

## 4.1 Employee Policy

Since its establishment, LITEON's success has been founded on LITEON Beliefs, which are "Customer Satisfaction," "Execution," "Innovation," and "Integrity." It is the company's goal to differentiate itself from the competition by offering the best quality and by helping customers create opportunities and profits, thus making LITEON a sustainable and trustworthy company to shareholders, customers, employees, and other stakeholders.

Employees are LITEON's most important partners in achieving world-class excellence and sustainability, for they are the key that helps the company grow and improve. Hence, LITEON always works side by side with its employees on the path to realize its vision of achieving LITEON's core values and sustainable development.

LITEON set up the human rights policy, and commit to protect the rights of all of its employees in the workplace. The company is constantly working to create a healthy workplace. It also complies with employment laws and international standards in all locations of operation, including giving employees the freedom of association and privacy while prohibiting all forms of forced labor, child labor, and discrimination.

### LITEON's Employee Care Vision and Strategy

- Comply with the laws and regulations to ensure employee rights are protected
- Maintain a friendly workplace with a greater sense of job security and happiness
- Take a people centric approach to better physical and mental wellbeing in the workforce

2020 Targets	Results
30 training hours per person on average	21.4 training hours per person on average <sup>1</sup>
Continue to develop 18 digital courses via industry-academia cooperation	25 courses completed under industry-academia cooperation
Hire quality experts to teach 30 in-house courses	26 courses completed <sup>1</sup>
Monthly average rate of critical position retention at 97% or higher	Critical position retention rate of 91.2% <sup>2</sup>
Disability frequency (FR) and severity(SR) reduced by 10% each compared to previous year	FR increased by 7.3% <sup>3</sup> 、SR reduced 53%

Note: 1. For the first half year, uncertainties early in the COVID 19 pandemic prompted the company to postpone most courses apart from the essential ones. Some courses were moved online (classroom courses requiring more hours to complete than online courses). As a result, the average training hours per person and the offering of quality courses fell under the targets for the year, while the offering of digital courses exceeded the target.

2. - Key positions are those exposed to key manufacturing technologies in plants in Mainland China and Thailand. Such positions are reported by heads of the manufacturing and IE departments, reviewed by the quality control, engineering, and management departments, and approved by the top managers of the respective plants.  
 - The retention rate failed to reach the target due to improved technologies at the plants and higher standards for promotion to key positions as well as a shortage of tech talent and fierce competition among companies.  
 - Retention rate for key persons = Total sum of number of retained key persons at month end over the year/ Total sum of number of key persons at month end over the year

3. The global frequency rate of disabling injuries rose by 7.3% in 2020. The rise was mainly attributed to the 15 cases of work-related injuries in Mainland China in 2020 in addition to those reported in 2019 (the case number in 2019 being 0). These injuries were sustained by miscellaneous workers who were not employed by the company. A total of 60 work hours were lost, and the injuries were minor. To prevent similar incidents, the company immediately stepped-up health and safety management for miscellaneous workers who were not employed by the company.

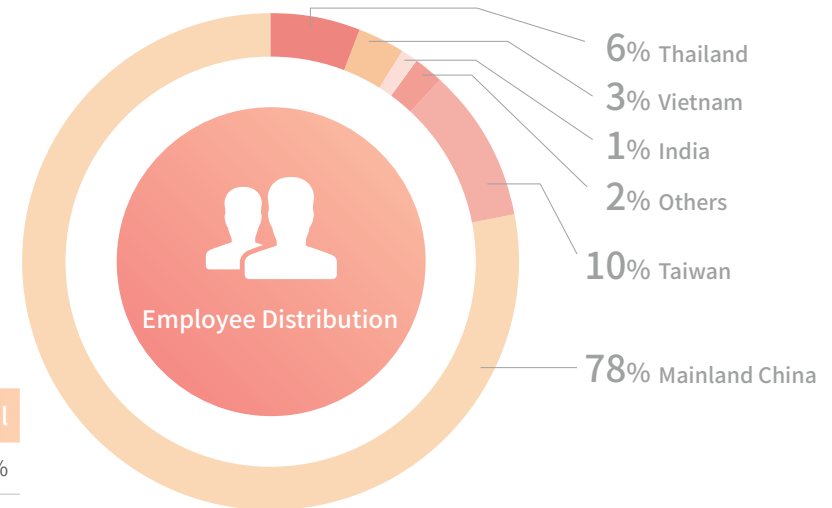
Future Goals	Completion
30 training hours per person on average	2021
Continue to develop 20 digital courses via industry-academia cooperation	2021
Hire quality experts to teach 20 in-house courses <sup>1</sup>	2021
Monthly average rate of critical position retention at 91% or higher	2021
Disability frequency and severity reduced by 10% each compared to previous year	Continued

Note: 1. The company has been organizing quality courses for four years since 2017. Some courses will be changed to be offered every other year. Given spin offs and other organizational changes in 2020 had lowered the demand for manpower, the target number of courses to be given by hired lecturers was adjusted downward.

## 4.2 Employee Profile

### 4.2.1 Employee Structure and Distribution

As at the end of 2020, LITEON had 36,346 employees worldwide; 56.5% of whom were male and 43.5% were female. There were 3,679 employees in Taiwan, while the remaining 32,667 employees were located throughout other overseas (including Mainland China, Thailand, Vietnam, India, Singapore, Brazil, Mexico, U.S.A., Japan, Europe etc.). 98% of employees were in Asia.



	Taiwan	Mainland	Thailand	Vietnam	India	Others	Total
Male	6.7%	45.1%	1.2%	1.5%	0.6%	1.3%	56.5%
Female	3.5%	32.8%	4.6%	1.8%	0.0%	0.9%	43.5%

#### Employee composition contract type

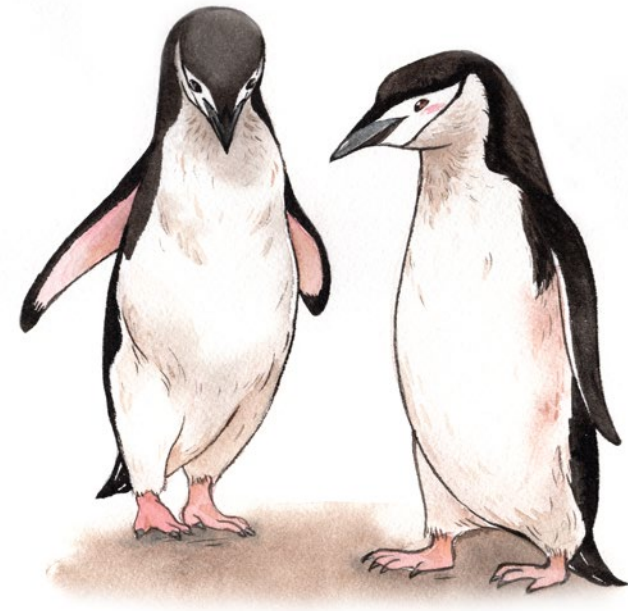
Region	Male		Subtotal	Female		Subtotal	Total
	Full Time	Part Time		Full Time	Part Time		
Taiwan	2,412	12	2,424	1,247	8	1,255	3,679
Mainland China	14,950	1,445	16,395	11,285	631	11,916	28,311
Thailand	446	0	446	1,679	0	1,679	2,125
Vietnam	561	2	563	643	0	643	1,206
India	231	0	231	14	0	14	245
Others	464	7	471	304	5	309	780
Worldwide total	19,064	1,466	20,530	15,172	644	15,816	36,346

Note: Full Time are permanent employees and Part Time are contracted employees.

### Dispatch employment

Region	Gender & Type		Dispatched Employees	
	Male	Female	Total	
Taiwan	67	122	189	
Mainland China	4,803	2,609	7,412	
Thailand	0	0	0	
Vietnam	0	0	0	
India	835	0	835	
Others	204	343	547	
Worldwide total	5,909	3,074	8,983	

Note: Dispatched employees are mainly direct labors on the production line. In response to short-term fluctuant demands from the industry, the company rely on professional dispatch/labor companies to provide manpower.



### Disabled and foreigner employment

Region	Gender & Type		Disabled			Foreigner		
	Male	Female	Male	Female	Total	Male	Female	Total
Taiwan	24	15	39	13	8	21		
Mainland China	183	77	260	5	2	7		
Thailand	0	0	0	0	0	0		
Vietnam	0	0	0	0	0	0		
India	0	0	0	0	0	0		
Others	3	3	6	1	2	3		
Worldwide total	210	95	305	19	12	31		

### Recruiting local residents in high-level management

	Taiwan	Mainland China	Thailand	Vietnam	India	Others
High-level management employees	4.6%	2.0%	1.7%	0.2%	0.0%	22.1%
Percentage of local residents recruited in high-level management positions	98.2%	99.0%	100.0%	100.0%	0.0%	99.4%

Note: 1. Director & above are defined as High-level management positions in Taiwan.

2. Deputy Manager & above are defined as high-level management positions in Mainland China, Thailand, Vietnam, India and other regions which are mainly manufacturing sites.

## Employee structure

### Gender and age distribution by region

Region	Male		Female				合計			
	≤ 30	31-40	41-50	>50	合計	≤ 30	31-40	41-50	>50	合計
Taiwan	11.3%	20.5%	25.4%	8.7%	65.9%	4.4%	12.5%	12.4%	4.8%	34.1%
Mainland China	35.7%	16.8%	4.9%	0.5%	57.9%	19.6%	15.3%	6.9%	0.3%	42.1%
Thailand	8.4%	6.5%	5.1%	1.0%	21.0%	24.2%	22.5%	26.2%	6.1%	79.0%
Vietnam	36.3%	9.8%	0.6%	0.0%	46.7%	42.0%	10.4%	0.9%	0.1%	53.3%
India	84.1%	9.4%	0.8%	0.0%	94.3%	5.3%	0.4%	0.0%	0.0%	5.7%
Others	20.3%	19.6%	9.4%	11.2%	60.4%	10.0%	14.9%	8.5%	6.3%	39.6%
Worldwide total	31.6%	16.4%	6.9%	1.6%	56.5%	18.8%	15.2%	8.3%	1.3%	43.5%

### Gender and education distribution by region

Region	Male			Female		
	Masters & above	Bachelor	Others	Masters & above	Bachelor	Others
Taiwan	34.7%	29.8%	1.4%	8.3%	20.0%	5.8%
Mainland China	0.2%	10.6%	47.1%	0.2%	6.7%	35.2%
Thailand	0.0%	12.0%	8.9%	0.0%	16.9%	62.1%
Vietnam	0.0%	10.0%	36.7%	0.0%	10.0%	43.4%
India	0.0%	91.8%	2.4%	0.0%	5.7%	0.0%
Others	7.6%	49.1%	3.7%	1.9%	32.3%	5.4%
Worldwide total	3.9%	14.0%	38.7%	1.0%	9.3%	33.2%

### Gender and grade distribution by region

Grade and gender	Year		2018		2019		2020	
Executive management	Male	55	94.8%	63	94.0%	51	94.4%	
	Female	3	5.2%	4	6.0%	3	5.6%	
	total	58	100.0%	67	100.0%	54	100.0%	
Senior manager	Male	165	87.3%	159	85.0%	133	88.1%	
	Female	24	12.7%	28	15.0%	18	11.9%	
	total	189	100.0%	187	100.0%	151	100.0%	
Mid-level manager	Male	1,867	76.5%	1,901	76.0%	1,699	75.6%	
	Female	574	23.5%	599	24.0%	547	24.4%	
	total	2,441	100.0%	2,500	100.0%	2,246	100.0%	

Note: 1. Executive management are Associate Vice President and above.  
 2. Senior manager are Director and above.  
 3. Mid-level manager are D. Manager, Manager, and Sr. Managers.

### General employee type by gender

Type and gender	Year		2018		2019		2020	
Indirect labor (IDL)	Male	8,301	65.4%	7,853	65.1%	7,543	62.9%	
	Female	4,387	34.6%	4,218	34.9%	4,448	37.1%	
	Total	12,688	100.0%	12,071	100.0%	11,991	100.0%	
Direct labor (DL)	Male	15,079	51.8%	13,911	52.3%	12,987	53.3%	
	Female	14,034	48.2%	12,694	47.7%	11,368	46.7%	
	Total	29,113	100.0%	26,605	100.0%	24,355	100.0%	
All employees	Male	23,380	55.9%	21,764	56.3%	20,530	56.5%	
	Female	18,421	44.1%	16,912	43.7%	15,816	43.5%	
	total	41,801	100.0%	38,676	100.0%	36,346	100.0%	

Note: Director labors are direct workers on production lines.

## 4.2.2 Employee Retention

LITEON 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, LITEON has designed regular compensation

reviews to ensure the company is able to retain talent while ensuring all employees receive above-average compensation. LITEON 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, LITEON 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

2020 Annual monthly average turnover rate (including voluntary and involuntary departures) - by age and region

Region	Type & age		Direct Labor (DL)						Indirect Labor (IDL)							
	≤ 30	%	31-40	%	41-50	%	>50	%	≤ 30	%	31-40	%	41-50	%	>50	%
Taiwan	165	9.5%	143	6.8%	19	2.0%	2	0.6%	183	2.6%	278	1.9%	224	1.3%	83	1.5%
Mainland China	46,034	27.8%	9,845	14.1%	1,787	6.9%	22	1.6%	1,221	3.7%	562	1.4%	77	0.6%	13	1.4%
Thailand	361	5.6%	224	4.1%	40	0.7%	3	0.4%	30	1.9%	27	1.5%	10	0.4%	8	0.9%
Vietnam	196	2.3%	36	1.9%	1	0.8%	0	0.0%	22	2.3%	16	3.0%	0	0.0%	0	0.0%
India	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.1%	1	0.5%	0	0.0%	0	0.0%
Others	6	0.5%	13	0.8%	1	0.2%	1	0.9%	31	1.4%	57	2.9%	21	1.7%	10	0.9%
Worldwide total	46,762	25.4%	10,261	12.7%	1,848	5.6%	28	1.0%	1,488	3.2%	941	1.6%	332	1.0%	114	1.3%

## 2020 Annual 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	34	3.75%	295	6.97%	528	1.72%	240	1.76%
Mainland China	39,131	26.32%	18,557	16.29%	1,214	2.32%	659	1.95%
Thailand	86	4.22%	542	3.35%	41	1.33%	34	0.98%
Vietnam	105	1.78%	128	2.70%	17	2.62%	21	2.31%
India	0	0.00%	0	0.00%	1	0.08%	1	0.98%
Others	5	0.36%	16	0.82%	87	1.95%	32	1.51%
Worldwide total	39,361	24.59%	19,538	13.85%	1,888	2.04%	987	1.83%

Notes: 1. Annual monthly average turnover rate = annual monthly average number of departed employees / annual monthly average month-end employee count  
 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.

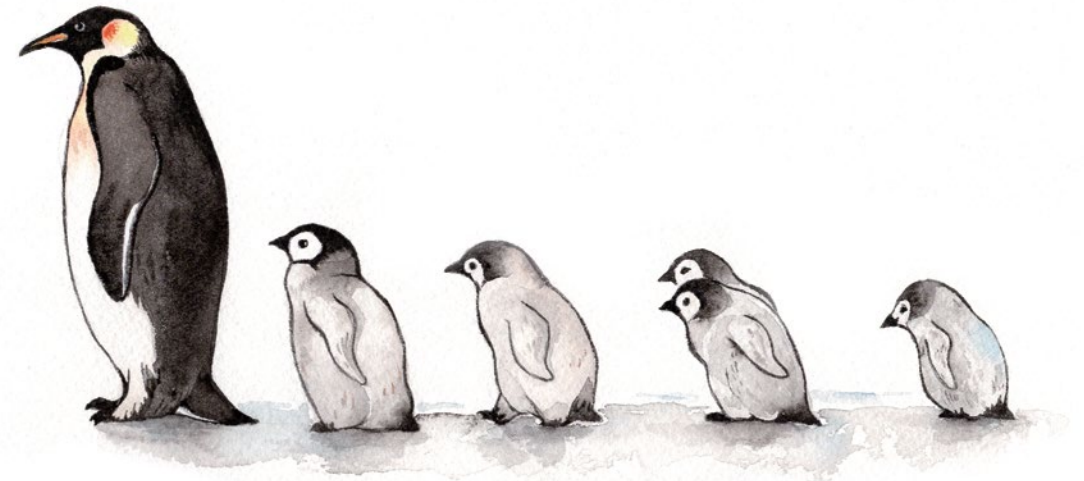
## 2. Analysis of 2020 Employees on child-care long-term leave (Taiwan)

LITEON offers a variety of assistance to employees with childcare needs, such as the option to take extended leave, choose different career paths, and receive subsidies. A total of 29 employees applied the childcare long-term leave, and 65% of those who did come back to job in 2020. This is a testament to how employees approve of LITEON's policies.

### 2020 child-care long-term leave status

Items	Male	Female	Total
Number of employees eligible for childcare leave in 2020 (A)	422	207	629
Actual number of applicants in 2020 (B)	7	22	29
Expected number of reinstatements in 2020 (C)	4	16	20
Actual number of reinstatements in 2020 (D)	0	13	13
Actual number of reinstatements in 2019 (E)	5	18	23
Number of people who continued to work for one year or more after reinstated from childcare leave in 2019 (F)	3	10	13
Retention rate after parental leave (F/E)	60%	56%	57%
Reinstatement rate after parental leave (D/C)	0%	81%	65%

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, 2017 and December 31, 2020.  
 2. The calculation of the number of people includes those who change the period of leave  
 3. Parental leave cannot be implemented in Mainland China or Thailand.



## 4.2.3 Employee Recruitment

LITEON 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.

### 2020 Annual monthly average new hire rate - by age

Region	Type & age		Direct Labor (DL)						Indirect Labor (IDL)							
	≤ 30	%	31-40	%	41-50	%	>50	%	≤ 30	%	31-40	%	41-50	%	>50	%
Taiwan	17	1.0%	42	2.0%	12	1.3%	0	0.0%	250	3.5%	251	1.7%	133	0.8%	19	0.3%
Mainland China	45,778	27.7%	9,276	13.3%	1,607	6.2%	5	0.4%	1,171	3.5%	409	1.0%	49	0.4%	6	0.6%
Thailand	498	7.7%	265	4.9%	39	0.7%	0	0.0%	43	2.8%	16	0.9%	11	0.5%	0	0.0%
Vietnam	911	10.6%	156	8.1%	1	0.8%	0	0.0%	75	7.8%	32	5.9%	1	2.6%	0	0.0%
India	56	4.9%	0	0.0%	0	0.0%	0	0.0%	34	3.2%	5	2.6%	1	5.3%	0	0.0%
Others	19	1.6%	11	0.7%	4	0.9%	0	0.0%	382	17.0%	197	10.1%	235	19.4%	187	15.9%
Worldwide total	47,279	25.6%	9,750	12.0%	1,663	5.0%	5	0.2%	1,955	4.2%	910	1.5%	430	1.3%	212	2.4%

Note: Annual monthly average new hire rate = (annual monthly average number of new employees) / (total sum of month-end employee count from January to December / 12) \* 100%

### 2020 Annual monthly average new hire rate - by gender

Region	Type & gender		Direct Labor (DL)				Indirect Labor (IDL)			
	Male	%	Female	%	Male	%	Female	%		
Taiwan	23	2.5%	48	1.1%	423	1.4%	230	1.7%		
Mainland China	38,753	26.1%	17,913	15.7%	1,086	2.1%	549	1.6%		
Thailand	118	5.8%	684	4.2%	56	1.8%	14	0.4%		
Vietnam	436	7.4%	632	13.4%	42	6.5%	66	7.3%		
India	56	4.8%	0	0.0%	37	3.1%	3	2.9%		
Others	19	1.4%	15	0.8%	565	12.7%	436	20.5%		
Worldwide total	39,405	24.6%	19,292	13.7%	2,209	2.4%	1,298	2.4%		