

# Suppliers' Social Responsibility Management Measures

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## 1. Purpose

The purpose of Management Measures is to promote Delta's corporate social responsibility (CSR) and ensure that its electronics supplier chain continues implementing CSR during operations.

## 2. Scope:

Applicable to all of Delta's suppliers

## 3. Content:

### 3.1 Requirements for Delta's Suppliers' CSR:

The RBA Code of Conduct is a standard published by the Electronic Industry Citizenship Coalition (EICC), which is adopted to ensure that the electronics industry supply chain provides a safe work environment, workers receive respect and dignity, and that businesses take responsibility for environmental protection and comply with ethical rules in their operations. The content includes five chapters: labor, health and safety, environment, ethics, and management system. Please refer to <http://www.eicc.info> for further information.

Delta has established the CSR task force to promote CSR activities within the scope of Delta's supply chain. It requires that suppliers and their affiliated companies abide by the electronics industry code of conduct and corresponding laws and regulations in China, and establish a labor environment as well as a health and safety management system in line with the spirit of the RBA to ensure the safety of the work environment in the electronics industry supply chain and that employees are respected and their dignity maintained. In addition, they should take responsibility for environmental protection in the manufacturing processes.

### 3.2 The CSR task force for Delta's suppliers

Delta's Suppliers' CSR task force is headed by the head of Delta China's RBA Department. The head of the Company factories' Procurement Department is in charge of the task force in the factories. The suppliers' corresponding procurement personnel serves as the direct contact person; the Human Resources Department serves as the auditor for labor and ethics management; the Occupational Safety Department serves as the auditor for a safe environment and occupational safety.

### 3.3 Job and Duty of the Task Force

3.3.1. Responsible for internal RBA continuous advocacy and promotion

3.3.2. Auditing of suppliers' implementation status of RBA

### 3.3.3. Tracking and urging suppliers' improvement

3.4 To ensure that Delta's suppliers understand and comply with the RBA's regulations, Delta China's RBA team needs to randomly inspect major suppliers for RBA auditing. Supplier random inspection principles:

3.4.1 According to the performance of material feeding at each factory, the manufacturing processes, and the overall quality on the customers' end, main parts are selected; the top 80% of the main part material suppliers in terms of transaction volume are selected as major suppliers.

3.4.2 Every January a decision is made based on quality performance and transaction volume of the previous year to select major suppliers for auditing and improvement for the year.

### 3.5 RBA Auditing Flow

3.5.1 When auditing suppliers, such as for Environmental Health and Safety (EHS), the Occupational Safety Department will send personnel to conduct audits in accordance with the environmental health and safety requirements of RBA. As for Labor Ethics (LE) – the Human Resources Department conducts audits based on the Labor and Ethics requirements of RBA.

3.5.2 When auditing suppliers, the "Auditing Follow-up Report for Improvement" should be adopted.

3.5.3 Suppliers are required to sign and send back the "RBA Declaration of Conformity" and the "Metal Source Survey and Declaration."

3.5.4 Trip schedule for on-site factory auditing:

3.5.4.1 Open meeting

3.5.4.2 On-site auditing

3.5.4.3 Interviews with employees

3.5.4.4 Document review

3.5.4.5 Close meeting

### 3.6 Continuous Improvement

Within two weeks after suppliers have obtained the auditing report, based on the actual conditions on the floor, suppliers should provide a detailed plan for problem improvement implementation, including the closing date and the person in charge of closing the case, and reply to Delta in accordance with Delta's designated format for the auditing follow-up report for improvement. Delta will set a follow-up date based on the improvement status. For items to be improved by the deadlines, suppliers must reply regarding improvement status at any time to ensure continuous improvement of CSR. Suppliers need to

complete improvements within six months. If improvement fails to be made on time, suppliers' qualifications may be suspended or removed from the list of major suppliers, depending on the circumstances.

### 3.7 Monitoring and Handling of Suppliers' Abnormal Events

3.7.1 Daily collection of information about suppliers' abnormal events.

3.7.2 If suppliers' conditions are discovered to be abnormal, a plan should be developed to investigate the reasons.

3.7.3 Urging suppliers to complete improvements.

## 4. References

4.1 RBA

4.2 OHSAS18000

4.3 ISO14001

## 5. Appendices

5.1 "Auditing Follow-up Report for Improvement"

5.2 "RBA Declaration of Conformity"

5.3 "Metal Source Survey and Declaration"