

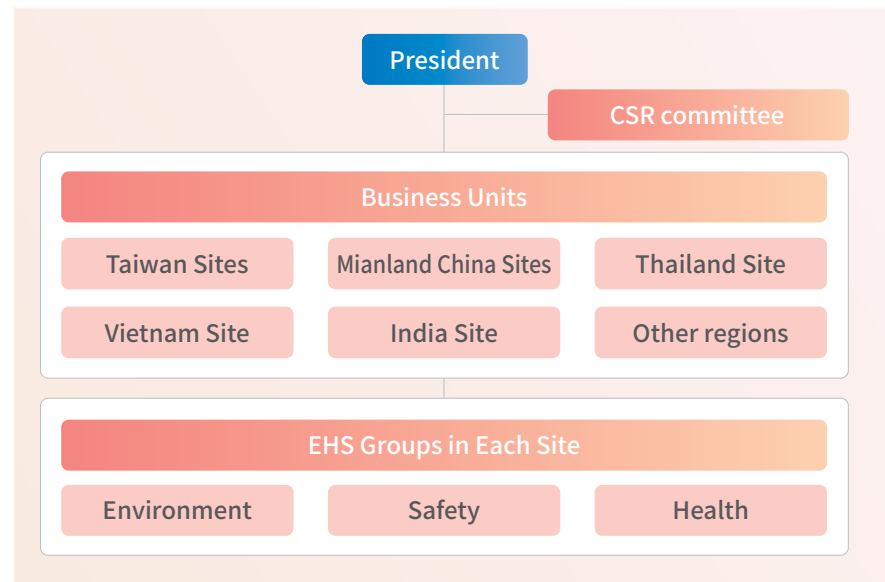
## 4.6.2 Occupational Health and Safety

LITEON 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. LITEON 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 President results in areas including overall conditions of plants in the group and occupational health and safety.

LITEON establishes the rights and obligations regarding occupational health, safety, and hygiene in employee contracts and health and safety guidelines. LITEON 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

### LITEON's Occupational Safety and Health Organization



### Occupational safety and health management system

To protect workers' safety in the workplace, LITEON, 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 LITEON'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

LITEON 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 LITEON'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 2020.

## Occupational health services

LITEON provides pre-employment checkups for new hires as well as regular physical examinations for active employees. LITEON has installed nurses and emergency care staff in all plants to ensure necessary measures are taken in case of emergency. LITEON 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 follow up 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 plac
- To provide necessary medical assistance in case of emergency



### Health campaigns

- prevention of cardiovascular diseases
- obesity
- Food safety and other health issues



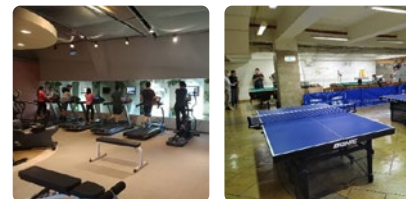
### Monitoring of working environment in Taiwan

- Monitor the working environment according to the Workplace Inspection Guidelines and other applicable regulations



### Health and safety checks in plants

- Onsite inspectors make health and safety rounds to check and give instructions in plants



### Fitness center

#### Mainland 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

- LITEON worked with medical institutions and hired professional nutritionists to hold a weight loss campaign. The company invited employees whose BMI exceeded the recommended limits to learn about proper diet and healthy exercise as a means to lose weight and avoid obesity related diseases. The campaign also supported charities as the company made donations in proportion to employees' final weight loss.

Number of participants	82
Total weight loss	261kg
Body fat reduction	112%
Lost 3% weight or more	57
Charitable donations	NTD 526,000 (as of Sept. 30 <sup>th</sup> )



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

Most LITEON's production sites are located in Taiwan, Mainland China, Thailand, Vietnam, and India. 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 Mainland China or Thailand, LITEON 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 LITEON's global locations, and the key issues discussed in 2020.

Region	Taiwan	Mainland China	Thailand	India	Vietnam
Employee representatives on the occupational health and safety committee (%)	45%	Not applicable	Not applicable	Not applicable	Not applicable
Key issues discussed	1. Occupational health and safety training 2. Health examination and management 3. Hazard prevention measures	- Machinery safety and protective measures - Chemical safety measures - Fire safety and drills	- Occupational health and safety training - Machinery safety and protective measures - Chemical safety measures	- Occupational health and safety training - Machinery safety and protective measures - Chemical safety measures	- Occupational health and safety training - Machinery safety and protective measures - Chemical safety measures
Notes	The committee has 38 members; 17 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.			

## Worker training in occupational health and safety

LITEON 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.

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.



Health and safety training



Fire safety training



CPR & AED training



Training on other first-aid equipment



## Worker health promotion

LITEON values a culture of health. Every month, the company sends health e-Newsletters 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 LITEON Magazine to promote health and safety and prevent hazards as needed. LITEON 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, LITEON 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 LITEON employees, LITEON 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.

## Workers covered by occupational safety and health management system

Workers covered by LITEON 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 LITEON 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 LITEON's facilities. Therefore, they are not counted in "miscellaneous workers who are not employees".



Contractor safety awareness



Contractor safety monitoring

## 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, LITEON tracks statistics on occupational injuries as follows:

- Vietnam and India plants were added to the disclosure for 2020. The global disabling injury frequency rate was 0.69, and the global disabling injury severity rate was 8.

- Before the addition of India and Vietnam plants in 2020, the disabling injury frequency rate was 0.73, up by 7.3% compared to 2019. 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. 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. The disabling injury severity rate was 8, down by 53% compared to 2019.

## Number of operators, working hours, and occupational injury statistics

Year	Region	Subject	Total work hours	Disabling injury frequency rate (FR)	Disabling injury severity rate (SR)	Occupational disease rate	Occupational deaths
2019	Taiwan	Employees	7,872,717	0.63	13	0	0
		Miscellaneous workers	21,373	0	0	0	0
	Mainland China	Employees	89,574,376	0.73	19	0	0
		Miscellaneous workers	5,238,928	0	0	0	0
	Thailand	Employees	445,205	0	0	0	0
		Miscellaneous workers	0	0	0	0	0
	Total 2019		97,892,298	0.68	17	0	0
2020	Taiwan	Employees (male)	4,789,824	0.2	7	0	0
		Employees (female)	2,479,880	0	0	0	0
		Miscellaneous workers (male)	132,392	0	0	0	0
		Miscellaneous workers (female)	241,072	0	0	0	0

Year	Region	Subject	Total work hours	Disabling injury frequency rate (FR)	Disabling injury severity rate (SR)	Occupational disease rate	Occupational deaths
2020	Mainland China	Employees (male)	33,052,320	0.96	15	0	0
		Employees (female)	24,022,656	0.33	4	0	0
		Miscellaneous workers (male)	9,682,848	1.23	0	0	0
		Miscellaneous workers (female)	5,259,744	0.57	0	0	0
	Thailand	Employees (male)	888,432	2.25	0	0	0
		Employees (female)	3,344,568	1.19	19	0	0
		Miscellaneous workers (male)	0	0	0	0	0
		Miscellaneous workers (female)	0	0	0	0	0
	India	Employees (male)	556,248	0	0	0	0
		Employees (female)	33,712	0	0	0	0
		Miscellaneous workers (male)	2,010,680	0	0	0	0
		Miscellaneous workers (female)	0	0	0	0	0
	Vietnam	Employees (male)	1,261,120	0	0	0	0
		Employees (female)	1,440,320	0	0	0	0
		Miscellaneous workers (male)	0	0	0	0	0
		Miscellaneous workers (female)	0	0	0	0	0
Total 2020 (excluding India and Vietnam)			83,893,736	0.73	8	0	0
Total 2020			89,195,816	0.69	8	0	0

Note: 1. The focus for the current year was to obtain complete data on "miscellaneous workers", and contractor data were therefore not disclosed. Contractor data are expected to be disclosed in the 2021 annual report.

2. Formula:

- Disabling injury frequency rate (FR) = Number of disabling injuries × 1,000,000 / Total work hours elapsed [per million work hours]
- Disabling injury severity rate (SR) = Total work days lost × 1,000,000 / Total work hours elapsed [per million work hours]
- Occupational disease rate = Number of workers contracting occupational diseases × 1,000,000 / Total work hours elapsed [per million work hours]
- Total work hours = Number of employees in the region x Number of working days in the year x Number of working hours in a day