

5.2.2 Employee Retention

LITE-ON offers a comprehensive range of training courses and compensation and benefits to encourage employees pursue self-improvement and achieve career growth. Job descriptions given during interviews will remain consistent after recruits report for work. Managers and human resources officers will also try to reduce new hire turnover by interviewing new employees to find out how they are settling into their positions. New employees will be given assistance in the form of education and training to help them fit into the corporate environment. When an employee submits a resignation, the human resources department will conduct an interview and analyze key factors in retention and resignation in order to improve the retention rate.

In terms of compensation packages, LITE-ON has designed regular compensation reviews to

ensure the company is able to retain talent while ensuring all employees receive above-average compensation. LITE-ON also encourages individual departments to implement reward programs to boost morale and improve business performance, effectively creating a win-win situation.

In terms of talent management strategies, LITE-ON has implemented a human resources management blueprint and an education and training system to provide courses on core management competencies and essential professional skills. These programs are intended to broaden the horizon for employees, enhance management knowledge and skills for managers, develop a common management language, create a healthy corporate culture, and lay the foundation for sustainable development.

1. Employee turnover rate

2019 Monthly average turnover rate (including voluntary and involuntary departures) - by age and region

Region	Type and Age		Direct Labor (DL)						Indirect Labor (IDL)							
	<30	%	30-40	%	41-50	%	>50	%	<30	%	30-40	%	41-50	%	>50	%
Taiwan	130	4.8%	131	5.1%	47	5.0%	4	1.2%	416	4.7%	498	3.0%	423	2.3%	80	1.5%
Mainland China	47,143	24.3%	9,155	13.0%	1,548	6.4%	20	1.6%	1461	4.0%	770	2.0%	114	1.1%	18	2.5%
Thailand	665	9.5%	353	5.1%	64	1.1%	6	0.7%	15	2.7%	13	1.4%	12	0.8%	6	1.3%
Vietnam	527	11.8%	69	6.2%	2	2.6%	0	0.0%	20	3.4%	12	3.7%	0	0.0%	0	0.0%
Others	17	1.1%	36	2.6%	7	1.7%	1	1.2%	16	0.5%	33	1.8%	18	2.0%	4	0.8%
Worldwide total	48,482	23.1%	9,744	11.8%	1,668	5.3%	31	1.3%	1928	3.9%	1,326	2.2%	567	1.8%	108	1.5%

2019 Monthly average turnover rate (including voluntary and involuntary departures) - by gender and region

Region	Type & Gender		Direct Labor(DL)				Indirect Labor(IDL)			
	Male	%	Female	%	Male	%	Female	%		
Taiwan	67	8.26%	245	4.26%	979	2.85%	438	2.97%		
Mainland China	39,104	24.06%	18,762	14.71%	1,577	2.89%	786	2.47%		
Thailand	191	5.78%	897	5.16%	29	1.84%	17	0.88%		
Vietnam	435	11.67%	163	8.42%	15	3.92%	17	2.99%		
Others	28	1.57%	33	1.91%	47	0.96%	24	1.36%		
Worldwide total	39,825	23.13%	20,100	13.03%	2,647	2.76%	1,282	2.52%		

Notes: 1. The calculation of monthly average turnover rate: (monthly average number of departed employees in 2019) / (sum of month-end employee count from Jan to Dec/12)*100%.

2. The relatively high employee turnover in Mainland China is largely attributable to the local labor shortage as well as fierce competition in the industry.

2. Analysis of 2019 Employees on child-care long-term leave (Taiwan)

LITE-ON offers a variety of assistance to employees with child care needs, such as the option to take extended leave, choose different career paths, and receive subsidies. A total of 43 employees applied the child care long-term leave, and 71% of those who did come back to job in 2019. This is a testament to how employees approve of LITE-ON's policies.

2019 child-care long-term leave status

Items	Male	Female	Total
Number of employees eligible for childcare leave in 2019 (A)	469	292	761
Actual number of applicants in 2019 (B)	16	27	43
Expected number of reinstatements in 2019 (C)	14	21	35
Actual number of reinstatements in 2019 (D)	5	18	23
Actual number of reinstatements in 2018 (E)	2	15	17
Number of people who continued to work for one year or more after reinstated from childcare leave in 2019 (F)	2	12	14
Retention rate after parental leave (F/E)	100%	80%	82%
Reinstatement rate after parental leave (D/C)	36%	86%	66%

Note: 1. The number of persons eligible for parental leave is based on the number of employees who applied for maternity or paternity leave between January 1, 2016 and December 31, 2019.
2. Parental leave cannot be implemented in China or Thailand.



5.2.3 Employee Recruitment



LITE-ON utilizes a broad variety of means to recruit top talents to support its operating strategies, and in return provides them with promising career paths. Some of the company's recruitment channels include collaborative programs with universities and colleges, summer internships (in Taiwan), the government's employment promotion programs, and R&D substitute service candidates.

The new hire rate below is calculated as: (sum of monthly number of new employees) / (sum of month-end employee count) in 2019*100%.

2019 Monthly average new hire rate - by age

Region	Type & Age		Direct Labor (DL)						Direct Labor (DL)							
	<30	%	30-40	%	41-50	%	>50	%	<30	%	30-40	%	41-50	%	>50	%
Taiwan	54	2.0%	24	0.9%	6	0.6%	0	0.0%	279	3.2%	309	1.8%	178	1.0%	16	0.3%
Mainland China	46,126	23.7%	8,569	12.2%	1,419	5.9%	14	1.2%	1,136	3.1%	431	1.1%	49	0.5%	12	1.6%
Thailand	555	7.9%	237	3.4%	22	0.4%	0	0.0%	9	1.6%	1	0.1%	6	0.4%	1	0.2%
Vietnam	1,062	23.7%	177	16.0%	9	11.7%	0	0.0%	70	11.9%	23	7.1%	1	2.6%	0	0.0%
Others	96	6.0%	6	0.4%	1	0.2%	1	1.2%	548	16.2%	95	5.1%	83	9.2%	68	13.1%
Worldwide total	47,893	22.8%	9,013	10.9%	1,457	4.6%	15	0.6%	2,042	4.1%	859	1.5%	317	1.0%	97	1.3%

2019 Monthly average new hire rate - by gender

Region	Type & Gender		Direct Labor (DL)				Indirect Labor (IDL)			
	Male	%	Female	%	Male	%	Female	%		
Taiwan	15	1.8%	69	1.2%	533	1.6%	249	1.7%		
Mainland China	38,246	23.5%	17,882	14.0%	1,104	2.0%	524	1.6%		
Thailand	149	4.5%	665	3.8%	12	0.8%	5	0.3%		
Vietnam	896	24.0%	352	18.2%	50	13.1%	44	7.7%		
Others	86	4.8%	18	1.0%	623	12.7%	171	9.7%		
Worldwide total	39,392	22.9%	18,986	12.3%	2,322	2.4%	993	2.0%		

5.2.4 Responsible Business Alliance, RBA Code of Conduct Committee



LITE-ON has established its own RBA Code of Conduct audit procedures to ensure the adequacy, effectiveness and appropriateness of its CSR framework, and to monitor how progress complies with prescribed guidelines, goals and regulations. The audit procedures clearly outline the responsibilities, processes, principles and cycles of each audit, as well as what details are expected in an audit report and how audit findings should be followed up.

The RBA Code of Conduct covers a broad range of issues from labor (child labor, forced labor and human rights), health and safety, environmental protection, to business ethics. The company follows these guidelines to conduct self-inspections at each of its plants every month, while plants located in Guangzhou, Dongguan and eastern Mainland China have all assembled RBA Code of Conduct committees to cross-audit each other and ensure 100% compliance. Any conduct that does not comply with the RBA Code of conduct is raised for discussion and improved upon within the given timeframe.

All LITE-ON plants are equipped with CSR project teams that follow the RBA audit program and perform regular internal and external audits. To ensure LITE-ON fulfills its corporate social responsibility, the teams are also responsible for reviewing the plants' performance in terms of the indicators, including labor, ethics, environment, and health and safety, and improvements in these areas.

Inter-plant cross audit flowchart

