



# DUE DILIGENCE ASSESSMENT

*According to Norwegian Transparency Act*

## DELTA ELECTRONICS (NORWAY) AS

2023

### Background

The Norwegian Transparency Act mandates that organizations conduct and disclose due diligence to ensure responsible business practices and transparency within their operations, suppliers and supply chain. This requirement is designed to promote accountability, particularly concerning human rights and decent working conditions, and ethical standards throughout the supply chain. By publishing the due diligence report, the company demonstrate its commitment to these principles, providing stakeholders with clear insights into the efforts to uphold integrity and sustainability in the company's business activities.

### About the company

Delta Electronics (Norway) AS (*hereby referred to as **Delta Norway***) is a power electronics specialist with 50 years of experience located in Terminalen 12, 3414 Lierstranda in Norway. The company has approximately 150 employees and is 100 percent owned by Delta International Holding Limited B.V. and the ultimate parent company is Delta Electronics Inc. (*hereby referred to as **Delta Group***), a listed company in Taiwan.

Delta Group, as a parent of Delta Norway, shall comply with international labour practices and standards of human rights including the United Nations (UN) Global Compact, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises, the SA8000 Standard of Social Accountability International (SAI), the Code of Conduct of Responsible Business Alliance (RBA), Declaration of Human Rights, International Labour Organization Tripartite Declaration of Principles (ILO MNE Declaration) and any other applicable labour or employment laws and international standards. Delta Group is a frequent recipient of international awards and related recognition for innovation, design, and continuous dedication to ESG.



Delta Group and Delta Norway develop and market power systems and solutions for mission critical applications for telecommunications and datacentres, and for the power utilities, railway & metro, and marine & offshore industries.

Delta Norway is a company that takes sustainable business practices seriously. The goal is to positively influence the respect for human rights, ethical trade, and sustainable production processes, both within the company and through its business partners. The company strive for maintaining sustainable business practices through due diligence assessments.

### **Anchoring accountability**

In order to anchor accountability, responsibility, and establish internal competence, the requirements in the Transparency Act have been presented to the Board of Directors by our partner, PwC during spring 2023. Further, Delta Norway's management team has been introduced to the Transparency Act, the purpose of the act, and what our duties as an international company are.

Delta Norway is a medium sized company with around 150 employees in the Delta Group with appr. 85 000 employees. The Group is well-established and structured, with strategies, policies, and systems in place to ensure sustainable business. However, adapting a small country's legislative requirements into Delta Group policies and processes can be challenging. Mapping and assessing the supply chain in a company with a myriad of organizational levels and regions is a challenge.

### **Due Diligence Assessments in the supply chain**

As preparation for the EU directive CS3D, the environmental aspects have been included in the assessments done for the supply chain (direct and indirect influence). Delta Norway's ESG team has carried out the initial due diligence assessments. The risk assessments with corresponding action plans have been presented for the management group.

## Findings

The risk assessment for Delta Norway, including assessment of the company's global supply chain, identifies the following areas of concern:

- Conflict minerals
- Chemicals
- Technology components
- Metals (steel, copper, aluminium)
- Batteries
- Working and employment conditions at subcontractors
- Working and employment conditions at suppliers and manufacturers

The "High Risk List" at [anskaffelser.no](https://anskaffelser.no) has been used as a reference to evaluate the risk levels. Typically, it is seen that the combination of products/materials and the geography where the goods are supplied from, can involve risks for violation of human rights. Examples of this can be forced labour/overtime, low wages, health and safety issues, and violation of trade union rights. The risk areas of highest concern can be child labour, exploitation in conflict zones, and negative impact on environment and local communities.

The level of control typically corresponds with the distance between the purchaser and supplier. The more tiers in the supply chain and greater distance between the supplier of the material and the purchaser/end user, the more challenging it is to influence and control the human rights.

Local purchases in Delta Norway are made through the sales organization in Norway (products from own manufacturers and deliveries from sub-contractors), as well as through the region-wide purchasing department (Delta production globally, components, office supplies and furniture), and the IT department (software and hardware for office personnel).

The ESG and Quality department is responsible for auditing the key suppliers. However, the quantity of key suppliers is a small proportion of what Delta Norway as a company deals with. The standard audit questionnaire for key suppliers has been evaluated against the requirements of the Transparency Act, and adjustments are already implemented.

An annual supplier survey is conducted by Delta Group to review the human rights in the supply chain. This survey includes both new and key suppliers. A detailed overview of the number of

invitees, number of participants, and type of questions is not available to subsidiary offices. Unfortunately, this leaves Delta Norway with limited information to have the complete visibility of human rights within the supply chain.

The fact that the different organization levels and regions in the Delta Group monitor the supply chain differently, limits the visibility for individual legal entities. Moreover, cultural aspects such as transparency and information sharing, add to the complexity of the supply chain overview in Delta's international organization. To facilitate improved methods, better overviews, and improved transparency internally is a prioritised task.

Delta Norway is not aware of any human rights breaches in connection with the company's activities. However, the challenges connected to the size, organizational structure, transparency between the headquarter and subsidiaries, as well as the different methods of monitoring, may result in Delta Norway purchasing products from suppliers or sub suppliers who violate human rights. This risk requires attention in the entire organization.

## Measures

Based on the findings above, Delta Norway plan to implement the following measures;

- Provide training on human rights and the Transparency Act for employees responsible for purchasing products or services on behalf of Delta Norway
- Continuously collaborate with the headquarters and other subsidiaries to thoroughly assess the supply chain and identify any human rights risks
- Further enhance Delta Supplier Code of Conduct to increase focus on human rights in all tiers of the supply chain
- Implement suppliers' approval and signature on Delta Supplier Code of Conduct for all suppliers
- Propose introduction of a companywide digital platform for supplier evaluation

Implementation of the above-mentioned measures involves contribution from different resources. Despite high importance, some of the measures will take longer than desired. To ensure continuous focus on this important subject, a project with key personnel will be established to ensure progress on this important topic for Delta Norway.



## Period

1st of January to 31st of December 2023.

## Reference to other Due Diligence

Delta Due Diligence Report on Human Rights and Modern Slavery 2022 was published in august 2023 and can be found here:

[https://filecenter.deltaww.com/about/download/esg/Delta\\_Electronics\\_Human\\_Right\\_Due\\_Diligence\\_and\\_Modern\\_Slavery\\_Report.pdf](https://filecenter.deltaww.com/about/download/esg/Delta_Electronics_Human_Right_Due_Diligence_and_Modern_Slavery_Report.pdf)

The updated version for 2023 will be available in August 2024.

## Reporting and publication of information

Delta Norway is doing a financial report, while the ESG-report is issued from Delta Corporate; [https://filecenter.deltaww.com/about/download/2022\\_Delta\\_ESG\\_Report\\_EN.pdf](https://filecenter.deltaww.com/about/download/2022_Delta_ESG_Report_EN.pdf). From the fiscal year 2024, Delta EMEA will report including Delta Norway according to EU's CSRD legislation.

For questions about the company's commitment to human rights, fair labour conditions, and related impacts on its operations and partnerships, the link below can be used.

<https://forms.office.com/r/1VXfRjsAsG>

Delta Norway has established a whistleblower channel, which can be used by its employees or any other contractors/companies acting on behalf of Delta Norway.

<https://www.eltek.com/insights/whistleblower/>

## Relevant policies and documents

Delta Supplier Code of Conduct

Delta Corporate Social Responsibility Best Practice Principles

Delta Group Human Rights and Employment Policy

Delta Conflict Minerals Policy

Delta Group Non-Discrimination and Anti-Harassment Policy

Delta Group Environmental Safety and Health Policies



Delta Group Product Carbon Footprint Strategies

Water Resources Policy

Delta Electronics Norway AS risk assessment related to Transparency Act

Delta ESG report 2022

**Delta Electronics (Norway) AS**

*Drammen, 28th of June 2024*

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Peter Herbert Hofstetter  
*Managing Director*

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Kelvin Yen-Wen Huang  
*Chairman of the Board*

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