

5.3 Employee Development and Training



LITE-ON's commitment to learning and development

LITE-ON's mission statement is "the purpose of training is to provide employees with the right management skills, professional knowledge and team work to help the organization thrive and maintain sustainable growth." As a consequence, learning and development receive the highest degree of emphasis at LITE-ON.

LITE-ON's learning structure and roadmap

LITE-ON's learning structure is founded on the organization's strategy, vision, and values. Through comprehensive curriculum planning, a 12-module learning roadmap has been established and organized on four tiers, which are new employees, field- and level-specific training, and self development.

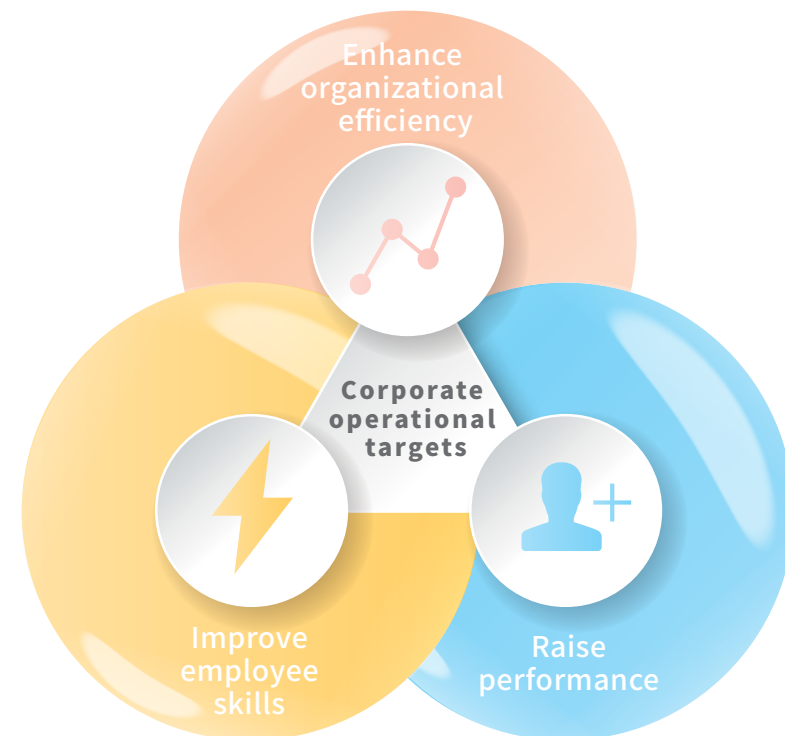
LITE-ON comprehensive learning and development strategies and plans

The LITE-ON 12-module roadmap is based on the company's business strategies and targets. It is designed to improve personal skills and works so to contribute to the realization of the company's mission and vision. First, we help employees learn and understand LITE-ON and the Company's direction of future development. Then we provide self-learning resources, including digital learning and LITE-ON Lectures. For professional training, specialized courses are offered to individual departments as needed. Training in core management competency and quality management is also provided to employees. Finally, we provide advanced management and leadership programs for managers to enable them to combine theory and practice and continue to apply and improve their training in practice. The modules are described in more detail as follows:

The 12-module learning roadmap covers

- for new employees -basic skills, culture shaping, and corporate governance modules;
- modules emphasizing self-learning: Digital learning, LITE-ON Lectures, and Skill set;
- modules enhancing professional competencies: Domain Knowledge, Core management competencies, and Quality management; and
- modules designed for the management: NTU Campus, Leadership, and Advanced Manufacturing.

These modules allow employees at every level to set goals for self-development. The organization operates more efficiently with a positive training cycle, and thereby achieves the operational goals and fulfills the mission and vision of sustainability.



LITE-ON comprehensive employee learning and development strategy blueprint

Lite-On & NTU College

Courses in the fourth year of the elite program for managers, co-organized by Lite-On and academic institutions, have been completed in 2019. The well designed series enables managers to apply theory more extensively in practice (completion rate at 98% and retention rate at 94%^(note)).



Core management competencies

For the purpose of strengthening internal personnel training and development, there are mandatory courses for all levels of employees. Employees/Managers nominated for promotion in a year are required to complete this mandatory course before nomination in order to ensure that they possess the necessary core management competencies for their intended positions.



Skills

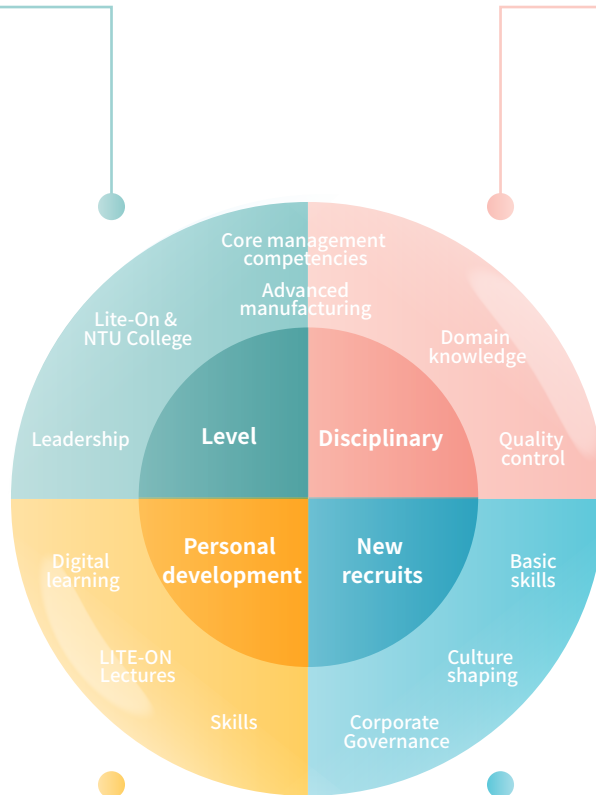
O365 and Office software courses and English language courses are arranged to improve work efficiency and language skills that help employees increase their soft power. A total of 335 people applied to participate in the English program this year. 151 people (46.0%) progressed to one or more level up.

LITE-ON Lectures

The lectures offer a wide range of topics, covering both professional topics and softer topics. Most speakers are university professors or industry experts. They provide new work or life related knowledge for Lite-On employees.

Digital learning

Diverse learning channels: The program combines external resources such as e-newsletters and Commonwealth Leader Academy courses. It provides a rich variety of micro-learning resources for Lite-On employees. (90,811 people used the service in 2019.)
Developing digital courses: Lite-On works with academic institutions to provide customized and department specific internal learning materials. (18 courses completed in 2019)



Domain knowledge, quality management

To realize its vision and strategy, Lite-On makes specialized courses on professional training, manufacturing, and quality available to employees. In addition to helping employees gain professional skills, the courses are intended to provide a common language between project team members and create a high performance management model.

Advanced manufacturing

Lite-On promotes planning and construction of advanced manufacturing. The head office makes plans, and guides the business units in transforming process management and manufacturing management by digitization/intelligentization/automation.



Basic skills, culture shaping, corporate governance

In order to quickly familiarize new employees with Lite-On's corporate culture, in addition to the course on their first day of work, new employees are required to complete orientation training within 1 month. 20 online courses are in place to convey the company's vision, mission, and regulations and help new employees quickly assimilate to the Lite-On organization. (The completion rate for orientation training was 90% in 2019.)

Note: Retention rate: Number of active employees completing the course at the end of 2019/Number of people completing the course.

In 2019, LITE-ON Group employees completed 38,676 training sessions and a total of 1,209,326 training hours. On average each person completed 31.3 training hours.¹ (including 5.3 hours of general compliance training (anti-corruption training))

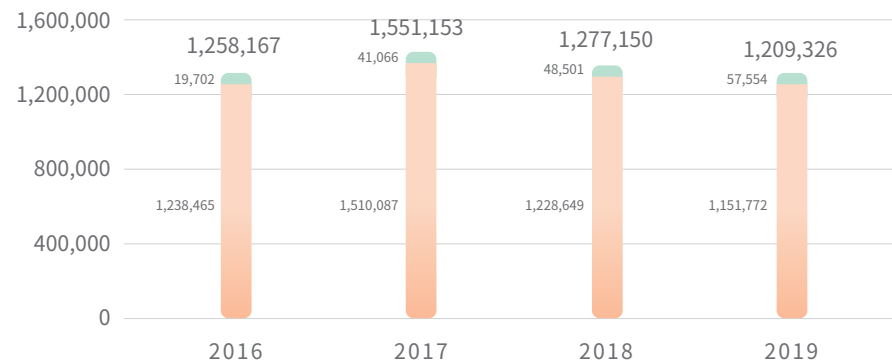
Category	Taiwan		Mainland China		Thailand		Vietnam ²		Other foreign countries ²		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Male	26.0	29.5	27.7	32.6	9.5	59.3	3.9	-	59.1	-	27.7	32.8
Female	20.2	22.9	21.6	23.3	6.5	87.3	4.8	-	146.9	-	22.6	29.8
Indirect labor	Executive Management	8.6	13.1	8.0	-	-	-	-	17.7	-	9.4	13.1
	Senior Manager	11.0	19.1	17.3	9.4	-	-	-	3.7	-	10.0	18.4
	Mid-level Manager	19.1	24.6	12.6	14.2	18.5	56.0	-	9.5	-	17.0	22.7
	General Indirect Labor	20.5	25.0	16.2	12.2	26.0	12.5	4.2	14.2	-	17.2	15.1
Direct labor	4.9	2.6	27.1	33.2	4.0	91.7	4.2	-	240.9	-	27.6	46.6
Hours of external courses ³	-	-	-	-	-	-	-	-	-	-	0.3	0.2
Hours of internal training meetings (WPA) ³	-	-	-	-	-	-	-	-	-	-	5.5	-
Average training hours	23.8	27.0	25.1	28.7	7.1	81.6	4.2	-	90.3	-	31.3	31.8

Note 1. Average hours: Total training hours in the year/Number of people worldwide at the end of 2019.

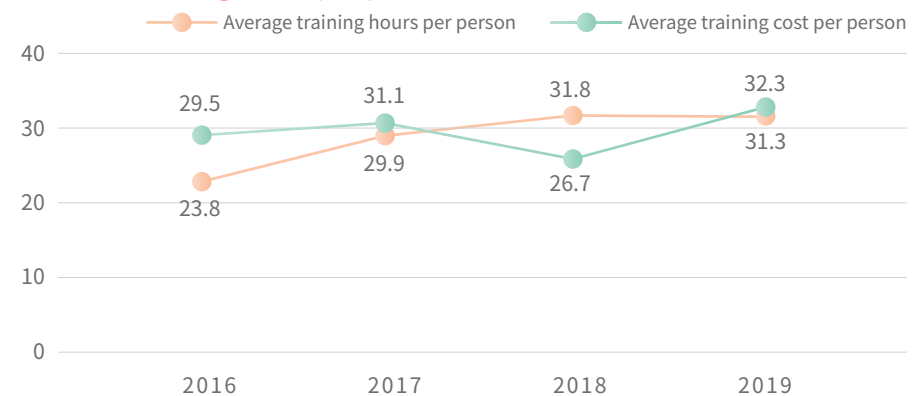
Note 2. Data for Vietnam and other countries are absent for the years prior to 2018, and so only data for 2019 are provided.

Note 3. For hours of external courses and internal meetings, the system is currently unable to separate regions or genders. The WPA system was implemented in 2019, and so the hours of internal training meetings for 2018 were unavailable.

LITE-ON total training hours (online+offline) 2016-2019



LITE-ON training hours per person (hours)/cost (NTD100s) 2016-2018



RBA code of conduct courses in 2019

Location	Number of employees	Total training participation - male	Total training participation - female	Total number of participants	Percentage of total	Total training hours
Taiwan	4,640	2821	1224	4,045	87.2%	1,103
Mainland China	30,285	13,968	8,568	22,536	74.4%	91,850
Thailand	1,957	71	122	193	9.9%	1,578
Vietnam	711	443	268	711	100.0%	356
Others	1,083	132	145	277	25.6%	780
Total	38,676	17,435	10,327	27,762	71.8%	95,666

Note: The courses cover the Responsible Business Alliance (RBA) Code of Conduct, the LITE-ON Human Rights Policy and Ethical Corporate Management Principles, internal audit and control courses, occupational health and safety courses, and energy conservation and carbon reduction campaigns.

Material Insider Information, Anti-trust and Compliance courses (average 5.3 hr/person) in 2019

Location	Number of employees	Total training participation - male	Total training participation - female	Total number of participants	Percentage of total	Total training hours
Taiwan	4,640	2680	1187	3,867	83.3%	3,710
Mainland China	30,285	13,661	8,806	22,467	74.2%	200,800
Thailand	1,957	-	-	-	0.0%	-
Vietnam	711	443	268	711	100.0%	356
Others	1,083	51	27	78	7.2%	524
Total	38,676	16,835	10,288	27,123	70.1%	205,389

Note: Awareness campaigns: To encourage voluntary participation, in 2020, LITE-ON makes plans for mandatory courses to be held in China, and tries to increase the participation rate by prompting employees and departments that have not completed the courses.

Overall training performance assessment

Level	Item	2019	2018	2017	2016
L5	Return on training (Net profit (NTD100mn)/Training cost)	74.9	67.2	51.6	81.3
L4	Average contribution per person (Revenue (NTDmn)/Total number of people worldwide)	4.6	5.0	4.1	4.3
	Average contribution per person (Net profit (NTDmn)/Total number of people worldwide)	0.24	0.18	0.16	0.24

Level	Item	2019	2018	2017	2016
L3	Key person retention rate	87.3%	86.8%	93.7%	- ¹
	Key talent retention rate (NTU elite program for managers)		94%	- ³	71%
	Number of voluntary eLearning participants	90,811	74,744	30,208	16,131
L2	Test score	92.2	92.4	91.9	91.6
L1	Overall satisfaction	90.8%	90.6%	90.0%	- ²
	Administration satisfaction	91.4%	90.8%	90.2%	- ²

Note 1. Data collection started in 2017, and so data for 2016 are not available.

Note 2. Satisfaction data were done on paper in 2016 and electronically processed in 2017 and after, and so data for 2016 are not shown here.

Note 3. Not performed in 2017. The four sets span over 2018 and 2019, and so indicators are shown on a consolidated basis.

Training results - Advanced manufacturing project - IIOT¹

Program background: LITE-ON reconstructs quality manufacturing through automation and digital transformation. In 2017, the company started implementing big data and IoT remote monitoring, and installed a large number of smart manufacturing systems. The plan was to proceed in three stages, digital, web-based, and intelligent. The head office would design the overall structure, and the business segments would create paths of complete transformation based on the characteristics of their products. A total of 12 advanced manufacturing and automation training sessions were held in 2019. They were attended by 305 people (excluding 1,200 people who were staff at the venues or lecturers). The sessions strengthened the understanding of smart manufacturing and automation technology.

Project results are as follows

Category	Indicator	Total in 2019 ¹
L4: Benefit evaluation	Contribution to revenue Reduced material consumption ²	NTD5.0 billion NTD65.4 million
L3: Behavior evaluation	Increased productivity ³	NTD16.3 million
L2: Learning evaluation	Understanding of course content (by questionnaire) ⁴	89%
L1: Reaction evaluation	Course satisfaction ⁴	94%

Note 1: Based on results of projects in two business segments.

Note 2: Material reduction * Standard costs.

Note 3: Savings in time and manpower with increased productivity.

Note 4: Total average questionnaire scores from all sessions/session.

Training results - Core management competency program

Program background: In the interest of a stronger talent pool and a team working toward the same goal, LITE-ON designs core management competency courses by pay grade and creates a common language for managers to avoid discrepancies in management of the organization. The approach also shortens the time to adapt, improves employees' core management competencies, and makes the organization function more efficiently, thereby achieving the vision of sustainable development.

Course	Overseas management associates (OP Staff)	Core management competencies (low level employees)	Core management competencies (managers and above)	NTU Elite Program
Description	Interdepartmental learning to strengthen application to professional and managerial practices. Working in different departments and getting hands-on experience will prepare future managers and giving them the necessary knowledge and skills.	Making these courses part of the prerequisites for promotion shows the emphasis on management capabilities of low- and mid-level supervisors/managers.		The elite program for key talent co-organized with NTU builds up the management talent pool for the company.
Audience	New recruits	General staff	Deputy manager and above	Key talent (managers)
Number of participants	15 (designated)	2,668	841 (middle managers and above at 31%)	50 (designated) (middle managers and above at 2%)

Project results are as follows

Category	Indicator	Overseas management associates (OP Staff)	Core management competencies (low level employees)	Core management competencies (middle managers and above)	NTU Elite Program (key talent)
L4 Benefit evaluation	Contribution Net profit (NTDmn)/Total number of mid-level employees worldwide	-	-	3.4 (NTD million/person), 21% higher than in 2018	
L3 Behavior evaluation	L1 Reaction evaluation	93%	-	86.1%	94%
L2 Learning evaluation	Test/Homework Average score ¹	-	89.2points	96.5points	All submitted
L1 Reaction evaluation	Course satisfaction ²	-	91%	91%	95%-

Note 1: Total average test scores from all sessions/session.

Note 2: Total average questionnaire scores from all sessions/session.