



## Modern Slavery and Human Trafficking Statement 2017

The U.K. Modern Slavery Act of 2015 (the “Act”) requires commercial organizations that supply goods or services in the U.K. and which have a total annual turnover above a certain threshold to publish a slavery and human trafficking statement each financial year. This statement describes the actions taken by Delta Electronics, Inc. and its subsidiaries (“Delta”) during the fiscal year 2017 to prevent modern slavery and human trafficking in our business and supply chain.

### **STRUCTURE, BUSINESS AND OPERATION**

Delta, founded in 1971, is a global leader in power supplies and thermal management solutions headquartered in Taipei, Taiwan. We operate with 87,000 employees, 153 sales offices, 40 plant sites, and 61 R&D centers throughout EMEA, Asia, Americas, and Australia. Delta's business categories include Power Electronics, Automation, and Infrastructure. With more than 500 key suppliers, Delta's suppliers provide production-related direct materials, non-production-related indirect materials, and labor.

### **POLICY AND CODE OF CONDUCT**

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

The main commitments of Delta are:

- To comply with applicable labor or employment laws and international standards
- To prohibit hiring forced labor or child labor, all jobs shall be taken voluntarily
- To ensure that employees can voluntarily leave the company within a reasonable period after giving notice
- To prohibit any form of harassment and inhumane treatment
- To hire employees based on capabilities with non-discrimination
- To establish a management mechanism for working hours in line with



labor laws and regulations

- To provide employee compensation and benefits to meet the applicable laws, including minimum wages, holidays with pay and welfare provided in the law

### **RISK MANAGEMENT and DUE DILIGENCE PROCESSES**

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

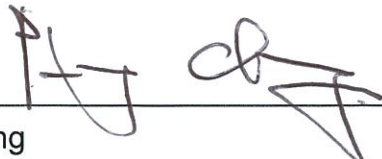
- During new hire orientation and training, all recently-hired employees receive a copy of the Code.
- Review annually through internal auditing processes according to the guidance of Responsible Business Alliance (RBA) on our own operation.
- All suppliers are requested to sign an RBA commitment statement. And Delta assesses the CSR structure of its first and second-tier suppliers using questionnaire surveys to analyze suppliers' current situation in relation to corporate governance, environment, and social factors.

### **TRAINING**

It is important to us that our employees are aware of the modern slavery issues and support Delta's value. Every Delta new employee is required to accept the Code and Sexual Harassment Prevention e-learning courses and e-test. Such training helps employees to raise awareness and improve their understanding on human rights issues.

### **FUTURE PLAN**

1. Benchmark on global leading practices on modern slavery due diligence.
2. Strengthen human right management approaches in the future, as well as human trafficking prevention practices.
3. Conduct human right assessments and suppliers' auditing with third party consultants.

  
04/30/2018  
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Ping Cheng  
Chief Executive Officer