilience measures, such as upgrading equipment or implementing energy-efficient technologies. Establishing a dedicated risk management team or department responsible for identifying, assessing, and mitigating climate-related risks.• Regularly monitoring and reviewing risk profiles to ensure that risk management strategies remain effective and aligned with evolving climate trends.• Engaging in partnerships and collaborations with industry associations, research institutions, and governmental organizations to share best practices.
Extreme heat	<ul style="list-style-type: none">• Market disruptions• Infrastructure and equipment damage• Insurance and liability• Occupational health and safety regulations• Employee well-being• Climate change implications	<ul style="list-style-type: none">• Risk Assessment: Conduct a comprehensive risk assessment to identify vulnerabilities related to extreme heat events.• Infrastructure and Equipment: Ensure that company facilities and equipment are designed and maintained to withstand high temperatures.• Business Continuity Plans: Develop and regularly update business continuity plans that address extreme heat events.• Insurance Coverage: Review insurance policies to ensure coverage for potential losses caused by extreme heat events. Consider specialized coverage for property damage, equipment failure, business interruption, and supply chain disruptions.• Cost-Benefit Analysis: Evaluate the financial implications of implementing heat mitigation measures, such as cooling systems or alternative energy sources.• Energy Efficiency: Improve energy efficiency in operations by implementing energy-saving technologies, such as efficient cooling systems and smart building management systems. Reduce the carbon footprint of the company by adopting renewable energy sources and implementing energy conservation measures.• Sustainable Supply Chain: Collaborate with suppliers to ensure sustainable practices throughout the supply chain. Encourage responsible sourcing, waste reduction, and recycling initiatives.
Relative sea level	<ul style="list-style-type: none">• Market disruption• Geographic limitations• Facility vulnerability• Supply chain disruptions• Utilities and services disruption• Asset value depreciation• Environmental regulations• Health and safety concerns• Carbon footprint and sustainability	<ul style="list-style-type: none">• Adaptation Strategies: Develop a strategic plan that includes adaptation strategies for dealing with rising sea levels.• Infrastructure Protection: Implement measures to protect critical infrastructure from sea level rise, such as building flood barriers, elevating equipment and utilities, or relocating vulnerable assets to higher ground.• Emergency Response Plans: Develop and regularly update emergency response plans that address flooding and coastal hazards.• Financial Planning: Assess the financial implications of sea level rise on business operations, capital investments, and insurance premiums• Regulatory Compliance: Stay informed about regulations and guidelines related to coastal zone management, building codes, and environmental standards• Employee Safety and Well-being: Prioritize employee safety by implementing measures to protect them from coastal hazards.• Sustainable Practices: Adopt sustainable practices to minimize the company's contribution to climate change and sea level rise. Implement energy-efficient technologies, reduce greenhouse gas emissions, and promote environmentally friendly operations.• Ecosystem Conservation: Support coastal ecosystem conservation and restoration efforts, such as mangrove protection or dune restoration, which can help mitigate the impacts of sea level rise and enhance natural coastal defenses.

Time frame ≤ 5 years

Acute Physical Risks and Adaptation Plan

Risk	Impact to Delta	Adaptation plan to be completed
Heavy precipitation and pluvial flood	<ul style="list-style-type: none">Market disruptionsBusiness continuity planningSupply chain disruptionsFacility and equipment damageRevenue loss and business interruptionInsurance and recovery costsEnvironmental regulationsEmployee safety and well-beingWater management and pollution	<ul style="list-style-type: none">Risk Assessment: Conduct a comprehensive risk assessment to identify vulnerabilities related to heavy precipitation and pluvial floodsLand Use Planning: Consider the risk of pluvial flooding when selecting and designing company facilitiesInfrastructure and Equipment: Implement flood-resistant design and construction techniques to protect buildings and critical equipment from water damage.Business Continuity Plans: Develop and regularly update business continuity plans that address heavy precipitation and pluvial flood events.Insurance Coverage: Review insurance policies to ensure coverage for potential losses caused by heavy precipitation and pluvial floods.Financial Reserves: Allocate resources for emergency response, repair and restoration efforts, and potential business interruptions. Maintain financial reserves to mitigate the financial impact of flood-related losses.Regulatory Compliance: Stay complied with local, national, and international regulations related to flood risk management, building codes, and environmental standards.Employee Safety: Implement measures to protect employees from flood-related hazards. Develop and communicate evacuation plans, provide training on emergency response, and establish clear communication channels during flood events.Sustainable Drainage Systems: Implement sustainable drainage systems, such as permeable surfaces, rainwater harvesting, and retention ponds, to manage heavy precipitation and reduce the risk of pluvial flooding.Green Infrastructure: Incorporate green infrastructure solutions, such as rain gardens and vegetated swales, to absorb and manage excess water runoff, minimizing the strain on drainage systems and reducing flood risks.
Coastal flood	<ul style="list-style-type: none">Market disruptionGeographic limitationsFacility vulnerabilitySupply chain disruptionsUtilities and services disruptionInsurance costsEnvironmental regulationsHealth and safety concernsEcosystem disruptionClimate change and resilience	<ul style="list-style-type: none">Risk Assessment: Conduct a comprehensive risk assessment to understand the potential impact of coastal flooding on your company's assets, infrastructure, and operations.Land Use Planning: Consider flood risk when selecting and designing company facilities in coastal areas.Flood Protection Measures: Implement flood protection measures to minimize the impact of coastal flooding on company assets and infrastructure.Emergency Response Plans: Develop and regularly update emergency response plans that specifically address coastal flood events.Insurance Coverage: Review insurance policies to ensure coverage for potential losses caused by coastal flooding.Financial Reserves: Allocate resources for emergency response, repair and restoration efforts, and potential business interruptions. Maintain financial reserves to mitigate the financial impact of flood-related losses.Regulatory Compliance: Stay complied about local, national, and international regulations related to coastal flood risk management, building codes, and environmental standards.Employee Safety: Implement measures to protect employees from flood-related hazards.Sustainable Coastal Infrastructure: Incorporate sustainable coastal infrastructure design principles, such as green infrastructure and natural shoreline stabilization techniques, to minimize the environmental impact of flood protection measures.Ecosystem Conservation: Consider the ecological impact of flood mitigation measures and implement measures to minimize harm to coastal ecosystems. Collaborate with environmental agencies and organizations to ensure that protective measures are implemented in an environmentally responsible manner.

Chronic Physical Risks and Adaptation Plan

Time frame ≥ 10 years






Risk	Impact to Delta	Adaptation plan to be completed
Ocean acidity	<ul style="list-style-type: none"> Market disruptions Business continuity planning Supply chain disruptions Equipment corrosion Revenue loss Environmental regulations Community impact Ecosystem disruption Climate change 	<ul style="list-style-type: none"> Research and Monitoring: Stay updated on the latest scientific research and monitoring efforts related to ocean acidity. Understand the long-term trends and potential impacts on marine ecosystems, including the potential effects on the electronics company's supply chain. Collaboration and Advocacy: Engage in collaborative efforts with industry peers, research institutions, and environmental organizations to advocate for policies and initiatives that address ocean acidification at local, regional, and global levels. Carbon Footprint Reduction: Implement measures to reduce the carbon footprint of the company's operations. This includes reducing energy consumption, increasing energy efficiency, transitioning to renewable energy sources, and implementing carbon offset initiatives. Supply Chain Management: Assess the carbon footprint and environmental impact of the company's supply chain. Collaborate with suppliers to promote sustainable practices and consider sourcing options that prioritize environmental responsibility. Risk Assessment and Contingency Planning: Conduct a comprehensive risk assessment to understand the financial implications of ocean acidification on the electronics company's operations, such as potential disruptions in the supply chain or increased costs. Insurance Coverage: Review insurance policies to determine if they cover potential losses related to ocean acidification impacts. Regulatory Compliance: Stay informed about regulations and guidelines related to ocean acidification and marine environmental protection. Comply with relevant regulations and ensure that the company's activities and products meet environmental standards and certifications. Stakeholder Engagement: Engage with stakeholders, including employees, customers, and communities, to raise awareness about ocean acidification and promote sustainable practices. Carbon Offset and Sequestration: Explore opportunities to offset the company's carbon emissions through projects that promote carbon sequestration or invest in renewable energy initiatives. Sustainable Practices: Implement measures to minimize the company's contribution to ocean acidification and promote sustainable resource management. This includes responsible wastewater disposal, reduced chemical usage, and proper waste management practices.
Atmosphere CO2 at surface	<ul style="list-style-type: none"> Market shifts Regulatory changes Supply chain disruptions Energy costs Market volatility Consumer perception Workforce expectations Climate change impacts 	<ul style="list-style-type: none"> Carbon Reduction Strategy: Develop and implement a carbon reduction strategy to minimize the company's carbon footprint. Long-term Planning: Incorporate climate change considerations, including atmospheric CO2 levels, into long-term strategic planning. Assess potential impacts on the company's operations, supply chain, and market dynamics, and identify adaptation and mitigation measures. Energy Efficiency: Implement energy-saving measures and technologies to reduce energy consumption and lower greenhouse gas emissions. Sustainable Supply Chain: Collaborate with suppliers to promote sustainable practices and reduce emissions throughout the supply chain. Carbon Pricing and Taxation: Stay informed about carbon pricing mechanisms and potential future regulations. Assess the financial implications and consider incorporating the cost of carbon emissions into financial planning and risk assessment. Green Financing: Explore opportunities for green financing, such as green bonds or sustainable investment funds, to support the company's transition to low-carbon operations. Regulatory Compliance: Stay updated on relevant regulations and standards related to atmospheric CO2 levels and greenhouse gas emissions. Environmental Certifications: Seek environmental certifications and labels that demonstrate the company's commitment to reducing CO2 emissions and environmental responsibility. Emission Monitoring and Reduction: Monitor and measure the company's CO2 emissions regularly. Carbon Offsetting: Explore carbon offset initiatives to neutralize or compensate for the company's remaining CO2 emissions.

Time frame ≥ 10 years

Chronic Physical Risks and Adaptation Plan

Risk	Impact to Delta	Adaptation plan to be completed
Heavy precipitation and pluvial flood	<ul style="list-style-type: none">Market disruptionsBusiness continuity planningSupply chain disruptionsFacility and equipment damageRevenue loss and business interruptionInsurance and recovery costsEnvironmental regulationsEmployee safety and well-beingWater management and pollution	<ul style="list-style-type: none">Risk Assessment: Conduct a comprehensive risk assessment to identify vulnerabilities related to heavy precipitation and pluvial floodsLand Use Planning: Consider the risk of pluvial flooding when selecting and designing company facilitiesInfrastructure and Equipment: Implement flood-resistant design and construction techniques to protect buildings and critical equipment from water damage.Business Continuity Plans: Develop and regularly update business continuity plans that address heavy precipitation and pluvial flood events.Insurance Coverage: Review insurance policies to ensure coverage for potential losses caused by heavy precipitation and pluvial floods.Financial Reserves: Allocate resources for emergency response, repair and restoration efforts, and potential business interruptions. Maintain financial reserves to mitigate the financial impact of flood-related losses.Regulatory Compliance: Stay complied with local, national, and international regulations related to flood risk management, building codes, and environmental standards.Employee Safety: Implement measures to protect employees from flood-related hazards. Develop and communicate evacuation plans, provide training on emergency response, and establish clear communication channels during flood events.Sustainable Drainage Systems: Implement sustainable drainage systems, such as permeable surfaces, rainwater harvesting, and retention ponds, to manage heavy precipitation and reduce the risk of pluvial flooding.Green Infrastructure: Incorporate green infrastructure solutions, such as rain gardens and vegetated swales, to absorb and manage excess water runoff, minimizing the strain on drainage systems and reducing flood risks.
Coastal erosion	<ul style="list-style-type: none">Market disruptionGeographic limitationsFacility vulnerabilitySupply chain disruptionsUtilities and services disruptionAsset value depreciationCommunity perceptionHabitat loss and biodiversityClimate change and resilience	<ul style="list-style-type: none">Risk Assessment: Conduct a thorough risk assessment to understand the potential impact of coastal erosion on company assets, infrastructure, and operations.Coastal Management Plan: Develop a strategic plan that includes coastal management strategies to mitigate erosion risksProtective Measures: Implement coastal protection measures to minimize erosion effects on company assets.Monitoring and Maintenance: Regularly monitor the coastline and infrastructure for signs of erosion and perform necessary maintenance or repairs to prevent further degradation.Insurance Coverage: Review insurance policies to ensure coverage for potential losses related to coastal erosion. Consider specialized coverage for property damage, business interruption.Budgeting and Reserves: Allocate resources for shoreline protection and maintenance. Establish financial reserves to address potential impacts on operations and infrastructure.Regulatory Compliance: Stay informed about regulations and guidelines related to coastal erosion management and coastal development permits. Comply with requirements for environmental impact assessments and permits for coastal protection measures.Stakeholder Engagement: Engage with local communities, residents, and other stakeholders to understand their concerns and perspectives regarding coastal erosionEcosystem Conservation: Consider the ecological impact of erosion mitigation measures. Collaborate with environmental agencies and organizations to ensure that protective measures are implemented in a manner that minimizes harm to coastal ecosystems.Sustainable Practices: Adopt sustainable practices to minimize the company's contribution to coastal erosion. Implement measures to reduce carbon emissions and promote environmental conservation.

DELTA's Climate-related Opportunities, Impact and Strategic response

Opportunity Type	Climate Opportunities and Impact	Time Period	Impact Level	Strategic Response
Renewable Energy Use	<ul style="list-style-type: none">- Investment for using carbon reduction technology and renewable energy	Medium term		<ul style="list-style-type: none">- Introduce internal carbon pricing to encourage investment in renewable energy project.- Joined RE100 and set renewable electricity targets.
Resource Efficiency	<ul style="list-style-type: none">- Investment for using high energy efficiency technology.- Improve process to reduce waste and effluent	Short term		<ul style="list-style-type: none">- Introduce internal carbon pricing to encourage investment in energy efficiency improvement project.- Joined UL 2799 Zero Waste to Land fill and set waste management project
Market	<ul style="list-style-type: none">- Develop innovation in energy efficiency equipment for market demand	Long term		
Products	<ul style="list-style-type: none">- Development of low-carbon products	Long term		
Resilience	<ul style="list-style-type: none">- Developed BCP for floods and fires- Focused on severe water shortage events	Short term		

Remark:

Impact Level

 Low Medium High

Time Period

Short term 0-5 year,
Medium term 5-10 year,
Long term more than 10 year

Delta Solutions Addressing Global Megatrends



Demographic
changes



Rapid
urbanization



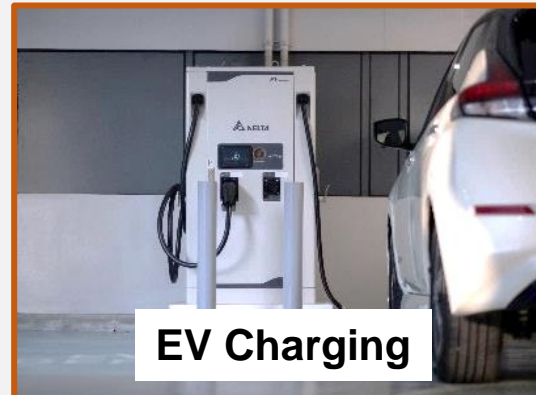
Climate
change



Disruptive
technology



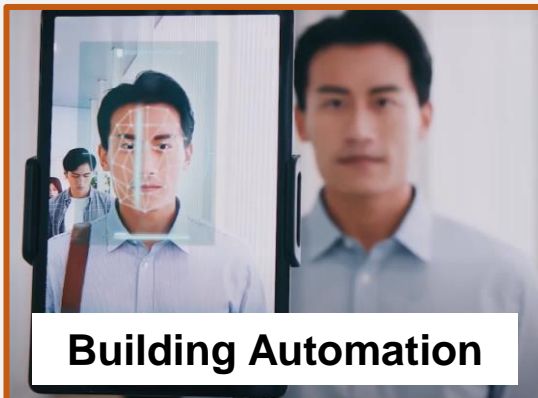
Industrial Automation



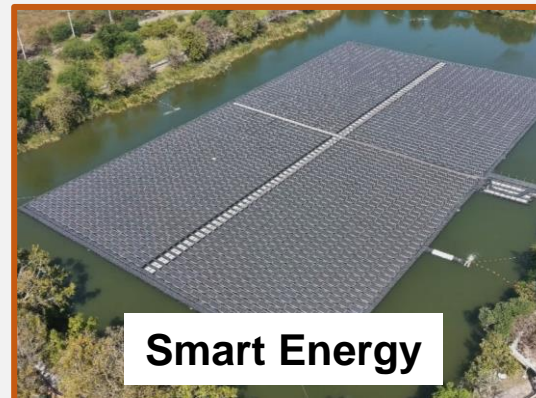
EV Charging



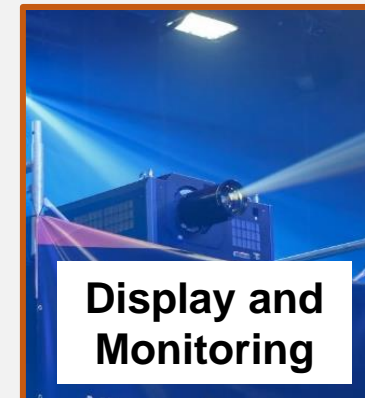
Datacenter



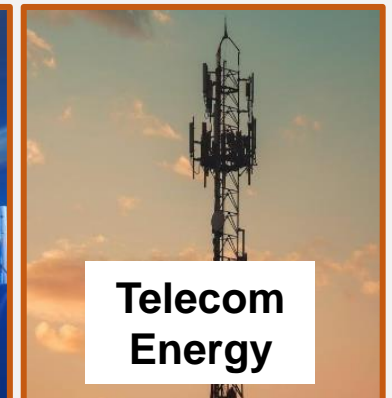
Building Automation



Smart Energy



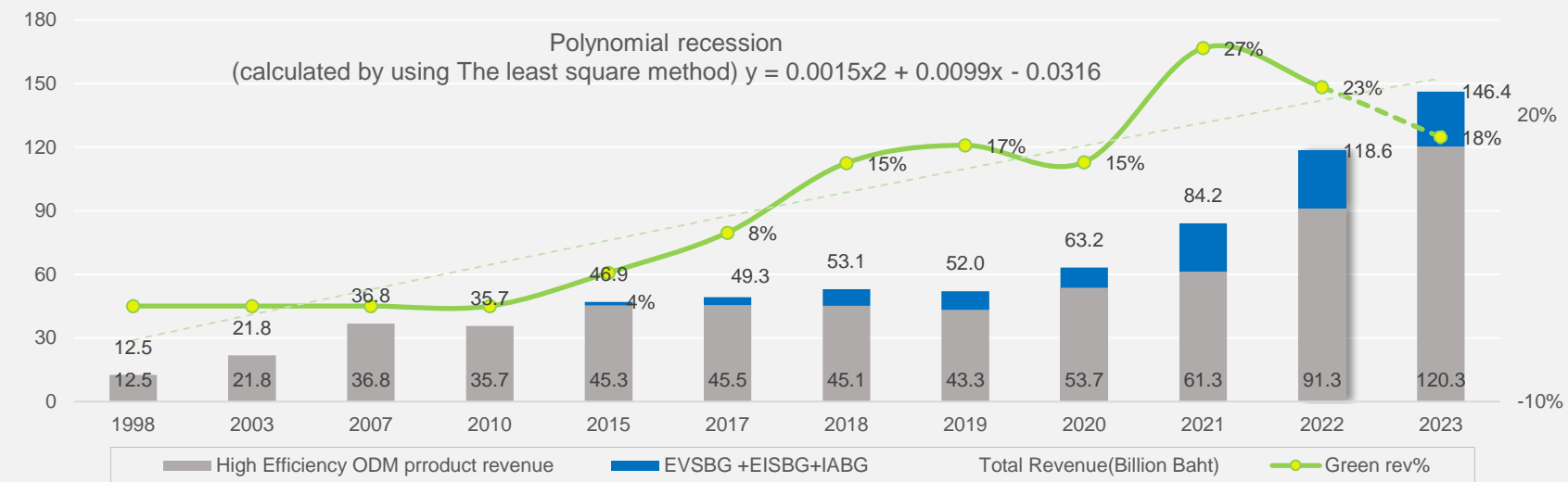
**Display and
Monitoring**



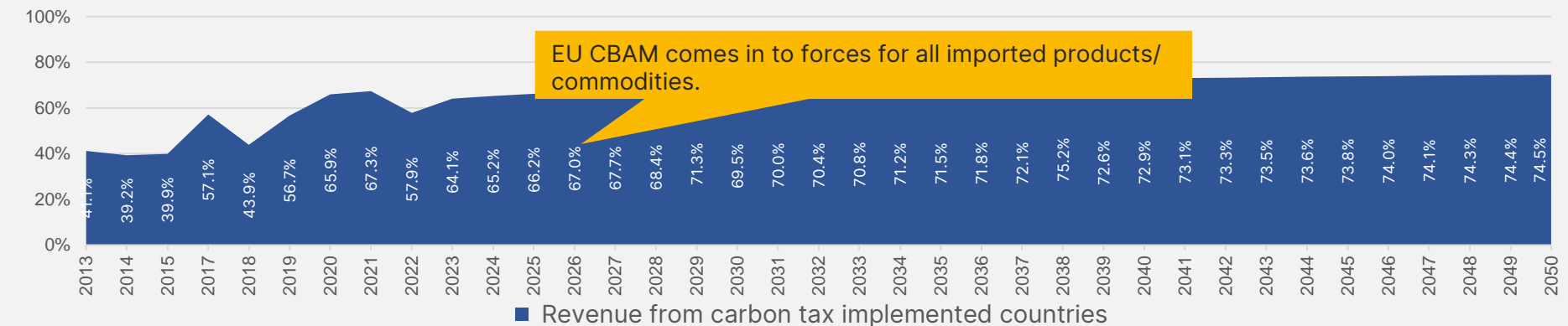
**Telecom
Energy**

Proportion of Green Revenue to Total revenue

Proportion of Green Revenue to total revenue (Billion Baht)

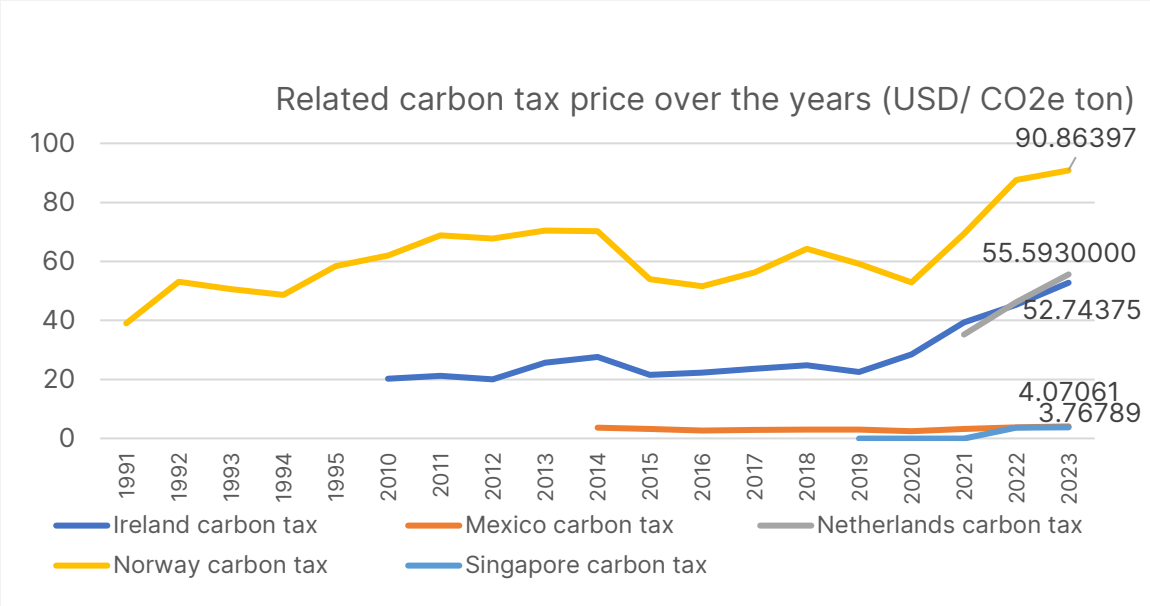
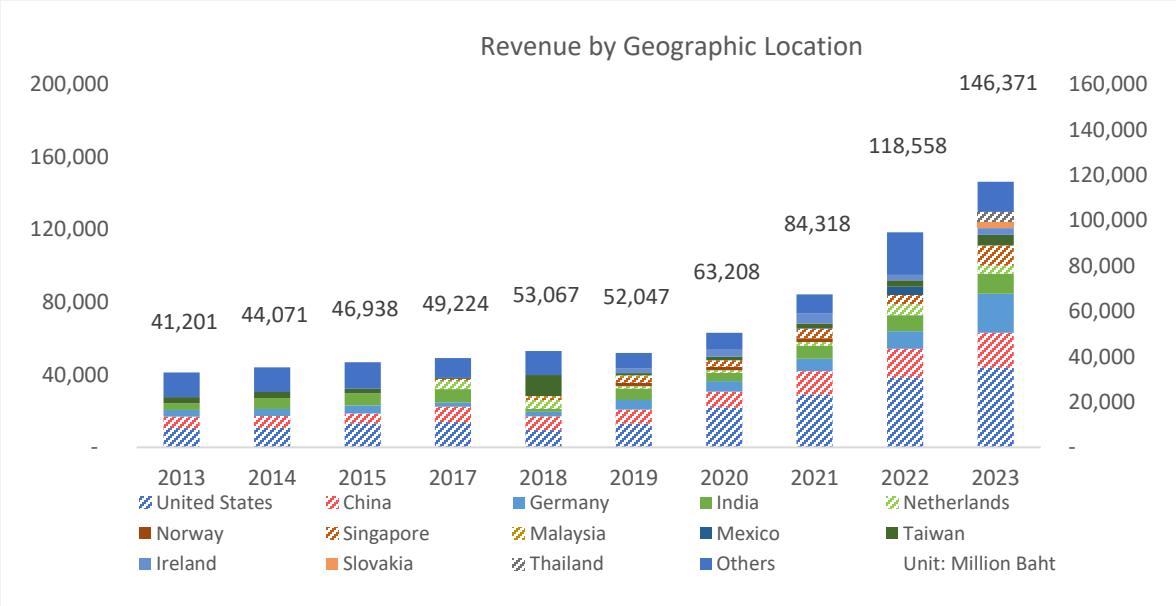


Scenario Analysis: Proportion of Delta revenue that will impacted by global carbon tax scheme implementation



- Assumption of this scenario Analysis:
- 1.Global carbon tax will be applied to all types of good, commodities imported to the countries that contribute to Delta consolidated revenue.
 - 2.Growth in the target countries has forecasted by using linear modeling based on 2013-2022 geographic distribution of our consol. revenue.
 - 3.Carbon tax scheme included in this analysis include, Ireland carbon tax Mexico carbon tax, Netherland carbon tax, Norway carbon tax, Singapore carbon tax, and EU CBAM.

Impact of global EST and Carbon tax to our target to growth



Countries that implement Carbon Tax Scheme.

- In 2023, 54% (2022: 57%) of our consolidated revenue were from countries where carbon tax scheme has implemented. Mostly, these tax schemes have applied to oil & gas industry.
- As of 1 October 2023, [EU CBAM](#) will initially apply to imports of certain goods and selected precursors whose production is carbon intensive and at most significant risk of carbon leakage: cement, iron and steel, aluminum, fertilizers, electricity and hydrogen.
- Once the permanent system enters into force on 1 January 2026, importers will need to declare each year the quantity of goods imported into the EU in the preceding year and their embedded GHG. They will then surrender the corresponding number of [CBAM](#) certificates. The price of the certificates will be calculated depending on the weekly average auction price of EU ETS allowances expressed in €/ton of CO2 emitted. The phasing-out of free allocation under the EU ETS will take place in parallel with the phasing-in of CBAM in the period 2026-2034.
- According to the World Bank's disclosure on carbon pricing, [India has not considered ETS yet, while EU27+ETS that will impact the cost of our manufacturing site in Slovakia is under consideration.](#)
- If EU27+ETS effective, that will impact 9-12% of Delta consolidated revenue.
- Our sites in Thailand, Singapore, and other countries in Asean are not directly impacted by the ASEAN Taxonomy, as our business activities are not related to the Electricity, Gas, Steam, and Air Conditioning Supply sectors, which are considered indicative threshold industries. However, Delta's sites in ASEAN may be affected by increased electricity costs.

What we Do / Data / Carbon Pricing Dashboard

Carbon Pricing Dashboard

KEY STATISTICS ON REGIONAL, NATIONAL AND SUBNATIONAL CARBON PRICING INITIATIVE(S)

73	Carbon Pricing Initiatives Implemented
39	National Jurisdictions are covered by the initiatives selected
33	Subnational Jurisdictions are covered by the initiatives selected

Remark: Delta investment on increase PCF Expert Pool approximate 10 million bath per year include man cost, Training and software.

In 2023, these initiatives would cover **11.66 GtCO₂e**, representing **23%** of global GHG emissions

Summary map of regional, national and subnational carbon pricing initiatives

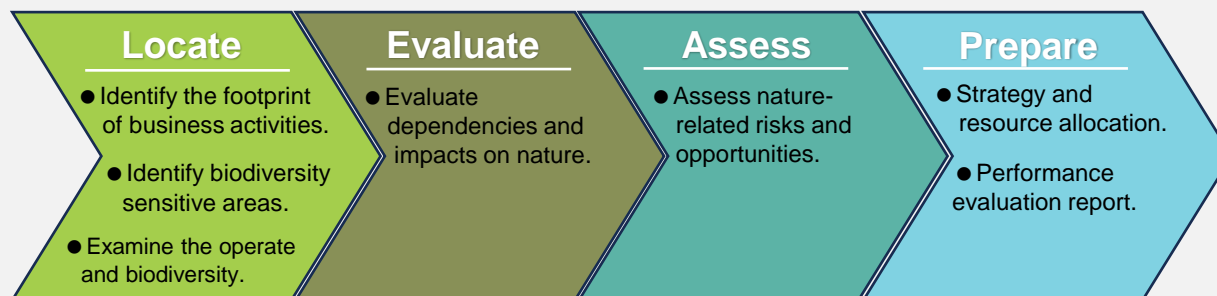
<https://carbonpricingdashboard.worldbank.org/>

Nature and Biodiversity

We stated in the preface that companies rely on natural capital for operations. However, companies' dependencies and impacts on nature, as well as the accompanying risks and opportunities, rarely had consistent assessment methods before the release of the TNFD. Therefore, the official release of TNFD is an important milestone for companies to assess, manage and disclose nature related issues. In addition to the four disclosure pillars of the TCFD, namely "governance", "strategy", "risk management", and "metrics and targets" (refer to CH1 for the governance of nature related issues), TNFD added human rights governance to the disclosure of governance recommendations. It emphasized that companies should consider the impact on local communities and indigenous people when conducting nature-related assessments. In addition to conducting human rights risk assessments every year, Delta also requires suppliers to manage human rights issues within their own operations and track the impact of upstream raw materials on the environment. As of the end of 2023, Delta has not received reports of any issues related to indigenous peoples or local communities. In the future, We will continue to pay attention to issues related to nature and human rights.

Implementation of the LEAP approach

To improve the transparency of companies' disclosure of nature-related financial risks and integrate nature into financial and business decisions, TNFD proposed the "LEAP" approach framework, which is a four-stage assessment of nature-related risks and opportunities that includes locate, evaluate, assess, and prepare. In this report, Delta uses the LEAP approach to identify the nature-related dependencies, impacts, risks and opportunities within Delta's own operations, upstream and downstream activities. The identification process is as follows

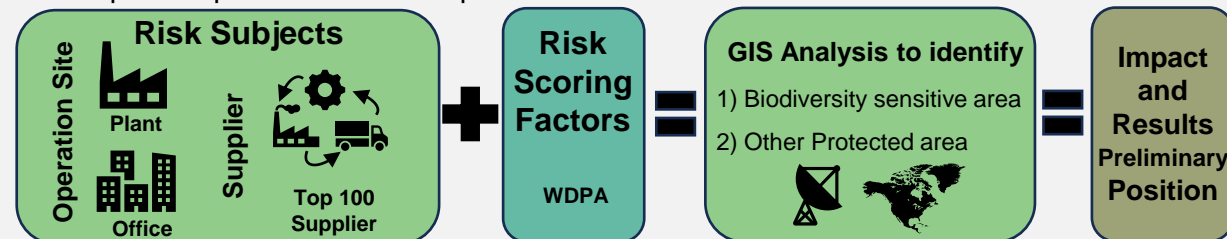


Remark: As an associated company, Delta Electronics Inc.'s TNFD study also includes Delta Thailand and its subsidiaries to assess our dependencies on natural resources. For more information, please visit [2023 Delta Electronics TCFD TNFD Report](#)

1) Locate of Nature and Biodiversity

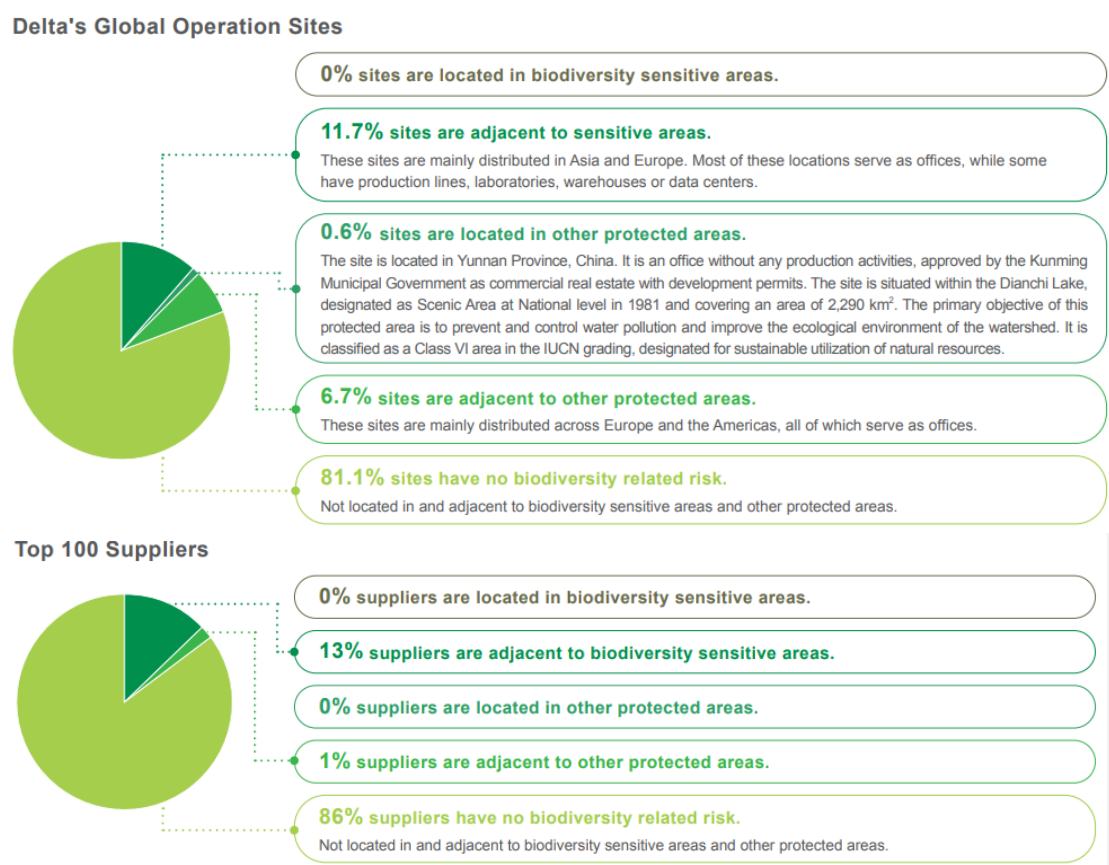
The first step of the LEAP approach is to locate the "interface" between the company and nature, which means to examine whether the company's assets, business activities, and value chains are located in sensitive areas for nature-related issues such as biodiversity or water resources to continue to identify companies' dependencies and impacts on nature. Delta has used green building standards in the past. In addition to avoiding sites located in biodiversity sensitive areas during site selection, we also seek to reduce the negative impact on the landscape. In water resources management, we used the methodology developed by the World Resources Institute (WRI) in the Aqueduct Water Risk Atlas to analyze the risk of chain interruption caused by droughts and floods in the value chain under climate change. We identified water resource risks in Delta's supply chain and global operation sites, and assigned scores based on each risk factor. In addition to using the information as a reference for internal decision-making, we will continue to use this assessment method to plan adaptation and implementation pathways for high-risk plants (for details on risk identification results, adaptation, and response, please refer to the 2023 Delta ESG Report).

In 2023, Delta conducted its first analysis of biodiversity sensitive areas. Based on acquiring coordinates of all company's sites, we overlaid and analyzed the biodiversity sensitive areas to quickly understand whether a site is located in or adjacent to a biodiversity sensitive area. During the spatial analysis, Delta first defined its global operation sites, including production plants, offices, and 100 suppliers, and used the World Database on Protected Areas (WDPA), compiled by the International Union for Conservation of Nature (IUCN) and the United Nations Environment Programme (UNEP), and Taiwan's local biodiversity hotspot data. After converting data into coordinates using a geographic information system (GIS), we overlaid maps and implemented 2-km buffer analysis to determine whether and what proportion of operation sites and suppliers are close to biodiversity sensitive areas. We thus produced biodiversity analysis and assessment reports and location marking data to facilitate subsequent dependencies and impacts assessments.

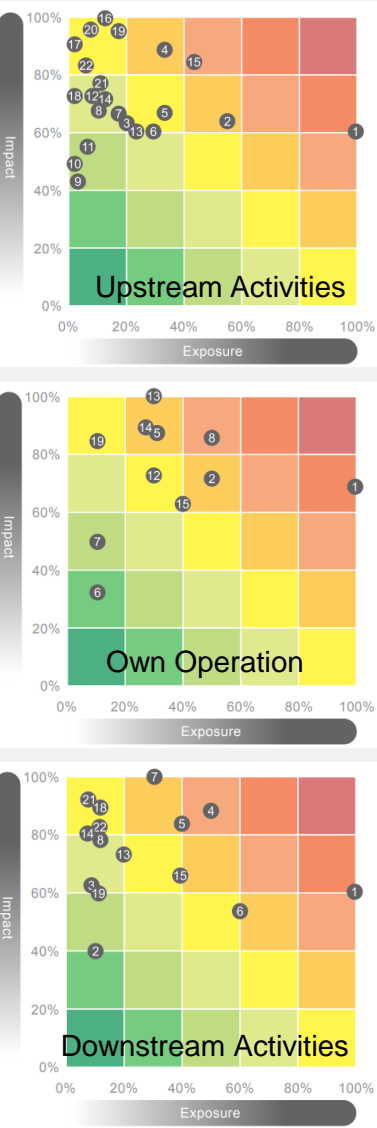


1) Locate of Nature and Biodiversity

Site Analysis Results According to the above process, after integrating the site coordinates with the biodiversity sensitive area layers using a GIS, the results showed that none of Delta's sites are in biodiversity sensitive areas. For sites adjacent to biodiversity sensitive areas, we learn through the contacts in regions about the attributes of these sites, the key points and regulations for the management of the protected areas, and the relationship between the sites and adjacent protected areas. Obtaining more sufficient information will be helpful for future decision-making.

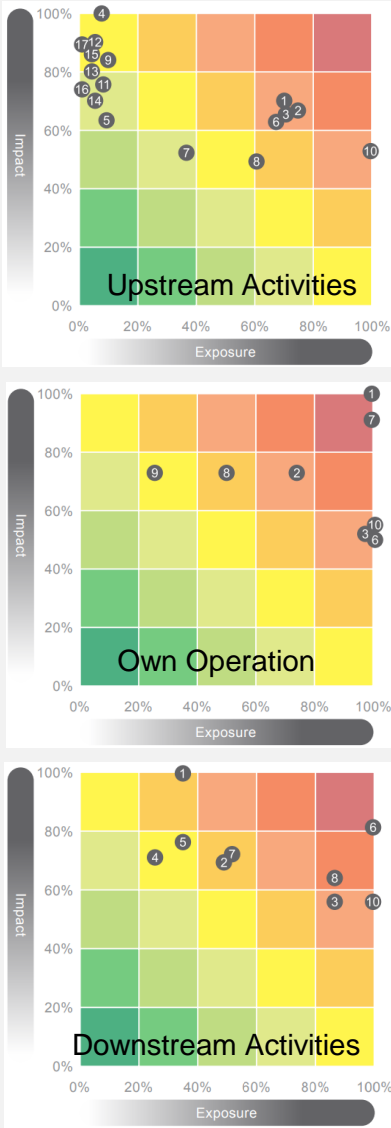


Dependencies Evaluation



Dependency-related Risk Analysis Matrix		U	O	D
Provisioning services	4. Insufficient water resources	M	-	M
	16. Shortage of fossil fuel supply	M	-	-
	17. Shortage of biological materials (plant resources)	M	-	-
	18. Shortage of biological materials (animal resources)	M	-	M
	19. Shortage of non-biological materials (metals)	M	M	L
	20. Shortage of non-biological materials (nonmetals)	M	-	-
Regulating services	1. Extreme heatwaves	H	H	H
	2. Decreased air quality	M	M	L
	3. Deterioration of water quality	M	-	L
Regulating services	5. Extreme rainfall	M	M	M
	6. Uneven distribution of rainfall	M	L	M
	7. Drought	M	L	M
	8. Floods	M	M	M
	9. Eutrophication	L	-	-
	10. Seawater intrusion	L	-	-
	11. Decline in soil productivity	L	-	-
	12. Landslides	M	M	-
	13. Stronger wind disasters	M	M	M
	14. Large-scale occurrence of noise and vibrations	M	M	M
	15. Large-scale infectious diseases	M	M	M
	21. Destruction of habitats or decline in biodiversity	M	-	M
Dependency - related risks	22. Insufficient pollination leading to reduced crop yield	M	-	M
	The top six dependency-related risks from upstream, own operations, and downstream activities are as listed above according to the dependency risk matrix diagram identified by Delta. Across the entire value chain, extreme heatwaves and extreme rainfall are listed as one of the top six risks, indicating Delta's high dependency on stable temperature and rainfall patterns.			

Impacts Evaluation



Dependency-related Risk Analysis Matrix		U	O	D
Climate	6. Greenhouse gas emissions Resource use	M	H	H
Resource use	1. Freshwater resource usage	M	H	M
	2. Mineral resource usage 2. Mineral resource usage	M	M	M
	3. Fossil fuel and electricity usage	M	H	M
	4. Biological resource usage	M	-	M
	5. Critical commodities usage	M	-	M
	17. Use of genetic materials related to biodiversity	M	-	-
Pollution	7. Air pollution emissions	M	H	M
	8. Generation of process wastewater	M	M	H
	9. Discharge of wastewater into surrounding natural water bodies	M	M	-
	10. Generation of waste	M	H	M
	11. Waste affecting surrounding natural or agricultural land	M	-	-
Land / ocean / freshwater use change	14. Alteration of land topography and type	M	-	-
	15. Changes to freshwater ecosystems	M	-	-
	16. Changes to marine ecosystems	M	-	-
Invasive alien species	12. Introduction of invasive alien species	M	-	-
	13. Operational disruption to local wildlife and plants	M	-	-
Prioritized risk description	Delta's top six impact risks in its own operations, upstream and downstream activities are shown in the table above. Among them, freshwater resource usage, fossil fuel and electricity usage, greenhouse gas emissions, generation of waste, and mineral resource usage are all tied for being among the top six impacts, making them the most significant impact categories for Delta.			

U : Upstream Activities
O : Own Operation
D : Downstream Activities

H : High
M : Medium
L : Low

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Assess of Nature and Biodiversity

After the locate and evaluate step, Delta commences the third step of the LEAP approach: Assess. The purpose of this step is to identify and prioritize nature-related risks and opportunities arising from the business's dependency and impact on nature and to integrate them into existing risk management processes. Under Delta's climate and nature risk management structure, nature and biodiversity are part of the sustainability issues. Therefore, nature related risks are also integrated into multi-disciplinary company-wide risk management processes. The Global ESG Committee Board of Directors oversees the risk identification results and relevant performance tracking. The following is a list of the nature-related "physical risks" and "transition risks" identified by Delta. The three categories of transition risks include reputation risks, market risks, and policy risks, which are described below:

Potential Risk	Response Measure	Derived Opportunities
<p>Increase in Extreme Weather Events</p> <p>For instance, excessive heat can result in various impacts, including increased energy consumption and GHG emissions from air-conditioning use, higher costs, compromised employee health, and decreased efficiency in solar power generation</p> <p>Increase in Extreme Weather Events</p> <p>Events such as short-duration intense rainfall, heatwaves, droughts, and others, induce related potential impacts which include work stoppages due to flooding or water shortages, property damage (such as equipment damage, storage, and others), supply chain disruptions, and increased energy demand</p> <p>Greenhouse Gas Emissions</p> <p>The emission of greenhouse gases will exacerbate global climate change</p> <p>Freshwater Resource Usage</p> <p>Overexploitation of freshwater resources may reduce groundwater recharge and affect the water needs of local communities</p> <p>Fossil Fuel and Electricity Usage</p> <p>The use of fossil fuels leads to greenhouse gas emissions, air pollution, ozone layer depletion, and poses risks to human health. In addition, the use of renewable electricity can also result in ecological impacts, including changes or loss of habitats, modifications in species behavior and composition, introduction of invasive species, and noise pollution</p> <p>Mineral Resource Usage</p> <p>Mining can lead to habitat destruction and the loss of biodiversity</p> <p>Waste Generation</p> <p>Improper waste management can lead to environmental pollution and have detrimental effects on surrounding habitats and species</p>	<p>Implementation of Net-Zero Commitment</p> <p>Introduce internal carbon pricing and promote five major decarbonization strategies to support the transition to net-zero, including:</p> <ul style="list-style-type: none">Promoting energy conservation projectsAdopting renewable electricity, fulfilling the RE100 commitment, and choosing a diverse range of technology types to reduce risks associated with reliance on a single typePromoting green building, enhancing energy efficiency, and providing employees with a comfortable office environmentInvesting in low-carbon innovationInvesting in carbon offsets and permanent carbon removal <p>Implementation of Water Resource Management</p> <ul style="list-style-type: none">Promoting water conservation measures and enhancing wastewater treatment and recycling to reduce reliance on tap waterDeveloping water efficiency goals and striving for consistent improvements in water efficiencyConducting water risk assessments and implementing measures to mitigate the risks of flooding and water shortage <p>Promotion of Circular Economy</p> <ul style="list-style-type: none">Implementing upstream raw material management to mitigate environmental impacts caused by the use of raw materialsEnhancing the efficiency of mineral resource utilization, promoting the use of recycled metals, and reducing mineral extractionMinimizing waste through process improvement, elimination of landfill disposal, and promotion of recycling and reuseCollaborating with the value chain and reusing cardboard boxes, pallets, and transportation equipment	<p>Introduce circular economy, enhance resource utilization efficiency, and minimize waste, reducing production and disposal costs</p> <p>Improve product energy efficiency and develop eco-friendly and energy-saving solutions to help customers save energy and reduce cost</p> <p>Promote energy storage systems and green hydrogen solutions</p> <p>Promote green building products and solutions</p> <p>Invest in innovative R&D; integrate products and systems such as industrial automation, fans, cooling solutions, and LED lighting at Delta's plant factory, using less water than traditional farming methods; commit to providing a stable supply of non-toxic, low-carbon, high-quality vegetables</p> <p>Establish a new business department for renewable electricity sales, offering customers comprehensive energy solutions covering management, conservation, and implementation of renewable electricity; collaborate with customers to develop smart and eco-friendly energy solutions</p>


Physical Risk

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Assess of Nature and Biodiversity



Reputation Risk



Market Risk



Policy Risk

Potential Risk
If renewable energy used is sourced from ecologically controversial sites, Delta's reputation may suffer negative impacts
Delta has made public commitments to carbon reduction targets, and failing to meet these targets could harm its reputation
Customers changing product specifications and requirements
Consumers increasingly opting for low-carbon products
GHG reduction requirements for suppliers
Increase in raw material costs
Poor ESG ratings, as a result of lacking contributions to climate change and biodiversity, may affect the willingness of investors and banks to invest
Domestic and international GHG reduction requirements
Voluntary code of conduct
Regulatory and policy uncertainties

Potential Risk
Formulate methodology for renewable electricity due diligence investigation
Monitor international practices for carbon reduction and carbon credit developments and evaluate their suitability
Implement net-zero commitment
Regularly track customer net-zero commitments and strategies
Monitor the progress of regulatory updates and make early preparations to ensure compliance
Adopt information system for real-time access to emission data, which can assist in management and reduction efforts

Derived Opportunities
Establish an industry benchmark case for conducting renewable electricity due diligence investigation
Develop products related to carbon removal
Collaborate with customers in the development of low-carbon products
Develop company GHG inventory and carbon reduction experience into a system to assist customers in responding to regulatory requirements for disclosing GHG information

Transition Risk

Prepare of Nature and Biodiversity

The prepare phase is the final step of the LEAP approach. This step integrates the analysis results of the previous phases into action plans and strategic objectives. Delta's Board of Directors approved the Delta Group Biodiversity Policy and formulated specific response measures and management strategies for the identified and assessed nature-related risks and opportunities (refer to Ch 1.1 Vision for Climate and Nature, Ch 3.3 Assess). We establish related indicators for monitoring and evaluation, regularly review targets through governance units and supervision processes, and regularly prepare relevant reports and contents for engagement with our stakeholders. These measures ensure that Delta effectively manages its dependency and impact on nature to mitigate risks, identify opportunities, and demonstrate our commitments and progress to internal and external stakeholders with greater transparency.

Communication with Internal and External Stakeholders

Internal communication and awareness raising

- Organize training programs to enhance internal understanding and awareness of biodiversity issues.
- Establish ecological due diligence processes and tools for renewable electricity cases, and introduce biodiversity assessment into the renewable electricity procurement process.

External disclosure and engagement

- Delta's strategies, actions, and results in biodiversity management are disclosed through annual ESG reports, websites, participation in advocacy organizations, and other channels.
- Engage with stakeholders (including but not limited to experts, suppliers, local communities, NGOs, and investee companies) to actively collaborate on reducing negative environmental impact and enhancing biodiversity.

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Management Strategies and Action Plans

Additional Conservation Actions

Collaborate with marine conservation teams to jointly restore coral reefs, enhance marine biodiversity by using Delta's technologies and equipment, and strengthen ecosystem functions.

Develop specific mitigation measures for high-priority risks, e.g. improving production processes to reduce impacts on biodiversity, or investing in ecological restoration projects to positively contribute to biodiversity

Opportunity Realization Strategy

Risk Mitigation Measures

Formulate strategies to realize opportunities with potential commercial value and environmental contribution, e.g. developing and promoting environmentally-friendly products, or establishing partnerships with organizations that protect natural resources.

Offset

Collaboration with experts to evaluate, research, and develop natural solutions that possess both biodiversity and carbon removal functions, obtaining credits for Natural Climate Solutions (NCS).

Restoration

Evaluate and adhere to the ecological restoration requirements of green building standards; form partnerships with the supply chain to share knowledge and tools, thereby reducing the negative impacts on the environment and society from the procurement of raw materials and renewable electricity.

Mitigation

Site Level: Implement green building standards, monitor energy consumption, GHG emissions, water usage, waste management, and biodiversity conservation
Product Level: Develop new products or business models that are less reliant on natural resources and have lower ecological impacts
Value Chain Level: Integrate natural risk indicators into supply chain assessment and due diligence criteria

Avoidance

Commit to ensuring Delta's global operation sites and supply chain are not located in or adjacent to nationally or internationally recognized key biodiversity areas.

Continuous Monitoring and Evaluation

Establish mechanisms and tracking indicators to monitor and evaluate the effectiveness of risk and opportunity management measures.

- ☑ In line with Delta's net-zero emissions goal, analyze natural climate solutions to neutralize approximately 10% of residual emissions while simultaneously enhancing biodiversity.
- ☑ Site analysis should be completed for both Delta's existing and new operation sites.
- ☑ Focus on key dependencies such as mineral resource usage to initiate related tracking and management plans, aiming to increase the use of sustainable raw materials.
- ☑ Continuously monitor and analyze the SBTN methodology, striving to establish nature-related science-based targets.

Metrics

- Percentage of purchased printing papers with labels or certificates that prove non-deforestation.
- Amount of coral restoration planted and survived – which fulfill the health standard by the Coral Health Chart.

Future Development Strategies for Measurement of NPI Targets and Metrics

We aim to achieve the vision of "living in harmony with nature" set forth in the "Kunming-Montreal Global Biodiversity Framework (GBF)" and adequately maintain the ecosystem services and overall health of the Earth so that they can sustainably provide essential benefits to mankind. Delta has set 2050 NPI targets. In order to achieve positive net value benefits, we employ appropriate methods to measure relevant biodiversity values and dynamically adjust development strategies in accordance with international trends, national policies, and discussions with local stakeholders. Other requirements include items that can be clearly defined and a time scope that can be defined, quantified, and measured. We also considered the conservation and development of the wider landscape (beyond the site boundaries).

As the complexity of biodiversity includes definitions based on time and space as well as the effectiveness of mitigation measures, there are many uncertainties. Since there is no internationally accepted and clear measurement metrics, there are many challenges for actual operations and credibility. To effectively implement internal strategies and management measures, Delta has begun to analyze the NPI metric structure. The preliminary results of the current analysis are as follows.

According to the Guidelines for Planning and Monitoring Corporate Biodiversity Performance published by IUCN in 2021, indicators such as "**pressure**", "**state**", "**benefit**", and "**response**" can be used to measure the connection and changes between the company and nature and biodiversity, and they complement each other.

Pressure indicators

These refer to the external factors for change present in the environment, which correspond to the drivers of impact (drivers of nature change) in TNFD, such as the amount of sewage discharged in corporate operations

State indicators

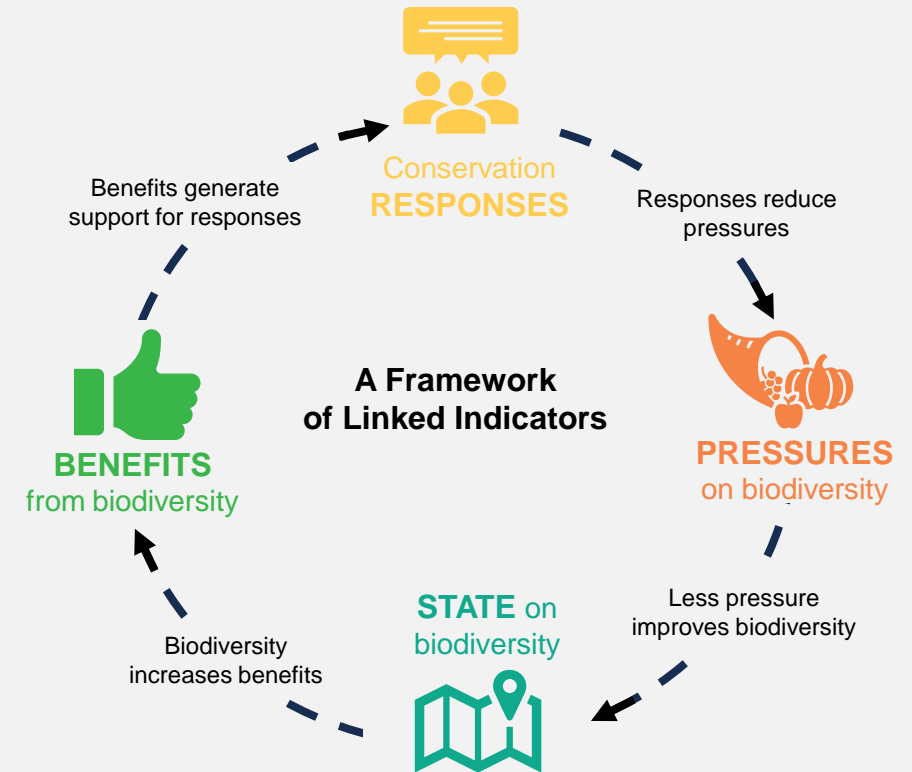
These refer to the state of the environment or biodiversity itself, which corresponds to the state of nature in TNFD, such as habitat integrity, number of species, and water quality

Benefits indicators

These are used to measure the ecosystem services and abiotic services made available by natural capital, such as the supply of water resources.

Response indicators

These are used to measure the performance of the actions taken by the organization, such as the number of people receiving education and training, the number of sewage treatment projects promoted, and the number of fish species restored.

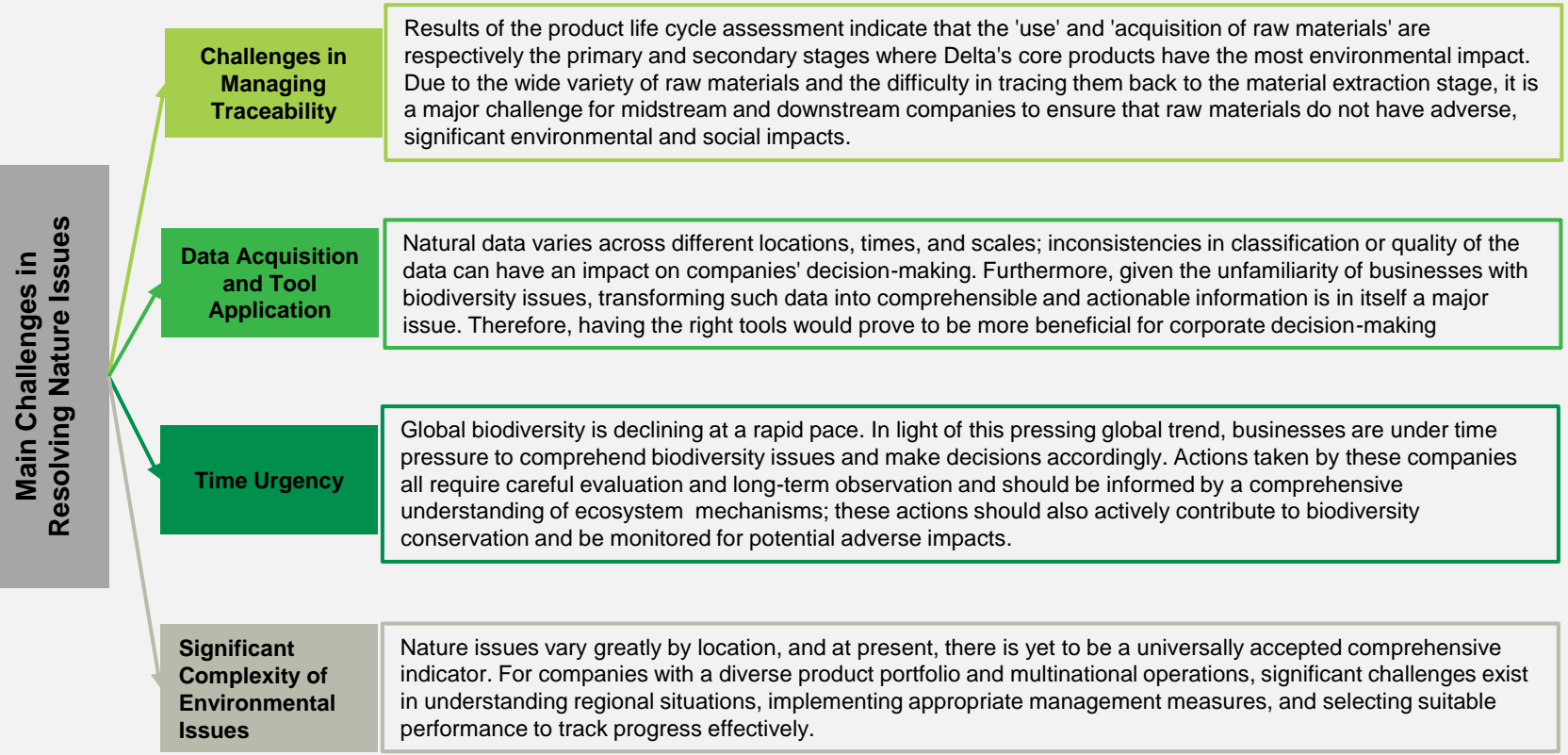


Delta's Main Challenges and Follow-up Plans

Unlike climate change, nature-related issues are highly complex and highly localized, and there is currently no single integrated indicator for measurement. This poses a considerable challenge to multinational enterprises such as Delta, which have a diverse range of products and services.

In response to these challenges, Delta will continue to track the progress of relevant international research. In addition to establishing a set of measurable, reportable, and verifiable (MRV) indicators for nature-related assessments, Delta will also monitor its progress for climate goals. When carrying out each project, we shall consider the effectiveness of emission reductions, pay attention to the impact on biodiversity, and prioritize nature and climate solutions that can help mitigate or adapt to climate change to make full use of corporate synergy.

We will uphold our corporate mission of "To provide innovative, clean and energy-efficient solutions for a better tomorrow", support business development and corporate sustainability, and strive to provide innovative, clean, and energy-saving solutions. We shall internalize and incorporate them into our business model, develop related products and services based on core functions, and work with customers to create positive change for nature and biodiversity



Remark: As an associated company, Delta Electronics Inc.'s TNFD study also includes Delta Thailand and its subsidiaries to assess our dependencies on natural resources. For more information, please visit [2023 Delta Electronics TCFD TNFD Report](#)

MATRIC AND TARGET

Delta Carbon Promises: “We Mean Business”



Delta Thailand support the “Race to Zero” campaign and commits to international standards such as **We Mean Business**, setting Science-based Targets (SBTi) to become a Net Zero Organization by 2050, and RE100 which Using 100% renewable electricity in global operations by 2030.

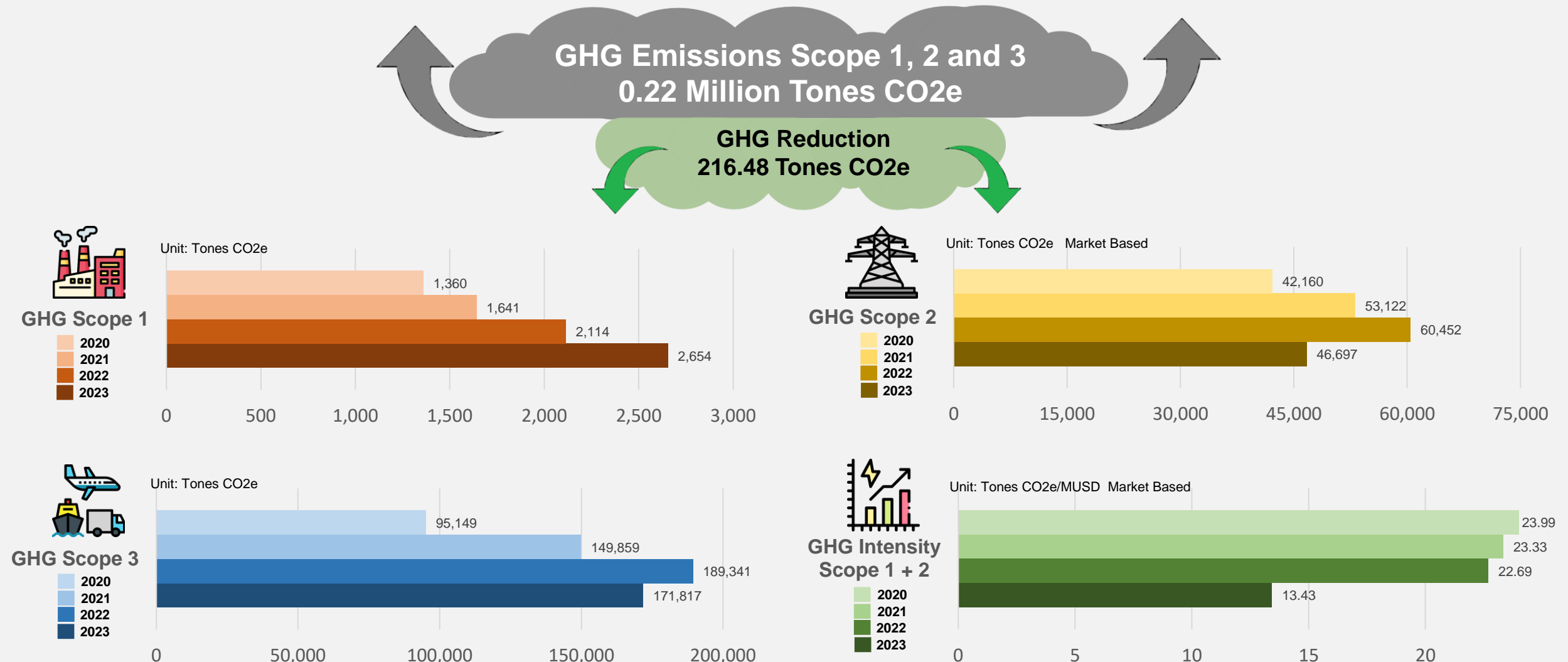
We are committed to expanding EV charging facilities, transitioning to the use of EVs for company vehicles by 2030, and providing incentives for both employees and customers to adopt EV usage.

Business Strategy Aligns with ESG Development



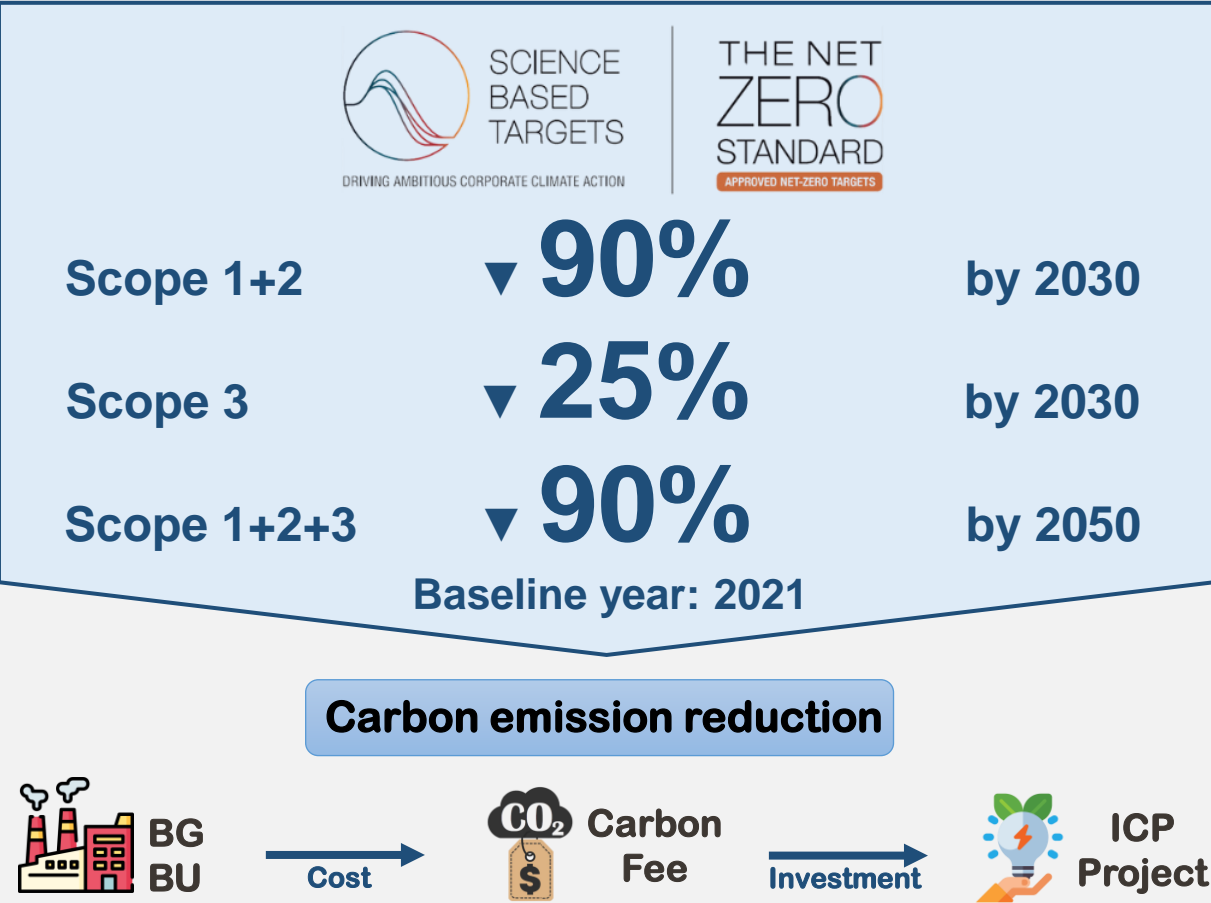
Our GHG Emissions

GHG emissions scope 1, 2, 3 for the past four years are presented in the chart. Based on guidance from the GHG protocol, the emissions are calculated and listed in metric tonnes CO₂e. To promote accountability, the figure of GHG emissions Scope 1, 2, 3 was verified by a third party to evaluate the accuracy and reliability of our methods as shown in our SGS Assurance Statement.



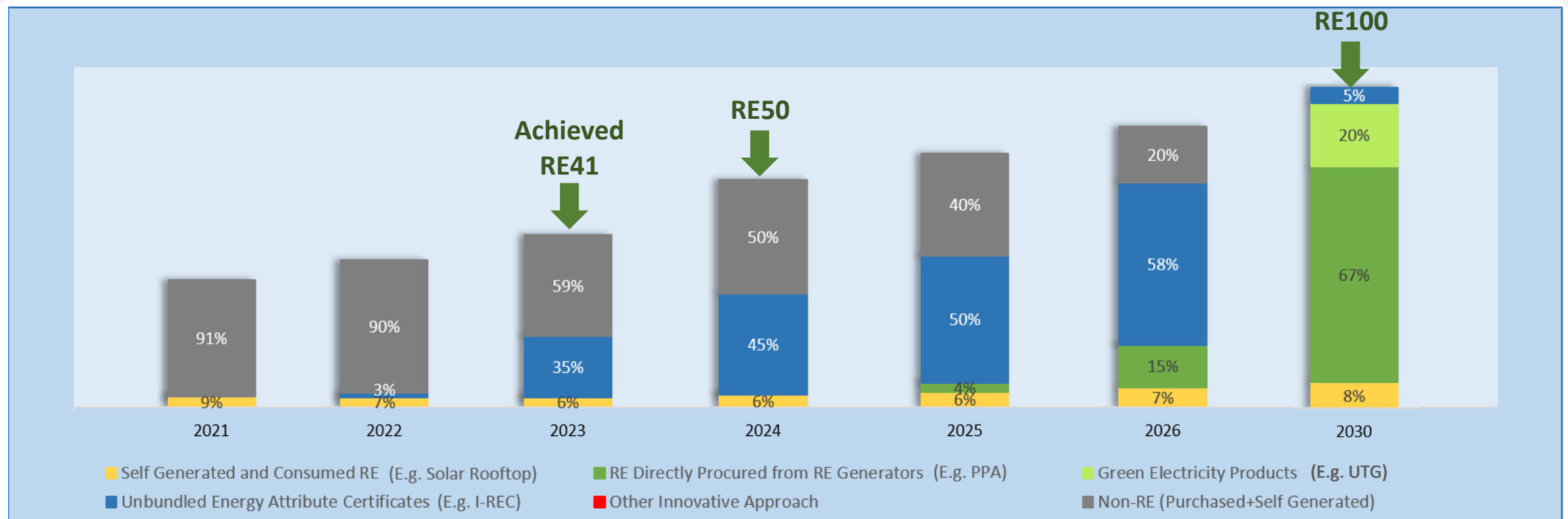
Net Zero Target

Delta is committed to set a long-term goal to achieve net-zero emission target across the entire value chain by 2050, with the criteria and recommendations of the Science-based Targets initiative (SBTi) both direct emissions (Scope 1) and indirect emissions (Scope 2 and 3).



	Scope and Target	Adaptation Plans and Actions
Short Term (2025)	S1 <div><div></div></div> S2 <div><div></div></div> S3 <div><div></div></div>	<ul style="list-style-type: none">- Decrease fossil fuel use- Improve Energy Efficiency- Increase RE use such as Solar Panel- Increase Renewable Energy Certificate (REC)- Replace Green Refrigerant- Increase EV Charger and user
Medium Term (2030)	S1 <div><div></div></div> S2 <div><div></div></div> S3 <div><div></div></div>	<ul style="list-style-type: none">- Increase Utility Green Tariff (UTG)- Increase RE use- Increase EV Charger and user- Improve Energy Efficiency- Increase Green Revenue- Reduce waste- Create energy saving awareness
Long Term (2050)	S1 <div><div></div></div> S2 <div><div></div></div> S3 <div><div></div></div>	<ul style="list-style-type: none">- Increase Green Revenue- Increase EV for Logistic- Sustainable Energy- Sustainable Consumption- Carbon Removal

Delta Thailand Renewable Energy (RE) Roadmap



Solar Power Installation



I-REC



Green Energy
Certificate

PPA



Power Purchase Agreement

UGT



Green Electricity Products

Delta Energy-Saving from Three Dimensions

Delta is committed to reduce carbon emissions continually to meet the RE100 and the 1.5°C global warming target. Therefore, delta has determined the energy saving policy from three dimensions include Green Building, Operation Sites and Products & Solutions. Which drive the investment in the project of energy conservation, renewable energy and low-carbon products via the ICP framework. Therefore, business groups will be able to respond to clients' demand for green power, support each other for sustainability business.

Green Buildings

Building accounts for 30% of total global energy consumption and 26% of global energy-related emissions

Since 2006, Delta established 32 green buildings and 2 certified green data centers.

In 2023, Delta's green factories/offices and 5 campus buildings can save 18.09 million kWh and 11,142 tons of CO₂e.

Adaptation Plans and Actions

- New Delta's Building shall be Green Building and certified LEED & Well Certificate
- Promote automatic systems for partners

Operation Sites

Delta has embraced the ICP Scheme as a fund to enhance energy efficiency management in each operation site.

Adaptation Plans and Actions

- Improvement in HVAC and Utility system such as Air condition, fan, air compressors and lighting system.
- Investment for Improving in Heating equipment such as sintering furnaces, reflow furnaces, burn-in etc.
- Improvement energy efficiency in dormitories, restrooms, kitchens, and other areas.
- Investment in smart grids, testing, adjusting, and balancing (TAB) for air conditioning systems, and developing IT systems.
- Improvement the water conservation for cooling towers and air conditioners.
- Investment in RE-related equipment such as energy storage systems.
- Investment in emerging energy technologies such as hydrogenic energy or renewable energy power plant.

Products & Solutions

Delta Committed to create products and service for Low-Carbon Energy Saving in the City.

Adaptation Plans and Actions

Investment in research and development in high energy efficiency and Carbon products and services.

The products have been assured by ISAE 3000:

- | | |
|--|-------------------|
| 1) LED Street Light | 2) LED Driver |
| 3) LED High Bay | 4) AC-DC Adapter |
| 5) Electronic Ballast | 6) TV Power |
| 7) PV Inverter (PVI) | 8) Server Power |
| 9) Ventilation Fans | 10) EC DC Charger |
| 11) Uninterruptible Power Supply (UPS) | |

The SMART Energy technology:

- | | |
|--------------------------|-----------------------------|
| 1) PV solutions | 2) Energy storage solutions |
| 3) EV charging solutions | 4) Energy IoT solutions |

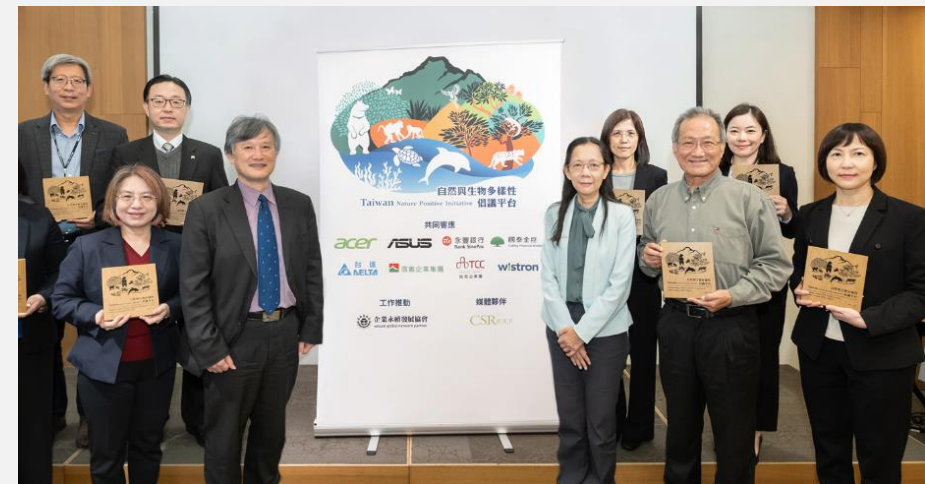
Biodiversity Management and Implementation

Due to the impact of climate change and the overconsumption of natural resources by humans, the Biodiversity loss will be accelerated and collapse of the ecosystem. In addition to its long-term focus on climate change, Delta Inc. has incorporated biodiversity into its sustainability strategy in 2022. Therefore, We will continue to support the Sustainable Development Goals (SDGs) with real actions and the core competencies of the Company.

The Delta Group Biodiversity Policy was committed since 2022 to implement avoidance, minimization, restoration, offset and additional actions within the scope of corporate actions to achieve the ultimate goal of Net Positive Impact (NPI) by 2050. However, to accomplish the target, Delta shall also work with upstream value chain and partners

Delta Thailand has planned to start analysis and establishment of related methodologies and organized internal biodiversity training programs to help employees learn about biodiversity issues and understand the relationship between climate change and biodiversity.

For Delta Inc., has join the Taiwan Nature Positive Initiative (TNPI) as a founding member in 2022. The local actions for supporting the global target of "Net Positive by 2030 | Full Recovery by 2050“ have been implemented with domestic companies.



Delta Thailand also realizes the important of biodiversity which shall be protected to ensuring natural ecosystems can contributes food security and human health. Due to Delta Thailand major sites are in industrial parks which has less environmental impact on the local ecosystem, biodiversity and habitats during operations. However, the original area of Delta’s factory was a wetlands that are the habitat of Monitor Lizard. Which the Monitor Lizard can be the indicator of ecosystem because it help to maintain the environmental balance.

As the study, Climate change in term of drought will be a cause of drying out of wetlands which affect to reduction of biodiversity in factory areas. The Monitor Lizard will be threatened by reduction of habitat and food source. Although the Monitor Lizard is listed as a Least Concern species (LC) on the IUCN Red List, we will define it as indicator to keep observe their behaviors during these crisis climate change.

Strong action with partnership

The collaboration with IEAT to closely monitoring of Delta Thailand’s environmental performance to avoid the biodiversity impacts to areas around the factory.

Moreover, the communication channels to report the environmental impacts case was provide as Whistleblow@deltathailand.com and OHSC@deltathailand.com.

Delta’s Safety Health and Environment Committee was established to drive, monitor, and review and improve the company’s environment-related issues. The committee also provides appropriate countermeasures for any confirmed cases. Up to 2023, there was no any case of non-compliance with environmental laws and regulations, significant fines for non-compliance with environmental laws and regulations, non-monetary sections for non-compliance with environmental laws and regulations nor cases brought through dispute resolution mechanism.

Path to Net Positive Impact 2050

RE100

- Target RE100 for Delta sites in Thailand (100 percent of renewable energy in total energy consumption) by the year 2030.
- Target RE50 for Delta sites in Thailand (50 percent of renewable energy in total energy consumption) by the year 2024.

100%

- Target to 100% waste diversion rate by 2030

90%

- Target to reduce absolute scope 1 & 2 & 3 GHG emissions 90% by 2050 from a 2021 base year.

56%

- Target to reduce GHG intensity (Scope 1 and 2) 56.6 percent by the year 2025 (compared with the base year 2014).

50%

- Target to increase green revenue from products and solutions portfolio up to 50 percent of total revenue by the year 2030.

30%

- Target to have 30% of recycle input material of total purchased material by the year 2025.
- Target to reduce 30% of VOC intensity by the year 2030 (compared with the base year 2019).

20%

- Target to reduce 20% Electricity consumption Intensity (EI) by the year 2025 (compared with the base year 2020).

10%

- Target to reduce 10% Water Productivity Intensity (WPI) by the year 2025 (compared with the base year 2020).

IFRS S2 Disclosure content index

TCFD's Core Element	Disclosure Topic	Disclosure Reference
Governance	The Delta Sustainability Committee oversight of climate - related risk and opportunities.	Sustainable Development Report 2023 <ul style="list-style-type: none">- Board of Direction Page 17- Sustainable Development Organization Page 34- Sustainable Development Committee Page 20
Strategy	Climate - Related Risks and Opportunity	Sustainable Development Report 2023 <ul style="list-style-type: none">- Supply chain risks and opportunities Page 46
	RCP 2.6 and RCP 8.5 scenario	- From responsibility to sustainable growth Page 46
	Internal Carbon Pricing (ICP)	- Energy Saving in 2023 Page 77
	Eco-friendly operation	- Eco-friendly design Page 59
Climate Risk Management	Climate Risk Management	Sustainable Development Report 2023 <ul style="list-style-type: none">- The effective risk and crisis management Page 35
	IPCC climate change projection assessment	IPCC WGI Interactive Atlas, https://interactive-atlas.ipcc.ch/
	Thailand's Water Risk Assessment	WWF Risk Filter Suite, https://waterriskfilter.panda.org/
Metric and Target	Delta Carbon Promises: "We Mean Business"	Sustainable Development Report 2023 <ul style="list-style-type: none">- Carbon Neutral Initiatives by 2030 Page 63
	Our GHG Emissions	2024 Sustainability in numbers <ul style="list-style-type: none">- GRI 305 Greenhouse gases emission Page 7



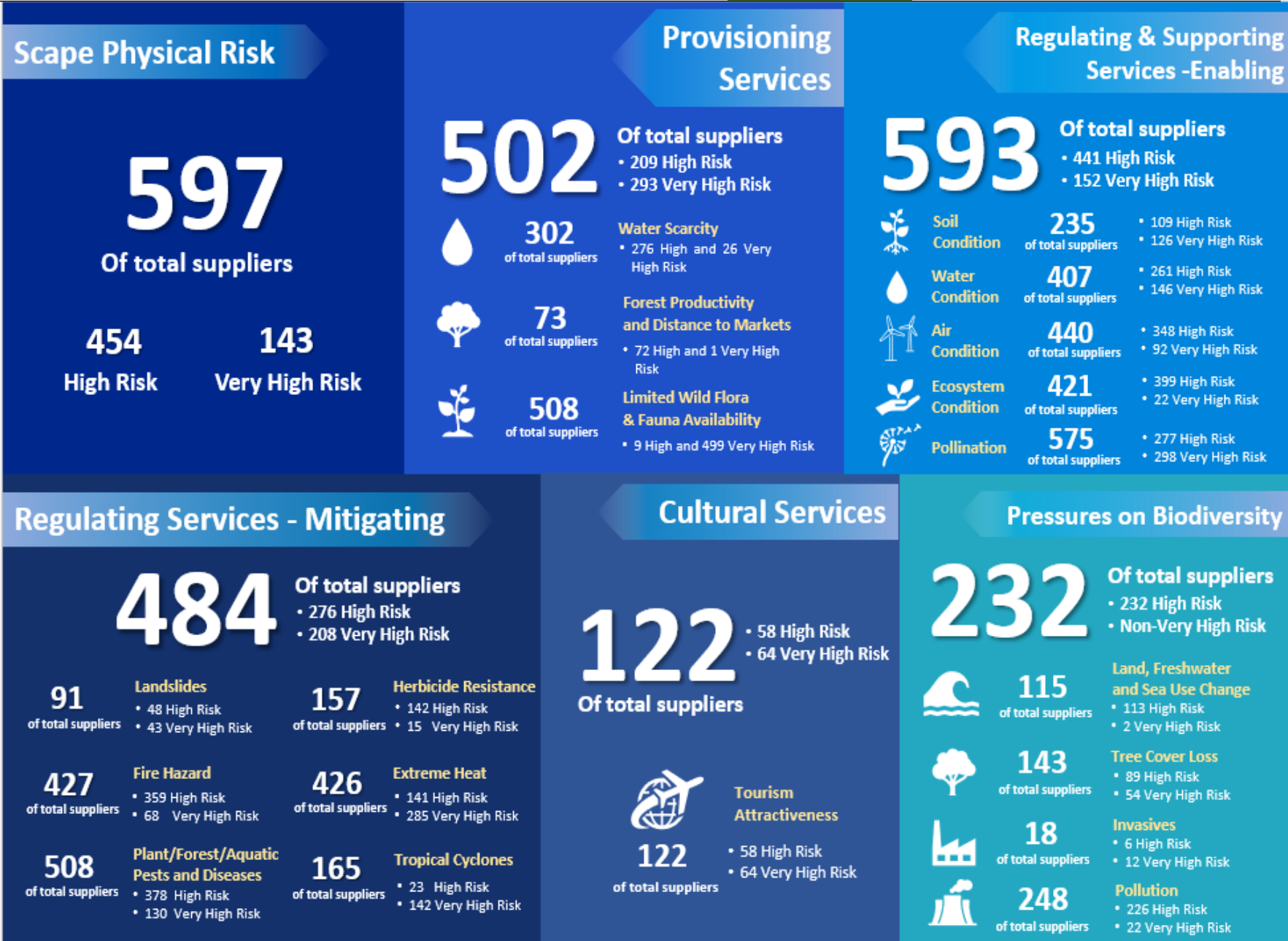
Industry Materiality Matrix

Delta Thailand also realizes the importance of biodiversity risk in our supply chain. We are consolidating biodiversity risk from our 2,010 suppliers (Y2023 active suppliers) by using [WWF Risk Filter Suite](#).

The risk score classification is consistent throughout all risk categories, types as well as in the overall risk, where:



1.0 ≤ X ≤ 1.8	Very low risk
1.8 < X ≤ 2.6	Low risk
2.6 < X ≤ 3.4	Medium risk
3.4 < X ≤ 4.2	High risk
4.2 < X ≤ 5.0	Very high risk



Value chain analysis

To ensure our capability to response to provide innovative, clean and energy-efficient solutions for better tomorrow, we analyze our business activities to see our potential and gap to deliver the promise value to our stakeholders while balance the company's competitive advantage.

Mission: To provide innovative, clean and energy-efficient solution for a better tomorrow





Smarter. Greener. Together.

