

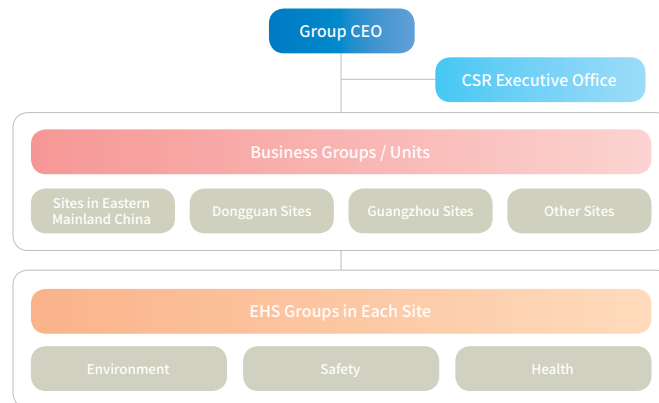
## 5.6.2 Occupational Health and Safety

LITE-ON places an emphasis on its EHS performance management. The company is dedicated to providing safe, comfortable, environmentally friendly, and effective production sites for the benefit of our employees, customers, partners, and the community. EHS management is considered part of the company's competitive advantage, and is hardwired into the corporate DNA. LITE-ON has created an MOE Department. In addition to setting strategic business targets, the department monitors potential impact on the business activities, such as environmental conservation and occupational health and safety issues. Furthermore, the department ensures the EHS targets are met to the satisfaction of the management, and reports regularly to the Group CEO results in areas including overall conditions of plants in the group and occupational health and safety.

LITE-ON establishes the rights and obligations regarding occupational health, safety, and hygiene in employee contracts and health and safety guidelines. LITE-ON also sets two long term goals for health and safety:

1. 10% reduction in the disabling injury frequency rate (FR) per year
2. 10% reduction in the disabling injury severity rate (SR) per year

### LITE-ON's Occupational Safety and Health Organization



### Occupational safety and health management system

To protect workers' safety in the workplace, LITE-ON, in addition to implementing the Occupational Safety and Health Management Policy, have top plant managers at all production sites install EHS organizations and occupational safety and health management committees. The company also put occupational safety and health officers in place to be responsible for promoting and obtaining ISO 45001, OHSAS 18001 or other international certification. The goal is to reduce occupational hazards by ensuring all work plans are carried out effectively and improvements made through the management cycle.

Occupational safety and health management has become an important part of LITE-ON's values of "customer satisfaction," "execution," "innovation," and "integrity." The company pays particular attention to stakeholders' needs, and through management efforts, a workplace is built that is as safe and healthy as it is comfortable.

### Hazard identification, risk assessment and incident investigation

LITE-ON believes a safe and healthy work environment is important, and adopts the principle of early prevention, zero accident and zero hazard. The scope covers routine operations in the company as well as other personnel (contractors and visitors) conducting their activities in LITE-ON's facilities. Management representatives are put in charge of reviewing the approval processes for hazard identification and risk assessment. EHS and unit heads at the plants will perform the necessary tasks after they are confirmed.

The plants hold regular health and safety meetings. Internal/External audits are conducted to examine the adequacy of hazard identification and risk assessment. The plants discuss and revise the processes as needed. All plants comply with the requirements of local regulations and ISO 45001 standards. The plants perform risk assessments to achieve the vision and target of zero accident and zero hazard.

Orientation training informs new employees of their duties regarding health and safety, and emphasizes the importance of protecting themselves. In accordance with the guidelines for "potential imminent danger" under Article 18 of the Occupational Safety and Health Act and Article 25 of the Enforcement Rules of the Occupational Safety and Health Act, the company informs all employees that they should report any imminent danger encountered at work and proceed directly to withdraw to a safe location. Any employee who discovers any safety issue at work may report it immediately to a plant administrator, nurse, or occupational health and safety officer. There was no record of any personnel disciplined for safety issues reported in 2019.

### Occupational health services

LITE-ON provides pre-employment checkups for new hires as well as regular physical examinations for active employees. LITE-ON has installed nurses and emergency care staff in all plants to ensure necessary measures are taken in case of emergency. LITE-ON hires trained doctors to be stationed in the plants/sites and professional medical assistance for its employees. In addition, information on the health services, medical assistance and occupational illness prevention provided by the company is given as part of orientation training for new hires.



### Employee health examinations

- Regular employee health examinations at all plants worldwide
- Additional check items for operators in certain positions
- Health examinations in Taiwan plants
  - Once every year
  - After the examinations, employees will be divided into three classes, low, medium, and high risk, depending on the degree of deviation from the standard values, for followup and support measures to be taken accordingly.



### Health centers in Taiwan plants

- Equipped with first aid kits and equipment
- Breastfeeding facilities
- Onsite nurses
- Monthly health advisory services provided by trained doctors



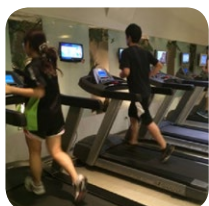
### Emergency medical service

- Equipped with emergency equipment
- Nurses and first aid staff in place
- to provide necessary medical assistance in case of emergency



### Health campaigns

- Seminars on preventing common illnesses hosted by nurses:
  - prevention of cardiovascular diseases
  - obesity
  - Food safety and other health issues



### Fitness center

#### China plants

- Facilities for sports such as table tennis, snooker, and basketball

#### Taiwan plants

- Weight training equipment and other exercise equipment
- Instructions from professional trainers and regular exercise courses (e.g. aerobicing and pilates)

### "Health and Charity" campaign for the weight loss class

LITE-ON works with medical institutions in Taiwan every year to invite employees whose BMI exceeds the normal range to enroll in weight loss competitions. These competitions help employees lose weight in a healthy way through "change of diet" and "healthy exercise". Meanwhile, LITE-ON adds a charitable element by basing its donations on weight loss results. The donations are made to fund care for disadvantaged children and those living in remote areas.

#### Results in 2019

No. of participants: 72  
Total weight lost: 244 kg

Charitable donations: NTD500,000 in total  
(to Shuangxi Elementary School, Jinhe Elementary School, Pingdeng Elementary School, and Hope Center)

Employees who lost 3% or more of body weight: 68%

### Worker participation, counseling and communication in occupational health and safety

Most LITE-ON's production sites are located in Taiwan, China and Thailand. The laws in Taiwan require companies have an occupational health and safety committee in place to oversee and coordinate occupational health and safety related matters. Regular meetings are held to discuss health and safety issues, including health and safety management, education and training programs, health management, prevention of occupational diseases and health facilitation, automated examination and health and safety audits, machines, equipment or raw materials, prevention of material hazards, and occupational accident investigation reports. Though no such requirement exists in China or Thailand, LITE-ON has nevertheless created similar organizations to involve employees in the company's occupational health and safety practices. Below is a summary of workers' participation in health and safety organizations throughout LITE-ON's global locations, and the key issues discussed in 2019.

	Taiwan	Mainland China	Thailand
Percentage of employee representatives on the occupational health and safety committee %	41%	Not applicable	54%
Key issues discussed	<ol style="list-style-type: none"> <li>Occupational health and safety training</li> <li>Health examination and management</li> <li>Hazard prevention measures</li> </ol>	<ul style="list-style-type: none"> <li>- Machinery safety and protective measures</li> <li>- Chemical safety measures</li> <li>- Fire safety and drills</li> </ul>	<ul style="list-style-type: none"> <li>- Occupational health and safety training</li> <li>- Legal compliance</li> <li>- Safety review</li> </ul>
Notes	The committee has 49 members; 20 of whom are employee representatives.	Although no committee has been established, employee representatives are able to get involved in occupational health and safety affairs through employee feedback channels.	The committee has 11 members; 6 of whom are employee representatives.

### Worker training in occupational health and safety

LITE-ON follows the rules and relevant requirements regarding occupational health and safety training and provides such training to new employees. The company regularly holds health and safety training classes, including classes on electrical safety, the use and management of hazardous chemicals, and first aid. For fire prevention and safety, the company conducts regular fire drills to raise employee awareness of basic fire prevention. All education and training provided by the company is conducted during work hours. Employees will not be penalized by pay reduction or deduction or leave deduction for participating in such training.



CPR & AED training

Miscellaneous workers who are not employees will be given health and safety training through a pre-entry hazard disclosure, work safety analysis and safety reminders. Safety supervision during active operations and health and safety information given from time to time help other miscellaneous workers pay more attention to the health and safety culture.

### Worker health promotion

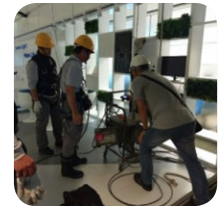
LITE-ON values a culture of health. The company sends health e-Newsletters from time to time to deliver messages on different topics in order to urge employees to pay attention to their own health. In addition, the company uses articles in the quarterly LITE-ON Magazine to promote health and safety and prevent hazards as needed. LITE-ON sets up well equipped fitness centers and libraries for employees as part of a healthy and comfortable work environment. Spacious and comfortable cafeterias not only save employees the trouble of eating out, but allow the company to safeguard food safety for its employees. Friendly onsite services available in the plants include travel agencies and cafes.



For miscellaneous workers who are not employees, LITE-ON provides access to office cafeterias and cafes and to necessary onsite medical services. Health information is provided as needed during operation to urge miscellaneous workers to pay more attention to their own health.

### Prevention and mitigation of direct impact of occupational health and safety issues on business activities

For miscellaneous workers who are not LITE-ON employees, LITE-ON complies with regulatory requirements and implements the necessary management measures to ensure contractors have a safe and healthy workplace in the company. Where safety regulations are included in the contracts, contractors will be given health and safety management and training such as hazard disclosures and safety supervision. Safety inspection is conducted as needed. Errors will be conveyed to contractors or responsible departments for safety improvements to be made.



Contractor machine and equipment inspection

### Workers covered by occupational safety and health management system

Workers covered by LITE-ON Occupational Safety and Health Management System are the following:

1. Workers: individuals who are employed to perform work and receive wages.
2. Miscellaneous workers who are not employees: individuals who are not workers above but perform work at the direction or supervision of persons in charge in the workplace, such as workers who are not employed by the departments but perform work in the workplace or perform work for the purpose of learning skills or undergo professional training. Contract workers and personnel of similar nature fall into this category. When LITE-ON hires external suppliers to provide "equipment repair", "catering", "cleaning", and "security" services, the personnel do not perform work at the direction or supervision of persons in charge of LITE-ON's facilities. Therefore, they are not counted in "miscellaneous workers who are not employees".

To ensure the health and safety of miscellaneous workers who are not employees, LITE-ON provides the necessary health and safety training and medical assistance as well as access to the shared facilities. LITE-ON hires specialized vendors to perform specialized and high risk operations, and requires these vendors adhere to local occupational health and safety regulations and LITE-ON's health and safety measures.

### Number of miscellaneous workers who are not employees in 2019

Region	No. of employees	Percentage of employees	Number of miscellaneous workers who are not employees	Percentage of miscellaneous workers
Taiwan	4,640	99.76%	11	0.24%
Mainland China	30,285	94.13%	1,889	5.87%
Thailand	1,957	100%	0	0%

### Work hours in 2019

	Taiwan		Mainland China		Thailand		Total
	Employees	Other Employees	Other Employees	Other	Other	Other	
Work hours (hrs)	7,872,717	21,373	89,574,376	5,238,928	445,205	0	103,243,535

### Occupational injury and illness

In order to prevent occupational diseases and occupational accidents, all plants have established EHS promotion task forces, which work in conjunction with internal and external audits (consisting of annual environmental, safety, health, and fire safety audits). These task forces oversee environmental health and safety activities throughout the company. A zero workplace accident scorecard is a key operations and management indicator.

In accordance with EHS regulations and management systems, LITE-ON tracks statistics on occupational injuries as follows:

- The frequency of disabling injuries worldwide in 2019 (0.68) is down by 21.8% compared to 2018 (0.87).
- The severity of disabling injuries worldwide in 2019 (17) is down by 30.7% compared to 2018 (13). The results are attributed to a higher SR (up from 14 to 19) for production sites in Mainland China due to an increased number of days with a loss incident. For example, a worker who fell at the Tianjin Plant had a torn ligament and stayed home for 123 days in total. LITE-ON will continue to observe the root causes of injuries and prevent recurrences through improvements and preventive measures, improved procedures, training, raising workers' awareness, and eliminating of behaviors and workplace arrangements that are unsafe to workers.

### Occupational injury statistics

Region	Year	Taiwan		Mainland China		Thailand		Total
		Employees	Other	Employees	Other	Employees	Other	
Disabling Injury Frequency Rate (FR)	2017 <sup>1</sup>	0.11	0	0.91	0	11.48	0	0.88
	2018 <sup>1</sup>	0.35	0	0.97	0.12	3.95	0	0.87
	2019	0.63	0	0.73	0	0	0	0.68
Disabling Injury Severity Rate (SR)	2017 <sup>1</sup>	0	0	12	0	113	0	11
	2018 <sup>1</sup>	8	0	14	0	43	0	13
	2019	13	0	19	0	0	0	17
Occupational disease rate	2019	0	0	0	0	0	0	0
Occupational deaths (person)	2019	0	0	0	0	0	0	0

Formula:

1. Disabling injury frequency rate (FR) = Number of disabling injuries × 1,000,000 / Total work hours elapsed [per million work hours]
2. Disabling injury severity rate (SR) = Total work days lost × 1,000,000 / Total work hours elapsed [per million work hours]
3. Occupational disease rate = Number of workers contracting occupational diseases × 1,000,000 / Total work hours elapsed [per million work hours]

Note 1: FRs and SRs for 2017 and 2018 had been recomputed. The original work hours were estimates (number of people \* work hours per day \* number of work days). The data were corrected to be based on actual work hours.