

Statement of Due Diligence Assessment

The Transparency Act, Norway

Delta Electronics (Norway) AS is a power electronics specialist with 50 years of experience located in Drammen, Norway. The company is 100 percent owned by Delta International Holding Limited B.V. and the ultimate parent company is Delta Electronics Inc., a listed company in Taiwan. We develop and market power systems and solutions for mission critical applications for telecommunications and datacenters, and for the power utilities, railway & metro, and marine & offshore industries.

Delta Electronics (Norway) AS is a company that takes sustainable business practices seriously. Our goal is to use our influence to work towards respect for human rights, ethical trade, and sustainable production processes, both within the company and throughout our business partners.

We strive for sustainable business practices through due diligence assessments. Due diligence assessments are the method for sustainable business practices. It is a risk-based approach to respect and protect people, communities, and the environment within our own operations and throughout the value chain. Stopping, reducing, or preventing negative impacts on people, communities, and the environment is a fundamental requirement for achieving ethical trade.

Sustainable business practices

Our principles of sustainable business practices (code of conduct) apply to our employees, suppliers, and partners. International standards for human rights, labor rights, environment, animal welfare, and anti-corruption must be respected.

Delta Electronics (Norway) AS principles of sustainable business practices are based on UN and ILO conventions and represent minimum, not maximum, standards. The legislation at the place of production must be respected. Where national laws and regulations cover the same topics as these guidelines, the highest standard shall apply.

Delta has adopted the Responsible Business Alliance (RBA) Code of Conduct as the main framework and has added climate change, labor, occupational health and safety, environment, ethics, and management systems based on its experience to promote the sustainable development of suppliers.

To clarify what we expect from our suppliers, we have developed a Supplier Code of Conduct to specify what behaviors and practices the Company expects to see demonstrated and complied with by our suppliers and their subsidiaries, affiliates, and subcontractors. To ensure alignment across the supply chain, we expect our suppliers to adopt similar principles as set out in our supplier code of conduct, and endeavor to have their sources in the supply chain do so as well. We use the "Delta Supplier Code of Conduct" as important guidance to encourage compliance by suppliers.

The procurement contracts signed with suppliers include the Responsible Business Alliance (RBA) Code of Conduct, fair competition, and anti-trust.

Working with compliance

A significant portion of the resources used in the supply chain consists of purchased components, mostly in the form of semi-finished or finished components. We only directly purchase a small proportion as raw materials.

Our sustainability goals are clearly communicated right from the selection of suppliers, and sustainability-related assessments are conducted.

Supplier assessments

We consider sustainability aspects at an early stage when selecting potential suppliers. Our guidelines require all new suppliers to undergo audits before entering into a business relationship with them. Business relationships with existing suppliers are also audited regularly.

Delta Electronics (Norway) AS have for several years, through the Quality Assurance (QA) function, conducted reviews and audits of its suppliers. These reviews and on-site audits cover sustainability requirements as set in ISO 14001 (Environment), ISO 26001 (Labour & Human rights, Fair business & Ethics), ISO 45001 (Health & Safety) and Delta Supplier Code of Conduct.

Human right risk identification

Delta implements human rights risk identification each year and implements compliance self-examinations for plants and third-party assessments for identified human rights risks. We take mitigation and corrective measures and implement continuous improvements based on the results of risk assessment and internal and external audits to ensure risk management. For 2021, the below table were the topics of concern outlined, and targets and actions that were put in place.

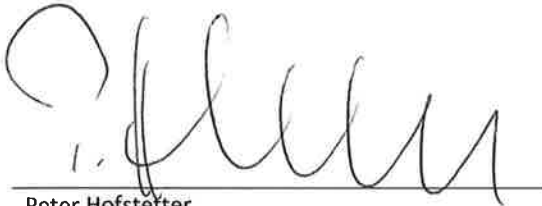
Topics of Concern	Targets and Actions	Management and Mitigation Measures
Freely Chosen Employment and Prohibition on Forced Labor	<ul style="list-style-type: none"> Revisit the Human Rights Policy, Code of Conduct, and Recruitment and Hiring Management Regulations to allow freely chosen employment and prevent non-voluntary labor services Regulate and promote freedom of movement policies in the workplace Establish a policy for requiring zero payment from foreign migrant workers Prohibit the employment of child labor 	<ul style="list-style-type: none"> Strengthen human rights management and provide free access to the work premises Optimize recruitment procedures and ensure the signature of the employment agreement Delta optimizes migrant worker hiring procedures and management matters and implements the zero-payment policy Prohibit the employment of child labor and check the age documentation of new recruits Reimburse the health examination fees to newly onboard employees
Wages and Benefits	<ul style="list-style-type: none"> Comply with all compensation laws, including minimum wage, overtime and mandated benefits. Ensure that workers are paid for overtime hours with a pay rate higher than the regular hourly rate. Wage deductions shall not be used as a disciplinary measure. Provide comprehensive payroll information for each payroll period Hire temporary and dispatched workers and outsource labors in accordance with local laws. 	<ul style="list-style-type: none"> According to the laws of certain regions, the salary of the resigned personnel must be paid within the day of the termination of the labor relationship Pre-confirm employees' consent to the local social insurance payment base Improve the accuracy of payroll statements and insurance processes
Staffing Diversity and Anti-discrimination	<ul style="list-style-type: none"> Respect religious freedom and establish application procedures for employees' religious venues During the process of M&A projects, actively identify whether the target company has human rights risks such as gender/racial/religious discrimination 	<ul style="list-style-type: none"> Hire more aboriginal employees and provide 3 days of annual festival leave which is better than the law Update the process for employees to apply for religious venues Care for the human rights of foreign migrant workers
Work Hour Management and Equal Pay for Equal Work	<ul style="list-style-type: none"> No difference in salary due to gender, age, race, etc. Implement appropriate working hours that account for the physical and mental health of employees, manage overtime work hours, and regularly promote the publicity of working hour regulations 	<ul style="list-style-type: none"> Improve the application process for revising the record of dismissal after employees leave the factories late for being delayed due to personal affairs System alerts and control over overtime work hours and work days Ensure reasonable manpower planning, work hour control and leave days scheduling Develop motivation measures to encourage employees to increase work productivity
Freedom of Association	<ul style="list-style-type: none"> Create an environment with freedom of expression and communication and provide employees with the legal right to establish, join, or refuse to join any associations or group agreements 	<ul style="list-style-type: none"> Amend the RBA manual to clearly state that "all personnel have the right to freely join or organize labor unions, and labor unions may conduct collective negotiations with the company on behalf of their members"
Sexual Harassment Prevention and Unlawful Infringement in the Workplace	<ul style="list-style-type: none"> Headquarters issues written statement for workplace violence prevention Create a friendly workplace environment and set up sexual harassment grievance hotline, mailbox, and heartwarming delivery services Establish global whistleblowing management mechanisms Establish procedures for processing and investigating unlawful infringement in the performance of duties 	<ul style="list-style-type: none"> Produce online courses for sexual harassment prevention and track the training completion rate Organize training for prevention of unlawful infringement and sexual harassment in the workplace Amend Taiwan region's policy of the management of unlawful infringement and sexual harassment in the workplace, and regulate the settlement procedure for the cases in which the appeal committee has not been convened

Information

Our annual ESG (Environmental, Social, and Governance) report is highly comprehensive and covers various aspects, including our work with the supply chain, requirements, and risk assessments. The ESG report can be found [here](#).

If you submit a written request, you, and everyone else have the right to obtain information about how we address both actual and potential negative consequences, both in general and concerning specific products or services.

As a general rule, we will respond to your inquiry within three weeks of receiving it.



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